STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE VERIFIED PETITION OF INDIANAPOLIS POWER & LIGHT FOR APPROVAL OF DEMAND SIDE MANAGEMENT (DSM) PLAN, INCLUDING ENERGY EFFICIENCY (EE) PROGRAMS, AND ASSOCIATED ACCOUNTING AND RATEMAKING TREATMENT, INCLUDING TIMELY RECOVERY, THROUGH IPL'S EXISTING STANDARD CONTRACT RIDER NO. 22, OF ASSOCIATED COSTS INCLUDING PROGRAM OPERATING COSTS, NET LOST REVENUE, AND FINANCIAL INCENTIVES.	)	**CAUSE NO. _____**

PETITIONER'S SUBMISSION OF DIRECT TESTIMONY OF KIMBERLY ALIFF

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

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

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 26th day of May, 2023, by email transmission, hand delivery or United States Mail, first class, postage prepaid to:

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

A Courtesy Copy to:
Jennifer A. Washburn
Citizens Action Coalition of Indiana, Inc.
1915 W. 18th Street, Suite C
Indianapolis, Indiana 46202
jwashburn@citact.org

Joseph P. Rompala
Lewis & Kappes, P.C.
One American Square, Suite 2500
Indianapolis, Indiana 46282-0003
JRompala@lewis-kappes.com

and a courtesy copy to:
ATyler@lewis-kappes.com
ETennant@Lewis-kappes.com

Jeffrey M. Peabody

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

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

Petitioner's Exhibit 4

PRE-FILED VERIFIED DIRECT TESTIMONY

OF

KIMBERLY ALIFF

ON BEHALF OF

INDIANAPOLIS POWER & LIGHT COMPANY

D/B/A AES INDIANA

SPONSORING PETITIONER'S ATTACHMENTS KA-1 THROUGH KA-5

PRE-FILED VERIFIED DIRECT TESTIMONY OF KIMBERLY ALIFF

1. INTRODUCTION

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

A1. My name is Kimberly Aliff. I am employed by Indianapolis Power & Light Company DBA AES Indiana ("AES Indiana," "the Company"). My business address is One Monument Circle, Indianapolis, IN 46204.

Q2. What is your position with AES Indiana?

A2. I am a Revenue Requirement Manager in Regulatory Affairs.

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 Revenue Requirements Manager.

A4. I provide financial, technical, and regulatory analysis and I manage or am involved with filings to support various regulatory projects and rate recovery mechanisms. Additionally, I am involved with the planning, development, and analysis of Demand Side Management ("DSM") Programs, as well as tracking and reporting program results. I am a member of AES Indiana's DSM Oversight Board ("OSB").

Q5. Please summarize your education and professional qualifications.

A5. I have a Bachelor of Science Degree in Accounting and Computer Information Systems from Indiana University and a Master of Business Administration from the University of Indianapolis. I have also attended various regulated utility training courses such as Edison Electric Institute ("EEI") Utilities Accounting Courses and EEI Electric Rates Courses as well as planning, implementation, and evaluation of DSM programs.

Q6. Please summarize your prior work experience.

A6. I have been an employee of the Company since April 25, 2005. During my tenure with the Company, I worked in various accounting staff roles until 2010, when I transferred to Regulatory Affairs as a Research Analyst and later as a Senior Regulatory Analyst and most recently my current position of Revenue Requirements Manager.

Q7. Have you testified previously before the Indiana Utility Regulatory Commission ("Commission") or any other regulatory agency?

A7. Yes, I have previously testified before the Commission regarding accounting and ratemaking treatment for the Company's Electric Vehicle Sharing Program in Cause No. 44478, and in the Company's requests for a portfolio of Electric Vehicle offerings in Cause Nos. 45509 and 45843. I have also testified regarding cost recovery and cost allocation for AES Indiana's DSM Plans in Cause Nos. 44328, 44497, 44792, 44945 and 45370. I have been a witness in the Company's prior Demand Side Management Adjustment (Cause No. 43623-DSM-XX) proceedings beginning with DSM-10 and in the Company's RTO Adjustment proceedings (Cause No. 44808 RTO-4 and RTO-5).

