

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF)
INDIANAPOLIS POWER & LIGHT)
COMPANY FOR APPROVAL OF IPL'S)
TDSIC PLAN FOR ELIGIBLE) CAUSE NO. 45264
TRANSMISSION, DISTRIBUTION, AND)
STORAGE SYSTEM IMPROVEMENTS)
PURSUANT TO IND. CODE § 8-1-39-10.)

PETITIONER'S SUBMISSION OF DIRECT TESTIMONY OF
CHAD A. ROGERS


Indianapolis Power & Light Company ("IPL" or "Petitioner"), by counsel, hereby
submits the direct testimony and attachments of Chad A. Rogers.

OFFICIAL
EXHIBITS

Respectfully submitted,


Teresa Morton Nyhart (Atty. No. 14044-49)
Lauren M. Box (Atty. No. 32521-49)
BARNES & THORNBURG LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Nyhart Phone: (317) 231-7716
Box Phone: (317) 231-7289
Fax: (317) 231-7433
Nyhart Email: tnyhart@btlaw.com
Box Email: Lauren.Box@btlaw.com

ATTORNEYS FOR PETITIONER INDIANAPOLIS
POWER & LIGHT COMPANY

IURC
PETITIONER'S 
EXHIBIT NO. 11-21-19
DATE REPORTER

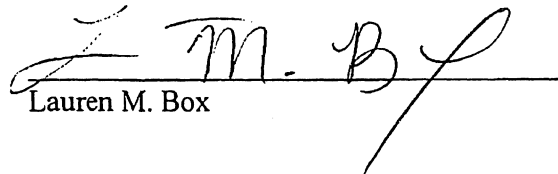
CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 24th day of July, 2019, by email transmission, hand delivery or United States Mail, first class, postage prepaid to:

William I. Fine
Abby R. Gray
Indiana Office of Utility Consumer Counselor
Office of Utility Consumer Counselor
115 West Washington Street, Suite 1500 South
Indianapolis, Indiana 46204
infomgt@oucc.in.gov
wfine@oucc.in.gov
agray@oucc.in.gov

Joseph P. Rompala
Todd A. Richardson
LEWIS & KAPPES, P.C.
One American Square, Suite 2500
Indianapolis, IN 46282-0003
JRompala@Lewis-Kappes.com
TRichardson@lewis-kappes.com

Courtesy copy to:
ETennant@lewis-kappes.com


Lauren M. Box

Teresa Morton Nyhart (No. 14044-49)
Lauren M. Box (Atty. No. 32521-49)
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Nyhart Telephone: (317) 231-7716
Box Phone: (317) 231-7289
Fax: (317) 231-7433
Nyhart Email: tnyhart@btlaw.com
Box Email: Lauren.Box@btlaw.com

ATTORNEYS FOR APPLICANT
INDIANAPOLIS POWER & LIGHT COMPANY

VERIFIED DIRECT TESTIMONY
OF
CHAD A. ROGERS
ON BEHALF OF
INDIANAPOLIS POWER & LIGHT COMPANY

SPONSORING IPL ATTACHMENTS CAR-1, CAR-2 AND CAR-3

000105

**VERIFIED DIRECT TESTIMONY OF CHAD A. ROGERS
ON BEHALF OF
INDIANAPOLIS POWER & LIGHT COMPANY**

1 **Q1. Please state your name, employer and business address.**

2 A1. My name is Chad A. Rogers. I am employed by Indianapolis Power & Light Company
3 ("IPL" or "Company"), whose business address is One Monument Circle, Indianapolis,
4 Indiana 46204.

5 **Q2. What is your position with IPL?**

6 A2. I am Senior Program Manager in Regulatory Affairs.

7 **Q3. Please describe your duties as Senior Program Manager.**

8 A3. I provide financial, technical and regulatory analysis and manage various regulatory
9 projects and filings.

10 **1. BACKGROUND AND QUALIFICATIONS**

11 **Q4. Please summarize your educational and professional qualifications.**

12 A4. I hold a Bachelor of Science Degree in Accounting and Finance from the Kelley School of
13 Business at Indiana University. I am also pursuing a Master of Business Administration
14 Degree from the Lacy School of Business at Butler University which I will complete in
15 August 2019. I received my Certified Public Accountant ("CPA") license for the State of
16 Indiana and have fulfilled the necessary educational requirements to allow use of the CPA
17 designation. I have also attended various regulated utility training courses such as Edison
18 Electric Institute ("EEI") Utilities Accounting Courses (Intro and Advanced), EEI Electric
19 Rates Advanced Course, and PWC Rate Case Experience Course. I also am a member of
20 the Society of Utility and Regulatory Financial Analysts ("SURFA").

1 **Q5. What is your previous work experience?**

2 A5. I have been an employee of IPL since April 5, 2006, initially as a Senior Accountant and
3 later as a Section Leader in the accounting and external reporting team. From June 2009
4 to September 2013, I worked as a Senior Analyst and later as a Section Leader in Financial
5 Planning and Analysis. I have been in Regulatory Affairs since September 2013 where I
6 was a Senior Analyst until becoming a Senior Program Manager in 2018.

7 From February 2004 to April 2006, I was employed by Cinergy Corporation (now Duke
8 Energy). At Cinergy, I held a Senior Accountant role and was responsible for various
9 accounting, financial analysis, and financial reporting duties.

10 From January 2001 to January 2004, I was employed by KPMG LLP as a Senior Associate
11 in assurance services. In that position, I was responsible for audits, reviews, compilations,
12 and control assessments for clients spread over a wide range of industries.

13 **Q6. Have you previously testified before this Commission?**

14 A6. Yes. I have provided testimony in IPL's Environmental Compliance Cost Recovery
15 Adjustment proceedings, beginning in IURC Cause No. 42170-ECR-28. I also provided
16 testimony in IPL's Electric rate case, IURC Cause No. 45029 ("IPL's most recent rate
17 case").

18 **2. PURPOSE OF TESTIMONY**

19 **Q7. What is the purpose of your testimony in this proceeding?**

20 A7. My testimony discusses the proposed accounting for the TDSIC Plan and supports IPL's
21 request for accounting authority, including authority to defer TDSIC Plan costs for future
22 recovery through the ratemaking process. These costs include Plan Development costs as

1 discussed by IPL Witness Shields. My testimony demonstrates that the investments
2 reflected in the TDSIC Plan were not included in rate base in IPL's most recent rate case,
3 supports IPL's request that the Commission authorize certain accounting treatment for the
4 eligible improvements, and discusses IPL's future plans to make a separate filing under
5 Section 9 of the TDSIC Statute (Ind. Code § 8-1-39-9) to timely recover TDSIC Plan costs.
6 My testimony also demonstrates that IPL's TDSIC Plan does not result in an average
7 aggregate increase in IPL's total retail revenues of more than two percent (2%) in a twelve
8 (12) month period.

9 **Q8. Are you sponsoring any attachments?**

10 A8. Yes. I am sponsoring;

- 11 • IPL Attachment CAR-1: TDSIC Plan Estimated Annual Revenue Requirement.
- 12 • IPL Attachment CAR-2: TDSIC Rate Base and Depreciation Expense Calculation
- 13 • IPL Attachment CAR-3: TDSIC Property Tax Expense Calculation

14 **Q9. Where these attachments prepared or assembled by you or under your direction and**
15 **supervision?**

16 A9. Yes.

17 **Q10. Are you submitting workpapers?**

18 A10. Yes. I am submitting workpapers in their native format that are the same as or support the
19 attachments included with my testimony. These workpapers are electronic spreadsheets
20 and were prepared or assembled by me or under my direction and supervision.

1

2

3

6

7

3

4

1 **Q14. Were any of the investments in IPL's seven-year TDSIC Plan included in IPL's rate**
2 **base in its most recent general rate case?**

3 A14. No. The rate base cutoff in IPL's most recent rate case was June 30, 2017 with major
4 project additions and certain net post test year generation additions through April 2018.
5 TDSIC Plan Development costs did not begin until May 2018. TDSIC Plan implementation
6 is addressed by Company Witnesses Bentley and Shields.

