

**VERIFIED DIRECT TESTIMONY**  
**OF**  
**ROBERT K. OSBORN**  
**ON BEHALF OF**  
**INDIANAPOLIS POWER & LIGHT COMPANY**  
**D/B/A AES INDIANA**  
  
Cause No. 45911

**SPONSORING AES INDIANA ATTACHMENTS RKO-1 THROUGH RKO-3**

**VERIFIED DIRECT TESTIMONY OF ROBERT K. OSBORN**  
**ON BEHALF OF AES INDIANA**

**1. INTRODUCTION**

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

A1. My name is Robert Osborn. I am employed by AES US Services, LLC, (“AES Services”, also “Service Company”), which is the service company that serves Indianapolis Power & Light Company d/b/a AES Indiana (“AES Indiana”, “IPL”, or “the Company”). The Service Company is located at One Monument Circle, Indianapolis, Indiana 46204.

**Q2. What is your position with AES Services?**

A2. I am the Assistant Controller for AES US Utilities and Conventional Generation, including AES Indiana.

**Q3. On whose behalf are you submitting this direct testimony?**

A3. I am submitting this testimony on behalf of AES Indiana.

**Q4. Please describe your duties as Assistant Controller for AES US Utilities and Conventional Generation.**

A4. As the Assistant Controller, I am responsible for accounting activities in the areas of revenue, fixed assets, accounts payables, general and operational accounting for AES US Utilities and the US Conventional Generation Plants.

**Q5. Please summarize your education and professional qualifications.**

A5. I hold a double Bachelor of Science in Electronic Business and in Business Administration with a concentration in Marketing from Towson University. I also hold a Graduate

1 Certificate in Advanced Accounting from the University of Maryland University College.  
2 In addition, I hold a Master of Business Administration from the University of Baltimore,  
3 and a Master of Science in Finance from Indiana University.

4 **Q6. Please summarize your prior work experience.**

5 A6. Since joining AES Services in 2013, I have held many roles, including Financial Reporting  
6 Manager, General and Operational Accounting Manager, and Senior Manager of Process  
7 Efficiencies, Financial Systems, and Internal Controls. Prior to AES Services, I held  
8 accounting positions at Constellation Energy and Stanley Black & Decker. Also, I had  
9 previously worked in the assurance practice of PricewaterhouseCoopers.

10 **Q7. Have you testified previously before the Indiana Utility Regulatory Commission**  
11 **(“Commission”) or any other regulatory agency?**

12 A7. No.

13 **Q8. What is the purpose of your testimony in this proceeding?**

14 A8. My testimony provides an overview of AES Indiana’s financial operations. My testimony  
15 also discusses financial transactions between AES Indiana and other AES affiliates  
16 (“Affiliate Company”), and the operations of the AES US Services, LLC. I also discuss the  
17 occupancy charges between AES Indiana and other AES Affiliates. I will explain the  
18 proposed rate treatment and the rate impact of the retired Petersburg Units 1 and 2  
19 regulatory assets. Also, I will provide a summary description of utility plant-in-service,  
20 which is included as rate base in this proceeding. Finally, I discuss depreciation and  
21 amortization expense, wherein I begin with in-service, used and useful property balances  
22 as of the end of the test year (December 31, 2022), adjust them accordingly to represent

1 only depreciable plant, and then apply the results of the depreciation study sponsored by  
2 AES Indiana witness Spanos to determine the pro forma adjustment necessary for  
3 depreciation expense as shown in AES Indiana Financial Exhibit AESI-OPER, Schedule  
4 DEPR, line 17.<sup>1</sup>

5 **Q9. Are you sponsoring or co-sponsoring any financial exhibits or attachments?**

6 A9. Yes. I sponsor or co-sponsor the following financial exhibits or attachments:

- 7 • AES Indiana Financial Exhibit AESI-RB, Schedule RB2 – Total Per Books  
8 Utility Plant in Service at Original Cost.
- 9 • AES Indiana Financial Exhibit AESI-RB, Schedule RB6 – Pro Forma  
10 Adjustment to Remove Per Books Asset Retirement Cost.
- 11 • AES Indiana Financial Exhibit AESI-RB, Schedule RB9 – Regulatory Assets  
12 Includable as Electric Rate Base.
- 13 • AES Indiana Financial Exhibit AESI-OPER, Schedule OM23 – AES U.S.  
14 Services, LLC Occupancy and Non-Labor Costs.
- 15 • AES Indiana Financial Exhibit AESI-OPER, Schedule DEPR – Pro Forma  
16 Depreciation and Amortization Rates.
- 17 • AES Indiana Attachment RKO-1 – Services and Allocation Agreement filed  
18 with the Commission July 1, 2005, and amended and filed with the Commission  
19 on May 19, 2020 (“2005 Affiliate Agreement, with 2020 amendment”).
- 20 • AES Indiana Attachment RKO-2 – Service Agreement between AES U.S.  
21 Services, LLC, and Indianapolis Power & Light Company, and IPALCO  
22 Enterprises, Ind. DPL Inc., Dayton Power and Light Company, and Such Other  
23 Companies Set Forth in Schedule A Hereto (“Service Agreement”), initially  
24 filed with the Commission on December 23, 2013 and amended and filed with  
25 the Commission on December 4, 2018.
- 26 • AES Indiana Attachment RKO-3 – AES U.S. Services, LLC Cost Alignment  
27 and Allocation Manual” (“CAAM”) filed with the Commission December 23,  
28 2013 as updated and effective January 1, 2022.

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<sup>1</sup> AES Indiana Financial Exhibit AESI-OPER, Schedule DEPR is co-sponsored by me and AES Indiana witness Spanos.

1 **Q10. Did you submit any workpapers?**

2 A10. Yes. The calculations shown on the financial exhibits above have been cross-referenced,  
3 when appropriate, to the workpapers which provide additional detailed support for these  
4 calculations.

5 **Q11. Were these exhibits, attachments, or workpapers, or portions thereof, that you are**  
6 **sponsoring or co-sponsoring prepared or assembled by you or under your direction**  
7 **and supervision?**

8 A11. Yes.

9 **2. AES INDIANA'S FINANCIAL OPERATIONS**

10 **Q12. Please describe the steps taken by the Company, in general, to maintain the integrity**  
11 **of its books and records.**

12 A12. AES Indiana follows the guidance of the Federal Energy Regulatory Commission  
13 ("FERC") Uniform System of Accounts, the Financial Accounting Standards Board  
14 ("FASB"), Generally Accepted Accounting Principles ("GAAP"), Sarbanes-Oxley  
15 regulations, as well as various internally established control procedures. The following are  
16 some examples of internally established control procedures at AES Indiana: authority  
17 limits and approvals required for expenditures and general ledger transactions, bank and  
18 general ledger account reconciliations, access limitations to the financials systems, and  
19 requirements around journal entry preparation and review. While AES Indiana's  
20 management is ultimately responsible for the information contained in its books and  
21 records, there is also review and scrutiny by outside parties. The accounting firm of Ernst  
22 & Young performs independent audits of the books and records of AES Indiana. Ernst &  
23 Young's audit report of AES Indiana stated that the financial statements in their opinion

1 were presented fairly in all material respects. The books and records are also subject to  
2 audit by the Indiana Office of Utility Consumer Counselor (“OUCC”), the Commission  
3 and the FERC.

### 4 **3. AFFILIATE TRANSACTIONS**

5 **Q13. Did AES Indiana engage in affiliate transactions during the test year?**

6 A13. Yes. A summary of the test year affiliate charges may be found in the response to Minimum  
7 Standard Filing Requirement (“MSFR”) 1-5-8 (a) (17). AES Indiana routinely engages in  
8 transactions with AES and Affiliate Companies other than itself. Transactions between  
9 AES Indiana and AES Services are governed by the Service Agreement and CAAM (AES  
10 Indiana Attachment RKO-2 and AES Indiana Attachment RKO-3, respectively).  
11 Transactions between AES Indiana and Affiliate Companies are governed by the 2005  
12 Affiliate Agreement (AES Indiana Attachment RKO-1). These arrangements allow for the  
13 sharing of technical expertise and for cost-sharing opportunities related to operational  
14 goods and services. The recipient company pays the provider company the incurred labor  
15 costs, plus proportional amounts for employee benefits and payroll taxes. The recipient  
16 company also pays for incidentals such as travel costs, lodging and meals incurred with the  
17 assignment.

### 18 **4. AES US SERVICES**

19 **Q14. Please describe the Service Agreement (AES Indiana Attachment RKO-2) and the**  
20 **CAAM (AES Indiana Attachment RKO-3), and their application to the operational**  
21 **results of AES Indiana.**

22 A14. Effective January 1, 2014, AES Services began providing services to AES Indiana  
23 including accounting, legal, human resources, information technology, supply chain,

1 physical security, and other similar services. The intent of establishing AES Services is to  
2 increase financial operations consistency among Affiliate Companies and to take  
3 advantage of best practices and economies of scale which can be achieved over the long  
4 term. Expenses incurred by AES Services are charged at cost. There is no mark-up added  
5 to, nor profit derived from, the AES Services billing to the affiliated client company.

6 **Q15. Where is AES Services located?**

7 A15. AES Services is headquartered at One Monument Circle, Indianapolis, Indiana 46204.

8 **Q16. Please describe the AES Services workforce.**

9 A16. The workforce is a combination of the following groups:

- 10 1) Workers employed by AES Services.
- 11 2) Workers that are AES Indiana employees by definition. These workers did not transfer  
12 to AES Services due to restrictions in relation to being bargaining unit members or due  
13 to restrictions for long-term employees who were employed with the Company prior to  
14 the acquisition of IPALCO by AES in 2001. Per the eligibility requirements for AES  
15 Indiana's post-retirement benefits, these employees would no longer qualify to receive  
16 the benefits if they did not remain employees of AES Indiana until they retire.
- 17 3) Workers of affiliates who perform AES Services functions.

18 For those who are not AES Services employees, labor cost plus proportional amounts for  
19 employee benefits and payroll taxes and/or other task-specific expenses are charged  
20 through their employer company to AES Services – wherein the proper cost causation  
21 affiliate distribution is applied according to the service that was provided.

1 **5. BILLINGS BETWEEN AFFILIATE COMPANIES**

2 **Q17. Would you please describe the general basis for billing the client company by AES**  
3 **Services?**

4 A17. AES Services is compensated by the client company, in this case AES Indiana, for costs  
5 required to provide services based upon specific identification assignment or based upon  
6 cost drivers designed to result in consistent, fair, and equitable distribution. This same type  
7 of billing occurs to AES Services from AES Indiana for costs incurred by AES Indiana  
8 which are assignable to or proper to allocate among Affiliate Companies.

9 **Q18. What is the concept of specific identification assignment?**

10 A18. Costs are identified by the employee performing the work, or the expenditure approver by  
11 assigning a project number (known as a Work Breakdown Structure or WBS number in the  
12 accounting system) to the labor hours worked or to the procurement documentation (such  
13 as a service or good receipt). The project numbers identify the specific Affiliate Company  
14 or combination of Affiliate Companies to be charged. There is a unique project number for  
15 each Affiliate Company, as well as project numbers for various combinations of the  
16 Affiliate Companies.

17 Employees are instructed to directly assign their labor hours or expenditures to the  
18 appropriate Affiliate Company using specific affiliate project numbers. When an employee  
19 task or expenditure benefits more than one Affiliate Company, and the allocation among  
20 such affiliates is not easily identified, a combination project number is assigned.

21 **Q19. What methodology is used to record the employee labor hours to these project**  
22 **numbers?**



1 A19. The timekeeping system for the involved employee is used as the entry point for recording  
2 the labor hours assignable to both their employment company and to other Affiliate  
3 Companies using project numbers. The system maintains a standard charge distribution  
4 (referred to as default project(s)) for each employee, which is used when payroll is  
5 processed – unless it is replaced by a temporary or permanent change in the standard charge  
6 distribution. This standard charge distribution approach recognizes that the majority of  
7 employees in positions to perform tasks for multiple Affiliate Companies are normally  
8 involved with a limited number of the affiliates and perform assignments that tend to  
9 replicate the same attention to each such affiliate on a recurring basis. In other words, the  
10 employees have a standardized or routine workload. Employees can update their standard  
11 charge distribution setup in the system as needed, which is then routed to the immediate  
12 supervisor for approval. This is required when an employee is assigned to a specific project  
13 which overrides and is different than their normal work tasks. Additionally, the standard  
14 charge distribution setups are reviewed bi-annually for AES Services employees, which is  
15 known as the “certification” process. During the “certification” process, employees are  
16 asked to review and update their standard charge distributions, and to complete  
17 “certifications” that the review has been completed. The certifications are also reviewed  
18 and approved by the employee’s immediate supervisor.

19 **Q20. How are costs which are not directly assigned to a specific Affiliate Company**  
20 **allocated?**

21 A20. For costs that are appropriate to be shared, or divided, among multiple Affiliate Companies,  
22 there are project numbers which designate the combination of affiliates which should be  
23 charged. The costs charged to combination project numbers are allocated to the Affiliate

1 Companies based upon the cost center initiating the cost and the cost driver(s) identified  
2 for that cost center. These cost drivers are defined in the CAAM, (AES Indiana Attachment  
3 RKO-3).

4 The underlying intent of the CAAM is to allocate costs in a manner precluding cross-  
5 subsidization between the Affiliate Companies and to preclude subsidization of non-  
6 regulated affiliates. The fundamental principle for this cost allocation approach is the use  
7 of a fully allocated cost methodology. This principle is premised on the concept of  
8 distributing expenses, capital expenditures and all applicable costs among Affiliate  
9 Companies and business activities on a basis of cost causation. When possible and  
10 practical, the costs are charged directly. When the direct approach is not possible or  
11 practical, a consistent method of determining an allocation is applied so that reasonable  
12 cost distribution occurs. The allocation method is chosen to be consistent with the function  
13 performed when incurring the cost.

#### 14 **6. OCCUPANCY COSTS**

15 **Q21. Previously you mentioned that the headquarters for AES Services is located at One**  
16 **Monument Circle in Indianapolis, which has been included as a component of rate**  
17 **base in this Cause. How is AES Indiana compensated for the portion of this, or any**  
18 **other AES Indiana buildings, which house employees of AES Services or when AES**  
19 **Indiana employees are performing tasks charged to other Affiliate Companies**  
20 **through AES Services?**

21 A21. There is a rental, or occupancy, charge billed by AES Indiana to AES Services for the AES  
22 Services employees housed within AES Indiana-owned buildings. This charge is based

1 upon the number of AES Services employees housed and the building which they occupy  
2 (Electric Building (One Monument Circle) or the Morris Street Operations Center.)

3 **Q22. How does AES Indiana determine the charge for housing AES Services employees?**

4 A22. In addition to the costs of the building itself, there are costs related to the housing of the  
5 AES Services employees that cannot effectively be directly assigned between AES Indiana  
6 and AES Services. Therefore, these additional costs are also included in the occupancy  
7 charge that is billed by AES Indiana to AES Services. This occupancy charge includes  
8 costs such as: office space rental, insurance, property taxes, building cleaning and  
9 maintenance, security, computer hardware/software and support, office equipment and  
10 supplies, as well as many other such costs which support the offering of a clean, safe, and  
11 productivity-enabling environment. The salaries of employees involved, such as  
12 maintenance personnel, are also included in the computation as well as proportional  
13 employee benefit and payroll tax costs.

14 **Q23. How is the occupancy charge information discussed above used to bill for the AES  
15 Services employees each month?**

16 A23. The total occupancy cost for each building is determined down to a “per hour” rate. This  
17 hourly rate is taken times one-twelfth of 2,088 hours and then multiplied by the number of  
18 AES Service employees residing in each respective building.

19 **Q24. What about the employees who are AES Indiana employees, but are performing tasks  
20 for Affiliate Companies, and charging their time to such affiliates.**

21 A24. The process of charging labor costs each month to AES Services includes a provision for  
22 occupancy costs. The cost determined and used to bill for AES Services employees is stated

1 as a “per hour” rate for the total employees housed in each building. This per hour rate is  
2 charged in conjunction with the hours of labor charged to non-AES Indiana Affiliate  
3 Companies.

4 **Q25. AES Indiana Financial Exhibit OPER, Schedule OM23 is labeled as AES U.S.**  
5 **Services Occupancy and Non-Labor Costs. Please describe the purpose of this**  
6 **schedule.**

7 A25. The purpose of this schedule is to present the pro forma adjustment to the test year of AES  
8 Services costs (other than wages and benefits), which benefit AES Indiana and are  
9 necessary to conduct business operations. It is appropriate for AES Indiana to bear its  
10 proportional amount of the occupancy and non-labor costs of operations which AES  
11 Services incurs in the performance of work for the benefit of AES Indiana.

12 **Q26. Please explain the occupancy related revenue included in the adjustment on AES**  
13 **Indiana Financial Exhibit OPER, Schedule OM23, Column 1.**

14 A26. As discussed above, AES Indiana charges an occupancy fee for the AES Indiana office  
15 space occupied by AES Services employees. AES Indiana also charges a proportional cost  
16 each month to AES Services for occupancy fees when an AES Indiana performs tasks  
17 chargeable to AES Indiana. These occupancy fees offset the costs AES Indiana incurs to  
18 maintain certain office space and to provide office-related amenities and services and are  
19 recorded as a credit to FERC Account 921 – Office supplies and expenses, which directly  
20 lowers the revenue requirement applicable to AES Indiana’s jurisdictional retail customers  
21 calculated in this proceeding.

1 **Q27. Please explain the components of the calculation of the pro forma adjustment to test**  
2 **year operating results applicable to the occupancy revenue shown on AES Indiana**  
3 **Financial Exhibit AESI-OPER, Schedule OM23, Column 1.**

4 A27. The pro forma occupancy charge revenue totals \$7.0 million. This amount includes  
5 charges totaling \$6.9 million for the AES Service and Affiliate employees working on AES  
6 Indiana premises, and \$0.1 million for the proportional time of AES Indiana charged to  
7 AES Service tasks. These pro forma amounts were determined by annualizing the  
8 occupancy rates charged to AES Services for the month of January 2023 by AES Indiana.  
9 During the test year, AES Indiana billed a total of \$5.8 million to AES Services, which was  
10 credited to FERC Account 921 – Office supplies and expense. This amount includes  
11 charges totaling \$5.6 million for the AES Service employees working on AES Indiana  
12 premises, and \$0.1 million for the proportional time AES Indiana charged to AES Service  
13 tasks.

14 The resulting pro forma occupancy revenue adjustment is a decrease to electric operation  
15 expense of \$1.2 million.

16 **Q28. Please describe the occupancy costs charged to AES Indiana by AES Services.**

17 A28. As discussed above, AES Services does not own its own facilities but instead occupies  
18 space owned by AES Indiana or Affiliates. A portion of the occupancy charges are then  
19 billed back to AES Indiana, relative to the portion of the AES Services employees spend  
20 working for the benefit of AES Indiana. The occupancy costs billed to AES Indiana are  
21 presented in Column 2 of AES Indiana Exhibit AESI-OPER, Schedule OM23. The  
22 occupancy cost amount charged back to AES Indiana is based on the CAAM methodology  
23 discussed above.

1 The resulting total pro forma occupancy cost charged to AES Indiana by AES Services for  
2 the test year is \$3.1 million. The pro forma was determined by annualizing the occupancy  
3 rates charged to AES Services for the month of January 2023 by AES Indiana and  
4 Affiliates, and then applying the allocation methodology in accordance with the CAAM.  
5 The per book occupancy costs charged to AES Indiana by AES Services during the test  
6 year was \$2.7 million. The resulting net increase in occupancy billed by AES Indiana by  
7 AES Services is a pro forma increase to electric operating expense of \$0.4 million.

8 **Q29. Please continue by describing what is labeled as Non-Labor Expenses in Column 3 of**  
9 **AES Indiana Financial Exhibit AESI-OPER, Schedule OM23.**

10 A29. Employees at AES Services will incur expenses other than those already recognized in the  
11 occupancy fee. Such costs may be for non-standard office equipment or supplies other than  
12 those included in the occupancy charge, employee training, employee travel for business  
13 purposes, outside consultants, etc. These costs are a normal part of doing business and, as  
14 incurred, are either in conjunction with employee activities directly attributable to AES  
15 Indiana or partially distributed to AES Indiana via the CAAM.

16 **Q30. Please describe the resulting non-labor expense pro forma adjustment on AES**  
17 **Indiana Financial Exhibit AESI-OPER, Schedule OM23.**

18 A30. The total pro forma amount for non-labor expenses and occupancy charges amounts to a  
19 net cost to AES Indiana of \$73 thousand. The per books costs incurred for non-labor  
20 expenses and net occupancy charges during the test year amount to \$58 thousand.  
21 Therefore, the net pro forma adjustment is an increase in costs chargeable to AES Indiana's  
22 electric operating income in the amount of \$14 thousand.

1                   **7. RETIRED PETERSBURG UNITS 1 AND 2 REGULATORY ASSETS**

2   **Q31. Please describe the retirement of Petersburg Units 1 and 2.**

3   A31. Petersburg Units 1 and 2 were coal-fired generating units which were completed in 1967  
4           and 1969 respectively. Petersburg Unit 1 was a 220 MW generating unit; Petersburg Unit  
5           2 was a 410 MW generating unit. The two units are located at AES Indiana’s Petersburg  
6           Station in Petersburg, Indiana. These units were long devoted to and used and useful in the  
7           provision of service to AES Indiana’s retail customers. AES Indiana’s 2019 Integrated  
8           Resource Plan (“IRP”) Short Term Action Plan includes the retirement of Petersburg  
9           Station Unit 1 in 2021 and Unit 2 in 2023.<sup>2</sup> Unit 1 was retired in May 2021 and Unit 2 was  
10          retired in May 2023.

11          These retirements were considered “abnormal” retirements, i.e., “abandonments”, for U.S.  
12          GAAP purposes because they were scheduled to occur in the near future and earlier than  
13          the estimated end of useful life for the Petersburg Station, as identified in the most recent  
14          depreciation study presented to the Commission in AES Indiana’s most recent general rate  
15          case and used to establish the Company’s retail rates for electric service.<sup>3</sup>

16          The Commission permitted AES Indiana to record regulatory assets for Petersburg Units 1  
17          and 2 in the Cause No. 45502 Order pursuant to an approved Settlement Agreement.<sup>4</sup> The  
18          Commission further authorized AES Indiana to recover the unamortized balance in its next  
19          rate case in accordance with the Settlement.<sup>5</sup>

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<sup>2</sup> AES Indiana’s 2019 IRP was submitted to the Commission on December 16, 2019 and is available on the Commission’s website <https://www.in.gov/iurc/energy-division/electricity-industry/integrated-resource-plans/>.

<sup>3</sup> Cause No. 45029.

<sup>4</sup> Cause No. 45502 (IURC 11/17/2021) at 9.

<sup>5</sup> Cause No. 45502 (IURC 11/17/2021) at 9.

1 **Q32. Please describe the Company’s proposed treatment of the Petersburg Units 1 and 2**  
2 **regulatory assets in this rate case.**

3 A32. The Petersburg Units 1 and 2 regulatory assets were created in accordance with the  
4 settlement approved in Cause No. 45502. The regulatory asset balance as of the December  
5 31, 2022 rate base cutoff date is \$287.4 million in total, consisting of \$47.5 million for Unit  
6 1, \$208.0 million for Unit 2, and \$31.9 million shared Unit 1 and 2. This amount has been  
7 adjusted by \$105 million to reflect the theoretical future depreciation accruals based on the  
8 depreciation study completed by AES Indiana witness Spanos. The adjusted regulatory  
9 asset is \$135 million and included in rate base as shown on AES Indiana Financial Exhibit  
10 AESI-RB, Schedule RB9. The Company proposes to amortize the regulatory asset for  
11 Petersburg Unit 1 using the amount of depreciation expense agreed to in the IURC  
12 approved settlement in Cause No. 45502, which was the amount of annual depreciation  
13 upon retirement in May 2022 of \$5.0 million. The depreciation expense for Unit 2 and  
14 shared Unit 1 and 2 is based on the depreciation study completed by AES Indiana witness  
15 Spanos for this proceeding.

16 **8. UTILITY PLANT IN SERVICE AT ORIGINAL COST**

17 **Q33. Please describe AES Indiana Financial Exhibit AESI-RB, Schedule RB2.**

18 A33. This schedule sets forth the used and useful net utility plant-in-service at December 31,  
19 2022, according to the books and records of AES Indiana. The schedule does not include  
20 construction work in progress, property held for future use, and non-utility property.

21 **Q34. In general terms, what does AES Indiana’s plant-in-service consist of?**

22 A34. The largest of the plant investments represents our generating stations, which are generally  
23 referred to as: Petersburg Plant, Harding Street Plant, and Eagle Valley Plant. AES Indiana



1 also has two combustion turbines which are referred to as the Georgetown Plant. AES  
2 Indiana witness Bigalbal provides further detail on AES Indiana's generating assets.<sup>6</sup>

3 AES Indiana has office/operational buildings, generally referred to as: Electric Building,  
4 Morris Street Service Center, and Arlington Service Center.

