

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

APPLICATION OF INDIANAPOLIS)
POWER & LIGHT COMPANY D/B/A)
AES INDIANA FOR APPROVAL OF A)
FUEL COST FACTOR FOR ELECTRIC)
SERVICE DURING THE BILLING)
MONTHS OF JUNE THROUGH) CAUSE NO. 38703 FAC 131
AUGUST 2021, IN ACCORDANCE WITH)
THE PROVISIONS OF I.C. 8-1-2-42, AND)
CONTINUED USE OF RATEMAKING)
TREATMENT FOR COSTS OF WIND)
POWER PURCHASES PURSUANT TO)
CAUSE NOS. 43485 AND 43740.)

APPLICANT’S SUBMISSION OF DIRECT TESTIMONY OF
NATALIE HERR COKLOW

Indianapolis Power & Light Company d/b/a AES Indiana (“AES Indiana”, “IPL”,
“Company”, or “Applicant”), by counsel, hereby submits the direct testimony and attachments of
Natalie Herr Coklow.

Respectfully submitted,



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INDIANAPOLIS POWER & LIGHT COMPANY
D/B/A AES INDIANA

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 16th day of March, 2021, by email transmission, hand delivery or United States Mail, first class, postage prepaid to:

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ATTORNEYS FOR APPLICANT
INDIANAPOLIS POWER & LIGHT COMPANY
D/B/A AES INDIANA
DMS 19414913v1

VERIFIED TESTIMONY OF NATALIE HERR COKLOW
MANAGER IN REGULATORY ACCOUNTING

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

2 A1. My name is Natalie Herr Coklow. I am employed by AES US Services, LLC (“the Service
3 Company”), which is a wholly-owned subsidiary of The AES Corporation. The Service
4 Company is located at the headquarters of Indianapolis Power & Light Company d/b/a
5 AES Indiana (“AES Indiana”, “IPL” or the “Applicant”) at One Monument Circle,
6 Indianapolis, Indiana 46204. The Service Company provides accounting, legal, human
7 resources, information technology and other corporate services to the businesses owned by
8 The AES Corporation in the United States of America, including AES Indiana.

9 **Q2. What is your position with the Service Company?**

10 A2. I am a Manager in the Regulatory Accounting department.

11 **Q3. Please summarize your work experience with the Service Company.**

12 A3. I began employment with the Service Company in July 2013. During my tenure with the
13 Service Company, I have worked in Regulatory Accounting on various AES Indiana and
14 Dayton Power & Light Company d/b/a AES Ohio (“AES Ohio” or “DP&L”) regulatory
15 filings and the associated accounting entries for both companies. I am responsible for the
16 various general ledger entries, the reconciliation of regulatory asset and liability accounts,
17 the computation and tracking of various costs for regulatory filings, and the preparation of
18 supporting schedules for these filings. These regulatory filings for AES Indiana have
19 included filings related to the Fuel Adjustment Clause (“FAC”) (Cause No. 38703-FAC
20 XX), AES Indiana’s most recent basic rate cases (Cause Nos. 44576 and 45029), the

Environmental Compliance Cost Recovery Adjustment (“ECCRA”) (Cause No. 42170-ECR XX) and the Transmission, Distribution, and Storage System Improvement Charge (“TDSIC”) (Cause No 45264-TDSIC XX).

Q4. Please summarize your prior work experience.

A4. Prior to the Service Company, I was employed by London Witte Group, LLC (“LWG”) for seven years. LWG is a certified public accounting firm that provides an array of accounting and consulting services to public utility, private and governmental clients. At LWG, I worked on the review of Gas Cost Adjustments filed with this Commission by various Indiana utilities, performed financial statement audits for predominately gas and electric utility clients, completed rate design for municipally owned utilities, and completed or reviewed financial statements and tax returns.

Q5. Please summarize your educational qualifications.

A5. I hold a Bachelor of Science Degree in Accounting from Indiana University.

Q6. Have you previously testified before this Commission?

A6. Yes. I have submitted testimony on behalf of AES Indiana in previous FAC proceedings as well as ECCRA and TDSIC proceedings. I also submitted testimony in AES Indiana’s basic rates case, Cause No. 45029.

