

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANA MICHIGAN POWER COMPANY,)
AN INDIANA CORPORATION FOR AUTHORITY TO)
INCREASE ITS RATES AND CHARGES FOR ELECTRIC)
UTILITY SERVICE THROUGH A PHASE IN RATE)
ADJUSTMENT; AND FOR APPROVAL OF RELATED)
RELIEF INCLUDING: (1) REVISED DEPRECIATION)
RATES; (2) ACCOUNTING RELIEF; (3) INCLUSION OF)
CAPITAL INVESTMENT; (4) RATE ADJUSTMENT)
MECHANISM PROPOSALS; (5) CUSTOMER PROGRAMS;)
(6) WAIVER OR DECLINATION OF JURISDICTION WITH)
RESPECT TO CERTAIN RULES; AND (7) NEW SCHEDULES)
OF RATES, RULES AND REGULATIONS.)

CAUSE NO. 45576

VERIFIED DIRECT TESTIMONY

OF

GLENN A. WATKINS

ON BEHALF OF THE

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

OCTOBER 12, 2021

Respectfully submitted,

[Handwritten signature of Tiffany Murray]

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2 **VERIFIED DIRECT TESTIMONY OF GLENN A. WATKINS**
3 **CAUSE NO. 45576**
4 **INDIANA MICHIGAN POWER COMPANY**
5
6

7 **I. INTRODUCTION**

8 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

9 A. My name is Glenn A. Watkins. My business address is 6377 Mattawan Trail,
10 Mechanicsville, Virginia 23116.

11 **Q. WHAT IS YOUR PROFESSIONAL AND EDUCATIONAL BACKGROUND?**

12 A. I am President and Senior Economist of Technical Associates, Inc., which is an economics
13 and financial consulting firm with an office in Richmond, Virginia. Except for a six-month
14 period during 1987 in which I was employed by Old Dominion Electric Cooperative, as its
15 forecasting and rate economist, I have been employed by Technical Associates
16 continuously since 1980.

17 During my 40-year career at Technical Associates, I have conducted hundreds of
18 marginal and embedded cost of service, rate design, cost of capital, revenue requirement,
19 and load forecasting studies involving electric, gas, water/wastewater, and telephone
20 utilities throughout the United States and Canada and have provided expert testimony in
21 Alabama, Arizona, Delaware, Georgia, Illinois, Indiana, Kansas, Kentucky, Maine,
22 Maryland, Massachusetts, Michigan, Montana, Nevada, New Jersey, North Carolina, Ohio,
23 Pennsylvania, Vermont, Virginia, South Carolina, Washington, and West Virginia. In
24 addition, I have provided expert testimony before State and Federal courts as well as before
25 State legislatures. A more complete description of my education and experience is
26 provided in Attachment GAW-1.

27 **Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THE INDIANA**
28 **UTILITY REGULATORY COMMISSION (“IURC” or “COMMISSION”)?**

29 A. Yes. In addition to Indiana Michigan Power’s (“I&M,” “Company” or “Petitioner”) last
30 two general rate cases (Cause No. 45235 and Cause No. 44967), I have provided testimony
31 on behalf of the Office of Utility Consumer Counselor (“OUCC”) in the Duke Energy
32 Indiana (Cause No. 45253), Indianapolis Power & Light Company (Cause Nos. 44576 and

1 45029) and Northern Indiana Public Service Company (Cause Nos. 44688 and 45159) rate
2 cases.

3 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

4 A. Technical Associates has been engaged by the OUCC to assist in its evaluation of the
5 accuracy and reasonableness of I&M's retail class cost of service study, proposed
6 distribution of revenues by class, and residential rate design as it relates to this rate
7 application. The purpose of my testimony is to comment on I&M's proposals on these
8 issues and to present my findings and recommendations based on the results of the studies
9 I have undertaken on behalf of the OUCC.

10 **Q. TO THE EXTENT YOU DO NOT ADDRESS A SPECIFIC ITEM OR**
11 **ADJUSTMENT, SHOULD THAT BE CONSTRUED TO MEAN YOU AGREE**
12 **WITH PETITIONER'S PROPOSAL?**

13 A. No. Excluding any specific adjustments or amounts I&M proposes does not indicate my
14 approval of those adjustments or amounts. Rather, the scope of my testimony is limited to
15 the specific items addressed herein.

16
17 **II. SUMMARY OF TESTIMONY**

18 **Q. PLEASE SUMMARIZE YOUR FINDINGS AND RECOMMENDATIONS IN THIS**
19 **CASE.**

20 A. Although I&M allocates the Company's total fixed generation and transmission costs in its
21 jurisdictional cost allocation study based on the 12-CP method, its assigns the same costs
22 to Indiana's firm retail classes based on the 6-CP method. I&M's proposed 6-CP method
23 does not reasonably reflect cost causation imposed upon I&M and should not be primarily
24 relied upon. Instead, I have conducted alternative class cost of service studies based upon
25 the Probability of Dispatch and 12-CP methods. When my recommended cost of service
26 studies are considered, significantly different rates of return are obtained for some classes.

27 With regard to the distribution of any overall increase in base rates authorized in
28 this case to individual classes, I have developed a different recommendation to that
29 proposed by I&M witness Jenifer Fischer. My recommendation considers the results of

1 several cost allocation methodologies as well as recognition of the ratemaking principle of
2 gradualism.

3 With regard to residential rate design, I recommend the Commission maintain the
4 current level of Residential customer charges.

5
6 **III. CLASS COST OF SERVICE**

7 **A. Cost Allocation Principles**

8 **Q. PLEASE BRIEFLY EXPLAIN THE CONCEPT OF UTILITY COST**
9 **ALLOCATIONS AND THEIR PURPOSES IN RATE PROCEEDINGS.**

10 A. As in most states, the IURC relies upon embedded cost allocation studies in order to
11 develop overall jurisdictional revenue requirements as well as to evaluate individual class
12 revenue responsibility.

13 Embedded cost allocation (cost of service) studies are also referred to as fully
14 allocated cost studies because the majority of a public utility's plant investment and
15 expenses are incurred to serve all customers in a joint manner. Accordingly, most costs
16 cannot be specifically attributed to a particular jurisdiction or class of customers. To the
17 extent that certain costs can be specifically attributed to a particular jurisdiction or class of
18 customers, these costs are directly assigned to that jurisdiction or class within the various
19 cost studies. Since most of a utility's costs of providing service are jointly incurred to serve
20 all or most customers, they must be allocated across specific jurisdictions and customer
21 rate classes.

22 It is generally accepted that, to the extent possible, joint costs should be allocated
23 to jurisdictions and customer classes based on the concept of cost causation. That is, costs
24 are allocated based on analyses that measure the causes of the incurrence of costs to the
25 utility. Although cost analysts strive to abide by this concept to the greatest extent
26 practical, some categories of costs, such as corporate overhead costs, cannot be attributed
27 to specific exogenous measures or factors and must be subjectively assigned or allocated
28 across jurisdictions and individual customer rate classes. With regard to those costs to
29 which cost causation can be attributed, there is often disagreement among cost of service

1 experts on what is an appropriate cost causation measure or factor (e.g., peak demand,
2 energy usage, number of customers, etc.).

3 **Q. IN YOUR OPINION, HOW SHOULD THE RESULTS OF COST ALLOCATION**
4 **STUDIES BE UTILIZED IN THE RATEMAKING PROCESS?**

5 A. Although there are certain principles used by all cost of service analysts, there are often
6 significant disagreements on the specific factors that drive individual costs. These
7 disagreements can and do arise due to the quality of data and level of detail available from
8 financial records. There are also fundamental differences in opinions regarding the cost
9 causation factors that should be considered to properly allocate costs to jurisdictions and
10 individual customer classes. Furthermore, and as mentioned previously, numerous
11 subjective decisions are required to allocate the myriad of jointly incurred costs. In this
12 regard, two different cost studies conducted for the same utility and same time period can,
13 and often do, yield different results.

14 A distinction must be made between jurisdictional and class cost of service studies
15 (“CCOSS”). In practice and with regard to jurisdictional cost allocations, a state regulator
16 will select a particular jurisdictional cost study in order to develop the overall jurisdictional
17 revenue requirement. However, with regard to CCOSS, regulators should consider cost
18 allocations only as a guide, with the results being used as one of many tools to assign class
19 revenue responsibility when cost causation factors cannot be realistically ascribed to
20 certain costs.

21 **Q. HAVE THE HIGHER COURTS OPINED ON THE USEFULNESS OF COST**
22 **ALLOCATIONS FOR PURPOSES OF ESTABLISHING REVENUE**
23 **RESPONSIBILITY AND RATES?**

24 A. Yes. In an important case involving Colorado Interstate Gas Company and the Federal
25 Power Commission (the predecessor to the Federal Energy Regulatory Commission
26 (“FERC”)), the Supreme Court of the United States (“U.S. Supreme Court”) stated:

27 But where as here several classes of services have a common use of the same
28 property, difficulties of separation are obvious. Allocation of costs is not a
29 matter for the slide-rule. It involves judgment on a myriad of facts. It has
30 no claim to an exact science.¹

¹ *Colorado Interstate Gas Co. v. Fed. Power Comm'n*, 324 U.S. 581, 65 S. Ct. 829, 89 L. Ed. 1206 (1945).

1 **Q. DOES YOUR OPINION, AND THE FINDINGS OF THE U.S. SUPREME COURT,**
2 **IMPLY THAT COST ALLOCATIONS SHOULD PLAY NO ROLE IN THE**
3 **RATEMAKING PROCESS?**

4 A. No, not at all. It simply means that regulators should consider the fact that cost allocation
5 results are not surgically precise and that alternative, yet equally defensible, approaches
6 may produce significantly different results. In this regard, when all reasonable cost
7 allocation approaches consistently show that certain classes are over or under contributing
8 to costs and/or profits, there is a strong rationale for assigning smaller or greater percentage
9 rate increases to these classes. On the other hand, if one set of reasonable cost allocation
10 approaches shows dramatically different results than another reasonable approach, caution
11 should be exercised in assigning disproportionately larger or smaller percentage increases
12 to the classes in question.

13 **Q. HOW DID YOU PROCEED WITH YOUR ANALYSIS OF I&M'S VARIOUS**
14 **COST ALLOCATION STUDIES?**

15 A. In conducting my independent analyses, I examined the structure and organization of the
16 Company's jurisdictional studies and CCOSS as well as the accuracy and completeness of
17 the primary drivers (allocators) used to assign costs across jurisdictions and to individual
18 rate classes. Next, I reviewed I&M's selection of allocators to specific rate base, revenue,
19 and expense accounts. I then verified the accuracy of I&M's results by developing my own
20 computer model.

21
22 **B. Allocation of Generation-Related (Production) Costs**

23 **Q. BEFORE YOU DISCUSS SPECIFIC COST ALLOCATION METHODOLOGIES,**
24 **PLEASE EXPLAIN HOW GENERATION AND PRODUCTION-RELATED**
25 **COSTS ARE INCURRED. IN DOING SO, PLEASE EXPLAIN THE COST**
26 **CAUSATION CONCEPTS RELATING TO GENERATION AND PRODUCTION**
27 **RESOURCES.**

28 A. Utilities design and build generation facilities to meet the energy and demand requirements
29 of their customers on a collective basis. Because of this, and the physical laws of
30 electricity, it is impossible to determine which facilities are serving which customers. As
31 such, production facilities are joint costs, i.e., they are used by all full service customers.

1 Because of this commonality, production-related costs are not directly known for any
2 customer or customer group and must somehow be allocated.

3 If all customers used electricity at a constant rate ("load") throughout the year, there
4 would be no disagreement as to the proper assignment of generation-related costs. All
5 analysts would agree that energy usage in terms of kilowatt-hour ("KWh") would be the
6 proper approach to reflect cost causation and cost incidence. However, such is not the case
7 in that I&M experiences periods (hours) of much higher demand during certain times of
8 the year and across various hours of the day. Moreover, not all customers contribute in
9 equal proportions to these varying demands placed on the generation system.

10 Historically, there has been a distinct energy/capacity trade-off relating to
11 production costs.² That is, utilities generally have designed their mix of production
12 facilities (generation and power supply) to minimize the total costs of energy and capacity,
13 while also ensuring there was enough available capacity to meet peak demands. The cost
14 trade-off occurred between the level of fixed investments per unit of kilowatt ("KW")
15 capacity and the variable cost of producing a unit of energy output (KWh). Large base
16 load units such as coal and nuclear require high capital expenditures resulting in large
17 investments per KW but tend to operate very efficiently such that variable operating costs
18 are low on a per KWh basis. Conversely, smaller units require significantly less
19 investments per KW of capacity but operate with higher variable production costs per KWh
20 of output. Due to varying levels of demand placed on the system over the course of each
21 day, month, and year, there is a unique optimal mix of production facilities for each utility
22 that minimizes the total cost of capacity and energy (i.e., its cost of service).

23 **Q. WHAT COST ALLOCATION METHODOLOGIES DOES I&M USE TO**
24 **ALLOCATE GENERATION PLANT COSTS?**

25 A. I&M utilizes what is known as the 12-Coincident Peak ("12-CP") method to assign its total
26 generation plant resources between the IURC, the Michigan PSC, and FERC. The 12-CP
27 method is based on each jurisdiction's contributions to the average of each month's highest
28 hourly loads during the year. With regard to the Indiana retail CCROSS, I&M allocates

² Many (if not most) utilities are currently modifying their portfolio of generation assets to include various renewable resources such as solar and wind. In general, these carbon free generating resources are not load following (i.e., are not dispatchable in nature) and often do not reflect the traditional capacity/energy trade-off that typically exists with dispatchable resources.

1 generation costs utilizing what is known as the 6-CP method. This method is based on the
2 highest three months in the winter and three months in the summer.³

3 **Q. APPROXIMATELY HOW LARGE IS THE INDIANA RETAIL**
4 **JURISDICTIONAL LOAD IN RELATION TO I&M'S TOTAL GENERATION**
5 **LOAD?**

6 A. For the forecasted test year ending December 2022, the firm Indiana retail load is about
7 70% of I&M's total firm generation load. The following table provides Indiana's firm
8 retail load contribution to I&M's total generation coincident peak demand during each
9 month of the forecasted test year:

10 **TABLE 1**
11 **I&M Firm Generation Loads (MW)**
12 **(TY Ending 12/31/22)⁴**

Month	Firm Indiana Retail	I&M Total Firm	Firm Indiana Percent
January	2,059	2,877	71.55%
February	1,950	2,775	70.27%
March	1,801	2,531	71.18%
April	1,804	2,605	69.25%
May	2,014	2,791	72.17%
June	2,138	3,020	70.82%
July	2,474	3,480	71.12%
August	2,481	3,547	69.95%
September	2,333	3,284	71.03%
October	1,963	2,714	72.33%
November	1,744	2,469	70.62%
December	1,856	2,730	67.99%
Average	2,051	2,902	70.70%

13 Note: Amounts may not exactly add or divide due to rounding.

14 **Q. WHY DOES I&M UTILIZE THE 12-CP METHOD TO ALLOCATE**
15 **GENERATION COSTS ACROSS JURISDICTION AND THEN UTILIZE THE 6-**
16 **CP METHOD TO ALLOCATE GENERATION COSTS ACROSS THE INDIANA**
17 **RETAIL CLASSES?**

18 A. On page 12 of his direct testimony, Company witness Stephen Hornyak claims that:
19
20 one must consider the individual retail class load shapes in addition to the
21 jurisdictional load shape. It is the combination of the variability of the load
22 shapes by class and the seasonality of the retail class load shapes that
23 supports the Company's proposed 6 CP demand allocator as the best
24 method to allocate demand costs among customer classes.
25

26 ³ The six months included in I&M's 6-CP method are December, January, February, June, July, and August.

27 ⁴ Per WP-JCD-1_JCOS Master Workpaper File_07012021.xlsx.

1 While I agree that it is indeed important to consider individual retail load shapes, Mr.
 2 Hornyak provides no evidence that his selected 6-CP method better reflects the
 3 combination of the variability of the load shapes by class or the seasonality of their retail
 4 load shapes. Indeed, as shown in the table below, Mr. Hornyak's selected 6-CP method
 5 that uses the three winter months of December through February and the three summer
 6 months of June through August do not even support his contention in that there are other
 7 heating months with higher loads and other cooling months with higher loads than those
 8 selected by Mr. Hornyak.

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TABLE 2
 I&M Firm Indiana Generation Loads (MW)
 (TY Ending 12/31/22)⁵

Month	Firm Indiana Retail
January	2,034.6
February	1,877.6
March	1,898.5
April	1,451.0
May	2,174.8
June	2,131.5
July	2,400.5
August	2,243.8
September	2,284.1
October	1,598.7
November	1,738.1
December	1,608.5

21 As can be seen in Table 2, Mr. Hornyak selected December through February for his winter
 22 period even though the forecasted demand in March is greater than December. Similarly,
 23 Mr. Hornyak selected June through August for his summer period even though
 24 September's forecasted peak load is higher than either June or August.

25 **Q. WHY ARE THE FIRM INDIANA RETAIL COINCIDENT PEAK LOADS**
 26 **DIFFERENT IN TABLE 1 THAN IN TABLE 2?**

27 A. In OUCC Data Request No. 7-05, I asked this same question. The Company's response
 28 was as follows:

29 The jurisdictional demands are based on direct metering of interconnection
 30 points and state line crossings. Class monthly peak demands are based on
 31 load research samples, which are statistically valid and are expanded to the

⁵ Per WP-JLF-2_TYE 12-31-2022 CP-kWh Ratio_07012021.xlsx.

1 adjusted Test Year usage levels. As such, it is not reasonable to “reconcile”
2 these demands.
3

4 **Q. WHAT ARE YOUR CONCLUSIONS REGARDING THE COMPANY’S**
5 **SELECTED 6-CP METHOD TO ALLOCATE FIRM INDIANA RETAIL LOADS**
6 **ACROSS CLASSES?**

7 A. Mr. Hornyak’s selected 6-CP method appears to be arbitrary. Although the Indiana retail
8 load comprises more than 70% of the total I&M firm load, he provides no real justification
9 for utilizing a different methodology to allocate generation-related costs across classes
10 within the Indiana jurisdiction. Furthermore, the six months selected by Mr. Hornyak do
11 not reflect the three highest winter months nor the three highest summer months.

12 **Q. PLEASE BRIEFLY DESCRIBE I&M’S PORTFOLIO OF GENERATION**
13 **ASSETS.**

14 A. As discussed by I&M witnesses Timothy Kerns and Shane Lies, I&M’s generation
15 portfolio is comprised of a base load nuclear facility, Donald C. Cook Nuclear Plant
16 (“Cook”) with two units and two base load coal units (Rockport Generating Station
17 (“Rockport”)).⁶ In addition, Petitioner has six run-of-the-river hydro facilities and five
18 solar plants.⁷

19 The Cook and Rockport facilities are considered base load units in that they provide
20 very low cost energy and operate almost continuously throughout the year. With regard to
21 Petitioner’s hydro and solar generation investment, I&M’s hydro units are run-of-the-river
22 wherein the output of these units are primarily dictated by river flow conditions such that
23 their output varies. Similarly, the time of day and amount of atmospheric interference
24 dictates solar generation output. These are important considerations in that these facilities
25 are in place to provide very cheap energy but cannot be relied upon to necessarily meet
26 peak load requirements.

⁶ I&M owns 50% of Rockport 1 while Rockport 2 is operated under a lease agreement with its affiliate, AEP Generating Company (“AEG”). I&M is entitled to 50% of the output of both units and purchases 70% of the AEG entitlement. As such, I&M is entitled to 85% of the total output of Rockport 1 and 2. The Rockport 2 lease ends December 2022 in which the parties have provided a proposed settlement agreement regarding the future ownership and operation of this plant.

⁷ In addition, the Company purchases power from Ohio Valley Electric Company and has purchased power agreements for 450 MW of wind generation.

1 **Q. DOES I&M'S PORTFOLIO OF GENERATION ASSETS INCLUDE ANY**
2 **PEAKER OR INTERMEDIATE FACILITIES?**

3 A. No. I&M is somewhat unique in that its generation rate base is comprised almost entirely
4 of base load units with a small amount of net investment in run-of-the-river hydro and solar
5 generation facilities. Although this mix of generation might be considered inefficient as a
6 standalone vertically integrated utility, it should be remembered that when I&M's plants
7 were built and installed, I&M's parent, American Electric Power ("AEP"), dispatched
8 generation based on the parent company's entire fleet of assets which did include a
9 portfolio of peak and intermediate facilities. However, a much different situation exists
10 today in that I&M is now a member of PJM. As a result of the low energy cost power
11 produced by I&M's generation facilities, Petitioner is a large net seller into the PJM
12 wholesale market. In other words, I&M's generation portfolio consists of very low energy
13 cost plants that meet not only its internal load but also enables Petitioner to sell excess
14 capacity to the wholesale PJM market.

15 **Q. CAN YOU EXPLAIN AND SHOW HOW I&M'S PORTFOLIO OF GENERATING**
16 **ASSETS ARE UTILIZED?**

17 A. Yes. As shown in the table below, during the two-year period (2019 and 2020), the
18 Company's Cook Units 1 & 2 combined produced 91.8% of I&M's total owned generation
19 energy (KWh). As is the case with virtually every nuclear power plant in the industry,
20 Cook was designed and built to provide low cost energy throughout the year, yet cost a
21 tremendous amount per KW of capacity (\$1,710 per KW).⁸ The trade-off with Cook's low
22 energy costs (primarily fuel) is that the capital investment costs (per KW) are very high.
23 This has important implications as it relates to cost causation and how Cook's capital costs
24 (rate base) should be assigned to classes, i.e., cost causation dictates that Cook's capital
25 costs are primarily energy-related and not peak demand-related.

26 With regard to I&M's ownership of the Rockport 1 Plant, this unit produced 7.5%
27 of I&M's total owned generation energy (KWh) over the 2019 to 2020 period. I&M's
28 hydro facilities only provided 0.6% of the Company's owned generation energy (KWh),
29 while the Company's solar facilities have provided only 0.1% of the Company's owned
30 generation energy (KWh).

⁸ Per I&M's 2020 FERC Form 1, page 403.

