STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANAPOLIS POWER & LIGHT COMPANY D/B/A AES INDIANA ("AES INDIANA") FOR AUTHORITY TO INCREASE RATES AND CHARGES FOR ELECTRIC UTILITY SERVICE, AND FOR APPROVAL OF RELATED RELIEF, INCLUDING (1) REVISED DEPRECIATION RATES, (2) ACCOUNTING RELIEF, INCLUDING DEFERRALS AND AMORTIZATIONS, (3) INCLUSION OF CAPITAL INVESTMENTS, (4) RATE ADJUSTMENT MECHANISM PROPOSALS, INCLUDING NEW ECONOMIC DEVELOPMENT RIDER, (5) REMOTE DISCONNECT/RECONNECT PROCESS, AND (6) NEW SCHEDULES OF RATES, RULES AND REGULATIONS FOR SERVICE.	)	**CAUSE NO. 45911**

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

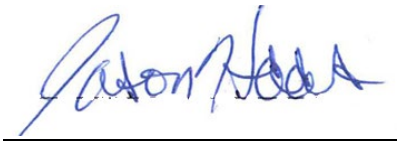
PUBLIC'S EXHIBIT NO. 5

TESTIMONY OF OUCC WITNESS

KALEB G. LANTRIP

OCTOBER 12, 2023

Respectfully submitted,



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TESTIMONY OF OUCC WITNESS KALEB G. LANTRIP
CAUSE NO. 45911
INDIANAPOLIS POWER AND LIGHT COMPANY D/B/A AES INDIANA

I. INTRODUCTION

Q: Please state your name, business address, and employment capacity.

A: My name is Kaleb G. Lantrip, and my business address is 115 W. Washington St., Suite 1500 South, Indianapolis, Indiana 46204. I am employed as a Utility Analyst in the Indiana Office of Utility Consumer Counselor's ("OUCC") Electric Division. A summary of my educational background and experience is included in Appendix A attached to my testimony.

Q: What is the purpose of your testimony?

A: I provide recommendations regarding Indianapolis Power and Light Company d/b/a AES Indiana's ("AES Indiana" or "Petitioner") proposed AES Customer Ecosystem ("ACE") project and its adjustments to rate base to account for its Regional Transmission Operator ("RTO") and Off-System Sales/Capacity Sales ("OSS/CAP") riders. I analyzed AES Indiana's request to continue its previously approved amortization periods for its assets and the status of its Service Agreement with AES Services. Ultimately, I recommend the Indiana Utility Regulatory Commission ("Commission"):

1) Direct AES Indiana to report its quantified cost savings achieved by the ACE Project after 6 months, as AES Indiana stated it was the requested amount of time it needed before it could quantify and compare.[1]

[1] Attachment KGL-1: AES Indiana Response to OUCC DR 1-23.

2) Direct AES Indiana to provide an adjustment for the legacy capital costs of its CIS system, as its functions will be supplanted materially by the ACE Project's purpose.

3) Separate the estimated non-recurring contract services operating and maintenance ("O&M") from its Adjustment OM18 and recover those costs over 4 years, reducing AES's annual O&M adjustment by $620,141;

4) Approve AES Indiana's proposed transfer of the Lakefield Wind PPA from the Fuel Cost Adjustment ("FAC") rider to the OSS rider, since it will be administratively efficient for both riders.

5) Require AES Indiana to continue with previously established regulatory asset amortization periods for certain regulatory assets.

6) Approve AES Indiana's Adjustment OM-23, subject to the requirement that AES Indiana update the Commission as to the status of the service agreement remaining in place beyond the beginning of January 2024.

Q: Please describe the review and analysis you conducted in order to prepare your testimony.

A: I read and reviewed AES Indiana's petition, direct testimony, and workpapers provided to support Petitioner's requested treatment of the ACE Project, cost recovery riders, regulatory assets, and AES Services expenses. I reviewed Petitioner's responses to OUCC data requests.

Q: To the extent you do not address a specific item in your testimony, should it be construed to mean you agree with AES Indiana's proposal?

A: No. My silence regarding any topics, issues, or items AES Indiana proposes does not indicate my approval of those topics, issues, or items. Rather, the scope of my testimony is limited to the specific items addressed herein.

II. ACE PROJECT

Q: When did AES Indiana begin searching for an integrated technology solution?

A: AES Indiana's parent company, AES Corporation, reviewed and assessed its utilities' core systems in 2019, and initiated its Request for Proposal ("RFP") process in 2020. The Company required a technology solution that would meet its utilities' system integration needs, along with a contractor who would provide a means to implement these solutions. There was a three-round process to determine the best fit among the vendors' RFP submissions.[2] Ultimately, the core system procurement was awarded to SAP with the implementation role falling to Accenture, a global business management consulting firm that specializes in SAP system integrations.[3] The work commenced in April 2021.

Q: How does the ACE Project consolidate and integrate systems?

A: As shown in Table 1 of AES Indiana witness Vanessa Barbarisi's direct testimony, Petitioner's proposed transition from its legacy systems is through a migration to various SAP-hosted platforms.[4]

Q: Please describe AES Indiana's proposed ACE Project.

A: According to Ms. Barbarisi, the ACE Project is a comprehensive customer information and data/operations management system. It has four components: 1) a

[2] Direct Testimony of Vanessa Barbarisi, p. 11, ll. 2-11.
[3] Barbarisi Direct, p. 12, ll. 1-4.
[4] Barbarisi Direct, p. 10, Table 1, and Attachment VB-2, which provides descriptions of the systems in Table 1.

Customer Information System ("CIS"); 2) Meter Data Management ("MDM"); 3) Field Services Management ("FSM"); and 4) Customer Service Management ("CSM"). These four components will improve integration with AES Indiana's partners and vendors, such as Kubra, Uplight, and Landis+Gyr, with which AES Indiana expects to continually improve its capabilities with Smart Grid initiatives.[5]

Q: Does AES Indiana have existing systems in place to manage customer data and needs?

A: Yes. However, AES Indiana has asserted the four legacy component functions are managed using incompatible systems and their effectiveness is limited due to their age.[6] AES Indiana personnel built and largely maintained the existing legacy systems. Due to the technologies' outdated nature, it is difficult to find qualified staff to use and maintain the systems. When a change to a system is made, the testing and deploying is performed in-house.[7]

Q: Did AES Indiana provide an adjustment removing the costs of the legacy systems the ACE Project is proposed to replace and improve?

A: No. In response to discovery following up on AES Indiana's previous response to OUCC data request 1-23(a)[8] regarding the legacy systems' capital costs, AES Indiana stated "no adjustment was made to the test year to remove current system costs. The cost included in the test year for the current systems is based on maintenance costs to keep the systems operational. The current system will need to remain operational, in read-only mode, for data access."[9]

[5] Barbarisi Direct, p. 4, l. 12 - p. 5, l. 8.
[6] Barbarisi Direct, p. 7, ll. 15-17.
[7] Barbarisi Direct, p. 9, ll. 8-11.
[8] Attachment KGL-1: AES Indiana's Response to OUCC DR 1-23.
[9] Attachment KGL-7: AES Indiana's Response to OUCC DR 15-19.

Q: Please explain the ACE Project's CIS component.

