Indiana Michigan Power Company - Indiana
Rate Design for Primary Backup Service
Based on GS, LGS and IP Class Cost-of-Service

GAO 2017-3: 1-04 ATTACHMENT A

Backup Demand Charge Rate Design - Primary Voltage

Line #		Function	Revenue Requirement	Primary Billing Determinants	Functional Rates @ Primary	Forced Outage Rate	Backup Reservation Charge
(1)		(2)	(3) ($)	(4) (kW or kVA)	(5)=(3)/(4) ($ / kW or kVA)	(6)	(7)=(5)x(6) ($ / kW or kVA)
1	Production	Demand	$411,333,999	14,757,215	$27.87	5.0%	$1.39
2		Energy	123,932,067				
3	Transmission	Power Supply	0	14,757,215	0.00	5.0%	0.00
4		Subtransmission	0	7,682,100	0.00		0.00
5	Distribution	Primary	57,896,306	12,742,907	4.54		4.54
6		Secondary	28,718,279				
7	Customer		11,881,500				
8	Total		$633,762,151				**$5.93**

At a Forced Outage Rate of 5.0% the Customer may utilize 438 hours of backup service per year.

Data is from I&M-Indiana's 2017 base case, Cause No. 44967 (pending IURC approval), final settlement workpapers.

Indiana Michigan Power Company - Indiana
Rate Design for Primary Backup Service
Based on GS, LGS and IP Class Cost-of-Service

GAO 2017-3: 1-04, ATTACHMENT B

Maintenance Energy Charge Rate Design - Primary Voltage

Line #			
1	Distribution Cost	$4.54	/kW
2	Use Full Distribution Cost	100.00%	
3	Distribution Charge:	$4.54	/kW
4	Generation/Transmission Cost	$27.87	/kW
5	Forced Outage Rate	15.00%	
6	Generation/Transmission Charge:	$4.18	/kW
7	Maintenance Demand Component	$8.72	/kW
8	Hours @ 85% Utilization Factor	621	hours
9	Maintenance Demand Component	$0.01404	/kWh
10	Maintenance Energy Component	$0.01415	/kWh
11	**Maintenance Energy Charge:**	$0.02819	/kWh

Data is from I&M-Indiana's 2017 base case, Cause No. 44967 (pending IURC approval), final settlement workpapers.
Maintenance energy component is proposed IP-Primary tail-block rate.

Indiana Michigan Power Company - Indiana
Rate Design for Cogen Tariff Backup Charge

GAO 2017 3: 1-04, ATTACHMENT C

Cogen Tariff Backup Charge:

Diversity Ratio Development *

Annual Total GS-Secondary Billing Demand	9,029,951	kW
Divided by 12	12	months
Average Monthly Billing Demand	752,496	kW
Average Monthly Coincident Peak Demand	390,036	kW
Diversity Ratio	**1.929**	

* Data from Rate Design & Cost-of-Service in IURC Cause No. 44075 (WP-DMR-17)

Back-Up Service Rate Calculation

Current GS - Secondary Demand Charge	$4.695	/kW
Diversity Ratio	1.929	
Coincident Peak Demand Cost	$9.057	/kW
Typical Unavailability Rate	15%	
Back-Up Service Rate	**$1.359**	/kW

Data is from I&M-Indiana's 2018 annual cogen filing, 30 Day Filing No.50125 (pending IURC approval).