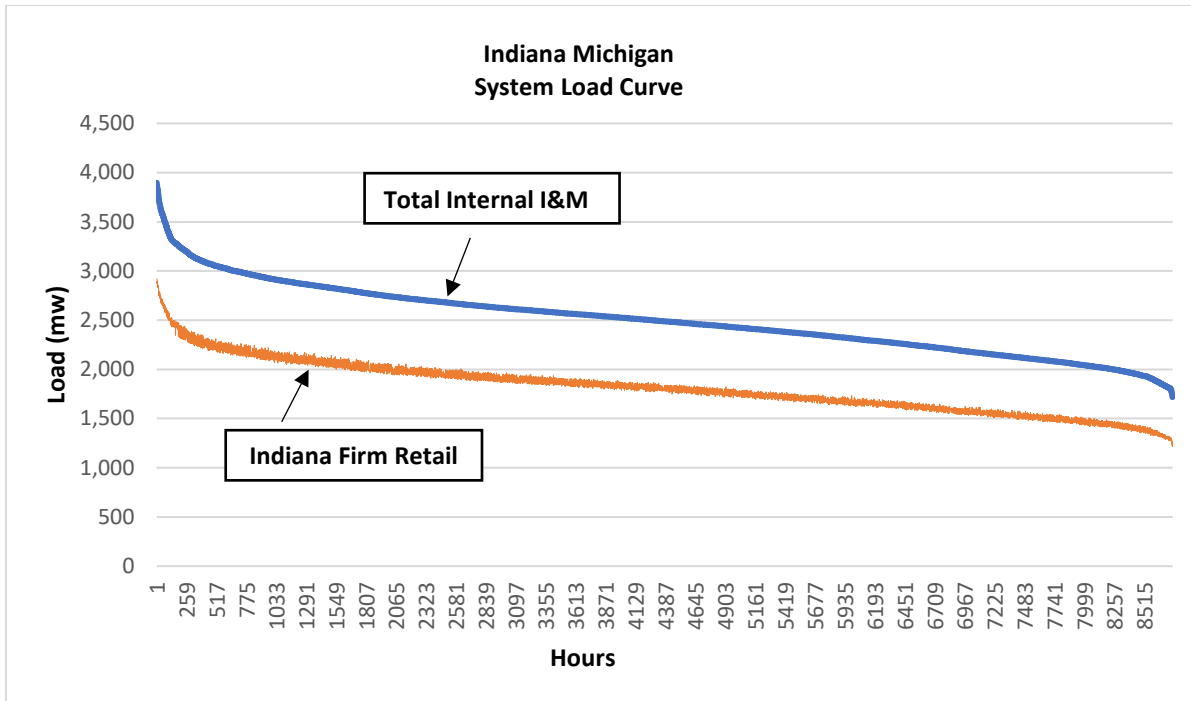
TABLE 3
I&M Owned Generation Characteristics⁹

	Total	Rockport 1		Hydro	Solar
		I&M Ownership	Cook (1 & 2)		
2020 Net Generation (MWh)	19,213,166	831,482	18,268,937	93,394	19,353
Pct. of Owned Generation	100.0%	4.3%	95.1%	0.5%	0.1%
2019 Net Generation (MWh)	18,291,916	1,999,933	16,157,849	114,667	19,467
Pct. of Owned Generation	100.0%	10.9%	88.3%	0.6%	0.1%
2-Yr. Total Net Generation (MWh)	37,505,082	2,831,415	34,426,786	208,061	38,820
Pct. of Owned Generation	100.0%	7.5%	91.8%	0.6%	0.1%

Q. HAVE YOU EXAMINED THE COMPANY'S SYSTEM LOAD REQUIREMENTS THROUGHOUT THE YEAR?

A. Yes. In response to OUCC Data Request 7-19, the Company provided I&M's system internal loads for every hour of the forecasted test year. As a result, I was able to develop the Company's load duration curve. A graph of I&M's system load duration curve is provided below:

⁹ Per I&M's 2019 and 2020 FERC Form 1 provided in OUCC Data Request No. 7-12.

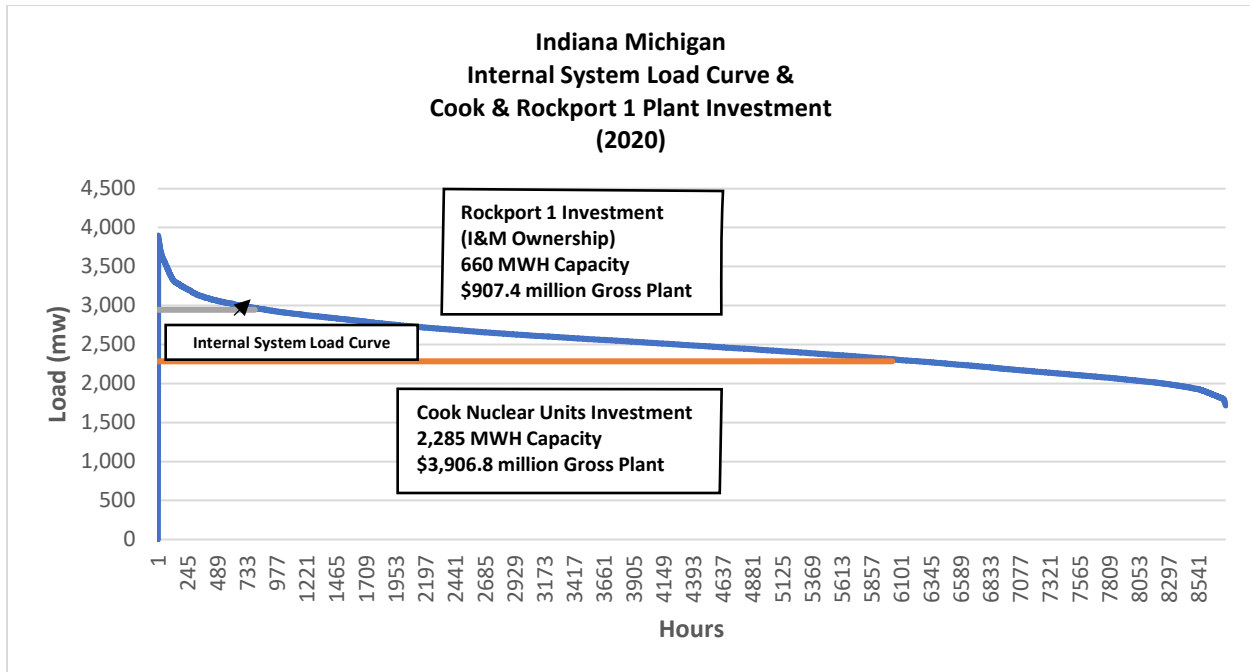


1 **Q. PLEASE EXPLAIN WHAT A LOAD DURATION CURVE REPRESENTS.**

2 A. A load duration curve shows the demand by hour for an entire year such that the first hour
 3 on the graph represents the annual system peak while the last hour shows the lowest hourly
 4 demand for the test year. In other words, it is a curve that is sorted from highest hourly
 5 demand to lowest hourly demand. The area under the curve represents the total energy
 6 required during a year and, most importantly, shows the incidence and duration of load
 7 requirements.

8 **Q. CAN YOU GRAPHICALLY SHOW THE RELATIONSHIP BETWEEN THE
 9 COMPANY'S GENERATION GROSS INVESTMENT TO ITS SYSTEM LOAD
 10 DURATION CURVE?**

11 A. Yes. The following graph provides the Company's load duration curve with the Cook
 12 nuclear and Rockport 1 plants superimposed. As illustrated in this graph, the capacity
 13 associated with I&M's ownership in Cook Units 1 and 2 along with its 50% ownership in
 14 Rockport Unit 1 accommodate the vast majority of I&M's load and energy requirements
 15 throughout the year.



1 Although there is a small portion of the load duration curve that requires additional
2 capacity above that provided by the Cook and Rockport 1 plants, what is most important
3 to understand is the relationship of I&M’s fixed capital costs in generation plant relative
4 to how these capital costs should be assigned across rate classes. The following table
5 provides I&M’s (as-adjusted) gross generation plant investment assigned to firm Indiana
6 jurisdictional business:

7
8 **TABLE 4**
9 **Indiana Retail Allocated Generation Gross Investment**
10 **Forecasted Test Year As-Adjusted¹⁰**

Generating Plant	Gross Investment	Percent Investment
Nuclear (Cook)	\$2,511,232,369	76.9%
Steam (Rockport 1)	\$686,706,571	21.0%
Hydro	\$41,201,375	1.3%
Solar	\$26,434,674	0.8%
Total	\$3,265,574,990	100.0%

15 Note: Amounts may not add due to rounding.

¹⁰ Per Attachment JCD-1, page 2.

1 As can be seen in the table above, I&M's investment in the Cook and Rockport 1 units
2 represent 97.9% of the total generation plant investment assigned to Indiana jurisdictional
3 business. At the same time, these base load units provide load and energy requirements to
4 all retail customers throughout the year. The Company's proposed 6-CP method totally
5 ignores this reality in that virtually all of the Company's investment in generation plant is
6 assumed to serve only a few hours of peak load. This assumption significantly overstates
7 the cost responsibility assigned to weather-sensitive and low load factor customer classes.
8 In other words, although the Cook and Rockport 1 units were designed, built, and are
9 operated to provide low cost energy throughout the year, I&M's 6-CP approach ignores
10 this reality by assuming that almost all of I&M's investment in generation plant is required
11 to meet only a few hours of peak load which are more cost effectively served with much
12 cheaper peaker units.

13 **Q. WHAT ARE YOUR CONCLUSIONS REGARDING I&M'S PROPOSAL TO**
14 **ALLOCATE GENERATION PLANT BASED ON THE 6-CP METHOD?**

15 A. I&M's proposed 6-CP method to allocate generation plant investment is inappropriate for
16 the reasons discussed above. As a result, the 6-CP method significantly over-allocates
17 costs to smaller volume classes (e.g., Residential and Small Commercial) and under-
18 allocates costs to large industrial classes. There is no doubt that I&M's portfolio of
19 generation assets were planned and are operated primarily to serve energy needs of its
20 customers throughout the year and that it has virtually no investment in generation plant
21 devoted only to meet peak load requirements.

22 **Q. IS THERE AN ALLOCATION METHOD THAT MORE REASONABLY**
23 **REFLECTS HOW I&M'S PORTFOLIO OF GENERATION ASSETS ARE**
24 **PLANNED, BUILT, AND UTILIZED?**

25 A. Yes. With today's technology and computer resources, it is now possible to assign
26 generation plant cost responsibility on an hour-by-hour basis for each individual
27 generating asset. This method, known as the Probability of Dispatch ("POD") method,
28 can more accurately be described as a generation unit-specific approach to assign cost
29 responsibility on an hourly basis.

30 Under the POD approach, each generation asset (plant or unit) is evaluated on an
31 hourly basis for every hour of the year. Each generating asset's capital costs are then

1 assigned to individual hours based upon how that individual plant is dispatched or operated.
2 As such, investment or capital costs are allocated based on how a particular plant is actually
3 utilized to meet customers' loads and energy requirements. For example, the investment
4 costs associated with I&M's Cook nuclear units, which operate almost continuously
5 throughout the year, are spread over many hours of the year while the capital costs
6 associated with other units which operate more sporadically are assigned costs to only those
7 hours in which they are operated.

8 These individual generating unit hourly investments are then assigned to classes
9 based on each class's contribution to system load during the same corresponding hours.
10 As such, the POD method accurately reflects cost causation in that generation costs are
11 assigned to classes based exactly on how each generation unit is utilized over every hour
12 of the year relative to each class's load requirements during each hour of the year.

13 Because market-based generation prices tend to be higher during periods of high
14 demand and lower during periods of low demand, many analysts are of the opinion that
15 consideration should be given to this fact within the assignment of hourly cost
16 responsibility; i.e., utilize a weighting mechanism based on hourly market generation
17 prices.

18 The POD method is even more appealing today than it has been in the past largely
19 due to the increased amount of non-dispatchable generation resources (e.g., solar and wind)
20 in that the costs of these units are assigned based on when these units provide power and
21 energy to customers. Furthermore, when market-based hourly prices are incorporated into
22 I&M's cost of service, the POD method is also reasonably consistent with PJM real-time
23 market-based prices.

24 Because the POD method is truly a time-differentiated approach to assign
25 generation capital costs, fuel costs should also be assigned on a time-differentiated, hour-
26 by-hour basis.

27 **Q. HAVE YOU APPLIED THE POD METHOD TO ASSIGN I&M'S GENERATION**
28 **COSTS IN THIS CASE?**

29 **A.** Yes. In Confidential response to OUCC Data Request 7-08, the Company provided the
30 hourly output for each generating unit during the forecasted test year. In addition, in

1 response to IG Data Request 2-09, I&M provided class hourly loads (at transmission level)
2 for the forecasted test year.¹¹

3 In developing my POD allocators, I utilized the Company's as-adjusted Indiana
4 retail capital costs (gross plant, depreciation reserve, depreciation expense and
5 amortization in generation plant) for each individual generating unit as shown in my
6 Attachment GAW-2. I then weighted each unit's hourly output by the hourly 2020 PJM
7 Locational Marginal Price ("LMP") for the I&M Residual Aggregate.¹² Because I&M's
8 fixed capital costs associated with generation plant are allocated on an hourly basis, it is
9 also appropriate to assign the Company's fuel costs on an hourly basis. In Confidential
10 response to OUCC Data Request 7-14, the Company provided forecasted test year monthly
11 fuel costs by individual generating unit. As a result, I was then able to assign these monthly
12 fuel costs to individual hours by individual generating unit. The analyses supporting my
13 various POD allocators (hourly gross plant, depreciation reserve, depreciation and
14 amortization expense, and fuel costs) are extremely voluminous and are available upon
15 request.

16 **Q. BY ASSIGNING I&M'S GENERATION CAPITAL AND FUEL COSTS ON AN**
17 **HOURLY BASIS, IS THIS THE SAME AS SIMPLY ALLOCATING THESE**
18 **AMOUNTS BASED ON ENERGY?**

19 A. No. During hours in which the total Indiana retail load is high (peaking hours), each class
20 is assigned their respective share of costs during that hour. As examples, the forecasted
21 annual Indiana retail peak demand of 2,400.5 MW is on July 9, 2022 at 1500 hours (2:00
22 p.m.) while the hour with the lowest Indiana retail load of 923.3 MW occurring on June
23 14, 2022 at 0600 hours (6:00 a.m.). The following table provides a comparison of class
24 allocations during these two extreme load hours:

¹¹ In response to OUCC Data Request 23-01, the Company confirmed that the hourly loads presented in response to IG Data Request 2-09 were in fact forecasted 2022 class loads in which the 2020 historical class load profiles were used to build the 2022 forecasted class loads using 2022 test year billing determinants.

¹² Actual 2020 hourly LMPs are consistent with forecasted 2022 loads as explained in footnote 11.

TABLE 5
Comparison of Hourly Gross Plant Allocation Factors
Highest & Lowest Hourly Loads

Class	7/9/2022 @ 1500 2,400.5 MW	6/14/2022 @ 0600 923.3 MW
Resid.	44.47%	24.53%
GS	10.07%	8.90%
LGS	22.49%	24.30%
IP	21.96%	40.35%
MS	0.16%	0.20%
WSS	0.78%	1.65%
EHG	0.04%	0.05%
IS	0.02%	0.01%
OL/SL	0.00%	0.00%
Total	100.00%	100.00%

Q. PLEASE PROVIDE A COMPARISON OF YOUR POD CLASS ALLOCATION FACTORS TO THOSE OF I&M'S 6-CP ALLOCATION FACTORS.

A. The following table provides a comparison of my POD class allocation factors to those of I&M's factors:

TABLE 6
Comparison of I&M Generation Allocators
POD vs. 6-CP

Class	Gross Plant	Depr. Reserve	Depr. Expense	Amort. Expense	Fuel Cost	6-CP
Resid.	37.6312%	37.5648%	38.1575%	40.4186%	37.4341%	41.7942%
GS Sec	9.0810%	9.0826%	9.0390%	8.8554%	8.8811%	10.0638%
GS Pri	0.2203%	0.2206%	0.2179%	0.2077%	0.2157%	0.2366%
GS Sub	0.0508%	0.0510%	0.0497%	0.0451%	0.0498%	0.0520%
GS Trans	0.0034%	0.0034%	0.0035%	0.0036%	0.0033%	0.0039%
LGS Sec	21.6697%	21.6867%	21.5070%	20.8046%	21.4870%	21.7065%
LGS Pri	1.2710%	1.2725%	1.2595%	1.2096%	1.2630%	1.2628%
LGS Sub	0.0286%	0.0286%	0.0282%	0.0266%	0.0283%	0.0280%
IP Sec	3.9780%	3.9849%	3.9313%	3.7296%	4.0067%	3.4807%
IP Pri	14.4653%	14.4879%	14.2963%	13.5736%	14.6315%	12.3491%
IP Sub	5.5415%	5.5514%	5.4830%	5.2293%	5.6695%	4.5647%
IP Trans	4.0664%	4.0686%	4.0466%	3.9665%	4.1731%	3.3445%
MS	0.1880%	0.1880%	0.1877%	0.1864%	0.1846%	0.2033%
WSS Sec	0.5957%	0.5964%	0.5924%	0.5779%	0.6131%	0.4632%
WSS Pri	0.3916%	0.3919%	0.3898%	0.3820%	0.4013%	0.3089%
WSS Sub	0.0741%	0.0741%	0.0744%	0.0755%	0.0767%	0.0586%
EHG	0.0389%	0.0388%	0.0393%	0.0412%	0.0390%	0.0466%
IS	0.0113%	0.0113%	0.0112%	0.0109%	0.0110%	0.0096%
OL	0.2797%	0.2809%	0.2764%	0.2637%	0.3353%	0.0092%
SL	0.4136%	0.4154%	0.4091%	0.3921%	0.4958%	0.0139%
Total	100%	100%	100%	100%	100%	100%

Q. HAVE YOU ALSO CONDUCTED A CCROSS IN WHICH GENERATION-RELATED COSTS ARE ALLOCATED TO CLASSES BASED ON THE 12-CP METHOD?

A. Yes. I will provide the results of the POD and 12-CP approach later in my testimony.

1 **C. Transmission Plant**

2 **Q. PLEASE EXPLAIN THE THEORIES ON HOW TRANSMISSION-RELATED**
3 **PLANT SHOULD BE ALLOCATED WITHIN AN EMBEDDED CCROSS.**

4 A. There are two general philosophies relating to the proper allocation of transmission-related
5 plant. The first philosophy is based on the premise that transmission facilities are nothing
6 more than an extension of generation plant in that transmission facilities simply act as a
7 conduit to provide power and energy from distant generating facilities to a utility's load
8 center (specific service area). That is, generation facilities are often located well away
9 from load centers and near the resources required to operate generation facilities. For
10 example, nuclear and coal generation facilities are commonly located near water sources
11 for steam and cooling or near coal mines and/or rail facilities. Similarly, natural gas
12 generators must be located in close proximity to large natural gas pipelines. Under this
13 philosophy, transmission costs are allocated using the same method as that used to allocate
14 generation-related costs.

15 The second philosophy relates to the physical capacity of transmission lines. That
16 is, transmission facilities have a known and measurable load capability such that customer
17 contributions to peak load should serve as the basis for allocating these transmission costs.
18 While there is no doubt that any given electricity conductor (i.e., a transmission line) has a
19 physical load carrying capability, this rationale fails to recognize cost causation in three
20 regards.

21 First, an allocation based simply on contributions to a few hours of peak load fails
22 to recognize the fact that transmission facilities are indeed an extension of generation
23 facilities and are used to move the energy produced by the generators from remote locations
24 to where customers actually consume electricity. Second, and similar to the concept of
25 base load units producing energy to serve customers throughout the year, a peak
26 responsibility approach based on one or only a few hours of maximum demand fails to
27 recognize that transmission facilities are used virtually every hour of an entire year and not
28 just during periods of peak load. Third, any assumption that transmission costs are related
29 to peak load implies that there is a direct and linear relationship between cost and load. In
30 other words, one must assume that if load increases, the cost of transmission facilities
31 increases, in a direct and linear manner. This is simply not the case since there are

1 significant economies of scale associated with high voltage transmission lines.

2 **Q. WHAT METHODS DID I&M USE TO ALLOCATE TRANSMISSION-RELATED**
3 **COSTS?**

4 A. I&M witness Jennifer Duncan allocated jurisdictional transmission-related costs based on
5 the 12-CP method while Mr. Hornyak utilized the 6-CP method to allocate transmission-
6 related costs across Indiana retail classes.

7 **Q. WHAT IS YOUR OPINION REGARDING THE PROPER ALLOCATION OF**
8 **TRANSMISSION-RELATED COSTS?**

9 A. The 12-CP approach strikes a reasonable balance between the two general philosophies
10 that were discussed above as it relates to the cost causation and allocation of transmission-
11 related costs.

12 **D. Distribution Plant**

13 **Q. PLEASE EXPLAIN THE PHRASE "CLASSIFICATION OF DISTRIBUTION**
14 **PLANT."**

15 A. It is generally recognized that there are no energy-related costs associated with distribution
16 plant. That is, the distribution system is designed to meet localized peak demands.
17 However, largely as a result of differences in customer densities throughout a utility's
18 service area, electric utility distribution plant sometimes is classified as partially demand-
19 related and partially customer-related.

20 **Q. HOW DID MR. HORNYAK CLASSIFY AND ALLOCATE DISTRIBUTION**
21 **PLANT RELATED COSTS?**

22 A. First, it should be understood that Mr. Hornyak has bifurcated I&M's distribution system
23 into primary and secondary voltage subsystems. In doing so, Mr. Hornyak properly
24 recognizes that primary voltage customers should not be assigned secondary voltage
25 distribution costs and he also properly recognizes load diversity and cost causation by
26 utilizing different allocation factors between the primary and secondary subsystems. With
27 this understanding, Mr. Hornyak has classified distribution Accounts 360 through 368 as

1 totally demand-related, while Accounts 369 and 370 were classified as customer-related.¹³
2 On pages 13 through 15 of his direct testimony, Mr. Hornyak provides support for his
3 classification and allocation of distribution plant. While I will not reiterate Mr. Hornyak's
4 rationale for his classification and allocation procedures relating to distribution plant, I
5 agree that his rationale and methods reasonably reflect cost causation and fairly allocate
6 distribution-related costs across classes.

7 **Q. PLEASE PROVIDE A SUMMARY AND COMPARISON OF CLASS RATE OF**
8 **RETURNS (“ROR”) AT CURRENT RATES UNDER THE POD, 12-CP, AND 6-CP**
9 **METHOD.**

10 A. In conducting my CCOSS analyses using the POD and 12-CP methods, it should be
11 understood that transmission-related costs are allocated using 12-CPs while the Company's
12 6-CP method allocates both generation-related and transmission-related costs on 6-CP.
13 With this understanding, the following table provides a comparison of retail class RORs
14 and indexed RORs under the POD, 12-CP, and 6-CP methods:

¹³ These Account numbers are as follows: 360 (Land Rights); 361 (Structures & Improvements); 362 (Station Equipment); 363 (Storage Battery Equipment); 364 (Poles); 365 (Overhead Conductors); 366 (Underground Conduit); 367 (Underground Conductors); 368 (Line Transformers); 369 (Services); and 370 (Meters).

TABLE 7
Comparison of Class RORs @ Current Rates

Class	ROR			Indexed ROR		
	POD	12-CP	I&M 6-CP	POD	12-CP	I&M 6-CP
Resid.	5.48%	5.26%	4.48%	121%	116%	99%
GS Sec	7.76%	6.10%	6.52%	172%	135%	144%
GS Pri	8.40%	6.26%	7.90%	186%	138%	175%
GS Sub	8.06%	4.14%	7.55%	178%	92%	167%
GS Trans	10.70%	10.38%	8.19%	237%	230%	181%
LGS Sec	3.52%	2.92%	3.39%	78%	65%	75%
LGS Pri	3.26%	2.68%	3.49%	72%	59%	77%
LGS Sub	2.28%	2.08%	3.29%	50%	46%	73%
IP Sec	3.17%	3.64%	4.68%	70%	80%	103%
IP Pri	2.38%	3.53%	4.40%	53%	78%	97%
IP Sub	2.15%	3.99%	5.26%	47%	88%	116%
IP Trans	-0.03%	3.31%	3.61%	-1%	73%	80%
MS	5.41%	4.02%	4.75%	120%	89%	105%
WSS Sec	1.19%	3.40%	4.07%	26%	75%	90%
WSS Pri	0.27%	2.86%	3.35%	6%	63%	74%
WSS Sub	-0.26%	3.18%	3.52%	-6%	70%	78%
EHG	6.27%	4.96%	4.31%	139%	110%	95%
IS	8.28%	9.22%	9.68%	183%	204%	214%
OL	3.49%	8.39%	9.02%	77%	185%	199%
SL	0.67%	9.32%	10.57%	15%	206%	234%
Total IN Firm Retail	4.52%	4.52%	4.52%	100%	100%	100%

The detailed output of my POD and 12-CP studies are provided in my Attachment GAW-3 and Attachment GAW-4, respectively.

Q. WHAT ARE YOUR CONCLUSIONS REGARDING I&M'S CLASS COST OF SERVICE?

A. Although no CCOSS can be considered surgically precise, the POD method is a granular approach that evaluates costs and loads on an individual hourly basis. This approach better reflects how costs are incurred and also is conceptually consistent with how competitive wholesale markets within PJM are structured.

1 At the same time, I&M's proposed 6-CP method results in a significant bias against
2 small volume/low load factor customers due to the fact that almost all of the Company's
3 generation plant investment is attributable to base load units (Cook and Rockport 1) that
4 were designed, built, and are operated in order to provide low cost energy throughout the
5 year. Under the 6-CP method, I&M's investment in generation plant is then
6 inappropriately assigned to classes based only on six hours of highest demand.

