Process through the IURC 30-Day Filing Procedure

RE: Filing for a change in the purchased power cost adjustment

Dear Mr. Borum:

On October 1, 2011, Hoosier Energy will start billing the wholesale power rate described in the enclosed October 1, 2011 Standard Wholesale Tariff and a wholesale power cost tracker as listed on the enclosed October 1, 2011 – December 31, 2011 Power Cost Tracker to Jackson County REMC.

Accordingly, Jackson County REMC would like to revise its Purchased Power Adjustment (Appendix “A”) to $0.007543 per kWh effective October 1, 2011 as calculated on the enclosed Schedule B-2. In addition, Jackson County REMC would like to set its Fuel Cost Charge (Appendix “FC”) to $(0.009627) per kWh effective October 1, 2011.

Yours truly,

Mark A. McKinney
Project Manager

Enclosures:
Schedule B-1 Verified Statement in Support of Change in Schedule of Rates
Revised Appendix “A”
Computation of Tracking Factor - Schedule B-2
Enclosures: (Continued)
Worksheet ‘B’ – Test Year Ending June 2011 Cost of Power
Worksheet ‘R’ – kWh Sales - 12 Months Ending June 2011
Hoosier’s Standard Wholesale Tariff (Effective April 1, 2010)
Hoosier Energy Appendix PC (Effective April 1, 2010)
Hoosier’s Standard Wholesale Tariff (Effective October 1, 2011)
Hoosier Energy Appendix PC (Effective October 1, 2011)
Verified Application and Affidavit for Change in Fuel Cost Adjustment
Revised Appendix “FC”
Hoosier Energy REC, Inc. Power Cost Tracker (Exhibit “A”)
Hoosier energy REC, Inc. Power Cost Tracker Summary
Worksheet ‘A’ – Fuel Cost Adjustment Credit Calculation (Filed July 25, 2011)
Verified Statement of Customer Notifications
  Legal Notice Cover Letter
  Legal Notice
  News Release

cc: Office of the Utility Consumer Counselor (OUCC)
VERIFIED STATEMENT IN SUPPORT OF CHANGE IN SCHEDULE OF RATES

TO THE INDIANA UTILITY REGULATORY COMMISSION:

1. Jackson County Rural Electric Membership Corporation, P.O. Box K, Brownstown, IN, under and pursuant to the Indiana Utility Regulatory Commission Act, as amended, and Commission Order in Cause No. 34614, hereby files with the Indiana Utility Regulatory Commission for its approval, an increase in its schedule of rates for electricity sold in the amount of $0.007543 per kilowatt hour (KWH) effective October 1, 2011.

2. The accompanying changes in schedules of rates are based solely upon the change in the cost of purchased power, purchased by this utility computed in accordance with the Indiana Utility Regulatory Commission Order in Cause No. 34614 dated December 17, 1976.

3. All of the matters and facts stated herein and in the attached exhibits are true and correct. If approved, this change of rate shall take effect for the next particle consumption period following the date of such approval.

Jackson County Rural Electric Membership Corporation

By:  

James E. Wheatley, Manager

STATE OF INDIANA  )
COUNTY OF JACKSON  )

Personally appeared before me, a Notary Public in and for said county and state, this 5th day of August, 2011, James E. Wheatley, who, after having been duly sworn according to law, stated that he is the Manager of Jackson County Rural Electric Membership Corporation; that he has read the matters and facts stated above, and in all exhibits attached hereto, and that the same are true; that he is duly authorized to execute this instrument for and on behalf of the applicant herein.

Betty Sue Baute  
(Betty Sue Baute) Notary Public

County of residence: Jackson

My commission expires: November 10, 2014
Appendix “A”

**Purchased Power Adjustment** – The purchased power adjustment in rate schedules “A”, “G”, “P”, and “R” shall be on the basis of a purchased power cost adjustment tracking factor occasioned solely by changes in the cost of purchased power, in accordance with the order of the Indiana Utility Regulatory Commission, approved December 17, 1976, in cause No. 34614, as follows.

Rate Adjustment Applicable to the Above-Listed Rate Schedules Effective October 1, 2011

$0.007543 per kWh used each month

**Fuel Cost Adjustment** – The fuel cost adjustment in dollars per kWh shall be the same as that most recently billed to Jackson County Rural Electric by its purchased power supplier less $0.000000, such difference to be divided by one minus the total energy losses of the utility for the preceding year.

**Change in Fuel Cost Charge** – The above rates are subject to change in fuel cost charge in accordance with IC-8-1-2-1 et. seq., as amended. The change in fuel cost charge is stated in Appendix “FC”, is applicable hereto, and is issued and effective on the date shown on Appendix “FC”.

Filed with IURC August 5, 2011
Computation of Tracking Factor - Schedule B-2
(Per Hoosier's October 1, 2011 Tariff)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cost of purchases 12 months ending June 2011 (October 1, 2011 Tariff)</td>
<td>$40,485,096.50</td>
</tr>
<tr>
<td>2</td>
<td>Cost of purchases 12 months ending June 2011 (April 1, 2010 Tariff)</td>
<td>39,780,330.78</td>
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<tr>
<td>3</td>
<td>Change in Purchased Power Cost: (1) - (2)</td>
<td>704,765.72</td>
</tr>
<tr>
<td>4</td>
<td>Change in Utility Receipts Taxes: (3) * 1.40%</td>
<td>9,866.72</td>
</tr>
<tr>
<td>5</td>
<td>Change in Revenue Requirements: (3) * (4)</td>
<td>714,632.44</td>
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<td>6</td>
<td>Total Metered KWH Sales: Test Year (12 months ending June 2011)</td>
<td>482,080,852</td>
</tr>
<tr>
<td>7</td>
<td>Base rate roll-in: (5) / (6)</td>
<td>0.001482</td>
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<tr>
<td>8</td>
<td>Fuel Clause Revenue (corresponding to line 2 fuel costs)</td>
<td>2,922,094.45</td>
</tr>
<tr>
<td>9</td>
<td>Fuel Roll-in: (8) / (6)</td>
<td>0.006061</td>
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<tr>
<td>9.1</td>
<td>Roll-in of fuel clause base offset: (14) / (1-line losses)</td>
<td>-</td>
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<tr>
<td>10</td>
<td>Tracking factor total roll-in: (7) + (9) + (9.1)</td>
<td>$0.007543</td>
</tr>
</tbody>
</table>

Revised Fuel Clause Base:

11. Fuel clause charges (new rates) | - |
12. Total kWh purchased (12 months ending June 2011) | 509,964,127 |
13. Revised fuel clause base: (11) / (12) | - |
14. Offset to bring revised base to zero | - |
### Test Year Ending June 2011 Cost of Power at Hoosier's Current April 1, 2010 Tariff