5 AES Indiana's distribution plant includes substations, poles and wires which bring the  
6 electricity to the customers, and the transmission plant includes poles, towers and wires  
7 which connect the power plants to the distribution system and with other surrounding  
8 utilities. AES Indiana witness Holtsclaw provides further detail on AES Indiana's  
9 transmission and distribution assets.<sup>7</sup>

10 Other items classified as plant-in-service include, but are not limited to service fleets,  
11 computers, software systems, and furniture.

12 **Q35. What procedures are in place to ensure that the amount reflected as utility plant-in-**  
13 **service as of December 31, 2022 represents the actual cost of utility plant-in-service**  
14 **as of that date?**

15 A35. AES Indiana maintains continuing property records based on a capital work order  
16 procedure for constructed plant. Under this work order procedure, the cost of new  
17 construction or the installation of new equipment is not transferred to utility plant-in-  
18 service until there is verification that the work has been completed and is in service.  
19 Additionally, capital projects require management authorization before costs are incurred  
20 and construction commences. Capital investment is also controlled by a budget and  
21 management approval process. Likewise, AES Indiana has a retirement work order

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<sup>6</sup> AES Indiana witness Bigalbal, Direct Testimony, Q/A 13

<sup>7</sup> AES Indiana witness Holtsclaw, Direct Testimony, Q/A 12-15

1 procedure which provides verification when a unit of property is removed from service,  
2 and accordingly the property is removed from the plant balance on the books and records  
3 of AES Indiana.

4 As a matter of controlling work orders, AES Indiana uses modules within the SAP  
5 Enterprise Resource Planning (ERP) which integrates to the property accounting  
6 subledger, PowerPlan. The systems allow for the control of work orders from initialization  
7 through completion and the addition to or removal from plant-in-service on the books and  
8 records of AES Indiana. The control of work orders through this method tracks all open  
9 work orders for status, approvals, spending versus budgeted amounts and ultimately the in-  
10 service or retirement date.

11 **Q36. What about items of property which are not subject to the work order process?**

12 A36. These would be items which are purchased and do not require construction activities. They  
13 would likewise be subject to spending authorization levels, spending approvals and budget  
14 approvals. Purchase orders are required in instances where a purchase would be significant  
15 enough to be capitalized to plant-in-service. Purchase orders cannot be initiated and  
16 approved by the same person. The purchase order contains the information needed to  
17 identify the appropriate property account and when the charge is incurred, the information  
18 is transferred to PowerPlan.

19 **Q37. Please describe AES Indiana Financial Exhibit AESI-RB Schedule RB6 – Pro Forma  
20 Adjustment to Remove Per Books Asset Retirement Cost.**

21 A37. As shown on this schedule, AES Indiana is proposing to remove \$196.7 million from FERC  
22 Account 101 - Utility Plant in Service, on line 7, and \$154.3 million from FERC Account

1 108 - Accumulated Depreciation, on line 8, related to Asset Retirement Obligations  
2 (“ARO”). AES Indiana is removing these items because they are non-cash assets on the  
3 balance sheet which offset estimated costs of removal not yet incurred or paid related to  
4 ash ponds, asbestos removal, and other required removal obligations on the balance sheet.

5 **9. DEPRECIATION AND AMORTIZATION EXPENSE**

6 **Q38. Is AES Indiana filing a depreciation study as a part of this rate proceeding?**

7 A38. Yes. The depreciation study is presented by AES Indiana witness Spanos.

8 **Q39. Are there any adjustments to the operating results of the historic test year required**  
9 **in conjunction with the results of this depreciation study?**

10 A39. Yes. AES Indiana Financial Exhibit AESI-OPER, Schedule DEPR, which I sponsor,  
11 reflects the adjustment to the test year operating results caused by changes to depreciable  
12 plant during the twelve (12) months ended December 31, 2022, as well as the addition of  
13 the ACE Project, described by AES Indiana witness Barbarisi, which is scheduled for  
14 completion in early November 2023. The adjustment also incorporates the revised  
15 depreciation and amortization rates proposed by AES Indiana witness Spanos.<sup>8</sup>

16 **Q40. Referring to AES Indiana Financial Exhibit AESI-OPER, Schedule DEPR, please**  
17 **explain the information on line 1, total electric utility plant-in-service per book(s).**

18 A40. The information on this line comes from AES Indiana Financial Exhibit AESI-RB,  
19 Schedule RB2, which represents the total electric utility plant-in-service at December 31,  
20 2022, included in rate base for purposes of this proceeding. This line includes the systems

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<sup>8</sup> AES Indiana witness Spanos, Direct Testimony, Q/A 46

1 software adjustment which is included on AES Indiana Financial Exhibit AESI-RB,  
2 Schedule RB2.

3 **Q41. What is the reduction to plant-in-service, per books, on line 2 of AES Indiana**  
4 **Financial Exhibit AESI-OPER, Schedule DEPR?**

5 A41. This represents removal of the Asset Retirement Obligation (“ARO”) assets accrued to,  
6 and included in, electric plant-in-service on AES Indiana’s books and records.

7 **Q42. Why is this deducted from the plant-in-service line?**

8 A42. These costs do not represent depreciable values. They represent the future costs expected  
9 to be incurred when currently in-service plant is retired from service. This asset has also  
10 been removed from rate base for purposes of this filing as discussed in Q/A37.

11 **Q43. Are there other values included in plant-in-service which are not subject to**  
12 **depreciation?**

13 A43. Yes. The amounts on lines 3 and 4 of AES Indiana Financial Exhibit AESI-OPER,  
14 Schedule DEPR represent the removal of fully-amortized software and the removal of plant  
15 not subject to depreciation, respectively. An example of plant not subject to depreciation  
16 would be land.

17 **Q44. Have you removed the depreciation expense related to the non-jurisdictional MISO**  
18 **Transmission Expansion Plan (“MTEP”) plant deducted from rate base on AES**  
19 **Indiana Financial Exhibit AESI-RB, Schedule RB5?**

20 A44. Yes. The amount on AES Indiana Financial Exhibit AESI-OPER, Schedule DEPR, line 6,  
21 represents the value of the non-jurisdictional MTEP plant being removed from the plant  
22 applicable to depreciation expense in this rate proceeding. The non-jurisdictional MTEP

1 plant assets have also been removed from rate base for purposes of this filing on AES  
2 Indiana Financial Exhibit AESI-RB, Schedule RB5.<sup>9</sup>

3 **Q45. What is the addition for the ACE Project on AES Indiana Financial Exhibit AESI-**  
4 **OPER, Schedule-DEPR, line 7?**

5 A45. This represents our estimated project costs that will be added to rate base upon completion  
6 of the ACE Project, a comprehensive customer information and data/operations  
7 management system, which is scheduled to be used and useful in early November 2023.  
8 This item is discussed in the direct testimony of AES Indiana witness Barbarisi and shown  
9 on AES Indiana Financial Exhibit AESI-RB, Schedule RB3.

10 **Q46. What is the subtraction for the Pete Unit 2 and 1&2 Shared Asset Retirements on line**  
11 **8 of AES Indiana Financial Exhibit AESI-OPER, Schedule-DEPR?**

12 A46. This represents the removal of Petersburg Unit 2 and Unit 1 & 2 shared assets. This item  
13 is discussed in the direct testimony of AES Indiana witness Aliff and shown on AES  
14 Indiana Financial Exhibit AESI-RB, Schedule RB4.

15 **Q47. What is the subtraction for the EV CCGT Forced Outage on line 9 of AES Indiana**  
16 **Financial Exhibit AESI-OPER, Schedule-DEPR?**

17 A47. This represents the removal of Eagle Forced Outage per FAC 133 S1 Order. This item is  
18 discussed in the direct testimony of AES Indiana witness Aliff and shown on AES Indiana  
19 Financial Exhibit AESI-RB, Schedule RB4.

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<sup>9</sup> AES Indiana Financial Exhibit AESI-RB, Schedule RB5 is sponsored by AES Indiana witness Aliff.

1 **Q48. After adjusting for these various items to the initial utility plant figures in line 1 of**  
2 **AES Indiana Financial Exhibit AESI-OPER, Schedule DEPR, what happens next as**  
3 **we proceed down the lines of this schedule?**

4 A48. The remaining, depreciable asset amounts are enumerated on line 10 of this schedule. The  
5 net total, shown in column 7 of this schedule amounts to \$6.3 billion.

6 **Q49. Please describe line 11 of AES Indiana Financial Exhibit AESI-OPER, Schedule**  
7 **DEPR.**

8 A49. Line 11 of this schedule summarizes the resulting annual depreciation expense for each  
9 major category of plant, after the results of the depreciation study performed by AES  
10 Indiana witness Spanos were applied to the depreciable plant. The total annual depreciation  
11 expense for AES Indiana, using the proposed depreciation rates, amounts to \$295.8 million.

12 **Q50. What does the plant acquisition cost amortization represent on line 12 of AES Indiana**  
13 **Financial Exhibit AESI-OPER, Schedule DEPR, and why is it includable as an**  
14 **operating cost in this rate proceeding?**

15 A50. This line represents the plant acquisition cost associated with the purchase of a second  
16 combustion turbine at the Georgetown plant in accordance with the Certificate of Public  
17 Convenience and Necessity (“CPCN”) to purchase this unit issued by the Commission in  
18 Cause No. 43235. This unit is included in AES Indiana’s rate base, as proposed, and  
19 accepted by the Commission Order in Cause No. 44576. In accordance with FERC  
20 regulation, when a generating plant/unit is purchased from another utility, the recipient  
21 utility shall record the cost of the unit to plant-in-service using the same in-service cost and  
22 accumulated depreciation being shown on the books of the selling utility. FERC regulation  
23 then directs that any difference in the net cost on the selling utility books and the cost paid

1 by the recipient utility be booked as an acquisition adjustment (in a FERC 114 account)  
2 and the amount is to be amortized over the expected remaining useful life of the asset. Line  
3 12 of this schedule represents the amortization of the \$0.5 million booked to the FERC 114  
4 Account over the estimated remaining life of the asset at the time of the purchase, which  
5 was 33 years. This results in the recognition of \$15 thousand per year in amortization  
6 expense.

7 **Q51. Please describe the rate-based regulatory assets which are represented in the**  
8 **amortization on line 13 of AES Indiana Financial Exhibit AESI-OPER, Schedule**  
9 **DEPR.**

10 A51. This is the amortization of the rate-based regulatory assets detailed on AES Indiana  
11 Financial Exhibit AESI-RB, Schedule RB9, which is co-sponsored by AES Indiana witness  
12 Aliff.

13 **Q52. What is the resulting pro forma adjustment to the test year operating results that you**  
14 **are proposing on AES Indiana Financial Exhibit AESI-OPER, Schedule DEPR?**

15 A52. The pro forma adjustment is shown on line 17 of this schedule and represents a net increase  
16 of \$59.5 million over the depreciation and amortization costs incurred during the twelve-  
17 month period ended December 31, 2022. Without this adjustment, the operating expenses  
18 pro forma at present rates would be understated and would not be representative of  
19 expected going-forward costs.

## 20 **10. SUMMARY AND RECOMMENDATIONS**

21 **Q53. Please summarize your testimony and recommendations.**

1 A53. I have provided an overview of AES Indiana's financial operations and explain the steps  
2 taken by the Company to maintain the integrity of its books and records in accordance with  
3 the FERC USOA, GAAP, FASB, Sarbanes-Oxley, and other control procedures. The  
4 Company's independent auditor's report from Ernst & Young stated that the financial  
5 statements in their opinion were presented fairly in all material respects.

6 Transactions between AES Indiana and AES Services are governed by the Service  
7 Agreement and CAAM. These and other affiliate transactions allow for the sharing of  
8 technical expertise and for cost-sharing opportunities related to operational goods and  
9 services. The occupancy charges for use of One Monument Circle are reasonable and the  
10 related revenue is included as a decrease in electric operation expense in the retail revenue  
11 requirement.

12 The Petersburg Units 1 and 2 have been retired. The Petersburg Units 1 and 2 regulatory  
13 assets were created in accordance with the settlement approved in Cause No. 45502. The  
14 Company proposes to amortize the regulatory asset for Petersburg Unit 1 using the amount  
15 of depreciation expense agreed to in the settlement approved in Cause No. 45502. The  
16 depreciation expense for Unit 2 and shared Unit 1 and 2 is reasonably based on the  
17 depreciation study completed by AES Indiana witness Spanos for this proceeding.

18 My testimony summarizes the utility plant-in-service, which is included as rate base in this  
19 proceeding. Also, I have reasonably applied the results of the depreciation study to an  
20 adjusted depreciable plant balance to determine the pro forma adjustment necessary for



1 depreciation expense as shown in AES Indiana Financial Exhibit AESI-OPER, Schedule  
2 DEPR line 17.<sup>10</sup>

3 **Q54. Does this conclude your verified pre-filed direct testimony?**

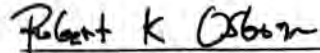
4 A54. Yes.

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<sup>10</sup> AES Indiana Financial Exhibit AESI-OPER, Schedule DEPR is co-sponsored by AES Indiana witnesses Spanos and Osborn

**VERIFICATION**

I, Robert K. Osborn, Assistant Controller, affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.



Robert K. Osborn

Dated: June 28, 2023

**INDIANAPOLIS POWER & LIGHT COMPANY  
FIRST AMENDMENT TO THE  
SERVICES AND ALLOCATION AGREEMENT DATED JUNE 27, 2005**

This First Amendment to the Services and Allocation Agreement (as defined below) (“First Amendment”) is entered into by Indianapolis Power & Light Company, The AES Corporation (“AES”) and other AES Affiliates (collectively referred to as the “parties” and each a “party”) this 19 day of May, 2020. Capitalized terms used in this First Amendment and not otherwise defined herein shall have the meanings given to such terms in the Services and Allocation Agreement.

WITNESSETH:

WHEREAS, IPL, AES and other AES Affiliates are each a party to the Services and Allocation Agreement dated June 27, 2005 (“Agreement”);

WHEREAS, Indiana Utility Regulatory Commission (“IURC”) General Administrative Order (“GAO”) 2016-5 provides that an affiliate contract filed pursuant to Ind. Code § 8-1-2-49 should have a definite termination date, not more than five years from the effective date of the contract;

WHEREAS, the parties desire to amend the Agreement term to conform to GAO 2016-5;

WHEREAS, the parties have agreed to amend the Agreement as provided herein;

WHEREAS, pursuant to Section 4.2 of the Agreement, the amendment contemplated by the parties must be in writing and a fully executed copy filed with the Indiana Utility Regulatory Commission (“IURC”) in accordance with Indiana Code § 8-1-2-49;

NOW, THEREFORE, the undersigned parties hereby agree that, upon the Effective Date of this First Amendment (as defined below), the Service Agreement is hereby amended as follows:

1. Section 4.3. Amend Section 4.3 of the existing Agreement to incorporate five year term so that the section, as amended, reads as follows:

Section 4.3 Effective Date; Term [REDLINED].

This Agreement shall become effective upon the date of its filing with the Indiana Utility Regulatory Commission and shall continue in full force and effect as to each party until the earlier of (i) five years from the Effective Date of the First Amendment or (ii) the date the Agreement is terminated by any party, as to itself only, upon not less than 30 days prior written notice to the other parties hereto, provided that any such notice of termination by IPL shall be effective as to AES and Affiliates when provided to AES. This Agreement shall automatically

terminate without notice as to any party, as to itself only, if and when it ceases to be a subsidiary of AES. Any termination pursuant to the Section 4.3 shall not be deemed an amendment for purposes of Section 4.2.

Section 4.3 Effective Date: Term [CLEAN]

This Agreement shall become effective upon the date of its filing with the Indiana Utility Regulatory Commission and shall continue in full force and effect as to each party until the earlier of (i) five years from the Effective Date of the First Amendment or (ii) the date the Agreement is terminated by any party, as to itself only, upon not less than 30 days prior written notice to the other parties hereto, provided that any such notice of termination by IPL shall be effective as to AES and Affiliates when provided to AES. This Agreement shall automatically terminate without notice as to any party, as to itself only, if and when it ceases to be a subsidiary of AES. Any termination pursuant to the Section 4.3 shall not be deemed an amendment for purposes of Section 4.2.

2. Date of Effectiveness. This First Amendment shall become effective upon filing a fully executed copy of the First Amendment with the IURC in accordance with Ind. Code § 8-1-2-49. As used herein, the term “Effective Date of this First Amendment” shall mean May 19, 2020.

3. Miscellaneous.

3.1. This First Amendment is governed by, and construed in accordance with, the laws of the State of Indiana, without regard to its conflict of laws and provisions.

3.2. This First Amendment shall inure to the benefit of and be binding upon each of the Parties and their respective permitted successors and permitted assigns, and will also bind each additional AES affiliates that at separately joins or adopts the Agreement as amended.

3.3. Except as expressly provided herein, this First Amendment shall not, by implication or otherwise, alter, modify, amend or in any way affect any of the obligations, covenants, representations, warranties or rights contained in the Agreement, all of which are ratified, confirmed and reaffirmed in all respects and shall continue in full force and effect.

3.4. Each reference to the Agreement hereafter made in any document, agreement, instrument, notice or communication shall mean and be a reference to the Agreement as amended and modified hereby.

3.5. This First Amendment may be executed in any number of counterparts, each of which will be an original, and all of which, when taken together, will constitute one agreement. Delivery of an executed counterpart of this First Amendment by

facsimile or portable document format (“PDF”) will be effective as delivery of a manually executed counterpart of this First Amendment.

3.6. The headings in this First Amendment are included herein for convenience of reference only and shall not constitute a part of this First Amendment for any other purpose or be given any substantive effect.


*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the Parties have executed and delivered this First Amendment as of the date first written above.

INDIANAPOLIS POWER & LIGHT COMPANY

By:   
Name: Vincent Parisi  
Its: President and CEO

THE AES CORPORATION on its own behalf and on behalf of its subsidiaries other than IPL

By:   
Name: Lisa Krueger  
Its: Senior Vice President and President, US SBU

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REGULATORY COMMISSION

IURC Affiliate Contract # 2013-12-23-2

**AES US SERVICES, LLC  
FIRST AMENDMENT TO THE  
SERVICE AGREEMENT EFFECTIVE JANUARY 1, 2014**

This First Amendment to the Service Agreement (as defined below) ("First Amendment") is entered into by the undersigned Client Companies and AES US Services, LLC (collectively referred to as the "Parties" and each a "Party") this \_\_\_ day of November, 2018. Capitalized terms used in this First Amendment and not otherwise defined herein shall have the meanings given to such terms in the Service Agreement.

WITNESSETH:

WHEREAS, each of the undersigned Parties is a Party to the Service Agreement between AES US Services, LLC and Indianapolis Power & Light Company ("IPL"), IPALCO Enterprises, Inc. ("IPALCO"), DPL Inc., The Dayton Power and Light Company ("DP&L"), The AES Corporation, such other companies identified on Schedule A thereto and such other companies that may in the future execute the Service Agreement or otherwise become a party to it by executing a joinder thereto or adopting it ("Service Agreement");

WHEREAS, the Service Agreement was effective as of January 1, 2014 and remains in force for a period of five (5) years unless earlier terminated in accordance with the terms of the Service Agreement;

WHEREAS, the Parties desire to extend the Service Agreement for a like term;

WHEREAS, the Parties have agreed to amend the Service Agreement as provided herein;

WHEREAS, pursuant to Section 4.9 of the Service Agreement, the amendment contemplated by the Parties must be contained in a written agreement signed by each Party and a fully executed copy filed with the Indiana Utility Regulatory Commission ("IURC") in accordance with Indiana Code § 8-1-2-49;

NOW, THEREFORE, the undersigned Parties hereby agree that, upon the Effective Date of this First Amendment (as defined below), the Service Agreement is hereby amended as follows:

1. Amendments to the Existing Agreement.

1.1. Section 3.1 (Term). Add the words "of this First Amendment" after the words "Effective Date" so that "(i)" reads as follows:

(i) five (5) years from the Effective Date of this First Amendment or

1.2. Section 4.7 (Notice). Restate the first sentence of Section 4.7 as follows:

Any notices, consents, certificates or other communications hereunder shall be in writing and shall be deemed given when sent by email or United States registered or certified mail, postage prepaid, to the following, or to such other entity or address as any Party may from time to time designate to the other Parties in writing:

2. Date of Effectiveness. This First Amendment shall become effective upon filing a fully executed copy of the First Amendment with the IURC in accordance with Ind. Code § 8-1-2-49. As used herein, the term “Effective Date of this First Amendment” shall mean January 1, 2019.

3. Miscellaneous.

3.1. This First Amendment is governed by, and construed in accordance with, the laws of the State of Indiana, without regard to its conflict of laws and provisions.

3.2. This First Amendment shall inure to the benefit of and be binding upon each of the Parties and their respective permitted successors and permitted assigns, and will also bind each additional Client Company that separately joins or adopts the Service Agreement as amended.

3.3. Except as expressly provided herein, this First Amendment shall not, by implication or otherwise, alter, modify, amend or in any way affect any of the obligations, covenants, representations, warranties or rights contained in the Service Agreement, all of which are ratified, confirmed and reaffirmed in all respects and shall continue in full force and effect.

3.4. Each reference to the Service Agreement hereafter made in any document, agreement, instrument, notice or communication shall mean and be a reference to the Service Agreement as amended and modified hereby.

3.5. This First Amendment may be executed in any number of counterparts, each of which will be an original, and all of which, when taken together, will constitute one agreement. Delivery of an executed counterpart of this First Amendment by facsimile or portable document format (“PDF”) will be effective as delivery of a manually executed counterpart of this First Amendment.

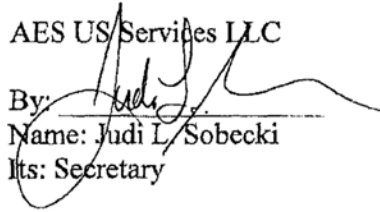
3.6. The headings in this First Amendment are included herein for convenience of reference only and shall not constitute a part of this First Amendment for any other purpose or be given any substantive effect.

*[Remainder of Page Intentionally Left Blank]*

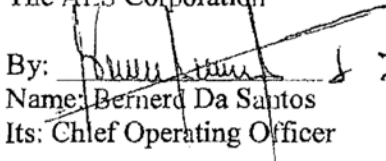


IN WITNESS WHEREOF, the Parties have executed and delivered this First Amendment  
as of the date first written above.

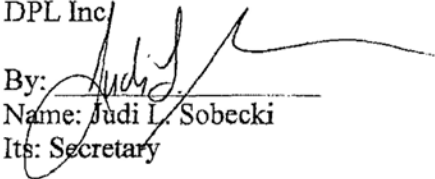
AES US Services LLC

By:   
Name: Judi L. Sobecki  
Its: Secretary

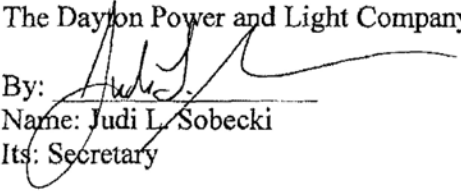
The AES Corporation

By:   
Name: Bernard Da Santos  
Its: Chief Operating Officer

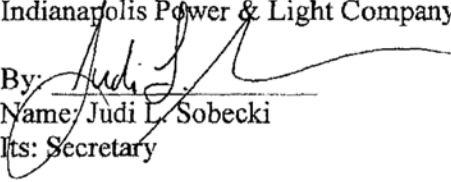
DPL Inc

By:   
Name: Judi L. Sobecki  
Its: Secretary

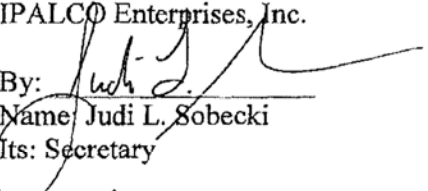
The Dayton Power and Light Company

By:   
Name: Judi L. Sobecki  
Its: Secretary

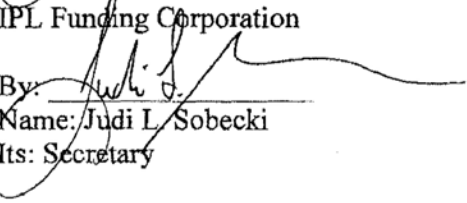
Indianapolis Power & Light Company

By:   
Name: Judi L. Sobecki  
Its: Secretary

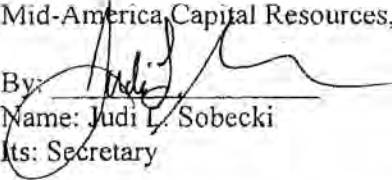
IPALCO Enterprises, Inc.

By:   
Name: Judi L. Sobecki  
Its: Secretary

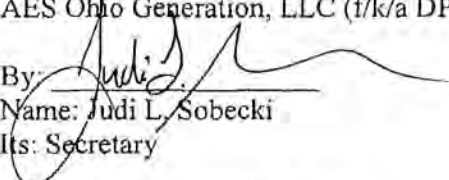
IPL Funding Corporation

By:   
Name: Judi L. Sobecki  
Its: Secretary

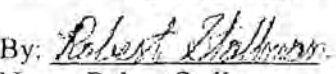
Mid-America Capital Resources, Inc.

