



March 25, 2016

Via Electronic Filing

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

RE: REVISED 30 Day Filing No. 3428

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 proposed Tariff No. E-17 entitled:

Rate CGS - Cogeneration and Small Power Production
1st Revised No. 122

This tariff revision supersedes the Original No. 122 included with IPL's Corrected Compliance Filing made on March 24, 2016.

This revised filing reflects the ROE approved for IPL in Cause Nos. 44576/44602. 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 submitted for approval.

This revised filing also includes clean and marked-up versions of the proposed tariff sheet, and supporting documentation and assumptions consistent with prior Annual IPL Cogeneration Filings.

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.

Respectfully submitted,

Matt Inman
Senior Regulatory Analyst

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

Indianapolis Power & Light Company
 One Monument Circle
 Indianapolis, Indiana

I.U.R.C. No. E-17

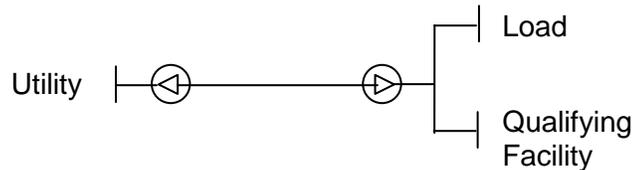
~~1st Revised Original~~ No. 122
Superseding
Original No. 122

RATE CGS (Continued)

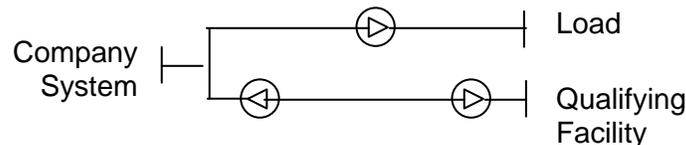
INTERCONNECTION CONDITIONS AND COSTS: (Continued)

(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 | \$ 6.437.72 per KW per month |
| (2) | Energy - Peak Period | 3.0 83 ¢ per KWH |
| | - Off Peak Period | 2. 5469 ¢ per KWH |

Indianapolis Power & Light Company
 One Monument Circle
 Indianapolis, Indiana

I.U.R.C. No. E-17

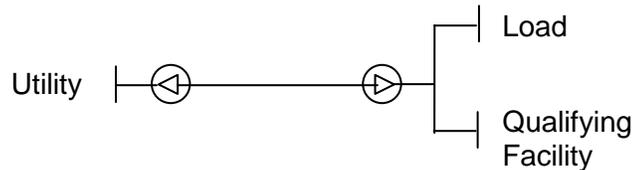
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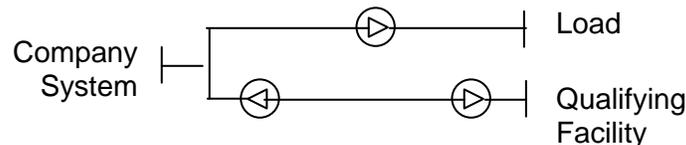
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- | | | |
|-----|----------------------|-------------------------|
| (1) | Capacity | \$6.43 per KW per month |
| (2) | Energy - Peak Period | 3.08¢ per KWH |
| | - Off Peak Period | 2.54¢ per KWH |

Effective

INDIANAPOLIS POWER & LIGHT COMPANY

RATES FOR PURCHASE OF CAPACITY

C	unadjusted monthly capacity payment per kW	\$ 6.43
C _a	adjusted monthly capacity payment	\$ 6.43
D	present value carrying charges \$1 investment	\$ 1.39
V	investment avoidable unit \$ per kW	\$ 734
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	7.39%
O	annual O&M expense per kW avoidable unit	\$ 14.13
L	line losses	5.09%
t	year of the contract	1
f	carrying charge rate	11.64%
tu	in-service year avoidable unit	2016
tq	in-service year QF	2016
Y	year of capacity payment	2016

INDIANAPOLIS POWER & LIGHT COMPANY

CARRYING CHARGE RATE CALCULATION

r	rate of return	7.39%
A	Ad Valorem tax rate	1.15%
P	insurance rate	0.15%
d	sinking fund depreciation rate	0.99%

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

T	federal and state composite income tax rate	39.144%
D	book depreciation rate	3.33%
b	marginal interest rate on debt capital	5.45%
L	debt ratio	53.57%
n	service life of the deferrable unit	30

$$\text{carrying charge rate} = r + A + P + d + (T / (1-T)) * (r + d - D) * ((r-bL) / r) = \underline{11.64\%}$$

INDIANAPOLIS POWER & LIGHT COMPANY

RATE OF RETURN CALCULATION

December 31, 2015

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	\$ 1,366,985	53.57%	5.45%	2.92%
Preferred Equity	\$ 59,784	2.34%	5.37%	0.13%
Common Equity	\$ <u>1,124,902</u>	<u>44.09%</u>	9.85%	<u>4.34%</u>
	<u>\$ 2,551,671</u>	<u>100.00%</u>		<u>7.39%</u>

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) \$ 734 per kW

Annual O&M Expenses per kW for Avoidable Unit

Fixed \$ 11.67 per kW/yr

Variable \$ 2.46 per kW/yr

Total \$/kW/yr \$ 14.13

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	\$ 0.0300	\$ 0.0248
Average System Losses for Year Ended December 31, 2015		5.088%	5.088%
Line losses factor	$1 / (1 - (\text{losses}/2))$	1.02610	1.02610
Avoided Cost adjusted for line losses	Per kWh	\$ 0.0308	\$ 0.0254