Received: February 28, 2018
IURC 30-Day Filing No.: 50123
Indiana Utility Regulatory Commission

Via Electronic Filing

February 28, 2018

Secretary of the Commission and
Director of Electricity Division
Indiana Utility Regulatory Commission
101 W. Washington St., Suite 1500E
Indianapolis, IN 46204

RE: Annual IPL Cogeneration Filing

Under 170 IAC 1-6, the Thirty-Day Administrative Filing Procedures and Guidelines Rule, Indianapolis Power & Light Company (IPL) submits herewith for filing a revision to our Tariff No. E-17 entitled:

Rate CGS - Cogeneration and Small Power Production
3rd Revised No. 122

IPL is filing this tariff revision pursuant to 170 IAC 4-4.1, the Cogeneration and Alternate Energy Production Facilities Rule. Specifically, Section 10 requires that on or before February 28 of each year a generating electric utility shall file with the Commission a standard offer for purchase of energy and capacity at rates derived from the appropriate sections of this rule.

This tariff revision supersedes the 2nd Revised No. 122 included with IPL's annual cogeneration filing made February 28, 2017 and approved April 05, 2017. The Company's standard offer and form contract for the purchase of energy and capacity from cogeneration and alternate energy production facilities operating within IPL's service territory has not been revised since the last filing.

Only the affected tariff sheet is submitted for approval in this filing. All other tariff sheets of Rate CGS and the riders for maintenance, back-up and supplementary power remain unchanged from those previously approved.

This filing also includes a mark-up of the existing tariff sheet, and supporting documentation and assumptions consistent with prior Annual IPL Cogeneration Filings. In addition, this filing contains the Determination of Average System Losses for the Twelve Months Ended December 31, 2017, a Verified Statement by IPL concerning notification of customers regarding the proposed revision of Rate CGS, a copy of such notification, and proof of publication.

If you have any questions, please feel free to contact me at 317-261-5341, at the address on the letterhead, or at Jim.Cutshaw@aes.com

Respectfully submitted,

James L. Cutshaw
Revenue Requirements Manager

Enclosures

xc: Office of the Utility Consumer Counselor (via email)

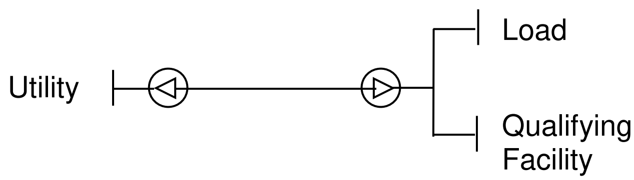
RATE CGS (Continued)

INTERCONNECTION CONDITIONS AND COSTS: (Continued)

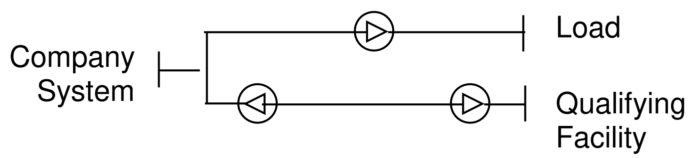
(f) (Continued)

(1) Where purchases are intended to be less than 1000 kilowatthours per month, and the Company and Qualifying Facility mutually agree, a single bidirectional meter may be placed between, at one side, the Company system and, on the other side, the Qualifying Facility and any load associated with it.

(2) Where such measurement is appropriate for measurement of energy, the circuit shall include at minimum two monodirectional meters in a series arrangement between, at one side, the Company system and, on the other side, the Qualifying Facility and any load associated with it:



(3) Where such is appropriate for measurement of energy, the circuit shall include a monodirectional meter between the on-site load and the Company and, in a series arrangement, two monodirectional meters between the Qualifying Facility and the Company system:



(4) The meter measuring purchases by the Company shall be of a design to record time periods, and shall be capable of electronically transmitting instantaneous readings.

(5) Other metering arrangements shall be the subject of negotiations between the Company and the Qualifying Facility.

RATE FOR PURCHASE:
The rate the Company will pay each Qualifying Facility for energy and capacity purchased will be established in advance by written contract with the Company as filed and approved by the Commission and will be based on the RATE FOR PURCHASE on file from time to time with the Commission, adjusted as outlined in the remaining parts of this section. Unless otherwise agreed the RATES FOR PURCHASE shall be:

(1)	Capacity	$~~7.27~~6.20 per KW per month
(2)	Energy - Peak Period	~~3.75~~3.09¢ per KWH
	- Off Peak Period	~~2.73~~2.66¢ per KWH

RATE CGS (Continued)

INTERCONNECTION CONDITIONS AND COSTS: (Continued)

(f) (Continued)

(1) Where purchases are intended to be less than 1000 kilowatthours per month, and the Company and Qualifying Facility mutually agree, a single bidirectional meter may be placed between, at one side, the Company system and, on the other side, the Qualifying Facility and any load associated with it.