7 **Q15. Please explain IPL's accounting for depreciation expense.**

8 A15. IPL calculates depreciation expense by multiplying the depreciable base, which includes
9 all construction costs, labor, overheads, and AFUDC recorded to the FERC Account 101
10 (and 300 series of accounts) by the applicable approved depreciation rate from IPL's most
11 recent rate case. IPL accounts for depreciation expense by recording the monthly
12 depreciation expense to FERC account 403 (Depreciation Expense) with a corresponding
13 credit to FERC Account 108 (Accumulated Provision for Depreciation of Electric Utility
14 Plant).

15 **Q16. What is AFUDC?**

16 A16. AFUDC is the Allowance for Funds Used During Construction and represents the cost of
17 funds used to finance utility plant during the construction phase of a project. These costs
18 are recorded and capitalized as a part of the total cost of the project. AFUDC is defined in
19 the USOA which has a specific formula for calculating and determining the AFUDC rate.

20 **Q17. Are IPL's accounting procedures for accrual of AFUDC consistent with the USOA**
21 **and this Commission's prior practices?**

22 A17. Yes.

1 **Q18. What procedures exist regarding the accounting for AFUDC and depreciation as of**
2 **the in-service date of a construction project?**

3 A18. Generally speaking, when plant or a portion thereof previously under construction is placed
4 in service, the accrual of AFUDC on such property ceases. Also, the recording of
5 depreciation expense begins on the in-service date and continues over the anticipated life
6 of the plant. As discussed below, the Company seeks accounting authority from the
7 Commission to record post-in-service AFUDC and deferred depreciation until such time
8 as these costs are reflected in the ratemaking process.

9 **Q19. Will IPL continue to incur capital costs on a construction project after its in-service**
10 **date?**

11 A19. Yes, it will. Capital costs continue throughout the life of utility plant. This cost is
12 recognized during the construction period by the inclusion of AFUDC as a component of
13 construction costs. After new plant is placed in service and included in rate base, this cost
14 is recovered through the opportunity to earn a fair return on the value of that plant
15 investment. Moreover, once the project is placed in service, the depreciation relating to
16 the project qualifies for inclusion in the utility's recoverable operating expenses for
17 ratemaking purposes.

18 **4. ACCOUNTING RELIEF**

19 **Q20. What accounting relief does IPL seek in this Cause with respect to the TDSIC Plan**
20 **costs?**

21 A20. To the extent IPL incurs TDSIC Plan costs prior to the Commission's Final Order in IPL's
22 TDSIC Plan filing and TDSIC Rider filing, IPL seeks Commission approval to defer
23 TDSIC Plan costs until they are recovered through the TDSIC Rider or included in the

1 Company's retail electric rates. This authority would also include costs incurred after the
2 Commission's Final Order in IPL's TDSIC Plan Filing but prior to IPL establishing TDSIC
3 Rider rates. IPL seeks Commission authority to create regulatory assets to record post-in-
4 service AFUDC (both debt and equity) and depreciation and property tax expenses
5 associated with the Projects until such costs are reflected in the TDSIC Rider rates or the
6 Company's retail electric rates. IPL also seeks Commission approval to defer the Plan
7 Development costs by creating a regulatory asset and to recover these costs through rates
8 (TDSIC Rider) over a three-year amortization period.

9 **Q21. Will IPL accrue AFUDC on the TDSIC Plan Projects if IPL's request is approved?**

10 A21. Yes. IPL will record AFUDC during construction and post-in-service AFUDC until the
11 costs are reflected in the TDSIC Rider.

12 **Q22. Please explain IPL's proposal regarding depreciation on the TDSIC Plan Projects.**

13 A22. IPL is proposing to utilize the applicable depreciation rates for transmission and
14 distribution assets approved in its recent rate case. IPL requests to recover depreciation
15 expense prospectively to avoid regulatory lag that would otherwise occur. Prospective
16 recovery would allow for the collection of revenues in the same reporting period as when
17 the depreciation expense occurs. Any variances from the forecasted expense would be
18 reconciled and included in a future TDSIC proceeding.

19 **Q23. Will IPL defer any portion of its depreciation on the TDSIC Projects?**

20 A23. Yes. IPL proposes to defer 100% of the initial depreciation on the TDSIC Plan Projects
21 from the in-service date until depreciation expense is reflected in the rates approved in a
22 TDSIC Rider filing. Concurrent with the recording of depreciation expense described

1 above, a deferral would be created with a charge to Account 182.3 (Other Regulatory
2 Assets) and a credit to Account 407.4 (Regulatory Credits). IPL proposes to amortize this
3 deferral over the life of the Project.

4 **Q24. How is IPL recording the TDSIC Plan Development costs discussed by Company**
5 **Witness Shields?**

6 A24. TDSIC Plan Development costs incurred prior to implementation of TDSIC Rider rates are
7 being deferred to the Account 183 (Preliminary Survey and Investigation Charges). Upon
8 issuance of an Order by the Commission approving deferral and recovery of such costs in
9 future TDSIC Rider rates, the costs recorded to Account 183 will be reclassified to Account
10 182.3 (Other Regulatory Assets). As stated above, IPL seeks Commission approval to
11 amortize the TDSIC Plan Development costs over a three-year period. TDSIC Plan
12 Development costs are further discussed by IPL Witness Shields.

13 **Q25. Does IPL plan to file a request for a TDSIC Rider under Ind. Code § 8-1-39-9**
14 **(“Section 9”)?**

15 A25. Yes. IPL plans to file an annual request for a TDSIC Rider under Section 9 in order to
16 timely recover eighty percent (80%) of the TDSIC Plan capital expenditures and costs,
17 which includes depreciation expense, property taxes, and pretax returns. IPL proposes to
18 defer 20% of the TDSIC Rider revenue requirement with carrying costs pursuant to I.C. 8-
19 1-39-9 until such costs are reflected in the Company's retail electric rates. Company
20 Witness Shields explains that the Company will update its TDSIC Plan on an annual basis
21 through the Section 9 filings.

1 **5. TDSIC RIDER AND IMPACT**

2 **Q26. When does IPL expect to make its TDSIC Rider filing under Section 9?**

3 A26. IPL will continue to monitor the progress of the TDSIC Plan execution and monitor the
4 planned timing of the Section 9 filing. IPL estimates that the first filing will be made in the
5 second quarter of 2020.

6 **Q27. Does IPL plan to provide the OUCC and interested intervenors with the TDSIC Rider
7 accounting schedules prior to filing the initial TDSIC Rider proceeding?**

8 A27. Yes. IPL plans to confer with the OUCC and interested intervenors on the development of
9 schedules and workpapers for the initial TDSIC Rider filing. IPL will provide the OUCC
10 and interested intervenors with the proposed filing package (consisting of the accounting
11 schedules used to develop and calculate the TDSIC Rider factor) prior to making the first
12 TDSIC Rider filing with the Commission. IPL is also willing to meet with the OUCC and
13 interested intervenors to review the accounting schedules at that time.

14 **Q28. Has IPL assessed the seven-year plan impact on retail revenue?**

15 A28. Yes. As shown in IPL Attachment CAR-1, the average aggregate increase in IPL's total
16 retail revenues attributable to TDSIC Rider for each year of the seven-year plan is as
17 follows:

18 **Table 1 – Average Aggregate Increase in IPL's Total Retail Revenues**

<i>\$ in millions</i>		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
TDSIC Rider Revenues		\$11.4	\$26.3	\$45.3	\$65.5	\$83.6	\$100.8	\$115.3
Incremental Rider Revenue		\$11.4	\$14.9	\$19.0	\$20.2	\$18.1	\$17.3	\$14.5
Total Estimated Retail Operating Revenues	\$1,454.6	\$1,466.0	\$1,480.9	\$1,499.9	\$1,520.1	\$1,538.2	\$1,555.5	\$1,569.9
Annual % Increase		0.8%	1.0%	1.3%	1.3%	1.2%	1.1%	0.9%

1 IPL's TDSIC Plan does not result in an average aggregate increase in IPL's total retail
2 revenues of more than two percent (2%) in a twelve (12) month period.