A: The CIS component is a core data system for managing customer and billing information and includes key customer data such as billing, location, rates, and Company information. It is central for meter functions such as scheduling reads, reading, and data management, as well as for customer service and CSM integration.[10] AES Indiana's legacy CIS system was developed in 1997 and, while it has been patched over time, it is labor intensive to maintain and update. The system uses mainframe technology, which relies on rudimentary graphical user interface programming (or "green screen"), without the flexibility for navigation through multiple screens or program windows to complete a transaction or fulfill a request.[11] The existing CIS is hosted on-premises with locally maintained servers, while current industry movement is embracing cloud-based solutions.[12]

Q: What is the ACE Project's MDM component?

A: The MDM system supports data feeds from Advanced Metering Infrastructure ("AMI") and Automatic Meter Reading ("AMR") meters on a 15-minute interval basis. MDM helps with validation, estimating, and editing capabilities for reading, billing, and charging customers. This functionality will support a fuller integration with CIS to provide increased efficiency and accuracy in capturing the higher data volume AMI technology provides.[13] AES Indiana's current MDM system was implemented in 2010 but has limited capabilities to do more than basic validation,

[10] Barbarisi Direct, p. 5, ll. 11-17.
[11] Barbarisi Direct, p. 8, ll. 6-8.
[12] Barbarisi Direct, p. 7, l. 20 - p. 8, l. 16.
[13] Barbarisi Direct, p. 6, ll. 5-12.

editing, and estimating functionality when integrating with the customer information system, and cannot match rate categories or billing determinants.[14]

Q: What is the ACE Project's FSM component?

A: This function supports field service scheduling, coordination of work crews' work order assignments and fulfillment. The FSM component gives crews access to data and tools for the effective operation of an advanced distribution system and will have device location to help field crews quickly find, fix, or install customers' hardware. The FSM integrates with the CIS to create a workflow for customer needs and allows for a better dispatch of operations teams equipped to solve those needs.[15] AES Indiana's current FSM system was implemented in 1998 and is separate from the CIS, which slows down coordinating work orders and dispatching.[16]

Q: What is the ACE Project's CSM component?

A: This is the system customer service representatives ("CSR") use to navigate customer data when responding to information requests for billing, issue inquiries, and customer correspondence. Ms. Barbarisi testifies that an upgrade of this system will provide more flexibility in organizing customer data, which should speed up customer transaction resolutions. This system overhaul will tie together the different systems CSRs currently use to address customer questions, ranging from service start/stop/transfers, outage history, and billing.[17] AES Indiana's current customer service solution is also an in-house system, which is unable to meet its

[14] Barbarisi Direct, p. 8, ll. 17-20.
[15] Barbarisi Direct, p. 6, ll. 13-22.
[16] Barbarisi Direct, p. 8, ll. 21-23.
[17] Barbarisi Direct, p. 7, ll. 1-11.

desired integration profile and capabilities with the total system and functional components.[18]

Q: Do AES Indiana witnesses support the ACE Project's proposed benefits to extend to its customer base?

A: Yes. Ms. Barbarisi's testimony focuses on the ACE Project's benefits to customers' overall experiences with digital interactions and self-service. Customers will receive more accurate billing from their AMI meters,[19] better data management of their profiles,[20] and more options for paying their bills online with an AES mobile application.[21]

Q: Based on AES Indiana's presentation of its ACE project, what is your assessment of its value to customers?

A: Of the four ACE Project components, improving the FSM system communication to field crews to reduce outage times provides the clearest benefit to customers. The other three ACE Project components support benefits to AES Indiana's ability to manage, maintain, and bill its customer base.

Q: What are AES Indiana's estimated capital costs to implement the ACE Project?

A: The capital costs for the ACE Project are projected to total $94.165 million, as shown in Adjustment RB-3. Of the total capital costs, $66.212 million has been spent as of August 31, 2023[22] ($54.296 million of the total capital costs had been spent as of the May 31, 2023, testimony filing date[23]).

[18] Barbarisi Direct, p. 9, ll. 1-7.
[19] Barbarisi Direct, p. 5, l. 11 – p. 6, l. 12.
[20] Barbarisi Direct, p. 13, l. 7 - p. 14, l. 9.
[21] Barbarisi Direct, p. 14, ll. 15-17.
[22] AES Indiana's Third Monthly Major Project Investment Update, filed on September 18, 2023.
[23] Barbarisi Direct, Attachment VB-1.

As AES Indiana witness Kimberly Aliff testifies, the capital costs break down to $89.3 million of "miscellaneous intangible plant" and $4.9 million of Allowance for Funds Used During Construction ("AFUDC") related to the ACE project.[24] AES Indiana states this qualifies as a "major project," because the capital cost of $94.2 million is greater than one percent of rate base. Ms. Aliff cites to 170 Ind. Admin. Code 1-5-5(4), which states that a Major Project may be included in rate base if it is declared by the utility to be used and useful ten business days before the final hearing in a rate case. AES Indiana believes the ACE Project will be in service, used, and useful by November 2023.[25] The evidentiary hearing in this proceeding is scheduled for December 4, 5, 6, and 7, 2023.[26] Petitioner's witness John Spanos supports AES Indiana's proposal to amortize the ACE Project software applications over 10 years under Account 303.15 as miscellaneous intangible plant.[27]

Q: What are AES Indiana's estimated O&M costs to operate the ACE Project?

A: Ms. Barbarisi explains AES Indiana's proposal (Adjustment OM-18) to increase test year operating expenses by $11.3 million to reflect pro-forma operating expenses related to the ACE Project.[28] Because the ACE Project was in its development phase during the test year, Ms. Barbarisi testified that test year expenses were not representative of normal operations and that AES Indiana forecasted pro forma operating expenses required to support its transition to its

[24] Direct Testimony of Kimberly A. Aliff, p. 5, ll. 16-19.
[25] Aliff Direct, p. 6, ll. 2-10; Barbarisi Direct, p. 13, ll. 4-6.
[26] Aliff Direct, p. 6, ll. 10-11.
[27] Direct Testimony of John J. Spanos, p. 17, ll. 17-20.
[28] Barbarisi Direct, p. 16, ll. 15-23. AES Financial Exhibit, AESI-OPER, Sch. OM18, Col. 3, line 1.

Software-as-a-Service solution in conjunction with its ACE Project.[29] Also, the adjustment includes non-recurring expenses related to contract staffing costs for transitioning to the new system. These costs were estimated in testimony to be $6.2 million,[30] but were later updated in discovery response to $5.8 million.[31] AES Indiana proposes to amortize the non-recurring spending over three years.

Q: What do you recommend regarding AES Indiana's Adjustment OM-18?

A: I recommend the non-recurring contract staffing costs of $5.8 million[32] be removed from this adjustment and be treated as an amortized expense over four years, per OUCC witness Wes R. Blakley's testimony. This adjustment would reduce AES Indiana's proposed annual O&M adjustment by $620,141.[33] These are non-recurring costs[34] and should not be included as an operating expense adjustment to the annual pro forma ACE Project operating expense.

Q: Did AES Indiana present the anticipated cost savings from this ACE Project's implementation and, if so, will it be shared with its customers?

A: No. Petitioner did not provide cost savings due to implementing the ACE Project. However, the ACE Project is expected to reduce time spent navigating and reprogramming the current in-house mainframe software, and systems.[35] AES Indiana responded to an OUCC data request regarding the labor costs of the personnel who support maintenance on the legacy system, that it cost $1.52 million

[29] Barbarisi Direct, p. 16, ll. 10-15.
[30] AESI-OPER Financial Exhibits, Schedule OM18, WP-2, lines 32-34.
[31] Attachment KGL-9: AES Indiana's Supplemental Response to IG 4-3, page 2.

