

Via Electronic Filing

February 28, 2022

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

RE: Annual AES Indiana Cogeneration Filing

Under 170 IAC 1-6, the Thirty-Day Administrative Filing Procedures and Guidelines Rule, Indianapolis Power & Light Company (IPL), now doing business as AES Indiana, submits herewith for filing a revision to our Tariff No. E-18 to be entitled:

Rate CGS - Cogeneration and Small Power Production  
5th Revised No. 122

AES Indiana 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 4th Revised No. 122 approved in AES Indiana's filing to update Rate CGS, effective April 14, 2021 (Cause No. 50400).

The Company's standard offer and form contract for the purchase of energy and capacity from cogeneration and alternate energy production facilities operating within AES Indiana's service territory was revised and approved on June 24, 2020 in Cause No. 50329.


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 AES Indiana Cogeneration Filings except for the use of an energy cost forecast for the period April - March instead of the calendar year to better coincide with the period the rate will be in effect. In addition, this filing contains the Determination of Average System Losses for the Twelve Months Ended December 31, 2021, a Verified Statement by AES Indiana concerning notification of customers regarding the proposed revision of Rate CGS, a copy of such notification, and proof of publication.

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If you have any questions, please feel free to contact me at 317-371-5761, at the address on the letterhead, or at Jim.Cutshaw@aes.com. In the alternative, you may also contact Austin J. Baker at 317-261-3601, or at Austin.Baker@aes.com.

Respectfully submitted,



James L. Cutshaw  
Senior Manager, Rates & Regulations

Enclosures

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

RATE CGS (Continued)

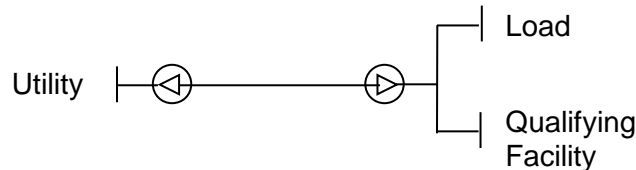
INTERCONNECTION CONDITIONS AND COSTS: (Continued)

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

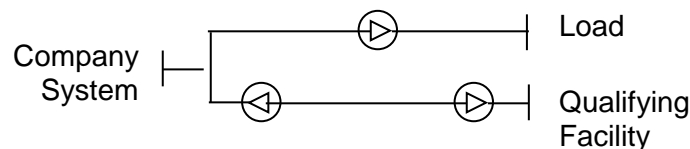
- (e) Breakers capable of isolating the Qualifying Facility from the Company shall at all times be immediately accessible to the Company. The Company may isolate the Qualifying Facility at its own discretion if the Company believes continued parallel operation with the Qualifying Facility creates or 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             | <del>\$5-665.83</del> per KW per month |
| (2) | Energy - Peak Period | <del>2-523.02</del> ¢ per KWH          |
|     | - Off Peak Period    | <del>2-262.77</del> ¢ per KWH          |

RATE CGS (Continued)

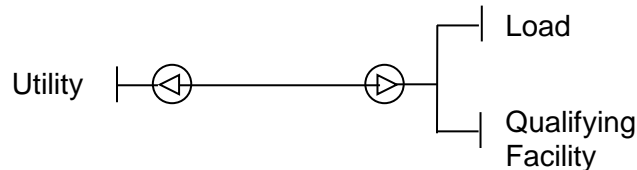
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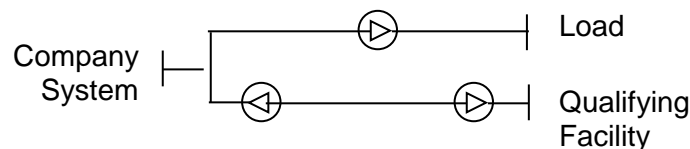
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- (1) Capacity \$5.83 per KW per month
- (2) Energy - Peak Period 3.02¢ per KWH
- Off Peak Period 2.77¢ per KWH

INDIANAPOLIS POWER & LIGHT COMPANY  
dba AES INDIANA

RATES FOR PURCHASE OF CAPACITY

C	unadjusted monthly capacity payment per kW	\$ 5.83
C <sub>a</sub>	adjusted monthly capacity payment	\$ 5.83
D	present value carrying charges \$1 investment	\$ 1.32
V	investment avoidable unit \$ per kW	\$ 751
n	expected life avoidable unit (years)	30
i <sub>p</sub>	annual escalation rate for avoidable unit	2.6%
i <sub>o</sub>	annual escalation rate O & M expense	2.6%
r	cost of capital	7.25%
O	annual O&M expense per kW avoidable unit	\$ 10.76
L	line losses	4.66%
t	year of the contract	1
f	carrying charge rate	10.87%
tu	in-service year avoidable unit	2022
tq	in-service year QF	2022
Y	year of capacity payment	2022

INDIANAPOLIS POWER & LIGHT COMPANY  
dba AES INDIANA

CARRYING CHARGE RATE CALCULATION

r	rate of return	7.25%
A	Ad Valorem tax rate	1.08%
P	insurance rate	0.45%
d	sinking fund depreciation rate	1.01%

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

T	federal and state composite income tax rate	24.871%
D	book depreciation rate	3.33%
b	marginal interest rate on debt capital	4.75%
L	debt ratio	50.78%
n	service life of the deferrable unit	30

$$\text{carrying charge rate} = r + A + P + d + (T / (1-T)) * (r + d - D) * ((r-bL) / r) = \underline{10.87\%}$$