By:   
Name: Judi L. Sobecki  
Its: Secretary

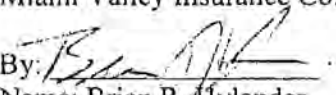
AES Ohio Generation, LLC (f/k/a DPL Energy, LLC)

By:   
Name: Judi L. Sobecki  
Its: Secretary

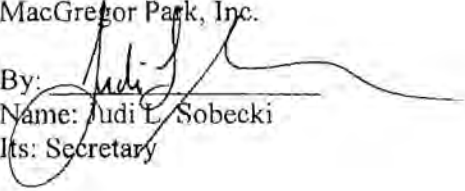
Miami Valley Lighting, LLC

By:   
Name: Robert Stallman  
Its: Vice President

Miami Valley Insurance Co.

By:   
Name: Brian R. Hylander  
Its: Assistant Secretary

MacGregor Park, Inc.

By:   
Name: Judi L. Sobecki  
Its: Secretary

#2013-12-23-2

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REGULATORY COMMISSION

RECEIVED  
DEC 23 2013  
INDIANA UTILITY  
REGULATORY COMMISSION

**SERVICE AGREEMENT**

**BETWEEN**

**AES U.S. SERVICES, LLC**

**AND**

**INDIANAPOLIS POWER & LIGHT COMPANY, AND IPALCO  
ENTERPRISES, INC., DPL INC., DAYTON POWER AND LIGHT  
COMPANY, AND SUCH OTHER COMPANIES SET FORTH IN  
SCHEDULE A HERETO**

Dated December 23, 2013  
(to take effect pursuant to Article 3, hereof)

### SERVICE AGREEMENT

This SERVICE AGREEMENT (the "Service Agreement" or "Agreement") is made and entered into, and effective as of, this first day of January, 2014 (the "Effective Date") by and between Indianapolis Power & Light Company ("IPL"), IPALCO Enterprises Inc. ("IPALCO"), DPL Inc. ("DPL Inc."), The Dayton Power and Light Company ("DP&L"), The AES Corporation, on behalf of itself and certain of its subsidiaries that own or operate independent generation assets in the United States ("AES" and together with IPL, IPALCO, DPL Inc., DP&L, The AES Corporation, and such other companies identified on Schedule A hereto and any such other affiliated companies that may in the future execute this form of Service Agreement or otherwise become a party to it by executing a joinder thereto, collectively the "Clients" or "Client Companies" and each a "Client Company" or "Client") and AES U.S. Services, LLC ("Service Company").

#### WITNESSETH:

WHEREAS, both Service Company and the Clients receiving services under this Agreement are direct or indirect wholly-owned subsidiaries of the AES Corporation ("AES");

WHEREAS, Clients are affiliates of the Service Company;

WHEREAS, Service Company has been formed for the purpose of providing administrative, management and other services to the Client Companies on a cost effective basis;

WHEREAS, the Service Company and Clients agree to enter into this Service Agreement whereby the Clients may seek certain services from the Service Company and the Service Company agrees to provide such services upon request and upon the Service Company's conclusion that it is able to perform such services. Further, the Client Companies agree to pay for the services by the Service Company as provided herein at fully allocated cost, which requires the Service Company to assign and/or fairly and equitably allocate costs incurred in the provision of services under this Agreement among all Clients to which it renders services;

WHEREAS, the provision of the Services at fully allocated cost, and in accordance with fair and equitable allocation factors based on cost causation, will result in reasonable fees for the Services while avoiding cross-subsidization, all of which is in the public interest as required by Indiana Code § 8-1-2-49; and

WHEREAS, AES has decided to locate the Service Company in Indianapolis, Indiana, which will result in numerous high quality jobs being created or relocated to Indianapolis;

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties to this Service Agreement covenant and agree as follows:

## ARTICLE 1

### SERVICES

1.1 The Service Company shall furnish to each Client Company, as requested by such Client Company, upon the terms and conditions hereinafter set forth, the services described in Appendix A hereto (the "Services"), at such times, for such periods and in such manner as each Client Company may from time to time request and that the Service Company concludes it is able to perform. The Service Company shall provide each Client Company with additional services ("Additional Services"), in addition to those Services described in Appendix A hereto, as may be requested by such Client Company and that the Service Company concludes it is able to perform. In supplying the Services and any Additional Services, the Service Company may arrange, where it deems appropriate in consultation with Client, for the services of such experts, consultants, advisors, and other persons with necessary qualifications as are required for or pertinent to the provision of such Services and any Additional Services. In addition, the parties recognize and agree that, along with the requested Services and Additional Services, the Service Company will as necessary be utilizing, and charging Client Companies for, associated materials and supplies including, but not limited to, office equipment and supplies, information technology, software and related expenses.

1.2 Client Companies shall take from the Service Company the Services, and such Additional Services, whether or not now contemplated, as are requested from time to time by each such Client Company and that the Service Company concludes it is able to perform. All services rendered pursuant to this Service Agreement shall be provided at the actual full cost thereof, and the costs of such services shall be fairly and equitably assigned or allocated to appropriate Client Companies in accordance with the Cost Alignment and Allocation Manual being filed by the Service Company with the Indiana Utility Regulatory Commission ("IURC") as of the date hereof (the "CAAM").

1.3 Each Client Company shall have the right from time to time to amend or alter any activity, project, program or work order provided that (i) such Client Company pays to the Service Company the cost for the Services covered by the activity, project, program or work order, including therein any expense incurred by the Service Company as a direct result of such amendment or alteration of the activity, project, program or work order, and (ii) such Client Company accepts that no amendment or alteration of an activity, project, program or work order shall release such Client Company from liability for all costs already incurred by or contracted for by the Service Company pursuant to the activity, project, program or work order, regardless of whether the Services (or Additional Services) associated with such costs have been completed.

1.4 The Service Company shall hire, train and maintain an experienced staff able to perform the Services and any Additional Services, or shall obtain experience through qualified third-party resources, as it shall determine in consultation with the Clients. The Service

Company shall execute its responsibilities by following and applying at all times the highest professional and technical guidelines and standards. If any Client becomes dissatisfied with the work product of or the working relationship with those individuals assigned to provide Services to it on behalf of the Service Company, such Client may request in writing the replacement of any or all such individuals, and the Service Company shall grant such request.

## ARTICLE 2

### COMPENSATION

2.1 As compensation for the Services and any Additional Services to be rendered hereunder, each Client Company shall compensate and pay to the Service Company all costs reasonably identifiable and related to particular Services and any Additional Services performed by the Service Company for or on such Client Company's behalf. The methods for allocating the Service Company costs to Clients, as well as to other affiliated companies, are set forth in the CAAM.

2.2 It is the intent of this Service Agreement that charges for Services and any Additional Services shall be assigned or billed, to the extent possible, directly to the Client or Clients benefitting from such Services or Additional Services. Any amounts remaining after such assignment or such direct billing shall be allocated to Clients using the methods identified in the CAAM. The CAAM and the methods of allocation of cost shall be subject to review by the parties annually, or more frequently if appropriate. The CAAM and such methods of allocation of costs may be modified or changed by the Service Company without the necessity of an amendment to this Service Agreement; provided that, in each instance, all services rendered hereunder shall be at actual costs thereof, fairly and equitably allocated, all in accordance with applicable rules and regulations, including the regulations of the Federal Energy Regulatory Commission ("FERC") regarding the Uniform System of Accounts for Centralized Services Companies, and applicable rules or regulations of the IURC and the Public Utilities Commission of Ohio ("PUCO"). The parties recognize that, in order to protect utility ratepayers from potential cross-subsidization of non-utility affiliates and thus promote the public interest, FERC Orders 707<sup>1</sup>, 707-A, and 18 C.F.R. §35.44(b)(3) require that a public utility, such as IPL or DP&L, may only purchase or receive non-power goods and services from a centralized service company at cost. Additionally, the Service Company will notify the IURC and PUCO of any significant changes to the CAAM.

2.3 The Service Company shall render a monthly statement to Client that shall reflect all information necessary to identify the costs charged and Services and any Additional Services rendered for that month. Client shall undertake an immediate review of the statement and identify all questions or concerns regarding the charges reflected within twenty (20) days of

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<sup>1</sup> In its Order 707, the Federal Energy Regulatory Commission ("FERC") stated that these "at cost" restrictions would help it to meet the requirement of amended section 203(a)(4) [16 U.S.C. 824b(a)(4)] of the Federal Power Act that a transaction not result in the inappropriate cross-subsidization of a non-utility associate company. The FERC further stated that the restrictions would help assure just and reasonable rates and the protection of captive customers for all public utilities pursuant to sections 205 and 206 of the Federal Power Act.

receipt of the statement. If no concerns are identified within that time, Client shall remit to the Service Company payment for all charges billed to it within thirty (30) days of receipt of the monthly statement.

2.4 Each Client Company agrees to provide the Service Company, from time to time, as requested, such financial and statistical information as the Service Company may need to compute the charges to be billed to such Client Company consistent with the method of allocation set forth in the CAAM.

2.5 It is the intent of this Service Agreement that the payment for services rendered by the Service Company to each Client Company under this Service Agreement shall cover all the Service Company's costs of doing business including, but not limited to, salaries and wages, payroll taxes, office equipment and supplies, information technology, software and related expenses, outside services employed, insurance, employee and retiree pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital.

### ARTICLE 3

#### TERM

3.1 This Service Agreement shall become effective upon filing a fully executed copy of the Service Agreement with the IURC. Unless otherwise agreed by the parties and approved by the IURC, this Service Agreement shall continue in force 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) day's prior written notice to the other parties. As contemplated below, an individual Client Company may terminate its participation in this Service Agreement without causing a termination of the Service Agreement itself, so long as the Service Company and the other Client Companies do not object. This Service Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent a governmental body having jurisdiction over one or more Clients determines that performance under this Service Agreement conflicts with any rule, regulation or order of any such governmental body; alternatively, as contemplated below, in such a situation involving an individual Client Company, the remaining Client Companies and the Service Company can agree to continue the Service Agreement without that individual Client Company, so long as the Service Company and the other Client Companies do not object. With [ninety (90)] days prior written notice to the Service Company, a Client may withdraw from the Service Agreement and the Service Agreement shall remain in full force and effect for all non-withdrawing Clients. Further, this Service Agreement shall terminate with respect to any individual Client Company immediately upon such Client Company ceasing to be an affiliate of the Service Company.

## ARTICLE 4

### MISCELLANEOUS

4.1 All accounts and records of the Service Company shall be kept in accordance with the Uniform System of Accounts for Centralized Service Companies promulgated by FERC. The Service Company shall permit the IURC and PUCO access to its accounts and records, including the basis and computation of allocations, as necessary for such state regulators to review the operating results of a regulated Client Company under their jurisdiction

4.2 The Client may provide certain services, such as labor or office space, to the Service Company under a separate affiliate agreement, including compensation therefore. The Service Company will, in turn, charge the cost of such services to the appropriate Client(s) in accordance with the provisions of Article 2 above.

4.3 New direct or indirect subsidiaries of AES, which may come into existence or be acquired after the effective date of this Service Agreement, may become additional Clients of the Service Company and subject to this Service Agreement with the Service Company by execution of this Services Agreement (or by executing a joinder to this Service Agreement), as it may be amended from time to time. The parties hereto shall make such changes in the scope and character of the Services to be rendered and the method of allocating costs of such Services as specified in the CAAM, subject to the requirements of Section 2.2, as may become necessary to achieve a fair and equitable allocation of the Service Company's costs among all Clients including any new subsidiaries. The parties shall make similar changes if any Client withdraws from the Services Agreement or ceases to be affiliated with the Service Company, as set forth in Article 3.

4.4 The Service Company shall permit Client reasonable access to its accounts and records, including the basis and computation of allocations.

4.5 The Service Company and Client shall comply with the terms and conditions of all applicable contracts managed by the Service Company for the Client, individually, or for one or more Clients, collectively, including without limitation terms and conditions preserving the confidentiality and security of proprietary information of vendors.

4.6 Subject to the terms and conditions of this Agreement and applicable Client corporate policies, the Client Companies hereby appoint the Service Company as their agent to authorize expenditures for and enter into contracts and arrangements with third parties as necessary and appropriate to carry out the purposes of this Agreement.

4.7 If notice is required by this Agreement, all notices, consents, certificates or other communications hereunder shall be in writing and shall be deemed given when sent by email, PDF, or United States registered or certified mail, postage prepaid as follows:



Kurt Tornquist  
Controller  
AES US Services, LLC  
One Monument Circle  
Indianapolis, Indiana 46204  
Email: [kurt.tornquist@aes.com](mailto:kurt.tornquist@aes.com)

Kelly Huntington  
President  
Indianapolis Power & Light Company  
One Monument Circle  
Indianapolis, Indiana 46204  
Email: [kelly.huntington@aes.com](mailto:kelly.huntington@aes.com)

Derek Porter  
President  
The Dayton Power and Light Company  
1065 Woodman Drive  
Dayton, Ohio 45432  
Email: [derek.porter@aes.com](mailto:derek.porter@aes.com)

Bernerd DaSantos  
Chief Financial Officer  
The AES Corporation  
4300 Wilson Boulevard  
Arlington, VA 22203  
Email: [Bernerd.dasantos@aes.com](mailto:Bernerd.dasantos@aes.com)

With Copies To:

Michael S Mizell  
General Counsel  
AES U.S. Services, LLC  
One Monument Circle  
Indianapolis, Indiana 46204  
Email: [mike.mizell@aes.com](mailto:mike.mizell@aes.com)

and

Brian Miller  
Executive Vice President, General Counsel and Corporate  
Secretary  
The AES Corporation  
4300 Wilson Boulevard  
Arlington, VA 22203  
Email: brian.miller@aes.com

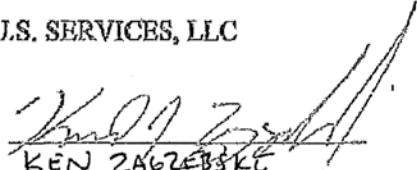
4.8. This Service Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to its conflict of laws and provisions.

4.9. This Service Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and a fully executed copy has been filed with the IURC in accordance with Indiana Code § 8-1-2-49. Similarly, any amendments to the Service Agreement shall become effective when one or more counterparts have been signed by each party and a fully executed copy has been filed with the IURC in accordance with Indiana Code § 8-1-2-49.

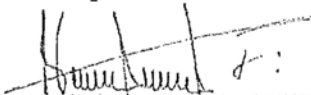
**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.


AES U.S. SERVICES, LLC

By:   
Name: KEN ZAGREBSKE  
Its: PRESIDENT

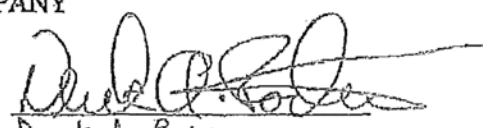
The AES Corporation

By:   
Name: BERNERS DA SANTOS  
Its: Officer

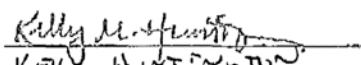
DPL INC.

By:   
Name: Derek A. Porter  
Its: President

THE DAYTON POWER AND LIGHT COMPANY

By:   
Name: Derek A. Porter  
Its: President

INDIANAPOLIS POWER & LIGHT COMPANY

By:   
Name: KELLY HUNTINGTON  
Its: PRESIDENT

IPALCO ENTERPRISES, INC.

By: Kelley M. Huntz  
Name: KELLY HUNTZ  
Its: PRESIDENT

IPL Funding Corporation

By: Kelley M. Huntz  
Name: KELLY HUNTZ  
Its: PRESIDENT

Mid-American Capital Resources, Inc.

By: Kelley M. Huntz  
Name: KELLY HUNTZ  
Its: PRESIDENT

DPL Energy Resources, Inc.

By: Timothy B. Rice  
Name: Timothy B. Rice  
Its: Treasurer/Secretary

DPL Energy, LLC

By: Timothy B. Rice  
Name: Timothy B. Rice  
Its: Treasurer/Secretary

Miami Valley Lighting, LLC

By: Timothy G. Rice  
Name: Timothy G. Rice  
Its: Treasurer/Secretary

Miami Valley Insurance Co., Inc.

By: Timothy G. Rice  
Name: Timothy G. Rice  
Its: Treasurer

MacGregor Park, Inc.

By: Timothy G. Rice  
Name: Timothy G. Rice  
Its: Treasurer/Secretary

SCHEDULE A – CLIENT COMPANIES

Indianapolis Power & Light Company

IPALCO Enterprises, Inc.

IPL Funding Corporation

Mid-American Capital Resources, Inc.

The AES Corporation

DPL Inc.

Dayton Power & Light Company

DPL Energy Resources, Inc.

DPL Energy, LLC

Miami Valley Lighting, LLC

Miami Valley Insurance Company, Inc.

MacGregor Park, Inc.

## APPENDIX A

### AES U.S. SERVICES, LLC

#### DESCRIPTION OF SERVICES TO BE PROVIDED BY SERVICE COMPANY

Descriptions of the expected services to be provided by the Service Company are identified below and set forth in more detail in the CAAM. The descriptions are deemed to include services associated with, or related or similar to, the services contained in such descriptions. The details listed under each heading are intended to be illustrative rather than inclusive and are subject to modification from time to time in accordance with the needs of the Clients.

1. **Corporate Costs** - The Corporate Costs area represents the overhead costs for general expenses and insurance. This area includes costs associated with employee benefits (including health care, dental care, life insurance, long-term disability, savings plans, pension plans, etc.), workers compensation expenses and payroll-related taxes (including FICA, Medicare, state and federal unemployment taxes, etc.). The area also represents the insurance premiums and payments associated with insuring corporate risks including property, environmental, and general liability. Corporate Costs will also include interest expense on debt or loans incurred by the Service Company for its working capital and other corporate needs.
2. **Executive Staff** - The Executive Staff area is responsible for the leadership, oversight, expertise, decision making, and direction for the entire company.
3. **Controller** - The Controller area is responsible for the safe guarding of Company assets and the proper accounting of the business activities of the AES US SBU Companies in accordance with Generally Accepted Accounting Principles ("GAAP"), FERC Uniform System of Accounts, and the state rules of Indiana and Ohio. The Controller area also ensures that the Sarbanes-Oxley ("SOX") controls are being fully maintained. The area is also responsible for much of the reporting that is performed within the Finance Area. Areas under the Controller's responsibility include Technical Accounting, Financial Reporting, Regulatory Accounting, Fixed Asset Accounting, Payroll, Accounts Payable, Operational Accounting, Revenue Accounting, and General Accounting.

4. **Technical Accounting** - The Technical accounting area is responsible for reviewing contracts for the proper accounting treatment, participating in discussions of proposed or potential transactions, and reviewing and staying apprised of new and pending accounting pronouncements. To accomplish this, the area is in frequent contact with the various AES US SBU businesses and individuals at the AES Corporate level.
5. **Financial Reporting** - The Financial Reporting Area is responsible for timely and accurate external reporting to the Securities and Exchange Commission (“SEC”), banks and investing partners for the AES US SBU. This area’s reporting includes statutory filings and requirements of the SEC including 10Ks, 10Qs, 8Ks, etc. The area prepares financial statements and both internal and external management discussions. The area is also responsible for adherence to applicable SOX controls.
6. **Regulatory Accounting** - The Regulatory Accounting area is responsible for the accuracy and completion of all accounting entries related to regulatory assets or liabilities for Indianapolis Power & Light Company (“IPL”) and Dayton Power & Light Company (“DP&L”). The area is responsible for the accounting portion of timely and accurate rate filings of IPL and DP&L. The area prepares all IPL accounting schedules for rate adjustment mechanisms. The area provides information for DP&L rate adjustment mechanisms to DP&L Regulatory Affairs. The area prepares written accounting testimony and when necessary provides expert accounting testimony, in public hearings for both IPL and DP&L. The area coordinates and files all FERC 3-Q and Form 1 filing and required state filings.
7. **Fixed Assets** - The Fixed Assets area maintains fixed asset and project systems. The area is responsible for other property accounting matters including project set-up and closures, determination of rates of Allowance for Funds Used During Construction (“AFUDC”) and capitalized interest, maintenance of the property unit record catalogs, and the administration of the Project Expenditure Authorization process. The area is responsible for the oversight of generating plant and major plant construction accounting services and various special projects as assigned.
8. **Accounts Payable** - The Accounts Payable area performs the central processing of accounts payable invoices and disbursements and other related accounts payable functions such as the annual IRS Form 1099 processing. The area performs other clerical accounting functions for various affiliates such as the recordation of month-end liability accruals.
9. **Payroll** - The payroll area is responsible for processing and issuing bi-weekly payroll with interfaces to ADP. The area issues payroll reports and IRS Form W-2’s. This area provides oversight of payroll related matters including the impact to General Ledger balances and Payroll bank account balances.



10. ***Operational Accounting*** - The Operational Accounting area is responsible for the accounting functions of the AES US SBU Companies, primarily IPL, DPL and the Service Company. The area assists in the formulation and administration of approved accounting practices throughout the Company to assure timely and accurate financial accounting and reporting. The area is responsible for journal entries, reconciliations, SOX controls, proper FERC and GAAP accounting and reporting and for assisting operational areas in various capacities including analysis, accounting expertise and understanding results of operations. The area is also responsible for the proper and equitable allocation of costs of the service company and the various allocations for IPL and DPL. The area assists in budgeting and forecasting, Key Performance Indicator (“KPI”) measures and statistical information for the AES US SBU. The area also prepares regulatory reporting pages, assists in rate cases and maintains most allocation rates for the AES US SBU.
  
11. ***General Accounting*** - The General Accounting area is responsible for the general accounting functions of the AES US SBU Companies, including its subsidiaries, as well as the preparation and maintenance of reports. The area assists in the formulation and administration of approved accounting practices throughout the Company to insure that financial reports accurately reflect the condition of the business and provide reliable information necessary to control operations. The area also assists with testing of the Company’s financial SOX controls insuring compliance to all applicable SOX controls and assists with complex accounting projects.
  
12. ***Revenue Accounting*** - The revenue accounting area is responsible for revenue and accounts receivable accounting of thermal and wind generation businesses in the US for IPL and DPL and its subsidiaries. The area functions include revenue recognition, market based contracts, regulatory rate cases, accounts receivable, and cash collection. The area is involved in supporting the preparation of financial reports to assist management in reviewing financial reporting in compliance with SEC regulations. The area is responsible for ensuring that revenue and accounts receivable are completely and accurately presented in the financial reports and ensuring compliance with controls and procedures to maintain integrity of financial numbers.
  
13. ***Treasury*** - The Treasury area is focused on activities that include financings, credit & compliance, and back office/operations. The area’s financing activities include: planning, structuring and execution of all debt and equity financings including but not limited to; taxable/tax exempt bond issuances, securitizations, A/B bank loans, revolving credit facilities, letters of credit, and project financed bank loans and tax equity financing. As part of this activity the Treasury acts as the central interface with all local/regional and international banks and the three most recognized credit rating agencies (Fitch, S&P & Moody’s). The credit & compliance activities include: oversight of interaction with stock and bond transfer agents, Administrative and

Collateral agents and Trustees, administers and ensures reporting requirements are met under all relevant financing documents and manages third party credit exposure. The back office/operations activities include: cash management functions of all AES US SBU legal entities, including but not limited to, analysis and recommendation of investment opportunities, daily short-term cash investing, all wire transfer operations.

14. ***FP&A – Competitive Generation*** - The Financial Planning & Analysis – Competitive Generation area is responsible for management planning and decision making, identifying, maintaining, and evaluating information relating to budgets and long range forecasts. The area is specifically responsible for coordination of the 10-year budget of the company and presenting 10-year budgeted financials to AES. The area is also responsible for updating the monthly forecast and preparing monthly variance analysis comparing actual to budget and prior forecast. The area creates monthly performance reports summarizing financial and operational data for internal and AES management. The area maintains a long term financial model of the company and uses that model to prepare financial analysis reviewing options for major capital additions and other projects or initiatives for DPL Inc. and Competitive Generation businesses within the AES US SBU.
  
15. ***Financial Planning and Analysis – Utilities*** - The Financial Planning & Analysis – Utilities area is responsible for management planning and decision making, identifying, maintaining, and evaluating information relating to budgets and long range forecasts. The area is specifically responsible for coordination of the 10-year budget of the company and presenting 10-year budgeted financials to AES. The area is also responsible for updating the monthly forecast and preparing monthly variance analysis comparing actual to budget and prior forecast. The area creates monthly performance reports summarizing financial and operational data for internal and AES management and maintains a long term financial model of the company and uses that model to prepare financial analysis reviewing options for major capital additions and other projects.
  
16. ***Tax*** - The Tax area is responsible for all Federal, State and Local tax accounting, compliance and planning for the AES US SBU. The area's responsibilities include the filings of all income, sales and use, property and miscellaneous returns. The Tax area is also responsible for all tax audits related to AES US SBU operations. The area is responsible for all SOX controls related to tax accounting and for the tax sections of all SEC, FERC and other Regulatory filings.
  
