



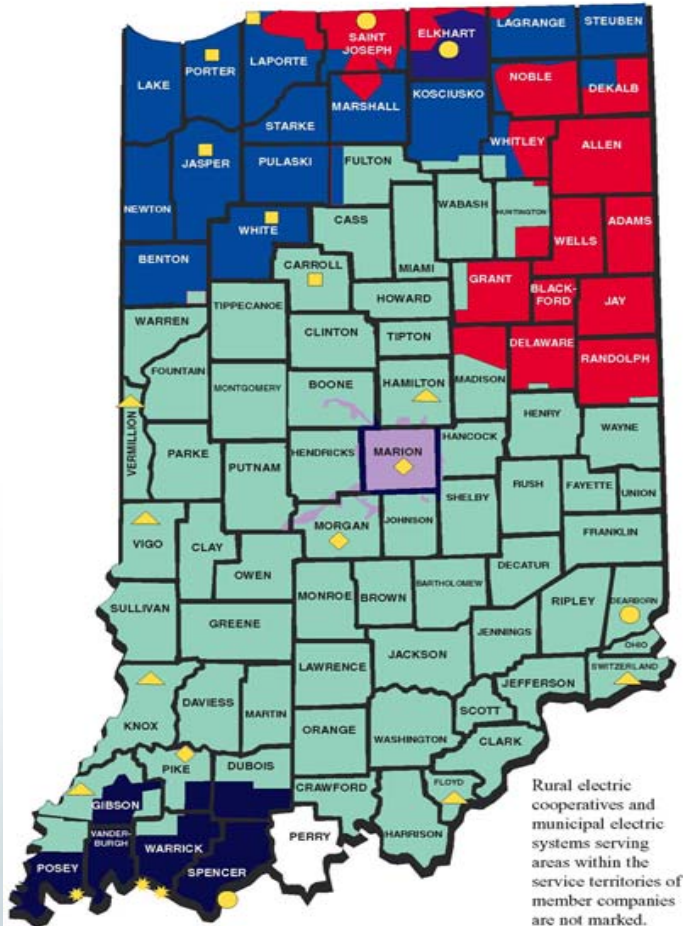
# 2016 Attachment O Annual Update Presentation

August 23, 2016



# IPL at a Glance

- ~ 480,000 customers
- ~ 1,400 employees
- ~ 8 operating locations
- ~ 14-16 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 out of Arlington, VA which also owns Dayton Power & Light in Ohio

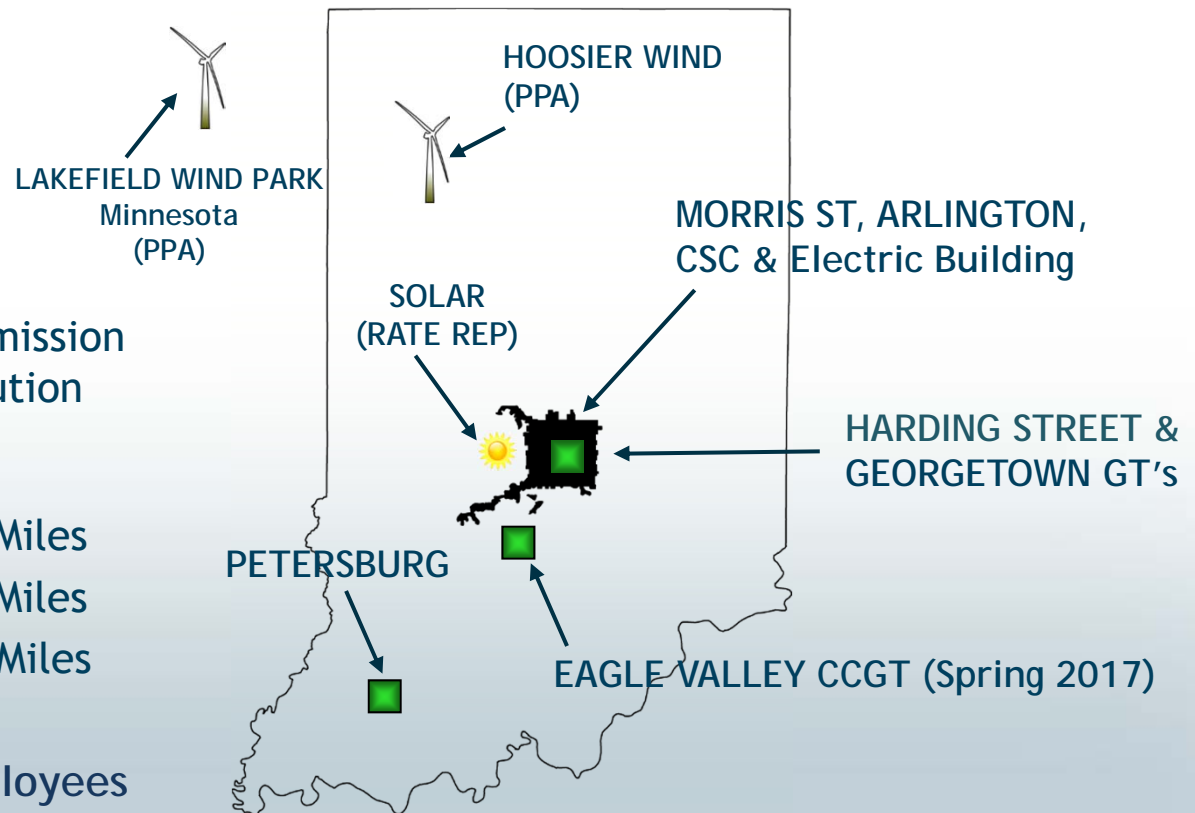
- IPL Serves ~480,000 Residential, Commercial and Industrial Customers

