

FILED
June 30, 2023
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANAPOLIS)
POWER & LIGHT COMPANY D/B/A AES)
INDIANA FOR APPROVAL OF REGIONAL)
TRANSMISSION ORGANIZATION ("RTO")) CAUSE NO. 44808 RTO-7
ADJUSTMENT FACTORS FOR ELECTRIC)
SERVICE FOR THE BILLING MONTHS OF)
OCTOBER 2023 THROUGH SEPTEMBER 2024.)

**PETITIONER'S SUBMISSION OF DIRECT TESTIMONY OF
CORY SULLIVAN**

Indianapolis Power & Light Company d/b/a AES Indiana ("AES Indiana", "IPL" or "Petitioner"), by counsel, hereby submits the direct testimony and attachments of Cory Sullivan.

Respectfully submitted,



IURC
PETITIONER'S /
EXHIBIT NO. 9-18-23
DATE REPORTER

OFFICIAL
EXHIBITS

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ATTORNEYS FOR PETITIONER
INDIANAPOLIS POWER & LIGHT COMPANY
D/B/A AES INDIANA

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 30th day of June, 2023, by email transmission, hand delivery or United States Mail, first class, postage prepaid to:

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ATTORNEYS FOR PETITIONER
INDIANAPOLIS POWER & LIGHT COMPANY
D/B/A AES INDIANA

**VERIFIED DIRECT TESTIMONY OF CORY R. SULLIVAN
SENIOR ACCOUNTANT IN REGULATORY ACCOUNTING
CAUSE NO. 44808 RTO-7**

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

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

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

10 A2. I am a Senior Accountant in the Regulatory Accounting department.

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

12 A3. In October 2020, I started as a team member of the regulatory accounting department for
13 both AES Indiana and The Dayton Power and Light Company d/b/a AES Ohio. I am
14 responsible for the various general ledger entries, the reconciliation of regulatory asset and
15 liability accounts, the computation and tracking of various costs for regulatory filings, and
16 the preparation of supporting schedules for these filings. Previously, I worked in the
17 assurance practice at Ernst & Young for over three years.

18 **Q4. Please summarize your educational qualifications.**

1 A4. I hold a Bachelor's of Science degree in Accounting from Purdue University. I received
2 my Certified Public Accountant license for the State of Indiana and have fulfilled the
3 necessary educational requirements to allow use of the CPA designation.

4 **Q5. Have you previously testified before the Indiana Utility Regulatory Commission**
5 ("Commission")?

6 A5. Yes. I testified in AES Indiana's Cause No. 44121 GPR-14 and -15 filings and Cause No.
7 44808 RTO-6.

8 **Q6. What is the purpose of your testimony in this proceeding?**

9 A6. The purpose of my testimony is to describe the calculation and the content of the RTO
10 adjustment.

11 **Q7. Are you sponsoring any Attachments?**

12 A7. Yes. I am sponsoring AES Indiana Attachment CRS-1, Schedules 1 through 7 and AES
13 Indiana Attachment CRS-2. I also sponsor AES Indiana Attachment CRS-3, which is a
14 copy of the verified petition including the tariff sheets.

15 **Q8. Are you submitting any workpapers?**

16 A8. Yes. I am submitting workpapers in their native format that support the attachments
17 included with my testimony.

18 **Q9. Were these attachments and workpapers prepared or assembled by you or under**
19 **your direction and supervision?**

20 A9. Yes.

3 A10. Yes. We are providing an audit package to the OUCC that includes the support requested
4 by the OUCC for both the forecasted and historical RTO charges and credits, for which
5 AES Indiana is seeking recovery in this filing, as well as our kWh forecast..

Q11. Please summarize the relief AES Indiana is requesting in this proceeding.

A11. AES Indiana requests approval of RTO Adjustment factors to be applicable for bills rendered during the billing cycles of October 2023 through September 2024. The prefilled direct testimony of AES Indiana witness Fields in this proceeding explains the regulatory precedent upon which AES Indiana is authorized to have an RTO Adjustment Rider with annual rate adjustments. The RTO Adjustment is calculated on an annual basis for each rate class to timely recover the excess (or deficit) of an estimate of the Midcontinent Independent System Operator, Inc. ("MISO") non-fuel costs and credits ("NFC"), net of revenues, to be billed by MISO compared to the amount of such NFC, net of revenues, approved to be included in the determination of basic charges for services. As AES Indiana witness Fields explains, on December 5, 2018, in its Final Order in Cause No. 45029 (the "2018 Base Rate Order"), the Commission approved AES Indiana's request to update the embedded level of MISO NFC to \$30.8 million (\$35.4 million of costs net of \$4.6 million of revenues). In this proceeding, AES Indiana is seeking to recover: (1) its estimated MISO NFC, net of revenues, which exceed amounts included in base rates, for the billing cycles of October 2023 through September 2024; and (2) a reconciliation of actual MISO NFC, net of revenues, for the period of May 2022 through April 2023.

