

Edgar Filing: AES CORPORATION - Form 35-CERT

AES CORPORATION
Form 35-CERT
November 29, 2004

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UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

The AES Corporation

)

File No. 70-9779

Certificate Pursuant to Rule 24 and Release No. 35-27363
Under the Public Utility Holding Company Act of 1935

On March 23, 2001, the Securities and Exchange Commission ("SEC") issued an order, Release No. 35-27363 in File No. 70-9779 ("Exemption Order"), granting an exemption under Section 3(a) of the Public Utility Holding Company Act of 1935, as amended, to The AES Corporation ("AES") in relation to its proposed acquisition of IPALCO Enterprises, Inc. ("IPALCO"), which has a public-utility subsidiary company, Indianapolis Power & Light Company ("IPL"). The Exemption Order required AES to file certain certificates (as described in the Exemption Order) under Rule 24 within 60 days of the close of each calendar quarter for a period of two years beginning March 31, 2001 and every six months thereafter. A certificate complying with the Exemption Order is set forth below (as an attachment) for the period ending September 30, 2004.

Respectfully submitted,

/s/ EARLE H. O'DONNELL

Earle H. O'Donnell
Andrew B. Young
Hugh E. Hilliard

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1775 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Dated: November 29, 2004

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The AES Corporation
SEC Filing Pursuant to Section 3(a)(5) Exemption Order
Period Ended September 30, 2004

Item (1) per Exemption Order (statements attached):

- 1) Pro Rata Consolidated Statement of Operations of The AES Corporation for the 12 months ended September 30, 2004
- 2) Pro Rata Consolidated Balance Sheet of The AES Corporation at September 30, 2004
- 3) Statement of Consolidated Income of IPALCO for the 12 months ended September 30, 2004
- 4) Statement of Income of IPL for the 12 months ended September 30, 2004
- 5) Consolidated Balance Sheet of IPALCO at September 30, 2004
- 6) Balance Sheet of IPL at September 30, 2004

THE AES CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS
(INCLUDES IPALCO)
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2004
PRO RATA BASIS¹
(Unaudited)

	Twelve Months Ended
	9/30/2004
	(\$ in millions)
REVENUES:	
Sales and services	\$ 7,615
OPERATING COSTS AND EXPENSES:	
Cost of sales and services	5,303
Selling, general and administrative expenses	60
Total operating costs and expenses	5,363
OPERATING INCOME	2,252
OTHER INCOME AND (EXPENSE):	
Interest expense, net	(1,483)
Other (expense) income, net	(210)
Foreign currency transaction gains (losses)	(106)
(LOSS) INCOME BEFORE INCOME TAXES	453
Income tax (benefit) expense	175
(LOSS) INCOME FROM CONTINUING OPERATIONS	278
Loss from operations of discontinued components (net of income taxes)	(538)
(LOSS) INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(260)
Cumulative effect of accounting change (net of income taxes)	43
NET (LOSS) INCOME	\$ (217)

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In accordance with the analysis used in the order requiring filing of this certificate, this table is calculated on a proportional consolidation basis whereby AES' subsidiaries are included by multiplying each applicable line item from the statement of operations of each AES subsidiary times AES' percentage ownership interest in such subsidiary.

THE AES CORPORATION

PRO RATA BASIS¹ CONSOLIDATED BALANCE SHEET
(INCLUDES IPALCO)
SEPTEMBER 30, 2004
(\$ in millions, unaudited)

ASSETS**Current Assets:**

Cash and cash equivalents	\$ 1,582
Restricted cash	357
Short-term investments	139
Accounts receivable, net of reserves	1,317
Inventory	388
Deferred income taxes - current	159
Prepaid expenses	115
Other current assets	803
Current assets of discontinued operations and businesses held for sale	250

Total current assets 5,110

Property, Plant and Equipment:

Land	748
Electric generation and distribution assets	21,969
Accumulated depreciation and amortization	(5,087)
Construction in progress	827

Property, plant and equipment, net 18,457

Other Assets:

Deferred financing costs - net	486
Investments in and advances to affiliates	683
Debt service reserves and other deposits	598
Goodwill - net	1,376
Deferred income taxes - noncurrent	778
Long-term assets of discontinued operations and businesses held for sale	683
Other assets	1,785

Total other assets 6,389

Total assets \$ 29,956

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In accordance with the analysis used in the order requiring filing of this certificate, this table is calculated on a proportional consolidation basis whereby AES' subsidiaries are included by multiplying each applicable line item from the balance sheet of each AES subsidiary times AES' percentage ownership interest in such subsidiary.