17. ***Enterprise Risk Management*** - The Enterprise Risk Management area develops an Enterprise Risk Management framework for identifying, assessing and managing risks. The area assists business units in implementing Enterprise Risk Management concepts into their business processes to include risk measurement techniques. The area provides continuing consultation and support to Business Units on Enterprise

Risk Management concepts. The area facilitates risk assessment meetings with significant functional groups at least annually and maintains a risk register of significant business risks and their status for each business unit across the AES US SBU.

18. ***Risk Management*** - The Risk Management area is primarily responsible for creating and maintaining effective controls for the settlement of commodities. The area's responsibilities includes support of the credit function to ensure relevant risk management information is identified, authorized, processed, recorded and reported through reporting systems.
19. ***Settlements*** - The Settlements area supports and manages the settlement of commodity transactions including items used in the calculation of the fuel adjustment clause. The area ensures that information used for billing is accurate, properly processed, recorded and reported in a fully auditable format.
20. ***Insurance*** - The Insurance area develops, recommends, and administers risk management and loss prevention programs to maintain maximum protection of the Company's and its affiliates' assets at the most economical rates. The area investigates and reports on accidents involving Company and Affiliate property, services, or products, with resultant coordination between insurance companies and attorneys. The area reviews and analyzes data and devises risk minimization programs.
21. ***Legal Services*** - The Legal Services area is responsible for providing legal assistance, counsel, and advice on the activities of the AES US SBU and its affiliated companies to ensure maximum protection of corporate legal rights. The area keeps abreast of legislative and administrative regulatory developments, particularly as they affect the operation of the AES US SBU and its affiliates. The area handles or directs suits or claims against the AES US SBU and its affiliates. Also, handles or directs proceedings in suits, claims, or appeals brought by the AES US SBU and its affiliates. The area provides counsel in regulatory and environmental activities. The area is responsible for filings, reports, and statements of a legal nature. The area is also involved with financings, tax, corporate governance, bankruptcy, contract and lease drafting, negotiation and review, SEC compliance filings and mortgage administration.
22. ***Environmental Management*** - The Environmental Management area is responsible for setting and implementing corporate environmental strategy and compliance policy. The area conducts audits and reviews plant submissions to ensure continuous compliance with all federal, state, and local regulations. The area responds to agency actions, and monitors new or updated environmental regulations, enforcement initiatives and governmental policies that could affect the Company. The area

participates in Company planning activities to minimize costs and other impacts of environmental regulations on operations.

23. ***Human Resources – Operations*** - The Human Resources Operations area manages the following functions: talent acquisition (salaried & hourly), testing, diversity, compliance, reporting and hiring. The duties of the HR Operations area also include the administration of Family & Medical Leave (FMLA), background and reference checking, HR file creation and retention as well as Oracle maintenance of Human Resource Information Systems. The area coordinates both the college intern and co-op programs. HR facilitates contingent employee recruitment and placement. The area also manages the policy of random drug testing of employees and contractors.
  
24. ***Human Resources – Total Rewards*** - The Human Resources Total Rewards area designs, develops, implements, administers, and communicates the company's Total Rewards programs including health, welfare, wellness, retirement, base pay, incentives and other rewards. The area in conjunction with AES global, HR Total Rewards develops and executes the total rewards philosophy and supporting policies and practices. The area analyzes current programs to ensure they align with the business strategy. The area evaluates the market competitiveness and cost-effectiveness of compensation and benefit plans to ensure they optimize the ability to attract and retain top talent.
  
25. ***Human Resources – Talent Development*** - The Human Resources – Talent Development area is responsible for talent management functions of the Company. The area's responsibilities include the development, coordination, and facilitation of workforce planning processes, people development strategies, change management and leadership development programs and overall coordination of talent management.
  
26. ***Human Resources – Employee and Labor Relations*** - The Human Resources – Employee and Labor Relations area supports the organization's strategy and promotes HR initiatives, policies, and goals in alignment with the organization's vision; preparing its people for growth and overall employee satisfaction. The area builds effective partnerships with business/functional stakeholders. The area implements the developmental and recruiting process to ensure that talent is best utilized throughout the organization for today and into the future. The area formulates and administers the Company's labor relations policy, subject to top management guidance and approval. The area represents management in labor relations, including the negotiation, interpretation, and administration of collective bargaining agreements.
  
27. ***Internal Communications*** - The Internal Communication area is responsible for gathering information, writing and editing a weekly electronic newsletter and quarterly magazine that is sent to all AES US SBU employees. The Area oversees the distribution of internal messaging from AES US SBU leaders. The area writes

and edits for various Human Resource projects. The area assists with internal communications efforts involving leaders and employees.

28. ***Customer Service*** - The Customer Service area is responsible for the customer service functions of the Company and its Affiliates including IPL's walk-in facility, call center and billing and credit departments, as well as DPL's call center, customer billing system and control area services. The area is responsible for ensuring a high level of customer satisfaction and service at both companies and for timely and accurate billing to all customers. The area is responsible for identifying process and quality improvement initiatives related to customer satisfaction as well as the overall objectives of the Company and its Affiliates.
  
29. ***Metering Services*** - The Metering Services area is responsible for the low voltage metering work at both IPL and DP&L, including meter installation, meter reading, field collections and services. The area shares knowledge of advanced metering technologies, utility practices and standards, national electric safety code, state and local compliance, and safety procedures. The area is familiar with both Ohio and Indiana regulations and ensures field work complies with the applicable state rules. In addition, the area has working knowledge of both labor agreements at DP&L and IPL. The area participates as a storm team manager for one of the four storm teams at DP&L.
  
30. ***T&D Reliability Programs*** - The T&D Reliability Programs area is responsible for the operations and management of the integrated AES US SBU (DP&L & IPL) T&D vegetation management, underground cable maintenance and pole inspection programs. The area is responsible for the Ohio ESSS Rule 27 maintenance programs at DP&L (Distribution Line Patrol, Primary & Secondary enclosures, line reclosers, line capacitors, air break switches, etc.). The area's responsibility includes the annual execution of the programs and the associated regulatory compliance tasks (audits, annual reports, etc.).
  
31. ***T&D Engineering*** - The T&D Engineering area is responsible for the engineering design functions, real estate operations, joint use and drafting for both DPL and IPL. The area participates as a storm team manager for one of four storm teams at DP&L. The area has knowledge of utility standards and practices, national electric safety code, state and federal compliance requirements, joint use agreements, computer aided design and GIS applications. The area also has working knowledge of DPL and IPL labor agreements.
  
32. ***T&D Engineering & Compliance*** - The T&D Engineering & Compliance area is responsible for managing engineering design services for Substations, System Protection and Transmission Lines for IPL and DP&L. The area's responsibilities include the design of new substations and upgrades to existing transmission and

distribution substations. The area is responsible for the design of relay protection systems for substations, transmission lines and upgrades to existing protection systems. The area handles the design, upgrade, and maintenance plans for transmission lines rated 69 kV and above. The area conducts studies and develops plans for expansion and upgrades to the distribution system. The only services provided by the area for IPL include Transmission Planning, NERC Compliance activities, T&D capital project cost oversight, and reliability metrics calculations.

33. ***T&D Support Operations*** - T&D Support Operations area is responsible for managing IPL Lines Construction, Service Connections, Street Lighting and Training. Additional responsibilities include IPL Contractor Services consisting of Overhead Maintenance, Under Ground Trenching Services, Substation Facility Maintenance, and Under Ground Street Light Maintenance and Construction. The area is responsible for IPL Facilities & Maintenance functions that are supporting operations for IPL facilities including the Electric Building, Morris Street Operations Center, Arlington Service Center, and the walk-in Customer Service Center. Additional responsibilities for the area include IPL Work & Project Management for Lines Construction work scheduling which includes IPL Material Handling functions, transformer repair shop, and tool room areas. The area is responsible for IPL Administrative support for IPL T&D operations which includes support for data collection, performance & compliance information for reporting, and departmental timekeeping. The area also manages DP&L and IPL T&D Fleet operations with a fleet size of approximately 700 vehicles.
34. ***Infrastructure Security*** - The Infrastructure Security area is responsible for cyber security activities, physical security activities, contract security (guard service selection and training), security incident response plans, risk assessments, threat intelligence and analysis activities, auditing activities and automation management and strategic security developments at DP&L, IPL and 15 other business locations in the AES US SBU. Responsible for internal and external cyber and physical policy and procedures to meet the requirements for the FERC/NERC Critical Infrastructure Protection ("CIP") Standards as well as various federal and industry (SOX and PCI) compliance requirements. The area coordinates internal and external investigations and maintains liaison with local, state and federal law enforcement agencies. The area is responsible for developing and administering security and compliance training and awareness programs.
35. ***Safety, Governance & Audit Programs*** - The Safety, Governance, and Audit Programs area is responsible for staying current regarding occupational health and safety rulemaking that has the potential to impact business. The area is responsible for developing safety and health programs to mitigate and/or eliminate occupational health and safety risks. The area develops and delivers programs to all stakeholders to help improve the safety culture of the business. The area also leads incident investigations to determine causal factors. The area helps develop health and

wellness programs for the benefit of all employees, conducts regular safety audits throughout the company and is responsible for safety reporting to the company's management.

36. **Major Construction Safety** - The Major Construction Safety area is responsible for the safety of employees and contractors working on major construction projects of the AES US SBU. The area ensures that safety standards are being followed and works with the construction teams regarding a safe working environment.
37. **Supply Chain** - The Supply Chain area is responsible for the oversight of all the supply chain functions. Oversight areas include Logistics & Material Management – Generation, Logistics & Material Management – T&D, Strategic Sourcing and Business Intelligence & Analytics.
38. **Logistics & Material Management – T&D** - The Logistics & Material Management - T&D area is responsible for reorder point reviews, item consolidation, purchase order/releases for replenishment of T&D stock materials, new stock items, item categorization, physical/cycle inventory counts, stocking programs, and vendor-managed inventory and consignment. In addition, this area will provide storm support to the operational organizations from staffing operations and warehouses on a continuous basis, executing staging areas, expediting materials as well as setting up emergency purchase orders when necessary. In addition, the area will assist with storing, managing delivery and staging of materials.
39. **Business Intelligence & Analytics** - The Business Intelligence and Analytics area is responsible for supplier qualification and maintenance, diversity program, policies and procedures, SOX 404 compliance, internal and external audit liaisons, financials, business forecasting, KPIs, metrics, reporting, sourcing pipeline, value added for the pre/post negotiations, legal/commercial terms and performance evaluations/reviews, and strategic planning while keeping in mind the internal customers' budgets and forecasts. The area is also the liaison for all IT-related systems including Oracle and SAP Supply Chain modules.
40. **Strategic Sourcing** - The Strategic Sourcing area is responsible for all strategic non-stock materials and services purchasing, supplier management including tracking industry trends, category management, supplier relationship management in addition to strategic alliances, supplier diversity and supplier base management. This area is responsible for obtaining requests for proposals including bids, evaluations, total cost of ownership (TCO) and negotiation plans. The area oversees requisitions and purchase orders including ERP support, assisting with setting up purchase orders and change orders. The area is also responsible for providing benefits and maintaining the current sourcing pipeline.

41. ***Logistics & Material Management – Generation*** - The Logistics & Material Management – Generation area is responsible for reorder point reviews, item consolidation, purchase order/releases for replenishment of Generation stock materials, new stock items, item categorization, physical/cycle inventory counts, stocking programs, vendor-managed inventory and consignment. In addition, this area will provide outage support to the operational organizations from staffing operations and warehouses on a continuous basis, executing staging areas, expediting materials as well as setting up emergency purchase orders when necessary. In addition, the area will be responsible for receiving, job kits, and the material recovery, disposal, returns, rebuilds and repairs/refurbishments.
42. ***IT Infrastructure*** - The Infrastructure area is responsible for the information technology infrastructure for the AES US SBU. The area's responsibility includes the deployment and support of enabling technologies including servers, network, data storage, data center, printers and recovery services. The area is also responsible for the deployment and support of communications tools including phones (mobile, cellular, satellite), telepresence, conference bridges, data communication channels and WebEx. The responsibilities for the area includes the capacity planning, budgeting, cost effectiveness, reliability, testing, training and change management.
43. ***IT Competitive Applications*** - The Competitive Applications area is responsible for the Competitive Generation IT applications, business analysis, requirements gathering, solution design and support for the Competitive Generation businesses. The area's responsibilities include procurement, development and deployment of the various Competitive Generation applications. The area is also responsible for support for the applications including maintenance, upgrades and modifications. The area develops roadmaps to be followed. The responsibilities of this area include planning, budgeting, maintaining cost effectiveness, and interfacing with the Competitive Generation business areas.
44. ***IT Enterprise Applications*** - The Enterprise Applications area is responsible for the Enterprise IT applications, database hosting and support for DPL and IPL. This responsibility includes procurement, development and deployment of the various enterprise applications. The area is also responsible for support for the applications including maintenance, upgrades and modifications. The responsibilities of this area include planning, budgeting, and maintaining cost effectiveness. Some of the major IT systems that this area is responsible for include the Oracle suite of products, Business Intelligence Solutions, Data Warehousing, Web Services, IPLpower.com, dplinc.com, Intranet and Data Base Administration.
45. ***IT Collaborative Services*** - The Collaboration Services area is responsible for End User experience. This includes solving any workstation hardware and software needs



of the employees of the AES US SBU. It also entails procurement and deployment of user workstations, laptops and software. The area is a single point of contact to meet the IT needs of employees such as password resets and application support. The responsibilities of the area include the planning, budgeting, maintaining cost effectiveness, reliability of the PCs, testing, training workstation records/replacements/upgrades of the many workstations throughout the AES US SBU.

46. ***IT Strategy, Security and Governance*** - The Strategy, Security and Governance area is responsible for establishing the system architecture and the security architecture of the information technologies within the AES US SBU as well as leading the Project Management Office for IT initiatives. A major goal of this area is to secure data and to prevent system intrusion within the AES US SBU. This responsibility includes account provisioning, overseeing remote access, monitoring, mobile device management, maintaining anti-virus software and controls and security investigations. The area is also responsible for approving and defining priorities for the IT portfolio and for maintaining electronic records. The responsibilities of this area include planning, budgeting, maintaining cost effectiveness, governance, project delivery, benefit realization, and IT SOX controls within the Information Technology Organization.

47. ***IT T&D Applications*** - The T&D Applications area is responsible for the Transmission and Distribution IT applications, database hosting and support for IPL and DP&L. The area's responsibilities include procurement, development and deployment of the various T&D applications. The area is also responsible for support for the applications including maintenance, upgrades and modifications. The area develops roadmaps and ensures proper testing. The responsibilities of this area include planning, budgeting, maintaining cost effectiveness and Critical Infrastructure Protection (CIP) controls within the Information Technology Organization. Some of the major T&D IT systems that this area is responsible for include Customer Information Systems (CIS), Geographical Information Systems (G-Tech), Work Management Information Systems, Outage Management Systems and the Energy Management Systems.

48. ***Commercial Management*** - The Commercial Management area is responsible for leadership and support of commercial functions for the AES US SBU. This area includes the division leader, executive administrative support, RTO affairs and project support. Services provided by the Commercial division portion of the area includes merchant portfolio strategy, commercial operations, fuel procurement, RTO affairs, PPA management, competitive retail electric supply, and other projects and activities as needed. RTO Affairs provides understanding and probability of market impacts and changes, analyzes and develop strategies, and advocates for the business interests of DP&L and the AES stakeholders and customers regarding PJM issues to maximize their revenue potential and minimize potential costs and risks while

ensuring a level playing field for power market competition within the PJM RTO. Project support identifies performance gaps and leads or steers project teams and task forces to resolve business issues in the Generation business.

49. ***Commercial Operations*** - The Commercial Operations area's general responsibilities and services include fuel procurement and position management for AES US SBU plants, Wind Remote Operations Control Center, generation dispatch services for DP&L and DPLE, Marketing and PJM services for Laurel Mountain, Tait Energy Storage and Beaver Valley and short term asset optimization and short term trading for applicable AES US SBU plants. The area's fuel procurement and position responsibilities include rail and barge transportation, limestone, quality control, planning and other fuel and transportation related services. Additional fuel related responsibilities include partner related fuel issues as well as DP&L fuel clause recover commercial activity. The area's Wind Remote Operations Control Center (ROCC) responsibilities include monitoring and controlling AES US SBU wind turbine generators across thirteen separate wind generation facilities covering eight states. The area also supports a 200 MW solar farm in Southern California. The area's wind operational support includes, but is not limited to outage execution per Independent System Operator (ISO) and Regional Transmission Operator (RTO) protocol. In addition to scheduling and executing outages, the area submits forecasting and generation schedule data to ISO and RTO per protocol. The area acts as Generator Operator (GOP) for all thirteen wind facilities receiving verbal dispatch instructions from ISO, RTO and/or Balancing Authority personnel in support of a stable bulk electric system (grid). The area will curtail, derate and /or shutdown generation facilities based upon a number of specified criteria to include economic constraints and reliability conditions. The area's generation dispatch services for DP&L and DPLE include NERC audit responsibilities as the GOP, LSE and PSE.
  
50. ***Merchant Portfolio Strategy*** - The Merchant Portfolio Strategy area is responsible for Portfolio Management, Structuring and Origination, and Portfolio Analytics functions. The Portfolio Management portion of the area includes advising on plant investment activities, term hedging and trading of power, emissions, renewable energy credits and other commodities, long-term view development, tracking of portfolio profit and loss, and gross margin at risk. The Origination and Structuring portion of the area is responsible for identifying and negotiating opportunities to sell power to counterparties through, PPAs, structured deals, participation in RFPs and auctions, and pricing of retail products for affiliates. The Portfolio Analytics portion of the area supports Portfolio Management, Structuring and Origination, and other internal clients within AES with analytic support through model development and maintenance, research, data analysis, information presentation and other analytic work product.
  
51. ***Market Operations – Systems and Analysis*** - The Market Operations – Commercial Systems Development area is responsible for system development and support for the

Competitive Generation business activities. Services provided include architecture, development and support of various wholesale and retail-based sourcing and sales transaction systems.

52. ***Generation Central Services – NERC Compliance*** - The General Central Services – NERC Compliance area is responsible for NERC Compliance which is regulated by FERC/NERC and the Regional Entities. The area standardizes NERC reporting and process procedures across the AES US SBU. The area establishes mechanisms for active sharing of NERC Lessons Learned and Best Practices. The area controls the accurate and timely filing of all NERC self-certifications and reports. The area develops a process to monitor regulatory changes and a way to implement a consistent application to all businesses. The area develops and maintains Internal Controls and creates a sustainable culture of compliance.
  
53. ***Generation Central Services – Conventional*** - The Generation Central Services – Conventional area provides operational, maintenance and technical support to the AES US SBU conventional generation businesses by implementing best practices and leading innovative improvement activities on critical equipment and areas of high impact. The area provides Subject Matter Experts (SMEs) in the areas of Thermal Performance, Boilers, Steam Turbines, Combustion Turbine, Electrical, Large Rotating Equipment, Reliability, and Work Management to support the operations and maintenance of the businesses.
  
54. ***Generation Central Services – Wind Performance*** - The Generation Central Services – Wind Performance area is responsible for supporting the operation of the AES US SBU wind generation fleet by collecting and conducting statistical analysis of wind turbine performance data identifying issues and making recommendations to the Operation and Maintenance team. The area provides engineering support for the troubleshooting, testing and maintenance of electrical equipment and controls for the AES US SBU wind generation fleet. Lead, facilitate and assist with site initiatives, root cause analysis, AES Performance Excellence (APEX) and Six Sigma projects. The area conducts research, analyzes and coordinates reliability and performance improvement technologies.
  
55. ***Generation Central Services – Workforce Development*** - The Generation Central Services – Workforce Development area is responsible for training and workforce development needs across the AES US SBU. Develop a workforce development working group and take our embedded knowledge capital and programs to the businesses that need them while capturing other best practice workforce development initiatives and sharing those across the AES US SBU as well. The area works closely with business leaders to aid in identifying what training exists and identify gaps and provide resources to fill those gaps.

56. ***Generation Central Services – Outages and Projects*** - The Generation Central Services - Outages and Projects area assists the fleet in detailed planning, procurement of materials, procurement of labor services and execution of outages and large projects. The area improves the quality, efficiency and cost optimization of outage and projects from inception to completion within the AES US SBU, creating value through the application of consistent and continuously improving outage best practices processes, tools and techniques.
57. ***Asset Management*** - The Asset Management area is the strategic management of physical assets during their life in the organization. The Asset Management area will manage the life cycle of all generation, transmission and distribution assets across the AES US SBU. The area takes direction from the Asset Owner regarding how the assets should perform and the asset life span. Asset life cycle plans are then developed to maintain the optimal balance between asset funding and the operational performance. The area is charged with determining the level of capital and maintenance required for the assets and what level of operational performance can be achieved with the funding.
58. ***Generation Asset Strategy*** - The Generation Asset Strategy Area is the strategic management of physical assets during their life in the organization. The area will manage the life cycle of all generation assets across the AES US SBU. The area takes direction from the Asset Owner regarding how the assets should perform and the asset life span. Asset life cycle plans are then developed to maintain the optimal balance between asset funding and the operational performance. The area is charged with determining the level of capital and maintenance required for the assets and what level of operational performance can be achieved with the funding.
59. ***T&D Asset Strategy*** - The T&D Asset Strategy area is the strategic management of physical assets during their life in the organization. This area will manage the life cycle of all the transmission and distribution assets across the AES US SBU. The area takes direction from the Asset Owner regarding how the assets should perform and the asset life span. Asset life cycle plans are then developed to maintain the optimal balance between asset funding and the operational performance. The area is charged with determining the level of capital and maintenance required for the assets and what level of operational performance can be achieved with the funding.
60. ***Performance Management*** - The Performance Management area is the strategic management of physical assets during their life in the organization. The area will manage the life cycle of all generation, transmission and distribution assets across the AES US SBU. The area takes direction from the Asset Owner regarding how the assets should perform and the asset life span. Asset life cycle plans are then developed to maintain the optimal balance between asset funding and the operational performance. The area is charged with determining the level of capital and

maintenance required for the assets and what level of operational performance can be achieved with the funding.

61. ***Asset Investment Planning*** - The Asset Investment Planning area is the strategic management of physical assets during their life in the organization. The area will manage the life cycle of all generation, transmission and distribution assets across the AES US SBU. The area takes direction from the Asset Owner regarding how the assets should perform and the asset life span. Asset life cycle plans are then developed to maintain the optimal balance between asset funding and the operational performance. The area is charged with determining the level of capital and maintenance required for the assets and what level of operational performance can be achieved with the funding.



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# **AES US SERVICES, LLC**

## **COST ALIGNMENT AND ALLOCATION MANUAL**

**Revised: January 1, 2022**

**Origination Date: January 1, 2014**

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## I. COST ALLOCATION PRINCIPLES

### **PURPOSE OF COST ALIGNMENT AND ALLOCATION MANUAL**

AES US Services, LLC (hereafter referred to as the “Service Company”) is a subsidiary of the AES Corporation (“AES”). The Service Company provides a range of services to the AES Corporation (“AES Corp”), and affiliates of AES, including Indianapolis Power and Light dba AES Indiana (“IPL”), IPALCO Enterprises, Inc. (“IPALCO”), Mid-America Capital Resources, Inc. (“MACR”), AES Clean Energy Services, LLC (“Clean Energy” and “Wind”), AES NA Central, LLC (“AES US Gen”) on behalf of the US Generation Plants, AES Distributed Energy, Inc. (DE), AES Big Sky, LLC (Big Sky), DPL Inc. (“DPL Inc.”), The Dayton Power and Light Company dba AES Ohio (“DP&L”), AES Ohio Generation, LLC (“AES Ohio Gen”), Miami Valley Lighting, LLC (“MVL”), Miami Valley Insurance Company, Inc. (“MVIC”), and MacGregor Park, Inc. (“MacGregor Park”), otherwise known as the “Affiliates”. The Service Company was designed to provide services to the AES US Businesses, but the Service Company is not limited to only transacting for affiliates within the US. The Service Company will allocate prudently-incurred costs to the Affiliates to achieve the following goals: prevent cross-subsidization of one entity by another, maximize synergies and economies of scale in the Service Company operations, and minimize the time and expense needed to record and audit the transactions. All costs incurred by the Service Company are recovered at cost, and there is no “mark-up” or “profit” on the charges billed by the Service Company.

### **REGULATORY REQUIREMENTS**

The Service Company is regulated by the Public Utility Holding Company Act of 2005 (PUHCA 2005), which was enacted on February 8, 2006. PUHCA 2005 transferred regulatory jurisdiction over public utility holding companies from the U.S. Securities and Exchange Commission (“SEC”) to the Federal Energy Regulatory Commission (“FERC”). The Service Company will file a Form 60 with the FERC on an annual basis. In addition, in compliance with the PUHCA 2005 and the FERC, the Service Company uses an accounting system to collect costs that are applicable and billable to Affiliates.

