

Data Request City DR 3 - 12

OFFICIAL  
EXHIBITS

Referring to IPL Attachment NHC-10, please identify the Carrying Charges calculations shown on line 3 that are anticipated to be used if carrying charges would apply. On electronic spreadsheet with all formulas intact, please show the development of a carrying charge rate, and carrying charge amount for any carrying charges that would otherwise be included in this attachment.

**Objection:**

**Response:**

Please see City DR 3-12 Attachment 1 for an example of the carrying cost calculation on the 20% deferral. The carrying charge rate is calculated using the FERC formula for AFUDC which was effective with the issuance of Federal Power Commission Order No. 561). See City DR 3-12 Attachment 2 for the AFUDC rate calculation as of March 31, 2020. This rate is used in the example provided here as Attachment 1. The revenue requirement column on City DR 3-12 Attachment 1 equates to the 20% Deferral column on IPL Attachment NHC-10. Carrying charges would begin once TDSIC 1 is in rates and each month the carrying cost calculation will use the AFUDC rate effective for that month. As stated in IPL Witness Roger's testimony for the plan filing in Cause No. 45264, "IPL is proposing to defer 20% of the TDSIC tracker requirement with carrying pursuant to section 9 until such costs are reflected in its retail electric rates". In this Order, the Commission found "IPL's proposals are reasonable, and they are approved".

**Supplemental Response:**

IPL clarifies that the referenced statement in IPL Witness Roger's testimony in Cause No. 45264 reads: "IPL proposes to defer 20% of the TDSIC Rider revenue requirement with carrying costs pursuant to I.C. 8-1-39-9 until such costs are reflected in the Company's retail electric rates".

**TDSIC-1**

Annually Monthly

Cause No. 45264 - TDSIC 1

City DR 3-12 Attachment 1

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Nov-20	Carrying Charge		
	Rate:	7.03%	0.586%
	Debt Rate	2.67%	0.223%
	Equity Rate	4.36%	0.363%

**TDSIC Distribution Non-Tax**

		Beginning Balance	20% Variance Deferral	Revenue Conversion on Deferrals	Revenue Requirement	Carrying Charges Debt	Carrying Charges Equity	Ending Balance
Oct-20								
Nov-20	TDSIC-1	-			63,833.33	142.03	231.93	64,207.29
Dec-20	TDSIC-1	64,207.29			63,833.33	284.89	465.21	128,790.72
Jan-21	TDSIC-1	128,790.72			63,833.33	428.59	699.87	193,752.51
Feb-21	TDSIC-1	193,752.51			63,833.33	573.13	935.90	259,094.87
Mar-21	TDSIC-1	259,094.87			63,833.33	718.52	1,173.31	324,820.03
Apr-21	TDSIC-1	324,820.03			63,833.33	864.75	1,412.11	390,930.22
May-21	TDSIC-1	390,930.22			63,833.33	1,011.85	1,652.31	457,427.71
Jun-21	TDSIC-1	457,427.71			63,833.33	1,159.81	1,893.92	524,314.77
Jul-21	TDSIC-1	524,314.77			63,833.34	1,308.63	2,136.94	591,593.68
Aug-21	TDSIC-1	591,593.68			63,833.34	1,458.33	2,381.38	659,266.73
Sep-21	TDSIC-1	659,266.73			63,833.34	1,608.90	2,627.26	727,336.23
Oct-21	TDSIC-1	727,336.23			63,833.34	1,760.35	2,874.58	795,804.50
				-	766,000.00	11,319.78	18,484.72	

INDIANAPOLIS POWER & LIGHT COMPANY  
ESTIMATED AVERAGE SHORT TERM DEBT OUTSTANDING  
THIRTEEN MONTHS ENDED DECEMBER 31, 2020

December 2019	0	Actual
January 2020	0	Actual
February	0	Actual
March	0	Actual
April	0	Projected
May	0	Projected
June	10,000,000	Projected
July	10,000,000	Projected
August	10,000,000	Projected
September	10,000,000	Projected
October	12,000,000	Projected
November	48,000,000	Projected
December 2019	67,785,747	Projected
Total	<u>167,785,747</u>	
13 Month Average	<u>12,906,596</u>	
12 Month Average	<u>13,982,146</u>	

## COMPUTED RATES AS OF MARCH 31, 2020

(s)Short-Term Debt Rate	ST Portion	0.18%
	LT Portion	2.49%
	Rate for borrowed funds:	2.67%
	Rate for equity funds:	4.36%
(d)Long-Term Rate		
(p)Preferred Stock Rate		
(c)Return on Common Equity	Total:	7.03%

Verified 1

INDIANAPOLIS POWER & LIGHT COMPANY  
AVERAGE C.W.I.P. BALANCES  
THIRTEEN MONTHS ENDED DECEMBER 31, 2020

December 2019	144,281,079	Actual
January 2020	142,570,143	Actual
February	144,733,413	Actual
March	153,389,783	Actual
April	177,156,230	Projected
May	200,273,346	Projected
June	226,591,005	Projected
July	253,719,392	Projected
August	279,686,964	Projected
September	280,446,340	Projected
October	317,468,732	Projected
November	343,550,679	Projected
December 2019	338,055,446	Projected
Total	<u>3,001,922,552</u>	
13-Month Avg.	<u>230,917,119</u>	

WEIGHTED AVG. RATES  
USED THROUGH MAR-20

Rate for borrowed funds:	3.31%
Rate for equity funds:	3.15%
Total:	6.46%

(1) Rates are only updated on a quarterly basis if they change by 25 basis points. Rates are updated at the first of the year regardless of change (based on 12/31 data).

INDIANAPOLIS POWER & LIGHT COMPANY  
COMPUTATION OF ESTIMATED AFUDC RATE  
FOR THE YEAR 2020

Average Short-Term Debt (S)	<u>12,906,596</u>	3.250%
Change only at year end		
Long-Term Debt (D)	1,803,800,000	52.95%
Preferred Stock (P)	59,784,000	1.75%
Common Equity (C)	<u>1,543,070,000</u>	45.30%
Total Capitalization	<u>3,406,654,000</u>	<u>100.00</u>
Average C.W.I.P. (W)	<u>230,917,119</u>	
		5.59%

## DIFF:

	<u>-0.64</u>
	<u>1.21</u>
	<u>0.57 (1)</u>