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

A8. The purpose of my testimony is to (1) describe the impact of the 2024 DSM Plan on the previously approved cost recovery mechanism utilized in the Company's annual filings (Cause No. 43623-DSM-X), including the allocation of cost recovery among the customer classes; (2) describe AES Indiana's proposal to earn a financial incentive calculated as a percentage of DSM expenditures and how AES Indiana proposes to account for the financial incentive in the Fuel Adjustment Clause ("FAC") earnings test; (3) discuss the calculation of lost revenues and how AES Indiana proposes to account for

the proposed lost revenue recovery in the FAC earnings test; and (4) describe the estimated bill impacts associated with implementation of the 2024 DSM Plan.

Q9. Are you sponsoring any attachments?

A9. Yes. I am sponsoring the following attachments:

Petitioner's Attachment KA-1	Cost Allocation Basis by Program to reflect the 2024 DSM Plan
Petitioner's Attachment KA-2	Calculation of Financial Incentives for 2024
Petitioner's Attachment KA-3	Derivation of Lost Revenue Margin Rates
Petitioner's Attachment KA-4	Determination of Projected DSM Lost Revenues for the 2024 Plan Year
Petitioner's Attachment KA-5	Determination of Rate Impact of DSM Adjustment – Standard Contract Rider No. 22 for the 2024 DSM Plan

Q10. Did you submit any workpapers?

A10. Yes. I submitted electronic versions of the spreadsheets underlying my attachments.

Q11. Were the attachments or workpapers that you are sponsoring prepared or assembled by you or under your direction and supervision?

A11. Yes.

2. COST RECOVERY

Q12. Is AES Indiana proposing any changes to its cost recovery mechanism from what is currently in place?

A12. No. AES Indiana is seeking approval of the same cost recovery mechanism that has been previously authorized by the Commission, most recently in Cause No. 45370. AES Indiana proposes to continue to use the forecast and reconciliation method currently

approved for program operating costs, lost revenues and financial incentives. AES Indiana also proposes to continue to submit annual filings under Standard Contract Rider 22 ("Rider 22"), which will continue to establish a January-through-December billing period for this rider.

Q13. Please summarize the accounting and ratemaking treatment that is currently in place.

A13. AES Indiana currently submits annual filings under Rider 22 to recover forecasted direct and indirect program operating costs, financial incentives and lost revenues associated with the DSM Plan over 12-month periods. Program operating costs are forecast on a calendar year basis and reconciled to actual expenditures in a subsequent annual filing. Lost revenues and financial incentives are also forecast on an annual basis using estimated program participation obtained from the DSM implementation vendors for the forecast period. Lost revenues and financial incentives are then trued up to Evaluation, Measurement and Verification ("EM&V") results upon completion of annual EM&V.

Q14. Have you prepared an attachment which shows the cost allocation basis of the 2024 DSM Plan?

A14. Yes. Petitioner's Attachment KA-1 presents the cost allocation basis to each of the customer classes for each component of the 2024 DSM Plan.

The Residential allocation factors are calculated for two classes – Residential (RS, CW) and Residential Lighting (APL, MU1). These factors are based on each class' share of the twelve monthly coincident system peaks used to allocate production plant, operating

expenses and depreciation expenses from the Company's cost of service study as approved in AES Indiana's most recent basic rates and charges case in Cause No. 45029. C&I allocation factors are calculated for Small C&I, Large C&I and C&I Lighting (APL, MU1) classes. These allocation factors are also based on each class' share of the twelve monthly coincident system peaks from Cause No. 45029, excluding the kW related to those customers who have chosen to opt out of participation in AES Indiana's DSM programs (as of the 2023 opportunity). As of January 1, 2023, there were 118 customers, representing about 39% of commercial load, that have opted out of participation in AES Indiana's DSM programs. The C&I allocation factors are updated with each Rider 22 filing to exclude all kW related to opt outs.

Q15. What process will AES Indiana use to record and segregate the 2024 DSM Plan costs for each component of the program?

A15. Expenditures for each component of the proposed plan will be recorded in the Company's accounting system using individual work breakdown structures to separate cost components for accounting and reporting purposes. The Company's work management and timekeeping systems will facilitate this segregation for labor, materials, and other expenses incurred to implement the individual programs. AES Indiana's accounting process requires an estimate of services received during the month to be recorded when an invoice has not been received by the closing date of the books for the same month.