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The Accounting and Regulatory department's review of the Service Company charges to the Affiliates is an integral part of the regulatory base rate filings and other regulatory filings made in the operating unit's jurisdictional filings to the Indiana Utility Regulatory Commission ("IURC") and the Public Utilities Commission of Ohio ("PUCO").

### **COST ALIGNMENT AND ALLOCATION MANUAL (CAAM) FILES**

In support of regulatory requirements, the Service Company will maintain various documents related to the Company's Cost Alignment and Allocation Manual. The Controller of the Service Company (or his or her designee) will maintain these supporting documents at the Service Company's headquarters located in Indianapolis, Indiana. Hereafter, these documents are referred to in aggregate as the Cost Alignment and Allocation Manual (CAAM) Files.

### **UPDATING PROCEDURES**

The Controller of the Service Company (or his or her designee) will be responsible for updating and maintaining the CAAM. Allocation methods and basis shall be reviewed and updated at least annually, to ensure allocations are representative of the overall scope and level of business activities between the Service Company and the Affiliates. Accordingly, revisions will be made to the CAAM as needed. All changes will be coordinated with the Affiliates and communicated as needed to the employees of the Service Company. Additionally, the Controller of the Service Company (or his or her designee) will notify the Executive Director of the Commission Staff (or his or her designee) of the IURC and the PUCO of any significant changes to the CAAM.

### **RECORD RETENTION PROCESS**

The Service Company shall maintain (in accordance with generally accepted accounting principles, the applicable uniform system of accounts, and the Code of Federal Regulations) books, entries, accounts, and other records of all its transactions in sufficient detail so as to permit audits. Allocated costs shall be traceable to the books of the applicable Affiliates. The Service Company and Affiliates shall maintain all underlying transaction information for a minimum of five years. Such books, accounts, and pertinent records that relate to intercompany

transactions shall be readily available for review and audit by the applicable Commissions consistent with applicable state laws, as well as to internal and external auditors of the Service Company or the Affiliate Companies as required by law.

### **DIRECTING QUESTIONS**

The Service Company designates its Controller to serve as the primary contact for commission staff when seeking data regarding Affiliate transactions, personnel transfers, and the sharing of employees and independent contractors. Such inquiries shall be sent in writing to:

Jon Byers  
Controller  
AES US Services, LLC  
One Monument Circle  
Indianapolis, Indiana 46204

The Service Company will notify the applicable commission of changes in contact information as needed.

### **EFFECTIVE DATE**

The AES Service Company Cost Alignment and Allocation Manual became effective January 1, 2014, commensurate with the creation of the Service Company.

## II. COST ALIGNMENT AND ALLOCATION APPROACH

### **COST ALIGNMENT AND ALLOCATION PHILOSOPHY**

The fundamental underlying principle for the Service Company's cost allocation approach is the use of a fully allocated cost methodology. A fully allocated cost methodology is premised on the concept of distributing expenses, capital, and all applicable costs among Affiliates and business activities. This is accomplished, whenever possible and practical, through direct charges from the Service Company to appropriate specific Affiliates or, when direct charging is not possible and practical, through allocations, based on a consistent method of determining cost causation from period to period, so that reasonable cost attribution occurs. Under a fully allocated cost methodology, all expenditures such as labor, materials, and other related non-labor costs are charged directly to a single Affiliate or charged and then allocated among several Affiliates depending on the function performed. Based on the breakdown of direct labor hours, overhead charges including, but not limited to, health insurance, pensions, and payroll taxes are then charged to each Affiliate to arrive at the fully allocated cost. All resultant cost allocations for Affiliates and business activities to regulated and unregulated lines of business are based on an appropriate metric (as detailed in Section III) of cost causation for that business activity. This overall approach to cost allocation will be followed to the extent that it does not result in incurring a cost that is uneconomical in relation to the benefits achieved. Each Service Company cost center referenced throughout this document represents an organizational unit (division, department, etc.) that is responsible for the cost and for controlling and budgeting administratively assigned resources.

### **BILLING AND ALLOCATION PROCESS**

The actual application of full cost allocation begins with the premise that, to the maximum extent practical, all costs that can be specifically attributed to a particular Affiliate or business unit are directly charged to the Affiliate or business unit. Some costs, however, are incurred on behalf of more than one Affiliate; in these cases, if the costs cannot be directly billed to each entity, then they will be allocated to each appropriate Affiliate using one of the allocation bases detailed in

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Section III. Based on the breakdown of direct labor hours, overhead charges including, but not limited to, health insurance, pensions, and payroll taxes are then charged to each Affiliate to arrive at the fully allocated cost. All remaining Service Company costs not assigned to Affiliates, business units or FERC account through the above listed methods are allocated using the most appropriate basis detailed in Section III. Metrics used as allocation factors, will be generally representative of the relative degree of utilization of particular Service Company business activities by the Affiliates. Examples include: gross retail revenue, employee headcount, and the number of personal computers assigned to the respective Affiliate. In any situation, the objective is to achieve a proper sharing of costs.

### **LABOR AND NON-LABOR CHARGES**

Each Service Company employee directly charges their labor hours to the appropriate cost collector by activity completed. Direct charging of labor hours and costs is accomplished through time sheets that record payroll by Service Company general ledger account and cost collector on a biweekly basis. Default employee timesheets are utilized and are reviewed for accuracy on a periodic basis. Employee exception timesheets are utilized biweekly whenever work is performed in a manner other than the default timesheet breakdown. For non-labor costs, a material requisition, invoice, purchase order or other accounting source document is coded for direct charging to the appropriate, general ledger account and cost collector.

### **DIRECT VS INDIRECT COSTS**

The FERC requires service companies to separate and record their billings between direct and indirect costs. Direct costs for the Service Company are defined as direct charges and applicable overheads to a specific Affiliate or business unit such as IPL, IPALCO, DP&L Distribution, and DP&L Transmission. As shown on the List of Affiliates, all three charts, and the Cost Center Descriptions pages contained in Section III, direct costs do not include charges to “DPL”, which have to be allocated to the appropriate regulated and non-regulated entities. In addition to charges to “DPL”, indirect costs include indirect charges and applicable overheads that benefit more than one entity such as DPL/IPL, DPL/US Gen and DPL/IPL/US Gen.

### **CONVENIENCE PAYMENTS**

Convenience payments are made by the Service Company on behalf of one or more than one of the Affiliates. The Service Company pays the vendor directly and then bills the Affiliates monthly for their appropriate share of the convenience payment(s). The charges for these services are recorded on the Affiliates' books and not by the Service Company.

### **CHARGES FROM AFFILIATES TO THE SERVICE COMPANY**

The Affiliates may be requested to provide support to the Service Company. The charge to the Service Company would be recorded at cost. Examples include building occupancy costs (rents) and services provided by Affiliate employees.

### **SERVICES PROVIDED TO AFFILIATES OUTSIDE THE UNITED STATES**

The AES Corporation may leverage the benefit of economies of scale or the expertise of the employees within the Service Company for AES entities outside of the United States. When these services occur, the Service Company will appropriately track the charges and invoice to recoup its costs which may include labor, overheads, and non-labor depending on the services provided. No profit will be added to these services.

### III. COST ALIGNMENT AND ALLOCATION PROCEDURES USED FOR AFFILIATE TRANSACTIONS

#### OVERVIEW

Included in this section of the Cost Alignment and Allocation Manual are the following documents:

- List of Affiliates – A list of Affiliates (or applicable business units) broken down between Direct and Indirect Billings
- Direct Charge Chart – A Chart identifying Service Company cost centers and the Affiliates or business units they directly charge
- Indirect Charge Chart – A Chart identifying Service Company cost centers and the Affiliates or business units they indirectly charge (through allocations)
- “DPL” Allocated Chart – A Chart identifying Service Company cost centers and the “DPL” Affiliates or business units they indirectly charge (through allocations)
- Allocation Bases – Description of each allocation basis used by the Service Company
- Service Company Cost Center Descriptions - Individual summaries for all Service Company cost centers and the services they provide to the Affiliates or business units. Each summary contains the Service Company cost center’s number and title, a brief overview of the cost center’s responsibilities and services provided, an indication of whether the service will be utilized by each Affiliate or business unit, a description of the direct charging method and indirect cost allocation basis that will be followed for distributing costs to the Affiliates or business units, and a brief overview of the benefits to customers/rate payers. These summaries of services will be reviewed at least annually and updated as needed.

**LIST OF AFFILIATES**Direct Affiliate Names

Indianapolis Power & Light Company  
IPALCO Enterprises, Inc.  
Mid-America Capital Resources, Inc.  
The AES Corporation  
AES NA Central, LLC  
AES North America Development, LLC  
AES Distributed Energy, Inc.  
AES Big Sky, LLC  
AES Clean Energy Services, LLC  
DPL Inc.  
The Dayton Power & Light Company

Business Units

Dayton Power & Light Distribution  
Dayton Power & Light Transmission  
AES Ohio Generation, LLC

Business Units

Stuart Station  
Killen Station  
Miami Valley Lighting, LLC  
Miami Valley Insurance Company, Inc.

Abbreviated Names

IPL  
IPALCO  
MACR  
AES Corp  
AES US Gen  
BD (AES Business Development)  
DE  
Big Sky  
Clean Energy/Wind  
DPL Inc.  
DP&L

DP&L Distribution  
DP&L Transmission  
AES Ohio Gen

Stuart Station  
Killen Station  
MVLT  
MVIC

Indirect Affiliate Combinations (a)

DPL  
DPL/IPL  
DPL/AES US GEN  
IPL/AES US GEN  
DPL/IPL/AES US GEN

(a) "DPL" Includes the following entities/business units

DP&L Distribution  
DP&L Transmission  
DPL Inc.  
MVLT  
MVIC  
MacGregor Park, Inc.



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Direct Charge Chart

AREA DESCRIPTION	AREA NO./ Acct Title	DIRECT													AES Corp	Big Sky	Distributed Energy		
		IPL	IPALCO	MACR	NA-CENTRAL	CLEAN ENERGY	WIND	DP&L DISTRIBUTION	DP&L TRANSMISSION	AES OH GEN	STUART STATION	KILLEN STATION	DPL INC	MVLT				MVIC	
COO OFFICE	US64100010	X	X		X														
US UTILITIES COMMERCIAL OPERATIONS AND RESOURCE PLANNING	US64100050	X						X	X										
MARKET OPERATIONS	US64100110				X														
MERCHANT PRFOL STRG	US64100120	X			X														
BATTERY OPERATIONS	US64101100				X	X	X												X
COMMERCIAL OPERATION	US64101120	X			X	X		X											
OPS MONITRNG & CTRL	US64101300				X	X	X												X
PLANT MANAGERS	US64101320	X			X					X	X	X							
STORMS	US64101410							X	X										
SYSTEMS OPERATIONS	US64101450	X						X	X										
ADMS OPERATIONAL TECHNOLOGY	US64101460	X						X											
VP, T&D OPERATIONS	US64101550	X						X	X										
SETTLEMENTS	US64101571				X	X	X												
CUSTOMER SERVICE	US64102300	X						X											
T&D METERING SERVICE	US64102400	X						X	X										
SAFETY	US64103420	X			X	X	X	X	X										X
ENVIRONMENTAL MGT	US64105425	X			X	X	X	X	X							X			X
STRAT ACCT & CUS PRO	US64106470	X						X											
GROWTH & STRG INVEST	US64108475	X						X	X										
PHYSICAL SECURITY	US64109510	X			X	X	X	X	X										X
CP COMPLIANCE	US64109530	X			X	X	X	X	X										X
RELIABILITY PROGRAMS	US64200170	X						X	X										
VENDOR DISCOUNTS	US64200241					X	X												
US SBU LEADER	US64301000	X	X		X	X		X	X			X	X						
US UTILITIES PRESIDENT	US64301200	X	X		X			X	X			X	X						
CHIEF CUSTOMER OFFICER	US64301300	X	X					X	X			X	X						
DE ACCOUNTING	US64302000																		X
MANAGEMENT - CFO	US64302100	X	X		X							X							
ACCOUNTS PAYABLE	US64302202	X	X		X	X	X					X			X				X
TECHNICAL ACCOUNTING	US64302205														X				
FP&A	US64302210	X	X		X	X	X	X	X			X							X
CONTROLLER	US64302212	X	X		X	X			X			X							X
FINANCIAL REPORTING	US64302247	X	X		X							X							
FIXED ASSET ACCTG	US64302257	X	X		X		X					X							X
GEN & OPS ACCTG	US64302267	X	X		X							X							
TREASURY	US64302272	X	X	X	X		X	X	X			X	X	X	X	X			X
REGULATORY ACCTG	US64302287	X			X			X	X										
TAX ACCOUNTING	US64302297	X	X		X			X				X	X	X	X	X			X
REVENUE ACCOUNTING	US64302302	X			X	X	X	X											
INTERNAL AUDIT	US64303000	X	X		X	X	X	X	X			X							X
IT GOVERNANCE & SCRITY	US64304100	X			X			X	X									X	X

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AREA DESCRIPTION	AREA NO./ Acct Title	DIRECT														DIRECT	DIRECT	
		IPL	IPALCO	MACR	NA-CENTRAL	CLEAN ENERGY	WIND	DP&L DISTRIBUTION	DP&L TRANSMISSION	AES OH GEN	STUART STATION	KILLEN STATION	DPL INC	MVLT	MVIC	AES Corp	Big Sky	Distributed Energy
IT MANAGEMENT	US64304205	X			X			X	X								X	X
CYBER SECURITY	US64304215	X			X	X	X	X	X				X				X	X
IT ENTERPRISE APPS	US64304220	X			X			X	X								X	X
IT COLLABORATION SVC	US64304225	X			X			X	X				X					X
IT INFRASTRUCTURE	US64304230	X			X			X	X								X	X
IT NETWORKS	US64304255	X			X	X		X	X				X				X	X
IT GENERATION APPS	US64304260	X			X												X	X
IT T&D APPS	US64304270	X						X	X				X					
DIGITAL CUSTOMER EXP	US64304510	X						X	X									X
DIGITAL PROD & ECO	US64304520	X	X		X	X		X	X								X	X
IT DIGITAL OPERATION	US64304530	X			X	X		X	X				X				X	X
DIGITAL SOL & INNOV	US64304540	X			X	X	X	X	X								X	X
OPERATIONS TECH	US64304550	X			X			X	X								X	X
DIGITAL WORK EXP	US64304810	X			X	X		X	X				X				X	X
LEGAL SERVICES	US64305100	X	X	X	X	X	X	X	X	X			X	X	X			X
REGULATORY AFFAIRS	US64305215	X						X	X									
REGULATORY NEW PRODUCTS	US64305235															X		
LOCAL HR	US64306100	X			X			X	X				X					
BENEFITS O&M	US64306205	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
TALENT COE	US64306210	X			X			X	X							X		
PAYROLL	US64306230	X				X												
TOTAL REWARDS COE	US64306240	X			X	X		X	X							X		
PURCHASING MGMT	US64307300	X			X	X	X	X	X									
LOGISTIC & MAT MGMT	US64307320	X			X	X	X	X										
A&PM NORMS & STDS	US64308500	X			X	X	X											X
ASSET MANAGEMENT-T&D	US64308505	X						X	X					X				
INSURANCE	US64308515	X	X		X			X	X				X	X	X			
A&PM NERC COMPLIANCE	US64308520	X			X	X	X											X
A&PM PERFORMANCE ENG	US64308525	X			X	X	X											X
A&PM OUTAGES & PRJCT	US64308530	X			X	X	X											X
RISK MANAGEMENT	US64308535	X			X			X	X									X
A&PM TECHNICAL ENG	US64308540	X			X		X											
CUSTOMER EXPERIENCE	US64309105	X						X										
GOVERNMENT AFFAIRS	US64309115	X	X					X	X				X	X	X			
COMMUNICATIONS	US64310000	X			X	X		X	X					X		X		X
US BUSINESS RESILIENCE	US64321001	X			X	X	X	X	X									X
EMP OVHD HOURS O&M	US643230CO	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
EMPLOYEE OVHD DOLLAR	US643240BO	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
PENSION CLEARING	US643240PO	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
PAYROLL TAXES O&M	US643280PO	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

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Indirect Charge Chart

AREA DESCRIPTION	AREA NO./ Acct Title	Allocation Basis	Indirect					
			DPL	DPL/IPL	DPL/NAC	IPL/NAC	DPL/IPL/NAC	
COO OFFICE	US64100010	COMP 2G: GEN GROSS REVENUE AND GEN GROSS PP&E	X				X	
US UTILITIES COMMERCIAL OPERATIONS AND RESOURCE PLANNING	US64100050	N/A; DIRECT ONLY						
MARKET OPERATIONS	US64100110	N/A; DIRECT ONLY						
MERCHANT PRFOL STRG	US64100120	N/A; DIRECT ONLY						
BATTERY OPERATIONS	US64101100	N/A; DIRECT ONLY						
COMMERCIAL OPERATION	US64101120	COMP 2G: GEN GROSS REVENUE AND GEN GROSS PP&E			X		X	
OPS MONITORNG & CTRL	US64101300	N/A; DIRECT ONLY						
PLANT MANAGERS	US64101320	N/A; DIRECT ONLY						
STORMS	US64101410	N/A; DIRECT ONLY						
SYSTEMS OPERATIONS	US64101450	T&D GROSS PROPERTY, PLANT & EQUIPMENT	X	X				
ADMS OPERATIONAL TECHNOLOGY	US64101460	T&D GROSS PROPERTY, PLANT & EQUIPMENT		X				
VP, T&D OPERATIONS	US64101550	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X	X				
SETTLEMENTS	US64101571	N/A; DIRECT ONLY						
CUSTOMER SERVICE	US64102300	NO. OF RETAIL CUSTOMERS		X				
T&D METERING SERVICE	US64102400	NO. OF RETAIL CUSTOMERS		X				
SAFETY	US64103420	EMPLOYEE HEADCOUNT	X					X
ENVIRONMENTAL MGT	US64105425	GROSS PROPERTY, PLANT & EQUIPMENT						X
STRAT ACCT & CUS PRO	US64106470	NO. OF RETAIL CUSTOMERS		X				
GROWTH & STRG INVEST	US64108475	T&D GROSS PROPERTY, PLANT & EQUIPMENT		X				
PHYSICAL SECURITY	US64109510	COMP 3: GROSS PP&E AND EMP HEADCOUNT						X
CIP COMPLIANCE	US64109530	COMP 3: GROSS PP&E AND EMP HEADCOUNT						X
RELIABILITY PROGRAMS	US64200170	NO. OF RETAIL CUSTOMERS		X				
VENDOR DISCOUNTS	US64200241	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E						X
US SBU LEADER	US64301000	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X	X	X			X
US UTILITIES PRESIDENT	US64301200	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X	X				
CHIEF CUSTOMER OFFICER	US64301300	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X	X				
DE ACCOUNTING	US64302000	N/A; DIRECT ONLY						
MANAGEMENT - CFO	US64302100	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X					X
ACCOUNTS PAYABLE	US64302202	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X				X	X
TECHNICAL ACCOUNTING	US64302205	N/A; DIRECT ONLY						
FP&A	US64302210	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X	X	X			X
CONTROLLER	US64302212	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X					X
FINANCIAL REPORTING	US64302247	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X					
FIXED ASSET ACCTG	US64302257	GROSS PROPERTY, PLANT & EQUIPMENT	X				X	X
GEN & OPS ACCTG	US64302267	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X	X				X
TREASURY	US64302272	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X					X
REGULATORY ACCTG	US64302287	TOTAL RETAIL REVENUE	X	X				
TAX ACCOUNTING	US64302297	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X	X				X
REVENUE ACCOUNTING	US64302302	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X					X
INTERNAL AUDIT	US64303000	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X	X	X		X	X
IT GOVERNANCE & SCRITY	US64304100	IT GROSS ASSETS	X	X				X

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AREA DESCRIPTION	AREA NO./ Acct Title	Allocation Basis	Indirect				
			DPL	DPL/IPL	DPL/NAC	IPL/NAC	DPL/IPL/NAC
IT MANAGEMENT	US64304205	IT GROSS ASSETS	X	X			X
CYBER SECURITY	US64304215	COMP 3: GROSS PP&E AND EMP HEADCOUNT					X
IT ENTERPRISE APPS	US64304220	IT GROSS ASSETS	X	X			X
IT COLLABORATION SVC	US64304225	NO. OF PC'S	X				X
IT INFRASTRUCTURE	US64304230	IT GROSS ASSETS	X	X			X
IT NETWORKS	US64304255	COMP 4: NO. OF PC'S AND EMPLOYEE HEADCOUNT	X	X			X
IT GENERATION APPS	US64304260	GENERATION GROSS PROPERTY, PLANT & EQUIPMENT				X	
IT T&D APPS	US64304270	T&D GROSS PROPERTY, PLANT & EQUIPMENT		X			
DIGITAL CUSTOMER EXP	US64304510	TOTAL RETAIL REVENUE	X	X			
DIGITAL PROD & ECO	US64304520	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E					X
IT DIGITAL OPERATION	US64304530	IT GROSS ASSETS	X	X	X	X	X
DIGITAL SOL & INNOV	US64304540	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X	X			X
OPERATIONS TECH	US64304550	IT GROSS ASSETS	X	X			X
DIGITAL WORK EXP	US64304810	O365/EMAIL USERS					X
LEGAL SERVICES	US64305100	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X	X			X
REGULATORY AFFAIRS	US64305215	N/A; DIRECT ONLY					
REGULATORY NEW PRODUCTS	US64305235	N/A; DIRECT ONLY					
LOCAL HR	US64306100	EMPLOYEE HEADCOUNT	X	X			X
BENEFITS O&M	US64306205	LABOR HOURS	X	X	X	X	X
TALENT COE	US64306210	EMPLOYEE HEADCOUNT	X	X			X
PAYROLL	US64306230	EMPLOYEE HEADCOUNT	X				X
TOTAL REWARDS COE	US64306240	EMPLOYEE HEADCOUNT	X	X			X
PURCHASING MGMT	US64307300	TOTAL NO. OF PURCHASE ORDERS	X				X
LOGISTIC & MAT MGMT	US64307320	INVENTORY VALUES		X			X
A&PM NORMS & STDS	US64308500	GENERATION GROSS PROPERTY, PLANT & EQUIPMENT				X	
ASSET MANAGEMENT-T&D	US64308505	T&D GROSS PROPERTY, PLANT & EQUIPMENT	X	X			
INSURANCE	US64308515	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X				X
A&PM NERC COMPLIANCE	US64308520	GENERATION GROSS PROPERTY, PLANT & EQUIPMENT				X	
A&PM PERFORMANCE ENG	US64308525	GENERATION GROSS PROPERTY, PLANT & EQUIPMENT				X	
A&PM OUTAGES & PRJCT	US64308530	GENERATION GROSS PROPERTY, PLANT & EQUIPMENT				X	
RISK MANAGEMENT	US64308535	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X				X
A&PM TECHNICAL ENG	US64308540	GROSS PROPERTY, PLANT & EQUIPMENT				X	
CUSTOMER EXPERIENCE	US64309105	NO. OF RETAIL CUSTOMERS		X			
GOVERNMENT AFFAIRS	US64309115	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E	X		X		
COMMUNICATIONS	US64310000	EMPLOYEE HEADCOUNT	X	X			X
US BUSINESS RESILIENCE	US64321001	COMP 3: GROSS PP&E AND EMP HEADCOUNT					X
EMP OVHD HOURS O&M	US643230CO	LABOR HOURS	X	X	X	X	X
EMPLOYEE OVHD DOLLAR	US643240BO	LABOR DOLLARS	X	X	X	X	X
PENSION CLEARING	US643240PO	LABOR HOURS	X	X	X	X	X
PAYROLL TAXES O&M	US643280PO	LABOR DOLLARS	X	X	X	X	X