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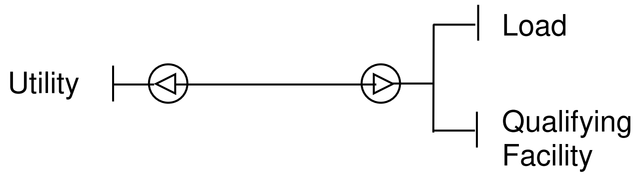

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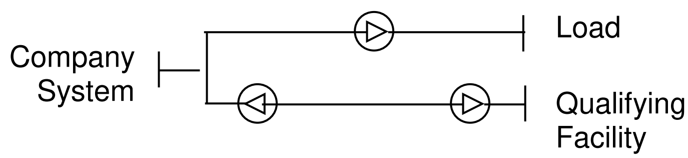

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(1)	Capacity	\$6.20 per KW per month
(2)	Energy - Peak Period	3.09¢ per KWH
	- Off Peak Period	2.66¢ per KWH

INDIANAPOLIS POWER & LIGHT COMPANY

RATES FOR PURCHASE OF CAPACITY

C	unadjusted monthly capacity payment per kW	$	6.20
C_a	adjusted monthly capacity payment	$	6.20
D	present value carrying charges $1 investment	$	1.28
V	investment avoidable unit $ per kW	$	700
n	expected life avoidable unit (years)		30
i_p	annual escalation rate for avoidable unit		2.5%
i_o	annual escalation rate O & M expense		2.5%
r	cost of capital		7.14%
O	annual O&M expense per kW avoidable unit	$	20.50
L	line losses		5.10%
t	year of the contract		1
f	carrying charge rate		10.48%
tu	in-service year avoidable unit		2018
tq	in-service year QF		2018
Y	year of capacity payment		2018

INDIANAPOLIS POWER & LIGHT COMPANY

CARRYING CHARGE RATE CALCULATION

r	rate of return	7.14%
A	Ad Valorum tax rate	1.13%
P	insurance rate	0.15%
d	sinking fund depreciation rate	1.03%

$$d = \frac{r}{(1 + r)^n - 1}$$

T	federal and state composite income tax rate	25.641%
D	book depreciation rate	3.33%
b	marginal interest rate on debt capital	5.03%
L	debt ratio	54.30%
n	service life of the deferrable unit	30

carrying charge rate = r + A + P + d + (T / (1-T)) * (r + d - D) * ((r-bL) / r) = 10.48%

INDIANAPOLIS POWER & LIGHT COMPANY

RATE OF RETURN CALCULATION
December 31, 2017

Type of Capital		Amount (000)	Percentage of Capital Structure	Marginal Cost of Capital	Weighted Cost
Long Term Debt	$	1,694,513	54.30%	5.03%	2.73%
Preferred Equity	$	59,784	1.92%	5.37%	0.10%
Common Equity	$	1,366,476	43.78%	9.85%	4.31%
	$	3,120,773	100.00%		7.14%

INDIANAPOLIS POWER & LIGHT COMPANY

ESTIMATED INVESTMENT AND O&M EXPENSES

Estimated Investment Cost per kW for Avoidable Unit

Plant Capital Cost	160 MW CT		
Total Capital Requirement (includes AFUDC)		$ 700	per kW

Annual O&M Expenses per kW for Avoidable Unit

Fixed	$ 17.00	per kW/yr
Variable	$ 3.50	per kW/yr
Total $/kW/yr	$ 20.50	

INDIANAPOLIS POWER & LIGHT COMPANY

AVOIDED ENERGY COST CALCULATION
BASED ON MIDAS GOLD PRODUCTION RUN

		On Peak Period	Off Peak Period
Avoided Cost per Midas	Per kWh	$ 0.03010	$ 0.02594
Average System Losses for Year Ended December 31, 2017		5.101%	5.101%
Line losses factor 1 / (1-(losses/2))		1.02617	1.02617
Avoided Cost adjusted for line losses	Per kWh	$ 0.0309	$ 0.0266

I N D I A N A P O L I S   P O W E R   &   L I G H T   C O M P A N Y

Determination of Average System Losses
Based on Twelve Months Ended December 31, 2017

Line No.	Description	KWH	Line No.
	Sources of Energy		
	Generation (Excludes Station Use)		
1	Coal	9,338,718,000	1
2	Gas	1,278,962,000	2
3	Other	0	3
4	**Total Net Generation**	10,617,680,000	4
5	Interchanges (Net)	3,110,924,000	5
6	Other	70,499,000	6
7	Transmission for/by Others - Wheeling (Net)	0	7
8	**Total KWH Available**	13,799,103,000	8
9	Purchases (Net) Solar	139,265,000	9
10	Citizens Purchase Power	13,124,000	10
11	**Grand Total KWH Available**	13,951,492,000	11
	Disposition of Energy		
12	Billed & Unbilled Sales to Retail Customer	13,216,392,653	12
13	Bilateral Contracts (REMC)	0	13
14	Company Use (Office, Maintenance Bldgs., etc.)	23,372,512	14
15	**Total KWH Accounted for**	13,239,765,165	15
16	Total Energy Losses (Line 12 less Line 16)	711,726,835	16
17	**Average System Losses (17 Divided by 12 in %)**	5.101%	17