Q7. What are your responsibilities in connection with the Applicant’s fuel cost filings?

A7. The data is assembled, and the actual calculations of the fuel cost credit or charge are made, under my supervision and direction.

Q8. Have you reviewed the testimony and attachments of the Applicant’s other witness in this Cause?

1 A8. Yes.

2 **Q9. Are you sponsoring any attachments?**

3 A9. Yes. I am sponsoring the following attachments, which were prepared or assembled by me
4 or under my direction and supervision:

5 • Attachment NHC-1 is a copy of the Verified Application filed in this proceeding,
6 including Schedules 1 through 7 thereto.

7 • Attachment NHC-1-A is the proposed tariff sheets revised to reflect the fuel cost
8 adjustment requested herein.

9 • Attachment NHC-2 is a Statement of Jurisdictional Electric Operating Income for
10 the Twelve Months Ended January 31, 2021.

11 • Attachment NHC-3 is a Determination of Authorized Return for the Twelve
12 Months Ended January 31, 2021.

13 • Attachment NHC-4 is an Earnings Test Summary.

14 • Attachment NHC-4a is the Calculated Reduction for the Earnings Test.

15 **Q10. Is the information set forth in Attachments NHC-1 through NHC-4a, and Attachment**
16 **NHC-1-A true and correct?**

17 A10. Yes, to the best of my knowledge.

18 **Q11. Have you reviewed the Commission's June 1, 2005 Order in Cause No. 42685 ("June**
19 **1, 2005 Order") and June 30, 2009 Phase II Order in Cause No. 43426 ("Phase II**
20 **Order") regarding changes in operations as a result of the Midcontinent Independent**

1 **System Operator Inc.’s (“MISO”) implementation of energy markets and for**
2 **determination of the manner and timing of recovery costs resulting from the**
3 **implementation of standard market design mechanisms and participation in the**
4 **ancillary services market?**

5 A11. Yes.

6 **Q12. Is AES Indiana’s filing in this proceeding consistent with your understanding of these**
7 **two orders?**

8 A12. Yes, AES Indiana’s filing in this proceeding is consistent with my understanding of the
9 Commission’s June 1, 2005 Order and Phase II Order.

10 **Q13. Over what months has the Applicant estimated its fuel costs in Attachment NHC-1**
11 **for the purpose of its proposed fuel cost factor for electric service?**

12 A13. Attachment NHC-1 estimates fuel costs over the months of June through August 2021.

13 **Q14. In making such estimate, were actual fuel costs reconciled with estimated fuel costs**
14 **for any period?**

15 A14. Yes, actual fuel costs for the months of November 2020 through January 2021 were
16 reconciled with the estimated fuel costs for the same period.

17 **Q15. Have calculations been made applying the Purchased Power Daily Benchmarks**
18 **established pursuant to the methodology approved in Cause No. 43414?**

19 A15. Yes. As described in the testimony of Witness Jackson, the applicable Purchased Power
20 Daily Benchmarks are set forth in Attachment DJ-1 and have been done in conformity with
21 the Commission’s Order in Cause No. 43414.

1 **Q16. Is AES Indiana seeking to recover the costs of any individual purchased power**
2 **transactions used to serve jurisdictional retail customers in excess of the applicable**
3 **Purchased Power Daily Benchmarks?**

4 A16. Yes. As described in the testimony of Witness Jackson, AES Indiana is seeking to recover
5 \$13,385 of purchased power costs in excess of the applicable Purchased Power Daily
6 Benchmarks for November 2020 through January 2021. A summary of the purchased
7 power volumes, costs, the total hourly purchased power costs above the applicable
8 Purchased Power Daily Benchmarks for November 2020 through January 2021 and the
9 reasons for the purchases at-risk after consideration of MISO economic dispatch, is set
10 forth in Attachment DJ-2 to Witness Jackson's testimony.