[32] Attachment KGL-9: AES Indiana's Supplemental Response to IG 4-3, page 2.
[33] Attachment KGL-9: AES Indiana's Supplemental Response to IG 4-3, page 2 for updated ACE Project O&M costs for Attachment KGL-10: AESI-OPER Sch. OM18, WP-2, and the difference of the addition of "lines 32-34" divided over 4 years vs. 3 years.
[34] Attachment KGL-4: AES Indiana's Response to OUCC DR 1-24.
[35] Barbarisi, p. 8, ll. 6-10, 21-23 and p. 9, ll. 8-17, 19-22.

for test year 2022, and $0.75 million as of July 2023, though such legacy system support was not the only job function served by these personnel.[36] In answer to an OUCC data request as to whether AES Indiana had forecasted the O&M cost savings from system replacement efficiencies by the ACE project, AES Indiana stated that it "has not performed the requested quantification. After the Company has operated the system for approximately six months, the estimated time it takes to stabilize the new systems and processes, the Company will be able to forecast cost savings better."[37]

Q: What is your recommendation regarding AES Indiana's ACE Project improvements?

A: I recommend the Commission order AES Indiana to report back on improvements made to customer service systems six months after its implementation, as referenced in Petitioner's response to OUCC data request 1-23, including without limitation, forecasted cost savings to be gained from the replacement of the legacy systems. These incremental cost savings in labor and operating expenses of its personnel should be reviewed in a future proceeding.

III. MIDCONTINENT INDEPENDENT SYSTEM OPERATOR ("MISO") TRANSMISSION EXPANSION PLANNING PLANT IN-SERVICE

Q: What are MISO Transmission Expansion Planning ("MTEP") projects?

A: The MTEP is a process MISO uses to review submitted transmission requests and proposals for system upgrades. The criterion for projects is they must provide reliability benefits to the bulk transmission system, which affects multiple utility systems. If the project is approved under MISO's criteria, then it categorizes the

[36] Attachment KGL-8: AES Indiana's Response to OUCC DR 15-21.
[37] Attachment KGL-1: AES Indiana's Response to OUCC DR 1-23.

MTEP project's costs as being sharable among the benefitting utilities by collecting MTEP costs under MISO Schedule 26 and remitting the proceeds to MTEP project builders on the system.[38]

Q: Does AES Indiana have any MTEP projects in its transmission system footprint?

A: Yes. As Petitioner's witness Michael L. Holtsclaw testifies, AES Indiana is not currently involved in any active MTEP projects but has three completed and in-service MTEP projects:[39]

1) In 2011, AES Indiana's MTEP project submission was approved for cost-sharing among other participants with its replacement of 345/138 kV auto-transformers in its Petersburg 345 kV switchyard.[40]
2) Another utility filed a transmission service request, and Petitioner completed an upgrade to the AES Indiana Petersburg to AEP Breed 345 kV line.[41]
3) AES Indiana replaced the 345 kV breakers at the Petersburg Power Plant switchyard, placed in service in 2015.[42]

Q: What is AES Indiana proposing regarding its MTEP projects in Adjustment RB-5?

A: Petitioner proposes continuing the treatment approved in previous rate cases, Cause Nos. 44576 and 45029, which excludes revenues and expenses for MISO MTEP projects from rate base. AES Indiana proposes recovery of all the allocated Schedule 26, 26-A, and 26-C charges through its RTO Rider filed annually under

[38] Direct Testimony of Michael L. Holtsclaw, p. 10, ll. 1-5.
[39] Holtsclaw Direct, p. 9, ll. 14-16.
[40] Holtsclaw Direct, p. 9, ll. 16-19.
[41] Holtsclaw Direct, p. 9, ll. 19-21.
[42] Holtsclaw Direct, p. 9, l. 21 - p. 10, l. 1.

Cause No. 44808. Accordingly, AES Indiana is using Adjustment RB-5 to remove from rate base the $20.8 million balance of MISO MTEP projects and $3.4 million of accumulated depreciation as of December 31, 2022.[43]

Q: Is AES Indiana proposing additional adjustments to account for its MTEP projects?

A: Yes. AES Indiana excludes the $2.4 million impact of non-jurisdictional test year Schedule 26 revenues on Adjustment REV-8, line 4, and is excluding $1.0 million of allocated O&M expenses related to MTEP projects as Adjustment OM-10.[44] The $20.8 million non-jurisdictional MTEP plant balance is excluded from Adjustment DEPR calculating pro-forma depreciation expense on line 6.

Q: What is your recommendation regarding AES Indiana's exclusion of MTEP projects in base rates?

A: AES Indiana's proposal to exclude MTEP projects from rate base and tracking cost recovery through its RTO rider is consistent with what was approved in Cause Nos. 44576 and 45029. I recommend the Commission approve AES Indiana's proposed MTEP project treatment.

IV. REGULATORY ASSETS

Q: What is AES Indiana proposing regarding regulatory asset balances in Adjustment RB-9?

A: AES Indiana is proposing different amortization recovery periods for its regulatory assets.[45]

Q: What parts of AES Indiana's RB-9 adjustment did you analyze and address?

A: Of the 32 requested regulatory assets, I focus on:

[43] Aliff Direct, p. 7, l. 15 - p. 8, l. 10.
[44] Aliff Direct, p. 8, ll. 13-18.
[45] Aliff Direct, pp. 9-12.

- Petersburg Unit 4 costs and carrying charges (lines 1-3);
- Environmental Projects: NOx, MPP, MPP2, MATS, NPDES, HS7 carrying charges (line 4);
- Eagle Valley Combined Cycle Gas Turbine ("CCGT") and Harding Street 5 & 6 depreciation (line 12);
- Eagle Valley CCGT and Harding Street 5 & 6 post-in-service AFUDC (line 13);
- Harding Street Unit 7 preservation (line 15);
- Transmission, Distribution, and Storage Improvement Charges ("TDSIC") deferred depreciation (line 23); and
- TDSIC Post-in-service AFUDC (line 24).

Q: What did you analyze regarding these proposed adjustment amortization periods?

A: I reviewed AES Indiana's testimony and workpapers to understand the amortization proposals for its miscellaneous regulatory assets. In Ms. Aliff's Table 1, the "*" symbol is featured in line items 4-11 to indicate a requested change to a 10-year amortization period, consistent with Petitioner's witness John Spanos's depreciation study in this cause. In response to OUCC data requests 14-2 and 14-3, regarding portions of the table not marked "*" for Mr. Spanos and "**" for Petitioner's witness Karin Nyhuis' testimonial request to account for Petersburg unit retirements, AES Indiana confirmed that previously approved treatment of regulatory asset amortization periods would continue, rather than newly proposed periods.

Q: Please explain AES Indiana's requested regulatory asset amortization periods for Adjustment RB-9.