3. FINANCIAL INCENTIVES

Q16. Please describe the financial incentive mechanism AES Indiana is requesting.

A16. As a component of its 2024 DSM Plan, and as discussed by Witness Heard, AES Indiana is proposing to continue the tiered, performance-based financial incentive mechanism currently in place, calculated as a percentage of total spending on direct program costs.[1] The performance level achieved on a Portfolio basis will determine the financial incentive percentage to be awarded. Performance will be based on ex-post gross kWh savings achieved compared to the planned kWh savings approved in this proceeding. The table below details the incentive levels and the performance tiers proposed:

Portfolio Performance Level Achievement	% of Direct Program Costs
110%	13.5%
100-109.99%	12%
90-99.99%	10%
80-89.99%	8%
75-79.99%	6%
70-74.99%	4%
<70%	0%

The forecasted financial incentives associated with the proposed DSM Plan are also shown in Petitioner's Attachment KA-2. As shown in Petitioner's Attachment KA-2, the forecast uses the Tiered Incentive level achieved calculated at 12% of the proposed Direct Program Costs. AES Indiana proposes to reflect financial incentives in Rider 22 on a forecast basis subject to true-up as explained below.

[1] Direct program costs include (but are not limited to) program administrative costs, vendor administrative costs, equipment, labor, and customer rebates and incentives.

Q17. Is AES Indiana proposing to earn a financial incentive on all programs in the 2024 DSM Plan?

A17. No. AES Indiana is proposing to earn a financial incentive on all programs except the Income Qualified Weatherization program.

Q18. Will there be a true-up process of the financial incentive forecast based upon actual program performance?

A18. Yes. As mentioned previously, the financial incentive will be based on actual (ex-post) gross savings to determine the performance tier and incentive percentage and will be trued-up to actual expenditures in a subsequent Rider 22 filing after the annual EM&V is completed (as described by AES Indiana Witness Miller).

Q19. How does AES Indiana propose to treat the financial incentives in the FAC earnings test?

A19. AES Indiana is proposing to maintain the same methodology agreed to and approved in the Settlement Agreement in Cause No. 45370. AES Indiana will not adjust its authorized net operating income for purposes of the FAC earnings by the amount of financial incentives earned.

4. LOST REVENUES

Q20. How does AES Indiana calculate and track lost revenues?

A20. The net energy and demand savings used for the forecast of lost revenues will be based on either calculated or deemed values as determined by previous EM&V results or the Indiana TRM. Where neither EM&V results nor an Indiana TRM value exists, AES Indiana and its vendors use representative savings assumptions for purposes of

forecasting net savings, typically from other statewide TRMs. Net savings are those savings that result from AES Indiana's DSM programs net of free ridership,[2] spillover,[3] and market effects.[4] Final net impacts will be determined by EM&V. AES Indiana will record estimated lost revenues for measures beginning with the month after the measures are installed. AES Indiana intends to continue forecasting and reporting lost revenues based on information received from third party implementers, which the Company maintains in its Vision DSM tracking system. Vision DSM is AES Indiana's system of record for tracking and maintaining DSM data. Ultimately, recorded net savings and associated lost revenues are trued up based on EM&V which provides a safeguard for AES Indiana's customers.

Q21. Are lost revenues a real and calculable cost of implementing DSM programs?

A21. Yes. The participation in DSM programs by customers reduces kWh consumption and kW demand which results in reduced revenue collections for utilities (such as AES Indiana) which are only partially offset by a reduction in base fuel and variable O&M costs. The lost revenue margin rates shown on Petitioner's Attachment KA-3 begin with AES Indiana's approved rate block (Column 4) for each rate schedule at which customers' marginal energy consumption or demand occurs (determining the impact to AES Indiana's revenues) and are adjusted to remove the base cost of fuel and variable O&M expenses (Columns 5 and 7) to determine the expenses AES Indiana avoids by not generating the electricity that would have otherwise been consumed. The result is a

[2] 170 IAC 4-8-1 defines a "free-rider" as a customer who would have installed a DSM measure without participating in a utility-sponsored DSM program, yet participates in the DSM program and receives an incentive or bonus for participation.
[3] 170 IAC 4-8-1 defines "spillover" as additional reductions in energy consumption and/or demand due to program influences beyond those directly associated with DSM program participation.
[4] 170 IAC 4-8-1 defines "market effects" as the indirect influence of DSM programs that result in energy and demand savings from program operations that have not been captured during a DSM program's EM&V activities.

decrease to operating margin (a financial penalty) that AES Indiana experiences as a result of implementing energy efficiency programs. This impact to operating margin continues until the earlier of the end of the energy efficiency measure life, or the effective date of rates established in accordance with a new basic rates and charges case order.