3 **Q29. Please explain the calculation of TDSIC Rider Revenues set forth in IPL Attachment**
4 **CAR-1.**

5 A29. The revenue requirement is separately calculated for both Transmission and Distribution
6 portions of the TDSIC plan which are then totaled in the following manner. First, the
7 Return on Rate Base Annual Revenue Requirement was calculated based on the Rate Base
8 calculated in IPL Attachment CAR-2 and the weighted average cost of capital ("WACC")
9 and revenue conversion factors approved in IPL's most recent ECR filing (IURC Cause
10 No. 42170-ECR32). The rate base calculated in IPL Attachment CAR-2 is based on the
11 "Summary by FERC Account" schedule contained in the IPL TDSIC Plan Appendix 8.7
12 presented as IPL Attachment BJB-2.

13 Second, the Total Incremental Expense Annual Revenue Requirement, which consists of
14 property tax expense, depreciation expense and amortization of Plan Development costs,
15 was calculated. Depreciation expense was calculated in IPL Attachment CAR-2 and
16 property tax expense was calculated in IPL Attachment CAR-3.

17 Finally, the Return on Rate Base Annual Revenue Requirement and Total Incremental
18 Expense Annual Revenue Requirement were combined to total the Total Annual Revenue
19 Requirement. The Total Annual Revenue requirement was multiplied by 80% to determine
20 the Annual revenue requirement recoverable in future TDSIC Rider rates.

21 The average aggregate increase in total retail revenue attributable to the TDSIC Rider is
22 calculated based on the estimate of revenue requirement for each of the seven years of the

1 Plan. The increase from year to year of the Plan is calculated as a percent of estimated total
2 revenue requirement. The calculation of the first year's retail operating revenues is based
3 on the retail operating revenues from IURC Cause No. 38703 FAC-123. Each year
4 thereafter, the revenue requirement includes the calculated estimate of the TDSIC Plan
5 revenue requirement. Please note that the TDISC Allocation factors approved in IPL's most
6 recent rate case will be utilized in the Section 9 TDSIC rider filings to determine the
7 revenue impact for each rate class.

8 **Q30. In your opinion is the accounting and ratemaking relief sought by IPL in this Cause**
9 **reasonable?**

10 A30. Yes. The accounting and ratemaking are consistent with Commission practice and the
11 above estimates of the revenue requirements show that the increase to revenue requirement
12 is less than the 2% annual statutory limit.

13 **Q31. Does that conclude your prepared verified direct testimony?**

14 A31. Yes.

VERIFICATION

I, Chad A. Rogers, Senior Program Manager, affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Dated July 22, 2019.


Chad A. Rogers

000117

IPL Attachment CAR-1

TDSIC Plan Estimated Annual Revenue Requirement

811000

INDIANAPOLIS POWER & LIGHT COMPANY
TRANSMISSION DISTRIBUTION STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
TDSIC Plan Estimated Annual Revenue Requirement

Line	Description	(A) Year 1 2020	(B) Year 2 2021	(C) Year 3 2022	(D) Year 4 2023	(E) Year 5 2024	(F) Year 6 2025	(G) Year 7 2026	(H) Reference
Transmission Revenue Requirement Calculation:									
Return on Rate Base Annual Revenue Requirement:									
1	Rate Base	\$ 22,201,271	\$ 48,988,773	\$ 81,229,105	\$ 115,476,770	\$ 146,216,641	\$ 171,960,164	\$ 198,415,324	Attachment CAR-2
2	Pre-Tax WACC	6.65%	6.65%	6.65%	6.65%	6.65%	6.65%	6.65%	CN 42170-ECR32 Attachment CF-1
3	Allowed Return on TDSIC Utility Plant	\$ 1,476,385	\$ 3,257,753	\$ 5,401,735	\$ 7,679,205	\$ 9,723,407	\$ 11,435,351	\$ 13,194,619	Line 1 x Line 2
4	Revenue Conversion	1.23768	1.23768	1.23768	1.23768	1.23768	1.23768	1.23768	CN 42170-ECR32 Attachment CF-1
5	Total Return on Rate Base Annual Revenue Requirement	\$ 1,827,292	\$ 4,032,056	\$ 6,685,620	\$ 9,504,399	\$ 12,034,466	\$ 14,153,305	\$ 16,330,716	Line 3 x Line 4
Incremental Expenses Annual Revenue Requirement:									
6	Property Tax Expense - Annualized	\$ -	\$ 257,920	\$ 907,148	\$ 1,653,252	\$ 2,461,950	\$ 3,215,065	\$ 3,808,136	Attachment CAR-2
7	Depreciation Expense - Annualized	\$ 245,658	\$ 787,936	\$ 1,441,159	\$ 2,177,626	\$ 2,904,788	\$ 3,551,653	\$ 4,186,572	Attachment CAR-3
8	Amortization Expense - Plan Development Costs	\$ 134,469	\$ 134,469	\$ 134,469	\$ -	\$ -	\$ -	\$ -	Pg 2 Line 8 x Attachment CAR-2 Pg 1 Line 13
9	Total Incremental Expenses before Revenue Conversion	\$ 380,127	\$ 1,180,325	\$ 2,482,777	\$ 3,830,878	\$ 5,366,738	\$ 6,766,717	\$ 7,994,707	Line 6 + Line 7 + Line 8
10	Revenue Conversion	1.01994	1.01994	1.01994	1.01994	1.01994	1.01994	1.01994	CN 42170-ECR32 Attachment CF-1
11	Total Incremental Expenses Annual Revenue Requirement	\$ 387,707	\$ 1,203,861	\$ 2,532,283	\$ 3,907,266	\$ 5,473,751	\$ 6,901,646	\$ 8,154,122	Line 9 x Line 10
12	Total Annual Revenue Requirement - Transmission	\$ 2,214,999	\$ 5,235,917	\$ 9,217,903	\$ 13,411,665	\$ 17,508,217	\$ 21,054,951	\$ 24,484,838	Line 5 + Line 11
13	Revenue Requirement Recoverable in TDSIC Rider (80%) - Transmission	\$ 1,771,999	\$ 4,188,734	\$ 7,374,323	\$ 10,729,332	\$ 14,006,573	\$ 16,843,961	\$ 19,587,870	Line 12 x 80%
14	Revenue Requirement to be Deferred (20%) - Transmission	\$ 443,000	\$ 1,047,183	\$ 1,843,581	\$ 2,682,333	\$ 3,501,643	\$ 4,210,990	\$ 4,896,968	Line 12 x 20%
Line	Description	(A) Year 1 2020	(B) Year 2 2021	(C) Year 3 2022	(D) Year 4 2023	(E) Year 5 2024	(F) Year 6 2025	(G) Year 7 2026	(H) Reference
Distribution Revenue Requirement Calculation:									
Return on Rate Base Annual Revenue Requirement:									
15	Rate Base	\$ 112,301,374	\$ 232,344,904	\$ 377,399,434	\$ 536,857,681	\$ 653,691,077	\$ 784,695,041	\$ 895,607,499	Attachment CAR-2
16	Pre-Tax WACC	6.65%	6.65%	6.65%	6.65%	6.65%	6.65%	6.65%	CN 42170-ECR32 Attachment CF-1
17	Allowed Return on TDSIC Utility Plant	\$ 7,468,041	\$ 15,450,936	\$ 25,097,062	\$ 35,701,036	\$ 43,470,457	\$ 52,182,220	\$ 59,557,899	Line 15 x Line 16
18	Revenue Conversion	1.23768	1.23768	1.23768	1.23768	1.23768	1.23768	1.23768	CN 42170-ECR32 Attachment CF-1
19	Total Return on Rate Base Annual Revenue Requirement	\$ 9,243,045	\$ 19,123,315	\$ 31,062,132	\$ 44,186,458	\$ 53,802,515	\$ 64,584,890	\$ 73,713,620	Line 17 x Line 18
Incremental Expenses Annual Revenue Requirement:									
20	Property Tax Expense - Annualized	\$ -	\$ 1,304,116	\$ 4,383,765	\$ 7,709,440	\$ 11,439,899	\$ 14,730,767	\$ 17,354,800	Attachment CAR-2
21	Depreciation Expense - Annualized	\$ 2,084,488	\$ 6,353,436	\$ 10,993,082	\$ 16,087,711	\$ 21,066,232	\$ 24,877,144	\$ 27,674,602	Attachment CAR-3
22	Amortization Expense - Plan Development Costs	\$ 632,197	\$ 632,197	\$ 632,197	\$ -	\$ -	\$ -	\$ -	Pg 2 Line 8 x Attachment CAR-2 Pg 2 Line 13
23	Total Incremental Expenses before Revenue Conversion	\$ 2,716,686	\$ 8,289,749	\$ 16,009,045	\$ 23,797,151	\$ 32,506,131	\$ 39,607,911	\$ 45,029,402	Line 20 + Line 21 + Line 22
24	Revenue Conversion	1.01994	1.01994	1.01994	1.01994	1.01994	1.01994	1.01994	CN 42170-ECR32 Attachment CF-1
25	Total Incremental Expenses Annual Revenue Requirement	\$ 2,770,856	\$ 8,455,046	\$ 16,328,265	\$ 24,271,666	\$ 33,154,303	\$ 40,397,692	\$ 45,927,289	Line 23 x Line 24
26	Total Annual Revenue Requirement - Distribution	\$ 12,013,902	\$ 27,578,361	\$ 47,390,397	\$ 68,458,124	\$ 86,956,818	\$ 104,982,583	\$ 119,640,909	Line 19 + Line 25
27	Revenue Requirement Recoverable in TDSIC Rider (80%) - Distribution	\$ 9,611,121	\$ 22,062,689	\$ 37,912,318	\$ 54,766,499	\$ 69,565,454	\$ 83,986,066	\$ 95,712,727	Line 26 x 80%
28	Revenue Requirement to be Deferred (20%) - Distribution	\$ 2,402,780	\$ 5,515,672	\$ 9,478,079	\$ 13,691,625	\$ 17,391,364	\$ 20,996,517	\$ 23,928,182	Line 26 x 20%