THE AES CORPORATION

PRO RATA BASIS¹ CONSOLIDATED BALANCE SHEET
(INCLUDES IPALCO)
SEPTEMBER 30, 2004
(\$ in millions, unaudited)

LIABILITIES & STOCKHOLDERS' EQUITY**Current liabilities:**

Accounts payable	\$ 1,027
Accrued interest	447
Accrued and other liabilities	1,372
Current liabilities of discontinued operations and businesses held for sale	769
Recourse debt - current portion	295
Non-recourse debt - current portion	1,778
	<hr/>
Total current liabilities	5,688

Long-term Liabilities:

Recourse debt	5,175
Non-recourse debt	11,262
Deferred income taxes	1,122
Pension liabilities	900
Long-term liabilities of discontinued operations and businesses held for sale	19
Other long-term liabilities	3,134
	<hr/>
Total long-term liabilities	21,612

Minority interest	1,226
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Stockholders' Equity:

Common stock - \$.01 par value - 1,200 million shares authorized for 2004 and 2003, 648 million issued and outstanding in 2004, 626 million issued and outstanding in 2003	6
Additional paid-in capital	5,497
Accumulated deficit	(877)
Accumulated other comprehensive loss	(3,196)
	<hr/>
Total stockholders' equity	1,430
Total	\$ 29,956
	<hr/>

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In accordance with the analysis used in the order requiring filing of this certificate, this table is calculated on a proportional consolidation basis whereby AES' subsidiaries are included by multiplying each applicable line item from the balance sheet of each AES subsidiary times AES' percentage ownership interest in such subsidiary.

IPALCO ENTERPRISES, INC. and SUBSIDIARIES
Consolidated Statement of Income
(In Thousands)
(Unaudited)

For the Twelve Months Ended September 30, 2004

ELECTRIC UTILITY OPERATING REVENUES	\$ 859,678
UTILITY OPERATING EXPENSES:	
Operation:	
Fuel	189,445
Other operating expenses	124,019
Power purchased	14,730
Maintenance	80,708
Depreciation and amortization	121,227
Taxes other than income taxes	31,864
Income taxes net	94,156
	<hr/>
Total operating expenses	656,149
	<hr/>
UTILITY OPERATING INCOME	203,529
	<hr/>
OTHER INCOME AND (DEDUCTIONS):	
Allowance for equity funds used during construction	2,817
Gain (loss) on sales of assets, net	(1,353)
Other net	(1,352)
Income tax benefit net	26,402
	<hr/>
Total other income (deductions) net	26,514
	<hr/>
INTEREST AND OTHER CHARGES:	
Interest on long-term debt	112,571
Other interest	619
Allowance for borrowed funds used during construction	(2,474)
Amortization of redemption premiums and expense on debt-net	2,746
Preferred dividends of subsidiary	3,213
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Total interest and other charges net	116,675
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NET INCOME	\$ 113,368
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INDIANAPOLIS POWER & LIGHT COMPANY
Statement of Income
(In Thousands)
(Unaudited)