Q22. How were the projected lost revenues for the 2024 DSM Plan determined?

A22. Estimates of the kWh consumption and kW demand reductions per participant and the number of participants for each program were determined from the analysis prepared by AES Indiana witnesses Heard and Schmidt. For programs where historical participation was reported by rate code, estimated participants were allocated between the individual rate codes based upon the historical participation. For other programs, estimated participants were allocated based upon the ratio of the annual historical kWh consumption within their rate class. Allocated participants by rate were then multiplied by the estimated kWh consumption and kW demand reductions by participant to determine the total kWh consumption and kW demand amounts by rate within each program and then totaled by rate. For the 2024 DSM Plan estimates, these amounts for each individual rate were then multiplied by the lost revenue margin rates per kWh and kW as approved in the Order in Cause No. 45029, with updates effective July 1, 2022[5] and reflected in AES Indiana Attachment KA-3.

[5] The rates that were effective from the most recent basic rate case (Cause No. 45029) were updated per the repeal of the Utility Receipts Tax. These updates were effective July 1, 2022.

Q23. Is AES Indiana proposing lost revenue recovery for all programs in the 2024 DSM Plan?

A23. AES Indiana is requesting to maintain the authorization to recover lost revenues incurred for all programs for (a) the life of the measure, (b) three years from implementation of any measure installed, or (c) until measure related energy savings are reflected in new base rates and charges, whichever occurs earlier. This methodology was requested and approved in the Settlement Agreement in Cause No. 45370.

Q24. Have you prepared an attachment which shows the calculation of lost revenues for the 2024 Plan year?

A24. Yes. AES Indiana Attachment KA-4 reflects an estimate of the lost revenue for the 2024 Plan year. This attachment also shows the legacy lost revenues from delivery of programs related to AES Indiana's Commission-approved DSM Plans for 2020 through 2023.

Q25. Do the estimates of kWh consumption and kW demand reductions per participant utilized in the lost revenues calculation reflect an adjustment to account for free ridership?

A25. Yes. The estimates of kWh consumption and kW demand reductions tie directly to the net kWh and net kW in the 2024 DSM Implementation Plan (AES Indiana Attachment KH-2), which have been adjusted to reflect the net to gross ratio for each program to account for free ridership.

Q26. Has AES Indiana historically projected the recovery of DSM program costs?

A26. Yes. AES Indiana has been projecting DSM program costs for contemporary recovery since 2010, effective with the Order in Cause No. 43623.

Q27. How will the "earnings test" within AES Indiana's FAC account for lost revenue recovery?

A27. The DSM lost revenues reflected in AES Indiana's billing for retail service under Rider 22, including any reconciled amount of over/under recovery, will continue to be included in the FAC earnings test.

Q28. Have you prepared examples to show the specific calculation to determine the impact of Rider 22 for calendar year 2024?

A28. Yes. AES Indiana Attachment KA-5 provides examples that use forecasted annual costs (including financial incentives and lost revenues) and forecasted kWh sales in order to approximate an annual average DSM Adjustment Factor for each customer class for the 2024 DSM Plan. However, as noted above and consistent with current practice, the DSM Adjustment factors will be calculated and included in the Company's annual filings using twelve months of projected costs and forecasted kWh sales (adjusted for opt outs). The estimated overall annual impacts reflect recovery of the projected expenditures, financial incentives and lost revenues related to the 2024 DSM Plan as proposed in this proceeding taking into account the effect of opt-out customers on the allocation factors.

Q29. What effect will the proposed 2024 DSM Plan related costs have on an average residential customer using 1,000 kWh per month?