611000

INDIANAPOLIS POWER & LIGHT COMPANY
TRANSMISSION DISTRIBUTION STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
Annual Retail Revenues

Line	Description	(A) Year 1 2020	(B) Year 2 2021	(C) Year 3 2022	(D) Year 4 2023	(E) Year 5 2024	(F) Year 6 2025	(G) Year 7 2026	(H) Reference
Total TDSIC Revenue Requirement Calculation:									
Return on Rate Base Annual Revenue Requirement:									
1	Rate Base	\$ 134,502,645	\$ 281,333,677	\$ 458,628,539	\$ 652,334,452	\$ 799,907,718	\$ 956,655,206	\$ 1,094,022,823	Attachment CAR-2
2	Pre-Tax WACC	6.65%	6.65%	6.65%	6.65%	6.65%	6.65%	6.65%	CN 42170-ECR32 Attachment CF-1
3	Allowed Return on TDSIC Utility Plant	\$ 8,944,426	\$ 18,708,690	\$ 30,498,798	\$ 43,380,241	\$ 53,193,863	\$ 63,617,571	\$ 72,752,518	Line 1 x Line 2
4	Revenue Conversion	1.23768	1.23768	1.23768	1.23768	1.23768	1.23768	1.23768	CN 42170-ECR32 Attachment CF-1
5	Total Return on Rate Base Annual Revenue Requirement	\$ 11,070,337	\$ 23,155,371	\$ 37,747,752	\$ 53,690,857	\$ 65,836,981	\$ 78,738,196	\$ 90,044,336	Line 3 x Line 4
Incremental Expenses Annual Revenue Requirement:									
6	Property Tax Expense - Annualized	\$ -	\$ 1,562,036	\$ 5,290,913	\$ 9,362,692	\$ 13,901,849	\$ 17,945,832	\$ 21,162,935	Attachment CAR-2
7	Depreciation Expense - Annualized	\$ 2,330,146	\$ 7,141,372	\$ 12,434,241	\$ 18,265,337	\$ 23,971,020	\$ 28,428,796	\$ 31,861,174	Attachment CAR-3
8	Amortization Expense - Plan Development Costs	\$ 766,667	\$ 766,667	\$ 766,667	\$ -	\$ -	\$ -	\$ -	IPL Witness Shields
9	Total Incremental Expenses before Revenue Conversion	\$ 3,096,813	\$ 9,470,074	\$ 18,491,821	\$ 27,628,029	\$ 37,872,869	\$ 46,374,628	\$ 53,024,110	Line 6 + Line 7 + Line 8
10	Revenue Conversion	1.01994	1.01994	1.01994	1.01994	1.01994	1.01994	1.01994	CN 42170-ECR32 Attachment CF-1
11	Total Incremental Expenses Annual Revenue Requirement	\$ 3,158,563	\$ 9,658,908	\$ 18,860,548	\$ 28,178,932	\$ 38,628,054	\$ 47,299,338	\$ 54,081,410	Line 9 x Line 10
12	Total Annual Revenue Requirement - TDSIC	\$ 14,228,900	\$ 32,814,278	\$ 56,608,300	\$ 81,869,789	\$ 104,465,035	\$ 126,037,534	\$ 144,125,747	Line 5 + Line 11
13	Revenue Requirement Recoverable in TDSIC Rider (80%) - TDSIC	\$ 11,383,120	\$ 26,251,423	\$ 45,286,640	\$ 65,495,831	\$ 83,572,028	\$ 100,830,027	\$ 115,300,597	Line 12 x 80%
14	Revenue Requirement to be Deferred (20%) - TDSIC	\$ 2,845,780	\$ 6,562,856	\$ 11,321,660	\$ 16,373,958	\$ 20,893,007	\$ 25,207,507	\$ 28,825,149	Line 12 x 20%
		\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
15	Total Retail Revenues - Twelve Months Ended January 31, 2019	\$ 1,454,646,000							Cause No. 38703-FAC123 Attachment NHC-2
16	Total Retail Revenues Estimate	\$ 1,466,029,120	\$ 1,480,897,423	\$ 1,499,932,640	\$ 1,520,141,831	\$ 1,538,218,028	\$ 1,555,476,027	\$ 1,569,946,597	Line 13 + Line 15
17	Aggregate Increase in Total Retail Revenues \$	\$ 11,383,120	\$ 14,868,302	\$ 19,035,218	\$ 20,209,191	\$ 18,076,197	\$ 17,257,999	\$ 14,470,570	Change in Line 17
18	Aggregate Increase in Total Retail Revenues %	0.8%	1.0%	1.3%	1.3%	1.2%	1.1%	0.9%	Line 17 / Prior Line 16

000120

IPL Attachment CAR-2

TDSIC Rate Base and Depreciation Expense Calculation

000121

INDIANAPOLIS POWER & LIGHT COMPANY
TRANSMISSION DISTRIBUTION STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
TDSIC Rate Base and Depreciation Expense Calculation

