



Received: February 28, 2020
IURC 30-Day Filing No.: 50329
Indiana Utility Regulatory Commission

Via Electronic Filing

February 28, 2020

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-18 to be entitled:

Rate CGS - Cogeneration and Small Power Production
2nd 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 1st Revised No. 122 approved in IPL's annual cogeneration filing made February 28, 2019 (Cause No. 50255).

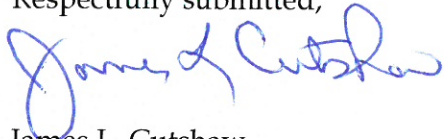
The Company's standard offer and form contract for the purchase of energy and capacity from cogeneration and alternate energy production facilities operating within IPL's service territory was revised and approved on October 29, 2019 in Cause No. 50299.

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, 2019, 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
Senior Manager, Rates & Regulations

Enclosures

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

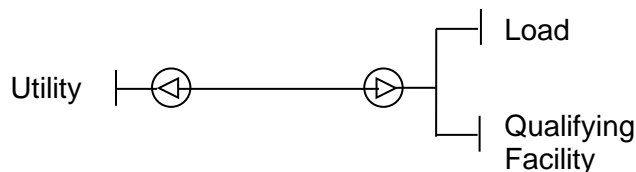
RATE CGS (Continued)

INTERCONNECTION CONDITIONS AND COSTS: (Continued)

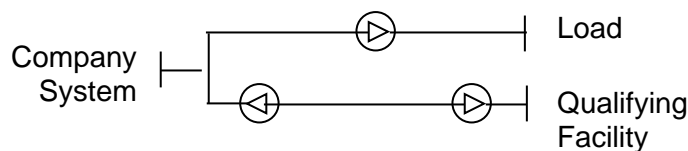
the Company for operation parallel to its system. The Qualifying Facility shall bear full responsibility for the installation and safe operation of this equipment.

- (e) Breakers capable of isolating the Qualifying Facility from the Company shall at all times be immediately accessible to the Company. The Company may isolate the Qualifying Facility at its own discretion if the Company believes continued parallel operation with the Qualifying Facility creates or contributes to a System Emergency. System Emergencies causing discontinuance of parallel operation are subject to verification by the Commission.
- (f) To properly record numbers of kilowatthours for, respectively, purchase and sale, the following configurations shall be the basis for metering:

- (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 ~~\$5,586.00~~ per KW per month
- (2) Energy - Peak Period ~~2.3579¢~~ per KWH
- Off Peak Period ~~2.2147¢~~ per KWH

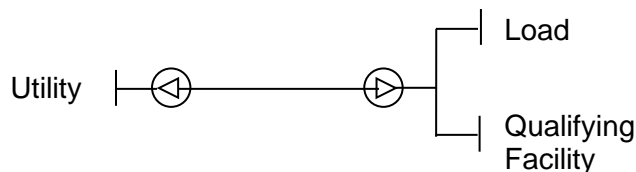
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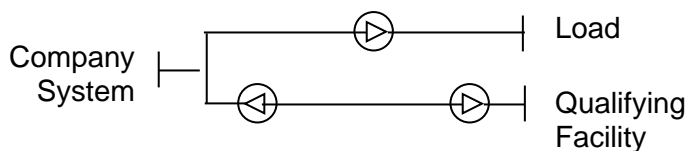
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- (1) Capacity \$5.58 per KW per month
- (2) Energy - Peak Period 2.35¢ per KWH
- Off Peak Period 2.21¢ per KWH

INDIANAPOLIS POWER & LIGHT COMPANY

RATES FOR PURCHASE OF CAPACITY

C	unadjusted monthly capacity payment per kW	\$ 5.58
C _a	adjusted monthly capacity payment	\$ 5.58
D	present value carrying charges \$1 investment	\$ 1.27
V	investment avoidable unit \$ per kW	\$ 731
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	7.25%
O	annual O&M expense per kW avoidable unit	\$ 10.36
L	line losses	5.33%
t	year of the contract	1
f	carrying charge rate	10.49%
tu	in-service year avoidable unit	2020
tq	in-service year QF	2020
Y	year of capacity payment	2020

INDIANAPOLIS POWER & LIGHT COMPANY

CARRYING CHARGE RATE CALCULATION

r	rate of return	7.25%
A	Ad Valorem tax rate	1.02%
P	insurance rate	0.15%
d	sinking fund depreciation rate	1.01%

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

T	federal and state composite income tax rate	25.246%
D	book depreciation rate	3.33%
b	marginal interest rate on debt capital	4.98%
L	debt ratio	52.91%
n	service life of the deferrable unit	30

$$\text{carrying charge rate} = r + A + P + d + (T / (1-T)) * (r + d - D) * ((r-bL) / r) = \underline{10.49\%}$$

INDIANAPOLIS POWER & LIGHT COMPANY

RATE OF RETURN CALCULATION

December 31, 2019

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	\$ 1,800,969	52.91%	4.98%	2.63%
Preferred Equity	\$ 59,784	1.76%	5.37%	0.09%
Common Equity	<u>\$ 1,543,070</u>	<u>45.33%</u>	9.99%	<u>4.53%</u>
	<u>\$ 3,403,823</u>	<u>100.00%</u>		<u>7.25%</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)