A: AES Indiana indicates it intends to continue the approved amortization periods of the following regulatory assets. AES Indiana indicates the requested regulatory asset amortization period for Petersburg Unit 4's costs and carrying charges, contained in lines 1-3 for $1.1 million and ending in 2026, is consistent with the 40-year treatment approved in its base rate case in Cause No. 39938[46] and continued through rate cases 44576 and 45029.[47] Of the $988,000 total, $71,700 is for the proposed Harding Street 7 environmental projects, which were approved in Cause No. 45029, with an expected life of 28.25 years; 23 years remain as of the December 31, 2022, test year cut-off date.[48] The Harding Street 7 Preservation costs related to MATS compliance,[49] contained in line 15 for $423,000, were approved in Cause No. 42170 ECR-26 for a 10-year amortization period starting in July 2016 and were approved to continue in Cause No. 45029.[50] Finally, the recovery of TDSIC deferred depreciation and post in-service AFUDC assets, lines 23 and 24 for $189,000 and $309,000 respectively, are requested to be recovered over a 36.3-year amortization period, beginning with the date the amount is included in a TDSIC filing.[51]

Q: What is your recommendation regarding the regulatory assets you analyzed?

[46] Attachment KGL-2: AES Indiana Response to OUCC DR 14, p. 1. See also Cause No. 39938, Direct Testimony of Donald S. Roff, pp. 32-33, and Schedule 2.
[47] *Id*.
[48] Attachment KGL-2: AES Indiana Response to OUCC DR 14, p. 2.
[49] Aliff Direct, p. 14, ll. 1-5.
[50] Attachment KGL-2, AES Indiana Response to OUCC DR 14, p. 3.
[51] Aliff Direct, p. 15, ll. 13-15.

A: I do not oppose AES Indiana's proposed amortization periods for the regulatory assets as noted earlier in my testimony regarding Adjustment RB-9. Mr. Blakley addresses Petitioner's proposed 3-year amortization periods for the 20% portion accrued from rider reconciliations.

V. AES RIDER REVENUE ADJUSTMENTS

Q: Did you review any of AES Indiana's rider filings?

A: Yes. I reviewed the Capacity/Off System Sales and RTO Riders, updated under Cause Nos. 44795 and 44808, respectively.

Q: Is AES Indiana proposing any changes to the FAC rider that will impact the OSS rider?

A: Yes. AES Indiana is proposing to transfer the tracking of revenues and expenses of its Lakefield Purchase Power Agreement ("PPA") from its FAC Rider to its OSS rider. Petitioner's witness Caleb Steiner testifies that the Lakefield project's wind generation was approved before the OSS rider was established, and that it has served to offset fuel costs.[52] Mr. Steiner testified that it would be cleaner to move the Lakefield PPA to the OSS Rider, so it is not just used as an offset in both filings' rate calculations.[53]

Q: Do you recommend the Commission approve AES's request to transfer the tracking of Lakefield PPA to the OSS Rider?

A: Yes. I recommend the Lakefield wind PPA tracking be transferred to the OSS rider from the FAC rider, as it would be consistent with where other similar revenues and expenses occur.

[52] Direct Testimony of Caleb Steiner, p. 7, ll. 5-8.
[53] Steiner Direct, pp. 10-16.

Q: Is AES Indiana updating its embedded amounts in base rates for the OSS and CAP riders?

A: Yes. AES Indiana is proposing to reset the embedded revenue and expense assumptions in its base rates to establish a new baseline for its riders.

Q: How is AES Indiana proposing to reset its CAP and OSS riders embedded amounts?

A: Starting with Adjustment REV-3, AES Indiana requests adjusting total retail revenues per books for the test year (ended Dec. 31, 2022) to reflect revenue generated only by the existing basic rate tariffs, accomplished by removing recorded revenues from AES Indiana's approved riders.[54] AES Indiana tracks its customer billings related to these riders separately in both its billing software and in its general ledger. This Adjustment REV-3 adjusted the total book retail revenue by adding $34.1 million of OSS revenue and removing ($1.4) million of CAP revenue.

Q: What changes is AES Indiana proposing in Adjustment REV-5 for its CAP and OSS riders?

A: AES Indiana is proposing a new amount be embedded in base rates, and has made an adjustment to reflect the new pro-forma amounts at present rates.[55] The CAP rider adjustment will change the embedded amount to a $19 million charge instead of a $11.3 million credit, a $30.3 million increase compared to what was approved in previous rate case Cause No. 45029.[56] The OSS rider's pro-forma requested adjustment is a $12.3 million reduction to base rate revenue requirement, as the approved embedded amount in Cause No. 45029 was a $16.3 million OSS Margin

[54] Direct Testimony of Austin J. Baker, p. 4, ll. 10-13.
[55] Aliff Direct, p. 17, l. 9 - p. 19, l. 16.
[56] Aliff Direct, p. 18, ll. 6-11.

credit. AES Indiana's update in this filing is $28.6 million of OSS Margin sales.[57] The RTO Rider's Pro-forma adjustment is a $1.3 million revenue requirement increase from the embedded amount in base rates, due to the Adjustment REV8's effect of expecting lower pro forma MISO revenues.[58] (See Table KGL-1).

Table KGL-1

Schedule REV-5 Adjustments (Amounts in 000's)			
Tracker	Current Cause No. 45029	Proposed Benchmark	Pro-Forma Adjustment
CAP	($11,288)	$19,030	$30,318[59]
OSS	($16,324)	($28,612)	($12,288)[60]

Q: What are AES Indiana's proposed changes to its OSS Margin in adjustments REV-6, OM-2, and OM-4?

A: AES Indiana proposes setting the OSS summary margin to the five-year historical average annual MWh attributable to OSS as the sales quantity, and a forward looking $/MWh to value the OSS MWh, for a $12.3 million total adjustment credit to customers. There is a ($76.2 million) adjustment due to AES Indiana's Adjustment OM-2, line 25, to reclassify OSS fuel costs.[61] Finally, there is a pro-forma adjustment to remove ($14.5 million) of OSS power production costs from Petitioner's test year jurisdictional operating expenses as shown in AES Indiana Adjustment OM-4, line 3 and Adjustment REV-6, Col. 6, line 1.[62]

[57] Aliff Direct, p. 18, ll. 11-14.
[58] Aliff Direct, p. 18, ll. 14-17.
[59] AESI-OPER Financial Exhibit, Sch. REV-5, WP-5.
[60] AESI-OPER Financial Exhibit, Sch. REV-5, WP-6.
[61] Direct Testimony of AES Witness Caleb Steiner, p. 9, ll. 1-9. See also AES Financial Exhibit AESI-OPER, Sch. REV-6, WP-1 for the calculation of the $76.2 million.
[62] Steiner Direct, p. 9, ll. 9-14. See also AES Financial Exhibit AESI-OPER, Sch. REV-6, WP-1 for the calculation of the test year production costs.

Q: What do you conclude regarding AES Indiana's OSS adjustments on REV-6, OM-2, and OM-4?

A: After review, I found that AES Indiana's workpapers support the OSS adjustments.

Q: What is your recommendation regarding REV-8?

A: Upon reviewing AES Indiana's workpapers, I was able to find supporting calculations for each of the line items and, therefore, recommend approval.

Q: What is AES Indiana proposing in adjustment REV-9?

A: AES Indiana is proposing a ($11.75 million) pro-forma adjustment to account for capacity sales per the books in test year ended Dec. 31, 2022.[63]

Q: What is your recommendation regarding AES Indiana's proposed adjustment REV-9?

