



Harrison County Rural Electric Cooperative

61-65 Fourth Street, PO Box 2
Woodbine, Iowa 51579-0002
Telephone: 712-647-2727

John A. Burbridge, President
F. Joe Farley, Manager/EVP

NOTICE OF RATE INCREASE

September 30, 2011

Dear Member:

On August 25, 2011, Harrison County Rural Electric Cooperative's Board of Directors approved an increase in rates and charges affecting prices for electric service that you receive. The increase will apply to your usage beginning November 1, 2011.

The increase in annual revenues will be approximately \$797,870 or 8.68%.

Although the effect of the increase on your bill will vary depending upon the type and extent of usage, the average monthly increase per customer for the primary customer classes are:

<u>Customer Class</u>	<u>Current Monthly Rate</u>	<u>+</u>	<u>Increase</u>	<u>=</u>	<u>Monthly Rate</u>	<u>Percentage Increase</u>
Multi-purpose Single-Phase	\$ 136.00		\$ 15.18		\$ 151.18	11.16%
Multi-Phase < 50 kW	\$ 292.45		\$ 60.03		\$ 352.48	20.53%
Multi-Phase > 50 kW	\$ 1,441.00		\$ 38.96		\$ 1,479.96	2.70%
Idle Service	\$ 8.66		\$ 7.17		\$ 15.83	82.79%
Interruptible Controlled Irrigation	\$ 63.62		\$ 7.13		\$ 70.75	11.21%
Irrigation	\$ 65.58		\$ 12.93		\$ 78.51	19.72%
Controlled Irrigation	\$ 79.19		\$ 15.33		\$ 94.52	19.36%
Security Lights	\$ 1.00		\$.35		\$ 1.35	35.00%

The above includes a Power Cost Adjustment clause that is further explained on the reverse side of this page.

A written explanation of current rate schedules and charges is available without charge from our local business office. If you have any questions, please contact our business office at 712-647-2727 OR 800-822-5591.

Sincerely,

John A. Burbridge,
Board President

Joe Farley,
Manager/Executive Vice President

Power Cost Adjustment Clause is a mechanism that passes thru fluctuations in cost of purchased power to our electric billing on a current basis.

Power Cost Adjustment (PCA)

A Power Cost Adjustment (PCA) charge is assessed to reflect changes in the Cooperative's wholesale power. The Board of Directors at its discretion may choose not to apply this charge.

If the Board of Directors chooses to apply this charge, the monthly charges for all rates except rates with direct billed power cost shall be increased or decreased on a uniform per kWh sold basis computed monthly as follows:

$$PCA = \frac{(A - B \pm C)}{\text{kWhs}}$$

Where:

PCA = Power Cost Adjustment (expressed in \$ per kWh) to be applied to estimated energy sales for the billing period.

A = Total estimated purchased electricity cost from all suppliers for the billing period but excluding direct billed power cost.

B = Total estimated purchased electricity cost from all suppliers including fuel which are included in the Cooperative's base rates. The base power cost is computed as:

$$B = (D)(\text{kWhs})$$

D = Base power cost in \$ per kWh sold of \$0.067364

kWhs = Total estimated energy sales for billing period excluding sales to customers with direct billed power cost.

C = Adjustment to be applied to the current monthly billing to account for differences in actual purchased electricity costs and actual PCA revenues recovered in previous periods.

The Base power cost has been reset, and in months where the actual cost of power is below this base cost of power, the PCA will create a credit on your billing.