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Transmission Assets										
CapEx Additions (Includes AFUDC):										
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Total Plan
1	352.00	2.40%	\$ -	\$ -	\$ -	\$ 2,300,385	\$ 2,844,940	\$ -	\$ 2,632,615	\$ 7,777,940
2	353.00	2.53%	\$ 16,542,692	\$ 19,582,382	\$ 23,096,878	\$ 22,073,157	\$ 19,302,399	\$ 18,615,703	\$ 20,407,195	\$ 139,620,406
3	354.00	1.37%	\$ 1,138,320	\$ 1,111,147	\$ 1,082,432	\$ 850,792	\$ -	\$ -	\$ -	\$ 4,182,691
4	356.00	1.20%	\$ 4,765,917	\$ 6,881,909	\$ 9,502,181	\$ 11,200,958	\$ 11,497,320	\$ 10,679,473	\$ 7,601,921	\$ 62,129,679
5	362.00	1.61%								
6	364.00	2.06%								
7	365.00	2.35%								
8	366.00	2.62%								
9	367.00	2.55%								
10	368.00	0.65%								
11	370.01	19.35%								
12	Total CapEx Additions (2)		\$ 22,446,929	\$ 27,575,438	\$ 33,681,491	\$ 36,425,292	\$ 33,644,659	\$ 29,295,176	\$ 30,641,731	\$ 213,710,716
13	Percent of Total TDSIC									17.5%
Transmission Assets										
End of Year Utility Plant Balance:										
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Reference
14	352.00	2.40%	\$ -	\$ -	\$ -	\$ 2,300,385	\$ 5,145,325	\$ 5,145,325	\$ 7,777,940	Line 1 Accumulated
15	353.00	2.53%	\$ 16,542,692	\$ 36,125,074	\$ 59,221,952	\$ 81,295,109	\$ 100,597,508	\$ 119,213,211	\$ 139,620,406	Line 2 Accumulated
16	354.00	1.37%	\$ 1,138,320	\$ 2,249,467	\$ 3,331,899	\$ 4,182,691	\$ 4,182,691	\$ 4,182,691	\$ 4,182,691	Line 3 Accumulated
17	356.00	1.20%	\$ 4,765,917	\$ 11,647,826	\$ 21,150,007	\$ 32,350,965	\$ 43,848,285	\$ 54,527,758	\$ 62,129,679	Line 4 Accumulated
18	362.00	1.61%								
19	364.00	2.06%								
20	365.00	2.35%								
21	366.00	2.62%								
22	367.00	2.55%								
23	368.00	0.65%								
24	370.01	19.35%								
25	Total End of Year Utility Plant Balance		\$ 22,446,929	\$ 50,022,367	\$ 83,703,858	\$ 120,129,150	\$ 153,773,809	\$ 183,068,985	\$ 213,710,716	
Transmission Assets										
Depreciation Expense:										
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Reference
26	352.00	2.40%	\$ -	\$ -	\$ -	\$ 27,605	\$ 89,349	\$ 123,488	\$ 155,079	(Line 1 x Column A x 50%) + (Prior Line 14 x Column A)
27	353.00	2.53%	\$ 209,265	\$ 666,247	\$ 1,206,140	\$ 1,777,541	\$ 2,300,942	\$ 2,780,606	\$ 3,274,245	(Line 2 x Column A x 50%) + (Prior Line 15 x Column A)
28	354.00	1.37%	\$ 7,797	\$ 23,206	\$ 38,232	\$ 51,475	\$ 57,303	\$ 57,303	\$ 57,303	(Line 3 x Column A x 50%) + (Prior Line 16 x Column A)
29	356.00	1.20%	\$ 28,596	\$ 98,482	\$ 196,787	\$ 321,006	\$ 457,196	\$ 590,256	\$ 699,945	(Line 4 x Column A x 50%) + (Prior Line 17 x Column A)
30	362.00	1.61%								
31	364.00	2.06%								
32	365.00	2.35%								
33	366.00	2.62%								
34	367.00	2.55%								
35	368.00	0.65%								
36	370.01	19.35%								
37	Total Depr Exp - Annualized		\$ 245,658	\$ 787,936	\$ 1,441,159	\$ 2,177,626	\$ 2,904,788	\$ 3,551,653	\$ 4,186,572	
Transmission Assets										
End of Year Accumulated Depreciation:										
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Reference
38	352.00	2.40%	\$ -	\$ -	\$ -	\$ (27,605)	\$ (116,953)	\$ (240,441)	\$ (395,520)	Line 26 Accumulated
39	353.00	2.53%	\$ (209,265)	\$ (875,512)	\$ (2,081,652)	\$ (3,859,193)	\$ (6,160,135)	\$ (8,940,740)	\$ (12,214,985)	Line 27 Accumulated
40	354.00	1.37%	\$ (7,797)	\$ (31,004)	\$ (69,236)	\$ (120,711)	\$ (178,014)	\$ (235,317)	\$ (292,620)	Line 28 Accumulated
41	356.00	1.20%	\$ (28,596)	\$ (127,078)	\$ (323,865)	\$ (644,871)	\$ (1,102,066)	\$ (1,692,323)	\$ (2,392,267)	Line 29 Accumulated
42	362.00	1.61%								
43	364.00	2.06%								
44	365.00	2.35%								
45	366.00	2.62%								
46	367.00	2.55%								
47	368.00	0.65%								
48	370.01	19.35%								
49	Total End of Year Accum Depr		\$ (245,658)	\$ (1,033,594)	\$ (2,474,753)	\$ (4,652,380)	\$ (7,557,168)	\$ (11,108,821)	\$ (15,295,392)	
50	Transmission Assets End of Year Rate Base		\$ 22,201,271	\$ 48,988,773	\$ 81,229,105	\$ 115,476,770	\$ 146,216,641	\$ 171,960,164	\$ 198,415,324	