A: In response to OUCC DR 17-2,[64] AES Indiana supported its $11.75 million test year amount of capacity sales, and its current forecast is zero. Therefore, the one-time adjustment in REV-9 removes the embedded amount from rate base as shown on Adjustment REV-1, Line 7, Column 1.[65]

VI. AES SERVICES CONTRACT

Q: What adjustment is AES Indiana proposing for its service agreement with AES Services?

A: In Adjustment OM-23, AES Indiana is proposing a $855,000 pro forma adjustment in occupancy revenues to the $3 million test year net total. This $3.855 million would reduce Petitioner's revenue requirement.[66] Ms. Nyhuis details out the pro-forma adjustments to the test year AES Services' occupancy revenue ($1.2 million

[63] AES Indiana Financial Exhibit, AESI-OPER, Sch. REV-9, line 3.
[64] Attachment KGL-5: AES Indiana's Response to OUCC DR 17-2.
[65] AES Indiana Financial Exhibit, AESI-OPER, Sch. REV-9.
[66] AES Indiana Financial Exhibit, AESI-OPER, Sch. OM-23.

increased credit)[67], occupancy charges ($361,000 increased charge)[68], and non-labor expenses such as for non-standard office equipment or supplies ($14,000 increased charge)[69] to support the $855,000 increased credit to AES Indiana's adjusted revenue requirement.

Q: What is the term of AES Indiana's current contract with AES Services?

A: According to the first amendment, dated January 1, 2019, to the original January 1, 2014, service agreement, the service agreement was extended by five (5) years to the end date of January 1, 2024, per AES Indiana Attachment RKO-2: AES US Services, LLC. AES Indiana stated that it does intend to file a new amendment to continue this contract with AES Services with the Commission before the beginning of next year.[70]

Q: What is your recommendation regarding AES Indiana's proposed treatment of this service agreement?

A: I recommend that AES Indiana's Adjustment OM-23 be approved, subject to the requirement that Petitioner update the Commission and OUCC as to the status of the service agreement remaining in place beyond the beginning of January 2024.

VII. OUCC RECOMMENDATIONS

Q: Please summarize your recommendations to the Commission in this cause.

A: I recommend the Commission:

[67] Direct Testimony of Karin Nyhuis Direct, p. 12, ll. 3-17.
[68] Nyhuis Direct, p. 12, l. 19 - p. 13, l. 10. See also AES Financial Exhibit AESI-OPER Sch. OM-23, Col. 2, line 7.
[69] Nyhuis Direct, p. 13, ll. 13-18. See also AES Financial Exhibit AESI-OPER, Sch. OM-23, Col. 3, line 7.
[70] Attachment KGL-6: AES Indiana's Response to OUCC DR 1-31.

1) Direct AES Indiana to report its quantified cost savings achieved by the ACE Project after 6 months, as AES Indiana stated it was the requested amount of time it needed before it could quantify and compare.[71]
2) Direct AES Indiana to provide an adjustment for the legacy capital costs of its CIS system as its functions will be supplanted materially by the ACE Project's purpose.
3) Separate the estimated non-recurring contract services O&M from its Adjustment OM18 and recover those costs over 4 years, reducing AES's annual O&M adjustment by $620,141;
4) Approve AES Indiana's proposed transfer of Lakefield Wind PPA from the FAC rider to the OSS rider since it will be administratively efficient to both riders;
5) Require AES Indiana to continue with previously established regulatory asset amortization periods for certain regulatory assets; and
6) Approve AES Indiana's Adjustment OM-23, subject to the requirement that AES Indiana update the Commission as to the status of the service agreement remaining in place beyond the beginning of January 2024.

Q: Does this conclude your testimony?

A: Yes.

[71] Attachment KGL-1: AES Indiana Response to OUCC DR 1-23.

APPENDIX A

Q: Please describe your educational background and experience.

A: I graduated from the Kelley School of Business of Indianapolis in 2014 with a Bachelor of Science in Business with majors in Accounting and Finance. I am licensed in the State of Indiana as a Certified Public Accountant. I attended the National Association of Regulatory Utility Commissioners ("NARUC") Spring 2018 Conference held by New Mexico State University and the Intermediate Course Fall 2019 conference held by the Institute of Public Utilities at Michigan State University. In September 2019, I attended the annual Society of Depreciation Professionals ("SDP") conference held in Philadelphia and the Basics of Depreciation course. In April 2022 and 2023, I attended the 53rd and 54th Society of Utility Regulatory and Financial Analyst ("SURFA") Forums, both held in Richmond, Virginia.

Q: Have you previously testified before the Commission?

A: Yes.

Q: Please describe your duties and responsibilities at the OUCC.

A: I review Indiana utilities' requests for regulatory relief filed with the Indiana Utility Regulatory Commission. My scope of review is typically focuses on accounting and utility ratemaking issues. This involves reading testimonies of petitioners and intervenors, previous orders issued by the Commission, and any appellate opinions to inform my analyses. I prepare and present testimony based on these analyses and make recommendations to the Commission on behalf of Indiana utility consumers.

Data Request OUCC DR 1 - 23

Refer to the direct testimony of Vanessa Barbarisi, page 12, lines 12-14.

a) Have capital costs of the legacy client services system been fully recovered?

b) Has AES Indiana quantified the estimated impact of forecasted O&M cost savings from efficiencies realized through system replacement? If so, please provide the estimated amount.

Objection:

AES Indiana objects to the Request on the grounds and to the extent the request seeks a compilation, analysis or study that AES Indiana has not performed and to which AES Indiana objects to performing. Subject to and without waiver of the foregoing objections, AES Indiana provides the following response.

Response:

a) No.
b) No. AES Indiana has not performed the requested quantification. After the Company has operated the system for approximately six months, the estimated time it takes to stabilize the new systems and processes, the Company will be able to forecast cost savings better.

Data Request OUCC DR 14 - 2

Regarding the workpaper "RB9-WP1 Support," Please provide the witness and/or document citation for the "Petersburg Unit 4" Regulatory Asset being approved for specifically a 31-year amortization period as cited for a source in Cause No. 39938.

Objection:

Response:
The amortization of Petersburg Unit 4 is consistent with the amortization period used in the previous two base rate cases in Cause Nos. 44576 and 45029. As stated in AES Indiana witness Cutshaw's testimony (p. 11) in Cause No. 44576:

> "…the proposed treatment in this case is consistent with the approved Stipulation and Settlement Agreement in IPL's last rate case (Cause No. 39938) which stated in paragraph F that "[t]he recovery of the entire Petersburg Unit 4 deferrals shall be approved as proposed by IPL"."

This treatment was unopposed in Cause No. 45029.

