



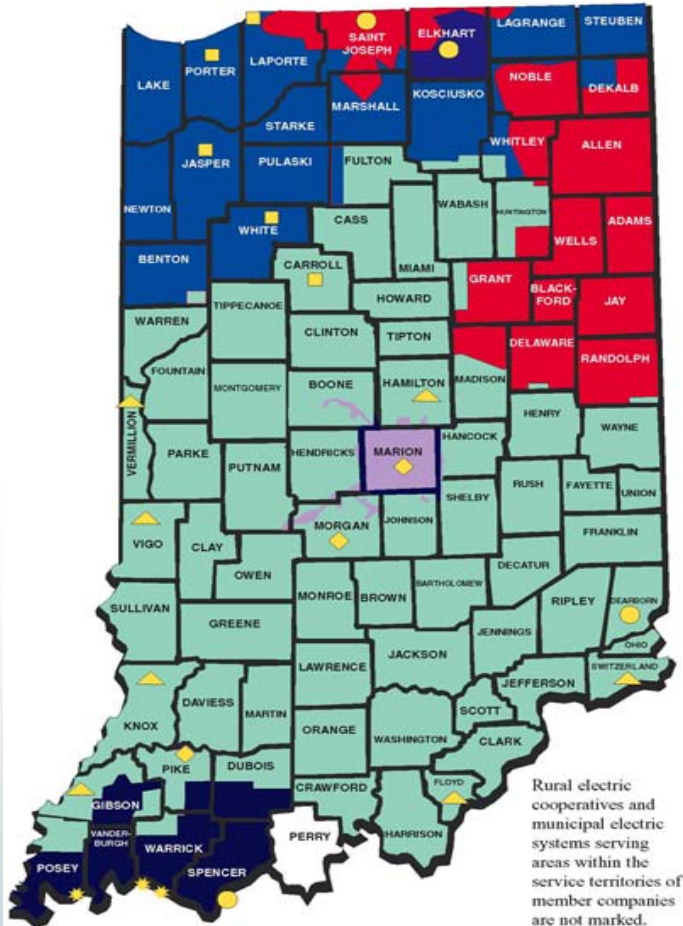
2014 Attachment O Annual Update Presentation

September 22, 2014



IPL at a Glance

- ~ 470,000 customers
- ~ 1,400 employees
- ~ 8 operating locations
- ~ 15.6 billion kilowatt hours sold annually
- ~ 3,139 MW peak load



Regulated by city, state and federal policymakers



Company Overview

- IPL is a vertically integrated utility owned by the AES Corporation, Arlington, VA
- Serves 470, 000 Residential, Commercial and Industrial Customers
- IPL Territory:
 - 528 Square Miles
 - 75 Transmission Substations
 - 70 Distribution Substations
- Transmission Lines:
 - 345,000 Volt 458 Miles
 - 138,000 Volt 377 Miles
 - 34,500 Volt 274 Miles
- Over 1,400 total IPL employees
 - Customer Service 129
 - Supply Chain 10
 - Power Delivery 555
 - Total Customer Ops 694





Indianapolis Power & Light Company Service Area and Facilities

Petersburg

- 1,752 MW Coal
- 8 MW Oil

Harding Street

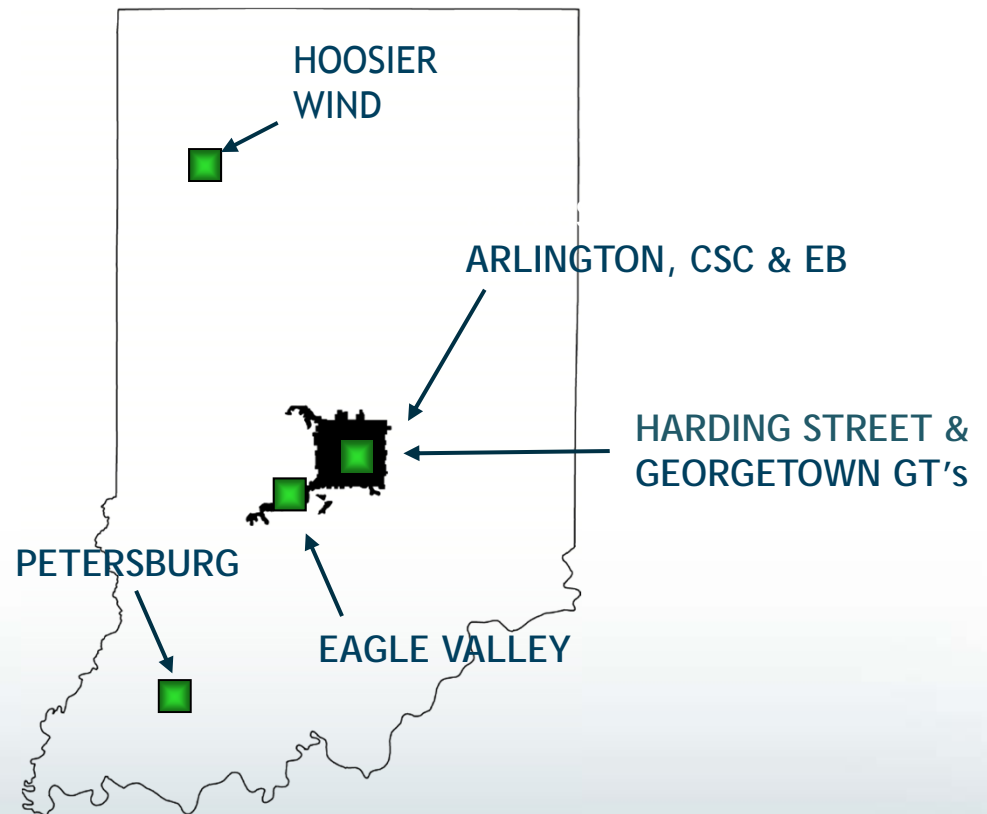
- 645 MW Coal
- 158 MW Oil
- 383 MW Gas
- 202 MW Oil & Gas