000122

Distribution Assets CapEx Additions (Includes AFUDC):										
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Total Plan
1	352.00	2.40%								
2	353.00	2.53%								
3	354.00	1.37%								
4	356.00	1.20%								
5	362.00	1.61%	\$ 7,026,754	\$ 25,672,321	\$ 38,188,063	\$ 49,360,078	\$ 24,862,469	\$ 45,555,289	\$ 32,554,913	\$ 223,219,887
6	364.00	2.06%	\$ 39,069,911	\$ 34,048,557	\$ 47,918,689	\$ 52,531,374	\$ 44,678,960	\$ 49,169,935	\$ 46,385,522	\$ 313,802,948
7	365.00	2.35%	\$ 28,815,380	\$ 27,771,432	\$ 26,078,201	\$ 27,620,140	\$ 25,686,598	\$ 27,204,806	\$ 26,696,855	\$ 189,873,412
8	366.00	2.62%	\$ 2,250,626	\$ 2,346,110	\$ 2,405,220	\$ 2,690,012	\$ 1,809,774	\$ 2,715,591	\$ 2,769,903	\$ 16,987,236
9	367.00	2.55%	\$ 13,966,103	\$ 13,407,560	\$ 14,443,018	\$ 14,226,294	\$ 14,093,313	\$ 14,938,612	\$ 14,487,783	\$ 99,572,683
10	368.00	0.65%	\$ 12,521,414	\$ 12,200,598	\$ 15,845,026	\$ 17,725,277	\$ 15,147,875	\$ 16,296,875	\$ 15,682,084	\$ 105,419,149
11	370.01	19.35%	\$ 10,735,674	\$ 10,950,388	\$ 11,169,395	\$ 11,392,783	\$ 11,620,639	\$ -	\$ -	\$ 55,868,879
12	Total CapEx Additions (2)		\$ 114,385,862	\$ 126,396,966	\$ 156,047,612	\$ 175,545,958	\$ 137,899,628	\$ 155,881,108	\$ 138,587,060	\$ 1,004,744,194
13	Percent of Total TDSIC									82.5%
Distribution Assets End of Year Utility Plant Balance:										
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Reference
14	352.00	2.40%								
15	353.00	2.53%								
16	354.00	1.37%								
17	356.00	1.20%								
18	362.00	1.61%	\$ 7,026,754	\$ 32,699,075	\$ 70,887,138	\$ 120,247,216	\$ 145,109,685	\$ 190,664,974	\$ 223,219,887	Line 5 Accumulated
19	364.00	2.06%	\$ 39,069,911	\$ 73,118,468	\$ 121,037,157	\$ 173,568,531	\$ 218,247,491	\$ 267,417,426	\$ 313,802,948	Line 6 Accumulated
20	365.00	2.35%	\$ 28,815,380	\$ 56,586,812	\$ 82,665,013	\$ 110,285,153	\$ 135,971,751	\$ 163,176,557	\$ 189,873,412	Line 7 Accumulated
21	366.00	2.62%	\$ 2,250,626	\$ 4,596,736	\$ 7,001,956	\$ 9,691,968	\$ 11,501,742	\$ 14,217,333	\$ 16,987,236	Line 8 Accumulated
22	367.00	2.55%	\$ 13,966,103	\$ 27,373,663	\$ 41,816,681	\$ 56,042,975	\$ 70,136,288	\$ 85,074,900	\$ 99,572,683	Line 9 Accumulated
23	368.00	0.65%	\$ 12,521,414	\$ 24,722,012	\$ 40,567,038	\$ 58,292,315	\$ 73,440,190	\$ 89,737,065	\$ 105,419,149	Line 10 Accumulated
24	370.01	19.35%	\$ 10,735,674	\$ 21,686,062	\$ 32,855,457	\$ 44,248,240	\$ 55,868,879	\$ 55,868,879	\$ 55,868,879	Line 11 Accumulated
25	Total End of Year Utility Plant Balance		\$ 114,385,862	\$ 240,782,828	\$ 396,830,440	\$ 572,376,398	\$ 710,276,026	\$ 866,157,134	\$ 1,004,744,194	
Distribution Assets Depreciation Expense:										
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Reference
26	352.00	2.40%								
27	353.00	2.53%								
28	354.00	1.37%								
29	356.00	1.20%								
30	362.00	1.61%	\$ 56,565	\$ 319,793	\$ 833,869	\$ 1,538,632	\$ 2,136,123	\$ 2,702,986	\$ 3,331,773	(Line 5 x Column A x 50%) + (Prior Line 18 x Column A)
31	364.00	2.06%	\$ 402,420	\$ 1,155,540	\$ 1,999,803	\$ 3,034,439	\$ 4,035,705	\$ 5,002,349	\$ 5,986,570	(Line 6 x Column A x 50%) + (Prior Line 19 x Column A)
32	365.00	2.35%	\$ 338,581	\$ 1,003,476	\$ 1,636,209	\$ 2,267,164	\$ 2,893,519	\$ 3,514,993	\$ 4,148,337	(Line 7 x Column A x 50%) + (Prior Line 20 x Column A)
33	366.00	2.62%	\$ 29,483	\$ 89,700	\$ 151,943	\$ 218,690	\$ 277,638	\$ 336,920	\$ 408,780	(Line 8 x Column A x 50%) + (Prior Line 21 x Column A)
34	367.00	2.55%	\$ 178,068	\$ 527,082	\$ 882,177	\$ 1,247,711	\$ 1,608,786	\$ 1,978,943	\$ 2,354,257	(Line 9 x Column A x 50%) + (Prior Line 22 x Column A)
35	368.00	0.65%	\$ 40,695	\$ 121,041	\$ 212,189	\$ 321,293	\$ 428,131	\$ 530,326	\$ 634,258	(Line 10 x Column A x 50%) + (Prior Line 23 x Column A)
36	370.01	19.35%	\$ 1,038,676	\$ 3,136,803	\$ 5,276,892	\$ 7,459,783	\$ 9,686,331	\$ 10,810,628	\$ 10,810,628	(Line 11 x Column A x 50%) + (Prior Line 24 x Column A)
37	Total Dep'r Exp - Annualized		\$ 2,084,488	\$ 6,353,436	\$ 10,993,082	\$ 16,087,711	\$ 21,066,232	\$ 24,877,144	\$ 27,674,602	
Distribution Assets End of Year Accumulated Depreciation:										
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Reference
38	352.00	2.40%								
39	353.00	2.53%								
40	354.00	1.37%								
41	356.00	1.20%								
42	362.00	1.61%	\$ (56,565)	\$ (376,358)	\$ (1,210,227)	\$ (2,748,859)	\$ (4,884,982)	\$ (7,587,968)	\$ (10,919,741)	Line 30 Accumulated
43	364.00	2.06%	\$ (402,420)	\$ (1,557,960)	\$ (3,557,763)	\$ (6,592,202)	\$ (10,627,907)	\$ (15,630,256)	\$ (21,616,825)	Line 31 Accumulated
44	365.00	2.35%	\$ (338,581)	\$ (1,342,056)	\$ (2,978,265)	\$ (5,245,430)	\$ (8,138,948)	\$ (11,653,941)	\$ (15,802,278)	Line 32 Accumulated
45	366.00	2.62%	\$ (29,483)	\$ (119,184)	\$ (271,127)	\$ (489,817)	\$ (767,455)	\$ (1,104,374)	\$ (1,513,154)	Line 33 Accumulated
46	367.00	2.55%	\$ (178,068)	\$ (705,150)	\$ (1,587,327)	\$ (2,835,037)	\$ (4,443,823)	\$ (6,422,766)	\$ (8,777,022)	Line 34 Accumulated
47	368.00	0.65%	\$ (40,695)	\$ (161,736)	\$ (373,925)	\$ (695,218)	\$ (1,123,349)	\$ (1,653,675)	\$ (2,287,932)	Line 35 Accumulated
48	370.01	19.35%	\$ (1,038,676)	\$ (4,175,479)	\$ (9,452,371)	\$ (16,912,154)	\$ (26,598,485)	\$ (37,409,113)	\$ (48,219,742)	Line 36 Accumulated
49	Total End of Year Accum Dep'r		\$ (2,084,488)	\$ (8,437,924)	\$ (19,431,006)	\$ (35,518,717)	\$ (56,584,949)	\$ (81,462,093)	\$ (109,136,695)	
Transmission Assets										
50	End of Year Rate Base		\$ 112,301,374	\$ 232,344,904	\$ 377,399,434	\$ 536,857,681	\$ 653,691,077	\$ 784,695,041	\$ 895,607,499	