<table>
<thead>
<tr>
<th>Month/Year</th>
<th>Billed Substation &amp; Radial Line Demand 1 (kW)</th>
<th>Billed Production Demand 2 (kW)</th>
<th>Billed Transmission Demand 3 (kW)</th>
<th>Billed On-Peak Energy (kWh)</th>
<th>Billed Off-Peak Energy (kWh)</th>
<th>Billed Excess Net kWhR</th>
<th>Appendix PC Roll-in/ Defassa Roll-in</th>
<th>Billed Excess kWhR</th>
<th>Hoosier Misc. Billing Adj.</th>
<th>Total Bill $</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2011</td>
<td>93,493</td>
<td>90,426</td>
<td>90,426</td>
<td>14,534,850</td>
<td>22,890,662</td>
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<td>May 2011</td>
<td>87,855</td>
<td>122,096</td>
<td>83,798</td>
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<td>32,947,491</td>
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<tr>
<td>April 2011</td>
<td>80,490</td>
<td>122,096</td>
<td>70,765</td>
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<td>March 2011</td>
<td>93,674</td>
<td>122,096</td>
<td>96,911</td>
<td>41,501,694</td>
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<td>0</td>
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<tr>
<td>February 2011</td>
<td>126,164</td>
<td>124,195</td>
<td>124,195</td>
<td>9,528,082</td>
<td>37,16,474</td>
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<tr>
<td>January 2011</td>
<td>123,003</td>
<td>112,855</td>
<td>112,855</td>
<td>11,467,487</td>
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<tr>
<td>December 2010</td>
<td>132,234</td>
<td>126,244</td>
<td>129,244</td>
<td>12,039,045</td>
<td>49,346,412</td>
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<td>November 2010</td>
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<td>98,919</td>
<td>79,021</td>
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<td>October 2010</td>
<td>73,615</td>
<td>98,919</td>
<td>50,691</td>
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<td>September 2010</td>
<td>89,583</td>
<td>98,919</td>
<td>95,226</td>
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<td>August 2010</td>
<td>108,572</td>
<td>105,751</td>
<td>105,751</td>
<td>17,484,985</td>
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<td>July 2010</td>
<td>151,494</td>
<td>96,448</td>
<td>96,448</td>
<td>16,795,392</td>
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### Test Year Ending June 2011 Cost of Power at Hoosier's October 1, 2011 Tariff (pro-forma)

<table>
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<tr>
<th>Month/Year</th>
<th>Billed Substation &amp; Radial Line Demand 1 (kW)</th>
<th>Billed Production Demand 2 Summer kW (kW)</th>
<th>Billed Production Demand 2 Winter kW (kW)</th>
<th>Billed Transmission Demand 3 kW (kW)</th>
<th>Billed On-Peak Energy kWh (kWh)</th>
<th>Billed Off-Peak Energy kWh (kWh)</th>
<th>Billed Excess Net kWhR</th>
<th>Appendix PC Roll-in/ Defassa Roll-in</th>
<th>Billed Excess kWhR</th>
<th>Hoosier Tracker</th>
<th>Hoosier Misc. Billing Adj.</th>
<th>Total Bill $</th>
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<tbody>
<tr>
<td>June 2011</td>
<td>$15,267.40</td>
<td>$89,666.10</td>
<td>$323,725.08</td>
<td>$1,102,119.94</td>
<td>$1,444,795.19</td>
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<td>May 2011</td>
<td>$16,136.00</td>
<td>$83,250.80</td>
<td>$299,066.84</td>
<td>$1,102,119.94</td>
<td>$1,444,795.19</td>
<td>$214,494.34</td>
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<tr>
<td>April 2011</td>
<td>$14,882.00</td>
<td>$83,250.80</td>
<td>$253,336.70</td>
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<td>$214,494.34</td>
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<tr>
<td>March 2011</td>
<td>$16,552.20</td>
<td>$83,250.80</td>
<td>$321,691.38</td>
<td>$1,102,119.94</td>
<td>$1,444,795.19</td>
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<td>February 2011</td>
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<td>$444,618.10</td>
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<tr>
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<td>December 2010</td>
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<td>$282,895.18</td>
<td>$1,339,060.15</td>
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<tr>
<td>November 2010</td>
<td>$162,072.00</td>
<td>$674,325.15</td>
<td>$1,056,607.30</td>
<td>$179,069.48</td>
<td>$2,555,116.99</td>
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<td>October 2010</td>
<td>$132,030.40</td>
<td>$213,056.38</td>
<td>$1,174,094.74</td>
<td>$197,983.83</td>
<td>82.55</td>
<td>$3,994,728.67</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>September 2010</td>
<td>$161,249.40</td>
<td>$300,044.64</td>
<td>$1,174,094.74</td>
<td>$197,983.83</td>
<td>82.55</td>
<td>$3,994,728.67</td>
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<td>0</td>
<td>0</td>
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<td>August 2010</td>
<td>$195,429.60</td>
<td>$378,598.58</td>
<td>$1,336,524.03</td>
<td>$970,090.12</td>
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<tr>
<td>July 2010</td>
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<td>$1,091,720.48</td>
<td>$1,038,263.91</td>
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</tbody>
</table>

### Worksheet 'B'

Date Received: August 8, 2011  
IURC 30-Day Filing No: 2888  
Indiana Utility Regulatory Commission
Worksheet "R"

**kWh Sales - 12 months ending June 2011**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate 'A' kWh Sold - New</td>
<td>27,693,929</td>
<td>22,165,916</td>
<td>27,062,509</td>
<td>31,352,531</td>
<td>48,016,854</td>
<td>50,092,981</td>
<td>42,891,927</td>
</tr>
<tr>
<td>Rate 'A' kWh Adjustment *</td>
<td>(7,570)</td>
<td>(37,853)</td>
<td>3,704</td>
<td>6,187</td>
<td>14,324</td>
<td>119,487</td>
<td>(5,804)</td>
</tr>
<tr>
<td>Rate 'G' kWh Sold - New</td>
<td>7,003,754</td>
<td>5,934,329</td>
<td>6,398,807</td>
<td>5,852,647</td>
<td>7,027,770</td>
<td>6,740,052</td>
<td>6,314,657</td>
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<tr>
<td>Rate 'G' kWh Adjustment *</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Metered &amp; Billed kWh Total</td>
<td>34,697,683</td>
<td>28,100,245</td>
<td>33,461,316</td>
<td>37,205,178</td>
<td>55,044,624</td>
<td>56,833,033</td>
<td>49,506,584</td>
</tr>
<tr>
<td>* Adj. kWh Total</td>
<td>0</td>
<td>(7,570)</td>
<td>(37,853)</td>
<td>3,704</td>
<td>6,187</td>
<td>14,324</td>
<td>119,487</td>
</tr>
<tr>
<td>Total Metered kWh Sales</td>
<td>34,697,683</td>
<td>28,092,675</td>
<td>33,423,463</td>
<td>37,208,882</td>
<td>55,050,811</td>
<td>56,847,357</td>
<td>49,826,071</td>
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</tbody>
</table>

* Adj. kWh Total is calculated the following month to adjust for calendar month kWh values.