11 **Q17. Did AES Indiana include in this filing the fuel cost and fuel revenues associated with**
12 **sales from its public electric vehicle charging stations during the November 2020**
13 **through January 2021 period?**

14 A17. Yes. AES Indiana determined the fuel cost for its public electric vehicle charging stations
15 by multiplying the total public electric vehicle charging station kWh sales by the average
16 cost of fuel per kWh for each period. AES Indiana calculated the fuel portion of electric
17 vehicle revenues by multiplying the total public electric vehicle charging station kWh sales
18 under Rate EVP by the applicable fuel factor in effect. The amounts accounted for as fuel
19 costs are reflected on Attachment NHC-1, Schedule 4, Line 4, columns C and D. The
20 amounts accounted for as fuel recovery, when received, are reflected on Attachment NHC-
21 1, Schedule 4, Line 4, columns E and F. The recovery represents a reduction in the fuel
22 costs being collected through this FAC filing.

1 **Q18. Did AES Indiana include in this filing any realized gain or losses associated with**
2 **natural gas financial hedges or transactional fees for the hedging program?**

3 A18. No. There were no financial hedges settled or transactional fees incurred during the
4 historical FAC period of November 2020 through January 2021, as shown on Attachment
5 NHC-1, Schedule 5, Line 20. As I explained in my testimony in FAC 122, physical hedges
6 do not receive mark-to-market accounting treatment and thus there are no recognized gains
7 or losses on physical hedges. See AES Indiana Witness Jackson for a discussion of the
8 result of physical hedges.

9 **Q19. Are you familiar with the Applicant's estimated and actual fuel costs for the months**
10 **of November 2020 through January 2021?**

11 A19. Yes. As shown in Attachment NHC-1, Schedule 5 (Page 4 of 4), the estimated fuel cost for
12 those months was \$0.029732 per kWh and the actual cost for the same period averaged
13 \$0.028121 per kWh, which represents an overestimate of 5.73%.

14 **Q20. Based on such costs, in your opinion, are Applicant's estimated average fuel costs for**
15 **the months of June through August 2021, as set forth in Attachment NHC-1,**
16 **reasonable in amount?**

17 A20. Yes. The estimated fuel costs for those months reflect the expected costs from contract
18 sources. We have also included forecasted costs associated with our participation in MISO,
19 spot purchases of fuel, and purchased power from Rate REP customers. In addition, we
20 have included the estimated credits to customers for the off-system sales margins related
21 to the Lakefield Wind power purchase agreement ("PPA") as required per the
22 Commission's Order in Cause No. 43740, as well as any realized gains or losses for

1 financial hedges (including any associated transactional costs) from natural gas hedging
2 per the Commission's Orders in Cause Nos. 38703 FAC 122 and FAC 126.

3 **Q21. When was the last order of the Commission approving Applicant's basic electric rates**
4 **and charges?**

5 A21. On October 31, 2018, the Commission issued an order in Cause No. 45029 (the "2018 Base
6 Rate Order") approving new basic rates and charges based on Applicant's test year
7 operating expenses and operating income for the twelve months ended June 30, 2017. AES
8 Indiana implemented these new base rates on a service rendered basis effective December
9 5, 2018. The 2018 Base Rate Order established an annual level of operating income of
10 \$220,076,000.

11 **Q22. Please explain Attachments NHC-2, NHC-3 and NHC-4.**

12 A22. Attachment NHC-2 contains a comparison of AES Indiana's electric retail operating results
13 per books for the twelve months ended January 31, 2021, with the electric operating results
14 applicable to jurisdictional retail customers for the same period. Attachment NHC-2 also
15 calculates the "operating expense" test of I.C. § 8-1-2-42(d)(2), showing that total
16 jurisdictional operating expenses excluding fuel costs have increased. Therefore, the
17 Commission should find that the (d)(2) test is satisfied. This attachment also calculates the
18 I.C. § 8-1-2-42(d)(3) test, showing the Applicant's actual return applicable to jurisdictional
19 retail customers for the twelve months ended January 31, 2021 was \$227,171,000 while
20 the authorized net electric operating income during the same period was \$222,310,000 (in
21 accordance with 170 IAC 4-6-21 and the Commission's Order in Cause No. 42170 and
22 Order in Cause No. 45264, AES Indiana added the return on its Qualified Pollution Control
23 Property ("QPCP") of \$1,457,000 and the return on its Transmission, Distribution and