7 Finally, for jurisdictional cost allocations, the Company has allocated its generation
8 and transmission plant based on the 12-CP method yet proposes to allocate these costs to
9 firm Indiana retail classes based on the 6-CP method even though the Indiana jurisdiction
10 comprises about 70% of I&M's total generation and transmission business. In this regard,
11 the 12-CP method can be considered a comprise for CCOSS purposes.

12 13 IV. CLASS REVENUE ALLOCATION

14 **Q. WHAT ARE THE GENERAL CRITERIA THAT SHOULD BE CONSIDERED IN**
15 **ESTABLISHING CLASS REVENUE RESPONSIBILITY FOR ELECTRIC**
16 **UTILITY RATES?**

17 A. There are several criteria that should be considered in evaluating class or rate schedule
18 revenue responsibility. Class cost allocation results should be considered but, as discussed
19 in detail earlier in my testimony, are not surgically precise. As such, they should only be
20 used as a guide and used as one of many tools in evaluating class revenue responsibility.
21 Other criteria that should be considered include: gradualism, wherein rates should not
22 drastically change instantaneously; rate stability, which is similar in concept to gradualism
23 but relates to specific rate elements within a given rate structure; affordability of electricity
24 across various classes as well as a relative comparison of electricity prices across classes;
25 and, public policy concerning current economic conditions as well as economic
26 development.

27 Because embedded class cost allocations cannot be considered surgically precise
28 and the fact that other criteria that should be considered in evaluating class revenue
29 responsibility are clearly subjective in nature, proper class revenue distribution can be
30 deemed more of an art than a science. In this regard, there is no universal mathematical

1 methodology that can be applied across all utilities or across all rate classes. However,
2 most experts and regulatory commissions agree on certain broad parameters regarding class
3 revenue increases. These include: some movement towards allocated cost of service, and
4 maximum/minimum percentage changes across individual rate classes.

5 **Q. DOES I&M WITNESS JENIFER FISCHER CLAIM TO HAVE CONSIDERED**
6 **THE VARIOUS SUBJECTIVE CRITERIA AS WELL AS THE BROAD**
7 **PARAMETERS DISCUSSED ABOVE WITHIN HER CLASS REVENUE**
8 **ALLOCATION PROPOSAL?**

9 A. In general, yes. Ms. Fischer's approach to her revenue allocation is to first consider class
10 RORs at current rates as produced under Mr. Hornyak's 6-CP allocation study. She then
11 calculates each class's "required" increase in order for each class to produce the system
12 average rate of return at current rates. Then, Ms. Fischer reflects the Company's overall
13 requested increase and considered gradualism across all classes.

14 **Q. PLEASE PROVIDE A SUMMARY OF THE COMPANY'S PROPOSED CLASS**
15 **REVENUE INCREASES TO BASE RATES AS WELL AS ITS PROPOSED "ALL-**
16 **IN" REVENUE INCREASES.**

17 A. The following two tables provide a summary of current and proposed class revenue
18 increases both on a base rate and "all-in" basis:

TABLE 8
I&M (Witness Fischer)
Proposed Base Rate Revenue Distribution ¹⁴

Class	Current Base Rate Revenue	I&M Proposed Increase	I&M Percent Increase
Total Residential	\$550,931,977	\$66,299,952	12.03%
Total GS Sec	\$138,245,961	\$13,699,355	9.91%
Total GS Pri	\$2,991,524	\$52,087	1.74%
GS Sub	\$551,591	-\$35,971	-6.52%
GS Tran	\$40,724	-\$3,464	-8.51%
Total GS	\$141,829,800	\$13,712,008	9.67%
Total LGS Sec	\$234,446,722	\$35,237,223	15.03%
Total LGS Pri	\$12,908,824	\$1,755,503	13.60%
LGS Sub	\$242,569	\$14,504	5.98%
Total LGS	\$247,598,115	\$37,007,231	14.95%
IP Sec	\$41,121,616	\$5,019,671	12.21%
IP Pri	\$134,834,168	\$18,768,704	13.92%
IP Sub	\$44,764,502	\$5,854,984	13.08%
IP Tran ¹⁵	\$30,631,491	\$4,052,586	13.23%
Total IP	\$251,351,778	\$33,695,945	13.41%
MS	\$2,451,407	\$287,728	11.74%
Total WSS Sec	\$5,540,891	\$918,233	16.57%
WSS Pri	\$3,225,101	\$492,007	15.26%
WSS Sub	\$528,132	\$57,286	10.85%
Total WSS	\$9,294,125	\$1,467,526	15.79%
EHG	\$552,188	\$80,376	14.56%
IS	\$243,653	-\$3,945	-1.62%
OL	\$6,549,214	-\$46,252	-0.71%
SL	\$5,064,001	\$93,991	1.86%
Total Firm	\$1,215,866,258	\$152,594,559	12.55%
Juris IRP	\$96,450,178	\$3,639,262	3.77%
Total Indiana Juris	\$1,312,316,436	\$156,233,821	11.91%

Note: Amounts may not add due to rounding.

¹⁴ Per Attachment JLF-3, pages 5 and 6.

¹⁵ Includes firm portion of IRP.

TABLE 9
I&M (Witness Fischer)
Proposed "All-In" Base Rate Revenue Distribution ¹⁶

Class	Current All-In Rate Revenue	I&M Proposed Increase	I&M Percent Increase
Total Residential	\$672,376,084	\$45,361,228	6.75%
Total GS Sec	\$170,172,396	\$10,763,565	6.33%
Total GS Pri	\$3,805,959	\$234,140	6.15%
GS Sub	\$751,453	-\$131,815	-17.54%
GS Tran	\$52,090	\$13,158	25.26%
Total GS	\$174,781,897	\$10,879,048	6.22%
Total LGS Sec	\$292,143,030	\$23,074,119	7.90%
Total LGS Pri	\$16,294,775	\$1,060,005	6.51%
LGS Sub	\$305,619	\$846	0.28%
Total LGS	\$308,743,424	\$24,134,971	7.82%
IP Sec	\$51,600,660	\$2,907,077	5.63%
IP Pri	\$171,849,989	\$11,590,286	6.74%
IP Sub	\$58,339,495	\$3,119,488	5.35%
IP Tran ¹⁷	\$39,845,578	\$2,376,979	5.97%
Total IP	\$321,635,721	\$19,993,829	6.22%
MS	\$3,056,352	\$166,159	5.44%
Total WSS Sec	\$6,783,974	\$731,835	10.79%
WSS Pri	\$4,031,420	\$380,904	9.45%
WSS Sub	\$682,742	\$35,863	5.25%
Total WSS	\$11,498,135	\$1,148,602	9.99%
EHG	\$679,665	\$63,844	9.39%
IS	\$261,785	-\$5	0.00%
OL	\$6,464,538	-\$3	0.00%
SL	\$5,145,499	-\$29	0.00%
Total Firm	\$1,504,643,102	\$101,747,644	6.76%
Juris IRP	\$100,901,967	\$2,641,156	2.62%
Total Indiana Juris	\$1,605,545,069	\$104,388,800	6.50%

Note: Amounts may not add due to rounding.

¹⁶ Per Attachment JLF-3, pages 5 and 6.

¹⁷ Includes firm portion of IRP.

1 **Q. DO YOU RECOMMEND AN ALTERNATIVE CLASS REVENUE**
 2 **ALLOCATION?**

3 A. Yes. In order to provide an apples-to-apples comparison of Ms. Fischer's recommended
 4 class revenue increases to base rates, I have developed a class revenue allocation utilizing
 5 I&M's requested increase to base rates of \$156.234 million. In addition, I have also carried
 6 my recommendations through to include I&M's proposed rider revenues and rider
 7 increases consistent with the "all-in" revenue allocation shown in Ms. Fischer's
 8 Attachment JLF-3.

9 In developing my proposed base rate class revenue allocation, I have considered
 10 the average results of all class cost of service studies including the Company's 6-CP, my
 11 POD, and my 12-CP methods.¹⁸ I then considered gradualism and limited all firm class
 12 increases to no more than 1.25 times the system-wide average firm percentage increase and
 13 recommend that no rate class receive a reduction in base rates. For those classes in which
 14 the average indexed ROR is similar to I&M's 6-CP indexed ROR, I have accepted Ms.
 15 Fischer's proposed revenue increases.¹⁹ The development of my recommended base rate
 16 class revenue allocation is provided in my Attachment GAW-6.

17 To illustrate how each firm class' increase was determined and as shown in my
 18 Attachment GAW-6, first consider Rate GS Secondary. This class exhibits an average
 19 indexed rate of return of 150% which is similar to the 144% indexed ROR calculated by
 20 Mr. Hornyak. Therefore, I have accepted Ms. Fischer's recommendation for this class.
 21 Next, consider GS Transmission. Ms. Fischer recommends a base rate reduction for this
 22 rate class while I have assigned no change in base rate revenues for this class. To further
 23 explain, consider IP Transmission. All cost of service methods show that this class' rate
 24 of return is lower than the system average rate of return and that the average of all CCOSS
 25 indicates that this class is substantially revenue deficient. As a result, I have increased this
 26 class' base rate revenues at 120% of the system average percent increase to base rate firm
 27 revenues. Each class was evaluated separately wherein the Residential class was treated
 28 as the residual in order to achieve an increase of \$156.234 million in base rate revenues.

¹⁸ The average of the three CCOSS presented in Table 7 are provided in my Attachment GAW-5.

¹⁹ I have accepted Ms. Fischer's proposed base rate revenue increases to GS Secondary, GS Primary, LGS Secondary, LGS Primary, and MS.

1 **Q. PLEASE PROVIDE A COMPARISON OF YOUR BASE RATE REVENUE**
 2 **ALLOCATION TO THAT PROPOSED BY MS. FISCHER.**

3 A. The following table provides a comparison of base rate revenue increases under Ms.
 4 Fischer's and my proposed revenue allocations:

5
 6 **TABLE 10**
 Comparison of Base Rate Revenue Allocations
 7 (\$000)

Class	Current Revenue	I&M Proposed Increase		OUCC Proposed Increase	
		\$	%	\$	%
Total Residential	\$550,932	\$66,300	12.03%	\$63,564	11.54%
Total GS Sec	\$138,246	\$13,699	9.91%	\$13,699	9.91%
Total GS Pri	\$2,992	\$52	1.74%	\$52	1.74%
GS Sub	\$552	-\$36	-6.52%	\$0	0.00%
GS Tran	\$41	-\$3	-8.51%	\$0	0.00%
Total GS	\$141,830	\$13,712	9.67%	\$13,751	9.70%
Total LGS Sec	\$234,447	\$35,237	15.03%	\$35,237	15.03%
Total LGS Pri	\$12,909	\$1,756	13.60%	\$1,756	13.60%
LGS Sub	\$243	\$15	5.98%	\$38	15.69%
Total LGS	\$247,598	\$37,007	14.95%	\$37,031	14.96%
IP Sec	\$41,122	\$5,020	12.21%	\$5,419	13.18%
IP Pri	\$134,834	\$18,769	13.92%	\$20,306	15.06%
IP Sub	\$44,765	\$5,855	13.08%	\$5,899	13.18%
IP Tran ²⁰	\$30,631	\$4,053	13.23%	\$4,805	15.69%
Total IP	\$251,352	\$33,696	13.41%	\$36,430	14.49%
MS	\$2,451	\$288	11.74%	\$288	11.74%
Total WSS Sec	\$5,541	\$918	16.57%	\$869	15.69%
WSS Pri	\$3,225	\$492	15.26%	\$506	15.69%
WSS Sub	\$528	\$57	10.85%	\$83	15.69%
Total WSS	\$9,294	\$1,468	15.79%	\$1,458	15.69%
EHG	\$552	\$80	14.56%	\$73	13.18%
IS	\$244	-\$4	-1.62%	\$0	0.00%
OL	\$6,549	-\$46	-0.71%	\$0	0.00%
SL	\$5,064	\$94	1.86%	\$0	0.00%
Total Firm	\$1,215,866	\$152,595	12.55%	\$152,595	12.55%
Juris IRP	\$96,450	\$3,639	3.77%	\$3,639	3.77%
Total Indiana Juris	\$1,312,316	\$156,234	11.91%	\$156,234	11.91%

Note: Amounts may not add due to rounding.

²⁰ Includes firm portion of IRP.

1 **Q. PLEASE PROVIDE A COMPARISON OF YOUR “ALL IN” REVENUE**
 2 **ALLOCATION TO THAT PROPOSED BY I&M.**

3 A. As mentioned earlier, I&M is proposing changes to several of its existing riders as well as
 4 new riders. For comparison purposes, I have incorporated my recommended base rate
 5 revenue increases to the changes in rider revenues proposed by I&M in order to provide an
 6 “all in” rate comparison to that of Petitioner. The following table provides a comparison
 7 of the “all in” increases by rate class:

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TABLE 11
 Comparison of Total “All-In” Revenue Allocations
 (\$000)

Class	Current Revenue	I&M Proposed Increase		OUCC Proposed Increase	
		\$	%	\$	%
Total Residential	\$672,376	\$45,361	6.75%	\$42,625	6.34%
Total GS Sec	\$170,17	\$10,764	6.33%	\$10,764	6.33%
Total GS Pri	\$3,806	\$234	6.15%	\$234	6.15%
GS Sub	\$751	-\$132	-17.54%	-\$96	-12.75%
GS Tran	\$52	\$13	25.26%	\$17	31.91%
Total GS	\$174,782	\$10,879	6.22%	\$10,918	6.25%
Total LGS Sec	\$292,143	\$23,074	7.90%	\$23,074	7.90%
Total LGS Pri	\$16,295	\$1,060	6.51%	\$1,060	6.51%
LGS Sub	\$306	\$1	0.28%	\$24	7.98%
Total LGS	\$308,743	\$24,135	7.82%	\$24,159	7.82%
IP Sec	\$51,601	\$2,907	5.63%	\$3,306	6.41%
IP Pri	\$171,850	\$11,590	6.74%	\$13,128	7.64%
IP Sub	\$58,339	\$3,119	5.35%	\$3,163	5.42%
IP Tran ²¹	\$39,846	\$2,377	5.97%	\$3,130	7.85%
Total IP	\$321,636	\$19,994	6.22%	\$22,728	7.07%
MS	\$3,056	\$166	5.44%	\$166	5.44%
Total WSS Sec	\$6,784	\$732	10.79%	\$683	10.07%
WSS Pri	\$4,031	\$381	9.45%	\$395	9.79%
WSS Sub	\$683	\$36	5.25%	\$61	9.00%
Total WSS	\$11,498	\$1,149	9.99%	\$1,139	9.91%
EHG	\$680	\$64	9.39%	\$56	8.27%
IS	\$262	\$0	0.00%	\$4	1.51%
OL	\$6,465	\$0	0.00%	\$46	0.72%
SL	\$5,145	\$0	0.00%	-\$94	-1.83%
Total Firm	\$1,504,643	\$101,748	6.76%	\$101,748	6.76%
Juris IRP	\$100,902	\$2,641	2.62%	\$2,641	2.62%
Total Indiana Juris	\$1,605,545	\$104,389	6.50%	\$104,389	6.50%

Note: Amounts may not add due to rounding.

²¹ Includes firm portion of IRP.

1 **Q. IN THE EVENT THE COMMISSION AUTHORIZES AN OVERALL BASE RATE**
2 **REVENUE INCREASE LESS THAN THE \$156.234 MILLION REQUESTED BY**
3 **I&M, HOW SHOULD THE ULTIMATE INCREASE TO BASE RATE REVENUES**
4 **BE DISTRIBUTED ACROSS RATE SCHEDULES?**

5 A. I recommend that any overall increase be distributed to rate classes in proportion to the
6 class revenue increases I propose above.

7 **V. RESIDENTIAL RATE DESIGN**

8 **Q. PLEASE EXPLAIN THE COMPANY'S CURRENT AND PROPOSED**
9 **RESIDENTIAL RATE STRUCTURES.**

10 A. I&M offers three separate rate schedules for Residential customers: Rate RS; Rate RS-
11 TOD; and, an experimental Rate RS-TOD2. Although the vast majority of Residential
12 customers take service under Rate RS, approximately 1,463 customers have elected for the
13 optional RS-TOD Rate and approximately 136 customers participate in the optional RS-
14 TOD2 Rate. With regard to Rate RS, the rate structure is currently comprised of a fixed
15 monthly customer charge of \$15.00 and a slightly declining-block energy charge per KWh
16 of 11.482¢ for the first 900 KWh and 10.809¢ for all additional KWh.²² The Company
17 proposes to increase the fixed monthly customer charge by 33% to \$20.00 and continue its
18 declining-block energy charge. With regard to Rate RS-TOD, the current monthly
19 customer charge is \$16.50 wherein the Company proposes to increase this fixed charge to
20 \$20.25 per month. The current Rate RS-TOD2 is \$15.00 per month and the Company
21 proposes to increase this fixed charge to \$20.00 per month.

22 **Q. DOES MS. FISCHER OFFER HER OPINIONS REGARDING THE**
23 **REASONABLENESS OF HER PROPOSED \$5.00 INCREASE IN THE RATE RS**
24 **CUSTOMER CHARGE?**

25 A. Yes. On page 13 of her direct testimony, Ms. Fischer claims that 83% of I&M's costs
26 required to serve the residential class are fixed demand-related costs and that customer-
27 classified costs account for approximately 8% of I&M's costs to serve residential
28 customers while variable energy costs represent only 9% of I&M's costs to serve

²² Rate RS also allows for storage water heating priced at 5.188¢ per KWh.

1 residential customers. Ms. Fischer also postulates on page 10 of her direct testimony that
2 “it would be preferable to recover demand-related costs through demand charges.” As a
3 result, Ms. Fischer then states on page 18 of her testimony “. . . by recovering a more
4 proportionate amount of fixed demand-related costs in the fixed monthly service charge
5 and first block of the volumetric energy charge, the Company’s proposed rate design sends
6 more accurate price signals to residential customers than under the current rate structure.”

7 Ms. Fischer misunderstands two very important factors. These are, even if Rate RS
8 did include a demand charge, a KW demand charge is not an unavoidable fixed charge,
9 rather, demand charges vary based on the level of peak demand. As such, large residential
10 customers’ total electric bills would be higher than small residential customers even if
11 demand charges were imposed.

12 To illustrate, the maximum demand of a small non-heating residential customer
13 living in an apartment is invariably going to be significantly less than a large residential
14 heating customer living in a multi-bedroom home. Second, there tends to be a strong
15 correlation between energy usage and peak load requirements. In other words, small KWh
16 energy users tend to have lower peak demands than do large volume KWh users and vice
17 versa. Indeed, the foundation of the industry-wide accepted rate structure for residential
18 customers is not to include demand charges (for a variety of reasons) because variable
19 energy charges provide a reasonable proxy for the level of demands placed on the system.

20 **Q. SINCE THE RESIDENTIAL RATE STRUCTURE DOES NOT INCLUDE A**
21 **DEMAND CHARGE, IS IT FAIR TO SAY THAT MS. FISCHER OPINES THAT**
22 **MOST, IF NOT ALL, DEMAND-RELATED COSTS SHOULD BE COLLECTED**
23 **FROM FIXED CUSTOMER CHARGES?**

24 **A.** Yes. As discussed earlier, Ms. Fischer notes that 91% of the costs required to serve
25 residential customers are “fixed” costs (83% demand-related and 8% customer-related).
26 She then opines that under the current residential rate structure, 87% of residential costs
27 are recovered through volumetric charges and only 13% are recovered through fixed
28 monthly service charges.

1 **Q. PLEASE GENERALLY EXPLAIN THOSE COSTS THAT ARE CONSIDERED**
2 **DEMAND-RELATED COSTS BY MS. FISCHER.**

3 A. Ms. Fischer's assessment of demand-related costs come from Company witness Hornyak's
4 class cost of service study and include all of the fixed costs associated with generation
5 plant, transmission plant, and distribution plant as well as a significant portion of general
6 plant and overhead expenses.

7 **Q. WOULD YOU AGREE THAT MOST, IF NOT ALL, DEMAND-RELATED COSTS**
8 **ARE CONSIDERED "FIXED" COSTS?**

9 A. Yes. Fixed costs are also known as sunk costs in that they largely represent the Company's
10 investment in plant and equipment. It is widely known that "fixed" or "sunk" costs are
11 short-run costs in that all costs are variable in the long-run.

12 **Q. IS THERE ANY ACCEPTED ECONOMIC THEORY THAT FIXED COSTS**
13 **SHOULD BE COLLECTED FROM FIXED CHARGES AND VARIABLE COSTS**
14 **COLLECTED FROM VARIABLE CHARGES?**

15 A. No. There is not a single economic theory that indicates, or even suggests, that fixed costs
16 should be recovered from fixed charges. Undisputed economic theory is clear in that
17 efficient prices are established based on marginal costs. Marginal costs are defined as the
18 incremental change in costs with respect to an incremental change in output. In other
19 words, marginal costs are 100% variable in nature.

20 In this regard, it is clear that Ms. Fischer does not understand the basics of
21 economics wherein she claims on page 15 of her direct testimony that "the current Tariff
22 RS rate design that recovers the vast majority of fixed costs through volumetric charges,
23 incorrectly signals to customers that for every kWh saved by energy efficiency, 87% of the
24 Company's costs (which are collected on a per kWh basis) will be avoided." She then
25 concludes "an improper price signal sent through rate design can lead to inefficient
26 decisions by customers."

27 Indeed, Ms. Fischer's views are those of a monopolist and that her rate design
28 opinions are geared to guarantee sunk investment cost and revenue recovery from
29 unavoidable fixed charges. The incorrect notion that fixed costs should somehow be
30 collected from fixed charges is only advanced within the regulated monopoly utility
31 business. To illustrate, oil and products pipelines were once fully price regulated.

1 However, since the late-1980s, these pipeline prices have been price deregulated such that
 2 market-based rates now prevail and are volumetrically based on a barrel mile basis.²³ In
 3 this regard, oil and products pipeline cost structures are similar to that of an electric utility
 4 in that the vast majority of their costs are “fixed” or “sunk” costs.

5 **Q. ON PAGE 11 OF HER DIRECT TESTIMONY, MS. FISCHER STATES THAT**
 6 **I&M’S CURRENT \$15.00 RESIDENTIAL MONTHLY SERVICE CHARGE**
 7 **FALLS ON THE LOWER END OF OTHER INDIANA ELECTRIC PROVIDERS.**
 8 **DO YOU HAVE ANY COMMENTS REGARDING MS. FISCHER’S**
 9 **OBSERVATIONS?**

10 A. Yes. Ms. Fischer’s observations are contained in her Attachment JLF-5. In making her
 11 determination, Ms. Fischer included municipal and electric cooperatives that are not
 12 regulated by the IURC. If one compares the investor-owned utilities (“IOU”) regulated by
 13 the IURC, her Attachment shows the following:

14 TABLE 12
 15 Comparison of IURC Regulated Electric Utilities
 16 Residential Customer Charges

IOU	Monthly Residential Fixed Charge
Duke Energy Indiana	\$10.54
Southern Indiana Gas & Electric	\$11.00
Indianapolis Power & Light - 0-325 KWh	\$12.50
Northern IN Public Service Company	\$13.50
I&M Indiana (Current)	\$15.00
Indianapolis Power & Light - >325 KWh	\$17.00
I&M Indiana (Proposed)	\$20.00

24
 25 **Q. IN ADDITION TO THE RESIDENTIAL CUSTOMER CHARGE COMPARISON**
 26 **CONDUCTED BY MS. FISCHER AND REFERENCED ABOVE, HAVE YOU**
 27 **CONDUCTED A COMPARISON OF THE AUTHORIZED RESIDENTIAL**
 28 **CUSTOMER CHARGES FOR OTHER AEP AFFILIATES THROUGHOUT THE**
 29 **COUNTRY?**

²³ Some oil and product pipeline segments continue to be price regulated in “highly concentrated” markets.