---

**Retail Power Billing Month ==>**

<table>
<thead>
<tr>
<th>November 2010</th>
<th>October 2010</th>
<th>September 2010</th>
<th>August 2010</th>
<th>July 2010</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate 'A' kWh Sold - New</td>
<td>26,281,035</td>
<td>22,092,623</td>
<td>28,713,785</td>
<td>38,681,985</td>
<td>34,353,004</td>
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<tr>
<td>Rate 'A' kWh Adjustment *</td>
<td>(4,155)</td>
<td>(45,846)</td>
<td>(66,112)</td>
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<tr>
<td>Rate 'G' kWh Sold - New</td>
<td>6,741,746</td>
<td>6,806,472</td>
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<td>8,356,931</td>
<td>7,597,546</td>
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<td>Rate 'G' kWh Adjustment *</td>
<td>0</td>
<td>(72,400)</td>
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<td>0</td>
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<tr>
<td>Metered &amp; Billed kWh Total</td>
<td>33,022,781</td>
<td>28,898,095</td>
<td>36,415,623</td>
<td>47,038,916</td>
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<td>* Adj. kWh Total</td>
<td>(5,904)</td>
<td>(4,155)</td>
<td>(118,249)</td>
<td>(66,112)</td>
<td>2,095</td>
</tr>
<tr>
<td>Total Metered kWh Sales</td>
<td>33,016,977</td>
<td>28,893,940</td>
<td>36,297,574</td>
<td>46,972,804</td>
<td>41,952,615</td>
</tr>
</tbody>
</table>
HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

STANDARD WHOLESALE TARIFF

Availability

This Standard Wholesale Tariff is available to all member cooperatives of Hoosier Energy Rural Electric Cooperative, Inc. (Hoosier Energy) for redistribution and resale of energy and demand. Hoosier Energy shall provide electric energy and demand at transformation voltage of approximately 12.5/7.2 kV.

Applicability

This Tariff is applicable only to those member cooperatives that have executed a power supply contract with Hoosier Energy or execute such a contract subsequent to the effective date of this Tariff. This Tariff shall apply to each delivery point separately.

Hoosier Energy reserves the right to decline to serve any new load of more than 10,000 kilowatts under this Tariff.

Effective Date

This Tariff shall become effective on April 1, 2010, and shall remain in effect until revised, amended, or otherwise changed by Hoosier Energy's Board of Directors.

Monthly Rate

Demand Charges:

Production:
- Summer: $9.85 per kW of Summer Coincident Peak Demand
- Winter: $6.80 per kW of Winter Coincident Peak Demand

Transmission: $3.58 per kW of Coincident Demand

Substation & Radial Line: $1.80 per kW of Billing Non-Coincident Demand
Energy Charge:
On-Peak $0.06500 per all kWh
Off-Peak $0.03400 per all kWh

Excess Net kVARh charge: $0.00616 per kVARh per month

Summer Coincident Demand

For the months of June through August, Summer Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point’s clock-hour demand that is coincident with Hoosier Energy’s system peak demand occurring during Load Control Periods within the On-Peak Demand Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.

For the months of September through November, Summer Coincident Demand is the average of the Summer Coincident Demands for the preceding months of June through August.

Winter Coincident Demand

For the months of December through February, Winter Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point’s clock-hour demand that is coincident with Hoosier Energy’s system peak demand occurring during Load Control Periods within the On-Peak Demand Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.

For the months of March through May, Winter Coincident Demand is the average of the Winter Coincident Demands for the preceding months of December through February.

2010 Implementation

For only the months of April through May, 2010, Winter Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point’s clock-hour demand that is coincident with Hoosier Energy’s system peak demand during the On-Peak Demand Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.

Coincident Demand

Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point’s clock-hour demand that is coincident with Hoosier Energy’s system peak demand during the On-Peak Demand Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.
Load Control Period

A load control period is any time during a billing month in which Hoosier Energy dispatches the load control (or demand response) resources.

Non-Coincident Demand

Non-Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point’s highest kW demand for any fixed 30-minute period during the billing month.

Billing Non-Coincident Demand

Billing Non-Coincident Demand at each member delivery point in the month of billing shall be the delivery’s point non-coincident demand adjusted for the power factor as required.

Energy

On-Peak:

On-Peak - For the months of June through August, excluding Independence Day, On-Peak Energy shall be all kilowatt-hours used during the period 11:00 a.m. to 9:00 p.m. – Monday through Friday, E.S.T., daily.

For the months of December through February, excluding Christmas and New Years Day, On-Peak Energy shall be all kilowatt-hours used during the periods 7:00 a.m. to 10:00 a.m. and 6:00 p.m. to 9:00 p.m. – Monday through Friday, E.S.T., daily.

Off-Peak:

Off-Peak Energy shall be all kilowatt-hours used during all hours other than on-peak hours as described above.

Power Factor Adjustment

If the power factor (leading or lagging) at the time of the Non-Coincident Demand is determined to be less than 97%, the Non-Coincident Demand shall be adjusted separately by multiplying the Non-Coincident Demand by the ratio of the current target power factor percent (97%) and the measured actual power factor percent at the time of the Non-Coincident Demand.

If the Average Monthly Power Factor (leading or lagging) is determined to be less than 95%, the “Excess Net kVARh” subject to the “Excess Net kVARh charge” is the difference between the actual measured Net kVARh amount and a calculated Net kVARh, based upon the
recorded kWh for the month and the targeted average monthly power factor of 95%. The Net kVARh calculation is based upon the standard Average Monthly Power Factor equation of:

$$\text{Average Monthly Power Factor} = \text{AMPF} = \frac{kWh}{\sqrt{kWh^2 + \text{Net kVARh}^2}}$$

$$\text{Net kVARh} = \text{kWh} \times \sqrt{\left[ 1 \div (\text{AMPF})^2 \right] - 1}$$

Minimum Monthly Charge

The minimum monthly charge for each delivery point shall be $2,500 per month plus energy charges.

Power Cost Adjustment

The Energy Charge will be adjusted by the Power Cost Tracker as listed in Appendix PC then in effect and approved for service to the member cooperatives of Hoosier Energy.

Payment Provisions

Late Payment

(a) Each member cooperative shall provide Hoosier Energy payment in full of its power bill on or before the Due Date. The Due Date is defined as the last day of the month in which the power is billed or the next succeeding business day in case the last day of said month falls on a holiday or weekend.

(b) Any power bill payment not received and made available at the financial institution designated by Hoosier Energy by the Due Date will be assessed a Late Payment Charge calculated as follows:

$$\text{Late Payment Charge} = B \times \frac{P}{100} \times \frac{N}{365} \text{ where,}$$

$$B = \text{$ amount of power bill not paid by the Due Date;}$$
$$P = \text{Prime Rate as published in the Wall Street Journal;}$$
$$N = \text{Number of days the unpaid balance is overdue.}$$

(c) For purposes of calculating each Late Payment Charge, the $ amount of unpaid power bill will not include any Late Payment Charge.
(d) For purposes of calculating each Late Payment Charge, the Prime Rate used will be that in effect as of the first delinquent day and will remain in effect until the first calendar day of the succeeding month, at which time the Prime Rate then in effect shall be the Prime Rate used.

(e) Hoosier Energy will bill the member systems for Late Payment Charges on a monthly basis and such amount will be added to the following month’s power bill.