Storage System Improvement Charge Property (“TDSIC”) of \$777,000 for a total of \$2,234,000, to its authorized net operating income of \$220,076,000). AES Indiana’s TDSIC charge began on November 1, 2020. See Attachment NHC-3. In accordance with Ind. Code §8-1-2-42.3(c), the sum of the differentials for the relevant period (as defined by Ind. Code §8-1-2-42.3) was calculated, and also results in a positive amount, as reflected per the total on Attachment NHC-4. As specified by Ind. Code §8-1-2-42.3(b), a reduction in the fuel factor was calculated as both the current period and the sum of the differentials for the relevant period result in an amount greater than zero.

Q23. Please explain how the Company determined the reduction amount reflected in the current FAC period.

A23. Attachment NHC-4a shows the calculation of the reduction in the current FAC period. Ind. Code §8-1-2-42.3(d) defines the calculation of the reduction amount in an instance where both the current period and the sum of the differentials for the relevant period result in an amount greater than zero.

Consistent with subsection (b), the amount of reduction shall be determined by dividing the lesser of:

(1) The amount determined under subsection (c); or

(2) The amount by which the return in the current application before the commission was more than the authorized return;

by the total number of applications filed during the twelve (12) month test period considered in the current application before the commission.

As shown on Line 1 of Attachment NHC-4a, the current period ended January 31, 2021 results in a positive differential of \$4,861,000, which is the same differential reflected on Attachment NHC-2, line 20. The sum of the differentials totaling \$194,487,218 is listed on Line 2 and reflects the relevant statutory period from February 2016 (FAC 112) through

1 January 2021 (FAC 131). This amount is the same as the total reflected on Attachment
2 NHC-4a. Line 3 determines the basis for the reduction, which is the lesser of Line 1 and
3 Line 2. In this instance, the current period differential listed on Line 1 is the lesser amount.
4 This amount is multiplied by 25% on Line 4, which reflects the total number of applications
5 filed during the twelve-month period in the current application (AES Indiana files four
6 applications per year). The resulting amount of \$1,215,250, listed on Line 5, represents
7 the basis for the reduction for the current FAC period. Line 6 reflects the revenue
8 conversion factor utilized in AES Indiana's last base rate case (Cause No. 45029,
9 Petitioner's Exhibit No. REVREQ2-T), with adjustments for the applicable Indiana state
10 income tax rate and the Public Utility Fee rate. The reduction amount on Line 5 is grossed
11 up for taxes by multiplying the conversion factor on Line 6 in a manner identical to the
12 treatment in AES Indiana's last base rate case to determine the pre-tax reduction on Line
13 7. This reduction amount totals \$1,652,813 and is included as a reduction to fuel costs
14 recoverable in the current FAC period as shown on Attachment NHC-1, Schedule 1, Lines
15 32 and 33.

16 **Q24. Were there any revenue and/or expenses eliminated or excluded from total electric**
17 **operating income for the twelve months ended January 31, 2021 in the preparation**
18 **of Applicant's Attachment NHC-2?**

19 A24. Yes. Because AES Indiana's earnings bank is depleted, AES Indiana recorded the
20 estimated liability that would result from the earnings test for FAC 131 in November 2020
21 through January 2021. AES Indiana excluded both the reduction to revenue and the
22 associated tax impact as a result of these entries from net operating income for the twelve
23 months ending January 31, 2021 earnings calculation presented on Attachment NHC-2
24 because it would be inappropriate to reduce the earnings in this current FAC period before

1 the adjustment is able to be reflected as a reduction to rates on Attachment NHC-1,
2 Schedule 1. These adjustments to per books net operating income are shown on the twelve-
3 month net operating income statement worksheet that is included in the FAC audit packet.
4 Both the reduction to revenue and the associated tax impact will be reflected in the earnings
5 test in the next FAC.

6 **Q25. What was the source of the data contained in Attachment NHC-2?**

7 A25. All the accounting figures and other financial data contained in Attachment NHC-2 were
8 derived from AES Indiana's books of account and accounting records.