A29. Based on the calculated factors excluding legacy lost revenues on AES Indiana Attachment KA-5, the overall average monthly impact, relative to basic rates and charges, is shown in Table KA-1 below:

Table KA-1

Estimated Bill Impact EXCLUDING legacy lost revenues		
	DSM-22 Factor	Forecast 2024 Factor
Base Rates	$113.87	$113.87
DSM factor	$4.52	$3.48
Bill including factor	$118.39	$117.35
Change relative to Base Rates	3.97%	3.05%
Change relative to prior factor		-0.88%

Based on the calculated factors including legacy lost revenues from the 2020-2023 DSM programs as shown on AES Indiana Attachment KA-5, the overall average monthly impact, relative to basic rates and charges, is shown in Table KA-2 below:

Table KA-2

Estimated Bill Impact including legacy lost revenues		
	DSM-22 Factor	Forecast 2024 Factor
Base Rates	$113.87	$113.87
DSM factor	$4.52	$4.15
Bill including factor	$118.39	$118.02
Change relative to Base Rates	3.97%	3.65%
Change relative to prior factor		-0.31%

Q30. Are there any changes to Rider 22 that the Company proposes in this case?

A30. There are no substantive changes to Rider 22 as a result of the proposed DSM Plan. AES Indiana will update the Rider to include a reference to this docket in a subsequent annual Rider 22 filing after approval of this plan.

5. SUMMARY AND RECOMMENDATIONS

Q31. Please summarize your testimony and recommendations.

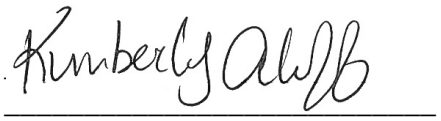
A31. My testimony presents the impact of the 2024 DSM Plan on the previously approved cost recovery mechanism utilized in the Company's annual filings (Cause No. 43623-DSM-X), including the allocation of cost recovery among the customer classes. I recommend the Commission approve AES Indiana's proposal for a one year DSM Plan and maintain the processes currently in place for cost recovery, including the calculation and recovery of financial incentives and lost revenues.

Q32. Does this conclude your pre-filed verified direct testimony?

A32. Yes, at this time.

VERIFICATION

I, Kimberly Aliff, Revenue Requirements Manager for AES Indiana, affirm under penalties for perjury that the foregoing representations are true to the best of my knowledge, information, and belief.



Kimberly Aliff
Dated: May 26, 2023

AES Indiana
Cost Allocation Basis by Program
net of opt-out customers

	Cost Allocation Basis	RS, CW Residential	SS, SH, OES UW, CW Small C&I	SL, PL, PH, HL Large C&I	MU-1, APL Lighting
Residential DSM Programs					
Appliance Recycling	Allocated between Residential & Lighting based on allocation factors from Cause No. 45029	99.91%			0.09%
Demand Response		99.91%			0.09%
Efficient Products		99.91%			0.09%
Income Qualified Weatherization		99.91%			0.09%
Multifamily		99.91%			0.09%
Home Energy Reports		99.91%			0.09%
School Education		99.91%			0.09%
Indirect Costs		99.91%			0.09%
Business DSM Programs					
Custom	Allocated between Small C&I, Large C&I & Lighting based on allocation factors from Cause No. 45029 (net of opt-outs).		33.26%	65.83%	0.91%
Demand Response			33.26%	65.83%	0.91%
Prescriptive			33.26%	65.83%	0.91%
Small Business Direct Install			33.26%	65.83%	0.91%
Indirect Costs			33.26%	65.83%	0.91%

AES Indiana
2024 DSM Plan
Calculation of Financial Incentives

IURC Cause No.
Petitioner's Attachment KA-2

Program	2024 Total Direct Costs*	2024 12% Target Incentive
Residential		
Appliance Recycling	$ 629,636	$ 75,556
Demand Response	$ 4,199,531	$ 503,944
Efficient Products	$ 4,492,132	$ 539,056
Income Qualified Weatherization	$ 2,303,898	N/A
Multifamily	$ 715,689	$ 85,883
Home Energy Reports	$ 710,338	$ 85,241
School Education	$ 595,065	$ 71,408
Total Residential	$ 13,646,289	$ 1,361,087
Business		
Custom	$ 5,403,580	$ 648,430
Demand Response	$ 15,000	$ 1,800
Prescriptive	$ 13,307,204	$ 1,596,864
Small Business Direct Install	$ 1,688,145	$ 202,577
Total Business	$ 20,413,929	$ 2,449,671
Grand Totals	$ 34,060,218	$ 3,810,758