Early Payment

(a) To facilitate efficient use of working capital funds between Hoosier Energy and each member distribution system, each member shall have the option to pay its power bill (or any portion thereof to a minimum of $100,000), in advance of the due date [the due date is defined as the last day of the month in which the power is billed or the next succeeding business day in case the last day of said month falls on a weekend or holiday]. In such instance, Hoosier Energy will discount the power bill at a market rate of interest for the number of days payment is received in advance of the due date. The discount period will begin the day funds are received and made available at the financial institution where Hoosier Energy is receiving power bill payments. The discount rate used shall be comparable to that of Hoosier Energy’s available credit line(s) at the time of prepayment.

(b) The formula for determining the discount is as follows:

$$\text{Discount} = \frac{B \times \frac{I}{100} \times \frac{N}{360}}$$

where,

- $B$ = $ amount of power bill paid in advance of due date;
- $I$ = Rate comparable to that of Hoosier Energy’s available credit line(s); and
- $N$ = Number of days from when funds are received and available to Hoosier Energy prior to the due date.

Example:

Pre-paid power bill = $300,000
Funds received and available on 16th of month
Due date is 31st of month
Rate comparable to that of Hoosier Energy’s available credit line(s) = 5.40%

$$\text{Discount} = \frac{300,000 \times 5.40}{100} \times \frac{15}{360}$$

$$\text{Discount} = \$675$$

(c) Each member system can apply the discount when submitting payment. For estimating the number of days, use the first business day following the day payment is submitted if by wire transfer and the second business day if by mail. Each system should also use the discount rate in effect the day before payment is made.
(d) Hoosier Energy will reconcile any differences to actual (to the extent material) in the subsequent month.

Terms and Conditions

This Tariff, or any part thereof, may be revised, amended, or otherwise changed from time to time by Hoosier Energy’s Board of Directors. This Tariff shall supersede and replace any previous Standard Wholesale Tariff and any previous Unbundled Tiered Wholesale Tariff used by Hoosier Energy.

Hoosier Energy will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruptions but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service.
HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

APPENDIX PC

I. Power Cost Tracker

The energy charges set forth in all Hoosier Energy rate schedules that include a Power Cost Tracker clause shall be increased or decreased on a quarterly basis, to the nearest $0.00001 per kWh, which shall be applied to members’ kWh billings during the applicable Billing Period. The Power Cost Tracker represents the difference between Current Cost per kWh \((\text{Current Cost} \div \text{Current Sales})\) and Base Cost per kWh determined for the applicable quarter in accordance with the following formula:

\[
\text{Power Cost Tracker} = \frac{\text{Current Cost}}{\text{Current Sales}} - \text{Base Cost}
\]

The Power Cost Tracker will be determined on a calendar quarter basis and applied to kWh sales to members each month.

II. Definitions

**Billing Period** – The calendar quarter for which the Power Cost Tracker is applied. The initial Billing Period is April 1, 2010 through June 30, 2010.

**Base Cost** – Equals $.03605 per kWh.


**Current Period** – The 12-month period commencing with the start of the Billing Period. For example, for the Billing Period beginning April 1, 2010, the Current Period consists of April 1, 2010 through March 31, 2011.

**Demand Side Management/Energy Efficiency Program Cost Adjustment** – All costs associated with demand side management and energy efficiency program initiatives.

**Current Sales** – Represents Energy Sales for the Current Period.

**Energy Sales** – Represents total kWh sales to members under all tariffs subject to the Power Cost Tracker and through customer-specific contracts, where applicable, and sales to Troy municipal.

**Environmental Compliance Capital Cost Adjustment** – Based upon the following formula:

\[
a \times (b + c) - d
\]
a = All costs in RUS Account No. 101.8, Plant in Service, Environmental Assets which represent cumulative environmental compliance property placed in service subsequent to December 31, 2009 and as of the Billing Period. For environmental compliance capital projects with anticipated construction periods in excess of two years, all amounts in RUS Account No. 107.8, CWIP, Environmental Assets, which represent construction work in progress on such projects, shall also be included.

b = Average interest rate for the Current Period

c = Depreciation rate for environmental compliance property for the Current Period (not applicable to CWIP)

d = Demand revenue received from non-members directly related to Environmental Compliance Capital Costs

*Environmental Compliance Fixed O&M Costs* – All amounts included in RUS Account No. 502.8 Steam Expense, 511.8 Maintenance of Structures, and 512.8 Maintenance of Boiler Plant less demand revenue received from non-members directly related to Environmental Compliance Fixed O&M Costs.

*MISO Transmission Costs* – All amounts included in RUS Account No. 561.4 Scheduling System Control and Dispatching Services, 561.8 Reliability Planning and Standards Development Services, 565 Transmission of Electricity by Others, and 575 Regional Market Expenses as charged by MISO.

*Variable Production Costs* – Defined as costs including the following:

i) All amounts in RUS Account No. 501 (Steam Generation—Fuel);

ii) All amounts in RUS Account Nos. 502.6, 503 and 504, which represent variable operation and maintenance expenses for the steam generation facilities, such as lime, limestone, ammonia and other chemicals;

iii) All amounts in RUS Account Nos. 509 and 411.8, which represents the net cost of SO$_2$ and NO$_x$ emission credits;

iv) All amounts in RUS Account No. 547 (Other Power Generation—Fuel);

v) All amounts in RUS Account No. 555 (Purchased Power) except amounts related to the AK Steel load;

vi) All amounts in RUS Account Nos. 548.6 (Other Power Generation Operations Expenses) and 553.6 (Other Power Generation Maintenance Expenses), which represent variable operation and maintenance expenses for the gas-fired generation facilities;

vii) Less energy revenue received from non-member sales.

RUS account numbers may be amended from time to time.
III. Reconciliation

Quarterly
A reconciliation adjustment shall be computed by dividing the over- or under-recovery amount outstanding at the beginning of the Billing Period by Current Sales. Tracker billings for recovery of pre-2007 costs are excluded for purposes of determining this reconciliation adjustment.
HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

STANDARD WHOLESALE TARIFF

Availability

This Standard Wholesale Tariff is available to all member cooperatives of Hoosier Energy Rural Electric Cooperative, Inc. (Hoosier Energy) for redistribution and resale of energy and demand. Hoosier Energy shall provide electric energy and demand at transformation voltage of approximately 12.5/7.2 kV.

Applicability

This Tariff is applicable only to those member cooperatives that have executed a power supply contract with Hoosier Energy or execute such a contract subsequent to the effective date of this Tariff. This Tariff shall apply to each delivery point separately.

Hoosier Energy reserves the right to decline to serve any new load of more than 10,000 kilowatts under this Tariff.

Effective Date

This Tariff shall become effective on October 1, 2011, and shall remain in effect until revised, amended, or otherwise changed by Hoosier Energy’s Board of Directors.