- 1 A. Yes. The following table provides a comparison of every regulated AEP affiliate's
2 authorized residential customer charge by jurisdiction:

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TABLE 13
AEP Affiliate Companies'
Authorized Residential Customer Charges

Utility	Jurisdiction	Residential Customer Charge
AEP Texas	Texas	\$4.79
Southwestern Electric Power	Louisiana	\$5.49
I&M	Michigan	\$7.25
Appalachian Power Company	Virginia	\$7.96
Southwestern Electric Power	Texas	\$8.00
AEP Ohio	Ohio	\$8.40
Southwestern Electric Power	Arkansas	\$10.00
Appalachian Power Company	West Virginia	\$12.50
Appalachian Power Company	Tennessee	\$12.63
I&M (Current)	Indiana	\$15.00
Kentucky Power	Kentucky	\$17.50
Public Service Co. of Oklahoma	Oklahoma	\$20.00
I&M (Proposed)	Indiana	\$20.00

- 20 **Q. EARLIER YOU STATED THAT MS. FISCHER INDICATES THAT CUSTOMER-**
21 **CLASSIFIED COSTS ACCOUNT FOR APPROXIMATELY 8% OF I&M'S**
22 **TOTAL COSTS TO SERVE RESIDENTIAL CUSTOMERS. DOES SHE**
23 **PROVIDE A QUANTIFICATION OF THIS 8% CUSTOMER-RELATED COST?**

- 24 A. Yes. On page 12 of her direct testimony in Figure JLF-1, she indicates that in the
25 Company's last rate case (Cause No. 45235), the residential customer-related costs were
26 approximately \$45 million out of a total residential cost of service of approximately \$543
27 million (\$50 + \$448 + \$45) which equals 8.3%.

- 28 **Q. DOES MS. FISCHER PROVIDE A QUANTIFICATION OF THE RESIDENTIAL**
29 **CUSTOMER-RELATED COSTS FOR THIS CASE?**

- 30 A. No. However, Mr. Hornyak utilized the same CCOSS model in this case that I&M
31 employed in Cause No. 45235 wherein Ms. Fischer obtained her percentages shown in

1 Figure JLF-1. For this case, Mr. Hornyak has calculated a total residential customer cost
2 of \$52,967,348.²⁴

3 **Q. BASED ON I&M'S OWN CALCULATIONS, WHAT IS THE RESULTING**
4 **RESIDENTIAL CUSTOMER COST PER MONTH?**

5 A. For the forecasted test year, there are 410,265 Indiana residential customers. Therefore,
6 and based on Mr. Hornyak's calculations, the forecasted test year residential monthly
7 customer cost is \$10.76 per month ($\$52,967,348 \div 410,265 \div 12$).

8 **Q. HAVE YOU CONDUCTED A STUDY TO INDICATE THE LEVEL AT WHICH**
9 **I&M'S RESIDENTIAL CUSTOMER CHARGE SHOULD BE ESTABLISHED?**

10 A. Yes. In evaluating fixed monthly customer charges, only those costs required to connect
11 and maintain a customer's account should be considered. In conducting my study, I have
12 reflected the fixed costs associated with services and meters (return on investment,
13 depreciation, and taxes) along with O&M expenses associated with operating and
14 maintaining meters, meter reading, and customer records and collections as well as a
15 provision for bad debts, utility receipts tax and Commission assessments.

16 Under this direct customer cost approach, there is no provision for corporate
17 overhead expenses or any other indirect costs as these costs are more appropriately
18 recovered through energy (KWh) charges.

19 The details of my residential customer cost analysis is provided in my Attachment
20 GAW-7. As indicated in this Attachment, the residential customer cost is calculated to be
21 between \$10.85 and \$11.33 per month. The lower cost of \$10.85 is based on a 9.00%
22 return on equity as recommended by OUCC witness Garrett, while the higher cost of
23 \$11.33 is based on the Company's requested return on equity of 10.00%. In this regard, a
24 cost of equity of even 9.00% somewhat overstates the risks associated with fixed monthly
25 customer charges. This is because customer charges are "fixed" charges such that there is
26 virtually no risk associated with this charge.

27 **Q. WHY IS IT APPROPRIATE TO EXCLUDE CORPORATE OVERHEAD AND**
28 **OTHER INDIRECT COSTS IN DEVELOPING RESIDENTIAL CUSTOMER**
29 **CHARGES?**

²⁴ Per 45576_IndMich_JCOS-CCOS Combined_TYE 12-31-2022_07012021.xlsx, Tab: WP-SH-1 Proposed Equalized.

1 A. Like all electric utilities, I&M is in the business of providing electricity to meet the energy
2 needs of its customers. Because of this and the fact that customers do not subscribe to
3 I&M's services simply to be "connected," overhead and indirect costs are most
4 appropriately recovered through volumetric energy charges.

5 **Q. BASED ON YOUR OVERALL EXPERIENCE AS WELL AS THE STUDIES AND**
6 **ANALYSES YOU HAVE CONDUCTED FOR THIS CASE, WHAT ARE YOUR**
7 **RECOMMENDATIONS REGARDING RESIDENTIAL RATE DESIGN FOR**
8 **THIS CASE?**

9 A. Even though the Company's own residential customer costs result in a calculation of
10 \$10.76 per month and my analysis indicates that a customer charge of no more than \$11.33
11 is warranted, I recommend that the current residential monthly customer charges (\$15.00
12 for Rate RS, \$16.50 for Rate RS-TOD and \$15.00 RS-TOD2) be maintained at their current
13 levels. This maintaining of the current residential customer charges will promote rate
14 continuity due the fact that a reduction to the fixed monthly customer charge would have
15 significant adverse impacts on large volume residential customers as a result of higher
16 energy charges.

17 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**

18 A. Yes.

BACKGROUND & EXPERIENCE PROFILE

GLENN A. WATKINSPRESIDENT/SENIOR ECONOMIST
TECHNICAL ASSOCIATES, INC.**EDUCATION**

1982 - 1988	M.B.A., Virginia Commonwealth University, Richmond, Virginia
1980 - 1982	B.S., Economics; Virginia Commonwealth University
1976 - 1980	A.A., Economics; Richard Bland College of The College of William and Mary, Petersburg, Virginia

POSITIONS

Jan. 2017-Present	President/Senior Economist, Technical Associates, Inc.
Mar. 1993-Dec. 2016	Vice President/Senior Economist, Technical Associates, Inc. (Mar. 1993-June 1995 Traded as C. W. Amos of Virginia)
Apr. 1990-Mar. 1993	Principal/Senior Economist, Technical Associates, Inc.
Aug. 1987-Apr. 1990	Staff Economist, Technical Associates, Inc., Richmond, Virginia
Feb. 1987-Aug. 1987	Economist, Old Dominion Electric Cooperative, Richmond, Virginia
May 1984-Jan. 1987	Staff Economist, Technical Associates, Inc.
May 1982-May 1984	Economic Analyst, Technical Associates, Inc.
Sep. 1980-May 1982	Research Assistant, Technical Associates, Inc.

EXPERIENCE**I. Public Utility Regulation**

- A. Costing Studies -- Conducted, and presented as expert testimony, numerous embedded and marginal cost of service studies. Cost studies have been conducted for electric, gas, telecommunications, water, and wastewater utilities. Analyses and issues have included the evaluation and development of alternative cost allocation methods with particular emphasis on ratemaking implications of distribution plant classification and capacity cost allocation methodologies. Distribution plant classifications have been conducted using the minimum system and zero-intercept methods. Capacity cost allocations have been evaluated using virtually every recognized method of allocating demand related costs (e.g., single and multiple coincident peaks, non-coincident peaks, probability of loss of load, average and excess, and peak and average).

Embedded and marginal cost studies have been analyzed with respect to the seasonal and diurnal distribution of system energy and demand costs, as well as cost effective approaches to incorporating energy and demand losses for rate design purposes. Economic dispatch models have been evaluated to determine long range capacity requirements as well as system marginal energy costs for ratemaking purposes.

- B. Rate Design Studies -- Analyzed, designed and provided expert testimony relating to rate structures for all retail rate classes, employing embedded and marginal cost studies. These rate structures have included flat rates, declining block rates, inverted block rates, hours use of demand blocking, lighting rates, and interruptible rates. Economic development and special industrial rates have been developed in recognition of the competitive environment for specific customers. Assessed alternative time differentiated rates with diurnal and seasonal pricing structures. Applied Ramsey (Inverse Elasticity) Pricing to marginal costs in order to adjust for embedded revenue requirement constraints.

GLENN A. WATKINS

- C. Forecasting and System Profile Studies -- Development of long range energy (Kwh or Mcf) and demand forecasts for rural electric cooperatives and investor owned utilities. Analysis of electric plant operating characteristics for the determination of the most efficient dispatch of generating units on a system-wide basis. Factors analyzed include system load requirements, unit generating capacities, planned and unplanned outages, marginal energy costs, long term purchased capacity and energy costs, and short term power interchange agreements.
- D. Cost of Capital Studies -- Analyzed and provided expert testimony on the costs of capital and proper capital structures for ratemaking purposes, for electric, gas, telephone, water, and wastewater utilities. Costs of capital have been applied to both actual and hypothetical capital structures. Cost of equity studies have employed comparable earnings, DCF, and CAPM analyses. Econometric analyses of adjustments required to electric utilities cost of equity due to the reduced risks of completing and placing new nuclear generating units into service.
- E. Accounting Studies -- Performed and provided expert testimony for numerous accounting studies relating to revenue requirements and cost of service. Assignments have included original cost studies, cost of reproduction new studies, depreciation studies, lead-lag studies, Weather normalization studies, merger and acquisition issues and other rate base and operating income adjustments.

II. Transportation Regulation

- A. Oil and Products Pipelines -- Conducted cost of service studies utilizing embedded costs, I.C.C. Valuation, and trended original cost. Development of computer models for cost of service studies utilizing the "Williams" (FERC 154-B) methodology. Performed alternative tariff designs, and dismantlement and restoration studies.
- B. Railroads -- Analyses of costing studies using both embedded and marginal cost methodologies. Analyses of market dominance and cross-subsidization, including the implementation of differential pricing and inverse elasticity for various railroad commodities. Analyses of capital and operation costs required to operate "stand alone" railroads. Conducted cost of capital and revenue adequacy studies of railroads.

III. Insurance Studies

Conducted and presented expert testimony relating to market structure, performance, and profitability by line and sub-line of business within specific geographic areas, e.g. by state. These studies have included the determination of rates of return on Statutory Surplus and GAAP Equity by line - by state using the NAIC methodology, and comparison of individual insurance company performance vis a vis industry Country-Wide performance.

Conducted and presented expert testimony relating to rate regulation of workers' compensation, automobile, and professional malpractice insurance. These studies have included the determination of a proper profit and contingency factor utilizing an internal rate of return methodology, the development of a fair investment income rate, capital structure, cost of capital.

Other insurance studies have included testimony before the Virginia Legislature regarding proper regulatory structure of Credit Life and P&C insurance; the effects on competition and prices resulting from proposed insurance company mergers, maximum and minimum expense multiplier limits, determination of specific class code rate increase limits (swing limits); and investigation of the reasonableness of NCCI's administrative assigned risk plan and pool expenses.

GLENN A. WATKINS

IV. Anti-Trust and Commercial Business Damage Litigation

Analyses of alleged claims of attempts to monopolize, predatory pricing, unfair trade practices and economic losses. Assignments have involved definitions of relevant market areas (geographic and product) and performance of that market, the pricing and cost allocation practices of manufacturers, and the economic performance of manufacturers' distributors.

Performed and provided expert testimony relating to market impacts involving automobile and truck dealerships, incremental profitability, the present value of damages, diminution in value of business, market and dealer performance, future sales potential, optimal inventory levels, fair allocation of products, financial performance; and business valuations.

MEMBERSHIPS AND CERTIFICATIONS

Member, Association of Energy Engineers (1998)
Certified Rate of Return Analyst, Society of Utility and Regulatory Financial Analysts (1992)
Member, American Water Works Association
National Association of Business Economists
Richmond Association of Business Economists
National Economics Honor Society

INDIANA MICHIGAN POWER COMPANY
Gross Plant
Test Year Ending 12/31/2022

	Total Costs Before Adjustments 1/	Ratemaking Adjustments 2/					CCOSS After Adjustments 3/	Juris Alloc Factor 4/	Indiana Retail 1/
		RB-1	RB-2	RB-4	RB-7	Rider-3			
Rockport Unit 1	975,915,776	11,730,609	(9,654,655)	(6,640,350)			971,351,379	70.696%	686,706,571
Cook (Units 1 & 2)	4,011,186,319		(439,029,648)	(20,000,439)			3,552,156,231	70.696%	2,511,232,369
Hydro	58,598,161		(318,520)				58,279,642	70.696%	41,201,375
Total Solar	72,152,448				(5,129,941)	(29,630,471)	37,392,037	70.696%	26,434,674
Total	5,117,852,704	11,730,609	(449,002,824)	(26,640,789)	(5,129,941)	(29,630,471)	4,619,179,289		3,265,574,990

1/ Per Attachment JCD-1, page 2.

2/ Per 45576_IndMich_JCOS-CCOS Combined_TYE 12-31-2022_07012021.xlsx, Tab: WP-JCD-3.

3/ Total before adjustments less ratemaking adjustments. Also per Attachment JCD-1, page 2.

4/ Per Attachment JCD-1, page 15.

INDIANA MICHIGAN POWER COMPANY
Depreciation Reserve
Test Year Ending 12/31/2022

	Total Costs Before Adjustments 1/	Ratemaking Adjustments 2/						CCOSS After Adjustments 3/	Juris Alloc Factor 4/	Indiana Retail
		RB-1	RB-2	RB-4	DEP-1	DEP-2	Rider-3			
Steam Non-Juris	10,171,440							10,171,440	0.000%	-
Rockport Unit 1 - Joint	358,575,479	13,325,757	(504,384)	(1,296,565)	(5,956,678)	24,252,800	-	388,396,409	70.696%	274,580,725
Total Steam	368,746,919	13,325,757	(504,384)	(1,296,565)	(5,956,678)	24,252,800		398,567,849		274,580,725
Cook (Units 1 & 2)	1,724,920,971							1,567,227,849	70.696%	1,107,967,400
Hydro	39,134,952		(461)		2,623,835	894,532		42,652,858	70.696%	30,153,864
Total Solar	13,528,095				(7,186)	31,553	(1,846,799)	11,705,663	70.696%	8,275,435
Total Accum. Depr.	2,146,330,936	13,325,757	(504,845)	(1,296,565)	(3,340,029)	25,178,885	(1,846,799)	2,020,154,219		1,420,977,425
Steam Accum Amort	92,540,306							92,540,306	70.696%	65,422,295
Total Accum. Depr. & Amort.	2,238,871,242	13,325,757	(504,845)	(1,296,565)	(3,340,029)	25,178,885	(1,846,799)	2,112,694,525		1,486,399,720

1/ Per 45576_IndMich_WP-JCD-1_JCOS Master Workpaper File_07012021.xlsx, Tab: Accum Depr.

2/ Per 45576_IndMich_JCOS-CCOS Combined_TYE 12-31-2022_07012021.xlsx, Tab: WP-JCD-3.

3/ Total before adjustments less ratemaking adjustments.

4/ Per Attachment JCD-1, page 15.

INDIANA MICHIGAN POWER COMPANY
Depreciation Expense
Test Year Ending 12/31/2022

	Total Costs Before Adjustments 1/	Ratemaking Adjustments 2/					CCOSS After Adjustments 3/	Juris Alloc Factor 4/	Indiana Retail	
		RB-1	RB-2	RB-4	DEP-1	DEP-2				Rider-3
Depreciation:										
Rockport Unit 1	97,484,914				(24,233,908)	20,203,819		93,454,825	70.696%	66,068,823
Nuclear Non-Juris	(112,007)							(112,007)	0.000%	-
Cook (Units 1 & 2) - Joint	145,732,567				(93,931)	14,913,003		160,551,639	70.696%	113,503,587
Total Nuclear	145,620,560				(93,931)	14,913,003		160,439,632		113,503,587
Hydro	1,413,607				165,935	914,236		2,493,778	70.696%	1,763,001
Total Solar	2,975,494				1	31,553	(1,007,436)	1,999,612	70.696%	1,413,646
Total Depr. Expense	247,494,576	-	-	-	(24,161,903)	36,062,611	(1,007,436)	258,387,848		182,749,057
Amortization:										
Rockport 2 Lease 5/	9,236,471							9,236,471	N/A	
Rockport Amort. (Dir. IN)	442,916							442,916	100.000%	442,916
Production Non-Juris.	926,897							926,897		
Total Depr. Exp. & Amort.	258,100,859	-	-	-	(24,161,903)	36,062,611	(1,007,436)	268,994,131		183,191,973

1/ Non-ARO per 45576_IndMich_WP-A-DEP-1 DEP-2_Depreciation Adjustment_07012021.xlsx, Tab: WP - Deprec Exp Adj, ARO per 45576_IndMich_WP-JCD-1_JCOS Master Workpaper File_07012021.xlsx, Tab: Dep & Amort Exp.

2/ Per 45576_IndMich_JCOS-CCOS Combined_TYE 12-31-2022_07012021.xlsx, Tab: WP-JCD-3.

3/ Total before adjustments less ratemaking adjustments.

4/ Per Attachment JCD-1, page 15.

5/ Per response to OUCC Data Request 7-17, Attachment 2.

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE
(SUMMARY)

	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Operating Income											
Revenue:											
Firm Sales	\$1,264,202,237	\$566,975,891	\$143,748,625	\$3,127,036	\$586,103	\$42,633	\$245,464,149	\$13,573,586	\$256,403	\$43,218,603	\$142,346,308
Interruptible	\$97,724,704	\$35,112,387	\$8,892,710	\$222,688	\$53,002	\$3,041	\$21,546,185	\$1,276,821	\$28,899	\$4,064,319	\$14,706,446
Sales for Resale	\$44,928,132	\$16,121,051	\$4,088,088	\$102,255	\$24,406	\$1,393	\$9,911,422	\$586,963	\$13,268	\$1,870,966	\$6,768,983
Other Operating Revenues	\$150,163,016	\$61,635,139	\$15,619,184	\$371,443	\$112,034	\$3,632	\$32,411,105	\$1,895,807	\$53,914	\$5,458,606	\$18,569,963
Gain on Disp of Emission Const. Allow.	\$24,741	\$8,877	\$2,251	\$56	\$13	\$1	\$5,458	\$323	\$7	\$1,030	\$3,728
Total Operating Revenue	\$1,557,042,829	\$679,853,346	\$172,350,857	\$3,823,477	\$775,558	\$50,700	\$309,338,318	\$17,333,500	\$352,492	\$54,613,525	\$182,395,427
Expenses:											
Operating & Maintenance	\$841,625,807	\$335,694,983	\$78,022,470	\$1,855,215	\$396,570	\$25,546	\$176,860,109	\$10,371,526	\$230,972	\$32,345,957	\$115,039,738
Depreciation & Amortization	\$349,159,749	\$149,794,346	\$33,912,229	\$704,113	\$142,602	\$8,787	\$72,250,211	\$3,966,202	\$79,279	\$12,734,771	\$42,974,718
Regulatory Debits/Credits	\$1,310,661	\$493,217	\$119,021	\$2,887	\$666	\$45	\$284,016	\$16,658	\$374	\$52,137	\$189,591
Taxes Other Than Income	\$92,031,060	\$41,197,378	\$9,598,756	\$194,650	\$37,528	\$2,247	\$18,532,397	\$999,070	\$19,075	\$3,224,928	\$10,517,727
Other O&M Expenses	\$11,739,795	\$5,232,875	\$1,322,982	\$28,846	\$5,449	\$394	\$2,290,919	\$126,934	\$2,417	\$404,012	\$1,336,416
State Income Taxes	(\$2,180,459)	\$1,298,339	\$1,028,842	\$19,225	\$2,419	\$229	(\$1,287,688)	(\$92,247)	(\$2,960)	(\$293,007)	(\$1,441,408)
Total Federal Income Taxes (Current + Def.)	\$26,535,922	\$18,000,536	\$7,269,288	\$156,991	\$28,654	\$2,213	\$2,549,811	\$91,517	(\$1,186)	\$259,385	(\$472,784)
Total Expenses	\$1,320,222,535	\$551,711,674	\$131,273,588	\$2,961,928	\$613,888	\$39,462	\$271,479,774	\$15,479,658	\$327,971	\$48,728,183	\$168,143,998
Net Operating Income	\$236,820,294	\$128,141,671	\$41,077,269	\$861,550	\$161,671	\$11,238	\$37,858,544	\$1,853,842	\$24,521	\$5,885,341	\$14,251,429
Rate Base:											
Gross Plant	\$7,486,549,124	\$3,309,079,471	\$751,982,136	\$14,772,062	\$2,926,809	\$157,027	\$1,544,398,670	\$82,272,030	\$1,570,777	\$267,990,276	\$872,592,049
Accum. Depreciation and Amortization	(\$2,616,576,625)	(\$1,115,695,339)	(\$256,726,379)	(\$5,302,126)	(\$1,091,213)	(\$63,195)	(\$546,031,570)	(\$29,814,283)	(\$594,320)	(\$96,197,260)	(\$322,601,601)
Net Plant	\$4,869,972,499	\$2,193,384,132	\$495,255,757	\$9,469,937	\$1,835,595	\$93,831	\$998,367,099	\$52,457,747	\$976,457	\$171,793,017	\$549,990,448
Working Capital	\$186,545,418	\$72,202,938	\$17,197,759	\$400,721	\$89,985	\$5,801	\$40,034,116	\$2,308,390	\$50,260	\$7,325,013	\$26,143,954
Rate Base Offsets	\$179,451,347	\$74,798,513	\$16,723,027	\$383,031	\$80,325	\$5,349	\$36,730,753	\$2,134,280	\$47,007	\$6,640,161	\$23,473,632
Total Rate Base	\$5,235,969,265	\$2,340,385,582	\$529,176,542	\$10,253,689	\$2,005,905	\$104,982	\$1,075,131,969	\$56,900,417	\$1,073,723	\$185,758,190	\$599,608,034
Rate of Return	4.52%	5.48%	7.76%	8.40%	8.06%	10.70%	3.52%	3.26%	2.28%	3.17%	2.38%
Indexed ROR	100.00%	121.05%	171.62%	185.77%	178.20%	236.67%	77.85%	72.03%	50.49%	70.05%	52.55%

**INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE
(SUMMARY)**

	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Operating Income											
Revenue:											
Firm Sales	\$1,264,202,237	\$47,541,219	\$32,547,925	\$2,561,240	\$5,821,170	\$3,398,418	\$561,467	\$575,437	\$245,845	\$6,482,376	\$5,127,804
Interruptible	\$97,724,704	\$5,690,474	\$4,046,961	\$182,673	\$604,443	\$394,063	\$73,821	\$37,068	\$10,328	\$315,621	\$462,755
Sales for Resale	\$44,928,132	\$2,619,533	\$1,861,545	\$83,875	\$278,195	\$181,316	\$33,951	\$17,030	\$4,738	\$145,653	\$213,501
Other Operating Revenues	\$150,163,016	\$8,813,056	\$3,168,092	\$306,276	\$714,196	\$454,407	\$107,747	\$67,691	\$16,513	\$196,404	\$187,806
Gain on Disp of Emission Const. Allow.	\$24,741	\$1,443	\$1,025	\$46	\$153	\$100	\$19	\$9	\$3	\$80	\$118
Total Operating Revenue	\$1,557,042,829	\$64,665,724	\$41,625,548	\$3,134,110	\$7,418,157	\$4,428,304	\$777,005	\$697,236	\$277,426	\$7,140,134	\$5,991,984
Expenses:											
Operating & Maintenance	\$841,625,807	\$42,717,678	\$30,622,152	\$1,602,175	\$4,852,947	\$3,098,687	\$568,429	\$331,789	\$106,771	\$3,242,134	\$3,639,960
Depreciation & Amortization	\$349,159,749	\$14,724,406	\$9,974,167	\$678,364	\$1,898,382	\$1,143,882	\$196,885	\$148,651	\$55,416	\$1,932,043	\$1,840,296
Regulatory Debits/Credits	\$1,310,661	\$72,630	\$53,297	\$2,465	\$7,807	\$5,133	\$971	\$510	\$149	\$3,666	\$5,421
Taxes Other Than Income	\$92,031,060	\$3,445,466	\$2,196,236	\$183,336	\$463,505	\$267,767	\$43,780	\$40,789	\$16,831	\$571,005	\$478,589
Other O&M Expenses	\$11,739,795	\$449,174	\$308,529	\$23,713	\$54,746	\$32,146	\$5,350	\$5,312	\$2,246	\$59,406	\$47,928
State Income Taxes	(\$2,180,459)	(\$594,025)	(\$606,547)	\$3,005	(\$79,906)	(\$60,935)	(\$11,934)	\$2,324	\$2,743	\$4,864	(\$71,792)
Total Federal Income Taxes (Current + Def.)	\$26,535,922	(\$295,690)	(\$883,005)	\$77,667	(\$105,413)	(\$100,194)	(\$20,000)	\$22,640	\$14,522	\$94,254	(\$153,284)
Total Expenses	\$1,320,222,535	\$60,519,639	\$41,664,829	\$2,570,725	\$7,092,068	\$4,386,485	\$783,480	\$552,016	\$198,678	\$5,907,372	\$5,787,118
Net Operating Income	\$236,820,294	\$4,146,085	(\$39,281)	\$563,386	\$326,089	\$41,819	(\$6,476)	\$145,220	\$78,748	\$1,232,763	\$204,866
Rate Base:											
Gross Plant	\$7,486,549,124	\$284,774,058	\$176,954,729	\$14,838,945	\$39,422,875	\$22,767,837	\$3,718,901	\$3,289,811	\$1,328,088	\$48,603,495	\$43,109,079
Accum. Depreciation and Amortization	(\$2,616,576,625)	(\$110,117,668)	(\$72,565,328)	(\$5,118,994)	(\$14,223,701)	(\$8,506,461)	(\$1,447,948)	(\$1,117,252)	(\$424,431)	(\$14,796,737)	(\$14,140,818)
Net Plant	\$4,869,972,499	\$174,656,390	\$104,389,402	\$9,719,951	\$25,199,174	\$14,261,376	\$2,270,953	\$2,172,559	\$903,657	\$33,806,758	\$28,968,261
Working Capital	\$186,545,418	\$9,775,746	\$7,038,945	\$352,515	\$1,099,593	\$705,596	\$130,364	\$74,279	\$23,336	\$697,367	\$888,741
Rate Base Offsets	\$179,451,347	\$8,596,434	\$6,167,073	\$338,063	\$996,740	\$631,626	\$114,928	\$70,793	\$23,774	\$772,256	\$723,582
Total Rate Base	\$5,235,969,265	\$193,028,570	\$117,595,420	\$10,410,529	\$27,295,507	\$15,598,598	\$2,516,244	\$2,317,632	\$950,767	\$35,276,381	\$30,580,585
Rate of Return	4.52%	2.15%	-0.03%	5.41%	1.19%	0.27%	-0.26%	6.27%	8.28%	3.49%	0.67%
Indexed ROR	100.00%	47.49%	-0.74%	119.65%	26.41%	5.93%	-5.69%	138.54%	183.12%	77.26%	14.81%

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH COST OF SERVICE STUDY
(RATE BASE)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI	
Rate Base														
P-T-D Plant in Service														
Production														
Demand		POD Gplant	63	\$3,265,574,990	\$1,228,874,782	\$296,545,511	\$7,192,523	\$1,659,011	\$112,456	\$707,639,752	\$41,503,957	\$932,575	\$129,903,035	\$472,375,917
GSU		POD Gplant	63	\$41,483,895	\$15,610,884	\$3,767,135	\$91,369	\$21,075	\$1,429	\$8,989,429	\$527,241	\$11,847	\$1,650,210	\$6,000,779
Total				\$3,307,058,885	\$1,244,485,666	\$300,312,646	\$7,283,893	\$1,680,086	\$113,884	\$716,629,181	\$42,031,199	\$944,422	\$131,553,245	\$478,376,696
Transmission														
Bulk		12-CP	68	\$862,967,739	\$334,579,400	\$89,865,709	\$2,262,640	\$543,944	\$30,749	\$195,047,989	\$11,607,959	\$261,938	\$32,712,592	\$113,656,503
Sub		12-CP Subtrans	69	\$424,865,504	\$169,188,004	\$42,992,221	\$1,077,205	\$522,457	\$0	\$90,983,356	\$5,410,669	\$247,973	\$15,282,826	\$53,404,872
Total				\$1,287,833,242	\$503,767,404	\$132,857,930	\$3,339,844	\$1,066,401	\$30,749	\$286,031,345	\$17,018,628	\$509,910	\$47,995,418	\$167,061,375
Distribution														
360 Land and Land Rights		DIST_CPD	5	\$23,763,627	\$11,512,300	\$2,413,475	\$56,747	\$0	\$0	\$5,257,810	\$305,915	\$0	\$849,058	\$3,076,887
361 Structures and Improvements		DIST_CPD	5	\$38,190,130	\$18,501,226	\$3,878,655	\$91,198	\$0	\$0	\$8,449,739	\$491,631	\$0	\$1,364,507	\$4,944,813
362 Station Equipment		DIST_CPD	5	\$463,306,767	\$224,449,173	\$47,054,228	\$1,106,373	\$0	\$0	\$102,508,715	\$5,964,266	\$0	\$16,553,629	\$59,988,420
363 Storage Battery Equipment		DIST_POLES	19	\$5,606,730	\$2,984,330	\$617,494	\$8,834	\$0	\$0	\$1,195,010	\$47,623	\$0	\$195,009	\$478,987
364 Poles														
Primary		DIST_CPD	5	\$194,940,164	\$94,438,851	\$19,798,456	\$465,516	\$0	\$0	\$43,131,392	\$2,509,514	\$0	\$6,965,077	\$25,240,625
Secondary		DISTSEC	6	\$100,511,265	\$62,822,937	\$12,740,899	\$0	\$0	\$0	\$19,840,696	\$0	\$0	\$3,311,100	\$0
365 Overhead Lines														
Primary		DIST_CPD	5	\$288,587,005	\$139,806,105	\$29,309,390	\$689,143	\$0	\$0	\$63,851,179	\$3,715,054	\$0	\$10,311,013	\$37,365,909
Secondary		DISTSEC	6	\$165,983,698	\$103,745,420	\$21,040,244	\$0	\$0	\$0	\$32,764,806	\$0	\$0	\$5,467,930	\$0
366 Underground Conduit														
Primary		DIST_CPD	5	\$94,106,627	\$45,589,998	\$9,557,630	\$224,726	\$0	\$0	\$20,821,516	\$1,211,459	\$0	\$3,362,364	\$12,184,816
Secondary		DISTSEC	6	\$75,902,711	\$47,441,759	\$9,621,497	\$0	\$0	\$0	\$14,983,023	\$0	\$0	\$2,500,431	\$0
367 Underground Lines														
Primary		DIST_CPD	5	\$166,092,772	\$80,463,719	\$16,868,666	\$396,628	\$0	\$0	\$36,748,776	\$2,138,154	\$0	\$5,934,379	\$21,505,499
Secondary		DISTSEC	6	\$133,963,909	\$83,731,970	\$16,981,387	\$0	\$0	\$0	\$26,444,172	\$0	\$0	\$4,413,116	\$0
368 Transformers														
Primary		DIST_CPD	5	\$78,199,998	\$37,884,024	\$7,942,126	\$186,741	\$0	\$0	\$17,302,103	\$1,006,688	\$0	\$2,794,032	\$10,125,245
Secondary		DISTSEC	6	\$295,190,621	\$184,504,113	\$37,418,631	\$0	\$0	\$0	\$58,269,961	\$0	\$0	\$9,724,339	\$0
369 Services		DIST_SERV	9	\$195,442,042	\$162,775,706	\$20,542,843	\$0	\$0	\$0	\$2,124,815	\$0	\$0	\$29,469	\$0
370 Meters		DIST_METERS	10	\$125,628,718	\$87,950,030	\$25,469,930	\$71,288	\$6,358	\$868	\$7,835,854	\$1,152,966	\$12,756	\$221,089	\$1,431,376
371 Installations on Cust Premises		DIST_OL	11	\$23,978,809	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
373 Street Lighting		DIST_SL	12	\$21,255,128	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total				\$2,490,650,721	\$1,388,601,660	\$281,255,549	\$3,297,194	\$6,358	\$868	\$461,529,568	\$18,543,271	\$12,756	\$73,996,541	\$176,342,578
Total P-T-D Plant in Service				\$7,085,542,848	\$3,136,854,730	\$714,426,125	\$13,920,931	\$2,752,844	\$145,501	\$1,464,190,094	\$77,593,098	\$1,467,088	\$253,545,204	\$821,780,648
General & Intangible Plant		LABOR_M	54	\$401,006,276	\$172,224,741	\$37,556,011	\$851,131	\$173,964	\$11,526	\$80,208,576	\$4,678,933	\$103,689	\$14,445,072	\$50,811,401
Total Electric Plant in Service				\$7,486,549,124	\$3,309,079,471	\$751,982,136	\$14,772,062	\$2,926,809	\$157,027	\$1,544,398,670	\$82,272,030	\$1,570,777	\$267,990,276	\$872,592,049

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH COST OF SERVICE STUDY
(RATE BASE)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Rate Base													
P-T-D Plant in Service													
Production													
Demand	POD Gplant	63	\$3,265,574,990	\$180,961,607	\$132,792,561	\$6,140,668	\$19,451,757	\$12,788,258	\$2,419,832	\$1,269,534	\$370,353	\$9,133,208	\$13,507,693
<u>GSU</u>	POD Gplant	<u>63</u>	<u>\$41,483,895</u>	<u>\$2,298,827</u>	<u>\$1,686,917</u>	<u>\$78,007</u>	<u>\$247,103</u>	<u>\$162,454</u>	<u>\$30,740</u>	<u>\$16,127</u>	<u>\$4,705</u>	<u>\$116,023</u>	<u>\$171,594</u>
Total			\$3,307,058,885	\$183,260,434	\$134,479,478	\$6,218,675	\$19,698,860	\$12,950,712	\$2,450,572	\$1,285,661	\$375,058	\$9,249,230	\$13,679,287
Transmission													
Bulk	12-CP	68	\$862,967,739	\$42,491,474	\$29,309,974	\$1,866,891	\$4,238,292	\$2,769,246	\$517,294	\$379,118	\$87,698	\$303,170	\$435,159
<u>Sub</u>	<u>12-CP Subtrans</u>	<u>69</u>	<u>\$424,865,504</u>	<u>\$40,506,861</u>	<u>\$0</u>	<u>\$858,659</u>	<u>\$2,010,630</u>	<u>\$1,313,317</u>	<u>\$497,018</u>	<u>\$174,670</u>	<u>\$39,736</u>	<u>\$143,139</u>	<u>\$211,892</u>
Total			\$1,287,833,242	\$82,998,334	\$29,309,974	\$2,725,549	\$6,248,922	\$4,082,564	\$1,014,312	\$553,788	\$127,434	\$446,309	\$647,051
Distribution													
360 Land and Land Rights	DIST_CPD	5	\$23,763,627	\$0	\$0	\$44,881	\$114,806	\$76,463	\$0	\$11,000	\$2,274	\$16,938	\$25,073
361 Structures and Improvements	DIST_CPD	5	\$38,190,130	\$0	\$0	\$72,127	\$184,503	\$122,883	\$0	\$17,679	\$3,654	\$27,220	\$40,295
362 Station Equipment	DIST_CPD	5	\$463,306,767	\$0	\$0	\$875,016	\$2,238,311	\$1,490,767	\$0	\$214,469	\$44,332	\$330,224	\$488,844
363 Storage Battery Equipment	DIST_POLES	19	\$5,606,730	\$0	\$0	\$12,344	\$28,152	\$11,903	\$0	\$2,897	\$1,661	\$9,629	\$12,858
364 Poles													
Primary	DIST_CPD	5	\$194,940,164	\$0	\$0	\$368,170	\$941,788	\$627,253	\$0	\$90,240	\$18,653	\$138,945	\$205,685
Secondary	DISTSEC	6	\$100,511,265	\$0	\$0	\$282,283	\$541,683	\$0	\$0	\$62,439	\$68,881	\$368,456	\$471,891
365 Overhead Lines													
Primary	DIST_CPD	5	\$288,587,005	\$0	\$0	\$545,035	\$1,394,211	\$928,577	\$0	\$133,590	\$27,614	\$205,692	\$304,494
Secondary	DISTSEC	6	\$165,983,698	\$0	\$0	\$466,160	\$894,531	\$0	\$0	\$103,112	\$113,750	\$608,466	\$779,278
366 Underground Conduit													
Primary	DIST_CPD	5	\$94,106,627	\$0	\$0	\$177,733	\$454,645	\$302,804	\$0	\$43,563	\$9,005	\$67,075	\$99,294
Secondary	DISTSEC	6	\$75,902,711	\$0	\$0	\$213,170	\$409,060	\$0	\$0	\$47,152	\$52,017	\$278,245	\$356,356
367 Underground Lines													
Primary	DIST_CPD	5	\$166,092,772	\$0	\$0	\$313,688	\$802,421	\$534,431	\$0	\$76,886	\$15,893	\$118,383	\$175,248
Secondary	DISTSEC	6	\$133,963,909	\$0	\$0	\$376,233	\$721,968	\$0	\$0	\$83,221	\$91,807	\$491,087	\$628,948
368 Transformers													
Primary	DIST_CPD	5	\$78,199,998	\$0	\$0	\$147,691	\$377,797	\$251,622	\$0	\$36,199	\$7,483	\$55,737	\$82,510
Secondary	DISTSEC	6	\$295,190,621	\$0	\$0	\$829,033	\$1,590,863	\$0	\$0	\$183,378	\$202,297	\$1,082,115	\$1,385,892
369 Services	DIST_SERV	9	\$195,442,042	\$0	\$0	\$121,645	\$169,001	\$0	\$0	\$53,660	\$26,559	\$9,174,957	\$423,387
370 Meters	DIST_METERS	10	\$125,628,718	\$30,162	\$17,484	\$296,600	\$438,908	\$22,392	\$6,833	\$133,003	\$85,282	\$0	\$445,540
371 Installations on Cust Premises	DIST_OL	11	\$23,978,809	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,978,809	\$0
<u>373 Street Lighting</u>	<u>DIST_SL</u>	<u>12</u>	<u>\$21,255,128</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$21,255,128</u>
Total			\$2,490,650,721	\$30,162	\$17,484	\$5,141,809	\$11,302,647	\$4,369,095	\$6,833	\$1,292,487	\$771,161	\$36,951,979	\$27,180,722
Total P-T-D Plant in Service			\$7,085,542,848	\$266,288,930	\$163,806,937	\$14,086,034	\$37,250,429	\$21,402,370	\$3,471,718	\$3,131,937	\$1,273,653	\$46,647,518	\$41,507,060
General & Intangible Plant	LABOR_M	54	\$401,006,276	\$18,485,127	\$13,147,793	\$752,912	\$2,172,446	\$1,365,467	\$247,183	\$157,874	\$54,435	\$1,955,977	\$1,602,019
Total Electric Plant in Service			\$7,486,549,124	\$284,774,058	\$176,954,729	\$14,838,945	\$39,422,875	\$22,767,837	\$3,718,901	\$3,289,811	\$1,328,088	\$48,603,495	\$43,109,079

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH COST OF SERVICE STUDY
(RATE BASE)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Accum. Depreciation and Amortization													
Steam & Hydro	POD Reserve	64	(\$378,432,319)	(\$142,157,469)	(\$34,371,396)	(\$834,725)	(\$192,848)	(\$13,009)	(\$82,069,642)	(\$4,815,490)	(\$108,234)	(\$15,080,081)	(\$54,827,046)
Nuclear	POD Reserve	64	(\$1,107,967,400)	(\$416,206,104)	(\$100,631,961)	(\$2,443,893)	(\$564,616)	(\$38,089)	(\$240,282,035)	(\$14,098,705)	(\$316,885)	(\$44,151,194)	(\$160,521,648)
ARO Steam & Hydro	POD Reserve	64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARO Nuclear	POD Reserve	64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GSU	POD Reserve	64	(\$9,746,333)	(\$3,661,194)	(\$885,218)	(\$21,498)	(\$4,967)	(\$335)	(\$2,113,662)	(\$124,020)	(\$2,788)	(\$388,380)	(\$1,412,043)
Transmission	TRAN_TO	16	(\$327,252,885)	(\$128,012,953)	(\$33,760,691)	(\$848,692)	(\$270,984)	(\$7,814)	(\$72,683,776)	(\$4,324,624)	(\$129,574)	(\$12,196,175)	(\$42,452,171)
Distribution	RB_GUP_EPIS_D	32	(\$663,852,963)	(\$370,115,054)	(\$74,965,280)	(\$878,827)	(\$1,695)	(\$231)	(\$123,015,150)	(\$4,942,486)	(\$3,400)	(\$19,722,887)	(\$47,001,991)
General & Intangible	RB_GUP_EPIS_G	34	(\$129,324,725)	(\$55,542,565)	(\$12,111,832)	(\$274,490)	(\$56,104)	(\$3,717)	(\$25,867,306)	(\$1,508,958)	(\$33,440)	(\$4,658,543)	(\$16,386,702)
Total			(\$2,616,576,625)	(\$1,115,695,339)	(\$256,726,379)	(\$5,302,126)	(\$1,091,213)	(\$63,195)	(\$546,031,570)	(\$29,814,283)	(\$594,320)	(\$96,197,260)	(\$322,601,601)
Net Electric Plant in Service			\$4,869,972,499	\$2,193,384,132	\$495,255,757	\$9,469,937	\$1,835,595	\$93,831	\$998,367,099	\$52,457,747	\$976,457	\$171,793,017	\$549,990,448
Working Capital													
Fuel Inventory	Hrly Fuel	67	\$44,262,887	\$16,569,394	\$3,931,021	\$95,484	\$22,059	\$1,451	\$9,510,771	\$559,051	\$12,537	\$1,773,500	\$6,476,344
Allowance Inventory-Current	PROD_ENERGY	2	\$17,674,176	\$6,341,824	\$1,608,204	\$40,226	\$9,601	\$548	\$3,899,032	\$230,904	\$5,219	\$736,015	\$2,662,835
Materials & Supplies - Prod	RB_GUP_EPIS_P	28	\$107,009,495	\$40,268,948	\$9,717,488	\$235,692	\$54,364	\$3,685	\$23,188,619	\$1,360,042	\$30,560	\$4,256,787	\$15,479,267
Materials & Supplies - Trans	RB_GUP_EPIS_T	30	\$4,743,242	\$1,855,435	\$489,331	\$12,301	\$3,928	\$113	\$1,053,487	\$62,682	\$1,878	\$176,773	\$615,307
Materials & Supplies - Dist	RB_GUP_EPIS_D	32	\$12,855,617	\$7,167,336	\$1,451,714	\$17,019	\$33	\$4	\$2,382,208	\$95,712	\$66	\$381,937	\$910,201
Total Working Capital			\$186,545,418	\$72,202,938	\$17,197,759	\$400,721	\$89,985	\$5,801	\$40,034,116	\$2,308,390	\$50,260	\$7,325,013	\$26,143,954
Rate Base Offsets													
Cook Plant Turbine Replacement (1823308)	POD Gplant	63	\$13,769,160	\$5,181,499	\$1,250,372	\$30,327	\$6,995	\$474	\$2,983,733	\$175,000	\$3,932	\$547,731	\$1,991,753
Rockport DSI Deferrals	POD Gplant	63	\$7,101,204	\$2,672,268	\$644,857	\$15,641	\$3,608	\$245	\$1,538,808	\$90,253	\$2,028	\$282,483	\$1,027,212
Rate Case Expense Deferral (1823xxx)	LABOR_M	54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepaid Pension Expense	LABOR_M	54	\$127,429,283	\$54,728,508	\$11,934,316	\$270,467	\$55,281	\$3,663	\$25,488,183	\$1,486,842	\$32,950	\$4,590,265	\$16,146,531
Deferred Gain Rockport Unit 2 Sale	POD Gplant	63	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cook Uprate Project Deferral (1823418)	POD Gplant	63	\$16,553,064	\$6,229,115	\$1,503,177	\$36,459	\$8,409	\$570	\$3,586,996	\$210,382	\$4,727	\$658,473	\$2,394,454
Deferred Cook Nuc Plnt 316(b) Comply Costs (1823xxx)	POD Gplant	63	\$5,765,379	\$2,169,581	\$523,552	\$12,698	\$2,929	\$199	\$1,249,339	\$73,275	\$1,646	\$229,344	\$833,981
Baffle Bolt Deferral (1823295) - Direct IN	POD Gplant	63	\$4,549,033	\$1,711,855	\$413,096	\$10,019	\$2,311	\$157	\$985,761	\$57,816	\$1,299	\$180,958	\$658,032
COVID-19 Deferred Expense (1823587) - Direct IN	RB_GUP	36	\$2,023,141	\$894,235	\$203,213	\$3,992	\$791	\$42	\$417,353	\$22,233	\$424	\$72,421	\$235,806
Deferred Storm Expense (1823078) - Direct IN	DIST_OHLINES	21	\$2,261,084	\$1,211,452	\$250,445	\$3,428	\$0	\$0	\$480,578	\$18,479	\$0	\$78,486	\$185,862
Total			\$179,451,347	\$74,798,513	\$16,723,027	\$383,031	\$80,325	\$5,349	\$36,730,753	\$2,134,280	\$47,007	\$6,640,161	\$23,473,632
Total Rate Base			\$5,235,969,265	\$2,340,385,582	\$529,176,542	\$10,253,689	\$2,005,905	\$104,982	\$1,075,131,969	\$56,900,417	\$1,073,723	\$185,758,190	\$599,608,034