INDIANAPOLIS POWER & LIGHT COMPANY
DERIVATION OF LOST REVENUE MARGIN RATES
Effective December 5, 2018

Rate Schedule	(1) Charge	(2) Units	(3) Applicable Block	(4) Cause No. 45029 Basic Rates	(5) Less Base Fuel Costs	(6) Margin Rates (4) + (5)	(7) Less Variable O&M	(8) Less Base Fuel & Variable O&M IURT (a)	(9) Lost Revenue Margin Rates (6)+(7)+(8)
Residential									
Rate RS: Residential Service (Non-space heating and water heating)	Energy	kWh	Tailblock	$0.090752	($0.032962)	$0.057790	($0.001819)	($0.000526)	$0.055445
Rate RC: Residential w/ Electric Water Heating	Energy	kWh	Tailblock	$0.078149	($0.032962)	$0.045187	($0.001819)	($0.000526)	$0.042842
Rate RH: Residential w/ Electric Space Heating	Energy	kWh	Tailblock	$0.078149	($0.032962)	$0.045187	($0.001819)	($0.000526)	$0.042842
Rate ES: Residential Service (Non-space heating and water heating)	Energy	kWh	Tailblock	$0.081677	($0.032962)	$0.048715	($0.001819)	($0.000526)	$0.046370
Rate EC: Residential w/ Electric Water Heating	Energy	kWh	Tailblock	$0.070334	($0.032962)	$0.037372	($0.001819)	($0.000526)	$0.035027
Rate EH: Residential w/ Electric Space Heating	Energy	kWh	Tailblock	$0.070334	($0.032962)	$0.037372	($0.001819)	($0.000526)	$0.035027
Small Commercial & Industrial									
Rate SS: Secondary Service (Small)	Energy	kWh	First Block	$0.104640	($0.033173)	$0.071467	($0.001856)	($0.000530)	$0.069081
Rate SH: Secondary Service - Electric Space Conditioning	Energy	kWh	Uniform Rate	$0.096362	($0.033173)	$0.063189	($0.001857)	($0.000530)	$0.060802
Large Commercial & Industrial									
Rate SL: Secondary Service (Large)	Energy	kWh	Uniform Rate	$0.036980	($0.033365)	$0.003615	($0.001866)	($0.000533)	$0.001216
	Demand	kW	Uniform Rate	$21.42		$21.42			$21.42
Rate PL: Primary Service (Large)	Energy	kWh	Uniform Rate	$0.036204	($0.032306)	$0.003898	($0.001804)	($0.000516)	$0.001578
	Demand	kW	Uniform Rate	$23.23		$23.23			$23.23
Rate PH: Process Heating	Energy	kWh	Tailblock	$0.065636	($0.033388)	$0.032248	($0.001866)	($0.000533)	$0.029849
Rate HL-1: Primary Distribution Voltage	Energy	kWh	Uniform Rate	$0.035846	($0.032306)	$0.003540	($0.001804)	($0.000516)	$0.001220
	Demand	kW	Uniform Rate	$23.23		$23.23			$23.23
Rate HL-2: Subtransmission Voltage	Energy	kWh	Uniform Rate	$0.035664	($0.032139)	$0.003525	($0.001795)	($0.000513)	$0.001217
	Demand	kW	Uniform Rate	$22.49		$22.49			$22.49
Rate HL-3: Transmission Voltage (High Load Factor)	Energy	kWh	Uniform Rate	$0.035247	($0.031744)	$0.003503	($0.001772)	($0.000507)	$0.001224
	Demand	kW	Uniform Rate	$21.62		$21.62			$21.62
Rate HL-3: Transmission Voltage (Low Load Factor)	Energy	kWh	Uniform Rate	$0.047620	($0.031744)	$0.015876	($0.001772)	($0.000507)	$0.013597
	Demand	kW	Uniform Rate	$14.81		$14.81			$14.81

(a) [(Col. 5 + Col. 7) / 0.9851] - (Col. 5 + Col. 7) 0.98510 = (1-(1.4% IURT Rate / (1-5.875% SIT Rate)))