Monthly Rate

Demand Charges:

<table>
<thead>
<tr>
<th>Production</th>
<th>Summer</th>
<th>$10.06 per kW of Summer Coincident Peak Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Winter</td>
<td>$7.01 per kW of Winter Coincident Peak Demand</td>
</tr>
<tr>
<td>Transmission:</td>
<td></td>
<td>$3.63 per kW of Coincident Demand</td>
</tr>
<tr>
<td>Substation &amp; Radial Line:</td>
<td></td>
<td>$1.82 per kW of Billing Non-Coincident Demand</td>
</tr>
</tbody>
</table>

Date Received: August 8, 2011
IURC 30-Day Filing No: 2888
Indiana Utility Regulatory Commission
Energy Charge:

On-Peak $0.07141 per all kWh
Off-Peak $0.04041 per all kWh

Excess Net kVARh charge: $0.00616 per kVARh per month

Summer Coincident Demand

For the months of June through August, Summer Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point’s clock-hour demand that is coincident with Hoosier Energy’s system peak demand occurring during Load Control Periods within the On-Peak Demand Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.

For the months of September through November, Summer Coincident Demand is the average of the Summer Coincident Demands for the preceding months of June through August.

Winter Coincident Demand

For the months of December through February, Winter Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point’s clock-hour demand that is coincident with Hoosier Energy’s system peak demand occurring during Load Control Periods within the On-Peak Demand Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.

For the months of March through May, Winter Coincident Demand is the average of the Winter Coincident Demands for the preceding months of December through February.

Coincident Demand

Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point’s clock-hour demand that is coincident with Hoosier Energy’s system peak demand during the On-Peak Demand Period, defined as between 7:00 a.m. and 11:00 p.m., E.S.T., daily.

Load Control Period

A load control period is any time during a billing month in which Hoosier Energy dispatches the load control (or demand response) resources.

Non-Coincident Demand

Non-Coincident Demand at each member cooperative delivery point in the month of billing shall be the delivery point’s highest kW demand for any fixed 30-minute period during the billing month.

Hoosier Energy Board of Directors
November 2010 Board Meeting

Effective: October 1, 2011
Billing Non-Coincident Demand

Billing Non-Coincident Demand at each member delivery point in the month of billing shall be the delivery’s point non-coincident demand adjusted for the power factor as required.

Energy

On-Peak:

On-Peak - For the months of June through August, excluding Independence Day, On-Peak Energy shall be all kilowatt-hours used during the period 11:00 a.m. to 9:00 p.m. – Monday through Friday, E.S.T., daily.

For the months of December through February, excluding Christmas and New Years Day, On-Peak Energy shall be all kilowatt-hours used during the periods 7:00 a.m. to 10:00 a.m. and 6:00 p.m. to 9:00 p.m. – Monday through Friday, E.S.T., daily.

Off-Peak:

Off-Peak Energy shall be all kilowatt-hours used during all hours other than on-peak hours as described above.

Power Factor Adjustment

If the power factor (leading or lagging) at the time of the Non-Coincident Demand is determined to be less than 97%, the Non-Coincident Demand shall be adjusted separately by multiplying the Non-Coincident Demand by the ratio of the current target power factor percent (97%) and the measured actual power factor percent at the time of the Non-Coincident Demand.

If the Average Monthly Power Factor (leading or lagging) is determined to be less than 95%, the “Excess Net kVARh” subject to the “Excess Net kVARh charge” is the difference between the actual measured Net kVARh amount and a calculated Net kVARh, based upon the recorded kWh for the month and the targeted average monthly power factor of 95%. The Net kVARh calculation is based upon the standard Average Monthly Power Factor equation of:

\[
\text{Average Monthly Power Factor} = \text{AMPF} = \frac{\text{kWh}}{\sqrt{\text{kWh}^2 + \text{Net kVARh}^2}}
\]

\[
\text{Net KVARh} = \text{kWh} \times \sqrt{\left[ \frac{1}{\text{AMPF}^2} \right] - 1}
\]
Minimum Monthly Charge

The minimum monthly charge for each delivery point shall be $2,500 per month plus energy charges.

Power Cost Adjustment

The Energy Charge will be adjusted by the Power Cost Tracker as listed in Appendix PC then in effect and approved for service to the member cooperatives of Hoosier Energy.

Payment Provisions

Late Payment

(a) Each member cooperative shall provide Hoosier Energy payment in full of its power bill on or before the Due Date. The Due Date is defined as the last day of the month in which the power is billed or the next succeeding business day in case the last day of said month falls on a holiday or weekend.

(b) Any power bill payment not received and made available at the financial institution designated by Hoosier Energy by the Due Date will be assessed a Late Payment Charge calculated as follows:

\[
\text{Late Payment Charge} = B \times \frac{P}{100} \times \frac{N}{365}
\]

where,

\(B\) = $ amount of power bill not paid by the Due Date;
\(P\) = Prime Rate as published in the Wall Street Journal; and
\(N\) = Number of days the unpaid balance is overdue.

(c) For purposes of calculating each Late Payment Charge, the $ amount of unpaid power bill will not include any Late Payment Charge.

(d) For purposes of calculating each Late Payment Charge, the Prime Rate used will be that in effect as of the first delinquent day and will remain in effect until the first calendar day of the succeeding month, at which time the Prime Rate then in effect shall be the Prime Rate used.

(e) Hoosier Energy will bill the member systems for Late Payment Charges on a monthly basis and such amount will be added to the following month’s power bill.
Early Payment

(a) To facilitate efficient use of working capital funds between Hoosier Energy and each member distribution system, each member shall have the option to pay its power bill (or any portion thereof to a minimum of $100,000), in advance of the due date [the due date is defined as the last day of the month in which the power is billed or the next succeeding business day in case the last day of said month falls on a weekend or holiday]. In such instance, Hoosier Energy will discount the power bill at a market rate of interest for the number of days payment is received in advance of the due date. The discount period will begin the day funds are received and made available at the financial institution where Hoosier Energy is receiving power bill payments. The discount rate used shall be comparable to that of Hoosier Energy’s available credit line(s) at the time of prepayment.

(b) The formula for determining the discount is as follows:

\[
\text{Discount} = B \times \frac{I}{100} \times \frac{N}{360}
\]

where,

- \( B \) = $ amount of power bill paid in advance of due date;
- \( I \) = Rate comparable to that of Hoosier Energy’s available credit line(s); and
- \( N \) = Number of days from when funds are received and available to Hoosier Energy prior to the due date.

Example:

Pre-paid power bill = $300,000
Funds received and available on 16\(^{th}\) of month
Due date is 31\(^{st}\) of month
Rate comparable to that of Hoosier Energy’s available credit line(s) = 5.40%

\[
\text{Discount} = \frac{300,000 \times 5.40}{100} \times \frac{15}{360}
\]

Discount = $675

(c) Each member system can apply the discount when submitting payment. For estimating the number of days, use the first business day following the day payment is submitted if by wire transfer and the second business day if by mail. Each system should also use the discount rate in effect the day before payment is made.

(d) Hoosier Energy will reconcile any differences to actual (to the extent material) in the subsequent month.
Terms and Conditions

This Tariff, or any part thereof, may be revised, amended, or otherwise changed from time to time by Hoosier Energy's Board of Directors. This Tariff shall supersede and replace any previous Standard Wholesale Tariff and any previous Unbundled Tiered Wholesale Tariff used by Hoosier Energy.