23 Q12. Please describe AES Indiana Attachment CRS-1 Schedule 1.

1 A12. AES Indiana Attachment CRS-1 Schedule 1 shows the calculation of AES Indiana's
2 proposed factors.

- Line 1 on this schedule shows the forecasted net MISO costs over/(under) base for the twelve months ended September 30, 2024, which is detailed on AES Indiana Attachment CRS-1 Schedule 2.
 - Line 2 shows the forecasted net MISO jurisdictional revenues (over)/under base for the twelve months ended September 30, 2024, which is detailed on AES Indiana Attachment CRS-1 Schedule 3.
 - Line 3 shows the RTO adjustment factor reconciliation for the twelve months ended April 30, 2023, which is detailed on AES Indiana Attachment CRS-1 Schedule 4.
 - Line 4 is the sum of Lines 1 through 3, which represents the proposed revenue requirement for this proceeding.
 - Line 5 is the MWh sales forecasted for the twelve months ended September 30, 2024. These sales are detailed by month on AES Indiana Attachment CRS-2, Schedule 1.
 - Line 6 presents the per kWh result of dividing the net MISO charge/(credit) from Line 4 by the estimated MWh sales (Line 5) to determine the RTO adjustment factors applicable to each customer class.

18 Q13. Please describe AES Indiana Attachment CRS-1 Schedules 2 through 7.

19 A13. AES Indiana Attachment CRS-1 Schedule 2 shows the forecasted total MISO NFC. This
20 schedule illustrates AES Indiana's forecasted MISO NFC (Line 13) for the twelve-month
21 forecasted period ending September 2024 (the "Forecast Period"), as well as the authorized
22 MISO NFC amounts included in AES Indiana's base rates pursuant to the 2018 Base Rate

1 Order (Line 14). The current forecasted MISO NFC is compared to the amount in base
2 rates and the resulting difference is reflected on Line 15. The resulting forecasted under-
3 collection of \$0.1 million is then allocated to customer classes based upon the demand
4 allocation factors approved in the 2018 Base Rate Order. These per customer amounts are
5 carried forward to AES Indiana Attachment CRS-1 Schedule 1, Line 1.

6 AES Indiana Attachment CRS-1 Schedule 3 is similar to Schedule 2, except Schedule 3
7 shows the forecasted total MISO Revenues. This schedule shows AES Indiana's forecasted
8 Revenues (Line 13) for the Forecasted Period. In prior filings, the MISO revenues were
9 adjusted to the net amount AES Indiana realizes after URT, however that adjustment is no
10 longer required due to the repeal of URT effective July 1, 2022 by the Indiana Legislature.
11 The current forecasted revenues are compared to the amount in base rates and the resulting
12 difference is reflected on Line 15. The resulting forecasted under-collection of \$1.0 million
13 is then allocated to customer classes based upon the demand allocation factors approved in
14 the 2018 Base Rate Order. These per customer amounts are carried forward to AES Indiana
15 Attachment CRS-1 Schedule 1, Line 2.

16 AES Indiana Attachment CRS-1 Schedule 4 is a summary of the RTO under/(over)
17 collection for the months of May 2022 through April 2023 (the "Reconciliation Period").
18 It calculates the under/(over) recovery balance to be included in the current RTO factor
19 determination. Schedule 4 starts by taking seven-twelfths of the over/(under) collection
20 from the Schedule 4 in AES Indiana's RTO-6 filing and five-twelfths of the over/(under)
21 collection from the Schedule 4 in AES Indiana's RTO-5 filing, which represents the
22 historical net over/(under) collection from customers during the Reconciliation Period. The
23 over/under collection from RTO-5 was reflected in rates from October 2021 through

1 September 2022, while the over/under collection from RTO-6 was reflected in rates from
2 October 2022 through September 2023.

3 Schedule 4 then adds the over/(under) collection of MISO charges for the Reconciliation
4 Period calculated on AES Indiana Attachment CRS-1 Schedule 5. Next, the (over)/under
5 collection of Net MISO Jurisdictional Revenues for the Reconciliation Period derived from
6 AES Indiana Attachment CRS-1 Schedule 6 is added. Finally, Schedule 4 subtracts actual
7 RTO rider billings from the Reconciliation Period, net of URT, from AES Indiana
8 Attachment CRS-1 Schedule 7 to determine the net under/(over) recovery. This net over
9 recovery of \$3.4 million is carried forward to AES Indiana Attachment CRS-1 Schedule 1,
10 Line 3 and represents a reduction to the proposed RTO factors.

11 AES Indiana Attachment CRS-1 Schedule 5 is similar to AES Indiana Attachment CRS-1
12 Schedule 2, except Schedule 5 is for the historical Reconciliation Period, while Schedule
13 2 is for a future forecasted period. Schedule 5 illustrates the history of MISO NFC for the
14 Reconciliation Period as compared to the amount of such items included in AES Indiana's
15 base rates to determine the net amount over/(under) the amount in base rates for the
16 historical Reconciliation Period, excluding RTO rider billings. In this case, the amount of
17 costs over the base of \$2.5 million represents an under collection, which is carried forward
18 to AES Indiana Attachment CRS-1 Schedule 4, Line 2.