000123

Total TDSIC Assets CapEx Additions (Includes AFUDC):											Reference
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Total Plan	
1	352.00	2.40%	\$ -	\$ -	\$ -	\$ 2,300,385	\$ 2,844,940	\$ -	\$ 2,632,615	\$ 7,777,940	IPL Attachment BJB-2 Appendix 8.7
2	353.00	2.53%	\$ 16,542,692	\$ 19,582,382	\$ 23,096,878	\$ 22,073,157	\$ 19,302,399	\$ 18,615,703	\$ 20,407,195	\$ 139,620,406	IPL Attachment BJB-2 Appendix 8.7
3	354.00	1.37%	\$ 1,138,320	\$ 1,111,147	\$ 1,082,432	\$ 850,792	\$ -	\$ -	\$ -	\$ 4,182,691	IPL Attachment BJB-2 Appendix 8.7
4	356.00	1.20%	\$ 4,765,917	\$ 6,881,909	\$ 9,502,181	\$ 11,200,958	\$ 11,497,320	\$ 10,679,473	\$ 7,601,921	\$ 62,129,679	IPL Attachment BJB-2 Appendix 8.7
5	362.00	1.61%	\$ 7,026,754	\$ 25,672,321	\$ 38,188,063	\$ 49,360,078	\$ 24,862,469	\$ 45,555,289	\$ 32,554,913	\$ 223,219,887	IPL Attachment BJB-2 Appendix 8.7
6	364.00	2.06%	\$ 39,069,911	\$ 34,048,557	\$ 47,918,689	\$ 52,531,374	\$ 44,678,960	\$ 49,169,935	\$ 46,385,522	\$ 313,802,948	IPL Attachment BJB-2 Appendix 8.7
7	365.00	2.35%	\$ 28,815,380	\$ 27,771,432	\$ 26,078,201	\$ 27,620,140	\$ 25,686,598	\$ 27,204,806	\$ 26,696,855	\$ 189,873,412	IPL Attachment BJB-2 Appendix 8.7
8	366.00	2.62%	\$ 2,250,626	\$ 2,346,110	\$ 2,405,220	\$ 2,690,012	\$ 1,809,774	\$ 2,715,591	\$ 2,769,903	\$ 16,987,236	IPL Attachment BJB-2 Appendix 8.7
9	367.00	2.55%	\$ 13,966,103	\$ 13,407,560	\$ 14,443,018	\$ 14,226,294	\$ 14,093,313	\$ 14,938,612	\$ 14,497,783	\$ 99,572,683	IPL Attachment BJB-2 Appendix 8.7
10	368.00	0.65%	\$ 12,521,414	\$ 12,200,598	\$ 15,845,026	\$ 17,725,277	\$ 15,147,875	\$ 16,296,875	\$ 15,682,084	\$ 105,419,149	IPL Attachment BJB-2 Appendix 8.7
11	370.01	19.35%	\$ 10,735,674	\$ 10,950,388	\$ 11,169,395	\$ 11,392,783	\$ 11,620,639	\$ -	\$ -	\$ 55,868,879	IPL Attachment BJB-2 Appendix 8.7
12	Total CapEx Additions (2)		\$ 136,832,791	\$ 153,972,404	\$ 189,729,103	\$ 211,971,250	\$ 171,544,287	\$ 185,176,284	\$ 169,228,791	\$ 1,218,454,910	
Total TDSIC Assets End of Year Utility Plant Balance:											Reference
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026		
13	352.00	2.40%	\$ -	\$ -	\$ -	\$ 2,300,385	\$ 5,145,325	\$ 5,145,325	\$ 7,777,940		Line 1 Accumulated
14	353.00	2.53%	\$ 16,542,692	\$ 36,125,074	\$ 59,221,952	\$ 81,295,109	\$ 100,597,508	\$ 119,213,211	\$ 139,620,406		Line 2 Accumulated
15	354.00	1.37%	\$ 1,138,320	\$ 2,249,467	\$ 3,331,899	\$ 4,182,691	\$ 4,182,691	\$ 4,182,691	\$ 4,182,691		Line 3 Accumulated
16	356.00	1.20%	\$ 4,765,917	\$ 11,647,826	\$ 21,150,007	\$ 32,350,965	\$ 43,848,285	\$ 54,527,758	\$ 62,129,679		Line 4 Accumulated
17	362.00	1.61%	\$ 7,026,754	\$ 32,699,075	\$ 70,887,138	\$ 120,247,216	\$ 145,109,685	\$ 190,664,974	\$ 223,219,887		Line 5 Accumulated
18	364.00	2.06%	\$ 39,069,911	\$ 73,118,468	\$ 121,037,157	\$ 173,568,531	\$ 218,247,491	\$ 267,417,426	\$ 313,802,948		Line 6 Accumulated
19	365.00	2.35%	\$ 28,815,380	\$ 56,586,812	\$ 82,665,013	\$ 110,285,153	\$ 135,971,751	\$ 163,176,557	\$ 189,873,412		Line 7 Accumulated
20	366.00	2.62%	\$ 2,250,626	\$ 4,596,736	\$ 7,001,956	\$ 9,691,968	\$ 11,501,742	\$ 14,217,333	\$ 16,987,236		Line 8 Accumulated
21	367.00	2.55%	\$ 13,966,103	\$ 27,373,663	\$ 41,816,681	\$ 56,042,975	\$ 70,136,288	\$ 85,074,900	\$ 99,572,683		Line 9 Accumulated
22	368.00	0.65%	\$ 12,521,414	\$ 24,722,012	\$ 40,567,038	\$ 58,292,315	\$ 73,440,190	\$ 89,737,065	\$ 105,419,149		Line 10 Accumulated
23	370.01	19.35%	\$ 10,735,674	\$ 21,686,062	\$ 32,855,457	\$ 44,248,240	\$ 55,868,879	\$ 55,868,879	\$ 55,868,879		Line 11 Accumulated
24	Total End of Year Utility Plant Balance		\$ 136,832,791	\$ 290,805,195	\$ 480,534,298	\$ 692,505,548	\$ 864,049,835	\$ 1,049,226,119	\$ 1,218,454,910		
Total TDSIC Assets Depreciation Expense:											Reference
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026		
25	352.00	2.40%	\$ -	\$ -	\$ -	\$ 27,605	\$ 89,349	\$ 123,488	\$ 155,079		(Line 1 x Column A x 50%) + (Prior Line 13 x Column A)
26	353.00	2.53%	\$ 209,265	\$ 666,247	\$ 1,206,140	\$ 1,777,541	\$ 2,300,942	\$ 2,780,606	\$ 3,274,245		(Line 2 x Column A x 50%) + (Prior Line 14 x Column A)
27	354.00	1.37%	\$ 7,797	\$ 23,206	\$ 36,232	\$ 51,475	\$ 57,303	\$ 57,303	\$ 57,303		(Line 3 x Column A x 50%) + (Prior Line 15 x Column A)
28	356.00	1.20%	\$ 28,596	\$ 98,482	\$ 196,787	\$ 321,006	\$ 457,196	\$ 590,256	\$ 699,945		(Line 4 x Column A x 50%) + (Prior Line 16 x Column A)
29	362.00	1.61%	\$ 56,565	\$ 319,793	\$ 833,869	\$ 1,538,632	\$ 2,136,123	\$ 2,702,986	\$ 3,331,773		(Line 5 x Column A x 50%) + (Prior Line 17 x Column A)
30	364.00	2.06%	\$ 402,420	\$ 1,155,540	\$ 1,999,803	\$ 3,034,439	\$ 4,035,705	\$ 5,002,349	\$ 5,986,570		(Line 6 x Column A x 50%) + (Prior Line 18 x Column A)
31	365.00	2.35%	\$ 338,581	\$ 1,003,476	\$ 1,636,209	\$ 2,267,164	\$ 2,893,519	\$ 3,514,993	\$ 4,148,337		(Line 7 x Column A x 50%) + (Prior Line 19 x Column A)
32	366.00	2.62%	\$ 29,483	\$ 89,700	\$ 151,943	\$ 218,690	\$ 277,638	\$ 336,920	\$ 408,780		(Line 8 x Column A x 50%) + (Prior Line 20 x Column A)
33	367.00	2.55%	\$ 178,068	\$ 527,082	\$ 882,177	\$ 1,247,711	\$ 1,608,786	\$ 1,978,943	\$ 2,354,257		(Line 9 x Column A x 50%) + (Prior Line 21 x Column A)
34	368.00	0.65%	\$ 40,695	\$ 121,041	\$ 212,189	\$ 321,293	\$ 428,131	\$ 530,326	\$ 634,258		(Line 10 x Column A x 50%) + (Prior Line 22 x Column A)
35	370.01	19.35%	\$ 1,038,676	\$ 3,136,803	\$ 5,276,892	\$ 7,459,783	\$ 9,686,331	\$ 10,810,628	\$ 10,810,628		(Line 11 x Column A x 50%) + (Prior Line 23 x Column A)
36	Total Depr Exp - Annualized		\$ 2,330,146	\$ 7,141,372	\$ 12,434,241	\$ 18,265,337	\$ 23,971,020	\$ 28,428,796	\$ 31,861,174		
Total TDSIC Assets End of Year Accumulated Depreciation:											Reference
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026		
37	352.00	2.40%	\$ -	\$ -	\$ -	\$ (27,605)	\$ (116,953)	\$ (240,441)	\$ (395,520)		Line 25 Accumulated
38	353.00	2.53%	\$ (209,265)	\$ (875,512)	\$ (2,081,652)	\$ (3,859,193)	\$ (6,160,135)	\$ (8,940,740)	\$ (12,214,985)		Line 26 Accumulated
39	354.00	1.37%	\$ (7,797)	\$ (31,004)	\$ (69,236)	\$ (120,711)	\$ (178,014)	\$ (235,317)	\$ (292,620)		Line 27 Accumulated
40	356.00	1.20%	\$ (28,596)	\$ (127,078)	\$ (323,865)	\$ (644,871)	\$ (1,102,066)	\$ (1,692,323)	\$ (2,392,267)		Line 28 Accumulated
41	362.00	1.61%	\$ (56,565)	\$ (376,358)	\$ (1,210,227)	\$ (2,748,859)	\$ (4,884,982)	\$ (7,587,968)	\$ (10,919,741)		Line 29 Accumulated
42	364.00	2.06%	\$ (402,420)	\$ (1,557,960)	\$ (3,557,763)	\$ (6,592,202)	\$ (10,627,907)	\$ (15,630,256)	\$ (21,616,825)		Line 30 Accumulated
43	365.00	2.35%	\$ (338,581)	\$ (1,342,056)	\$ (2,978,265)	\$ (5,245,430)	\$ (8,138,948)	\$ (11,653,941)	\$ (15,802,278)		Line 31 Accumulated
44	366.00	2.62%	\$ (29,483)	\$ (119,184)	\$ (271,127)	\$ (489,817)	\$ (767,455)	\$ (1,104,374)	\$ (1,513,154)		Line 32 Accumulated
45	367.00	2.55%	\$ (178,068)	\$ (705,150)	\$ (1,587,327)	\$ (2,835,037)	\$ (4,443,823)	\$ (6,422,766)	\$ (8,777,022)		Line 33 Accumulated
46	368.00	0.65%	\$ (40,695)	\$ (161,736)	\$ (373,925)	\$ (695,218)	\$ (1,123,349)	\$ (1,653,675)	\$ (2,287,932)		Line 34 Accumulated
47	370.01	19.35%	\$ (1,038,676)	\$ (4,175,479)	\$ (9,452,371)	\$ (16,912,154)	\$ (26,598,485)	\$ (37,409,113)	\$ (48,219,742)		Line 35 Accumulated
48	Total End of Year Accum Depr		\$ (2,330,146)	\$ (9,471,518)	\$ (21,905,759)	\$ (40,171,097)	\$ (64,142,117)	\$ (92,570,913)	\$ (124,432,088)		
Total TDSIC Assets End of Year Rate Base Check											Reference
Line	FERC Account	Depr Rate (1)	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026		
49			\$ 134,502,645	\$ 281,333,677	\$ 458,628,539	\$ 652,334,452	\$ 799,907,718	\$ 956,655,206	\$ 1,094,022,823		Line 49 - Pg 1 Line 50 - Page 2 Line 50
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