Hoosier Energy will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruptions but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service.
HOOSIER ENERGY RURAL ELECTRIC COOPERATIVE, INC.

APPENDIX PC

I. Power Cost Tracker

The energy charges set forth in all Hoosier Energy rate schedules that include a Power Cost Tracker clause shall be increased or decreased on a quarterly basis, to the nearest $0.00001 per kWh, which shall be applied to members’ kWh billings during the applicable Billing Period. The Power Cost Tracker represents the difference between Current Cost per kWh \((\text{Current Cost} \div \text{Current Sales})\) and Base Cost per kWh determined for the applicable quarter in accordance with the following formula:

\[
\text{Power Cost Tracker} = \frac{\text{Current Cost}}{\text{Current Sales}} - \text{Base Cost}
\]

The Power Cost Tracker will be determined on a calendar quarter basis and applied to kWh sales to members each month.

II. Definitions

Billing Period – The calendar quarter for which the Power Cost Tracker is applied. The initial Billing Period is October 1, 2011 through December 31, 2011.

Base Cost – Equals $0.04108 per kWh.


Current Period – The 12-month period commencing with the start of the Billing Period. For example, for the Billing Period beginning October 1, 2011, the Current Period consists of October 1, 2011 through September 30, 2012.

Demand Side Management/Energy Efficiency Program Cost Adjustment – All costs associated with demand side management and energy efficiency program initiatives.


Energy Sales – Represents total kWh sales to members under all tariffs subject to the Power Cost Tracker and through customer-specific contracts, where applicable, and sales to Troy municipal.

Environmental Compliance Capital Cost Adjustment – Based upon the following formula:

\[
a \times (b + c) - d
\]
a = All costs in RUS Account No. 101.8, Plant in Service, Environmental Assets which represent cumulative environmental compliance property placed in service subsequent to December 31, 2009 and as of the Billing Period. For environmental compliance capital projects with anticipated construction periods in excess of two years, all amounts in RUS Account No. 107.8, CWIP, Environmental Assets, which represent construction work in progress on such projects, shall also be included.

b = Average interest rate for the Current Period

c = Depreciation rate for environmental compliance property for the Current Period (not applicable to CWIP)

d = Demand revenue received from non-members directly related to Environmental Compliance Capital Costs

**Environmental Compliance Fixed O&M Costs** – All amounts included in RUS Account No. 502.8 Steam Expense, 511.8 Maintenance of Structures, and 512.8 Maintenance of Boiler Plant less demand revenue received from non-members directly related to Environmental Compliance Fixed O&M Costs.

**MISO Transmission Costs** – All amounts included in RUS Account No. 561.4 Scheduling System Control and Dispatching Services, 561.8 Reliability Planning and Standards Development Services, 565 Transmission of Electricity by Others, and 575 Regional Market Expenses as charged by MISO.

**Variable Production Costs** – Defined as costs including the following:

i) All amounts in RUS Account No. 501 (Steam Generation–Fuel);

ii) All amounts in RUS Account Nos. 502.6, 503 and 504, which represent variable operation and maintenance expenses for the steam generation facilities, such as lime, limestone, ammonia and other chemicals;

iii) All amounts in RUS Account Nos. 509 and 411.8, which represents the net cost of SO₂ and NOₓ emission credits;

iv) All amounts in RUS Account No. 547 (Other Power Generation–Fuel);

v) All amounts in RUS Account No. 555 (Purchased Power) except amounts related to the AK Steel load;

vi) All amounts in RUS Account Nos. 548.6 (Other Power Generation Operations Expenses) and 553.6 (Other Power Generation Maintenance Expenses), which represent variable operation and maintenance expenses for the gas-fired generation facilities;

vii) Less energy revenue received from non-member sales.

RUS account numbers may be amended from time to time.
III. Reconciliation

Quarterly
A reconciliation adjustment shall be computed by dividing the over- or under-recovery amount outstanding at the beginning of the Billing Period by Current Sales. Tracker billings for recovery of pre-2007 costs are excluded for purposes of determining this reconciliation adjustment.
STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED APPLICATION AND AFFIDAVIT ) CAUSE NO.__________
FOR CHANGE IN FUEL COST ADJUSTMENT )

TO THE INDIANA UTILITY REGULATORY COMMISSION:

Jackson County Rural Electric Membership Corporation (hereinafter called “Applicant”) respectfully represents and shows unto this Commission:

1. Applicant is distributing electric utility organized and existing under the laws of the State of Indiana, and has its principal office at Brownstown, Indiana. It is engaged in rendering electric utility service in the State of Indiana, and owns, operates, manages, and controls, among other things, equipment within the State of Indiana used for the transmission, delivery and furnishing of such service to the public. Applicant is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Indiana Regulatory Commission Act and other laws of the State of Indiana.

2. The name and address of Applicant’s attorney in this matter is Andrew H. Wright, 31 Public Square, Salem, Indiana. Said attorney is duly authorized to accept service papers in this cause on behalf of Applicant.

3. This application is filed, pursuant to provisions of the Indiana Utility Regulatory Commission Act, IC 1971, 8-1-2-42 (b) for the purpose of securing authorization for an approval of the change in the fuel cost adjustment charges of Applicant.

4. Applicant’s fuel charges for purchased electricity during the past month warrant the altered fuel cost adjustment multiplier as shown in the proposed Appendix “FC” attached hereto and made a part hereof the same as if incorporated herein.

Filed with the IURC August 5, 2011
5. Such altered fuel cost adjustment multiplier is calculated in accordance with the fuel cost adjustment clause formula previously filed with and approved by this Commission.

6. The cost data supporting the increase (or decrease) is shown on Exhibit “A” attached hereto and made a part hereof the same as incorporated herein.

7. The books and records of Applicant supporting such data and calculation are available for inspection and review by the Public Counselor and this Commission. WHEREFORE, Applicant respectfully prays that the Indiana Utility Regulatory Commission of Indiana accept this application for filing and approve the requested change.

   i) authorizing and approving the increase (or decrease) in its existing fuel cost adjustment charges based upon the costs of fuel shown by said Appendix “FC” hereto applicable to Applicant’s rate schedules which Applicant has filed with or which have been approved by the Commission:

   ii) authorizing such increase (or decrease) to be effective on all bills rendered by Applicant for electricity subsequent to the date of the Commission’s approval; and

   iii) making such other and further orders in the premises as the Commission may deem appropriate and proper.

Dated this 5th day of August 2011

By (James E. Wheatley, Manager)
Andrew H. Wright  
Attorney for:  
Jackson County Rural Electric Membership Corporation

STATE OF INDIANA  )  
) SS:  
COUNTY OF JACKSON )

James E. Wheatley, being first duly sworn deposes and says that he is Manager of  
Jackson County Rural Electric Membership Corporation the Applicant in the above  
entitled cause; that as such officer of said corporation he has executed the foregoing application  
and has authority so to do; that he has read said application and knows the contents thereof; and  
that the statements therein contained are true to the best of his knowledge, information and  
belief.