19 AES Indiana Attachment CRS-1 Schedule 6 is similar to AES Indiana Attachment CRS-1
20 Schedule 3, except Schedule 6 is for the historical Reconciliation Period, while Schedule
21 3 is for the Forecasted Period. Schedule 6 illustrates the history of MISO Revenues for the
22 Reconciliation Period and compares them to the amount of such items included in AES
23 Indiana's base rates to determine the net amount (over)/under the amount in base rates for

the historical Reconciliation Period. Column C of that schedule calculates the URT for each month and then Column D shows the MISO revenues AES Indiana realizes after URT. The authorized RTO amount for revenues included in base rates is shown on Line 14. The historical revenues (after URT) are compared to the amounts in base rates and in this case the revenues were above the amount included in base rates, representing an over-collection of \$2.7 million, which is reflected on Line 15. Such amount is then allocated to customer classes based upon the demand factors authorized in AES Indiana's 2018 Base Rate Order in Cause No 45029 on Line 17 and then carried forward to AES Indiana Attachment CRS-1 Schedule 4, Line 3.

AES Indiana Attachment CRS-1 Schedule 7 is the history of RTO adjustment factor Revenue received from and/or (credited to) the customers during the Reconciliation Period from each customer classification. The gross RTO Revenue received from and/or (credited to) the customers was then multiplied by the URT rates in effect for each year in Lines 14 through 26. Line 39, the net billings/(credits) after reduction for URT, which in this case is a net revenue of \$2.5 million, is carried to Line 4, by customer class, on AES Indiana Attachment CRS-1 Schedule 4 and represents an decrease in the amount that would otherwise be reflected going forward.

Q14. Please describe AES Indiana Attachment CRS-2 Schedule 1.

A14. AES Indiana Attachment CRS-2 Schedule 1 is AES Indiana's forecasted MWh sales by customer classification for the period during which the factors proposed in this filing would be in effect.

1 **Q15. Please describe the impact of the repeal of the Utility Receipts Tax on this and future**
2 **RTO filings.**

3 A15. As a result of the URT repeal effective July 1, 2022, the RTO-7 factor computation and
4 forecasted revenues (Attachment 1 - Schedules 1 and 3, respectively) are no longer
5 grossed-up for the effective blended URT tax rate. This was true starting with the RTO-6
6 filing, for this filing, and will be true for future RTO filings. However, the MISO
7 jurisdictional revenues received and the history of RTO adjustment factor revenue
8 (Attachment 1 – Schedules 6 and 7 respectively) included in the RTO-7 reconciliation
9 (Attachment 1 – Schedule 4) are adjusted for the effective URT tax rate, as revenues
10 collected during the reconciliation period May 2022 – June 2022 were subject to the URT.
11 In this filing, the MISO revenues received and the history of RTO adjustment factor
12 revenue only includes an adjustment to historical revenues for the months May 2022 and
13 June 2022 since starting July 1, 2022, the RTO-5 factor from the IURC 30-day filing for
14 the Utility Receipts Tax repeal became effective. After this filing, adjustments for URT
15 will no longer be required.

16 **Q16. How was the state income tax rate applied to the historical revenues for the respective**
17 **factors on AES Indiana Attachment CRS-1 Schedule 6 and AES Indiana Attachment**
18 **CRS-1 Schedule 7 calculated?**

19 A16. AES Indiana uses a calendar year for tax filing purposes. Because state income tax rates
20 change during the calendar year, a blended rate is computed in accordance with the Indiana
21 Form IT-20 ("Indiana Corporate Adjusted Gross Income Tax Return") instructions
22 addressing how a calendar-year taxpayer, like AES Indiana, should calculate the Indiana
23 State Income Tax Rate applicable to it for the tax years ending on December 31st. The

1 historical URT revenue adjustments for the months in 2022 utilize the 2022 blended state
2 income tax rate and utilize the 2023 blended state income tax rate.

3 **Q17. Can you identify the components of the \$3.4 million over recovery in the**
4 **Reconciliation Period as reflected on AES Indiana Attachment CRS-1 Schedule 4,**
5 **Line 5?**

6 A17. Jurisdictional revenues received from MISO were approximately \$2.7 million higher than
7 base rates. Revenues received from customers under the RTO rider were approximately
8 \$2.5 million. In addition, the over recovery balance from prior filings was approximately
9 \$0.7 million. These over-recoveries were partially offset by the under-collection of net
10 MISO Costs over base of \$2.5 million

11 **Q18. Please summarize the RTO adjustment factors proposed in this proceeding.**

12 A18. As shown on AES Indiana Attachment CRS-1 Schedule 1, the resulting RTO adjustment
13 factors per kWh are:

14 **Table 1: Proposed Rates**

Residential RS, CW, EVX	C&I – Small SS, SH, OES, UW, CW, EVX	C&I – Large PL, HL	C&I – Large SL, PH, EVX	Lighting MU-1, APL
	\$ (0.000177)	\$ (0.000175)	\$ (0.000137)	\$ (0.000159)

15 **Q19. What effect will the requested RTO adjustment have on a residential customer using**
16 **1,000 kWh per month?**

17 A19. A residential customer using 1,000 kWh per month will experience an RTO adjustment
18 decrease of \$0.18, which is a 0.16% decrease of such bill relative to the basic rates and

1 charges in effect. In relation to the factor currently in effect, a residential customer using
2 1,000 kWh per month will experience a \$0.46 decrease or 0.40%.