Eagle Valley

- 263 MW Coal
- 81 MW Oil

Indianapolis HQ & Operations

- Electric Building (EB)
- Customer Service Center (CSC)
- Morris Street Operating Center
- Arlington Service Center (Backup EOC)





Meeting Purpose

- Review 2013 IPL Attachment O calculations
- Timeline
 - May 30, 2014 IPL Attachment O & working papers posted by MISO
 - September 22, 2014 hold customer meeting to review 2013 Attachment O calculations



Annual Attachment O Timeline

- By June 1st – post actual calculations from prior year
- By September 1st – hold meeting to discuss prior year calculations
- December 1st – deadline for information requests from customers



Annual Attachment O Timeline

- January 31st - deadline for IPL to respond to any customer information requests
- February 28th - deadline to respond to Informal Challenges
- March 15th - deadline for Information Filing to FERC
- March 31st - deadline for formal challenges



Types of Attachment O Rates

- Forward Looking - rate is calculated in the summer with a January 1st effective date
- Historical - rate is calculated in the spring with changes effective June 1st of each year
- IPL uses a Historical rate for Attachment O

2013 Attachment O Summary



Transmission Revenue Requirement:

Operation and Maintenance	\$14,564,412
Total Depreciation	\$6,893,832
Taxes Other Than Income Taxes	\$1,685,329
Income Taxes	\$3,710,060
⁽¹⁾ Return on Rate Base	<u>\$8,563,918</u>
Revenue Requirement	\$35,417,551
Less Attachment GG Adjustment	<u>(\$1,830,319)</u>
Revenue Requirement - Collected under Attachment O	\$33,587,232
Less Revenue credits	<u>(\$11,350,977)</u>
Net Revenue Requirement	<u>\$22,236,255</u>

Annual Cost (\$/kW/Yr)	9.034
Network & P-to-P Rate (\$/kW/Mo)	0.753
Peak Rate ⁽²⁾ (3)	
Point to Point Rate (\$/KW/Wk)	0.174
Point to Point Rate (\$/KW/Day) ²	0.035
Point to Point Rate (\$/MWh) ³	2.172
Off-Peak Rate	
Point to Point Rate (\$/KW/Wk)	0.174
Point to Point Rate (\$/KW/Day)	0.025
Point to Point Rate (\$/MWh)	1.031

1) Transmission rate base is \$99,677,717, return equals 8.59% of rate base.

2) Capped at weekly rate

3) Capped at weekly and daily rates



2013 Attachment GG Summary

		(A)	(B)	(C)	(D)	(E)
		Gross Plant	O&M Expense	Project Net Plant	Annual Return	Project Depreciation Expense
Line	<u>Projects</u>					
1	Petersburg Autotransformer Replacements	\$5,665,096	\$375,182	\$5,409,087	\$640,057	\$136,233
2	Petersburg Autotransformer Replacements	\$3,304,566	\$218,851	\$3,215,234	\$380,458	\$79,538
3	Total	\$8,969,663	\$594,033	\$8,624,321	\$1,020,515	\$215,771
4	Annual Revenue Requirement	<u><u>\$1,830,319</u></u>				

Notes:

B) O&M Expense on transmission projects as a percent of transmission plant (6.62%).

D) Equals rate of return (including income taxes) times net plant of \$8,624,321.

E) Actual Value Booked for the project.

4) Revenue Requirement = Expenses + Return + Depreciation Expense.



Information Request Process

- Interested parties have until December 1, 2014 to submit information requests
- IPL will make a good faith effort to respond within 15 days after receipt of a request
- Requests for additional information must be submitted in writing by email to mike.holtsclaw@aes.com
- All questions and answers will be distributed by email to the requesting parties and posted on the MISO website



Contact Information

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