Subscribed and sworn to  
Before me, this 5th day  
Of August 2011

[Signature]  
(James E. Wheatley)

My Commission Expires: November 10, 2014
APPENDIX "FC"

FUEL COST CHARGE REPORT
Non-generating Electric Utilities – Purchasing From One Supplier
With Line Losses Justified

Date: August 5, 2011

Name of Utility, Jackson County Rural Electric Membership Corporation

Consumption Month(s) October 2011

Billing Month(s) November 2011

Supplier, Hoosier Energy REC, Inc.

(1) Supplier’s Fuel Cost Charge billed in the month of 10/01/2011 – 12/31/2011 $(0.003240)/kWh

(2) Adjustment to Base Cost of Fuel per Appendix “A” $0.00/kWh

(3) Net Fuel cost to be recovered via Appendix “FC” $(0.003240)/kWh

(4) One minus decimal fraction of line losses for last calendar year 0.9491

(5) Final Fuel Cost Charge
    (a) Fuel Cost: $(0.003414)/kWh
    (b) Fuel Cost credit, (Worksheet “A”)$0.006213/kWh
    (c) Final Fuel Cost Charge $(0.009627)/kWh

This fuel cost charge factor must be approved by the Indiana Utility Regulatory Commission prior to the billing period to which it will be applied.

Filing Number ____ - ____ - ____

Calculation of overall Power Cost Adjustment (PCA)

Appendix “A” Purchase Power Adjustment $0.007543
Appendix “FC” Fuel Cost Charge $(0.009627)
Overall Power Cost Adjustment (PCA) $(0.002084)

Filed with IURC August 5, 2011
<table>
<thead>
<tr>
<th></th>
<th>Environmental Compliance Costs</th>
<th>MISO Transmission Costs</th>
<th>Variable Production Costs</th>
<th>Total Projected Costs</th>
<th>Energy Sales (MWh)</th>
<th>Projected Costs per MWh</th>
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<tbody>
<tr>
<td>October - December 2011</td>
<td>$1,594</td>
<td>$3,630</td>
<td>$63,735</td>
<td>$68,958</td>
<td>$1,813,207</td>
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<td>January - September 2012</td>
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<td><strong>Total</strong></td>
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<td>$261,130</td>
<td>$284,304</td>
<td>$7,182,033</td>
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<tr>
<td>Projected Cost per MWh</td>
<td>$0.89</td>
<td>$2.34</td>
<td>$36.36</td>
<td>$39.59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base Cost per MWh</td>
<td>$1.37</td>
<td>$2.37</td>
<td>$37.34</td>
<td>$41.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Cost Tracker before reconciliation adjustment per MWh</td>
<td>$(0.48)</td>
<td>$(0.03)</td>
<td>$(0.08)</td>
<td>$(1.49)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reconciliation Adjustment per MWh</td>
<td></td>
<td></td>
<td></td>
<td>$(1.75)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Cost Tracker per MWh to be billed October 1, 2011 - December 31, 2011</td>
<td></td>
<td></td>
<td></td>
<td>$(3.24)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Environmental Compliance Costs* include fixed operations, maintenance and capital costs for environmental assets placed in service and under construction (interest only for CWIP) less demand revenue received from non-members directly related to such costs.

*MISO Transmission Costs* include transmission service; regional market expenses; scheduling, system control and dispatching services; reliability planning and standards development services which are provided primarily by or through the MISO.

*Variable Production Costs* include purchased power, fuel, net costs of emission credits, and variable operations and maintenance costs at Hoosier Energy's generating facilities less energy revenue received from non-member sales.

*Reconciliation Adjustment* represents the under or (over) collected balance outstanding which will be recovered from or (returned to) members during the next 12-month period.
# Hoosier Energy REC, Inc. Power Cost Tracker Summary ($ / MWh)

<table>
<thead>
<tr>
<th>Billing Period</th>
<th>Environmental Compliance Cost Tracker</th>
<th>MISO Transmission Cost Tracker</th>
<th>Variable Production Cost Tracker</th>
<th>Reconciliation Adjustment</th>
<th>Dedicated to Defeased Lease Transaction</th>
<th>Total Power Cost Tracker</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actual</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October 1, 2009 - December 31, 2009</td>
<td>$0.35</td>
<td>$0.64</td>
<td>$8.91</td>
<td>($0.18)</td>
<td>$2.00</td>
<td>$11.72</td>
</tr>
<tr>
<td>January 1, 2010 - March 31, 2010</td>
<td>$0.37</td>
<td>$0.43</td>
<td>$8.42</td>
<td>($0.47)</td>
<td>$0.70</td>
<td>$9.26</td>
</tr>
<tr>
<td>April 1, 2010 - June 30, 2010</td>
<td>($0.37)</td>
<td>$0.17</td>
<td>($1.11)</td>
<td>($1.65)</td>
<td>$0.70</td>
<td>($2.25)</td>
</tr>
<tr>
<td>July 1, 2010 - September 30, 2010</td>
<td>($0.41)</td>
<td>$0.27</td>
<td>($0.04)</td>
<td>($2.67)</td>
<td>$0.70</td>
<td>($2.16)</td>
</tr>
<tr>
<td>October 1, 2010 - December 31, 2010</td>
<td>($0.40)</td>
<td>$0.32</td>
<td>$1.40</td>
<td>($1.57)</td>
<td>$0.70</td>
<td>$0.45</td>
</tr>
<tr>
<td>January 1, 2011 - March 31, 2011</td>
<td>($0.38)</td>
<td>$0.18</td>
<td>$1.12</td>
<td>($2.00)</td>
<td>$0.70</td>
<td>($0.38)</td>
</tr>
<tr>
<td>April 1, 2011 - June 31, 2011</td>
<td>($0.21)</td>
<td>$0.27</td>
<td>$1.83</td>
<td>($1.54)</td>
<td>$0.70</td>
<td>$1.05</td>
</tr>
<tr>
<td>July 1, 2011 - September 30, 2011</td>
<td>($0.21)</td>
<td>$0.35</td>
<td>$4.02</td>
<td>($1.72)</td>
<td>$0.70</td>
<td>$3.14</td>
</tr>
<tr>
<td>October 1, 2011 - December 31, 2011</td>
<td>($0.48)</td>
<td>($0.03)</td>
<td>($0.98)</td>
<td>($1.75)</td>
<td></td>
<td>($3.24)</td>
</tr>
<tr>
<td><strong>Projected</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January 1, 2012 - March 31, 2012</td>
<td>($0.05)</td>
<td>$0.08</td>
<td>($0.67)</td>
<td>($1.51)</td>
<td></td>
<td>($2.15)</td>
</tr>
<tr>
<td>April 1, 2012 - June 30, 2012</td>
<td>$0.44</td>
<td>$0.11</td>
<td>($0.11)</td>
<td>($0.97)</td>
<td></td>
<td>($0.53)</td>
</tr>
<tr>
<td>July 1, 2012 - September 30, 2012</td>
<td>$0.73</td>
<td>$0.14</td>
<td>$0.36</td>
<td>($0.36)</td>
<td></td>
<td>$0.87</td>
</tr>
<tr>
<td>October 1, 2012 - December 31, 2012</td>
<td>$1.19</td>
<td>$0.17</td>
<td>$1.20</td>
<td>($0.64)</td>
<td></td>
<td>$1.92</td>
</tr>
</tbody>
</table>

*Projected tracker rates are based on numerous assumptions and estimates which are variable and uncertain.