3 **Q20. If approved by the Commission, when does the Petitioner propose to make effective**
4 **for electric service the RTO adjustment factors requested in this proceeding?**

5 A20. The RTO adjustment factors, as shown on the proposed Tariff, a copy of which is attached
6 to the Petition as Exhibit A, would be effective for all bills rendered for electric services
7 beginning with the first billing cycles for the October 2023 billing month (Regular Billing
8 District 41 and Special Billing District 01), which begins September 30, 2023, or the first
9 full billing cycle following the Commission's Order. Such adjustment factors, upon
10 becoming effective, shall remain in effect for approximately one year or until replaced by
11 different adjustment factors approved in a subsequent filing.

12 **Q21. Does that conclude your prefiled direct testimony?**

13 A21. Yes.

Verification

I, Cory R. Sullivan, Senior Accountant, affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.

Dated this 29th day of June 2023.

Cory R. Sullivan
Cory R. Sullivan

AES INDIANA
Determination of RTO Adjustment Factors
For the Billing Period of October 1, 2023 through September 30, 2024

Line No.	(A)	Detail by Customer Charge Type					
		<u>Residential</u> RS, CW, EVX	<u>C&I - Small</u> SS, SH, OES, UW, CW, EVX	<u>C&I - Large</u> PL, HL	<u>C&I - Large</u> SL, PH, EVX	<u>Lighting</u> MU-1, APL	Total
(B)	(C)	(D)	(E)	(F)	(G)		
1	Forecasted Net MISO Costs Over/(Under) Base for the Twelve Months Ended September 30, 2024 (Sch. 2, Line 17)	\$ 57,374	\$ 19,044	\$ 23,798	\$ 34,292	\$ 554	\$ 135,062
2	Forecasted Net MISO Jurisdictional Revenues (Over)/Under Base for the Twelve Months Ended September 30, 2024 (Sch. 3, Line 17)	434,265	144,142	180,126	259,557	4,191	1,022,282
3	RTO Adjustment Factor Reconciliation for Twelve Months Ended April 30, 2023 (Sch. 4, Line 5)	(1,421,700)	(480,000)	(602,441)	(837,947)	(13,975)	(3,356,064)
4	Grand Total Net MISO -- Charge/(Credit)	\$ (930,061)	\$ (316,815)	\$ (398,518)	\$ (544,098)	\$ (9,230)	\$ (2,198,720)
5	Forecasted Sales (MWh) for the Twelve Months Ended September 30, 2024 (Attachment CRS-2, Sch. 1, Line 13)	5,246,041	1,805,267	2,904,242	3,426,022	55,479	13,437,051
6	RTO Adjustment Factor per kWh (Line 4 / Line 5 / 1000)	\$ (0.000177)	\$ (0.000175)	\$ (0.000137)	\$ (0.000159)	\$ (0.000166)	

AES INDIANA
Forecasted Total Midcontinent Independent System Operator (MISO) Costs
For the Twelve Months Ended September 30, 2024

Line No.	(A)	MISO Non-Fuel Costs	(B)
Month:			
1	October-23	\$ 3,011,121	
2	November-23	3,011,121	
3	December-23	3,011,121	
4	January-24	2,947,300	
5	February-24	2,947,300	
6	March-24	2,947,300	
7	April-24	2,947,300	
8	May-24	2,947,300	
9	June-24	2,947,300	
10	July-24	2,947,300	
11	August-24	2,947,300	
12	September-24	2,947,300	
13	Total	\$ 35,559,062	
14	Base RTO Cost from IURC Cause No. 45029 (for 12 months)	\$ 35,424,000	
15	Net Costs Over/(Under) Base - Line 13 minus Line 14	\$ 135,062	

Allocation to Customer Class Based Upon Demand Factors from IURC Cause No. 45029						
Line No.	(C)	<u>Residential</u> RS, CW, EVX	<u>C&I - Small</u> SS, SH, OES, UW, CW, EVX	<u>C&I - Large</u> PL, HL	<u>C&I - Large</u> SL, PH, EVX	<u>Lighting</u> MU-1, APL
		(D)	(E)	(F)	(G)	(H)
16	Demand Factor Split	42.48%	14.10%	17.62%	25.39%	0.41%
17	Net Charge/(Credit) by Class (to Sch. 1, Line 1)	\$ 57,374	\$ 19,044	\$ 23,798	\$ 34,292	\$ 554
						\$ 135,062

AES INDIANA
Forecasted Total Midcontinent Independent System Operator (MISO) Revenues
For the Twelve Months Ended September 30, 2024

Line No.	(A)	MISO Jurisdictional Revenues
	(B)	
Month:		
1	October-23	\$ 330,339
2	November-23	330,339
3	December-23	330,339
4	January-24	292,411
5	February-24	292,411
6	March-24	292,411
7	April-24	292,411
8	May-24	292,411
9	June-24	292,411
10	July-24	292,411
11	August-24	292,411
12	September-24	292,411
13	Total	\$ 3,622,718
14	Base RTO Revenue from IURC Cause No. 45029 (for 12 months)	\$ 4,645,000
15	Net Jurisdictional Revenues (Over)/Under Base - Line 14 minus Line 13	\$ 1,022,282