\$	731
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 per kW

Annual O&M Expenses per kW for Avoidable Unit

Fixed 7.14 per kW/yr

Variable

3.22

 per kW/yr

Total \$/kW/yr

\$	10.36
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INDIANAPOLIS POWER & LIGHT COMPANY

AVOIDED ENERGY COST CALCULATION BASED ON POWERSIMM PRODUCTION RUN

		On Peak Period	Off Peak Period
Avoided Cost per PowerSimm	Per kWh	\$ 0.02290	\$ 0.02150
Average System Losses for Year Ended December 31, 2019		5.328%	5.328%
Line losses factor	$1 / (1 - (\text{losses}/2))$	1.02737	1.02737
Avoided Cost adjusted for line losses	Per kWh	\$ 0.0235	\$ 0.0221

INDIANAPOLIS POWER & LIGHT COMPANY

Determination of Average System Losses Based on Twelve Months Ended December 31, 2019

Line No.	Description	KWH	Line No.
<u>Sources of Energy</u>			
Generation (Excludes Station Use)			
1	Coal	8,757,715,000	1
2	Gas	6,392,566,000	2
3	Other	0	3
4	Total Net Generation	15,150,281,000	4
5	Interchanges (Net)	(1,218,126,000)	5
6	Other	61,311,000	6
7	Transmission for/by Others - Wheeling (Net)	0	7
8	Total KWH Available	13,993,466,000	8
9	Purchases (Net) Solar	133,857,000	9
10	Citizens Purchase Power	14,096,420	10
11	Grand Total KWH Available	14,141,419,420	11
<u>Disposition of Energy</u>			
12	Billed & Unbilled Sales to Retail Customer	13,364,628,081	12
13	Bilateral Contracts (REMC)	0	13
14	Company Use (Office, Maintenance Bldgs., etc.)	23,301,630	14
15	Total KWH Accounted for	13,387,929,711	15
16	Total Energy Losses (Line 11 less Line 15)	753,489,709	16
17	Average System Losses (16 Divided by Line 12 in %)	5.328%	17

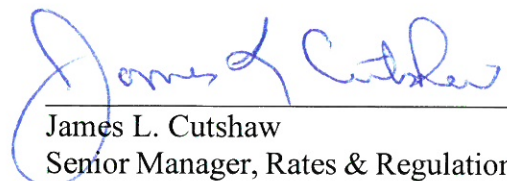
Verified Statement of Indianapolis Power & Light Company (IPL)
Concerning Notification of Customers Affected by the Revision of Rate CGS
In the Annual IPL Cogeneration Filing

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

- beginning on February 20, 2020 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, 2020 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, 2020 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, 2020


James L. Cutshaw
Senior Manager, Rates & Regulations

LEGAL NOTICE

Notice is hereby given that on or about February 28, 2020, Indianapolis Power & Light Company expects to submit a revision to its Tariff No. E-18 to be entitled Rate CGS - Cogeneration and Small Power Production, 2nd 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 1, 2020.

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, 2020

The Indianapolis Star

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

INDPLS POWER & LIGHT

Federal Id: 06-1032273

Account #:INI-46410
Order #:0004063500
of Affidavits: 2

Total Amount of Claim:\$651.18
This is not an invoice

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

PUBLISHER'S AFFIDAVIT

**STATE OF WISCONSIN, }
County Of Brown } 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 of Marion, 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 02/20/2020

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.

Matthew Allen

Date: 2/25, 2020 Title: Clerk

Subscribed and sworn to before me this 20 day of February, 2020

Shelly Hora
Notary Public

Notary Expires: 8-25-23

SHELLY HORA
Notary Public
State of Wisconsin

To: INDIANAPOLIS

STAR

(Governmental Unit)

_____ County, Indiana _____

Indianapolis, IN

48 lines, 2 columns wide equals 96 equivalent lines at \$6.52 per line @ 1 days, \$626.18

Website Publication \$0

Acct #:INI-46410
Ad #: 0004063500

Charge for proof(s) of publication \$0.00

DATA FOR COMPUTING COST

Width of single column 9.5 ems
Number of insertions 1
Size of type 7 point

TOTAL AMOUNT OF CLAIM \$651.18

Claim No. _____ Warrant No. _____
IN FAVOR OF
The Indianapolis Star
Indianapolis, IN
Marion County
130 S. Meridian St. Indianapolis, IN 46225

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)

\$ _____
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.

LEGAL NOTICE

Notice is hereby given that on or about February 28, 2020, Indianapolis Power & Light Company expects to submit a revision to its Tariff No. E-18 to be entitled Rate CG5 - Cogeneration and Small Power Production, 2nd Revised No. 122 ("Rate CG5"). The revision to Rate CG5 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 1, 2020.

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:

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Dated February 20, 2020

INI - 2/20/20 - 0004063500

hspaxlp