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH COST OF SERVICE STUDY
(RATE BASE)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Accum. Depreciation and Amortization													
Steam & Hydro	POD Reserve	64	(\$378,432,319)	(\$21,008,369)	(\$15,396,975)	(\$711,540)	(\$2,256,860)	(\$1,483,265)	(\$280,423)	(\$146,987)	(\$42,734)	(\$1,063,204)	(\$1,572,023)
Nuclear	POD Reserve	64	(\$1,107,967,400)	(\$61,507,928)	(\$45,078,988)	(\$2,083,234)	(\$6,607,596)	(\$4,342,677)	(\$821,017)	(\$430,345)	(\$125,115)	(\$3,112,830)	(\$4,602,540)
ARO Steam & Hydro	POD Reserve	64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARO Nuclear	POD Reserve	64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GSU	POD Reserve	64	(\$9,746,333)	(\$541,060)	(\$396,541)	(\$18,325)	(\$58,124)	(\$38,201)	(\$7,222)	(\$3,786)	(\$1,101)	(\$27,382)	(\$40,487)
Transmission	TRAN_TO	16	(\$327,252,885)	(\$21,090,808)	(\$7,447,994)	(\$692,593)	(\$1,587,921)	(\$1,037,425)	(\$257,748)	(\$140,724)	(\$32,382)	(\$113,412)	(\$164,423)
Distribution	RB_GUP_EPIS_D	32	(\$663,852,963)	(\$8,039)	(\$4,660)	(\$1,370,487)	(\$3,012,584)	(\$1,164,530)	(\$1,821)	(\$344,497)	(\$205,544)	(\$9,849,105)	(\$7,244,694)
General & Intangible	RB_GUP_EPIS_G	34	(\$129,324,725)	(\$5,961,463)	(\$4,240,170)	(\$242,814)	(\$700,615)	(\$440,364)	(\$79,717)	(\$50,915)	(\$17,555)	(\$630,804)	(\$516,652)
Total			(\$2,616,576,625)	(\$110,117,668)	(\$72,565,328)	(\$5,118,994)	(\$14,223,701)	(\$8,506,461)	(\$1,447,948)	(\$1,117,252)	(\$424,431)	(\$14,796,737)	(\$14,140,818)
Net Electric Plant in Service			\$4,869,972,499	\$174,656,390	\$104,389,402	\$9,719,951	\$25,199,174	\$14,261,376	\$2,270,953	\$2,172,559	\$903,657	\$33,806,758	\$28,968,261
Working Capital													
Fuel Inventory	Hrly Fuel	67	\$44,262,887	\$2,509,482	\$1,847,120	\$81,718	\$271,386	\$177,623	\$33,941	\$17,268	\$4,886	\$148,410	\$219,442
Allowance Inventory-Current	PROD_ENERGY	2	\$17,674,176	\$1,030,492	\$732,309	\$32,995	\$109,439	\$71,327	\$13,356	\$6,699	\$1,864	\$57,298	\$83,989
Materials & Supplies - Prod	RB_GUP_EPIS_P	28	\$107,009,495	\$5,929,924	\$4,351,474	\$201,223	\$637,414	\$419,058	\$79,295	\$41,601	\$12,136	\$299,286	\$442,633
Materials & Supplies - Trans	RB_GUP_EPIS_T	30	\$4,743,242	\$305,693	\$107,952	\$10,039	\$23,016	\$15,037	\$3,736	\$2,040	\$469	\$1,644	\$2,383
Materials & Supplies - Dist	RB_GUP_EPIS_D	32	\$12,855,617	\$156	\$90	\$26,540	\$58,339	\$22,551	\$35	\$6,671	\$3,980	\$190,729	\$140,295
Total Working Capital			\$186,545,418	\$9,775,746	\$7,038,945	\$352,515	\$1,099,593	\$705,596	\$130,364	\$74,279	\$23,336	\$697,367	\$888,741
Rate Base Offsets													
Cook Plant Turbine Replacement (1823308)	POD Gplant	63	\$13,769,160	\$763,017	\$559,914	\$25,892	\$82,018	\$53,921	\$10,203	\$5,353	\$1,562	\$38,510	\$56,955
Rockport DSI Deferrals	POD Gplant	63	\$7,101,204	\$393,513	\$288,766	\$13,353	\$42,299	\$27,809	\$5,262	\$2,761	\$805	\$19,861	\$29,373
Rate Case Expense Deferral (1823xxx)	LABOR_M	54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepaid Pension Expense	LABOR_M	54	\$127,429,283	\$5,874,089	\$4,178,024	\$239,256	\$690,346	\$433,910	\$78,548	\$50,168	\$17,298	\$621,558	\$509,080
Deferred Gain Rockport Unit 2 Sale	POD Gplant	63	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cook Uprate Project Deferral (1823418)	POD Gplant	63	\$16,553,064	\$917,287	\$673,120	\$31,127	\$98,600	\$64,823	\$12,266	\$6,435	\$1,877	\$46,296	\$68,470
Deferred Cook Nuc Plnt 316(b) Comply Costs (1823xxx)	POD Gplant	63	\$5,765,379	\$319,488	\$234,446	\$10,841	\$34,342	\$22,578	\$4,272	\$2,241	\$654	\$16,125	\$23,848
Baffle Bolt Deferral (1823295) - Direct IN	POD Gplant	63	\$4,549,033	\$252,084	\$184,984	\$8,554	\$27,097	\$17,814	\$3,371	\$1,768	\$516	\$12,723	\$18,817
COVID-19 Deferred Expense (1823587) - Direct IN	RB_GUP	36	\$2,023,141	\$76,956	\$47,820	\$4,010	\$10,654	\$6,153	\$1,005	\$889	\$359	\$13,134	\$11,650
Deferred Storm Expense (1823078) - Direct IN	DIST_OHLLINES	21	\$2,261,084	\$0	\$0	\$5,030	\$11,384	\$4,619	\$0	\$1,177	\$703	\$4,050	\$5,391
Total			\$179,451,347	\$8,596,434	\$6,167,073	\$338,063	\$996,740	\$631,626	\$114,928	\$70,793	\$23,774	\$772,256	\$723,582
Total Rate Base			\$5,235,969,265	\$193,028,570	\$117,595,420	\$10,410,529	\$27,295,507	\$15,598,598	\$2,516,244	\$2,317,632	\$950,767	\$35,276,381	\$30,580,585

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Operating Expense													
O&M Expense													
Production													
Steam Generation Expense													
500-Supervision & Engineering	POD Net Gen Plt	70	\$2,891,129	\$1,088,831	\$263,695	\$6,877	\$1,477	\$102	\$624,119	\$37,880	\$897	\$114,606	\$416,956
5000005-DSI Amort - Direct IN	POD Net Gen Plt	70	\$599,100	\$225,628	\$54,643	\$1,425	\$306	\$21	\$129,330	\$7,849	\$186	\$23,749	\$86,402
501-Fuel	Hrly Fuel	67	\$39,781,478	\$14,891,821	\$3,533,024	\$85,817	\$19,826	\$1,304	\$8,547,850	\$502,449	\$11,268	\$1,593,942	\$5,820,645
502 - Steam Expenses	POD Net Gen Plt	70	\$149,541	\$56,319	\$13,639	\$356	\$76	\$5	\$32,282	\$1,959	\$46	\$5,928	\$21,567
502 - Steam Consumables	PROD_ENERGY	2	\$4,615,914	\$1,656,276	\$420,010	\$10,506	\$2,507	\$143	\$1,018,299	\$60,305	\$1,363	\$192,223	\$695,445
505-Electric	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
506-Misc. Power	POD Net Gen Plt	70	\$4,663,098	\$1,756,175	\$425,313	\$11,091	\$2,383	\$165	\$1,006,641	\$61,096	\$1,447	\$184,849	\$672,508
507-Rents	POD Net Gen Plt	70	\$48,930,766	\$18,427,869	\$4,462,890	\$116,384	\$25,000	\$1,728	\$10,562,869	\$641,094	\$15,184	\$1,939,651	\$7,056,752
508-Operation Supplies & Expenses - Non-major	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
509-Allowances	PROD_ENERGY	2	\$109,642	\$39,341	\$9,976	\$250	\$60	\$3	\$24,188	\$1,432	\$32	\$4,566	\$16,519
Total Steam Operation			\$101,740,669	\$38,142,260	\$9,183,190	\$232,705	\$51,635	\$3,471	\$21,945,577	\$1,314,065	\$30,424	\$4,059,514	\$14,786,793
510-Supervision & Engineering	PROD_ENERGY	2	\$837,230	\$300,414	\$76,181	\$1,905	\$455	\$26	\$184,698	\$10,938	\$247	\$34,865	\$126,139
511-Structures	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512-Boiler Plant	PROD_ENERGY	2	\$5,279,338	\$1,894,325	\$480,376	\$12,016	\$2,868	\$164	\$1,164,654	\$68,972	\$1,559	\$219,850	\$795,398
513-Electric Plant	PROD_ENERGY	2	\$1,111,398	\$398,790	\$101,128	\$2,529	\$604	\$34	\$245,181	\$14,520	\$328	\$46,283	\$167,446
514-Misc Steam Plant	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Steam Maintenance			\$7,227,966	\$2,593,529	\$657,685	\$16,451	\$3,926	\$224	\$1,594,534	\$94,430	\$2,135	\$300,998	\$1,088,983
Total Steam Generation Expense			\$108,968,635	\$40,735,789	\$9,840,875	\$249,156	\$55,561	\$3,695	\$23,540,111	\$1,408,495	\$32,559	\$4,360,512	\$15,875,776
Nuclear Generation Expense													
517-Supervision & Engineering	POD Net Gen Plt	70	\$16,280,070	\$6,131,255	\$1,484,877	\$38,723	\$8,318	\$575	\$3,514,440	\$213,302	\$5,052	\$645,354	\$2,347,897
5180000-5180002 -Fuel	Hrly Fuel	67	\$56,968,725	\$21,325,705	\$5,059,437	\$122,894	\$28,391	\$1,867	\$12,240,875	\$719,528	\$16,136	\$2,282,591	\$8,335,404
519-Coolants and Water	POD Net Gen Plt	70	\$8,273,585	\$3,115,924	\$754,619	\$19,679	\$4,227	\$292	\$1,786,050	\$108,401	\$2,567	\$327,971	\$1,193,209
520-Steam Expense	POD Net Gen Plt	70	\$8,194,903	\$3,086,291	\$747,443	\$19,492	\$4,187	\$289	\$1,769,065	\$107,370	\$2,543	\$324,852	\$1,181,862
520-Steam Expense - Direct IN	POD Net Gen Plt	70	\$5,118	\$1,927	\$467	\$12	\$3	\$0	\$1,105	\$67	\$2	\$203	\$738
521-Steam from Other Sources	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
522-Steam Transferred Credit	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
523-Electric Expense	POD Net Gen Plt	70	\$5,694,513	\$2,144,617	\$519,387	\$13,545	\$2,909	\$201	\$1,229,296	\$74,610	\$1,767	\$225,735	\$821,258
524-Misc Nuclear Power Exp	POD Net Gen Plt	70	\$45,651,701	\$17,192,937	\$4,163,812	\$108,585	\$23,325	\$1,612	\$9,855,005	\$598,131	\$14,167	\$1,809,667	\$6,583,848
524xxxx - Cook Amort (Uprate Project/ 316(b)) - Direct IN	POD Net Gen Plt	70	\$2,049,252	\$771,771	\$186,909	\$4,874	\$1,047	\$72	\$442,380	\$26,849	\$636	\$81,234	\$295,541
524xxxx - Cook Amort (Uprate Project/ 316(b)) - Non Juris	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5240008-Nuclear Decomm Exp	POD Net Gen Plt	70	\$2,000,000	\$753,222	\$182,417	\$4,757	\$1,022	\$71	\$431,748	\$26,204	\$621	\$79,281	\$288,438
5240009-Nuclear Decomm Expense-ARO	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Nuclear Operations			\$145,117,866	\$54,523,649	\$13,099,366	\$332,560	\$73,429	\$4,980	\$31,269,963	\$1,874,464	\$43,490	\$5,776,887	\$21,048,196
528-Maint Supervision & Engineering	POD Net Gen Plt	70	\$5,454,418	\$2,054,194	\$497,488	\$12,974	\$2,787	\$193	\$1,177,466	\$71,464	\$1,693	\$216,217	\$786,631
529-Maint of Structures	POD Net Gen Plt	70	\$2,530,097	\$952,862	\$230,766	\$6,018	\$1,293	\$89	\$546,181	\$33,149	\$785	\$100,295	\$364,888
530-Maint of Reactor Plant	POD Net Gen Plt	70	\$55,885,933	\$21,047,262	\$5,097,258	\$132,927	\$28,554	\$1,973	\$12,064,307	\$732,221	\$17,343	\$2,215,359	\$8,059,820
530-Maint of Reactor Plant IN Baffle Bolt Amort.	POD Net Gen Plt	70	\$299,936	\$112,959	\$27,357	\$713	\$153	\$11	\$64,748	\$3,930	\$93	\$11,890	\$43,257
531-Maint of Electric Plant	POD Net Gen Plt	70	\$10,305,873	\$3,881,306	\$939,981	\$24,513	\$5,266	\$364	\$2,224,768	\$135,028	\$3,198	\$408,532	\$1,486,304
532-Maint of Misc Nuclear Plant	POD Net Gen Plt	70	\$10,977,596	\$4,134,284	\$1,001,247	\$26,111	\$5,609	\$388	\$2,369,775	\$143,829	\$3,407	\$435,160	\$1,583,179
Total Nuclear Maintenance			\$85,453,851	\$32,182,868	\$7,794,097	\$203,256	\$43,661	\$3,017	\$18,447,245	\$1,119,622	\$26,518	\$3,387,453	\$12,324,079
Total Nuclear Generation Expenses			\$230,571,718	\$86,706,517	\$20,893,463	\$535,816	\$117,090	\$7,997	\$49,717,208	\$2,994,086	\$70,009	\$9,164,340	\$33,372,276

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Operating Expense													
O&M Expense													
Production													
Steam Generation Expense													
500-Supervision & Engineering	POD Net Gen Plt	70	\$2,891,129	\$160,501	\$117,435	\$5,653	\$17,169	\$11,314	\$2,157	\$1,123	\$328	\$8,065	\$11,943
5000005-DSI Amort - Direct IN	POD Net Gen Plt	70	\$599,100	\$33,259	\$24,335	\$1,171	\$3,558	\$2,345	\$447	\$233	\$68	\$1,671	\$2,475
501-Fuel	Hrly Fuel	67	\$39,781,478	\$2,255,408	\$1,660,108	\$73,445	\$243,910	\$159,639	\$30,505	\$15,519	\$4,391	\$133,384	\$197,224
502 - Steam Expenses	POD Net Gen Plt	70	\$149,541	\$8,302	\$6,074	\$292	\$888	\$585	\$112	\$58	\$17	\$417	\$618
502 - Steam Consumables	PROD_ENERGY	2	\$4,615,914	\$269,131	\$191,255	\$8,617	\$28,582	\$18,628	\$3,488	\$1,750	\$487	\$14,964	\$21,935
505-Electric	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
506-Misc. Power	POD Net Gen Plt	70	\$4,663,098	\$258,872	\$189,411	\$9,117	\$27,692	\$18,249	\$3,478	\$1,812	\$530	\$13,008	\$19,262
507-Rents	POD Net Gen Plt	70	\$48,930,766	\$2,716,392	\$1,987,528	\$95,667	\$290,577	\$191,485	\$36,500	\$19,014	\$5,558	\$136,500	\$202,124
508-Operation Supplies & Expenses - Non-major	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
509-Allowances	PROD_ENERGY	2	\$109,642	\$6,393	\$4,543	\$205	\$679	\$442	\$83	\$42	\$12	\$355	\$521
Total Steam Operation			\$101,740,669	\$5,708,257	\$4,180,689	\$194,167	\$613,054	\$402,687	\$76,770	\$39,551	\$11,391	\$308,366	\$456,102
510-Supervision & Engineering	PROD_ENERGY	2	\$837,230	\$48,815	\$34,690	\$1,563	\$5,184	\$3,379	\$633	\$317	\$88	\$2,714	\$3,979
511-Structures	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512-Boiler Plant	PROD_ENERGY	2	\$5,279,338	\$307,812	\$218,743	\$9,856	\$32,690	\$21,306	\$3,989	\$2,001	\$557	\$17,115	\$25,088
513-Electric Plant	PROD_ENERGY	2	\$1,111,398	\$64,800	\$46,049	\$2,075	\$6,882	\$4,485	\$840	\$421	\$117	\$3,603	\$5,281
514-Misc Steam Plant	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Steam Maintenance			\$7,227,966	\$421,426	\$299,482	\$13,494	\$44,756	\$29,170	\$5,462	\$2,740	\$762	\$23,432	\$34,348
Total Steam Generation Expense			\$108,968,635	\$6,129,684	\$4,480,171	\$207,661	\$657,810	\$431,857	\$82,231	\$42,290	\$12,153	\$331,799	\$490,449
Nuclear Generation Expense													
517-Supervision & Engineering	POD Net Gen Plt	70	\$16,280,070	\$903,788	\$661,283	\$31,830	\$96,680	\$63,710	\$12,144	\$6,326	\$1,849	\$45,416	\$67,250
5180000-5180002 -Fuel	Hrly Fuel	67	\$56,968,725	\$3,229,838	\$2,377,343	\$105,176	\$349,289	\$228,610	\$43,684	\$22,224	\$6,288	\$191,012	\$282,433
519-Coolants and Water	POD Net Gen Plt	70	\$8,273,585	\$459,308	\$336,066	\$16,176	\$49,133	\$32,378	\$6,172	\$3,215	\$940	\$23,080	\$34,177
520-Steam Expense	POD Net Gen Plt	70	\$8,194,903	\$454,940	\$332,870	\$16,022	\$48,666	\$32,070	\$6,113	\$3,184	\$931	\$22,861	\$33,852
520-Steam Expense - Direct IN	POD Net Gen Plt	70	\$5,118	\$284	\$208	\$10	\$30	\$20	\$4	\$2	\$1	\$14	\$21
521-Steam from Other Sources	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
522-Steam Transferred Credit	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
523-Electric Expense	POD Net Gen Plt	70	\$5,694,513	\$316,131	\$231,306	\$11,134	\$33,817	\$22,285	\$4,248	\$2,213	\$647	\$15,886	\$23,523
524-Misc Nuclear Power Exp	POD Net Gen Plt	70	\$45,651,701	\$2,534,354	\$1,854,335	\$89,256	\$271,104	\$178,653	\$34,054	\$17,739	\$5,186	\$127,353	\$188,579
524xxxx - Cook Amort (Uprate Project/ 316(b)) - Direct IN	POD Net Gen Plt	70	\$2,049,252	\$113,764	\$83,239	\$4,007	\$12,170	\$8,020	\$1,529	\$796	\$233	\$5,717	\$8,465
524xxxx - Cook Amort (Uprate Project/ 316(b)) - Non Juris	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5240008-Nuclear Decomm Exp	POD Net Gen Plt	70	\$2,000,000	\$111,030	\$81,238	\$3,910	\$11,877	\$7,827	\$1,492	\$777	\$227	\$5,579	\$8,262
5240009-Nuclear Decomm Expense-ARO	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Nuclear Operations			\$145,117,866	\$8,123,438	\$5,957,889	\$277,521	\$872,766	\$573,571	\$109,440	\$56,477	\$16,301	\$436,918	\$646,561
528-Maint Supervision & Engineering	POD Net Gen Plt	70	\$5,454,418	\$302,802	\$221,554	\$10,664	\$32,391	\$21,345	\$4,069	\$2,119	\$620	\$15,216	\$22,531
529-Maint of Structures	POD Net Gen Plt	70	\$2,530,097	\$140,458	\$102,770	\$4,947	\$15,025	\$9,901	\$1,887	\$983	\$287	\$7,058	\$10,451
530-Maint of Reactor Plant	POD Net Gen Plt	70	\$55,885,933	\$3,102,508	\$2,270,041	\$109,266	\$331,881	\$218,703	\$41,688	\$21,716	\$6,348	\$155,903	\$230,854
530-Maint of Reactor Plant IN Baffle Bolt Amort.	POD Net Gen Plt	70	\$299,936	\$16,651	\$12,183	\$586	\$1,781	\$1,174	\$224	\$117	\$34	\$837	\$1,239
531-Maint of Electric Plant	POD Net Gen Plt	70	\$10,305,873	\$572,131	\$418,616	\$20,150	\$61,202	\$40,331	\$7,688	\$4,005	\$1,171	\$28,750	\$42,572
532-Maint of Misc Nuclear Plant	POD Net Gen Plt	70	\$10,977,596	\$609,421	\$445,901	\$21,463	\$65,191	\$42,960	\$8,189	\$4,266	\$1,247	\$30,624	\$45,346
Total Nuclear Maintenance			\$85,453,851	\$4,743,971	\$3,471,066	\$167,076	\$507,471	\$334,414	\$63,745	\$33,206	\$9,707	\$238,387	\$352,994
Total Nuclear Generation Expenses			\$230,571,718	\$12,867,410	\$9,428,954	\$444,597	\$1,380,236	\$907,985	\$173,184	\$89,683	\$26,008	\$675,304	\$999,555

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Production Hydraulic													
535-Supervision & Engineering	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
536- Water for Power	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
537-Hydraulic Expense	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
538-Electric	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
539-Misc Hydraulic	POD Net Gen Plt	70	\$1,474,979	\$555,494	\$134,530	\$3,508	\$754	\$52	\$318,409	\$19,325	\$458	\$58,469	\$212,720
540- Rents	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Hydraulic Operations			\$1,474,979	\$555,494	\$134,530	\$3,508	\$754	\$52	\$318,409	\$19,325	\$458	\$58,469	\$212,720
541-Supervision & Engineering	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
542-Structures	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
543-Reservoirs, Etc.	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
544-Electric Plant	PROD_ENERGY	2	\$1,729,560	\$620,599	\$157,376	\$3,936	\$940	\$54	\$381,552	\$22,596	\$511	\$72,025	\$260,580
545-Misc Hydraulic Plant	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Hydraulic Maintenance			\$1,729,560	\$620,599	\$157,376	\$3,936	\$940	\$54	\$381,552	\$22,596	\$511	\$72,025	\$260,580
Total Hydraulic Generation Expense			\$3,204,540	\$1,176,092	\$291,906	\$7,445	\$1,693	\$106	\$699,961	\$41,921	\$968	\$130,494	\$473,300
Production Other													
546-Supervision & Engineering	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
547- Fuel	Hrly Fuel	67	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
548-Generation Expense	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
549-Misc Other Power Generation Expense	POD Net Gen Plt	70	\$219,158	\$82,537	\$19,989	\$521	\$112	\$8	\$47,310	\$2,871	\$68	\$8,688	\$31,607
550-Rents	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Power Operation			\$219,158	\$82,537	\$19,989	\$521	\$112	\$8	\$47,310	\$2,871	\$68	\$8,688	\$31,607
551-Supervision & Engineering													
552-Structures													
553-Generation & Electric Plant	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
554-Misc Other Generation	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Power Maintenance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Production Expense			\$219,158	\$82,537	\$19,989	\$521	\$112	\$8	\$47,310	\$2,871	\$68	\$8,688	\$31,607
Other Power Supply Expense													
555-Purchased Power Expense Demand	POD Net Gen Plt	70	\$129,158,238	\$48,642,425	\$11,780,298	\$307,209	\$65,990	\$4,561	\$27,881,876	\$1,692,239	\$40,081	\$5,119,927	\$18,627,088
555-OSS/PJM Purchased Power Expense Demand	POD Net Gen Plt	70	\$4,803,793	\$1,809,162	\$438,146	\$11,426	\$2,454	\$170	\$1,037,013	\$62,940	\$1,491	\$190,426	\$692,799
555-Purchased Power Expense Energy	PROD_ENERGY	2	\$141,309,167	\$50,704,363	\$12,857,964	\$321,614	\$76,763	\$4,381	\$31,173,670	\$1,846,130	\$41,730	\$5,884,614	\$21,289,988
555-OSS/PJM Purchased Power Expense Energy	PROD_ENERGY	2	\$21,924,595	\$7,866,953	\$1,994,957	\$49,899	\$11,910	\$680	\$4,836,700	\$286,433	\$6,475	\$913,018	\$3,303,214
5550106-Under recovered PJM Expense Direct IN	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5550145-Defrd RES Wildcat Wind Cost-Non Juris	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5550552 - Resource Adequacy Rider Direct IN	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
556-Sys Control & Load Dispatching	POD Net Gen Plt	70	\$286,934	\$108,062	\$26,171	\$682	\$147	\$10	\$61,941	\$3,759	\$89	\$11,374	\$41,381
557- Other Expenses	POD Net Gen Plt	70	\$908,335	\$342,089	\$82,848	\$2,161	\$464	\$32	\$196,086	\$11,901	\$282	\$36,007	\$130,999
Total Other Power Supply Expense			\$298,391,061	\$109,473,054	\$27,180,382	\$692,991	\$157,729	\$9,833	\$65,187,286	\$3,903,403	\$90,147	\$12,155,366	\$44,085,469
Total Production O&M Expense excl GSU			\$641,355,112	\$238,173,990	\$58,226,615	\$1,485,929	\$332,185	\$21,639	\$139,191,877	\$8,350,776	\$193,751	\$25,819,400	\$93,838,427
GSU	POD Net Gen Plt	70	\$479,377	\$180,539	\$43,723	\$1,140	\$245	\$17	\$103,485	\$6,281	\$149	\$19,003	\$69,135
Total Production O&M Expense			\$641,834,489	\$238,354,529	\$58,270,338	\$1,487,069	\$332,430	\$21,656	\$139,295,362	\$8,357,056	\$193,900	\$25,838,403	\$93,907,563
Transmission													
Transmission	TRAN_TO	16	\$14,881,856	\$5,821,401	\$1,535,271	\$38,594	\$12,323	\$355	\$3,305,302	\$196,663	\$5,892	\$554,622	\$1,930,517
Transmission O&M - LSE Demand	POD Net Gen Plt	70	\$25,040,311	\$9,430,459	\$2,283,883	\$59,560	\$12,794	\$884	\$5,405,546	\$328,080	\$7,771	\$992,616	\$3,611,292
Total			\$39,922,167	\$15,251,860	\$3,819,154	\$98,154	\$25,117	\$1,240	\$8,710,848	\$524,742	\$13,663	\$1,547,238	\$5,541,808