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“DPL” Allocated Chart

DPL ALLOCATED ENTITIES								
COST CENTER DESCRIPTION	CC #	DP&L DISTRIBUTION	DP&L TRANSMISSION	DPL INC	MVLT	MVIC	MACGREGOR PARK	ALLOCATION BASIS
COO OFFICE	US64100010	X	X		X	X	X	COMP 2G: GEN GROSS REVENUE AND GEN GROSS PP&E
US UTILITIES COMMERCIAL OPERATIONS AND RESOURCE PLANNING	US64100050							N/A: DIRECT ONLY
MARKET OPERATIONS	US64100110							N/A: DIRECT ONLY
MERCHANT PRFOL STRG	US64100120							N/A: DIRECT ONLY
BATTERY OPERATIONS	US64101100							N/A: DIRECT ONLY
COMMERCIAL OPERATION	US64101120							COMP 2G: GEN GROSS REVENUE AND GEN GROSS PP&E
OPS MONITORNG & CTRL	US64101300							N/A: DIRECT ONLY
PLANT MANAGERS	US64101320							N/A: DIRECT ONLY
STORMS	US64101410							N/A: DIRECT ONLY
SYSTEMS OPERATIONS	US64101450	X	X					T&D GROSS PROPERTY, PLANT & EQUIPMENT
ADMS OPERATIONAL TECHNOLOGY	US64101460	X						T&D GROSS PROPERTY, PLANT & EQUIPMENT
VP, T&D OPERATIONS	US64101550	X	X					COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
SETTLEMENTS	US64101571							N/A: DIRECT ONLY
CUSTOMER SERVICE	US64102300	X						NO. OF RETAIL CUSTOMERS
T&D METERING SERVICE	US64102400	X	X					NO. OF RETAIL CUSTOMERS
SAFETY	US64103420	X	X		X			EMPLOYEE HEADCOUNT
ENVIRONMENTAL MGT	US64105425	X	X		X		X	GROSS PROPERTY, PLANT & EQUIPMENT
STRAT ACCT & CUS PRO	US64106470	X						NO. OF RETAIL CUSTOMERS
GROWTH & STRG INVEST	US64108475	X	X					T&D GROSS PROPERTY, PLANT & EQUIPMENT
PHYSICAL SECURITY	US64109510	X	X		X		X	COMP 3: GROSS PP&E AND EMP HEADCOUNT
CIP COMPLIANCE	US64109530	X	X		X		X	COMP 3: GROSS PP&E AND EMP HEADCOUNT
RELIABILITY PROGRAMS	US64200170	X	X					NO. OF RETAIL CUSTOMERS
VENDOR DISCOUNTS	US64200241	X	X		X		X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
US SBU LEADER	US64301000	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
US UTILITIES PRESIDENT	US64301200	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
CHIEF CUSTOMER OFFICER	US64301300	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
DE ACCOUNTING	US64302000							N/A: DIRECT ONLY
MANAGEMENT - CFO	US64302100	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
ACCOUNTS PAYABLE	US64302202	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
TECHNICAL ACCOUNTING	US64302205							N/A: DIRECT ONLY
FP&A	US64302210	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
CONTROLLER	US64302212	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
FINANCIAL REPORTING	US64302247	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
FIXED ASSET ACCTG	US64302257	X	X		X		X	GROSS PROPERTY, PLANT & EQUIPMENT
GEN & OPS ACCTG	US64302267	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
TREASURY	US64302272	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
REGULATORY ACCTG	US64302287	X	X					TOTAL RETAIL REVENUE
TAX ACCOUNTING	US64302297	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
REVENUE ACCOUNTING	US64302302	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
INTERNAL AUDIT	US64303000	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
IT GOVERNANCE & SCRITY	US64304100	X	X		X			IT GROSS ASSETS

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DPL ALLOCATED ENTITIES

COST CENTER DESCRIPTION	CC #	DP&L DISTRIBUTION	DP&L TRANSMISSION	DPL INC	MVLT	MVIC	MACGREGOR PARK	ALLOCATION BASIS
IT MANAGEMENT	US64304205	X	X		X			IT GROSS ASSETS
CYBER SECURITY	US64304215	X	X		X			COMP 3: GROSS PP&E AND EMP HEADCOUNT
IT ENTERPRISE APPS	US64304220	X			X			IT GROSS ASSETS
IT COLLABORATION SVC	US64304225	X	X		X			NO. OF PC's
IT INFRASTRUCTURE	US64304230	X			X			IT GROSS ASSETS
IT NETWORKS	US64304255	X	X		X			COMP 4: NO. OF PC'S AND EMPLOYEE HEADCOUNT
IT GENERATION APPS	US64304260							GENERATION GROSS PROPERTY, PLANT & EQUIPMENT
IT T&D APPS	US64304270	X	X					T&D GROSS PROPERTY, PLANT & EQUIPMENT
DIGITAL CUSTOMER EXP	US64304510	X	X		X			TOTAL RETAIL REVENUE
DIGITAL PROD & ECO	US64304520	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
IT DIGITAL OPERATION	US64304530	X	X		X	X	X	IT GROSS ASSETS
DIGITAL SOL & INNOV	US64304540	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
OPERATIONS TECH	US64304550	X	X		X	X	X	IT GROSS ASSETS
DIGITAL WORK EXP	US64304810	X	X		X	X	X	O365/EMAIL USERS
LEGAL SERVICES	US64305100	X	X		X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
REGULATORY AFFAIRS	US64305215							N/A; DIRECT ONLY
REGULATORY NEW PRODUCTS	US64305235							N/A; DIRECT ONLY
LOCAL HR	US64306100	X	X		X	X	X	EMPLOYEE HEADCOUNT
BENEFITS O&M	US64306205	X	X	X	X	X	X	LABOR HOURS
TALENT COE	US64306210	X	X		X			EMPLOYEE HEADCOUNT
PAYROLL	US64306230	X	X		X			EMPLOYEE HEADCOUNT
TOTAL REWARDS COE	US64306240	X	X		X	X	X	EMPLOYEE HEADCOUNT
PURCHASING MGMT	US64307300	X	X					TOTAL NO. OF PURCHASE ORDERS
LOGISTIC & MAT MGMT	US64307320	X	X					INVENTORY VALUES
A&PM NORMS & STDS	US64308500							GENERATION GROSS PROPERTY, PLANT & EQUIPMENT
ASSET MANAGEMENT-T&D	US64308505	X	X					T&D GROSS PROPERTY, PLANT & EQUIPMENT
INSURANCE	US64308515	X	X	X	X	X	X	COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
A&PM NERC COMPLIANCE	US64308520							GENERATION GROSS PROPERTY, PLANT & EQUIPMENT
A&PM PERFORMANCE ENG	US64308525							GENERATION GROSS PROPERTY, PLANT & EQUIPMENT
A&PM OUTAGES & PRJCT	US64308530							GENERATION GROSS PROPERTY, PLANT & EQUIPMENT
RISK MANAGEMENT	US64308535	X	X		X			COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
A&PM TECHNICAL ENG	US64308540							GROSS PROPERTY, PLANT & EQUIPMENT
CUSTOMER EXPERIENCE	US64309105	X						NO. OF RETAIL CUSTOMERS
GOVERNMENT AFFAIRS	US64309115	X	X					COMP 1: PAYROLL, GROSS REVENUE AND GROSS PP&E
COMMUNICATIONS	US64310000	X	X		X			EMPLOYEE HEADCOUNT
US BUSINESS RESILIENCE	US64321001	X	X		X		X	COMP 3: GROSS PP&E AND EMP HEADCOUNT
EMP OVHD HOURS O&M	US643230CO	X	X	X	X	X	X	LABOR HOURS
EMPLOYEE OVHD DOLLAR	US64324OBO	X	X	X	X	X	X	LABOR DOLLARS
PENSION CLEARING	US64324OPO	X	X	X	X	X	X	LABOR HOURS
PAYROLL TAXES O&M	US64328OPO	X	X	X	X	X	X	LABOR DOLLARS

## **ALLOCATION BASES**

Allocations are used for activities for which it is impractical to directly charge costs to a specific Affiliate or business unit. Costs are accumulated in cost collectors and allocated based on the most appropriate allocation metric. The metric, expressed as a percentage, is generally representative of the relative estimated degree of utilization of the business activity by the respective Affiliate or business unit. Details of the current application rate calculations are contained in the CAAM Rates Manual located in the CAAM Files. The allocations are applied to the Affiliates based on the following methodologies:

### **Labor Hours**

Overhead costs are accumulated and allocated based labor hours.

### **Labor Dollars**

Overhead costs are accumulated and allocated based on labor dollars.

### **Employee Headcount**

Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' total full and part-time employee headcount.

### **Total Retail Revenue**

Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' total retail revenue.

### **Generation Gross Revenue**

Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliate's generation gross revenue.

### **Number of Retail Customers**

Costs are accumulated and charged to the appropriate Affiliate based on the

Affiliate's percentage of all applicable Affiliates' total number of distribution retail customers.

### **Number of Personal Computers (PCs)**

Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' total number of PCs.

### **Gross Property, Plant, and Equipment**

Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' total cost of gross property, plant, and equipment.

### **Transmission and Distribution (T&D) Gross Property, Plant, and Equipment**

Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' total cost of transmission and distribution gross property, plant, and equipment.

### **Generation Gross Property, Plant, and Equipment**

Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' total cost of generation gross property, plant, and equipment.

### **Information Technology (IT) Gross Assets**

Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' total Information Technology (IT) Gross Assets.

### **Inventory Values**

Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' total inventory values.



### **Total number of Purchase Orders**

Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' total number of purchase orders.

### **Number of O365 Users**

Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' total number of O365 users.

### **Composite Factor 1 – Payroll, Gross Revenue and Gross Property, Plant, & Equipment**

The Composite Factor 1 consists of the following three metrics: 1) Payroll, 2) Gross Revenue, and 3) Gross Property, Plant and Equipment. Each metric is weighted one-third of the total. Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' Composite Factor 1.

### **Composite Factor 2 – Gross Revenue and Gross Property, Plant, & Equipment**

The Composite Factor 2 consists of the following two metrics: 1) Gross Revenue and 2) Gross Property, Plant and Equipment. Each metric is weighted one-half of the total. Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' Composite Factor 2.

### **Composite Factor 2G – Generation Gross Revenue and Generation Gross Property, Plant, & Equipment**

The Composite Factor 2G consists of the following two metrics: 1) Generation Gross Revenue and 2) Generation Gross Property, Plant and Equipment. Each metric is weighted one-half of the total. Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' Composite Factor 2G.

### **Composite Factor 3 – Gross Property, Plant & Equipment and Employee**

#### **Headcount**

The Composite Factor 3 consists of the following two metrics: 1) Gross Property, Plant and Equipment and 2) Employee Headcount. Each metric is weighted one-half of the total. Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' Composite Factor 3.

### **Composite Factor 4 – No. of Personal Computers (PCs) and Employee Headcount**

The Composite Factor 4 consists of the following two metrics: 1) No. of PCs and 2) Employee Headcount. Each metric is weighted one-half of the total. Costs are accumulated and charged to the appropriate Affiliate based on the Affiliate's percentage of all applicable Affiliates' Composite Factor 4.

### **COST CENTER DESCRIPTIONS & BASIS FOR COST ALLOCATION**

The following pages describe the individual summaries for each Service Company cost center and the services they provide to the Affiliates or business units. Each cost center summary contains the Service Company cost center's number and title, a brief overview of the cost center's responsibilities and services provided, an indication of whether the service will be utilized by each Affiliate or business unit, a description of the direct charging method and indirect cost allocation basis that will be followed for distributing costs to the Affiliates or business units, and a brief overview of the benefits to customers/rate payers. These summaries of services will be reviewed at least annually and updated as needed.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64323OCO CC TITLE EMPLOYEE OVERHEADS - HOURS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Employee Overheads – Hours collects overhead expenses related to the Company’s occupancy expenses paid for the office space used by AES US Service’s employees. Costs are allocated to Work Breakdown Structures (WBS) with labor hours incurred for the month.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes	Yes	Yes	Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes	Yes	Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct – Labor hours

Indirect – Labor hours

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Allocates occupancy overhead costs for US Services employees to WBS based on monthly percentage of total labor hours.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64324OBO CC TITLE EMPLOYEE OVERHEADS - DOLLARS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Employee Overheads – Dollars collects overhead expenses related to the Company’s people expenses including accrued bonuses, long term compensation, 401K match, payroll and paid time off accruals, etc. Costs are allocated to Work Breakdown Structures (WBS) with labor dollars incurred for the month.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes	Yes	Yes	Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes	Yes	Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct – Labor dollars

Indirect – Labor dollars

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Allocates employee overhead costs for US Services employees to WBS based on monthly percentage of total labor dollars.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64324OPO CC TITLE PENSION O&M OVERHEAD

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Pension O&M Overhead collects expenses related to the Company’s pension plan and post retirement expenses. Costs are allocated to all Work Breakdown Structures (WBS) with labor hours incurred for the month

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes	Yes	Yes	Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes	Yes	Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct – Labor hours

Indirect – Labor hours

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Allocates pension and post retirement costs for US Services to WBS based on monthly percentage of total labor hours.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64328OPO CC TITLE PAYROLL TAX

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Payroll Tax collects employee related payroll taxes including FICA, Medicare, and state and federal unemployment taxes. Costs are allocated to all Work Breakdown Structures (WBS) with labor dollars incurred for the month.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

<b>AES Indiana</b> (US22)	<b>IPALCO</b> (US23)	<b>MACR</b> (US16)	<b>AES Corp</b> (USAC)	<b>AES US Gen</b> (US53)	<b>AES Ohio Distribution</b> (USDY)	<b>AES Ohio Transmission</b> (USDY)	<b>AES Big Sky</b> (USBS)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>AES Ohio Gen</b> (USDN)	<b>DPL Inc.</b> (USDD)	<b>MVLT</b> (USMY)	<b>MVIC</b> (USMC)	<b>AES Distributed Energy</b> (US88)	<b>Clean Energy</b> (US0C)	<b>Wind</b> (US0C)	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

#### INDIRECT CHARGES

<b>DPL</b>	<b>DPL/IPL</b>	<b>DPL/US Gen</b>	<b>IPL/US Gen</b>	<b>DPL/IPL/US Gen</b>
Yes	Yes	Yes	Yes	Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

<b>AES Ohio Distribution</b>	<b>AES Ohio Transmission</b>	<b>DPL Inc.</b>	<b>MVLT</b>	<b>MVIC</b>	<b>MacGregor Park</b>
Yes	Yes	Yes	Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct – Labor dollars

Indirect – Labor dollars

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Allocates payroll tax costs for US Services to WBS based on monthly percentage of total labor dollars.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64100010 CC TITLE COO OFFICE

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

COO Office is responsible for proper oversight and coordination of US generation asset operations, maintenance and investment. Additional responsibilities include oversight for US based Engineering & Construction activities.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLТ (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes						

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes			Yes	

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLТ	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR CHARGES TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect - Comp 2G: Gen Gross Revenue and Gen Gross PP&E

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Oversight of US generation and asset operations
- Oversight of US based engineering and construction activities

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64100050 CC TITLE US UTILITIES COMMERCIAL OPERATIONS  
AND RESOURCE PLANNING

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Commercial Operations’ general responsibilities and services for IPL businesses generation dispatch services, marketing and services, and short-term asset optimization for applicable AES Indiana plants. It also includes regulatory and Regional Transmission Operator (RTO) services for any other AES US Utilities’ market functions and operation duties. In addition to scheduling and executing outages, the cost center submits forecasting and generation schedule data to ISO and RTO per protocol. The cost center will curtail, derate and /or shutdown generation facilities based upon several specified criteria to include economic constraints and reliability conditions. Also supports fuel procurement and position responsibilities include gas transportation, rail and barge transportation, coal combustion products, limestone, quality control, planning and other fuel and transportation related services.

Portfolio Management includes advising on plant investment activities, term hedging and trading of power, emissions, renewable energy credits and other commodities, and long-term view development. Resource Planning provides analytics to support our portfolio management and other internal clients within the US Utilities with analytic support through product development and maintenance, research, data analysis, information presentation and other special project work. Resource Planning also drives long term planning through the requirements of the Integrated Resources Plan for AES Indiana.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

IPL	IPALCO	MACR	AES Corp	AES US Gen	DP&L Distribution	DP&L Transmission	AES Big Sky
Yes					Yes	Yes	
AES Ohio Gen	Stuart Station	Killen Station	DPL Inc.	MVLT	MVIC	AES Business Development	AES Distributed Energy

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

DP&L Distribution	DP&L Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park



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**BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT**

Direct – Fully loaded labor hours and non-labor costs

Indirect – N/A

**DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS**

- Provide portfolio management, origination, and fundamental analytic services with an aim at increasing value, reducing costs, and reducing risks for customers.
- Provide market expertise and services for power plants being used to serve customers

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64100110 CC TITLE MARKET OPERATIONS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Market Operations area’s general responsibilities and services for AES US SBU businesses include generation scheduling and dispatch services and short-term asset optimization for applicable AES US SBU plants. It also includes regulatory and Regional Transmission Organization (RTO) services for the AES US SBU market functions and operation duties. The area’s wind operational support includes but is not limited to outage execution per Independent System Operator (ISO) and RTO protocol. In addition to scheduling and executing outages, the area submits forecasting and generation schedule data to ISO and RTO per protocol. The area receives electronic and/or verbal dispatch instructions from ISO, RTO and/or Balancing Authority personnel in support of a stable bulk electric system (grid). The area will curtail, derate and /or shutdown generation facilities based upon a number of specified criteria to include economic constraints and reliability conditions. The area also supports fuel procurement and position responsibilities include gas transportation, gas scheduling, planning and other fuel and transportation related services.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
				Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLТ (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLТ	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

**DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS**

- Provide commercial and operational services with the objective of reducing costs for customers and optimizing asset values for shareholders
- Provide market expertise and services for the power plants used to serve customers
- Provide market & RTO expertise and services for US Gen and external customers

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64100120 CC TITLE MERCHANT PORTFOLIO STRATEGY

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Merchant Portfolio Strategy is responsible for Portfolio Management, Structuring and Origination, and Portfolio Analytics functions. Portfolio Management includes advising on plant investment activities, term hedging and trading of power, renewable energy credits and other commodities, and long-term view development. The Origination and Structuring portion of the cost center is responsible for identifying and negotiating opportunities to sell power to counterparties through, PPAs, structured deals, participation in RFPs and auctions, and pricing of retail products for affiliates. Fundamental Analytics supports Portfolio Management, Structuring and Origination, and other internal clients within AES with analytic support through product development and maintenance, research, data analysis, information presentation and other special project work.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

IPL	IPALCO	MACR	AES Corp	AES US Gen	DP&L Distribution	DP&L Transmission	AES Big Sky
Yes				Yes			
AES Ohio Gen	Stuart Station	Killen Station	DPL Inc.	MVLT	MVIC	AES Business Development	AES Distributed Energy

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

DP&L Distribution	DP&L Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 2G: Generation Gross Revenue and Generation Gross Property, Plant, & Equipment

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**DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS**

- Provide portfolio management, origination and structuring, and analytic services with an aim at increasing value, reducing costs and reducing risks for customers
- Provide market expertise and services for power plants being used to serve customers

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64101100 CC TITLE BATTERY OPERATIONS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

AES US Energy Storage Operations is responsible for 1) leading the operations and maintenance of all energy storage assets within the AES US SBU, 2) monitoring markets and collaborating with Commercial Ops team and other stakeholders to make optimal commercial decisions for the US SBU energy storage assets, 3) monitoring the performance of all energy storage assets in US SBU by collecting and conducting statistical analysis of performance data identifying issues and developing and implementing optimization projects to improve assets' performance and reliability 3) leading the remote operating control center to ensure safe operations, superior customer service, regulatory compliance, and industry leading efficiency for AES' wind, solar and battery generation assets. Overall, the area is responsible for helping harmonize the performance and operations of all renewable assets within the US SBU.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
				Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Non-applicable since all charges will be direct

## DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Develop and provide operations, maintenance, and performance management strategies for various renewable assets
- Provide technical improvements to increase reliability and performance resulting in lower maintenance costs and increased revenue for energy storage assets
- Lead/Support troubleshooting, testing and maintenance of electrical equipment and controls for energy storage assets.
- Conduct research, analyze and coordinate reliability and performance improvement technologies for energy storage assets.
- Lead engineering efforts for failure analysis, root cause analysis and major repair initiatives improving reliability and avoiding rework for energy storage assets
- Provide monthly reporting support to support management decisions and analysis
- Help improving and optimizing remote operations control center activities

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64101120 CC TITLE COMMERCIAL OPERATIONS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

#### **AES Indiana**

Commercial Operations' general responsibilities and services for AES Indiana's businesses are generation dispatch services, Marketing and services, and short-term asset optimization for applicable IPL plants. It also includes regulatory and Regional Transmission Operator (RTO) services for the AES US SBU market functions and operation duties. Wind operational support includes but is not limited to outage execution per Independent System Operator (ISO) and RTO protocol. In addition to scheduling and executing outages, the cost center submits forecasting and generation schedule data to ISO and RTO per protocol. Acts as Generator Operator (GOP) for AES wind facilities receiving verbal dispatch instructions from ISO, RTO and/or Balancing Authority personnel in support of a stable bulk electric system (grid). The cost center will curtail, derate and /or shutdown generation facilities based upon several specified criteria to include economic constraints and reliability conditions. Also supports fuel procurement and position responsibilities include gas transportation, rail and barge transportation, coal combustion products, limestone, quality control, planning and other fuel and transportation related services.

Portfolio Management includes advising on plant investment activities, term hedging and trading of power, emissions, renewable energy credits and other commodities, and long-term view development. The Origination and Structuring portion of the cost center is responsible for identifying and negotiating opportunities to sell power to counterparties through, PPAs, structured deals, participation in RFPs and auctions, and pricing of retail products for affiliates. Fundamental Analytics supports Portfolio Management, Structuring and Origination, and other internal clients within AES with analytic support through product development and maintenance, research, data analysis, information presentation and other special project work.

Utilities of the Future monitors and communicates to leadership existing and emerging technologies and market trends. The cost center is focused on Commercial and Industrial Client Business Origination (regulated and/or unregulated markets) supported by the application of Analytics & Systems. The position interacts with other support divisions of AES.

#### **AES Ohio**

Commercial Operations' general responsibilities and services for AES Ohio are primarily consultative, although Commercial Operations does perform certain functions related to the RTO, PJM. Commercial Operations performs certain modelling and other support for AES Ohio to assist in development of programs to benefit customers and economic development for the region and provide consultative services on commercial-related topics and issues.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### **DIRECT CHARGES**



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AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes		
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
					Yes		

**INDIRECT CHARGES**

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
		Yes	Yes	

**DPL ALLOCATED TO THE FOLLOWING ENTITIES:**

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes					

**BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT**

Direct - Fully loaded labor hours and non-labor costs

Indirect – COMP 2G: GEN GROSS REVENUE AND GEN GROSS PP&E

**DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS**

- Provide commercial and operational services with the objective of reducing costs for customers and optimizing asset values for shareholders
- Provide market expertise and services for the power plants used to serve customers
- Provide portfolio management, origination, and fundamental analytic services with an aim at increasing value, reducing costs, and reducing risks for customers.
- Provide market expertise and services for power plants being used to serve customers
- UTOF solutions may impact optimum usage of the grid and its rate & riders by rate payers.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64101300 CC TITLE REMOTE OPERATIONS MONITORING & CONTROL

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Remote Operations Monitoring and Control Center is responsible for leading and ensuring safe monitoring and operations, superior customer service, regulatory compliance, and industry leading efficiency for AES’ wind, solar, battery, and thermal generation assets. This cost center is responsible for collaborating, coordinating and communicating with local and contracted O&M teams on issues/faults observed on various wind, solar, battery, and thermal assets.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
				Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO CUSTOMERS

Direct – Fully loaded labor hours and non-labor costs

Indirect – Non-applicable since all charges will be direct

### DETAILED BENEFITS TO CUSTOMERS

- Ensure availability and optimal operation of wind, solar, battery and thermal assets
- Reduce assets’ downtime by swift communication/reports on issues with various assets
- Ensure data integrity and data availability for critical analysis for O&M teams

The AES US Services, LLC  
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- Help O&M team meet PPA and Interconnection agreements, ISO regulatory needs and operating and reporting requirements

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64101320 CC TITLE PLANT MANAGERS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

This cost center contains area managers at Generation facilities within the US SBU. These roles may include Vice President and Director of Generation facilities, Plant Managers, Operations Managers, or Maintenance Managers. The Plant Managers cost center is responsible for all operations and maintenance personnel at the plants as well as the operations and maintenance of all equipment at applicable plants. The Director and VP are responsible for the oversight and management of Generation facilities.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	Stuart Station (USDN)
Yes							Yes
Killen Station (USDN)							
Yes							

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Non-applicable since all charges will be direct

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide low-cost energy in a safe and reliable manner

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64101410 CC TITLE STORMS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Storms represents the expenditures associated with the Service Company employees supporting the Storm Teams for The Dayton Power & Light Company. Capital and Operation and Maintenance (O&M) Storm accounts will be established and charged accordingly for each storm worked, and any associated employee storm stipends will be charged to this area as well.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
					Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect -Not Applicable since all charges will be direct

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide support and service to customers during storms to repair or replace damaged lines, equipment, etc.
- Provide information to customers regarding outages and estimated restoration times

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64101450 CC TITLE SYSTEMS OPERATIONS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Systems Operations is responsible for managing the real time applications to support IPL and DP&L operations. The cost center’s responsibilities include the design of the infrastructure and upgrades to existing equipment to support the applications. The cost center is responsible for 24x7 support of the applications required to manage the real time operations of the transmission systems. The cost center handles the design, upgrade, and maintenance plans for both primary and back up facilities and annually tests those systems for reliability. The cost center is responsible for ensuring compliance to applicable FERC/NERC/Reliability First/State requirements.

### USE OF SERVICES OR BENEFITS TO AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes				

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – T&D Gross Property, Plant, and Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide reliable and cost-effective support to the transmission control systems
- Provide 24x7 support for operations

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64101460 CC TITLE ADMS Operational Technology

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

ADMS Operational Technology is responsible for managing the real time applications to support IPL and DP&L distribution field operations. The cost center’s responsibilities include the design of the infrastructure and upgrades to existing equipment to support the applications. The cost center is responsible for 24x7 support of the applications required to manage the real time operations of the ADMS systems and field technology. The cost center handles the design, upgrade, and maintenance plans for both primary and back up facilities and annually tests those systems for reliability.