- IPL Territory:
  - 528 Square Miles

- Substations
  - 138 Substations
  - 73 Classified in Transmission
  - 117 Classified Distribution

- Transmission Lines:
  - 345,000 Volt      458 Miles
  - 138,000 Volt      377 Miles
  - 34,500 Volt        274 Miles

- Over 1,400 total IPL employees





# INDY Solar Facts

- Indianapolis has 2<sup>nd</sup> highest concentration per capita of solar in the US, behind Honolulu, Hawaii
- 97 MW of 3<sup>rd</sup> party solar in 36 projects installed & operating
- All are connected at the distribution level



9.8 MW Solar Farm at Indianapolis International Airport



# Meeting Purpose

- Review 2016 IPL Attachment O calculations
- Timeline
  - May 30, 2016 IPL Attachment O & working papers posted by MISO
  - August 23, 2016 hold customer meeting to review 2016 Attachment O calculations



# Annual Attachment O Timeline

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



# Annual Attachment O Timeline

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



# Types of Attachment O Rates

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



# 2016 Attachment O Summary



<b>Transmission Revenue Requirement:</b>	
Operations and Maintenance	\$11,029,057
Total Depreciation	\$7,368,850
Taxes Other Than Income Taxes	\$1,453,870
Income Taxes	\$4,147,537
Return on Rate Base <sup>1</sup>	\$9,419,615
<b>Revenue Requirement</b>	<b>\$33,418,9282</b>
Less Attachment GG Adjustment	<b>(\$2,583,371)</b>
<b>Revenue Requirement – Collected Under Attachment O</b>	<b>\$30,835,557</b>
Less Revenue Credits	<b>(\$628,176)</b>
<b>Net Revenue Requirement</b>	<b>\$30,207,381</b>

1) Transmission rate base is \$114,485,226. Return equals 8.23% of rate base

# 2016 Attachment O Summary



<b>Transmission Rates:</b>	
Annual Costs (\$/kW/Year)	\$13.0064
Network and Point to Point (\$/kW/Month)	\$1.08387
<b>Peak Rate</b>	
Point to Point Rate (\$/kW/Week)	\$0.25012
Point to Point Rate (\$/kW/Day) <sup>2</sup>	\$0.050
Point to Point Rate (\$/kW/MWHR) <sup>3</sup>	\$3.12654
<b>Off Peak Rate</b>	
Point to Point Rate (\$/kW/Week)	\$0.25012
Point to Point Rate (\$/kW/Day)	\$0.03563
Point to Point Rate (\$/kW/MWHR)	\$1.48475

2) Capped at Weekly Rate

3) Capped at Weekly and Daily Rate



# 2016 Attachment GG Summary

		(A)	(B)	(C)	(D)	(E)	
<u>Line</u>	<u>Projects</u>	<u>MTEP Number</u>	<u>Gross Plant</u>	<u>O&amp;M Expense</u>	<u>Project Net Plant</u>	<u>Annual Return</u>	<u>Project Depreciation Expense</u>
1	Petersburg Autotransformer Replacements	2053	\$5,616,721	\$250,413	\$5,086,994	\$522,361	\$136,512
2	Petersburg Autotransformer Replacements	2053	\$3,363,854	\$149,973	\$3,113,350	\$319,696	\$81,098
3	Petersburg 2B-345kV	2053	\$1,966,721	\$87,683	\$1,913,293	\$196,468	\$47,333
4	Petersburg - Wheatland to AEP Breed 345 kV <sup>(8)</sup>	3212	\$2,676,824	\$119,342	\$2,674,124	\$274,594	\$2,699
5	Petersburg 345 kV breaker replacements <sup>(8)</sup>	3212	\$2,632,828	\$117,381	\$2,624,507	\$269,499	\$8,320
6		<b>Total</b>	\$16,256,947	\$724,792	\$15,412,270	\$1,582,617	\$275,961
7	Annual Revenue Requirement		<u>\$2,583,371</u>				

Notes:

B) O&M Expense on transmission projects as a percent of transmission plant (4.46%).

D) Equals rate of return (including income taxes) times net plant of \$15,412,269.

E) Actual Value Booked for the project.

7) Revenue Requirement = Expenses + Return + Depreciation Expense

8) Relates to the Pete to Breed project and are new projects in the 2016 Attachment GG.



# Information Request Process

- Interested parties have until December 1, 2016 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](mailto: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

Mike Holtsclaw

Director, T&D Engineering

(317) 261-6557

[mike.holtsclaw@aes.com](mailto:mike.holtsclaw@aes.com)