Data Request OUCC DR 14 - 3

Regarding Schedule RB-9.
a) Regarding the adjustment supporting testimony of AES Witness Kimberly Aliff, pages 9-12 (Specifically, Table 1 on pages 9-10 and "environmental projects" starting on page 11, line 9 through page 12, line 8) describing the line item 4 environmental projects, please confirm the current remaining amortization period in terms of years for Harding Street 7 ("HS7")'s assets, as Ms. Aliff's Table 1 describes those HS7 assets amortization period as different from the 10-year amortization of other environmental projects.
b) For the line items 12 and 13 concerning the amortization periods for the Eagle Valley CCGT and Harding Street units 5 & 6, please clarify why the three amortization periods (deferred depreciation, debt carrying costs, and equity carrying costs) in Schedule RB-9-WP-4 and WP-5 do not have the same remaining life in their proposed amortization periods, given that they share the description of being amortized over the remaining useful life of the project assets.
c) For line item 14: Electric Vehicles, please clarify why the referenced description for the project in Sch. RB-9-WP-1 lists the "Pete 1 and 2 assets" to support a 10-year amortization period request in col. N of the spreadsheet. Furthermore, please clarify if AES Indiana' s request in this cause is for approval of $106 thousand of annual amortization expense to extend for 10 years when the current regulatory asset balance is listed as $624 thousand.
d) For line item 15: Harding Street Unit 7 Preservation, please clarify whether AES Indiana is requesting approval for $0.4 million in annual amortization expense for an additional 10 years on a $1.5 million current regulatory asset balance.
e) For line items 23 and 24: TDSIC deferred depreciation and post in-service carrying costs on allowance for funds used during construction, please confirm AES Indiana's proposal to use a 36.3-year amortization period for the 20% deferred portion of the TDSIC rider recovery through December 31, 2022.

Objection:
AES Indiana objects to the Request on the grounds and to the extent it is vague and ambiguous particularly with respect to subpart e). Subject to and without waiver of the foregoing objections, AES Indiana provides the following response.

Response:
a) The level of amortization for the HS7 assets was unopposed in Cause No. 45029. These assets were amortized over 28.25 years based on varying in-service dates. The remaining amortization period calculated using the Ending Balance as of 12/31/22 is approximately 23 years.

b) The amortization periods for the CCGT and HS5 & 6 assets were approved in Cause No. 45029 and can be found on RB-9 WP4 and RB-9 WP5. These assets are being amortized over the life of the assets based on varying in-service dates and therefore will not have the exact same remaining lives. AES Indiana is not proposing a change in the annual amortization amount from what is currently approved in base rates.

c) The note on RB-9, WP 1 (line 20) regarding the electric vehicle amortization being based on the depreciation study for Pete 1 and 2 is incorrect. The annual amortization amount proposed in this case is the same amount that was established in Cause No. 45029 using a 10-year amortization period.

d) A 10-year amortization period was approved for HS7 Preservation costs in Cause No. 42170 ECR-26. AES Indiana is proposing to continue the same annual amortization of $0.4 million that began in July 2016 and was also established in Cause No. 45029.

e) Deny. Lines 23 and 24 refer to deferred depreciation and post in-service AFUDC on TDSIC assets which are amortized over 36.3 years from the date the amount is included in a TDSIC filing. The 20% TDSIC revenue requirement is included on lines 25 and 26 and the proposed amortization for these assets is three years consistent with the three-year amortization of the 20% deferrals on NPDES and HS7 assets established in Cause No. 45029.

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

FILED

OCT 11 1994

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANAPOLIS POWER & LIGHT COMPANY (IPL) FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC SERVICE, FOR APPROVAL OF NEW SCHEDULES OF RATES, RULES AND REGULATIONS, FOR AUTHORITY TO CONTINUE THE CAPITALIZATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION AND TO DEFER DEPRECIATION EXPENSE ON IPL'S STOUT COMBUSTION TURBINE UNIT #5, FOR AUTHORITY TO REFLECT THE ADDITION TO THE FAIR VALUE OF IPL'S UTILITY PROPERTY OF THE FAIR VALUE OF IPL'S ENVIRONMENTAL COMPLIANCE CAPITAL PROJECTS AND QUALIFIED POLLUTION CONTROL PROPERTY UNDER CONSTRUCTION PURSUANT TO IC 8-1-27-19 AND IC 8-1-2-6.6 AND FOR APPROVAL OF REVISED DEPRECIATION RATES.	CAUSE NO. 39938

PETITIONER'S PRE-FILED TESTIMONY AND EXHIBITS

VOLUME VI

TSL Petitioner's Exhibit TSL--consisting of the testimony of Thomas S. LaGuardia, including Exhibits TSL-1 and TSL-2.

DSR Petitioner's Exhibit DSR--consisting of the testimony of Donald S. Roff, including Exhibits DSR-1 through DSR-8.

(a 60-year life span) both be included for calculating depreciation rates, or that both be excluded. While some level of future interim additions will be required for these units to reach 40-year life spans, I excluded these additions to be consistent with the basis for the Steam Production Plant depreciation rates the I.U.R.C. authorized for Indiana Michigan Power Company in Cause No. 39314 and for PSI Energy, Inc. in Cause No. 37414-S2. Inclusion of these additions would have resulted in higher depreciation rates.

Even though Petersburg Units 1 and 2 are not yet old enough to embark upon the assessments necessary to evaluate equipment condition, I adopted 60-year life spans in view of the recent Commission authorization for IPL to proceed with adding a scrubber to these units. However, I handled the future interim additions in the same manner as Stout Unit 7 and Petersburg Units 3 and 4, and I excluded the scrubber additions. Had I handled the future additions in the same manner as the other units having 60-year life spans, my recommended rates for Petersburg would have been higher.

In summary, the life spans and treatment of post-1995 interim additions in my study are as follows for the steam units:

Station and Unit	Life Span Used in Study	Inclusion of Post-1995 Interim Additions
E.W. STOUT PLANT		
Unit 3	60	Yes
Unit 4	60	Yes
Unit 5	60	Yes
Unit 6	60	Yes
Unit 7	40	No

H.T. PRITCHARD PLANT		
Unit 1	60	Yes
Unit 2	60	Yes
Unit 3	60	Yes
Unit 4	60	Yes
Unit 5	60	Yes
Unit 6	60	Yes
PETERSBURG PLANT		
Unit 1	60	No
Unit 2	60	No
Unit 3	40	No
Unit 4	40	No

Q34. What is the approximate amount of post-1995 interim additions for inclusion in your study for Steam Production Plant?

(a) The total amount of the post-1995 interim additions reflected in this study is approximately $65,600,000.

Q35. How were interim additions handled for the diesel and combustion turbine units classified as Other Production Plant?

(a) For this property I included interim additions for all the units.

RETIREMENT DISPERSION

Q36. Please explain retirement dispersion and its significance to IPL's depreciation rates.

(a) Dispersion is merely the variation of the age of retirements around average service life, and is an inherent characteristic of the group concept of depreciation accounting