9 **Q26. What is the Applicant's estimated average cost of fuel for June through August 2021?**

10 A26. The Applicant's average cost of fuel for the months of June through August 2021, after
11 taking into consideration the reduction for the earnings test and the reconciliation of its
12 estimated and actual fuel costs for the months of November 2020 through January 2021, is
13 estimated to be \$0.026851 per kWh as shown on Attachment NHC-1, Schedule 1, Page 1
14 of 1, line 36. This represents a decrease of \$0.006178 per kWh, after being adjusted for
15 Indiana Utility Receipts Tax, from the base cost of fuel approved in the 2018 Base Rate
16 Order of \$0.032938 per kWh.

17 **Q27. What effect will the proposed fuel cost factor have on an average residential customer
18 using 1,000 kWh per month?**

19 A27. In relation to the factor currently in effect, an average residential customer using 1,000
20 kWh per month will experience a decrease of \$2.46 or -2.20%.

21 **Q28. If approved by the Commission, when does the Applicant propose to make effective
22 for electric service the fuel cost factor requested in this proceeding?**

1 A28. The Applicant seeks to make the fuel cost factor shown in Attachment NHC-1, Schedule 1,
2 line 39 effective for all bills rendered for electric services beginning with the first billing
3 cycles for the June 2021 billing month (Regular Billing District 41 and Special Billing
4 District 01, which begins May 28, 2021). Such adjustment factor, upon becoming
5 effective, shall remain in effect for approximately three (3) months or until replaced by a
6 different adjustment factor. A copy of the proposed tariff is set forth in Attachment NHC-
7 1-A, attached hereto and made a part hereof.

8 **Q29. Does that conclude your prefiled direct testimony?**

9 A29. Yes.

Verification

I, Natalie Herr Coklow, Manager in Regulatory Accounting for AES US Services, LLC, affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Dated this 16th day of March 2021.

Natalie Herr Coklow

Natalie Herr Coklow

Attachment NHC-1

[Verified Application – Not Duplicated Herein]

AES INDIANA
Statement of Jurisdictional Electric Operating Income for the Twelve Months Ended January 31, 2021
(In \$000's except where otherwise stated)

Line No.	Description	Per Books For The Twelve Months Ended January 31, 2021			Line No.
		Total Electric For the Twelve Months Ended January 31, 2021	MISO Attachment GG	Applicable to Jurisdictional Retail Customers	
1	Operating Revenues	\$ 1,355,575	\$ 2,175	\$ 1,353,400	1
2	Operating Expenses:				2
3	Operation and Maintenance Expenses	\$ 797,302	\$ 919	\$ 796,383	3
4	Depreciation and Amortization	247,455	333	247,122	4
5					5
6	Taxes Other than Income Taxes:	42,863	76	42,787	6
7	Income Taxes:				7
8	Current--Federal	30,031	168	29,863	8
9	Current--State	7,074	45	7,029	9
10	Deferred--Federal	194,245		194,245	10
11	Deferred- State	(191,198)		(191,198)	11
12	Investment Tax Credit Adjustments	(3)		(3)	12
13	Total Operating Expenses	\$ 1,127,769	\$ 1,540	\$ 1,126,229	13
14	Operating Income	\$ 227,806	\$ 635	\$ 227,171	14

(d)(2) Test (In \$'s)
Summary of Increase in Operating Expenses Applicable to Jurisdictional Retail Customers
For the Twelve Months Ended January 31, 2021

		Per Cause No. 45029	Per Books January 31, 2021	Increase (Decrease)	
15	Operating Expenses Excluding Fuel Costs	\$ 756,890	\$ 792,399	\$ 35,509	15
16	Fuel Costs ***	436,216	333,830	(102,386)	16
17	Total Operating Expenses **	\$ 1,193,106	\$ 1,126,229	\$ (66,877)	17

(d)(3) Test (In \$'s)

18	Jurisdictional Retail Electric Operating Income (January 31, 2021)	\$ 227,171,000	18
19	Total Authorized Operating Income ⁽¹⁾	222,310,000	19
20	Excess/(Deficiency)	\$ 4,861,000	20

(1) Calculated on Applicant's Exhibit 3.