For the Twelve Months Ended September 30, 2004

OPERATING REVENUES	\$ 859,678
OPERATING EXPENSES:	
Operation:	
Fuel	189,445
Other	124,019
Power purchased	14,730
Maintenance	80,708
Depreciation and amortization	121,227
Taxes other than income taxes	31,864
Income taxes net	94,156
	<hr/>
Total operating expenses	656,149
	<hr/>
OPERATING INCOME	203,529
	<hr/>
OTHER INCOME AND (DEDUCTIONS):	
Allowance for equity funds used during construction	2,817
Miscellaneous income and (deductions) net	(971)
Gain on sale of asset	811
Income (taxes) applicable to other income and deductions	(115)
	<hr/>
Total other income and (deductions) net	2,542
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INTEREST AND OTHER CHARGES:	
Interest on long-term debt	48,821
Other interest	619
Allowance for borrowed funds used during construction	(2,474)
Amortization of redemption premium and expense on debt net	1,708
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Total interest and other charges net	48,674
	<hr/>
NET INCOME	157,397
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PREFERRED DIVIDEND REQUIREMENTS	3,213
	<hr/>
INCOME APPLICABLE TO COMMON STOCK	\$ 154,184
	<hr/>

IPALCO ENTERPRISES, INC. and SUBSIDIARIES
Consolidated Balance Sheets
(In Thousands)
(Unaudited)

September 30, 2004

ASSETS

UTILITY PLANT:

Utility plant in service	\$	3,407,977
Less accumulated depreciation		1,336,315

Utility plant in service net		2,071,662
Construction work in progress		62,723
Property held for future use		1,085

Utility plant net		2,135,470
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OTHER ASSETS:

Nonutility property at cost, less accumulated depreciation		1,502
Other investments		7,255

Other assets net		8,757
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CURRENT ASSETS:

Cash and cash equivalents		21,798
Accounts receivable and unbilled revenue (less allowance for doubtful accounts of \$1,518)		50,377
Fuel at average cost		25,197
Materials and supplies at average cost		46,139
Net income tax refunds receivable		2,375
Prepayments and other current assets		4,293

Total current assets		150,179
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DEFERRED DEBITS:

Regulatory assets		119,678
Miscellaneous		34,027

Total deferred debits		153,705
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TOTAL	\$	2,448,111
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IPALCO ENTERPRISES and SUBSIDIARIES
Consolidated Balance Sheets
(In Thousands)
(Unaudited)

September 30, 2004

CAPITALIZATION AND LIABILITIES

CAPITALIZATION:

Common shareholder's deficit:	
Premium on 4% cumulative preferred stock	\$ 649
Paid in capital	606
Accumulated deficit	(54,964)
Accumulated other comprehensive loss	(55,220)
	<hr/>
Total common shareholder's deficit	(108,929)
Cumulative preferred stock of subsidiary	59,135
Long-term debt (less current maturities and sinking fund requirements)	1,502,045
	<hr/>
Total capitalization	1,452,251
	<hr/>

CURRENT LIABILITIES:

Current maturities and sinking fund requirements	300
Accounts payable	38,862
Accrued expenses	17,037
Dividends payable	803
Accrued real estate and personal property taxes	11,737
Accrued income and other taxes	421
Accrued interest	38,642
Customer deposits	11,345
Other current liabilities	1,685
	<hr/>
Total current liabilities	120,832
	<hr/>

DEFERRED CREDITS AND OTHER LONG-TERM LIABILITIES:

Accumulated deferred income taxes net	343,257
Regulatory liabilities and other removal costs	376,863
Unamortized investment tax credit	26,142
Accrued postretirement benefits	6,650
Accrued pension benefits	111,117
Miscellaneous	10,999
	<hr/>
Total deferred credits and other long-term liabilities	875,028
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COMMITMENTS AND CONTINGENCIES TOTAL \$ 2,448,111

INDIANAPOLIS POWER & LIGHT COMPANY

Balance Sheets
(In Thousands)
(Unaudited)

September 30, 2004

ASSETS**UTILITY PLANT:**

Utility plant in service	\$ 3,407,977
Less accumulated depreciation	1,336,315

Utility plant in service net	2,071,662
Construction work in progress	62,723
Property held for future use	1,085

Utility plant net	2,135,470
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OTHER PROPERTY

At cost, less accumulated depreciation	2,198
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CURRENT ASSETS:

Cash and cash equivalents	16,810
Accounts receivable and unbilled revenue (less allowances for doubtful accounts of \$1,505)	50,183
Receivable due from Parent	1,163
Fuel at average cost	25,197
Materials and supplies at average cost	46,144
Net income tax refunds receivable	1,070
Prepayments and other current assets	4,293

Total current assets	144,860
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DEFERRED DEBITS:

Regulatory assets	119,678
Miscellaneous	26,400

Total deferred debits	146,078
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TOTAL	\$ 2,428,606
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INDIANAPOLIS POWER & LIGHT COMPANY
Balance Sheets
(In Thousands)
(Unaudited)

September 30, 2004

CAPITALIZATION AND LIABILITIES

CAPITALIZATION:

Common shareholder's equity:	
Common stock	\$ 324,537
Premium and net gain on preferred stock	2,642
Paid in capital	606
Retained earnings	373,576
Accumulated other comprehensive loss	(55,217)
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Total common shareholder's equity	646,144
Cumulative preferred stock	59,135
Long-term debt (less current maturities and sinking fund requirements)	752,045
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Total capitalization	1,457,324
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CURRENT LIABILITIES:

Accounts payable	38,786
Accrued expenses	16,455
Dividends payable	803
Accrued real estate and personal property taxes	11,734
Accrued taxes	827
Accrued interest	14,525
Customer deposits	11,345
Other current liabilities	1,685
<hr/>	
Total current liabilities	96,160
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DEFERRED CREDITS AND OTHER LONG-TERM LIABILITIES:

Accumulated deferred income taxes net	343,351
Regulatory liabilities and other removal costs	376,863
Unamortized investment tax credit	26,142
Accrued postretirement benefits	6,650
Accrued pension benefits	111,117
Miscellaneous	10,999
<hr/>	
Total deferred credits and other long-term liabilities	875,122
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COMMITMENTS AND CONTINGENCIES TOTAL	\$ 2,428,606
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Item (2) per Exemption Order (Income Statement Amounts are 12 months ended):

**IPL Contributions To
AES/IPALCO Consolidated Holding Company
(Pro Rata Consolidation Basis¹)
(\$MM)**

	12 Mos. ended 9/30/03	12 Mos. ended 9/30/04
Gross Revenues²	10.56%	11.29%
IPL	825	860
IPALCO (excluding IPL)	0	0
AES	6,989	6,755
AES/IPALCO	7,814	7,615
Operating Income	14.77%	13.23%
IPL	287	298
IPALCO (excluding IPL)	0	0
AES	1,656	1,954
AES/IPALCO	1,943	2,252
Net Income (Loss)	(5.14%)	(70.97%)
IPL	140	154
IPALCO (excluding IPL)	(39)	(41)
AES	(2,825)	(330)
AES/IPALCO	(2,724)	(217)
Net Assets	6.84%	8.11%
IPL	2,080	2,429
IPALCO (excluding IPL)	19	20
AES	28,316	27,507
AES/IPALCO	30,415	29,956

¹ In accordance with the analysis used in the order requiring filing of this certificate, the AES line items in this table are calculated on a proportional consolidation basis whereby AES' subsidiaries are included by multiplying each applicable line item from the statement of operations or balance sheet, as applicable, of each AES subsidiary times AES' percentage ownership interest in such subsidiary. The numbers presented for AES in this table exclude CILCO, which AES sold during the first quarter of 2003.

² Gross business revenues (utility and non-utility) of IPALCO combined as a percentage of total gross business revenues (including IPALCO/IPL, utility and non-utility) of AES.

Item (3) per Exemption Order Generation Information:

AES Generating Plants in Operation at September 30, 2004 (excluding IPALCO):

Unit	Country	Capacity (MW)	AES Interest (%)	AES Equity (MW)	Regulatory Status
AES Deepwater	USA	160	100	160	QF
AES Beaver Valley	USA	125	100	125	QF
AES Placerita	USA	120	100	120	QF
AES Thames	USA	181	100	181	QF
AES Shady Point	USA	320	100	320	QF
AES Hawai					