INDIANAPOLIS POWER & LIGHT COMPANY
DERIVATION OF LOST REVENUE MARGIN RATES
Effective July 1, 2022

Rate Schedule	(1) Charge	(2) Units	(3) Applicable Block	(4) Cause No. 45029 Basic Rates	(5) Less Base Fuel Costs	(6) Margin Rates (4) + (5)	(7) Less Variable O&M	(8) Less Base Fuel & Variable O&M IURT (a)	(9) Lost Revenue Margin Rates (6)+(7)+(8)
Residential									
Rate RS: Residential Service (Non-space heating and water heating)	Energy	kWh	Tailblock	$0.089389	($0.032962)	$0.056427	($0.001819)	$0.000000	$0.054608
Rate RC: Residential w/ Electric Water Heating	Energy	kWh	Tailblock	$0.076975	($0.032962)	$0.044013	($0.001819)	$0.000000	$0.042194
Rate RH: Residential w/ Electric Space Heating	Energy	kWh	Tailblock	$0.076975	($0.032962)	$0.044013	($0.001819)	$0.000000	$0.042194
Rate ES: Residential Service (Non-space heating and water heating)	Energy	kWh	Tailblock	$0.080450	($0.032962)	$0.047488	($0.001819)	$0.000000	$0.045669
Rate EC: Residential w/ Electric Water Heating	Energy	kWh	Tailblock	$0.069278	($0.032962)	$0.036316	($0.001819)	$0.000000	$0.034497
Rate EH: Residential w/ Electric Space Heating	Energy	kWh	Tailblock	$0.069278	($0.032962)	$0.036316	($0.001819)	$0.000000	$0.034497
Small Commercial & Industrial									
Rate SS: Secondary Service (Small)	Energy	kWh	First Block	$0.103072	($0.033173)	$0.069899	($0.001856)	$0.000000	$0.068043
Rate SH: Secondary Service - Electric Space Conditioning	Energy	kWh	Uniform Rate	$0.094917	($0.033173)	$0.061744	($0.001857)	$0.000000	$0.059887
Large Commercial & Industrial									
Rate SL: Secondary Service (Large)	Energy	kWh	Uniform Rate	$0.036423	($0.033365)	$0.003058	($0.001866)	$0.000000	$0.001192
	Demand	kW	Uniform Rate	$21.10		$21.10			$21.10
Rate PL: Primary Service (Large)	Energy	kWh	Uniform Rate	$0.035665	($0.032306)	$0.003359	($0.001804)	$0.000000	$0.001555
	Demand	kW	Uniform Rate	$22.88		$22.88			$22.88
Rate PH: Process Heating	Energy	kWh	Tailblock	$0.064654	($0.033388)	$0.031266	($0.001866)	$0.000000	$0.029400
Rate HL-1: Primary Distribution Voltage	Energy	kWh	Uniform Rate	$0.035312	($0.032306)	$0.003006	($0.001804)	$0.000000	$0.001202
	Demand	kW	Uniform Rate	$22.88		$22.88			$22.88
Rate HL-2: Subtransmission Voltage	Energy	kWh	Uniform Rate	$0.035135	($0.032139)	$0.002996	($0.001795)	$0.000000	$0.001201
	Demand	kW	Uniform Rate	$22.15		$22.15			$22.15
Rate HL-3: Transmission Voltage (High Load Factor)	Energy	kWh	Uniform Rate	$0.034712	($0.031744)	$0.002968	($0.001772)	$0.000000	$0.001196
	Demand	kW	Uniform Rate	$21.30		$21.30			$21.30
Rate HL-3: Transmission Voltage (Low Load Factor)	Energy	kWh	Uniform Rate	$0.046897	($0.031744)	$0.015153	($0.001772)	$0.000000	$0.013381
	Demand	kW	Uniform Rate	$14.59		$14.59			$14.59

(a) [(Col. 5 + Col. 7) / 0.9851] - (Col. 5 + Col. 7) 1.00000 = (1-(0% IURT Rate / (1-5.875% SIT Rate)))

Indianapolis Power & Light Company dba AES Indiana
Projected DSM Plan Lost Revenues
2024 Plan