INDIANAPOLIS POWER & LIGHT COMPANY SCHEDULE 2
Generating Unit Retirement Dates

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Station & Unit	Summer Capability kW	Fuel	Year Installed	Year Retired Planned	Year Retired Study	Total Life years
STEAM PRODUCTION PLANT						
E. W. Stout Plant						
Unit 1 (a)	36,750	Oil	1931			56
Unit 2 (a)	36,750	Oil	1931			56
Unit 3	35,000	Oil	1941	2001	2001	60
Unit 4	35,000	Oil	1947	2007	2007	60
Unit 5	106,000	Coal	1958	2018	2018	60
Unit 6	106,000	Coal	1961	2021	2021	60
Unit 7	422,000	Coal	1973	2033	2013	40
H. T. Pritchard Plant						
Unit 1	39,000	Oil	1949	2009	2009	60
Unit 2	39,000	Oil	1950	2010	2010	60
Unit 3	43,000	Coal	1951	2011	2011	60
Unit 4	56,000	Coal	1953	2013	2013	60
Unit 5	62,000	Coal	1953	2013	2013	60
Unit 6	99,000	Coal	1956	2016	2016	60
Petersburg Plant						
Unit 1	239,000	Coal	1967	2027	2027	60
Unit 2	418,000	Coal	1969	2029	2029	60
Unit 3	510,000	Coal	1977	2037	2017	40
Unit 4	515,000	Coal	1986	2046	2026	40
OTHER PRODUCTION PLANT						
Diesel Units						
E. W. Stout Plant						
Unit 1	3,000	Oil	1967	2002	2002	35
H. T. Pritchard Plant						
Unit 1	3,000	Oil	1967	2002	2002	35
Petersburg Plant						
Unit 1	3,000	Oil	1967	2002	2002	35
Unit 2	3,000	Oil	1967	2002	2002	35
Unit 3	3,000	Oil	1967	2002	2002	35
Combustion Turbine Units						
E. W. Stout Plant						
Unit 1	20,000	Oil	1973	2008	2008	35
Unit 2	20,000	Oil	1973	2008	2008	35
Unit 3	20,000	Oil	1973	2008	2008	35
Unit 4	80,000	Oil	1994	2029	2029	35
Unit 5	80,000	Oil	1995	2030	2030	35

Notes:
(a) Units retired in 1987.

Data Request OUCC DR 1 - 24

Refer to the direct testimony of Vanessa Barbarisi, page 17, lines 1-5.

a) Are there expected to be non-recurring expenses beyond the three-year amortization period?

b) What are the main drivers of the recommendation for a three-year amortization period?

Objection:

Response:

a) At this point in time, there are no recurring expenses expected beyond the three-year amortization period.
b) As indicated in the direct testimony of witness Robinson, page 5, Q/A 14, the three-year amortization period reflects the period of time rates established in this proceeding are currently estimated to be in effect.

Data Request OUCC DR 17 - 2

Regarding the AES Indiana Financial exhibit AESI-OPER Schedule REV9. For the $11.75 million of capacity sales, please provide a supporting schedule showing monthly sales for the 12-month period ending Dec. 31, 2022.

Objection: AES Indiana objects to the Request on the grounds and to the extent the Request solicits information that is confidential, proprietary, competitively sensitive and/or trade secret. Subject to and without waiver of the foregoing objections, AES Indiana provides the following response with the confidential information provided pursuant to the nondisclosure agreement between the parties.

Response:
Please see OUCC DR 17-2 Confidential Attachment 1.

Data Request OUCC DR 1 - 31

Refer to the direct testimony of Robert K. Osborn, Attachment RKO-2, the article 3 "Term" section was modified on page 2 for the statement that "this service agreement shall continue in effect until the earlier of (i) five (5) years from the Effective Date or (ii) the date the service agreement is terminated by the Service Company or Client upon not less than ninety (90) days's prior written notice to the other parties." Given that the first amendment extended the (i) effective date to reset to January 1, 2019. Does AES Indiana intend to file an extension amendment before the five year period ends on January 1, 2024? If AES Indiana's answer to this question changes before the expiration date of the service agreement, please provide an according revision to this response.

Objection:

Response:
AES Indiana Attachment RKO-2 is a copy of the Service Agreement between AES Services and affiliates, including AES Indiana and a copy of the first amendment to this Service Agreement. As shown by the attachment both the Service Agreement and first amendment were filed with the Commission. AES Indiana does intend to extend the Service Agreement and file the amendment with the Commission before the five year period ends on January 1, 2024.

Data Request OUCC DR 15 - 19

Did the company make an adjustment(s) to remove all costs associated with AES's current information management and related system(s) identified in Table 1 of AES Indiana Witness Barbarisi's testimony? If yes, please identify where that adjustment(s) was made. If no, please explain in detail why no adjustment was made.

Objection:

Response:
No adjustment was made to the test year to remove current system costs. The cost included in the test year for the current systems is based on maintenance costs to keep the systems operational. The current system will need to remain operational, in read-only mode, for data access.

Data Request OUCC DR 15 - 21

Referring to Witness Barbarisi's direct testimony, page 9, lines 8 - 12, please provide the total AES Indiana personnel cost, by account, that AES Indiana expensed during periods January 1, 2022 through December 31, 2022 and January 1, 2023 through August 31, 2023;

Objection: AES Indiana objects to the Request on the grounds and to the extent the request seeks a compilation, analysis or study that AES Indiana has not performed and to which AES Indiana objects to performing. Subject to and without waiver of the foregoing objections, AES Indiana provides the following response.

Response:
Witness Barbarisi's direct testimony, page 9, lines 8 – 12 refers to support costs for the legacy system. Total cost center labor for this support was $1.52M for calendar year 2022 and $0.75M for YTD July 2023. While these employees support the legacy system, it is not their only job function. Please see OUCC DR 15-21 Attachment 1. August actuals are not yet available.

Data Request IG DR 4 - 3

Please provide an updated copy of Schedule OM18, in an electronic format with all formulas intact, that shows the O&M for the ACE project for each month of 2023. Please provide actual values up through the most recently available month and forecasted values through December 2023.

Objection:
AES Indiana objects to the Request on the grounds and to the extent it is vague and ambiguous. AES Indiana further objects to the Request on the grounds and to the extent the request seeks a compilation, analysis or study that AES Indiana has not performed and to which AES Indiana objects to performing. AES Indiana further objects to the Request on the grounds and to the extent the Request solicits information that is confidential, proprietary, competitively sensitive and/or trade secret. Subject to and without waiver of the foregoing objections, AES Indiana provides the following response with the confidential information provided pursuant to the nondisclosure agreement between the parties.

Response:
The Company has previously provided Schedule OM18, in an electronic format with all formulas intact, that shows the pro forma monthly O&M for the ACE project. This pro forma adjustment remains unchanged. The Company is working to compile additional information responsive to this request and will supplement this response.

Supplemental Response:
The ACE Project is expected to be placed in-service in November 2023. It is presented as a "Major Project" in this case. Because the ACE Project is not yet in service, the Company does not have actual expenses for all values. IG DR 4-3 Attachment 1 compiles the ACE Project costs components with pre-in-service expenses; and cost components without pre-in-service expenses.

AES Indiana 2023 Basic Rates Case
Schedule OM18- WP2 Updated ACE Project Cost Components

Updated ACE Project Cost components (with actual expense pre-in-service)	Jan *actual*	Feb *actual*	Mar *actual*	Apr *actual*	May *actual*	Jun *actual*	Jul *actual*	Aug *actual*	Sep *forecast*	Oct *forecast*	Nov *forecast*	Dec *forecast*	**Total**
ACCENTURE CIS	$ 62,308	$ 65,585	$ (53,610)	$ 43,695	$ 160,858	$ 50,765	$ 285,839	$ 38,693	$ 298,759	$ 295,891	$ 284,450	$ 292,700	**$ 1,825,933**
ACCENTURE CSM	$ —	$ —	$ —	$ —	$ —		$ —	$ —	$ 4,211	$ 4,211	$ 4,211	$ 4,211	**$ 16,843**
SAP - Training	$ —	$ —						$ 19,323					**$ 19,323**
SALESFORCE - Service Cloud						$ 15,870		$ 36,460					**$ 52,330**
Contracted Labor - Consulting (BH/Centric)	$ 75,388	$ 74,979	$ 68,272	$ 72,224	$ 434	$ 110,968	$ 56,760	$ 106,060	$ 75,000	$ 75,000	$ 75,000	$ 75,000	**$ 865,083**
Travel	$ 75	$ 983	$ —	$ 5,815	$ 476	$ 8,217	$ 9,782	$ 387	$ 12,000	$ 12,000	$ 12,000	$ 12,000	**$ 73,735**
Reports	$ —											$ 25,000	**$ 25,000**
ERP Integration	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	**$ —**
Other Third Party Integrations	$—	$43	$ —	$—	$(561)	$—	$ —	$ —	$ —	$ —	$ —	$ —	**$ (518)**
Contingency									$ 19,498	$ 19,355	$ 18,783	$ 20,446	**$ 143,886**
Total Costs	**$ 137,771**	**$ 141,590**	**$ 14,662**	**$ 121,733**	**$ 161,206**	**$ 185,820**	**$ 352,381**	**$ 200,923**	**$ 409,468**	**$ 406,457**	**$ 394,443**	**$ 429,356**	**$ 3,021,616**