1. Approved by the Board of Directors on November 10, 2008
2. Approved by the Board of Directors on December 14, 2009
3. Effective October 1, 2011 base cost is $41.08 and the $0.70 / MWh dedicated to defeased lease transaction is included in base rates.
4. Inclusive of Power Cost Tracker Correction which was returned to members through a credit on the June, 2011 billing.
Fuel Cost Adjustment Credit Calculation

### Metered Fuel Cost Adjustment Calculations (PCA)

<table>
<thead>
<tr>
<th>Consumption Month / Billed Month</th>
<th>Metered kWh Billed</th>
<th>As Billed PCA per kWh ($)</th>
<th>Metered PCA Collected per As Billed PCA ($)</th>
<th>Corrected PCA per kWh ($)</th>
<th>Calculated Metered PCA Collected per Corrected PCA ($)</th>
<th>PCA Difference (Billed - Corrected) ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January / February</td>
<td>55,050,811</td>
<td>0.001412</td>
<td>$ 77,731.75</td>
<td>$ (0.000401)</td>
<td>$ (22,075.38)</td>
<td>$ (99,807.12)</td>
</tr>
<tr>
<td>February / March</td>
<td>37,208,882</td>
<td>0.001412</td>
<td>$ 52,538.94</td>
<td>(0.000401)</td>
<td>(14,920.76)</td>
<td>(67,459.70)</td>
</tr>
<tr>
<td>March / April</td>
<td>33,423,463</td>
<td>0.001412</td>
<td>47,193.93</td>
<td>(0.000401)</td>
<td>(13,402.81)</td>
<td>(60,596.74)</td>
</tr>
<tr>
<td>April / May</td>
<td>28,092,675</td>
<td>0.002465</td>
<td>69,248.44</td>
<td>0.001106</td>
<td>31,070.50</td>
<td>(38,177.95)</td>
</tr>
<tr>
<td>May / June (Unadjusted)</td>
<td>34,697,683</td>
<td>0.002465</td>
<td>85,529.79</td>
<td>0.001106</td>
<td>38,375.64</td>
<td>(47,154.15)</td>
</tr>
<tr>
<td>June / * July</td>
<td>37,921,567</td>
<td>0.002465</td>
<td>93,476.66</td>
<td>0.001106</td>
<td>41,941.25</td>
<td>(51,535.41)</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>226,395,081</td>
<td></td>
<td>$ 425,719.51</td>
<td></td>
<td>$ 60,988.44</td>
<td>(364,731.07)</td>
</tr>
</tbody>
</table>

*Projected Metered kWh Billed*

<table>
<thead>
<tr>
<th>Year</th>
<th>Metered kWh Billed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>36,987,574</td>
</tr>
<tr>
<td>2008</td>
<td>35,129,024</td>
</tr>
<tr>
<td>2009</td>
<td>37,617,054</td>
</tr>
<tr>
<td>2010</td>
<td>41,952,615</td>
</tr>
<tr>
<td><strong>4-Year Average kWh:</strong></td>
<td>37,921,567</td>
</tr>
</tbody>
</table>

Average Metered kWh Billed During PCA Credit Months

<table>
<thead>
<tr>
<th>Year</th>
<th>September kWh Billed</th>
<th>October kWh Billed</th>
<th>November kWh Billed</th>
<th>3-Month Total kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>41,730,074</td>
<td>32,976,118</td>
<td>35,897,223</td>
<td>110,603,415</td>
</tr>
<tr>
<td>2008</td>
<td>37,003,767</td>
<td>28,510,807</td>
<td>35,693,665</td>
<td>101,208,239</td>
</tr>
<tr>
<td>2009</td>
<td>32,538,734</td>
<td>29,999,341</td>
<td>33,453,553</td>
<td>95,991,628</td>
</tr>
<tr>
<td>2010</td>
<td>36,297,574</td>
<td>28,893,940</td>
<td>33,016,997</td>
<td>98,208,511</td>
</tr>
<tr>
<td><strong>4-Year Average kWh:</strong></td>
<td>36,892,537</td>
<td>30,095,052</td>
<td>34,515,360</td>
<td>101,502,948</td>
</tr>
</tbody>
</table>

3-Month Estimated Total Metered kWh For Calculation: **101,502,948**

Calculated Fuel Cost Adjustment Credit Amount per kWh: **$ (0.006213)**

(Total Credit Refund Amount / 3-Month Estimated Total Metered kWh)

Note: Credit will be applied to the billing months of September, October, and November 2011.
August 5, 2011

The Tribune
1215 East Tipton Street
Seymour, IN 47274

Gentlemen:

Please publish the attached legal advertisement in your newspaper. Once printed, please email me a scanned copy of the publisher’s proof of publication and mail the original publishers proof of publication to my attention as soon as possible.

Sincerely,

Mark A. McKinney
Jackson County REMC
274 East Base Road
Brownstown, IN 47220
812-358-5112 x134
mmckinney@jacksonremc.com

Enclosures:
Filing of Jackson County Rural Electric Membership Corporation For Fuel Adjustment
LEGAL NOTICE

INDIANA UTILITY REGULATORY COMMISSION

FILING OF JACKSON COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION FOR POWER COST RATE ADJUSTMENT

Notice is hereby given that on August 5, 2011, Jackson County Rural Electric Membership Corporation, and Indiana corporation with headquarters in Brownstown, Indiana, filed with the Indiana Utility Regulatory Commission (Commission) its Verified Statement in Support of a Change In Schedule of Rates under the Order given in Commission Cause No. 34614, dated December 17, 1976, for approval of a revised schedule of rates to include a purchased power adjustment of $0.007543 per metered kilowatt hour to be effective October 1, 2011 and a fuel cost adjustment pursuant to provisions of the Commission Act IC-8-1-2-42 (b) for approval of a revised schedule of rates to include a fuel cost adjustment of $(0.009627) per metered kilowatt hour to be effective October 1, 2011.

JACKSON COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION
BROWNSTOWN, INDIANA

BY JOHN TRINKLE, ITS PRESIDENT

Contact information, to which an objection should be made:
Indiana Utility Regulatory Commission
101 W. Washington Street
Suite 1500 East
Indianapolis, IN 46204-3407

Office of Utility Consumer Counselor
115 W. Washington Street
Suite 1500 South
Indianapolis, IN 46204-3407
News Release:

Jackson County REMC has asked the Indiana Utility Regulatory Commission for approval to increase its overall Power Cost Adjustment (PCA) from $(0.002905) to $(0.002084) per kWh.

The request would increase a typical Jackson REMC bill of 1,000 kWh from $107.65 to $108.47, an increase of 0.76%.

As submitted, the increase will become effective on October 1, 2011, and should first appear on bills mailed after November 1, 2011.