Cause No.
Petitioner's Attachment KA-4

			2024		
Rate Code - Residential	Lost Margin Rate		Savings (kWh)		Lost Revenue
RS	$0.054608		21,552,936		$ 1,176,963
RC	$0.042194		3,735,662		$ 157,623
RH	$0.042194		23,367,830		$ 985,982
ES	$0.045669		35,915		$ 1,640
EC	$0.0344970		8,500		$ 293
EH	$0.0344970		54,019		$ 1,864
2024 Incremental Lost Revenue			48,754,862		$ 2,324,365
Legacy Lost Revenue					$ 3,510,664
TOTAL Residential Lost Revenue					$ 5,835,029

			2024		
Rate Code - C&I	Lost Margin Rate (kWh)	Lost Margin Rate (kW)	Savings (kWh)	Savings (kW)	Lost Revenue
SS	$ 0.068043	$ -	24,076,814	0	$ 1,638,259
SH	$ 0.059887	$ -	3,581,476	0	$ 214,484
SL	$ 0.001192	$ 21.10	46,426,027	8,076	$ 225,754
PL	$ 0.001555	$ 22.88	9,808,970	1,191	$ 42,500
PH	$ 0.029400	$ -	239,102	52	$ 7,030
HL1	$ 0.001202	$ 22.88	1,282,509	163	$ 5,269
HL2	$ 0.001201	$ 22.15	0	0	$ -
HL3	$ 0.001960	$ 21.30	0	0	$ -
2024 Incremental Lost Revenue					$ 2,133,295
Legacy Lost Revenue					$ 10,311,975
TOTAL Residential Lost Revenue					$ 12,445,270

IURC Cause No.
Petitioner's Attachment KA-5

Indianapolis Power & Light Company dba AES Indiana
Determination of Impact of Standard Contract Rider No. 22
for the 2024 DSM Plan

Line		2024 Projected Expenditures	RS, CW Residential	SS, SH, OES UW, CW Small C&I	SL, PL PH, HL Large C&I	APL MU1 Lighting
1	Residential DSM Programs					
2	Appliance Recycling	$629,636	$629,069			$567
3	Demand Response	$4,199,531	$4,195,751			$3,780
4	Efficient Products	$4,492,132	$4,488,089			$4,043
5	Income Qualified Weatherization	$2,303,898	$2,301,824			$2,074
6	Multifamily	$715,689	$715,045			$644
7	Home Energy Reports	$710,338	$709,699			$639
8	School Education	$595,065	$594,529			$536
9	Indirect Costs	$740,000	$739,334			$666
10	Lost Revenue related to 2024 measures	$2,324,365	$2,322,273			$2,092
11	Financial Incentives	$1,361,087	$1,359,862			$1,225
12	Total Residential	$18,071,741	$18,055,475			$16,266
13	Business DSM Programs					
14	Custom	$5,403,580		$1,797,231	$3,557,177	$49,173
15	Demand Response	$15,000		$4,989	$9,875	$137
16	Prescriptive	$13,307,204		$4,425,976	$8,760,132	$121,096
17	Small Business Direct Install	$1,688,145		$561,477	$1,111,306	$15,362
18	Indirect Costs	$740,000		$246,124	$487,142	$6,734
21	Lost Revenue related to 2024 measures	$2,133,295		$709,534	$1,404,348	$19,413
22	Financial Incentives	$2,449,671		$814,761	$1,612,618	$22,292
23	Total Business	$25,736,895		$8,560,092	$16,942,598	$234,207
24	Total DSM Program Costs	$43,808,636	$18,055,475	$8,560,092	$16,942,598	$250,473
	Legacy Lost Revenues 2020-2023	$13,822,639	$3,507,504	$3,429,763	$6,788,373	$96,999
25	Total Costs including Legacy Lost Revenues	$ 57,631,277	$ 21,562,979	$ 11,989,855	$ 23,730,971	$ 347,472
26	/ Estimated Sales (MWh)	12,644,133.7	5,192,917.0	1,771,079.3	5,619,483.6	60,653.9
	RATE IMPACTS					
27	DSM Adjustment Factor (Mills per kWh) excluding legacy lost revenues		3.477	4.833	3.015	4.130
29	DSM Adjustment Factor (Mills per kWh) including legacy lost revenues		4.152	6.770	4.223	5.729