Allocation to Customer Class Based Upon Demand Factors from IURC Cause No. 45029						
(C)	<u>Residential</u> RS, CW, EVX	<u>C&I - Small</u> SS, SH, OES, UW, CW, EVX	<u>C&I - Large</u> PL, HL	<u>C&I - Large</u> SL, PH, EVX	<u>Lighting</u> MU-1, APL	
	(D)	(E)	(F)	(G)	(H)	Total
Demand Factor Split	42.48%	14.10%	17.62%	25.39%	0.41%	100.00%
Net Charge/(Credit) by Class (to Sch. 1, Line 2)	\$ 434,265	\$ 144,142	\$ 180,126	\$ 259,557	\$ 4,191	\$ 1,022,282

AES INDIANA
Summary of the RTO Adjustment Reconciliation Period
For the Months of May 2022 through April 2023

Line
No.

(A)

- 1 Under/(Over) Recovery Balance from Prior Filings
(Reflects Amortization of Months May 2022 - April 2023)
- 2 Actual Net MISO Costs Over/(Under) Base for the Twelve Months Ended April 30, 2023 (Sch. 5, Line 17)
- 3 Actual Net MISO Jurisdictional Revenues (Over)/Under Base for the Twelve Months Ended April 30, 2023 (Sch. 6, Line 17)
- 4 Less: Actual RTO Revenues (Received)/Credited for the Twelve Months Ended April 30, 2023 (Sch. 7, Line 39)
- 5 Current Under/(Over) Recovery Balance to be Included in the Current RTO Determination (to Sch. 1, Line 3)

	Detail by Customer Charge Type					
	<u>Residential</u> RS, CW, EVX	<u>C&I - Small</u> SS, SH, OES, UW, CW, EVX	<u>C&I - Large</u> PL, HL	<u>C&I - Large</u> SL, PH EVX	<u>Lighting</u> MU-1, APL	<u>Total</u>
(B)	(C)	(D)	(E)	(F)	(G)	
\$ (309,158)	\$ (102,616)	\$ (128,234)	\$ (184,782)	\$ (2,984)	\$ (727,774)	
1,080,076	358,500	447,998	645,554	10,424	2,542,552	
(1,154,796)	(383,301)	(478,990)	(690,213)	(11,146)	(2,718,446)	
(1,037,822)	(352,583)	(443,215)	(608,506)	(10,270)	(2,452,396)	
\$ (1,421,700)	\$ (480,000)	\$ (602,441)	\$ (837,947)	\$ (13,975)	\$ (3,356,064)	

AES INDIANA
History of Total MISO Costs
For the Twelve Months Ended April 30, 2023

Line No.	(A)	MISO Non-Fuel Costs	(B)
Month:			
1	May-22	\$ 3,253,927	
2	Jun-22	3,214,297	
3	Jul-22	3,549,512	
4	Aug-22	3,615,724	
5	Sep-22	4,217,675	
6	Oct-22	2,766,503	
7	Nov-22	2,298,426	
8	Dec-22	1,636,880	
9	Jan-23	3,986,287	
10	Feb-23	3,030,727	
11	Mar-23	3,617,166	
12	Apr-23	2,781,430	
13	Total	\$ 37,966,552	
14	Base MISO Cost from IURC Cause No. 45029	\$ 35,424,000	
15	Actual Net MISO Costs Over/(Under) Base (Line 13 minus Line 14)	\$ 2,542,552	

Allocation to Customer Class Based Upon Demand Factors from IURC Cause No. 45029						
Line No.	(C)	Residential RS, CW, EVX	C&I - Small SS, SH, OES, UW, CW, EVX	C&I - Large PL, HL	C&I - Large SL, PH EVX	Lighting MU-1, APL
		(D)	(E)	(F)	(G)	(H)
16	Demand Factor Split	42.48%	14.10%	17.62%	25.39%	0.41%
17	Net Charge/(Credit) by Class (to Sch. 4, Line 2)	\$ 1,080,076	\$ 358,500	\$ 447,998	\$ 645,554	\$ 10,424
						\$ 2,542,552
						Total

AES INDIANA
Total Midcontinent Independent System Operator (MISO) Revenues
For the Twelve Months Ended April 30, 2023

Line No.	(A)	MISO Jurisdictional Revenues	URT	Net Revenues
		(B)	(C)	(D)
1	May-22	\$ 583,830	\$ (8,963)	\$ 574,867
2	June-22	600,777	(9,223)	591,554
3	July-22	691,398	-	691,398
4	August-22	829,762	-	829,762
5	September-22	758,308	-	758,308
6	October-22	611,544	-	611,544
7	November-22	591,878	-	591,878
8	December-22	561,246	-	561,246
9	January-23	724,491	-	724,491
10	February-23	552,145	-	552,145
11	March-23	666,554	-	666,554
12	April-23	209,698	-	209,698
13	Total	\$ 7,381,632	\$ (18,186)	\$ 7,363,446
14	Base MISO Revenue from IURC Cause No. 45029			\$ 4,645,000
15	Actual Net Jurisdictional Revenues (Over)/Under Base (Line 14 minus Line 13)			\$ (2,718,446)

