



2015 Attachment O Annual Update Presentation

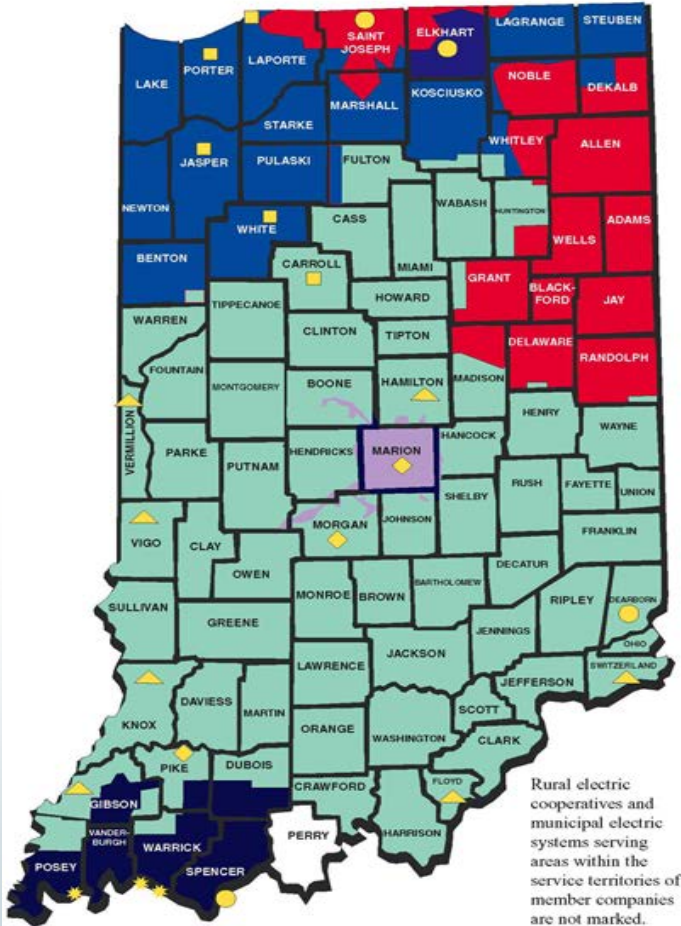
August 28, 2015



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

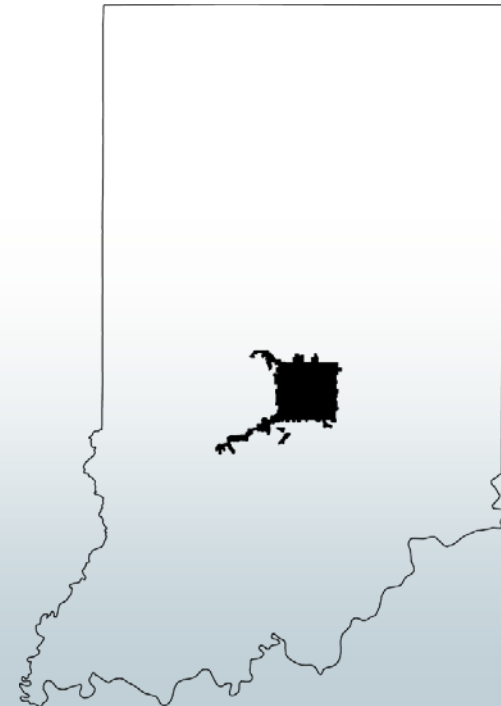
Regulated by city, state and federal policymakers