AES INDIANA
Determination of Authorized Return
For the Twelve Months Ended January 2021

Line No.			Line No.
1	Operating Income per Cause No. 45029	\$220,076,000	1
2	Effective for February 2020		2
3	Allowed Return on CCT Utility Plant per Cause No. 42170-ECR32 ⁽²⁾	1,154,108	3
4	Jurisdictional Portion	100.00%	4
5	Jurisdictional Total for Cause No. 42170-ECR32	1,154,108	5
6	Proration for Cause No. 42170-ECR32	29/366	6
7	Total for Cause No. 42170-ECR32	91,000	7
8	Effective for March 2020 - January 2021		8
9	Allowed Return on CCT Utility Plant per Cause No. 42170-ECR33 ⁽²⁾	1,483,145	9
10	Jurisdictional Portion	100.00%	10
11	Jurisdictional Total for Cause No. 42170-ECR33	1,483,145	11
12	Proration for Cause No. 42170-ECR33	337/366	12
13	Total for Cause No. 42170-ECR33	1,366,000	13
14	Effective for November 2020 - January 2021		14
15	Allowed Return on TDISC-1 Distribution Utility Plant per Cause No. 45264-TDSIC-1 ⁽²⁾	2,551,960	15
16	Jurisdictional Portion	100.00%	16
17	Jurisdictional Total for Cause No. 45264-TDSIC-1	2,551,960	17
18	Proration for Cause No. 45264-TDSIC-1	92/365	18
19	Total for Cause No. 45264-TDSIC-1	643,000	19
20	Effective for November 2020 - January 2021		20
21	Allowed Return on TDISC-1 - Transmission Utility Plant per Cause No. 45264-TDSIC-1 ⁽²⁾	530,592	21
22	Jurisdictional Portion	100.00%	22
23	Jurisdictional Total for Cause No. 45264-TDSIC-1	530,592	23
24	Proration for Cause No. 45264-TDSIC-1	92/365	24
25	Total for Cause No. 45264-TDSIC-1	134,000	25
26	Total Authorized Operating Income	<u>\$222,310,000</u>	26

⁽²⁾ The Commission requires that, for purposes of computing the authorized net operating income for IC 8-1-2-42(d)(2) and IC 8-1-2-42(d)(3), the jurisdictional portion of the increased return shall be phased-in over the appropriate period of time that the Applicant's net operating income is affected by this earnings modification resulting from the Commission's approval of the QPCP Construction Cost Rider and TDSIC Rider. The following example may be helpful in implementing the appropriate phase-in: Assume a ECCRA Order is effective and implemented Feb. 1, 2015. Assume the test period for the first FAC filing after the ECCRA Order covers the twelve months ended March 31, 2015. The increase to net operating income resulting from the ECCRA Order should be 59/365 of the total additional earnings authorized by the Commission's Order in the ECCRA. Assuming all things remain constant, the next FAC filing would reflect 150/365 of the total additional ECCRA earnings.

AES INDIANA
Earnings Test Summary

FAC No.	Reporting Period	Determined Return	Authorized Return	Differential
131	1/31/2021	\$227,171,000	\$222,310,000	\$4,861,000
130	10/31/2020	229,881,000	221,451,000	8,430,000
129	7/31/2020	242,467,000	221,368,000	21,099,000
128	4/30/2020	236,917,000	221,285,000	15,632,000
127	1/31/2020	234,075,000	221,201,000	12,874,000
126	10/31/2019	230,875,000	218,710,000	12,165,000
125	7/31/2019	229,431,000	206,716,000	22,715,000
124	4/30/2019	217,179,000	194,654,170	22,524,830
123	1/31/2019	212,078,000	182,107,612	29,970,388
122	10/31/2018	201,730,000	172,128,000	29,602,000
121	7/31/2018	190,971,000	171,399,000	19,572,000
120	4/30/2018	180,892,000	170,247,000	10,645,000
119	1/31/2018	177,867,000	169,205,000	8,662,000
118	10/31/2017	180,108,000	168,291,000	11,817,000
117	7/31/2017	185,397,000	167,012,000	18,385,000
116	4/30/2017	183,962,000	165,030,000	18,932,000
115	1/31/2017	191,717,000	174,116,000	17,601,000
114	10/31/2016	177,721,000	184,574,000	(6,853,000)
113	7/31/2016	168,186,000	197,741,000	(29,555,000)
112	4/30/2016	155,814,000	210,406,000	(54,592,000)
				<u>\$194,487,218</u>