AES INDIANA
History of RTO Adjustment Factor Revenue Received/(Credited)
For the Twelve Months Ended April 30, 2023

Line No.	Rate Order 45029						Total
	<u>Residential</u> RS, CW, EVX	<u>C&I - Small</u> SS, SH, OES, UW, CW, EVX	<u>C&I - Large</u> PL, HL	<u>C&I - Large</u> SL, PH, EVX	<u>Lighting</u> MU-1, APL		
	(A)	(B)	(C)	(D)	(E)	(F)	
1 May-22	\$ 42,045	\$ 16,163	\$ 25,010	\$ 30,273	\$ 244	\$ 113,734	
2 Jun-22	55,327	19,518	29,844	36,404	242	141,336	
3 Jul-22	62,923	19,988	26,676	35,099	242	144,928	
4 Aug-22	58,340	18,951	29,780	33,796	243	141,110	
5 Sep-22	55,803	19,433	26,324	35,761	342	137,663	
6 Oct-22	39,912	15,690	23,296	29,566	405	108,870	
7 Nov-22	86,995	33,126	45,177	64,791	1,580	231,669	
8 Dec-22	131,999	41,921	47,383	69,599	1,596	292,499	
9 Jan-23	156,952	47,978	50,492	72,027	1,576	329,026	
10 Feb-23	133,396	43,076	45,303	67,120	1,351	290,247	
11 Mar-23	112,547	39,190	50,545	67,247	1,339	270,868	
12 Apr-23	103,078	38,097	44,227	67,846	1,116	254,364	
13 Totals	\$ 1,039,317	\$ 353,131	\$ 444,057	\$ 609,529	\$ 10,277	\$ 2,456,312	
URT							
14 May-22	\$ (645)	\$ (248)	\$ (384)	\$ (465)	\$ (4)	\$ (1,746)	
15 June-22	(849)	(300)	(458)	(559)	(4)	(2,170)	
16 July-22	-	-	-	-	-	-	
17 August-22	-	-	-	-	-	-	
18 September-22	-	-	-	-	-	-	
19 October-22	-	-	-	-	-	-	
20 November-22	-	-	-	-	-	-	
21 December-22	-	-	-	-	-	-	
22 January-23	-	-	-	-	-	-	
23 February-23	-	-	-	-	-	-	
24 March-23	-	-	-	-	-	-	
25 April-23	-	-	-	-	-	-	
26 URT Totals	\$ (1,495)	\$ (548)	\$ (842)	\$ (1,024)	\$ (7)	\$ (3,916)	
27 May-22	\$ 41,399	\$ 15,915	\$ 24,626	\$ 29,808	\$ 240	\$ 111,988	
28 June-22	54,477	19,219	29,386	35,846	239	139,166	
29 July-22	62,923	19,988	26,676	35,099	242	144,928	
30 August-22	58,340	18,951	29,780	33,796	243	141,110	
31 September-22	55,803	19,433	26,324	35,761	342	137,663	
32 October-22	39,912	15,690	23,296	29,566	405	108,870	
33 November-22	86,995	33,126	45,177	64,791	1,580	231,669	
34 December-22	131,999	41,921	47,383	69,599	1,596	292,499	
35 January-23	156,952	47,978	50,492	72,027	1,576	329,026	
36 February-23	133,396	43,076	45,303	67,120	1,351	290,247	
37 March-23	112,547	39,190	50,545	67,247	1,339	270,868	
38 April-23	103,078	38,097	44,227	67,846	1,116	254,364	
39 Net Revenue/(Credits) After Reduction for URT (to Sch. 4, Line 4)	\$ 1,037,822	\$ 352,583	\$ 443,215	\$ 608,506	\$ 10,270	\$ 2,452,396	

AES INDIANA
Forecast of MWH Sales
For the Twelve Months Ended September 30, 2024

Line No.	(A)	Cause 45029					
		Residential RS, CW, EVX	C&I - Small SS, SH, OES, UW, CW, EVX	C&I - Large PL, HL	C&I - Large SL, PH, EVX	Lighting MU-1, APL	Total
		(B)	(C)	(D)	(E)	(F)	(G)
1	October-23	334,627	130,141	236,117	276,198	4,091	981,174
2	November-23	391,860	131,456	210,525	242,110	4,309	980,260
3	December-23	524,140	159,760	230,562	268,461	4,641	1,187,564
4	January-24	602,382	175,062	232,630	270,153	6,562	1,286,789
5	February-24	503,866	154,590	217,918	264,354	5,389	1,146,118
6	March-24	400,896	141,968	224,171	269,962	5,332	1,042,329
7	April-24	317,155	126,272	225,262	261,321	4,375	934,385
8	May-24	341,132	135,065	241,177	280,305	4,086	1,001,765
9	June-24	442,243	158,397	264,832	306,042	3,725	1,175,238
10	July-24	533,388	178,917	290,640	344,333	3,920	1,351,198
11	August-24	496,883	172,037	275,325	344,340	4,370	1,292,955
12	September-24	357,470	141,602	255,083	298,443	4,680	1,057,277
13	Totals	5,246,041	1,805,267	2,904,242	3,426,022	55,479	13,437,051