### USE OF SERVICES OR BENEFITS TO AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

IPL	IPALCO	MACR	AES Corp	AES US Gen	DP&L Distribution	DP&L Transmission	AES Big Sky
Yes					Yes		
AES Ohio Gen	Stuart Station	Killen Station	DPL Inc.	MVLT	MVIC	AES Business Development	AES Distributed Energy
Clean Energy	Wind						

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

DP&L Distribution	DP&L Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes					

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – T&D Gross Property, Plant, and Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide reliable and cost-effective support to the distribution automation control systems
- Provide 24x7 support for operations



## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64101550 CC TITLE VP, T&D Operations

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

VP, T&D Operations is responsible for managing the real time applications to support IPL and DP&L operations. The cost center’s responsibilities include managing, overseeing, and supporting the operations of Line Clearance, Reliability, Construction Projects, Underground and Overground Lines, Customer Collections, Metering, Meter Reading, T&D Communications, System Operations, Facilities and Fleet, Substations, Network, and other areas of the business. This cost center is also responsible for supporting the data collection, performance & compliance information for reporting including KPI’s, regulatory filings, and O&M analysis as well as support functions for operational managers.

### USE OF SERVICES OR BENEFITS TO AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes				

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide reliable and cost-effective support to T&D Operations

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64101571 CC TITLE SETTLEMENTS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Settlements supports and manages the settlement of commodity transactions in US excluding IPL. The cost center ensures that information used for billing is accurate, properly processed, recorded and reported in a fully auditable format.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
				Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
					Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 2: Gross Revenue and Gross Property, Plant & Equipment.

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide data to support the other finance functions including information used for billing, fuel cost adjustment, and financial reporting or other activities as needed

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64102300 CC TITLE CUSTOMER SERVICE

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Customer Service is responsible for the customer service functions of the Company and its affiliates including IPL’s walk-in facility, call center and billing and credit departments, as well as DPL’s call center, customer billing system and control area services. The cost center is responsible for ensuring a high level of customer satisfaction and service at DPL and IPL, and for timely and accurate billing to all customers. The cost center is responsible for identifying process and quality improvement initiatives related to customer satisfaction as well as the overall objectives of the Company and its affiliates.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes		
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes					

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Number of Retail Customers

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide a high level of customer satisfaction
- Ensure customers transactions, whether in person, via telephone with agent and/or with our automated systems (web and/or Interactive Voice Response) are completed accurately

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- Analyze all executive and regulatory customer inquiries to determine process improvement opportunities and applicable implementation
- Provide customer service expertise

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64102400 CC TITLE T&D METERING SERVICES

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

T&D Metering Services is responsible for the low voltage metering work at both IPL and DP&L, including meter installation, meter reading, field collections and services. In addition, this cost center is responsible for safety throughout Customer Operations. The cost center shares knowledge of advanced metering technologies, utility practices and standards, national electric safety code, state and local compliance, and safety procedures. The cost center is familiar with both Ohio and Indiana regulations and ensures field work complies with the applicable state rules. In addition, the cost center has working knowledge of both labor agreements at DP&L and IPL. The cost center participates as a storm team manager for one of the four storm teams at DP&L.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes				

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Number of Retail Customers

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- Ensures metering, collection, service, and meter reading practices are in accordance and comply with local regulatory rules
- Provides metering, collections, service and metering reading expertise and management across DP&L and IPL organizations
- Developing consistencies in operations and safety between IPL and DP&L
- Provides safety leadership for IPL and DP&L through program development, identification of best practices, incident review and training

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64103420 CC TITLE SAFETY

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Safety is responsible for staying current regarding occupational health and safety rulemaking that has the potential to impact business. The cost center is responsible for developing safety and health (industrial hygiene) programs to mitigate and/or eliminate occupational health and safety risks. The cost center develops and delivers programs to all stakeholders to help improve the safety culture of the business. The cost center also leads incident investigations to determine causal factors. The cost center helps develop wellness programs for the benefit of all employees, conducts regular safety audits throughout the SBU and is responsible for safety reporting to the Company’s management and state and Federal agencies; as required by regulations.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Employee Headcount

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- Maintain the safety of employees ensuring retention of expertise in critical areas to help ensure system reliability
- Maintain OSHA and other safety-related regulatory compliance



## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64105425 CC TITLE ENVIRONMENTAL MANAGEMENT

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Environmental Management is responsible for setting and implementing corporate environmental strategy and compliance policy. The cost center conducts audits and reviews plant submissions to ensure continuous compliance with all federal, state, and local regulations. The cost center responds to agency actions, and monitors new or updated environmental regulations, enforcement initiatives and governmental policies that could affect the Company. The cost center participates in Company planning activities to minimize costs and other impacts of environmental regulations on operations.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes			Yes	Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Gross Property, Plant and Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Ensures continuous company-wide compliance with all federal, state, and local environmental laws and regulations
- Monitors and participates in stakeholder process of development of new or updated environmental regulations, enforcement initiatives and governmental policies

- Provides outward-facing representation of the Company with local, state and federal environmental enforcement agencies

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC: US64106470      CC TITLE: STRATEGIC ACCOUNTS & CUSTOMER PROGRAMS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Strategic Accounts is responsible for providing quality customer service to the largest utility accounts of both DP&L and IPL. In addition, the cost center provides customer service support to the business call centers and support to prospective customers interested in locating in the utilities' service areas. Customer Programs is responsible for delivering energy efficiency programs to customers at both utilities and meeting efficiency goals in Ohio and Indiana.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes		
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes					

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Total retail customers of both utilities

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- Strategic Accounts addresses the customer service needs for the largest accounts of both utilities and lends customer service support to the business call centers as needs arise. Customer Programs delivers programs to help customers save energy.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64108475 CC TITLE GROWTH & STRATEGIC INVESTMENTS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Growth and Strategic Investments is responsible for the scope, development, design and execution of capital investment work on the transmission and distribution systems in both Ohio and Indiana. This includes the Smart Grid, Distribution Investment Rider and RTEP projects in Ohio and the Transmission Distribution Storage System Investment Charge (TDSIC) in Indiana. The group plans and tracks progress on the engineering and construction schedules and assists the regulatory teams in gaining successful outcomes for the projects from both the IURC and PUCO. The group is also responsible for introduction of new technologies, products and solutions across our existing utilities fleet which may or not be regulated. The cost center participates as a storm team member for one of four storm teams at DP&L and/or IPL. The cost center has knowledge of utility standards and practices, national electric safety code, state and federal compliance requirements, joint use agreements, computer aided design and GIS applications. The cost center also has working knowledge of DP&L and IPL labor agreements.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes				

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – T&D Gross Property, Plant, and Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- Ensure regulatory commitments are met for approved capital initiatives; Ensure design, engineering, construction and project management processes and procedures are efficient and consistent across AES
- Provide project, engineering and construction expertise and management across DP&L and IPL organizations
- Provide new technologies, products and solutions across existing US utilities fleet and our customers.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64109510 CC TITLE PHYSICAL SECURITY

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Physical Security is responsible for physical security activities, contract security (guard service selection and training), security incident response plans, risk assessments, threat intelligence and analysis activities, auditing activities and automation management and strategic security developments for the AES US SBU. Responsible for internal and external physical policy and procedures to meet the requirements for the FERC/NERC Critical Infrastructure Protection (CIP) Standards as well as various federal and industry (SOX and PCI) compliance requirements. The cost center coordinates internal and external investigations and maintains liaison with local, state and federal law enforcement agencies. The cost center is responsible for developing and administering security and compliance training and awareness programs.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 3: Gross Property Plant, & Equipment and Employee Headcount

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- Leveraging skill and expertise of cross-functional personnel across all business units
- Economy of scale for security services and hardware/software acquisitions
- Standardization of consistent security baselines
- Implementing best-in-class compliance programs across all business units
- Consolidation of management platforms to reduce the operational overhead of security, along with providing an integrated view into the overall security posture
- Centralized threat intelligence and analysis activities allowing a rapid dissemination of security threat data across all business units
- Improved decision making with the centralized control and management of all security related activities



## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64109530 CC TITLE CIP COMPLIANCE

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

CIP Compliance is responsible for physical security activities, cyber security activities, security incident response plans, risk assessments, threat intelligence and analysis activities, compliance activities and strategic security developments at AES Ohio, AES Indiana and 15 other business locations in the AES US SBU. Responsible for internal and external cyber and physical policies, plans, and procedures to meet the requirements for the North American Electricity Reliability (NERC) Critical Infrastructure Protection (CIP) Standards as well as various federal and industry (SOX and PCI) compliance requirements. The cost center coordinates internal and external investigations and maintains liaison with local, state and federal law enforcement agencies. The cost center is responsible for developing and administering security and compliance training and awareness programs.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 3: Gross Property Plant, & Equipment and Employee Headcount

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- Leveraging skill and expertise of cross-functional personnel across all business units
- Economy of scale for security services and hardware/software acquisitions
- Standardization of consistent security baselines
- Implementing best-in-class compliance programs across all business units
- Consolidation of management platforms to reduce the operational overhead of security, along with providing an integrated view into the overall security posture
- Centralized threat intelligence and analysis activities allowing a rapid dissemination of security threat data across all business units
- Improved decision making with the centralized control and management of all security related activities

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64200170 CC TITLE RELIABILITY PROGRAMS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Reliability Programs is responsible for the operations and management of the integrated AES US SBU (DP&L & IPL) T&D vegetation management, DPL underground cable maintenance and DPL/IPL pole inspection programs. The cost center is responsible for the Ohio ESSS Rule 27 maintenance programs at DP&L (Distribution Line Patrol, Primary & Secondary enclosures, line reclosers, line capacitors, air break switches, etc.). The cost center’s responsibilities include the annual execution of the programs and the associated regulatory compliance tasks (audits, annual reports, etc.).

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes				

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Number of Retail Customers

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide vegetation management service to ensure safe and reliable electric service to customers while maintaining 100% regulatory compliance (PUCO, IURC and NERC)
- Execute inspection/maintenance programs to ensure safe and reliable electric service to customers while maintaining 100% regulatory compliance (PUCO, IURC and NERC)
- Interaction with Asset management group to identify and implement “best in class” programs

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- Interaction with Supply Chain group to minimize cost and maximize shareholder value
- Provide T&D expertise to other operating areas as needed

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64200241 CC TITLE VENDOR DISCOUNTS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Accounts payable records the supplier discounts by paying the invoices based on the payment terms.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
					Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Indirect – Composite 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Accounts payable records the supplier discounts by paying the invoices based on the payment terms.
- Vendor discounts are shared between businesses.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64301000 CC TITLE US SBU LEADERSHIP

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The USSBU Leadership cost center is responsible for the leadership, oversight, expertise, decision making, and direction for the entire US SBU.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes	Yes			Yes		

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes	Yes		Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR CHARGES TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect - Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Expertise in all AES related fields
- Guidance and leadership of the entire company
- Oversight of major functions

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64301200 CC TITLE US UTILITIES PRESIDENT

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The US Utilities President cost center is responsible for the leadership, oversight, expertise, decision making, and direction for all utilities in the US SBU.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes	Yes					

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR CHARGES TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect - Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Expertise in all US utility-related fields within AES
- Guidance and leadership of US utilities within the company
- Oversight of major functions within the US utilities

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64301300 CC TITLE CHIEF CUSTOMER OFFICER

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Chief Customer Officer cost center is responsible for the leadership, oversight, expertise, decision making, and direction for all customer-related utility activities in the US SBU.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes				Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes	Yes					

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR CHARGES TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect - Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Expertise in all US utility customer-related fields within AES
- Guidance and leadership of US utility customer-related activities within the company
- Oversight of major customer-related functions within the US utilities



## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302000 CC TITLE DE ACCOUNTING

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The DE Accounting team is responsible for the accounting and reporting functions of all DE entities and subsidiaries.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

<b>AES Indiana</b> (US22)	<b>IPALCO</b> (US23)	<b>MACR</b> (US16)	<b>AES Corp</b> (USAC)	<b>AES US Gen</b> (US53)	<b>AES Ohio Distribution</b> (USDY)	<b>AES Ohio Transmission</b> (USDY)	<b>AES Big Sky</b> (USBS)
<b>AES Ohio Gen</b> (USDN)	<b>DPL Inc.</b> (USDD)	<b>MVLT</b> (USMY)	<b>MVIC</b> (USMC)	<b>AES Distributed Energy</b> (US88) Yes	<b>Clean Energy</b> (US0C)	<b>Wind</b> (US0C)	

#### INDIRECT CHARGES

<b>DPL</b>	<b>DPL/IPL</b>	<b>DPL/US Gen</b>	<b>IPL/US Gen</b>	<b>DPL/IPL/US Gen</b>

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

<b>AES Ohio Distribution</b>	<b>AES Ohio Transmission</b>	<b>DPL Inc.</b>	<b>MVLT</b>	<b>MVIC</b>	<b>MacGregor Park</b>

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Not Applicable (Direct Charges Only)

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- The DE Accounting team provides timely and accurate accounting and reporting needed for management.
- The DE Accounting team provides financial reporting required for compliance with lenders and other third parties.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302100 CC TITLE MANAGEMENT - CFO

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for the oversight of the finance organization for the US SBU, which includes accounting, financial planning & analysis (FP&A), treasury, tax and risk management.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes						

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- The Controller ensures that proper accounting and financial controls are maintained to provide users of the financial statements a fair, accurate and timely measure of the US SBU financial condition and performance.
- The Financial Planning and Analysis area provides financial and business analysis expertise to AES US SBU leadership to appropriately plan for future financial needs of the business
- The Treasury team is responsible for:
  - Define and optimize capital structures and credit ratings

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- Ensure cost efficient debt and equity financing
- Manage liquidity and ensure continuity of operations
- Re-invest cash and cash equivalents in interest bearing short-term investments
- Ensure excess capital is allocated efficiently and effectively
- Manage interest rate risks and reduce volatility in interest payments
- Cost efficiently move funds for the operating and other financial needs of the utility

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302202 CC TITLE ACCOUNTS PAYABLE

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Accounts Payable cost center performs the central processing of accounts payable disbursements, and other related accounts payable functions such as the annual IRS Form 1099 processing, unclaimed funds, and FACTA compliance recording. The cost center performs other clerical accounting functions for various affiliates such as the remitting checks and validating checks at the bank website.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes		Yes	Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes			Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes			Yes	Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect - Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Accurate and timely payment of vendor invoices and employee expense reports
- Recordation of accrued liabilities
- Support of various studies including responding to queries as to vendor payment amounts and General Ledger Account

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302205 CC TITLE TECHNICAL ACCOUNTING

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Technical Accounting cost center captures employees of AES Corp, which are paid through AES US Services. Employees within this cost center are responsible for reviewing contracts for the proper accounting treatment, participating in discussions of proposed or potential transactions, and reviewing and staying apprised of new and pending accounting pronouncements. In addition, employees within this cost center also provide the accounting for global derivatives.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
			Yes				
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor dollars and non-labor costs

Indirect - Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- To ensure proper accounting for complex transactions

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302210 CC TITLE FINANCIAL PLANNING AND ANALYSIS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Financial Planning and Analysis cost center is responsible for management planning and decision making, identifying, maintaining, and evaluating information relating to budgets and long-range forecasts for the AES US SBU. The cost center is specifically responsible for coordination of the 5-year budget of the Company and presenting 5-year budgeted financials to various internal stakeholders, including AES. The cost center is also responsible for updating the monthly forecast and preparing monthly variance analysis comparing actual to budget and prior forecast. The cost center creates monthly performance reports summarizing financial and operational data for internal and AES management and maintains a long-term financial model of the Company and uses that model to prepare financial analysis reviewing options for major capital additions and other projects.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes			Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes	Yes		Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- The Financial Planning and Analysis cost center provides financial and business analysis expertise to AES US SBU leadership to appropriately plan for future financial needs of the business

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302212 CC TITLE CONTROLLER

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Controller cost center is responsible for the safeguarding of Company assets and the proper accounting of the business activities of the US SBU Companies in accordance with Generally Accepted Accounting Principles (GAAP), FERC Uniform System of Accounts, and the state rules of Indiana and Ohio. The Controller cost center also ensures that the Sarbanes-Oxley (SOX) controls, SBU-wide policies and narratives/process flows are being fully maintained. The cost center is also responsible for much of the reporting that is performed within Finance. Cost centers under the Controller’s responsibility include Technical Accounting, Financial Reporting, Regulatory Accounting, Fixed Assets, Accounts Payable, Operational Accounting, Revenue Accounting, and General Accounting.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes		Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes			Yes	Yes		

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS



The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

The Controller ensures that proper accounting and financial controls are maintained to provide users of the financial statements a fair, accurate and timely measure of the US SBU financial condition and performance.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302247 CC TITLE FINANCIAL REPORTING

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Financial Reporting cost center is responsible for timely and accurate external reporting to the SEC, banks and investing partners for the AES US SBU. This includes statutory filings, requirements of the SEC including 10Ks, 10Qs, 8Ks, etc., required debt financial statements and various internal and management reporting. The cost center prepares financial statements and both internal and external management discussions and reviews of financial results. The cost center is also responsible for adherence to applicable SOX controls.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes				

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect - Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- The Financial Reporting cost center prepares timely and accurate external reporting as required by the SEC

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- The Financial Reporting cost center prepares information to assist management in effectively running the AES US SBU

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302257 CC TITLE FIXED ASSETS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Fixed Assets cost center maintains fixed asset and project systems. The cost center is responsible for other property accounting matters for capital and O&M including project set-up and closures, determination of rates of Allowance for Funds Used During Construction (AFUDC) and capitalized interest, maintenance of the property unit record catalogs, and the administration of the Project Expenditure Authorization process. The cost center is responsible for the oversight of capital project accounting activities performed by employees in other areas and for various special projects as assigned.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes			Yes		Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes			Yes	Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect - Gross Property, Plant & Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Accurate fixed asset reporting, including associated depreciation expense
- Establishment of projects for accurate expenditure tracking

- Support of utility company regulatory activities

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302267 CC TITLE GENERAL AND OPERATIONAL ACCOUNTING

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

General and Operational Accounting is responsible for the general/operational accounting functions of the AES US SBU companies, including their subsidiaries, as well as the preparation and maintenance of reports. The cost center assists in the formulation and administration of approved accounting practices throughout the Company to ensure that financial reports accurately reflect the condition of the business and provide reliable information necessary to control operations. The cost center is responsible for providing financial system support and maintenance and assists with complex accounting projects. The cost center is also responsible for the proper and equitable allocation of service company costs and the various allocations for IPL and DPL.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes						

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect - Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- The General and Operational Accounting cost center provides timely and accurate accounting information needed for proper management and regulatory reporting

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- The General and Operational Accounting cost center provides accounting expertise to various groups within the AES US SBU

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302272 CC TITLE TREASURY

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Treasury cost center is focused on activities that include financings, credit & compliance, and back office/operations. Financing activities include: planning, structuring and execution of all debt and equity financings including but not limited to (i) taxable/tax exempt bond issuances, (ii) securitizations, (iii) B loans, (iv) revolving credit facilities, (v) letters of credit, (vi) project financed bank loans and (vii) tax equity financing. As part of this activity the Treasury acts as the central interface with all local/regional and international banks and the three most recognized credit rating agencies (Fitch, S&P & Moody's). The credit & compliance activities include: communicating with (i) stock and bond transfer agents, (ii) Administrative and Collateral agents and, (iii) Trustees, ensuring reporting requirements are met under all relevant financing documents and managing third party credit exposure. The back office/operations activities include: all cash management functions of all AES US SBU legal entities, including but not limited to (i) analysis and recommendation of investment opportunities, (ii) daily short-term cash investing, (iii) all wire transfer operations, (iv) cash positioning, (v) short-term borrowing, and (vi) execution of all Treasury payments (interest, principal, dividends, etc.).

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes	Yes	Yes	Yes		Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs



Indirect - Composite Factor 1

### **DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS**

- Define and optimize capital structures and credit ratings
- Ensure cost efficient debt and equity financing
- Manage liquidity and ensure continuity of operations
- Re-invest cash and cash equivalents in interest bearing short-term investments
- Ensure excess capital is allocated efficiently and effectively
- Manage interest rate risks and reduce volatility in interest payments
- Cost efficiently move funds for the operating and other financial needs of the utility

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302287 CC TITLE REGULATORY ACCOUNTING

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Regulatory Accounting cost center is responsible for the accuracy and completion of all accounting entries related to regulatory assets or liabilities for Indianapolis Power & Light Company (IP&L) and Dayton Power & Light Company (DP&L). The cost center is responsible for the accounting portion of timely and accurate rate filings of IP&L and DP&L. The cost center prepares all IP&L accounting schedules for rate adjustment mechanisms. The cost center provides information for DP&L rate adjustment mechanisms to DP&L Regulatory Affairs. The cost center prepares written accounting testimony and when necessary provides expert accounting testimony, in public hearings for both IP&L and DP&L. The cost center coordinates and files all FERC 3-Q, Form 60, and Form 1 filings and required state filings.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes				

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Total Retail Revenue

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC  
Cost Alignment and Allocation Manual

Provide accounting data to support Commission filings, Intervener requests and other regulatory activities as needed to ensure just and reasonable rate allocation to customers.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302297 CC TITLE TAX

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Tax cost center is responsible for all Federal, State and Local tax accounting, compliance and planning for the AES US Corporate and SBU. Responsibilities include the filings of all income, sales and use, property and miscellaneous returns. The Tax cost center is also responsible for all tax audits related to AES US Corporate and SBU operations. The cost center is responsible for all SOX controls related to tax accounting and for the tax sections of all SEC, FERC and other Regulatory filings.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes		Yes	Yes	Yes		
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes	Yes	Yes	Yes			

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide timely and accurate tax reporting critical to insure proper cost structure for the utilities

- Provide tax expertise to all groups within the AES US SBU, including the utilities

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64302302 CC TITLE REVENUE ACCOUNTING

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Revenue Accounting cost center is responsible for all aspects of revenue accounting including accounts receivable for the US Generation businesses, IPL, DPL, and their subsidiaries. Functions include revenue recognition, market-based contracts, regulatory rate cases, accounts receivable, and cash collection. The cost center is involved in supporting the preparation and review of interim period and annual SEC financial statements and prepares financial analysis to assist management in operations and financial review. The cost center is responsible for ensuring that revenue, accounts receivable, and liability balances are completely and accurately presented in the financial statements and ensuring compliance with controls and procedures to maintain integrity of financial numbers in accordance with US GAAP and FERC requirements.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes		
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
					Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 1

**DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS**

- Provide accounting analysis support to record energy sales and other ancillary services
- Ensure the revenue earned and received from regulated and unregulated markets is accurately recorded
- Maintain revenue recognition in accordance with US GAAP and FERC regulations

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64303000 CC TITLE INTERNAL AUDIT

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Internal Audit is responsible for providing internal auditing and advisory services to the US SBU. Internal Audit assignments are performed based on an annual IA plan. Additionally, Internal Audit is actively involved in management of the CSA process, and aiding external auditors, E&Y.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes			Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes	Yes	Yes	Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR CHARGES TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect - Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Publicly traded companies are required to have an Internal Audit function within the organization
- Overview of responsibilities performed is outlined above



## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304100 CC TITLE IT GOVERNANCE & SECURITY

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

IT Governance & Security is responsible for establishing IT Governance and overall annual IT Budget controls. The group defines and maintains IT Policies, Business Continuity and Disaster Recovery plans, oversees IT General Controls, and ensures IT and Security compliance. The team also facilitates ongoing IT Change Management and Vulnerabilities management activities and facilitates the completion of the annual IT Risk Assessment Survey.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes			

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – IT Gross Assets

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Ensures and supports a controlled, secured, managed, and continuous IT and financial system environment.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304205 CC TITLE IT MANAGEMENT

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

IT Management is responsible for the leadership and oversight of all foundation information technology areas (Data Center, Network, Collaborations, Governance, Enterprise Applications, T&D Applications, and Generation Applications) and delivery of the Digital IT Strategy.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes			

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – IT Gross Assets

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide dependable, reliable, safe, and updated information technology throughout the US SBU

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304215 CC TITLE CYBERSECURITY

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Cybersecurity is responsible for the oversight and management of the US Cybersecurity program.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
		Yes		Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 3 – Gross PP&E and Employee Headcount

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Centralized oversight and management of US Cybersecurity program.
- Application of risk management practices to evaluate Vendors.
- Consolidation of management platforms and adoption of managed services to reduce the operational overhead of cybersecurity, providing an integrated view into the overall security posture
- Centralized threat intelligence and analysis activities allowing a rapid dissemination of cybersecurity threat data across all business units

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- Regularly practicing our business continuity and incident response by testing our systems to improve resiliency.
- Leveraging of skill and expertise of cross-functional personnel across all business units.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304220 CC TITLE IT ENTERPRISE APPLICATIONS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