Updated ACE Project Cost components (without actual expense pre-in-service)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	**Total**
SAP	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	**$ 2,712,440**
SALESFORCE	$ 62,789	$ 62,789	$ 62,789	$ 62,789	$ 62,789	$ 62,789	$ 62,789	$ 62,789	$ 62,789	$ 62,789	$ 62,789	$ 62,789	**$ 753,468**
ASA Support	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	**$ 989,719**
Infrastructure & Networking	$ 22,000	$ 22,000	$ 22,000	$ 22,000	$ 22,000	$ 22,000	$ 22,000	$ 22,000	$ 22,000	$ 22,000	$ 22,000	$ 22,000	**$ 264,000**
Mobile Apps	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	$ 41,667	**$ 500,000**
Uplight	$ 164,583	$ 164,583	$ 164,583	$ 164,583	$ 164,583	$ 164,583	$ 164,583	$ 164,583	$ 164,583	$ 164,583	$ 164,583	$ 164,583	**$ 1,975,000**
Panaya licenses	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	**$ 89,814**
Total Costs	**$ 607,037**	**$ 607,037**	**$ 607,037**	**$ 607,037**	**$ 607,037**	**$ 607,037**	**$ 607,037**	**$ 607,037**	**$ 607,037**	**$ 607,037**	**$ 607,037**	**$ 607,037**	**$ 7,284,441**

Updated Surge Staffing													
2023	$ —	$ —	$ —	$ —	$ —	$ —	$ 667,251	$ 256,902	$ 505,980	$ 368,980	$ 368,980	$ 368,980	$ 2,537,072
2024													$ 3,095,677
2025													$ 149,876
Total Updated Surge Staffing													**$ 5,782,625**

AES Indiana 2023 Basic Rates Case
Schedule OM18- WP2
ACE O&M Pro Forma Level

Indiana Opex	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		**Pro Forma**
Labor - AES	$ 79,039	$ 60,883	$ 153,743	$ 187,800	$ 187,800	$ 187,800	$ 191,400	$ 191,400	$ 191,400	$ 191,400	$ 191,400	$ 191,400	$	**2,005,464**
ACCENTURE CIS	$ 4,075	$ 4,277	$ (53,610)	$ 20,206	$ 106,456	$ 106,456	$ 106,456	$ 106,456	$ 106,456	$ 106,456	$ 650,976	$ 650,976	$	**1,915,634**
ACCENTURE CSM	$ —	$ —	$ —	$ 4,211	$ 4,211	$ 4,211	$ 4,211	$ 4,211	$ 4,211	$ 4,211	$ 4,211	$ 4,211	$	**37,897**
SAP	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$ 226,037	$	**2,712,440**
Avtex	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$	**—**
SALESFORCE	$ (0)	$ —	$ —	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$	**144,000**
Contracted Labor - Consulting (BH/Centric)	$ 132,291	$ 143,667	$ 68,272	$ 64,748	$ 64,748	$ 64,748	$ 64,748	$ 64,748	$ 64,748	$ 64,748	$ 64,748	$ 64,748	$	**926,962**
ASA Support	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$ 82,477	$	**989,719**
Infrastructure & Networking	$ —	$ —	$ —	$ 22,375	$ 44,750	$ 22,375	$ 22,375	$ 22,375	$ 44,750	$ 22,375	$ 22,375	$ 22,375	$	**246,125**
Travel	$ 75	$ 1,027	$ —	$ 3,125	$ 5,223	$ 3,125	$ 3,125	$ 6,175	$ 3,125	$ 3,125	$ 3,125	$ 3,125	$	**34,375**
Reports	$ —											$ 25,000	$	**25,000**
Operational Model & Work Design	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$	**—**
Historical Data Support	$ —												$	**—**
ERP Integration	$ —	$ —	$ —	$ —	$ —	$ —	$ 6,450	$ —	$ —	$ —	$ —	$ —	$	**6,450**
Mobile Apps	$ —												$	**—**
Other Third Party Integrations	$—	$—	—	$9,986	$4,993	$9,986	$ —	$ —	$ —	$ —	$ —	$ —	$	**24,965**
Change Mgt / Training	$ —	$ —											$	**—**
Uplight	$236,812	$236,812	$236,812	$236,812	$236,812	$236,812	$236,812	$236,812	$236,812	$236,812	$236,812	$236,812	$	**2,841,742**
Overheads													$	**—**
Panaya licenses	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$7,485	$	**89,814**
Contingency													$	**—**
						$49,349	$48,375	$48,379	$48,209	$49,175	$48,056	$75,282	$76,532	$ **443,358**
TOTAL	**$ 768,289**	**$ 762,664**	**$ 721,214**	**$ 881,260**	**$ 1,036,339**	**$ 1,015,885**	**$ 1,015,953**	**$ 1,012,383**	**$ 1,032,674**	**$ 1,009,180**	**$ 1,580,927**	**$ 1,607,177**	$	**12,443,944**
Total Minus Labor	**$ 689,251**	**$ 701,781**	**$ 567,471**	**$ 693,460**	**$ 848,539**	**$ 828,085**	**$ 824,553**	**$ 820,983**	**$ 841,274**	**$ 817,780**	**$ 1,389,527**	**$ 1,415,777**	$	**10,438,480**
Surge Staffing														
2023													$	**2,951,837**
2024													$	**3,095,677**
2025													$	**149,876**
Total Surge Staffing													$	**6,197,390**
Amortization Period (3 years)														3
Annual Amortization													$	**2,065,797**
Total ACE O&M (minus labor) Plus Surge Staffing													$	**12,504,277**

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.

Kaleb G. Lantrip

Kaleb G. Lantrip
Utility Analyst II
Indiana Office of Utility Consumer Counselor

Cause No. 45911
AES Indiana

October 12, 2023
Date

CERTIFICATE OF SERVICE

This is to certify that a copy of the ***Indiana Office of Utility Consumer Counselor's Testimony Kaleb G. Lantrip*** has been served upon the following parties of record in the captioned proceeding by electronic service on October 12, 2023.

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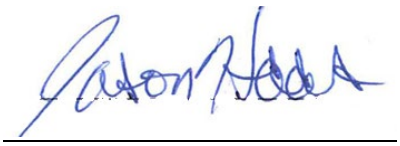

T. Jason Haas
Deputy Consumer Counselor

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