INDIANAPOLIS POWER & LIGHT COMPANY  
dba AES INDIANA

RATE OF RETURN CALCULATION

December 31, 2021

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	\$ 1,802,391	50.78%	4.75%	2.41%
Preferred Equity	\$ 59,784	1.68%	5.37%	0.09%
Common Equity	<u>\$ 1,687,097</u>	<u>47.54%</u>	9.99%	<u>4.75%</u>
	<u>\$ 3,549,272</u>	<u>100.00%</u>		<u>7.25%</u>

INDIANAPOLIS POWER & LIGHT COMPANY  
dba AES INDIANA

AVOIDED ENERGY COST CALCULATION  
BASED ON POWERSIMM PRODUCTION RUN

		On Peak Period	Off Peak Period
Avoided Cost per PowerSimm	Per kWh	\$ 0.02950	\$ 0.02701
Average System Losses for Year Ended December 31, 2021		4.655%	4.655%
Line losses factor	$1 / (1 - (\text{losses}/2))$	1.02383	1.02383
Avoided Cost adjusted for line losses	Per kWh	\$ 0.0302	\$ 0.0277



INDIANAPOLIS POWER & LIGHT COMPANY  
dba AES INDIANA

ESTIMATED INVESTMENT AND O&M EXPENSES

Estimated Investment Cost per kW for Avoidable Unit

Plant Capital Cost      237 MW CT-Industrial Frame

Total Capital Requirement (includes AFUDC)    

\$	751
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 per kW

Annual O&M Expenses per kW for Avoidable Unit

Fixed      7.42    per kW/yr

Variable      

3.34
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 per kW/yr

Total \$/kW/yr      

\$	10.76
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# INDIANAPOLIS POWER & LIGHT COMPANY

## Determination of Average System Losses Based on Twelve Months Ended December 31, 2021

Line No.	Description	KWH	Line No.
<b><u>Sources of Energy</u></b>			
<b>Generation (Excludes Station Use)</b>			
1	Coal	8,314,735,000	1
2	Gas	3,198,722,000	2
3	Other	0	3
4	<b>Total Net Generation</b>	11,513,457,000	4
5	Interchanges (Net)	1,803,639,000	5
6	Other	163,626,000	6
7	Transmission for/by Others - Wheeling (Net)	0	7
8	<b>Total KWH Available</b>	13,480,722,000	8
9	Purchases (Net) Solar	135,478,000	9
10	Citizens Purchase Power	10,134,000	10
11	<b>Grand Total KWH Available</b>	13,626,334,000	11
<b><u>Disposition of Energy</u></b>			
12	Billed & Unbilled Sales to Retail Customer	12,970,878,921	12
13	Bilateral Contracts (REMC)	0	13
14	Company Use (Office, Maintenance Bldgs., etc.)	21,146,164	14
15	<b>Total KWH Accounted for</b>	12,992,025,085	15
16	Total Energy Losses (Line 12 less Line 16)	634,308,915	16
17	<b>Average System Losses (17 Divided by 12 in %)</b>	4.655%	17

**Verified Statement of Indianapolis Power & Light Company (IPL) dba AES  
Indiana**

**Concerning Notification of Customers Affected by the Revision of Rate CGS**


**In the Annual AES Indiana Cogeneration Filing**

Indianapolis Power & Light Company, now doing business as AES Indiana, complied with the Notice Requirements under 170 IAC 1-6-6 in the following manner:

- a legal notice placed in the Indianapolis Star on February 19, 2022 as evidenced by the attached Publishers Affidavit; and
- beginning on the filing date the same notice was posted on AES Indiana's website under the Pending section of the Rates, Rules and Regulations area; and
- a copy of the Annual AES Indiana Cogeneration filing will also be included on AES Indiana'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, 2022

  
James L. Cutshaw  
Senior Manager, Rates & Regulations

## LEGAL NOTICE

Notice is hereby given that on or about February 28, 2022, Indianapolis Power & Light Company dba AES Indiana expects to submit a revision to its Tariff No. E-18 to be entitled Rate CGS - Cogeneration and Small Power Production, 5<sup>th</sup> 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 AES Indiana's service territory. AES Indiana expects approval of the filing on or about March 30, 2022.

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 19, 2022

**The Indianapolis Star**

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

Federal Id: 06-1032273

**INDPLS POWER & LIGHT**

Account #:INI-46410  
Order #:0005138384

# of Affidavits: 2  
Total Amount of Claim:\$38.85  
**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 the state of INDIANA 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 publications being in editions dated as follows:

Insertion being edition dated 02/19/2022

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.



Date: 2/22, 2022 Title: Clerk

Subscribed and sworn to before me this 22 day of February, 2022

  
Notary Public

Notary Expires:

9/19/25

VICKY FELTY  
Notary Public  
State of Wisconsin

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(Governmental Unit)To: **INDIANAPOLIS STAR**

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County, Indiana**Indianapolis, IN****PUBLISHER'S CLAIM**35 lines, 2 columns wide equals 70 equivalent  
lines at \$0.56 per line @ 1 days, **\$38.85**Website Publication **\$0**

Acct #: INI-46410

Ad #: 0005138384

Charge for proof(s) of publication **\$0.00**

## DATA FOR COMPUTING COST

Width of single column 9.5 ems

Number of insertions 1Size of type 7 point

## TOTAL AMOUNT OF CLAIM

**\$38.85**

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.

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

That it is in proper form.

That 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 19, 2022  
INI - 2/19/22 - 0005138384

hspaxlp