000124

IPL Attachment CAR-3

TDSIC Property Tax Expense Calculation

000125

INDIANAPOLIS POWER & LIGHT COMPANY
TRANSMISSION DISTRIBUTION STORAGE SYSTEM IMPROVEMENT CHARGE (TDSIC)
Property Tax Expense Calculation

Line	Description	Year 2 2021	Year 3 2022	Year 4 2023	Year 5 2024	Year 6 2025	Year 7 2026	Reference
Transmission Assets								
Property Tax Calculation - One Year in Arrears:								
1	Accumulated Additions	\$ 22,446,929	\$ 50,022,367	\$ 83,703,858	\$ 120,129,150	\$ 153,773,809	\$ 183,068,985	Attachment CAR-2
2	less Accumulated Tax Depreciation	\$ 953,591	\$ 3,929,938	\$ 9,263,661	\$ 17,125,014	\$ 27,296,330	\$ 39,309,822	Tax Depr WP
3	Accumulated Additions Net of Tax Depr	\$ 21,493,338	\$ 46,092,429	\$ 74,440,197	\$ 103,004,136	\$ 126,477,479	\$ 143,759,163	Line 1 - Line 2
4	Current Year Additions	\$ 22,446,929	\$ 27,575,438	\$ 33,681,491	\$ 36,425,292	\$ 33,644,659	\$ 29,295,176	Attachment CAR-2
5	less Tax Depreciation on CY Spend	\$ 953,591	\$ 1,151,833	\$ 1,461,825	\$ 1,526,714	\$ 1,463,581	\$ 1,259,657	Tax Depr WP
6	Current Year Additions Net of Tax Depr	\$ 21,493,338	\$ 26,423,605	\$ 32,219,666	\$ 34,898,578	\$ 32,181,078	\$ 28,035,519	Line 4 - Line 5
7	Credit Amount	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	
8	60% Credit for Gross Additions	\$ 12,896,003	\$ 15,854,163	\$ 19,331,799	\$ 20,939,147	\$ 19,308,647	\$ 16,821,311	Line 6 x Line 7
9	Net Assessed Value	\$ 8,597,335	\$ 30,238,267	\$ 55,108,397	\$ 82,064,990	\$ 107,168,832	\$ 126,937,851	Line 3 - Line 8
10	Property Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Property Tax Rate
11	Property Tax Expense - Annualized	\$ 257,920	\$ 907,148	\$ 1,653,252	\$ 2,461,950	\$ 3,215,065	\$ 3,808,136	Line 9 x Line 10
Distribution Assets								
Property Tax Calculation - One Year in Arrears:								
12	Accumulated Additions	\$ 114,385,862	\$ 240,782,828	\$ 396,830,440	\$ 572,376,398	\$ 710,276,026	\$ 866,157,134	Attachment CAR-2
13	less Accumulated Tax Depreciation	\$ 5,709,531	\$ 22,526,290	\$ 50,613,292	\$ 90,568,943	\$ 140,535,209	\$ 197,829,920	Tax Depr WP
14	Accumulated Additions Net of Tax Depr	\$ 108,676,331	\$ 218,256,539	\$ 346,217,149	\$ 481,807,456	\$ 569,740,817	\$ 668,327,214	Line 12 - Line 13
15	Current Year Additions	\$ 114,385,862	\$ 126,396,966	\$ 156,047,612	\$ 175,545,958	\$ 137,899,628	\$ 155,881,108	Attachment CAR-2
16	less Tax Depreciation on CY Spend	\$ 5,709,531	\$ 6,178,592	\$ 7,321,232	\$ 8,083,486	\$ 6,707,523	\$ 6,157,963	Tax Depr WP
17	Current Year Additions Net of Tax Depr	\$ 108,676,331	\$ 120,218,374	\$ 148,726,380	\$ 167,462,472	\$ 131,192,105	\$ 149,723,145	Line 15 - Line 16
18	Credit Amount	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	
19	60% Credit for Gross Additions	\$ 65,205,799	\$ 72,131,024	\$ 89,235,828	\$ 100,477,483	\$ 78,715,263	\$ 89,833,887	Line 17 x Line 18
20	Net Assessed Value	\$ 43,470,532	\$ 146,125,514	\$ 256,981,320	\$ 381,329,972	\$ 491,025,554	\$ 578,493,327	Line 14 - Line 19
21	Property Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Property Tax Rate
22	Property Tax Expense - Annualized	\$ 1,304,116	\$ 4,383,765	\$ 7,709,440	\$ 11,439,899	\$ 14,730,767	\$ 17,354,800	Line 21 x Line 22
Total TDSIC Assets								
Property Tax Calculation - One Year in Arrears:								
23	Accumulated Additions	\$ 136,832,791	\$ 290,805,195	\$ 480,534,298	\$ 692,505,548	\$ 864,049,835	\$ 1,049,226,119	Attachment CAR-2
24	less Accumulated Tax Depreciation	\$ 6,663,122	\$ 26,456,227	\$ 59,876,953	\$ 107,693,956	\$ 167,831,539	\$ 237,139,742	Tax Depr WP
25	Accumulated Additions Net of Tax Depr	\$ 130,169,669	\$ 264,348,968	\$ 420,657,345	\$ 584,811,592	\$ 696,218,296	\$ 812,086,377	Line 23 - Line 24
26	Current Year Additions	\$ 136,832,791	\$ 153,972,404	\$ 189,729,103	\$ 211,971,250	\$ 171,544,287	\$ 185,176,284	Attachment CAR-2
27	less Tax Depreciation on CY Spend	\$ 6,663,122	\$ 7,330,426	\$ 8,783,057	\$ 9,610,200	\$ 8,171,104	\$ 7,417,620	Tax Depr WP
28	Current Year Additions Net of Tax Depr	\$ 130,169,669	\$ 146,641,979	\$ 180,946,046	\$ 202,361,050	\$ 163,373,183	\$ 177,758,664	Line 26 - Line 27
29	Credit Amount	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	
30	60% Credit for Gross Additions	\$ 78,101,802	\$ 87,985,187	\$ 108,567,628	\$ 121,416,630	\$ 98,023,910	\$ 106,655,198	Line 28 x Line 29
31	Net Assessed Value	\$ 52,067,868	\$ 176,363,781	\$ 312,089,718	\$ 463,394,962	\$ 598,194,386	\$ 705,431,179	Line 25 - Line 30
32	Property Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	Property Tax Rate
33	Property Tax Expense - Annualized	\$ 1,562,036	\$ 5,290,913	\$ 9,362,692	\$ 13,901,849	\$ 17,945,832	\$ 21,162,935	Line 32 x Line 33

000126