IT Enterprise Applications is responsible for the Enterprise IT applications, database hosting and support for the AES US SBU. This responsibility includes procurement, development and deployment of the various enterprise applications. The cost center is also responsible for support for the applications including maintenance, upgrades and modifications. The responsibilities of this cost center include planning, budgeting, and maintaining cost effectiveness. Some of the major IT systems that this cost center is responsible for include the Oracle suite of products, Business Intelligence Solutions, Data Warehousing, Web Services, IPLpower.com, PowerPlant, Intranet and Data Base Administration.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes			

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes			Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – IT Gross Assets

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Maintaining the integrated financial systems is crucial to the success of the Company

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- Maintaining proper controls and dependable financial systems aid in proper and accurate accounting and reliable service to the rate payers

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304225 CC TITLE IT COLLABORATION SERVICES

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

IT Collaboration Services is responsible for end user experience. This includes solving any workstation hardware and software needs of the employees of the AES US SBU. It also entails procurement and deployment of user workstations, laptops and software. The responsibilities of the cost center include the planning, budgeting, reliability of the PCs and workstation records/replacements/upgrades throughout the AES US SBU.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
		Yes		Yes			

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Number of PCs

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- The AES US SBU is dependent upon reliable PCs and software to successfully perform their work and to provide reliable service

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304230 CC TITLE IT INFRASTRUCTURE

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

IT Infrastructure is responsible for the information technology infrastructure for the AES US SBU. The cost center’s responsibility includes the deployment and support of enabling technologies including servers, data storage, data center, mobile, cellular and satellite phones, backup and recovery services, and Mainframe operation. The responsibilities for the cost center include the capacity planning, budgeting, cost effectiveness, reliability, testing, training and change management.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

**DIRECT CHARGES**

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes			

**INDIRECT CHARGES**

AES Ohio	DPL	DPL/IPL	DPL/US Gen	IPL/US Gen
Yes	Yes			Yes

**DPL ALLOCATED TO THE FOLLOWING ENTITIES:**

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes			Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – IT Gross Assets

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- A reliable IT Infrastructure is critical to serving all functional areas of the AES US SBU including the utilities



## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304255 CC TITLE IT NETWORKS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for supporting the enterprise IT Data and Voice/Telecommunications Networks which include the equipment, services and data associated with our Local Area Networks (within buildings) Metropolitan Area Networks (between buildings in a town or city), Wide Area Networks (between towns, cities, and states) and Internet access. The data that traverses these networks includes information from all business-critical applications as well as voice, and video services. The responsibilities for the cost center include the capacity planning, budgeting, cost effectiveness, reliability, testing, training and change management.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
		Yes		Yes	Yes		

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect –Composite Factor 4: No. of PCs and Employee Headcount

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- A reliable IT Network Infrastructure is critical to serving all functional areas of the AES US SBU including the utilities.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304260 CC TITLE IT GENERATION APPLICATIONS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

IT Generation Applications is responsible for Generation IT applications, business analysis, requirements gathering, solution design and support for the Competitive Generation businesses. The cost center's responsibilities include procurement, development and deployment of the various Competitive Generation applications. The cost center is also responsible for the applications support including maintenance, upgrades and modifications. The cost center develops roadmaps to be followed. The responsibilities of this cost center include planning, budgeting, maintaining cost effectiveness, and interfacing with the Competitive Generation business areas.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes			Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes			

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
			Yes	

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Generation Gross Property, Plant & Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Maintaining the integrated operational and financial systems is crucial to the success of the Company

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- Maintaining proper controls and dependable operational and financial systems aid in proper and accurate accounting

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304270 CC TITLE IT T&D APPLICATIONS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

IT T&D Applications is responsible for the Transmission and Distribution IT applications and support for IPL and DP&L. The cost center’s responsibilities include procurement, development and deployment of the various T&D applications. The cost center is also responsible for the applications support including maintenance, upgrades and modifications. The cost center develops roadmaps and ensures proper testing. The responsibilities of this cost center include planning, budgeting, and maintaining cost effectiveness within the Information Technology Organization. Some of the major T&D IT systems that this cost center is responsible for include Customer Information Systems (CIS), Meter Reading Systems, Geographical Information Systems (GIS), and Work Management Information Systems.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
		Yes					

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes				

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – T&D Gross Property, Plant and Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Maintaining the T&D systems are crucial for delivery of power to customers

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- Maintaining accurate design records are also very important for safety and managing the T&D network
- The systems are also important for proper accounting and financial presentation

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304510 CC TITLE Digital Customer Experience

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Digital Customer Experience team is responsible for the transformation and deployment of front-line customer-facing initiatives, engagement strategies and customer experience to ensure successful product delivery. The goal is to meet customer demand and spur digital engagement via multi-channel strategies crossing all digital communications methodologies – SMS/mobile, email, web and social channels. Connect with groups throughout the company to understand all CX initiatives and solution, break down silos, leverage existing platforms when possible, and implement scalable solutions for US SBU.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes			

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Total Retail Revenue

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- The AES IPL/DPL customers will benefit by having more digitally enabled channels with bidirectional information on billing, payments, outages, campaigns, and other products and services that AES wants to present to utility customers.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304520 CC TITLE Digital Products and Ecosystem

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Digital Products and Ecosystem is responsible for design, build and deliver innovative digital products, services and solutions related to customer experience, engagement and energy management. Additionally, this organization will act as a change agent to drive customer and digital-centricity.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes		

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Customer Experience platform to help rate payers with self-service and proactive notifications
- Data-driven platform that will drive differentiated rate classes for utility C&I customers
- Customer Analytics to help identify cost saving and sustainability opportunities



## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304530 CC TITLE IT Digital Operations

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The IT Digital Operations provides management and architecture support for several IT areas:

- IT Network supporting the enterprise IT Data and Voice/Telecommunications Networks which include the equipment, services and data associated with our Local Area Networks (within buildings) Metropolitan Area Networks (between buildings in a town or city), Wide Area Networks (between towns, cities, and states) and Internet access.
- IT Data Center/Cloud responsible for the information technology infrastructure for the AES US SBU.
- IT Competitive Generations Applications responsible for the AES US SBU Competitive Generation IT applications, business analysis, requirements gathering, solution design and support for the Competitive Generation businesses.
- IT Enterprise Applications responsible for the Enterprise IT applications, database hosting and support for the AES US SBU.
- IT Collaboration solving any workstation/mobile hardware and software needs of the employees of the AES US SBU. It also entails procurement and deployment of user workstations, laptops and software.
- IT T&D Applications responsible for the Transmission and Distribution IT applications and support for IPL and DP&L

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
		Yes		Yes	Yes		

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes	Yes	Yes	Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

## **BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT**

Direct - Fully loaded labor hours and non-labor costs

Indirect – IT Gross Assets

## **DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS**

- A reliable IT Network, Data Center/Cloud & Infrastructure is critical to serving all functional areas of the AES US SBU including the utilities
- Maintaining the integrated operational and financial systems is crucial to the success of the Company
- Maintaining proper controls and dependable operational and financial systems to aid in proper, accurate accounting and financial presentation.
- The AES US SBU is dependent upon reliable PCs/mobile and software to successfully perform their work and to provide reliable service
- Maintaining the T&D systems are crucial for delivery of power to customers
- Maintaining end user Identity Access Management
- Maintaining accurate design records are also very important for safety and managing the T&D network

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304540 CC TITLE Digital Solutions and Innovation

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Digital Solutions and Innovation areas is responsible for 3 core activities. These are Enterprise Architecture, Data Platforms, and Data Science to meet the needs of AES. The Enterprise Architecture function is designed to align the technology footprint of the AES US SBU with the business objectives and metrics, enable a more flexible technology delivery and lower TCO. The Data Platform and Data Science functions will focus on leveraging the data collected by AES systems and using analytics to drive business outcomes.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- By leveraging Enterprise Architecture, we will drive higher utilization of IT assets and technology platforms across AES, lowering TCO of technology platforms and delivering a more flexible technology footprint.

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- The increase use of data in the utility industry is well documented. We are focused on using machine data, enterprise data and customer data to increase operational efficiency, decrease downtime and focus on customer engagement.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304550 CC TITLE Operational Technology

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Operational Technology is responsible for changing the way we work to enable new digital capabilities, data, technologies and infrastructure, as well as, improving employee experience, personnel safety and provides digital and project management governance and solution architecture services for AES Global solutions including US SBU and AES Big Sky.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes			

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – IT Gross Assets

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Transform core business by unlocking trapped value and efficiency gains across AES operations through leading-edge, digitally enabled solutions.
- Grow the core business by expanding investments in customer innovations and platforms to expand AES’ portfolio of adjacent products and services. Optimize investments in Smart Grid capabilities to enable future grid platform orchestration services.

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- Scale new businesses by creating the opportunity for exponential growth, business agility and innovation. Strategically develop a portfolio of internal capabilities, strategic partnerships and ecosystem alliances.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64304810 CC TITLE Digital Workplace Experience

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Digital Workplace Experience area is responsible for our end user experience journey with a goal to maximize the effectiveness of individual employees, team, workgroups and communities through the applications and services they use regularly.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
		Yes		Yes	Yes		

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – O365 / Email Users

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Aligned with our Digital Transformation and customer centric approach to the future, Digital Workplace Experience will champion empowering people with the right technologies and engaging them with a great experience leading to unstoppable value for the business through increased cost efficiency, productivity and growth.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64305100 CC TITLE LEGAL SERVICES

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Legal Services is responsible for providing legal assistance, counsel, and advice on the activities of the AES US SBU and its affiliated companies to ensure maximum protection of corporate legal rights. The cost center keeps abreast of legislative and administrative regulatory developments, particularly as they affect the operation of the AES US SBU and its affiliates. The cost center handles or directs suits or claims against the AES US SBU and its affiliates. Also, handles or directs proceedings in suits, claims, or appeals brought by the AES US SBU and its affiliates. Provides counsel in regulatory and environmental activities. Responsible for filings, reports, and statements of a legal nature. The cost center is also involved with financings, mergers, acquisitions, asset sales, tax, corporate governance, bankruptcy, contract and lease drafting, negotiation and review, SEC compliance filings and mortgage administration.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes	Yes		Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect - Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS



The AES US Services, LLC  
Cost Alignment and Allocation Manual

- Provides proactive legal counsel and advice to ensure compliance with federal, state and local laws and regulations
- Provides legal support for regulatory, environmental, human resource, finance, supply chain, construction, generation operations, service operations and commercial operations.
- Provides legal analysis for special projects as needed

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64305215 CC TITLE REGULATORY AFFAIRS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Responsible for all State and Federal issues that impact rates and tariffed service terms and conditions. Ensures compliance with PUCO and FERC rules, regulations, and reporting. Establishes and supports rates and tariffs. Obtains Commission approval of new products, rates, services, programs and compliance plans. Acts as Company liaison for regulators. Evaluates potential legislative or regulatory initiatives that may impact rates, regulation, or retail market structures.

### USE OF SERVICES OR BENEFITS BY CUSTOMER

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO CUSTOMERS

Direct - Fully loaded labor hours and non-labor costs

Indirect – N/A – Direct Only

### DETAILED BENEFITS TO CUSTOMERS

- Provide regulatory support to DPL and IPL operational areas for regulatory filings, including rate cases and rider filings
- Ensure that the tariff is administered consistently and correctly and share tariff interpretation expertise with the billing area to ensure correct billing
- Ensure that Commission approved revenue requirements are collected through rate design

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- Provide regulatory strategy for regulated and deregulated jurisdictions

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64305235 CC TITLE REGULATORY, NEW PRODUCTS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Regulatory, Products team is responsible for regulatory, strategic business analysis, and market development for new product initiatives in AES

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
			Yes				
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Not Applicable (Direct Charges Only)

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- This team drives dramatic regulatory change to meet AES purpose of accelerating the future of energy, together with our customers and stakeholders.
- This team is responsible for strategic business analysis and development focus supporting several entities including: Motor, Plus, Uplight, IPL/DPL, Fluence and Clean Energy.
- This team is responsible for critical strategic shifts in the portfolio in the regulatory disciplines.

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- This team leads the AES work on realizing the benefits of grid virtualization and other innovations in a utility growth posture and through M&A.
- This team provides public representation on regulatory matters with strategic partners.
- This team provides regulatory resources to the M&A team.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64306100 CC TITLE LOCAL HUMAN RESOURCES

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Local Human Resources manages the following functions for the US SBU: talent acquisition for salary and hourly employees, testing, diversity, compliance, reporting and hiring. Local Human Resources also include the verification of potential employee references and background checks, file creation and retention. The cost center coordinates both the college intern and co-op programs and facilitates contingent employee recruitment and placement.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
		Yes					

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Employee Headcount

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Certifying credentials of new hires servicing customer needs
- Representing the customer in providing a diverse workforce
- Monitoring compensation needs as fair and accurate

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64306205 CC TITLE BENEFITS O&M

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

This cost center collects overhead expenses related to the Company’s employee benefit package including health care, dental care, life insurance, long term disability, etc. Costs are allocated to all Work Breakdown Structures (WBS) with labor hours incurred for the month.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes	Yes	Yes	Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes	Yes	Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct – Labor hours

Indirect – Labor hours

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Allocates general benefits costs for US Services employees to WBS based on monthly percentage of total labor hours.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64306210 CC TITLE TALENT COE

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Talent COE is responsible for talent management functions of the Company. The cost center’s responsibilities include the development, coordination, and facilitation of workforce planning processes, people development strategies, change management and leadership development programs and overall coordination of talent management.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes			Yes	Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Employee Headcount

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Promote professional and leadership development to mitigate risk of skill gaps
- Develop processes to support workforce planning
- Provide talent management expertise for organizational effectiveness



## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64306230 CC TITLE PAYROLL

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

The Payroll cost center is responsible for processing and issuing bi-weekly payroll with interfaces to ADP. The area issues payroll reports and IRS Form W-2's. This cost center provides oversight of payroll related matters including the impact to General Ledger balances and Payroll bank account balances.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes							
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
					Yes		

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Employee Headcount

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide accurate and timely employee pay distributions
- Support of various studies including responding to queries as to employee earnings and General Ledger Account classifications

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64306240 CC TITLE TOTAL REWARDS COE

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Total Rewards COE designs, develops, implements, administers, and communicates the Company's Total Rewards programs including health, welfare, wellness, retirement, base pay, incentives and other rewards. The cost center, in conjunction with AES global HR Total Rewards develops and executes the total rewards philosophy and supporting policies and practices. The cost center analyzes current programs to ensure they align with the business strategy. The cost center evaluates the market competitiveness and cost-effectiveness of compensation and benefit plans to ensure they optimize the ability to attract and retain top talent.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes			Yes	Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
					Yes		

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Employee Headcount

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- Evaluates total rewards programs against external information to ensure offerings are relevant and help drive talent acquisition and retention
- Uses market data to develop and implement competitive and cost-effective rewards practices

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64307300 CC TITLE PURCHASING MANAGEMENT

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Purchasing Management is responsible for the Strategic Sourcing supply chain function in T&D, Generation, and Renewables.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
					Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes				

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Total Number of Purchase Orders

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide system reliability while keeping costs low

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64307320 CC TITLE LOGISTICS & MATERIAL MANAGEMENT

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Logistics & Material Management is responsible for reorder point reviews, item consolidation, purchase order/releases for replenishment of T&D and Generation stock materials, new stock items, item categorization, physical/cycle inventory counts, stocking programs, and vendor-managed inventory and consignment. In addition, this cost center will provide storm support to the operational organizations from staffing operations and warehouses on a continuous basis, executing staging areas, expediting materials as well as setting up emergency purchase orders when necessary. In addition, the cost center will assist with storing, managing delivery and staging of materials.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes		
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
					Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes				

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Total Inventory Values

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- Maintain inventory levels for system reliability while keeping costs low

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64308500      CC TITLE A&PM NORMS & STANDARDS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

A&PM Norms & Standards leads the identification and documents standard processes and policies (coordinated activities across multiple functions) that support and interact Performance and Asset Management. Follows up with the implementation and execution of the standards to ensure the integration of them. Maintains oversight, control, and governance over the Asset Management Standards and Systems processes and provides support to end-users in the utilization of them. Systems such as APM (Asset Performance Management), SAP PM, SAP IM, SAP PS, and Prometheus (among others). Develops a cohesive plan that integrates all reporting areas (drones, robotics, innovation, continuous improvement, global visual aids/dashboards). Develops and defines processes for Data Modeling and Data Structure standards that would allow integration points between Asset Management, Commercial, and Financial systems.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLТ (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
			Yes	

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLТ	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Generation Gross Property, Plant & Equipment

### **DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS**

- Reduce maintenance costs and increase revenues through maintenance programs
- Manage and sustain Asset Management processes according to ISO 55001
- Integrate the digital strategy into the standards of operations, includes the use of software to develop dashboards for Operational KPI reports.
- Reduce O&M costs by managing the drone platform, leading image processing models, tracking use of drone applications
- Increase the use of analytics (statistics and tools) to provide insights that will improve operational performance that will replace manual or labor-intensive work that can be replaced using drones.



## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64308505 CC TITLE ASSET MANAGEMENT - T&D

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

T&D Asset Strategy is the strategic management of physical assets during their life in the organization. This cost center will manage the life cycle of all the transmission and distribution assets across the AES US SBU. The cost center takes direction from the Asset Owner regarding how the assets should perform and the asset life span. Asset life cycle plans are then developed to maintain the optimal balance between asset funding and the operational performance. The cost center is charged with determining the level of capital and maintenance required for the assets and what level of operational performance can be achieved with the funding.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
		Yes					

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes				

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – T&D Gross Property, Plant, and Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide system reliability while keeping costs low

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64308515 CC TITLE INSURANCE

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Insurance is responsible for the acquisition and implementation of various insurance programs for the US businesses.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes			Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes	Yes	Yes				

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes	Yes	Yes	Yes	Yes

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide insurance services that strike the right balance between coverage optimization and cost minimization through the use and coordination of multiple providers.
- Ensure compliance with generally accepted insurance practices.
- Manage and utilize the Captive Insurance Companies within AES and subsidiaries, ensuring the right risk retention, transfer or mitigation accordingly.
- Manage claims to ensure quick and appropriate settlement or mitigation of potential claims.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64308520 CC TITLE A&PM NERC COMPLIANCE

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

A&PM NERC is responsible for NERC Compliance which is regulated by FERC/NERC and the Regional Entities. The cost center standardizes NERC reporting and process procedures across the AES US SBU. The cost center establishes mechanisms for active sharing of NERC Lessons Learned and Best Practices. The cost center controls the accurate and timely filing of all NERC self-certifications and reports. The cost center develops a process to monitor regulatory changes and a way to implement a consistent application to all businesses. The cost center develops and maintains Internal Controls and creates a sustainable culture of compliance.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
			Yes	

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Generation Gross Property, Plant, & Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC  
Cost Alignment and Allocation Manual

- Reduced risk to the Bulk Electric System
- Avoided cost of violations due to noncompliance
- Consistent programs and sharing lessons learned
- Programs can be monitored and updated in a timely and consistent manner

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64308525 CC TITLE A&PM PERFORMANCE ENGINEERING

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

A&PM Performance Engineering provides condition monitoring, analyzes performance data, prepares reliability studies, and supplies prioritized needs to planners and operations in order to improve performance for all generation assets. This includes KPI setting, benchmarking, tracking and reporting; maintaining the leading indicators dashboard; participating in the heat rate working group; and performing energy efficiency assessments. The Performance Engineers will use SAP (PS/IM, PLM and Prometheus), SAS (AI/ML Tool) and EtaPRO to perform analytics and support operations at the sites or from the Performance Monitoring and Analytics Center (PMAC).

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
			Yes	

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Generation Gross Property, Plant, & Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Increased reliability of energy supply

- Reduced fuel consumption

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64308530 CC TITLE A&PM OUTAGES & PROJECTS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

A&PM Planning performs mid- and long-term outage, capex and major maintenance planning and scheduling for the generation fleet. Planners will work with Supply Chain to prioritize work activities and develop detailed plans to best deploy resources during planned outages and other large projects. Using inputs from performance, plant operations, and management, planners will create the book of work and execution plans. They will maintain a project pipeline in the capex database (currently the AES Planning System, APS) and produce various reports to monitor the success of planned outages and the execution of the capex and major opex plans. This will be achieved using SAP (PS/IM, PLM and Prometheus) and close interaction with Operations, Maintenance, Performance, Regulatory, Commercial, EHS and FP&A.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes	Yes	Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
			Yes	

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Generation Gross Property, Plant, & Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- Identify and implement best practices across the AES US SBU to leverage centralization, specialization and optimization aimed at improving equipment reliability while reducing customer costs



## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64308535 CC TITLE RISK MANAGEMENT

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Risk Management is primarily responsible for risk oversight, governance, and analytics for each of the business units in the AES US SBU and validation of forecasting and pricing models and methodologies. The cost center also assists business units in developing and implementing commercial strategies as well as risk measurements, metrics and reporting.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
				Yes			

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes				Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect - Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide risk reporting and analysis of modeling methodologies, model back-testing, and validation as well as supporting development of commercial strategies for the business units across the AES US SBU and provide risk analysis assessments to AES Corporate as requested.

The AES US Services, LLC Indianapolis Power & Light Company d/b/a AES Indiana  
Cost Alignment and Allocation Manual

- Ensure compliance to approved risk policies and adherence to standard risk practices.
- Provide risk management expertise
- Provide required analysis and reporting in support of commercial, credit, and finance functions across the AES US SBU.
- Ensure compliance to approved risk policies and adherence to standard risk practices.
- Provide support and assistance when developing mitigation strategies and/or risk management techniques to address key risk concerns.
- Ensure active participation in annual risk diagnostic survey process for identifying and rating key risks.

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64308540 CC TITLE A&PM TECHNICAL ENGINEERING

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

A&PM Engineering provides engineering support for the troubleshooting, testing and maintenance of the AES US SBU generation fleet. This includes performing detailed engineering, developing technical specifications, and supporting the sourcing and planning of capex and major opex projects. Engineers will manage projects to be on time and on budget, using multiple tools, including PS, PLM, the Capex Web Tool, and SCM/PR.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes				Yes			
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
						Yes	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
			Yes	

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Gross Property, Plant, & Equipment

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide system reliability while keeping costs low

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64309105 CC TITLE CUSTOMER EXPERIENCE

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Provide leadership and direction that promotes the overall Customer Experience objective of improving the customer experience by addressing the most significant customer needs.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes					Yes		
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
	Yes			

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes					

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Number of Retail Customers

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Improvement to customer communication
- Improvement to customer service
- Improvement to expectations for Power Quality and Reliability
- Increase of awareness in community involvement and Corporate Citizenship
- Improvement to overall customer satisfaction

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64309115 CC TITLE GOVERNMENT AFFAIRS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Develop and maintain relationships with elected officials at the state and federal level. Advocate positions, issues and their impact AES US Utilities and the utility industry. Provide unique and timely information on key legislation that impact the utility industry to officers, employees, and customers. Lobby for key legislation favorable to our customers and company. Represent AES at various legislative hearings on utility legislation and testify when appropriate. Participate and maintain membership in organizations that promote the utility industry. Manage US Utility Political Action Committees.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes	Yes				Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
	Yes	Yes	Yes				

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes		Yes		

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes				

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct – Fully loaded labor hours and non-labor costs

Indirect – Composite Factor 1

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- Provide unique and timely information on key legislation that impact the utility industry to officers, employees, and customers

## COST CENTER DESCRIPTION

### COST CENTER IDENTIFICATION

CC US64310000 CC TITLE COMMUNICATIONS

### OVERVIEW – GENERAL RESPONSIBILITIES/SERVICES PROVIDED

Communications is responsible for all internal, external and marketing efforts for AES' United States businesses. This includes media relations, customers communications, websites, social media, graphics design, internal and executive communications.

### USE OF SERVICES OR BENEFITS BY AFFILIATE/BUSINESS UNIT

#### DIRECT CHARGES

AES Indiana (US22)	IPALCO (US23)	MACR (US16)	AES Corp (USAC)	AES US Gen (US53)	AES Ohio Distribution (USDY)	AES Ohio Transmission (USDY)	AES Big Sky (USBS)
Yes			Yes	Yes	Yes	Yes	
AES Ohio Gen (USDN)	DPL Inc. (USDD)	MVLT (USMY)	MVIC (USMC)	AES Distributed Energy (US88)	Clean Energy (US0C)	Wind (US0C)	
		Yes		Yes	Yes		

#### INDIRECT CHARGES

DPL	DPL/IPL	DPL/US Gen	IPL/US Gen	DPL/IPL/US Gen
Yes	Yes			Yes

#### DPL ALLOCATED TO THE FOLLOWING ENTITIES:

AES Ohio Distribution	AES Ohio Transmission	DPL Inc.	MVLT	MVIC	MacGregor Park
Yes	Yes		Yes		

### BASIS FOR COST ALLOCATION TO AFFILIATE/BUSINESS UNIT

Direct - Fully loaded labor hours and non-labor costs

Indirect – Employee Headcount

### DETAILED BENEFITS TO CUSTOMERS/RATE PAYERS

- The Communications cost center informs employees of the Corporation's business direction