Verified Statement of Indianapolis Power & Light Company (IPL)

Concerning Notification of Customers Affected by the Revision of Rate CGS

In the Annual IPL Cogeneration Filing

Indianapolis Power & Light Company complied with the Notice Requirements under 170 IAC 1-6-6 in the following manner:

- beginning on February 20, 2018 and continuing through the filing date, the attached notice was posted in the Customer Service Office at 2102 N. Illinois Street

- beginning on February 20, 2018 and continuing through the filing date, the same notice was posted on IPL's website under the Pending section of the Rates, Rules and Regulations area

- a legal notice placed in the Indianapolis Star on February 20, 2018 as evidenced by the attached Publishers Affidavit; and

- beginning on the filing date, a copy of the Annual IPL Cogeneration filing will be included on IPL's website under the Pending section of the Rates, Rules and Regulations area

I affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Dated this 28th day of February, 2018

James L. Cutshaw
Revenue Requirements Manager

LEGAL NOTICE

Notice is hereby given that on or about February 28, 2018, Indianapolis Power & Light Company expects to submit a revision to its Tariff No. E-17 entitled Rate CGS - Cogeneration and Small Power Production, 3rd Revised No. 122 ("Rate CGS"). The revision to Rate CGS will affect any customer taking electric service under the Company's standard offer and form contract for the purchase of energy and capacity from cogeneration and alternate energy production facilities operating within IPL's service territory. IPL expects approval of the filing on or about April 4, 2018.

This notice is provided to the public pursuant to 170 IAC 1-6-6. The contact information, to which an objection should be made, is as follows:

Secretary
Indiana Utility Regulatory Commission
101 W. Washington Street, Suite 1500 East
Indianapolis, Indiana 46204
Telephone:(317) 232-2700
Fax: (317) 232-6758
Email: info@urc.in.gov

Office of Utility Consumer Counselor
115 W. Washington Street, Suite 1500 South
Indianapolis, Indiana 46204
Telephone:(317) 232-2484
Toll Free: 1-888-441-2494
Fax: (317) 232-5923
Email: uccinfo@oucc.in.gov

Dated February 20, 2018

The Indianapolis Star
130 South Meridian Street
Indianapolis, IN 46225
Marion County, Indiana

Federal Id: 06-1032273

INDPLS POWER & LIGHT

Account #:INI-46410
Order #:0002738781
Total Amount of Claim:$600.70

INDPLS POWER & LIGHT
ATTN KARLA IVES
1 MONUMENT CIR
INDIANAPOLIS, IN 46204

PUBLISHER'S AFFIDAVIT

STATE OF INDIANA,
County Of Marion } **SS**:

Personally appeared before me, a notary public in and for said county and state, the undersigned

I, being duly sworn, say that I am a clerk for THE INDIANAPOLIS NEWSPAPERS a DAILY STAR newspaper of general circulation printed and published in the English language in the city of INDIANAPOLIS in state and county aforesaid, and that the printed matter attached hereto is a true copy, which was duly published in said paper for 1 times., the dates of publication being as follows:

The insertion being on the 02/20/2018

Newspaper has a website and this public notice was posted in the same day as it was published in the newspaper.

Pursuant to the provisions and penalties of Ch. 155, Acts 1953,

I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid.

Cornette Lyn

Date: 2-20, 2018 Title: **Clerk**

Subscribed and sworn to before me this 20 day of February, 2018

Diane Yager
Notary Public

DIANE S YAGER
Notary Public, State of Indiana
Marion County
Commission # 701563
My Commission Expires
June 12, 2025

NOTARY PUBLIC SEAL INDIANA

Form Prescribed by Stiatie Board of Accountis
(Rev. 2002)

General Form N89P

____
(Governmential Uniti

To: **INDIANAPOLIS STAR**

______________ Countiy Indiana________

Indianapolis, IN

PUBLISHER'S CLAIM

COMPUTATION OF CHARGES

45 lines, 2 columns wide equals 90 equivalent lines ati$6.54 per line @ 1 days,	$588.20
Websitie Publicatior	$0
Charge for proof(s) of publication	$0.00
TOTAL AMOUNT OF CLAIM	$600.70

Accti #:INI-46410
Ad #: 0002738781

DATA FOR COMPUTING COST
Widtih of single column9.5 ems
Number of insertions 1
Size of tiype 7 pointi

Claim No. __________ Warrant No. _________

IN FAVOR OF

The Indianapolis Star

Indianapolis, IN

Marion County

130 S. Meridian St. Indianapolis, IN 46225

$ ________________

On Account of Appropriation For

____

FED. ID
#06-1032273

Allowed ________________, 20_____

In the sum of $____________________

____

I certify that the within claim is true and correct; that the services there-in itemized and for which charge is made were ordered by me and were necessary to the public business.

____

____

I have examined the within claim and hereby certify as follows:

That it is in proper form.

This it is duly authenticated as required by law.

That it is based upon statutory authority.

That it is apparently (correct)
(incorrect)

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Dated February 20, 2018

S - 2/20/18 - 0002738781) hspaxlp