FILED
June 30, 2023
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**VERIFIED PETITION OF INDIANAPOLIS)
POWER & LIGHT COMPANY D/B/A AES)
INDIANA FOR APPROVAL OF REGIONAL)
TRANSMISSION ORGANIZATION (“RTO”)) CAUSE NO. 44808 RTO-7
ADJUSTMENT FACTORS FOR ELECTRIC)
SERVICE FOR THE BILLING MONTHS OF)
OCTOBER 2023 THROUGH SEPTEMBER 2024.)**

VERIFIED PETITION FOR APPROVAL OF RTO ADJUSTMENT FACTORS

Indianapolis Power & Light Company d/b/a AES Indiana (“AES Indiana” or “Petitioner”) hereby petitions the Indiana Utility Regulatory Commission (“Commission”) for approval of a rate adjustment to be reflected in its Standard Contract Rider No. 26 (Regional Transmission Organization (“RTO”) Adjustment) to be made effective commencing with the October 2023 billing cycle (which begins September 29, 2023) or the first full billing cycle following the Commission’s Order in this proceeding. The factors will remain in effect for approximately twelve months or until superseded by different factors approved by the Commission.

Petitioner’s Corporate Status and Operations.

1. AES Indiana is a public utility corporation organized and existing under the laws of the State of Indiana with its principal office and place of business at One Monument Circle, Indianapolis, Indiana. Petitioner is engaged in rendering electric utility service in the State of Indiana.

2. AES Indiana renders retail electric utility service to approximately 519,000 retail customers located principally in and near the City of Indianapolis, Indiana, and in portions of the following Indiana counties: Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, Owen, Putnam and Shelby Counties. AES Indiana owns and operates electric generating,

transmission and distribution plant, property and equipment and related facilities, which are used and useful for the convenience of the public in the production, transmission, delivery and furnishing of electric public utility service. AES Indiana has maintained and continues to maintain its properties in a reliable state of operating condition.

Petitioner's "Public Utility" and Regulated Status.

3. Petitioner is a "public utility" within the meaning of Ind. Code § 8-1-2-1 and is subject to the jurisdiction of this Commission in the manner and to the extent provided by the Public Service Commission Act, as amended, and other pertinent laws of the State of Indiana.

4. AES Indiana is a member of the Midcontinent Independent System Operator, Inc. ("MISO"), an RTO operated under the authority of the Federal Energy Regulatory Commission ("FERC"), which has functional control over AES Indiana's transmission system and the dispatching of AES Indiana's generating units.

Relief Sought By Petitioner.

5. In Cause No. 44576, the Commission approved AES Indiana's proposed Standard Contract Rider No. 26 (RTO Adjustment). *Indianapolis Power & Light Co.*, Cause No. 44576 (IURC 3/16/2016) ("44576 Order"). The 44576 Order (at 79) authorized AES Indiana's use of the RTO Adjustment to timely recover the excess (or deficit) of an estimate of MISO non-fuel costs and credits ("NFC"), net of revenues, which are billed pursuant to MISO tariffs, compared to the net NFC embedded in base rates. In AES Indiana's most recent rate case, Cause No. 45029 (IURC 10/31/2018) ("45029 Order"), the Commission approved two modifications to the RTO Adjustment. The first modification changed the base amount of MISO Non-fuel costs and revenues used to calculate the RTO charge or credit on the tariff to \$35.424 million and \$4.645

million respectively. The second modification, based upon the cost of service study, is that one factor would be calculated for those Large C&I customers taking service at secondary voltage (Rates SL and PH) and another for those taking service at primary voltage or higher (Rates PL and HL).

6. Petitioner requests Commission approval of revised RTO Adjustment factors for the billing months of October 2023 through September 2024. AES Indiana is seeking to recover: (1) its estimated MISO NFC, net of revenues, which exceed amounts included in base rates for the billing cycles of October 2023 through September 2024 and (2) a reconciliation of actual MISO NFC, net of revenues, for the period of May 2022 through April 2023. The requested adjustment factors are estimated to provide a credit in the total amount of \$2,198,720. In relation to the current RTO factor, a residential customer using 1,000 kWh per month will experience a decrease of \$0.46 or 0.40% in their monthly bill.

7. AES Indiana's proposed factors are reflected in the clean and redlined copy of AES Indiana's RTO Adjustment tariff, Standard Contract Rider No. 26, attached hereto as Attachment A.

Procedural Schedule and Request for Hearing.

8. AES Indiana is filing its case-in-chief contemporaneous with its Petition, including direct testimony, attachments and workpapers.

9. AES Indiana requests that the Commission approve a procedural schedule agreed to by AES Indiana and the OUCC in lieu of conducting a prehearing conference. The agreed schedule is intended to allow for a Commission Order on or before September 27, 2023, which is

two days prior to the September 29, 2023 start of the October 2023 billing month. The agreed procedural schedule is as follows:

Date	Event
August 22, 2023	OUCC/Intervenors File Case-in-Chief
August 29, 2023	Petitioner's Rebuttal Testimony
Week of September 11, 2023	Hearing
September 27, 2023	Targeted Order Date

Governing Statutes.