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Production Hydraulic													
535-Supervision & Engineering	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
536- Water for Power	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
537-Hydraulic Expense	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
538-Electric	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
539-Misc Hydraulic	POD Net Gen Plt	70	\$1,474,979	\$81,883	\$59,912	\$2,884	\$8,759	\$5,772	\$1,100	\$573	\$168	\$4,115	\$6,093
540- Rents	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Hydraulic Operations			\$1,474,979	\$81,883	\$59,912	\$2,884	\$8,759	\$5,772	\$1,100	\$573	\$168	\$4,115	\$6,093
Production Maintenance													
541-Supervision & Engineering	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
542-Structures	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
543-Reservoirs, Etc.	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
544-Electric Plant	PROD_ENERGY	2	\$1,729,560	\$100,842	\$71,662	\$3,229	\$10,709	\$6,980	\$1,307	\$656	\$182	\$5,607	\$8,219
545-Misc Hydraulic Plant	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Hydraulic Maintenance			\$1,729,560	\$100,842	\$71,662	\$3,229	\$10,709	\$6,980	\$1,307	\$656	\$182	\$5,607	\$8,219
Total Hydraulic Generation Expense			\$3,204,540	\$182,725	\$131,575	\$6,113	\$19,469	\$12,752	\$2,407	\$1,229	\$350	\$9,722	\$14,312
Production Other													
546-Supervision & Engineering	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
547- Fuel	Hrly Fuel	67	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
548-Generation Expense	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
549-Misc Other Power Generation Expense	POD Net Gen Plt	70	\$219,158	\$12,167	\$8,902	\$428	\$1,301	\$858	\$163	\$85	\$25	\$611	\$905
550-Rents	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Power Operation			\$219,158	\$12,167	\$8,902	\$428	\$1,301	\$858	\$163	\$85	\$25	\$611	\$905
Production Maintenance													
551-Supervision & Engineering													
552-Structures													
553-Generation & Electric Plant	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
554-Misc Other Generation	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Power Maintenance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Production Expense			\$219,158	\$12,167	\$8,902	\$428	\$1,301	\$858	\$163	\$85	\$25	\$611	\$905
Other Power Supply Expense													
555-Purchased Power Expense Demand	POD Net Gen Plt	70	\$129,158,238	\$7,170,220	\$5,246,302	\$252,525	\$767,011	\$505,446	\$96,346	\$50,189	\$14,671	\$360,307	\$533,528
555-OSS/PJM Purchased Power Expense Demand	POD Net Gen Plt	70	\$4,803,793	\$266,683	\$195,126	\$9,392	\$28,527	\$18,799	\$3,583	\$1,867	\$546	\$13,401	\$19,844
555-Purchased Power Expense Energy	PROD_ENERGY	2	\$141,309,167	\$8,239,025	\$5,854,982	\$263,807	\$874,987	\$570,279	\$106,782	\$53,564	\$14,903	\$458,111	\$671,510
555-OSS/PJM Purchased Power Expense Energy	PROD_ENERGY	2	\$21,924,595	\$1,278,313	\$908,420	\$40,930	\$135,757	\$88,481	\$16,568	\$8,311	\$2,312	\$71,077	\$104,187
5550106-Under recovered PJM Expense Direct IN	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5550145-Defrd RES Wildcat Wind Cost-Non Juris	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5550552 - Resource Adequacy Rider Direct IN	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
556-Sys Control & Load Dispatching	POD Net Gen Plt	70	\$286,934	\$15,929	\$11,655	\$561	\$1,704	\$1,123	\$214	\$111	\$33	\$800	\$1,185
557- Other Expenses	POD Net Gen Plt	70	\$908,335	\$50,426	\$36,896	\$1,776	\$5,394	\$3,555	\$678	\$353	\$103	\$2,534	\$3,752
Total Other Power Supply Expense			\$298,391,061	\$17,020,596	\$12,253,381	\$568,991	\$1,813,381	\$1,187,682	\$224,171	\$114,394	\$32,567	\$906,230	\$1,334,007
Total Production O&M Expense excl GSU			\$641,355,112	\$36,212,582	\$26,302,984	\$1,227,789	\$3,872,197	\$2,541,135	\$482,157	\$247,682	\$71,103	\$1,923,666	\$2,839,228
GSU	POD Net Gen Plt	70	\$479,377	\$26,613	\$19,472	\$937	\$2,847	\$1,876	\$358	\$186	\$54	\$1,337	\$1,980
Total Production O&M Expense			\$641,834,489	\$36,239,194	\$26,322,455	\$1,228,727	\$3,875,044	\$2,543,011	\$482,515	\$247,868	\$71,157	\$1,925,004	\$2,841,208
Transmission													
Transmission	TRAN_TO	16	\$14,881,856	\$959,107	\$338,698	\$31,496	\$72,211	\$47,177	\$11,721	\$6,399	\$1,473	\$5,157	\$7,477
Transmission O&M - LSE Demand	POD Net Gen Plt	70	\$25,040,311	\$1,390,113	\$1,017,117	\$48,958	\$148,703	\$97,992	\$18,679	\$9,730	\$2,844	\$69,854	\$103,437
Total			\$39,922,167	\$2,349,220	\$1,355,815	\$80,453	\$220,914	\$145,169	\$30,400	\$16,130	\$4,317	\$75,011	\$110,914

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Distribution Operation													
580 Supervision & Engineering	TOTOXEP	47	\$2,609,870	\$1,466,984	\$307,504	\$3,439	\$13	\$2	\$475,799	\$20,120	\$26	\$75,254	\$181,466
581 Load Dispatching	DIST_CPD	5	\$534,506	\$258,942	\$54,285	\$1,276	\$0	\$0	\$118,262	\$6,881	\$0	\$19,098	\$69,207
582 Station Expenses	DIST_CPD	5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
583 Overhead Lines	DIST_OHLLINES	21	\$1,791,520	\$959,867	\$198,434	\$2,716	\$0	\$0	\$380,776	\$14,641	\$0	\$62,187	\$147,264
584 Underground Lines	DIST_UGLINES	23	\$1,299,236	\$710,962	\$146,570	\$1,717	\$0	\$0	\$273,623	\$9,258	\$0	\$44,804	\$93,118
585 Street Lighting	DIST_SL	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
586 Meters	DIST_METERS	10	\$1,393,115	\$975,291	\$282,440	\$791	\$71	\$10	\$86,893	\$12,785	\$141	\$2,452	\$15,873
587 Customer Installations	DIST_PCUST	8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
588 Miscellaneous Distribution	RB_GUP_EPIS_D	32	\$16,248,722	\$9,059,079	\$1,834,879	\$21,511	\$41	\$6	\$3,010,966	\$120,974	\$83	\$482,745	\$1,150,439
588 Miscellaneous Dist - Misc DistIN Ft. Wayne Amort.	RB_GUP_EPIS_D	32	\$914,592	\$509,908	\$103,280	\$1,211	\$2	\$0	\$169,478	\$6,809	\$5	\$27,172	\$64,755
589 Rents	RB_GUP_EPIS_D	32	\$1,298,446	\$723,917	\$146,626	\$1,719	\$3	\$0	\$240,608	\$9,667	\$7	\$38,576	\$91,932
Total			\$26,090,007	\$14,664,950	\$3,074,019	\$34,380	\$131	\$18	\$4,756,406	\$201,137	\$262	\$752,288	\$1,814,054
Distribution Maintenance													
590 Supervision & Engineering	TOTMXP												
591 Structures	DIST_CPD	5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
592 Station Equipment	DIST_CPD	5	\$1,935,038	\$937,430	\$196,526	\$4,621	\$0	\$0	\$428,136	\$24,910	\$0	\$69,138	\$250,546
593 Overhead Lines	TOTOHLLINES	43	\$25,395,631	\$13,571,476	\$2,806,608	\$39,097	\$0	\$0	\$5,403,627	\$210,763	\$0	\$882,222	\$2,119,847
594 Underground Lines	TOTUGLLINES	44	\$1,618,615	\$885,731	\$182,600	\$2,140	\$0	\$0	\$340,886	\$11,534	\$0	\$55,818	\$116,008
595 Line Transformers	DIST_TRANSF	26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
596 Street Lighting	DIST_SL	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
597 Meters	DIST_METERS	10	\$130,702	\$91,501	\$26,498	\$74	\$7	\$1	\$8,152	\$1,200	\$13	\$230	\$1,489
598 Miscellaneous Distribution	DIST_OL	11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$29,079,986	\$15,486,138	\$3,212,232	\$45,931	\$7	\$1	\$6,180,801	\$248,407	\$13	\$1,007,408	\$2,487,892
Customer Accounts													
901 Supervision	TOTOX234	49	\$1,003,261	\$874,878	\$85,420	\$78	\$7	\$3	\$11,079	\$188	\$2	\$115	\$212
902 Meter Read	CUST_902	13	\$527,932	\$441,525	\$55,722	\$51	\$4	\$2	\$28,817	\$490	\$5	\$0	\$0
903 Customer Records	CUST_903	14	\$9,779,025	\$8,546,495	\$821,834	\$748	\$63	\$32	\$85,005	\$1,444	\$16	\$1,179	\$2,181
904 Uncollectibles	UNCOLFAC	51	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
905 Miscellaneous	TOTOX234	49	\$104,090	\$90,770	\$8,862	\$8	\$1	\$0	\$1,149	\$20	\$0	\$12	\$22
Total			\$11,414,308	\$9,953,668	\$971,838	\$884	\$75	\$38	\$126,051	\$2,142	\$23	\$1,306	\$2,415
Customer Service & Inf & Sales Exp													
907 Supervision	EXP_OM_CUSTACCT	50	\$1,446,418	\$1,261,327	\$123,151	\$112	\$10	\$5	\$15,973	\$271	\$3	\$165	\$306
908 Cust Assist & 9080018 Dem Resp - Emergency DRS 1	EXP_OM_CUSTACCT	50	\$4,011,759	\$3,498,391	\$341,570	\$311	\$26	\$13	\$44,303	\$753	\$8	\$459	\$849
909 Information & Instruction	EXP_OM_CUSTACCT	50	\$29,735	\$25,930	\$2,532	\$2	\$0	\$0	\$328	\$6	\$0	\$3	\$6
910 Miscellaneous Cust. Serv.	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
911-916 Misc Selling	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$5,487,912	\$4,785,648	\$467,252	\$425	\$36	\$18	\$60,604	\$1,030	\$11	\$628	\$1,161
Administrative & General Expense													
Reg Commission - Prod	POD Net Gen Plt	70	\$8,358,786	\$3,148,011	\$762,390	\$19,882	\$4,271	\$295	\$1,804,443	\$109,517	\$2,594	\$331,348	\$1,205,497
Reg Commission - Expense	LABOR_M	54	\$1,309,398	\$562,362	\$122,631	\$2,779	\$568	\$38	\$261,904	\$15,278	\$339	\$47,167	\$165,913
Insurance - Production	RB_GUP_EPIS_P	28	\$2,337,722	\$879,713	\$212,288	\$5,149	\$1,188	\$81	\$506,577	\$29,711	\$668	\$92,993	\$338,159
Insurance - Transmission	RB_GUP_EPIS_T	30	\$232,066	\$90,778	\$23,941	\$602	\$192	\$6	\$51,543	\$3,067	\$92	\$8,649	\$30,104
Insurance - Distribution	RB_GUP_EPIS_D	32	\$516,650	\$288,046	\$58,342	\$684	\$1	\$0	\$95,738	\$3,847	\$3	\$15,350	\$36,580
Misc General Expense - PJM Capacity Perf Ins	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A&G - Labor Related	LABOR_M	54	\$75,042,316	\$32,229,280	\$7,028,045	\$159,276	\$32,555	\$2,157	\$15,009,833	\$875,592	\$19,404	\$2,703,179	\$9,508,592
Total			\$87,796,938	\$37,198,190	\$8,207,637	\$188,372	\$38,775	\$2,576	\$17,730,036	\$1,037,012	\$23,098	\$3,198,686	\$11,284,846
Total O&M Expense			\$841,625,807	\$335,694,983	\$78,022,470	\$1,855,215	\$396,570	\$25,546	\$176,860,109	\$10,371,526	\$230,972	\$32,345,957	\$115,039,738

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Distribution Operation													
580 Supervision & Engineering	TOTOXEXP	47	\$2,609,870	\$62	\$36	\$5,489	\$11,877	\$4,482	\$14	\$1,437	\$860	\$31,137	\$23,868
581 Load Dispatching	DIST_CPD	5	\$534,506	\$0	\$0	\$1,009	\$2,582	\$1,720	\$0	\$247	\$51	\$381	\$564
582 Station Expenses	DIST_CPD	5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
583 Overhead Lines	DIST_OHLINES	21	\$1,791,520	\$0	\$0	\$3,985	\$9,020	\$3,660	\$0	\$933	\$557	\$3,209	\$4,271
584 Underground Lines	DIST_UGLINES	23	\$1,299,236	\$0	\$0	\$2,987	\$6,601	\$2,314	\$0	\$693	\$466	\$2,639	\$3,482
585 Street Lighting	DIST_SL	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
586 Meters	DIST_METERS	10	\$1,393,115	\$334	\$194	\$3,289	\$4,867	\$248	\$76	\$1,475	\$946	\$0	\$4,941
587 Customer Installations	DIST_PCUST	8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
588 Miscellaneous Distribution	RB_GUP_EPIS_D	32	\$16,248,722	\$197	\$114	\$33,545	\$73,737	\$28,503	\$45	\$8,432	\$5,031	\$241,071	\$177,324
588 Miscellaneous Dist - Misc DistIN Ft. Wayne Amort.	RB_GUP_EPIS_D	32	\$914,592	\$11	\$6	\$1,888	\$4,150	\$1,604	\$3	\$475	\$283	\$13,569	\$9,981
589 Rents	RB_GUP_EPIS_D	32	\$1,298,446	\$16	\$9	\$2,681	\$5,892	\$2,278	\$4	\$674	\$402	\$19,264	\$14,170
Total			\$26,090,007	\$620	\$359	\$54,874	\$118,727	\$44,810	\$140	\$14,366	\$8,596	\$311,270	\$238,601
Distribution Maintenance													
590 Supervision & Engineering	TOTMXP												
591 Structures	DIST_CPD	5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
592 Station Equipment	DIST_CPD	5	\$1,935,038	\$0	\$0	\$3,655	\$9,348	\$6,226	\$0	\$896	\$185	\$1,379	\$2,042
593 Overhead Lines	TOTOHLINES	43	\$25,395,631	\$0	\$0	\$56,263	\$127,727	\$52,680	\$0	\$13,184	\$7,750	\$44,748	\$59,639
594 Underground Lines	TOTUGLINES	44	\$1,618,615	\$0	\$0	\$3,722	\$8,223	\$2,883	\$0	\$864	\$581	\$3,288	\$4,338
595 Line Transformers	DIST_TRANSF	26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
596 Street Lighting	DIST_SL	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
597 Meters	DIST_METERS	10	\$130,702	\$31	\$18	\$309	\$457	\$23	\$7	\$138	\$89	\$0	\$464
598 Miscellaneous Distribution	DIST_OL	11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$29,079,986	\$31	\$18	\$63,948	\$145,755	\$61,813	\$7	\$15,082	\$8,605	\$49,415	\$66,482
Customer Accounts													
901 Supervision	TOTOX234	49	\$1,003,261	\$29	\$17	\$506	\$703	\$23	\$9	\$223	\$139	\$27,982	\$1,649
902 Meter Read	CUST_902	13	\$527,932	\$0	\$0	\$330	\$458	\$15	\$5	\$145	\$361	\$0	\$0
903 Customer Records	CUST_903	14	\$9,779,025	\$301	\$174	\$4,867	\$6,761	\$223	\$86	\$2,147	\$1,063	\$287,468	\$16,938
904 Uncollectibles	UNCOLFAC	51	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
905 Miscellaneous	TOTOX234	49	\$104,090	\$3	\$2	\$52	\$73	\$2	\$1	\$23	\$14	\$2,903	\$171
Total			\$11,414,308	\$333	\$193	\$5,755	\$7,995	\$264	\$102	\$2,538	\$1,576	\$318,353	\$18,758
Customer Service & Inf & Sales Exp													
907 Supervision	EXP_OM_CUSTACCT	50	\$1,446,418	\$42	\$24	\$729	\$1,013	\$33	\$13	\$322	\$200	\$40,342	\$2,377
908 Cust Assist & 9080018 Dem Resp - Emergency DRS 1	EXP_OM_CUSTACCT	50	\$4,011,759	\$117	\$68	\$2,023	\$2,810	\$93	\$36	\$892	\$554	\$111,891	\$6,593
909 Information & Instruction	EXP_OM_CUSTACCT	50	\$29,735	\$1	\$1	\$15	\$21	\$1	\$0	\$7	\$4	\$829	\$49
910 Miscellaneous Cust. Serv.	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
911-916 Misc Selling	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$5,487,912	\$160	\$93	\$2,767	\$3,844	\$127	\$49	\$1,220	\$758	\$153,062	\$9,019
Administrative & General Expense													
Reg Commission - Prod	POD Net Gen Plt	70	\$8,358,786	\$464,038	\$339,527	\$16,343	\$49,639	\$32,711	\$6,235	\$3,248	\$949	\$23,318	\$34,529
Reg Commission - Expense	LABOR_M	54	\$1,309,398	\$60,359	\$42,931	\$2,458	\$7,094	\$4,459	\$807	\$516	\$178	\$6,387	\$5,231
Insurance - Production	RB_GUP_EPIS_P	28	\$2,337,722	\$129,545	\$95,062	\$4,396	\$13,925	\$9,155	\$1,732	\$909	\$265	\$6,538	\$9,670
Insurance - Transmission	RB_GUP_EPIS_T	30	\$232,066	\$14,956	\$5,282	\$491	\$1,126	\$736	\$183	\$100	\$23	\$80	\$117
Insurance - Distribution	RB_GUP_EPIS_D	32	\$516,650	\$6	\$4	\$1,067	\$2,345	\$906	\$1	\$268	\$160	\$7,665	\$5,638
Misc General Expense - PJM Capacity Perf Ins	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A&G - Labor Related	LABOR_M	54	\$75,042,316	\$3,459,215	\$2,460,412	\$140,896	\$406,541	\$255,527	\$46,257	\$29,544	\$10,187	\$366,032	\$299,794
Total			\$87,796,938	\$4,128,119	\$2,943,218	\$165,651	\$480,669	\$303,493	\$55,215	\$34,584	\$11,762	\$410,020	\$354,978
Total O&M Expense			\$841,625,807	\$42,717,678	\$30,622,152	\$1,602,175	\$4,852,947	\$3,098,687	\$568,429	\$331,789	\$106,771	\$3,242,134	\$3,639,960

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Depreciation & Amortization Expense													
Production - Depreciation	POD Depr	65	\$69,245,470	\$26,422,336	\$6,259,095	\$150,916	\$34,444	\$2,408	\$14,892,618	\$872,168	\$19,527	\$2,722,278	\$9,899,554
Production - Amortization	POD Amort	66	\$6,972,731	\$2,818,277	\$617,466	\$14,481	\$3,143	\$253	\$1,450,649	\$84,341	\$1,858	\$260,057	\$946,452
Nuclear	POD Depr	65	\$113,503,586	\$43,310,124	\$10,259,584	\$247,374	\$56,459	\$3,948	\$24,411,208	\$1,429,613	\$32,008	\$4,462,216	\$16,226,836
GSU	POD Depr	65	\$1,122,798	\$428,432	\$101,490	\$2,447	\$559	\$39	\$241,480	\$14,142	\$317	\$44,141	\$160,519
Transmission	TRAN_TO	16	\$34,046,349	\$13,318,060	\$3,512,355	\$88,295	\$28,192	\$813	\$7,561,789	\$449,920	\$13,480	\$1,268,851	\$4,416,589
Distribution	RB_GUP_EPIS_D	32	\$79,081,810	\$44,090,137	\$8,930,276	\$104,691	\$202	\$28	\$14,654,240	\$588,776	\$405	\$2,349,499	\$5,599,135
General & Intangible	RB_GUP_EPIS_G	34	\$45,187,004	\$19,406,978	\$4,231,963	\$95,909	\$19,603	\$1,299	\$9,038,226	\$527,241	\$11,684	\$1,627,729	\$5,725,634
Total Depreciation & Amort Expense			\$349,159,749	\$149,794,346	\$33,912,229	\$704,113	\$142,602	\$8,787	\$72,250,211	\$3,966,202	\$79,279	\$12,734,771	\$42,974,718
Regulatory Debits/Credits													
Reg Debits / Credits - Generation	RB_GUP_EPIS_P	28	\$394,742	\$148,546	\$35,846	\$869	\$201	\$14	\$85,539	\$5,017	\$113	\$15,703	\$57,101
Reg Debits / Credits - Nuclear	RB_GUP_EPIS_P	28	\$915,919	\$344,671	\$83,174	\$2,017	\$465	\$32	\$198,477	\$11,641	\$262	\$36,435	\$132,491
Reg Debits / Credits - Transmission	RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reg Debits / Credits - Distribution	RB_GUP_EPIS_D	32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Regulatory Debits/Credits			\$1,310,661	\$493,217	\$119,021	\$2,887	\$666	\$45	\$284,016	\$16,658	\$374	\$52,137	\$189,591
Taxes Other Than Income													
			\$0										
FICA	LABOR_M	54	\$9,451,188	\$4,059,110	\$885,146	\$20,060	\$4,100	\$272	\$1,890,410	\$110,276	\$2,444	\$340,451	\$1,197,558
Federal Unemployment Tax	LABOR_M	54	\$45,540	\$19,559	\$4,265	\$97	\$20	\$1	\$9,109	\$531	\$12	\$1,640	\$5,770
State Unemployment Tax	LABOR_M	54	\$157,091	\$67,468	\$14,712	\$333	\$68	\$5	\$31,421	\$1,833	\$41	\$5,659	\$19,905
Real & Personal Property Tax	NP	38	\$5,744,605	\$24,656,391	\$5,567,296	\$106,454	\$20,634	\$1,055	\$11,222,900	\$589,691	\$10,977	\$1,931,169	\$6,182,583
IN PSC Assessment	RSALE	56	\$1,905,000	\$854,364	\$216,612	\$4,712	\$883	\$64	\$369,885	\$20,454	\$386	\$65,125	\$214,499
Sales and Use Taxes	RB_GUP	36	\$35,366	\$15,632	\$3,552	\$70	\$14	\$1	\$7,296	\$389	\$7	\$1,266	\$4,122
Gross Receipts Tax	RSALE	56	\$24,508,558	\$10,991,724	\$2,786,794	\$60,623	\$11,363	\$827	\$4,758,710	\$263,145	\$4,971	\$837,861	\$2,759,608
Federal Excise Tax	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Business Franchise Tax	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regis Fee	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes on Capital Leases	NP	38	\$1,183,711	\$533,131	\$120,378	\$2,302	\$446	\$23	\$242,666	\$12,751	\$237	\$41,757	\$133,682
Total Taxes Other Than Income			\$92,031,060	\$41,197,378	\$9,598,756	\$194,650	\$37,528	\$2,247	\$18,532,397	\$999,070	\$19,075	\$3,224,928	\$10,517,727
Other O&M Expenses													
Line of Credit Fees	RATEBASE	39	\$94,214	\$42,112	\$9,522	\$185	\$36	\$2	\$19,346	\$1,024	\$19	\$3,342	\$10,789
Accretion Expense - Distribution	RB_GUP_EPIS_D	32	\$15,200	\$8,475	\$1,716	\$20	\$0	\$0	\$2,817	\$113	\$0	\$452	\$1,076
Factoring Expense	RSALE	56	\$11,162,561	\$5,006,243	\$1,269,261	\$27,611	\$5,175	\$376	\$2,167,382	\$119,851	\$2,264	\$381,608	\$1,256,879
Accretion Expense - Production	RB_GUP_EPIS_P	28	\$467,819	\$176,046	\$42,482	\$1,030	\$238	\$16	\$101,375	\$5,946	\$134	\$18,610	\$67,672
Accretion Expense - Nuclear	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Expenses			\$11,739,795	\$5,232,875	\$1,322,982	\$28,846	\$5,449	\$394	\$2,290,919	\$126,934	\$2,417	\$404,012	\$1,336,416
Total Operating Expense Before Income Tax			\$1,295,867,072	\$532,412,799	\$122,975,458	\$2,785,712	\$582,815	\$37,020	\$270,217,651	\$15,480,389	\$332,117	\$48,761,806	\$170,058,190
Gross Operating Income			\$261,175,757	\$147,440,546	\$49,375,400	\$1,037,766	\$192,744	\$13,680	\$39,120,667	\$1,853,111	\$20,375	\$5,851,718	\$12,337,237
Interest Expense Factor													
Interest Expense Synchronized			\$94,996,539	\$42,461,772	\$9,600,885	\$186,033	\$36,393	\$1,905	\$19,506,191	\$1,032,348	\$19,481	\$3,370,223	\$10,878,729
Net Operating Income Before Income Tax			\$166,179,218	\$104,978,775	\$39,774,514	\$851,732	\$156,350	\$11,776	\$19,614,476	\$820,763	\$894	\$2,481,495	\$1,458,508

