



Via Electronic Filing

February 27, 2015

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-16 entitled:

Rate CGS - Cogeneration and Small Power Production  
20th Revised Sheet 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 19th Revised Sheet included with IPL's revised annual cogeneration filing made February 28, 2014 and approved April 2, 2014. 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, 2014, 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 317-261-8781, at the address on the letterhead, or at [Matt.Inman@aes.com](mailto:Matt.Inman@aes.com).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Matt Inman", with a stylized flourish at the end.

Matt Inman  
Senior Regulatory Analyst

Enclosures

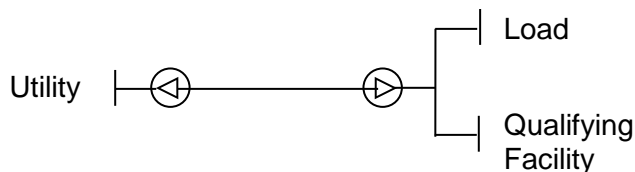
xc: Office of the Utility Consumer Counselor (via email)  
115 W. Washington St., Suite 1500 South  
Indianapolis, IN 46204

RATE CGS (Continued)

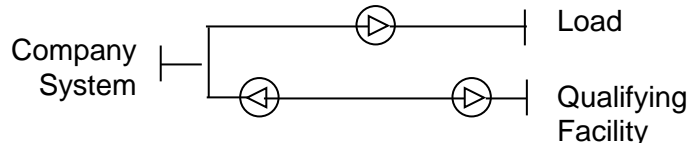
INTERCONNECTION CONDITIONS AND COSTS: (Continued)

(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             | \$7.42 per KW per month |
| (2) | Energy - Peak Period | 3.03¢ per KWH           |
|     | - Off Peak Period    | 2.69¢ per KWH           |

Indianapolis Power & Light Company  
One Monument Circle  
Indianapolis, Indiana

I.U.R.C. No. E-16

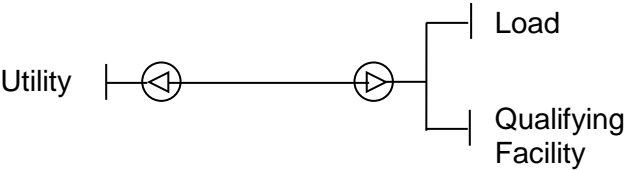
~~1920~~th Revised No. 122  
Superseding  
~~1819~~th Revised No. 122

RATE CGS (Continued)

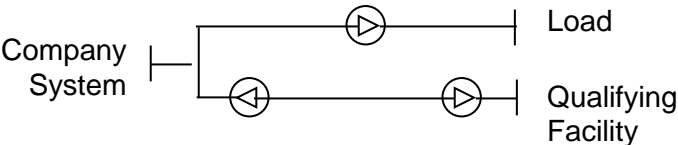
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(1)	Capacity	<del>\$7.427.39</del> per KW per month
(2)	Energy - Peak Period	<del>3.033.02</del> ¢ per KWH
	- Off Peak Period	<del>2.692.65</del> ¢ per KWH

Second step of two step increase.

Effective:

## INDIANAPOLIS POWER & LIGHT COMPANY

### RATES FOR PURCHASE OF CAPACITY

C	unadjusted monthly capacity payment per kW	\$ 7.42
C <sub>a</sub>	adjusted monthly capacity payment	\$ 7.42
D	present value carrying charges \$1 investment	\$ 1.41
V	investment avoidable unit \$ per kW	\$ 790
n	expected life avoidable unit (years)	30
i <sub>p</sub>	annual escalation rate for avoidable unit	2.5%
i <sub>o</sub>	annual escalation rate O & M expense	2.5%
r	cost of capital	8.45%
O	annual O&M expense per kW avoidable unit	\$ 12.50
L	line losses	5.69%
t	year of the contract	1
f	carrying charge rate	13.03%
tu	in-service year avoidable unit	2015
tq	in-service year QF	2015
Y	year of capacity payment	2015

## INDIANAPOLIS POWER & LIGHT COMPANY

### CARRYING CHARGE RATE CALCULATION

r	rate of return	8.45%
A	Ad Valorem tax rate	1.16%
P	insurance rate	0.15%
d	sinking fund depreciation rate	0.81%

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

T	federal and state composite income tax rate	39.388%
D	book depreciation rate	3.33%
b	marginal interest rate on debt capital	5.67%
L	debt ratio	53.84%
n	service life of the deferrable unit	30

$$\text{carrying charge rate} = r + A + P + d + (T / (1-T)) * (r + d - D) * ((r-bL) / r) = \underline{13.03\%}$$

## INDIANAPOLIS POWER & LIGHT COMPANY

### RATE OF RETURN CALCULATION

December 31, 2014

Type of <u>Capital</u>	Amount <u>(000)</u>	Percentage of <u>Capital Structure</u>	Marginal Cost <u>of Capital</u>	Weighted <u>Cost</u>
Long Term Debt	\$ 1,148,829	53.84%	5.67%	3.05%
Preferred Equity	\$ 59,784	2.80%	5.37%	0.15%
Common Equity	\$ <u>925,108</u>	<u>43.36%</u>	12.10%	<u>5.25%</u>
	\$ <u>2,133,721</u>	<u>100.00%</u>		<u>8.45%</u>

IPL's last general rate case was concluded with the Commission's approval of a Settlement Agreement. The Settlement Agreement was silent on the issue of rate of return. The Commission's Order approving the Settlement Agreement made no specific finding regarding the cost of common equity or its application in a book weighted or market weighted capital structure. Consequently, IPL and the OUCC have for many years utilized the rate of 12.1% for purposes of IPL's calculation of its AFUDC rate and its CGS rate.





## 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	\$ 0.0294	\$ 0.0261
Average System Losses for Year Ended December 31, 2014		5.687%	5.687%
Line losses factor	$1 / (1 - (\text{losses}/2))$	1.02927	1.02927
Avoided Cost adjusted for line losses	Per kWh	<span>\$ 0.0303</span>	<span>\$ 0.0269</span>

**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, 2015 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, 2015 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, 2015 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 27th day of February, 2015



Matt Inman  
Senior Regulatory Analyst

## LEGAL NOTICE

Notice is hereby given that on or about February 27, 2015, Indianapolis Power & Light Company expects to submit a revision to its Tariff No. E-16 entitled Rate CGS - Cogeneration and Small Power Production, 20<sup>th</sup> Revised Sheet 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 8, 2015.

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](mailto: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](mailto:uccinfo@oucc.in.gov)

Dated February 20, 2015

# PUBLISHER'S AFFIDAVIT

STATE OF INDIANA  
County of Marion,

} ss:  
}

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Telephone: (317) 232-2484  
Toll Free: 1-888-441-2494  
Fax: (317) 232-5923  
Email: [uccinfo@oucc.in.gov](mailto:uccinfo@oucc.in.gov)  
Dated February 20, 2015  
(S - 2/20/15 - 6189830)

Personally appeared before me, a notary public in and for said county and state, the undersigned Amanda K Dolph who, being duly sworn, says that she is Legal Advertising Coordinator of the Indianapolis Star newspaper of general circulation printed and published in the English Language in the City of Indianapolis in state and county afore-said, and that the printed matter attached hereto is a true copy, which was duly published in said paper for 1 time(s), the date(s) of publication as follows: 2/20/15

83633

46410

6189830

*Amanda K Dolph*

*[Signature]*

Subscribed and sworn to before me, this  
26th day of February, 2015

My commission expires: \_\_\_\_\_