10. AES Indiana considers that the provisions of the Public Service Commission Act, as amended, including Indiana Code §§ 8-1-2-10, 12, 38, 39 and 42 are, or may be, applicable to the subject matter of this Petition.

Petitioner's Counsel.

11. The names and addresses of Petitioner's duly authorized representatives to whom all correspondence and communication concerning this Petition should be sent, are as follows:

Teresa Morton Nyhart (No. 14044-49)
Jeffrey M. Peabody (No. 28000-53)
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Nyhart Telephone: (317) 231-7716
Peabody Telephone: (317) 231-6465
Facsimile: (317) 231-7433
Nyhart Email: tnyhart@btlaw.com
Peabody Email: jpeabody@btlaw.com

WHEREFORE, Petitioner Indianapolis Power & Light Company d/b/a AES Indiana respectfully requests the Commission make such investigation and hold such hearings as are necessary or advisable and thereafter issue an Order in this Cause:

- (a) Approving the requested factors to be reflected in Petitioner's RTO Adjustment and approving the revised RTO Adjustment tariff as shown in Attachment A;
- (b) Authorizing Petitioner to make such RTO Adjustment factors effective commencing with the October 2023 billing cycle (which begins September 29, 2023) and to allow such factors to remain in place as requested herein;
- (c) Granting to Petitioner such other and further relief as may be appropriate.

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



Chad Rogers

Director Regulatory Affairs



Teresa Morton Nyhart (No. 14044-49)

Jeffrey M. Peabody (No. 28000-53)

Barnes & Thornburg LLP

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Nyhart Email: tnyhart@btlaw.com

Peabody Email: jpeabody@btlaw.com

ATTORNEYS FOR PETITIONER

Verification

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

Dated this 29th day of June 2023.



Chad Rogers
Director Regulatory Affairs

Indianapolis Power & Light Company
d/b/a AES Indiana
One Monument Circle, Indianapolis, Indiana

I.U.R.C. No. E-18

~~6th~~-7th Revised No. 179.91
Superseding
~~5th~~-6th Revised No. 179.91

STANDARD CONTRACT RIDER NO. 26 (continued)

- (a) Net generation,
- (b) Purchases and
- (c) Interchange-in, less
- (d) Inter-system Sales,
- (e) Energy Losses and Company Use

- B. The RTO Adjustment Factor as computed above for each rate class shall be further modified to allow the recovery of utility receipts taxes and other similar revenue-based tax charges occasioned by the RTO Adjustment revenues.
- C. The RTO Adjustment Factor may be further modified to reflect the difference between the actual and estimated Non-Fuel costs and RTO Adjustment revenues during the period May 2021-2022 through April 20222023.
- D. The RTO Adjustment Factor to be effective for all bills beginning with the date below will be:

\$0.000278(0.000177) per KWH for Rates RS, CW, and EVX (with associated Rate RS service)

\$0.000280(0.000175) per KWH for Rates SS, SH, OES, UW, CW, and EVX (with associated Rate SS service)

\$0.000219(0.000137) per KWH for Rates PL and HL

\$0.000219 per KWH for Rate PL

----- \$0.000270(0.000159) per KWH for Rates SL and PH, and EVX (with associated Rate SL service)

\$0.000226(0.000166) per KWH for Rates MU-1 and APL

Indianapolis Power & Light Company
d/b/a AES Indiana
One Monument Circle, Indianapolis, Indiana

I.U.R.C. No. E-18

7th Revised No. 179.91
Superseding
6th Revised No. 179.91

STANDARD CONTRACT RIDER NO. 26 (continued)

- (a) Net generation,
- (b) Purchases and
- (c) Interchange-in, less
- (d) Inter-system Sales,
- (e) Energy Losses and Company Use

- B. The RTO Adjustment Factor as computed above for each rate class shall be further modified to allow the recovery of utility receipts taxes and other similar revenue-based tax charges occasioned by the RTO Adjustment revenues.
- C. The RTO Adjustment Factor may be further modified to reflect the difference between the actual and estimated Non-Fuel costs and RTO Adjustment revenues during the period May 2022 through April 2023.
- D. The RTO Adjustment Factor to be effective for all bills beginning with the date below will be:

\$(0.000177) per KWH for Rates RS, CW, and EVX (with associated Rate RS service)

\$(0.000175) per KWH for Rates SS, SH, OES, UW, CW, and EVX (with associated Rate SS service)

\$(0.000137) per KWH for Rates PL and HL

\$(0.000159) per KWH for Rates SL and PH, and EVX (with associated Rate SL service)

\$(0.000166) per KWH for Rates MU-1 and APL

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served this 30th day of June, 2023, by email transmission, hand delivery or United States Mail, first class, postage prepaid to:

Lorraine Hitz
Office of Utility Consumer Counselor
115 W. Washington Street, Suite 1500 South
Indianapolis, Indiana 46204
infomgt@oucc.in.gov
LHitz@oucc.IN.gov



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