AES INDIANA
Operating Income Earnings Test
Calculated Refund
Period Ending January 31, 2021

Line No.	FAC Period	FAC No.	Determined	Authorized	Differential																																																							
1	January 31, 2021	131	\$227,171,000	\$222,310,000	\$4,861,000																																																							
2	Accumulated Earnings Bank Differential				\$194,487,218																																																							
3	Over-Earnings Basis				\$4,861,000																																																							
4	Quarterly Convention				25%																																																							
5	Quarterly Amount - Basis for Revenue Credits (Show as Negative Value)				(\$1,215,250)																																																							
6	Revenue Conversion Factor				1.360060																																																							
7	Revenue Credit Amount				(\$1,652,813)																																																							
Revenue Conversion Factor																																																												
8	Calculated Rate of Return from page 3 of this exhibit				6.52%																																																							
9	Gross Rate for Borrowed Funds (1)				2.44%																																																							
10	Gross Rate for Other Funds (Line 8 - Line 9)				4.08%																																																							
11	Debt and Equity Revenue Conversion Factors																																																											
<table><tr><th></th><th colspan="2">For Debt & Expense</th><th colspan="2">For Equity</th></tr><tr><th></th><th>Statutory Rate</th><th>Effective Rate</th><th>Statutory Rate</th><th>Effective Rate</th></tr><tr><td>11a Utility Receipts Tax</td><td>1.4000%</td><td>1.3950%</td><td>1.4000%</td><td>1.3950%</td></tr><tr><td>11b Public Utility Fee</td><td>0.12737%</td><td>0.1274%</td><td>0.1274%</td><td>0.1274%</td></tr><tr><td>11c Uncollectibles</td><td>0.3562%</td><td>0.3562%</td><td>0.3562%</td><td>0.3562%</td></tr><tr><td>11d State Income Tax</td><td>5.0750%</td><td>0.0746%</td><td>5.0750%</td><td>5.0505%</td></tr><tr><td>11e Federal Income Tax</td><td>21.0000%</td><td>0.0000%</td><td>21.0000%</td><td>19.5449%</td></tr><tr><td>11f Effective Rate</td><td></td><td>1.9531%</td><td></td><td>26.4739%</td></tr><tr><td>11g Complement (1-Line 8f)</td><td></td><td>98.0469%</td><td></td><td>73.5261%</td></tr><tr><td>11h Revenue Conversion Factor for Debt & Expense</td><td></td><td>1.01992</td><td></td><td></td></tr><tr><td>11i Revenue Conversion Factor for Equity</td><td></td><td></td><td></td><td>1.36006</td></tr></table>							For Debt & Expense		For Equity			Statutory Rate	Effective Rate	Statutory Rate	Effective Rate	11a Utility Receipts Tax	1.4000%	1.3950%	1.4000%	1.3950%	11b Public Utility Fee	0.12737%	0.1274%	0.1274%	0.1274%	11c Uncollectibles	0.3562%	0.3562%	0.3562%	0.3562%	11d State Income Tax	5.0750%	0.0746%	5.0750%	5.0505%	11e Federal Income Tax	21.0000%	0.0000%	21.0000%	19.5449%	11f Effective Rate		1.9531%		26.4739%	11g Complement (1-Line 8f)		98.0469%		73.5261%	11h Revenue Conversion Factor for Debt & Expense		1.01992			11i Revenue Conversion Factor for Equity				1.36006
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12	Revenue Conversion Factor for Capital [((Line 9 x Line 11h) + (Line 10 x Line 11i))/Line 8]				1.23277																																																							