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

- 639 MW Coal
- 43 MW Oil
- 480 MW Gas

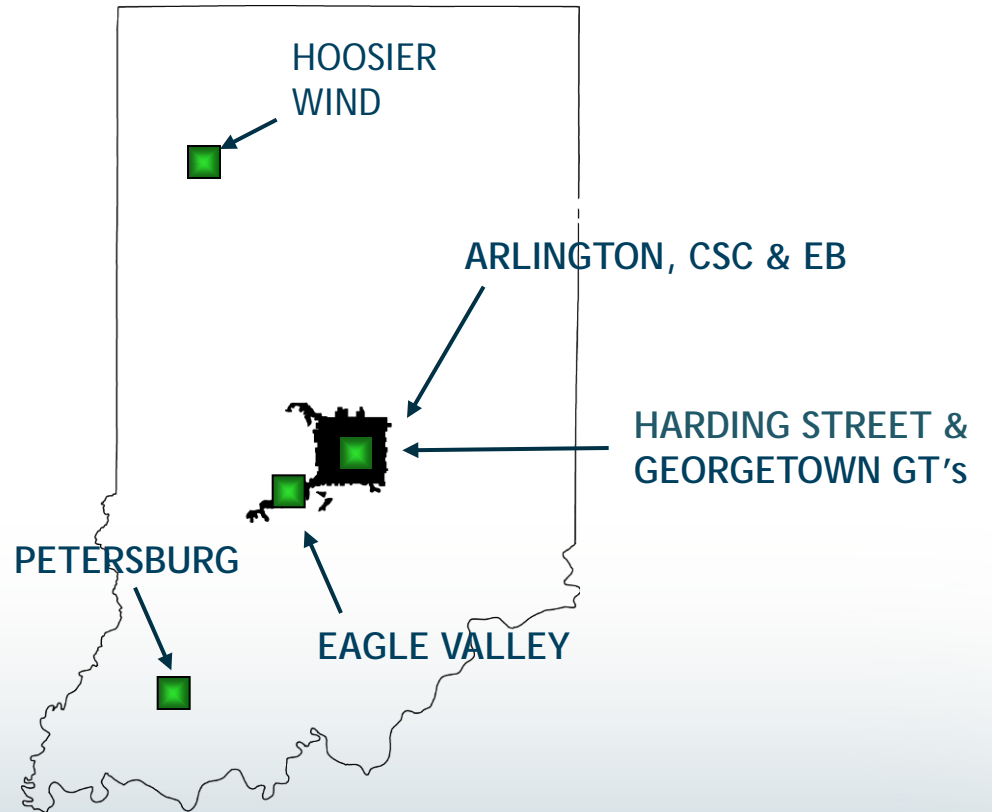
Eagle Valley

- 260 MW Coal
- 3 MW Oil

Indianapolis HQ & Operations

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

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LAKEFIELD, MN
WIND



Available Renewable Resources

Wind	306 MW
Solar	85 MW (In-Service)
Solar	9.3 MW (Under Construction)



Meeting Purpose

- Review 2014 IPL Attachment O calculations
- Timeline
 - May 30, 2015 IPL Attachment O and working papers posted by MISO
 - August 28, 2015 hold customer meeting to review 2014 Attachment O calculations



Annual Attachment O Timeline Milestones

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



Annual Attachment O Timeline Milestones

- 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

2015 Attachment O Summary



Transmission Revenue Requirement:	
Operations and Maintenance	\$12,232,727
Total Depreciation	\$7,036,131
Taxes Other Than Income Taxes	\$1,559,317
Income Taxes	\$3,527,488
Return on Rate Base ¹	\$8,153,818
Revenue Requirement	\$32,509,482
Less Attachment GG Adjustment	(\$1,925,460)
Revenue Requirement – Collected Under Attachment O	\$30,584,022
Less Revenue Credits	(\$838,265)
Net Revenue Requirement	\$29,745,757

1) Transmission rate base is \$97,241,582. Return equals 8.39% of rate base

2015 Attachment O Summary



Transmission Rates:	
Annual Costs (\$/kW/Year)	\$12.2331
Network and Point to Point (\$/kW/Month)	\$1.01942
Peak Rate⁽²⁾⁽³⁾	
Point to Point Rate (\$/kW/Week)	\$0.23525
Point to Point Rate (\$/kW/Day) ²	\$0.047
Point to Point Rate (\$/kW/MWHR) ³	\$2.94064
Off Peak Rate	
Point to Point Rate (\$/kW/Week)	\$0.23525
Point to Point Rate (\$/kW/Day)	\$0.03352
Point to Point Rate (\$/kW/MWHR)	\$1.39647

2) Capped at Weekly Rate

3) Capped at Weekly and Daily Rate



2015 Attachment GG Summary

Line	Projects	(A) Gross Plant	(B) O&M Expense	(C) Project Net Plant	(D) Annual Return	(E) Project Depreciation Expense
1	Petersburg Autotransformer Replacements	\$5,690,222	\$306,648	\$5,416,782	\$573,787	\$137,207
2	Petersburg Autotransformer Replacements	\$3,330,705	\$179,493	\$3,171,094	\$335,907	\$80,073
3	Petersburg Autotransformer Replacements	\$1,920,289	\$103,485	\$1,914,195	\$202,766	\$6,095
4	Total	\$10,941,217	\$589,625	\$10,502,071	\$1,112,460	\$223,375
5	Annual Revenue Requirement			<u><u>\$1,925,460</u></u>		

Notes:

B) O&M Expense on transmission projects is based upon a percent of transmission plant (5.39%).

D) Equals rate of return (including income taxes) times net plant of \$10,502,071.

E) Actual Value Booked for the project.

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



Information Request Process

- Interested parties have until December 1, 2015 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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