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL	
Depreciation & Amortization Expense														
Production - Depreciation		POD Depr	65	\$69,245,470	\$3,796,702	\$2,802,113	\$130,005	\$410,191	\$269,917	\$51,495	\$27,232	\$7,783	\$191,376	\$283,312
Production - Amortization		POD Amort	66	\$6,972,731	\$364,628	\$276,573	\$12,997	\$40,297	\$26,633	\$5,262	\$2,872	\$761	\$18,384	\$27,344
Nuclear		POD Depr	65	\$113,503,586	\$6,223,357	\$4,593,078	\$213,098	\$672,364	\$442,433	\$84,408	\$44,637	\$12,757	\$313,693	\$464,391
GSU		POD Depr	65	\$1,122,798	\$61,563	\$45,436	\$2,108	\$6,651	\$4,377	\$835	\$442	\$126	\$3,103	\$4,594
Transmission		TRAN_TO	16	\$34,046,349	\$2,194,221	\$774,866	\$72,055	\$165,202	\$107,930	\$26,815	\$14,640	\$3,369	\$11,799	\$17,106
Distribution		RB_GUP_EPIS_D	32	\$79,081,810	\$958	\$555	\$163,260	\$358,876	\$138,725	\$217	\$41,038	\$24,486	\$1,173,279	\$863,028
General & Intangible		RB_GUP_EPIS_G	34	\$45,187,004	\$2,082,979	\$1,481,546	\$84,841	\$244,800	\$153,866	\$27,854	\$17,790	\$6,134	\$220,407	\$180,522
Total Depreciation & Amort Expense				\$349,159,749	\$14,724,406	\$9,974,167	\$678,364	\$1,898,382	\$1,143,882	\$196,885	\$148,651	\$55,416	\$1,932,043	\$1,840,296
Regulatory Debits/Credits														
Reg Debits / Credits - Generation		RB_GUP_EPIS_P	28	\$394,742	\$21,875	\$16,052	\$742	\$2,351	\$1,546	\$293	\$153	\$45	\$1,104	\$1,633
Reg Debits / Credits - Nuclear		RB_GUP_EPIS_P	28	\$915,919	\$50,756	\$37,245	\$1,722	\$5,456	\$3,587	\$679	\$356	\$104	\$2,562	\$3,789
Reg Debits / Credits - Transmission		RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reg Debits / Credits - Distribution		RB_GUP_EPIS_D	32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Regulatory Debits/Credits				\$1,310,661	\$72,630	\$53,297	\$2,465	\$7,807	\$5,133	\$971	\$510	\$149	\$3,666	\$5,421
Taxes Other Than Income														
				\$0										
FICA		LABOR_M	54	\$9,451,188	\$435,670	\$309,876	\$17,745	\$51,202	\$32,182	\$5,826	\$3,721	\$1,283	\$46,100	\$37,757
Federal Unemployment Tax		LABOR_M	54	\$45,540	\$2,099	\$1,493	\$86	\$247	\$155	\$28	\$18	\$6	\$222	\$182
State Unemployment Tax		LABOR_M	54	\$157,091	\$7,241	\$5,151	\$295	\$851	\$535	\$97	\$62	\$21	\$766	\$628
Real & Personal Property Tax		NP	38	\$54,744,605	\$1,963,357	\$1,173,468	\$109,264	\$283,270	\$160,316	\$25,528	\$24,422	\$10,158	\$380,030	\$325,640
IN PSC Assessment		RSale	56	\$1,905,000	\$71,639	\$49,046	\$3,859	\$8,772	\$5,121	\$846	\$867	\$370	\$9,768	\$7,727
Sales and Use Taxes		RB_GUP	36	\$35,366	\$1,345	\$836	\$70	\$186	\$108	\$18	\$16	\$6	\$230	\$204
Gross Receipts Tax		RSale	56	\$24,508,558	\$921,662	\$630,993	\$49,654	\$112,853	\$65,884	\$10,885	\$11,156	\$4,766	\$125,671	\$99,411
Federal Excise Tax		POD Net Gen Pit	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Business Franchise Tax		RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regis Fee		RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes on Capital Leases		NP	38	\$1,183,711	\$42,453	\$25,373	\$2,363	\$6,125	\$3,466	\$552	\$528	\$220	\$8,217	\$7,041
Total Taxes Other Than Income				\$92,031,060	\$3,445,466	\$2,196,236	\$183,336	\$463,505	\$267,767	\$43,780	\$40,789	\$16,831	\$571,005	\$478,589
Other O&M Expenses														
Line of Credit Fees		RATEBASE	39	\$94,214	\$3,473	\$2,116	\$187	\$491	\$281	\$45	\$42	\$17	\$635	\$550
Accretion Expense - Distribution		RB_GUP_EPIS_D	32	\$15,200	\$0	\$0	\$31	\$69	\$27	\$0	\$8	\$5	\$226	\$166
Factoring Expense		RSale	56	\$11,162,561	\$419,776	\$287,389	\$22,615	\$51,399	\$30,007	\$4,958	\$5,081	\$2,171	\$57,238	\$45,277
Accretion Expense - Production		RB_GUP_EPIS_P	28	\$467,819	\$25,924	\$19,024	\$880	\$2,787	\$1,832	\$347	\$182	\$53	\$1,308	\$1,935
Accretion Expense - Nuclear		RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Expenses				\$11,739,795	\$449,174	\$308,529	\$23,713	\$54,746	\$32,146	\$5,350	\$5,312	\$2,246	\$59,406	\$47,928
Total Operating Expense Before Income Tax				\$1,295,867,072	\$61,409,354	\$43,154,381	\$2,490,053	\$7,277,387	\$4,547,614	\$815,414	\$527,051	\$181,412	\$5,808,254	\$6,012,195
Gross Operating Income				\$261,175,757	\$3,256,370	(\$1,528,833)	\$644,058	\$140,770	(\$119,311)	(\$38,410)	\$170,185	\$96,014	\$1,331,881	(\$20,211)
Interest Expense Factor														
Interest Expense Synchronized				\$94,996,539	\$3,502,130	\$2,133,542	\$188,879	\$495,224	\$283,006	\$45,652	\$42,049	\$17,250	\$640,022	\$554,826
Net Operating Income Before Income Tax				\$166,179,218	(\$245,760)	(\$3,662,375)	\$455,179	(\$354,454)	(\$402,317)	(\$84,062)	\$128,136	\$78,764	\$691,859	(\$575,036)

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Schedule M Income Adjustments													
Gross Plant Related	RB_GUP	36	\$53,845,494	\$23,799,886	\$5,408,480	\$106,245	\$21,050	\$1,129	\$11,107,776	\$591,725	\$11,297	\$1,927,466	\$6,275,942
Property Tax Adjustments	NP	38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Labor Related	LABOR_M	54	(\$10,246,023)	(\$4,400,476)	(\$959,585)	(\$21,747)	(\$4,445)	(\$294)	(\$2,049,392)	(\$119,550)	(\$2,649)	(\$369,083)	(\$1,298,271)
Production Plant Related	RB_GUP_EPIS_P	28	(\$181,601,379)	(\$68,338,763)	(\$16,491,146)	(\$399,982)	(\$92,259)	(\$6,254)	(\$39,352,443)	(\$2,308,070)	(\$51,861)	(\$7,224,017)	(\$26,269,223)
Production Demand Related	POD Net Gen Plt	70	(\$1,379,514)	(\$519,540)	(\$125,823)	(\$3,281)	(\$705)	(\$49)	(\$297,801)	(\$18,074)	(\$428)	(\$54,685)	(\$198,952)
Rate Base Related	RATEBASE	39	\$969,621	\$433,403	\$97,995	\$1,899	\$371	\$19	\$199,098	\$10,537	\$199	\$34,400	\$111,038
Production Energy Related	PROD_ENERGY	2	(\$19,002,612)	(\$6,818,491)	(\$1,729,080)	(\$43,249)	(\$10,323)	(\$589)	(\$4,192,093)	(\$248,259)	(\$5,612)	(\$791,336)	(\$2,862,980)
Customer Related	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Related	RB_GUP_EPIS_D	32	\$2,498,773	\$1,393,130	\$282,173	\$3,308	\$6	\$1	\$463,035	\$18,604	\$13	\$74,238	\$176,918
General Plant Related	RB_GUP_EPIS_G	34	\$3,713,029	\$1,594,677	\$347,742	\$7,881	\$1,611	\$107	\$742,674	\$43,324	\$960	\$133,751	\$470,477
Transmission Plant Related	RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provision for Uncollectibles	RSale	56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Schedule M Income Adjustments			(\$151,202,611)	(\$52,856,174)	(\$13,169,245)	(\$348,927)	(\$84,692)	(\$5,930)	(\$33,379,147)	(\$2,029,765)	(\$48,081)	(\$6,269,267)	(\$23,595,052)
State Tax Adjustments													
Indiana - Gross Plant Related	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indiana - Other (bonus depreciation adjustment)	RB_GUP	36	(\$60,757,482)	(\$26,855,008)	(\$6,102,750)	(\$119,883)	(\$23,753)	(\$1,274)	(\$12,533,648)	(\$667,683)	(\$12,748)	(\$2,174,889)	(\$7,081,567)
Indiana - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Illinois - Other (bonus depreciation adjustment)	RB_GUP	36	(\$55,121,599)	(\$24,363,929)	(\$5,536,657)	(\$108,763)	(\$21,549)	(\$1,156)	(\$11,371,023)	(\$605,748)	(\$11,565)	(\$1,973,146)	(\$6,424,678)
Kentucky - Other (bonus depreciation adjustment)	RB_GUP	36	(\$60,757,482)	(\$26,855,008)	(\$6,102,750)	(\$119,883)	(\$23,753)	(\$1,274)	(\$12,533,648)	(\$667,683)	(\$12,748)	(\$2,174,889)	(\$7,081,567)
Kentucky - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Michigan - Other (bonus depreciation adjustment)	RB_GUP	36	(\$60,757,482)	(\$26,855,008)	(\$6,102,750)	(\$119,883)	(\$23,753)	(\$1,274)	(\$12,533,648)	(\$667,683)	(\$12,748)	(\$2,174,889)	(\$7,081,567)
Michigan - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other - Gross Plant Related	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West Virginia - Other (bonus depreciation adjustment)	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indiana Taxable Income			(\$45,780,875)	\$25,267,592	\$20,502,519	\$382,922	\$47,905	\$4,572	(\$26,298,319)	(\$1,876,685)	(\$59,934)	(\$5,962,661)	(\$29,218,110)
Tax Factor (Tax Rate x Apportionment)													
Indiana Tax including Credit			(\$1,732,607)	\$956,268	\$775,931	\$14,492	\$1,813	\$173	(\$995,277)	(\$71,024)	(\$2,268)	(\$225,661)	(\$1,105,778)
Illinois Taxable Income			(\$40,144,992)	\$27,758,671	\$21,068,612	\$394,042	\$50,109	\$4,690	(\$25,135,694)	(\$1,814,751)	(\$58,752)	(\$5,760,918)	(\$28,561,222)
Tax Factor (Tax Rate x Apportionment)													
Illinois Tax			(\$24,275)	\$16,785	\$12,740	\$238	\$30	\$3	(\$15,199)	(\$1,097)	(\$36)	(\$3,483)	(\$17,270)
Kentucky Taxable Income			(\$45,780,875)	\$25,267,592	\$20,502,519	\$382,922	\$47,905	\$4,572	(\$26,298,319)	(\$1,876,685)	(\$59,934)	(\$5,962,661)	(\$29,218,110)
Tax Factor (Tax Rate x Apportionment)													
Kentucky Tax			(\$25,012)	\$13,805	\$11,201	\$209	\$26	\$2	(\$14,368)	(\$1,025)	(\$33)	(\$3,258)	(\$15,963)
Michigan Taxable Income			(\$45,780,875)	\$25,267,592	\$20,502,519	\$382,922	\$47,905	\$4,572	(\$26,298,319)	(\$1,876,685)	(\$59,934)	(\$5,962,661)	(\$29,218,110)
Tax Factor (Tax Rate x Apportionment)													
Current Michigan Tax			(\$421,259)	\$232,503	\$188,657	\$3,524	\$441	\$42	(\$241,987)	(\$17,269)	(\$551)	(\$54,866)	(\$268,854)
Total Michigan Tax			(\$421,259)	\$232,503	\$188,657	\$3,524	\$441	\$42	(\$241,987)	(\$17,269)	(\$551)	(\$54,866)	(\$268,854)
West Virginia Taxable Income			\$14,976,607	\$52,122,600	\$26,605,269	\$502,805	\$71,658	\$5,846	(\$13,764,671)	(\$1,209,002)	(\$47,187)	(\$3,787,772)	(\$22,136,543)
Tax Factor (Tax Rate x Apportionment)													
West Virginia Tax			\$22,693	\$78,978	\$40,313	\$762	\$109	\$9	(\$20,857)	(\$1,832)	(\$71)	(\$5,739)	(\$33,542)
Other Taxable Income	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tax Factor (Tax Rate x Apportionment)													
Other Tax			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total State Income Tax			(\$2,180,459)	\$1,298,339	\$1,028,842	\$19,225	\$2,419	\$229	(\$1,287,688)	(\$92,247)	(\$2,960)	(\$293,007)	(\$1,441,408)

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Schedule M Income Adjustments													
Gross Plant Related	RB_GUP	36	\$53,845,494	\$2,048,180	\$1,272,711	\$106,726	\$283,541	\$163,753	\$26,747	\$23,661	\$9,552	\$349,571	\$310,053
Property Tax Adjustments	NP	38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Labor Related	LABOR_M	54	(\$10,246,023)	(\$472,309)	(\$335,936)	(\$19,237)	(\$55,508)	(\$34,889)	(\$6,316)	(\$4,034)	(\$1,391)	(\$49,977)	(\$40,933)
Production Plant Related	RB_GUP_EPIS_P	28	(\$181,601,379)	(\$10,063,428)	(\$7,384,706)	(\$341,488)	(\$1,081,729)	(\$711,166)	(\$134,569)	(\$70,600)	(\$20,596)	(\$507,905)	(\$751,174)
Production Demand Related	POD Net Gen Pit	70	(\$1,379,514)	(\$76,584)	(\$56,035)	(\$2,697)	(\$8,192)	(\$5,399)	(\$1,029)	(\$536)	(\$157)	(\$3,848)	(\$5,699)
Rate Base Related	RATEBASE	39	\$969,621	\$35,746	\$21,777	\$1,928	\$5,055	\$2,889	\$466	\$429	\$176	\$6,533	\$5,663
Production Energy Related	PROD_ENERGY	2	(\$19,002,612)	(\$1,107,947)	(\$787,351)	(\$35,475)	(\$117,664)	(\$76,689)	(\$14,360)	(\$7,203)	(\$2,004)	(\$61,605)	(\$90,302)
Customer Related	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Related	RB_GUP_EPIS_D	32	\$2,498,773	\$30	\$18	\$5,159	\$11,340	\$4,383	\$7	\$1,297	\$774	\$37,072	\$27,269
General Plant Related	RB_GUP_EPIS_G	34	\$3,713,029	\$171,159	\$121,739	\$6,971	\$20,115	\$12,643	\$2,289	\$1,462	\$504	\$18,111	\$14,834
Transmission Plant Related	RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provision for Uncollectibles	RSALE	56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Schedule M Income Adjustments			(\$151,202,611)	(\$9,465,152)	(\$7,147,784)	(\$278,114)	(\$943,042)	(\$644,473)	(\$126,764)	(\$55,524)	(\$13,141)	(\$212,048)	(\$530,288)
State Tax Adjustments													
Indiana - Gross Plant Related	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indiana - Other (bonus depreciation adjustment)	RB_GUP	36	(\$60,757,482)	(\$2,311,099)	(\$1,436,085)	(\$120,426)	(\$319,938)	(\$184,774)	(\$30,181)	(\$26,699)	(\$10,778)	(\$394,444)	(\$349,854)
Indiana - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Illinois - Other (bonus depreciation adjustment)	RB_GUP	36	(\$55,121,599)	(\$2,096,721)	(\$1,302,874)	(\$109,255)	(\$290,261)	(\$167,634)	(\$27,381)	(\$24,222)	(\$9,778)	(\$357,855)	(\$317,401)
Kentucky - Other (bonus depreciation adjustment)	RB_GUP	36	(\$60,757,482)	(\$2,311,099)	(\$1,436,085)	(\$120,426)	(\$319,938)	(\$184,774)	(\$30,181)	(\$26,699)	(\$10,778)	(\$394,444)	(\$349,854)
Kentucky - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Michigan - Other (bonus depreciation adjustment)	RB_GUP	36	(\$60,757,482)	(\$2,311,099)	(\$1,436,085)	(\$120,426)	(\$319,938)	(\$184,774)	(\$30,181)	(\$26,699)	(\$10,778)	(\$394,444)	(\$349,854)
Michigan - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other - Gross Plant Related	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West Virginia - Other (bonus depreciation adjustment)	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indiana Taxable Income			(\$45,780,875)	(\$12,022,011)	(\$12,246,244)	\$56,639	(\$1,617,435)	(\$1,231,564)	(\$241,007)	\$45,914	\$54,844	\$85,367	(\$1,455,178)
Tax Factor (Tax Rate x Apportionment)													
Indiana Tax including Credit			(\$1,732,607)	(\$454,981)	(\$463,467)	\$2,144	(\$61,213)	(\$46,609)	(\$9,121)	\$1,738	\$2,076	\$3,231	(\$55,072)
Illinois Taxable Income			(\$40,144,992)	(\$11,807,632)	(\$12,113,032)	\$67,809	(\$1,587,757)	(\$1,214,424)	(\$238,208)	\$48,390	\$55,844	\$121,955	(\$1,422,725)
Tax Factor (Tax Rate x Apportionment)													
Illinois Tax			(\$24,275)	(\$7,140)	(\$7,324)	\$41	(\$960)	(\$734)	(\$144)	\$29	\$34	\$74	(\$860)
Kentucky Taxable Income			(\$45,780,875)	(\$12,022,011)	(\$12,246,244)	\$56,639	(\$1,617,435)	(\$1,231,564)	(\$241,007)	\$45,914	\$54,844	\$85,367	(\$1,455,178)
Tax Factor (Tax Rate x Apportionment)													
Kentucky Tax			(\$25,012)	(\$6,568)	(\$6,691)	\$31	(\$884)	(\$673)	(\$132)	\$25	\$30	\$47	(\$795)
Michigan Taxable Income			(\$45,780,875)	(\$12,022,011)	(\$12,246,244)	\$56,639	(\$1,617,435)	(\$1,231,564)	(\$241,007)	\$45,914	\$54,844	\$85,367	(\$1,455,178)
Tax Factor (Tax Rate x Apportionment)													
Current Michigan Tax			(\$421,259)	(\$110,622)	(\$112,685)	\$521	(\$14,883)	(\$11,332)	(\$2,218)	\$422	\$505	\$786	(\$13,390)
Total Michigan Tax			(\$421,259)	(\$110,622)	(\$112,685)	\$521	(\$14,883)	(\$11,332)	(\$2,218)	\$422	\$505	\$786	(\$13,390)
West Virginia Taxable Income			\$14,976,607	(\$9,710,912)	(\$10,810,159)	\$177,065	(\$1,297,497)	(\$1,046,790)	(\$210,826)	\$72,612	\$65,623	\$479,811	(\$1,105,324)
Tax Factor (Tax Rate x Apportionment)													
West Virginia Tax			\$22,693	(\$14,714)	(\$16,380)	\$268	(\$1,966)	(\$1,586)	(\$319)	\$110	\$99	\$727	(\$1,675)
Other Taxable Income	RB_GUP	36	\$0										
Tax Factor (Tax Rate x Apportionment)													
Other Tax			\$0										
Total State Income Tax			(\$2,180,459)	(\$594,025)	(\$606,547)	\$3,005	(\$79,906)	(\$60,935)	(\$11,934)	\$2,324	\$2,743	\$4,864	(\$71,792)

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Federal Taxable Income			\$17,157,066	\$50,824,262	\$25,576,427	\$483,581	\$69,239	\$5,617	(\$12,476,983)	(\$1,116,755)	(\$44,227)	(\$3,494,764)	(\$20,695,136)
Tax Factor (Tax Rate x Apportionment)													
Gross Current FIT			\$3,602,984	\$10,673,095	\$5,371,050	\$101,552	\$14,540	\$1,179	(\$2,620,166)	(\$234,518)	(\$9,288)	(\$733,901)	(\$4,345,978)
Parent Savings Allocation	RB_GUP	36	(\$692,573)	(\$306,120)	(\$69,565)	(\$1,367)	(\$271)	(\$15)	(\$142,871)	(\$7,611)	(\$145)	(\$24,792)	(\$80,723)
Research & Development Credit	RB_GUP_EPIS_P	28	(\$607,986)	(\$228,792)	(\$55,211)	(\$1,339)	(\$309)	(\$21)	(\$131,749)	(\$7,727)	(\$174)	(\$24,185)	(\$87,947)
Total Current FIT			\$2,302,425	\$10,138,183	\$5,246,274	\$98,846	\$13,961	\$1,144	(\$2,894,786)	(\$249,857)	(\$9,607)	(\$782,877)	(\$4,514,648)
Deferred FIT													
Gross Plant Related	RB_GUP	36	(\$16,301,154)	(\$7,205,164)	(\$1,637,360)	(\$32,165)	(\$6,373)	(\$342)	(\$3,362,762)	(\$179,138)	(\$3,420)	(\$583,520)	(\$1,899,975)
Net Plant Related	NP	38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Production Plant	RB_GUP_EPIS_P	28	\$38,136,289	\$14,351,140	\$3,463,141	\$83,996	\$19,374	\$1,313	\$8,264,013	\$484,695	\$10,891	\$1,517,044	\$5,516,537
Distribution	RB_GUP_EPIS_D	32	(\$524,742)	(\$292,557)	(\$59,256)	(\$695)	(\$1)	(\$0)	(\$97,237)	(\$3,907)	(\$3)	(\$15,590)	(\$37,153)
Labor	LABOR_M	54	\$2,228,884	\$957,264	\$208,745	\$4,731	\$967	\$64	\$445,817	\$26,007	\$576	\$80,289	\$282,421
Rate Base	RATEBASE	39	(\$203,620)	(\$91,015)	(\$20,579)	(\$399)	(\$78)	(\$4)	(\$41,810)	(\$2,213)	(\$42)	(\$7,224)	(\$23,318)
Energy	PROD_ENERGY	2	\$4,122,529	\$1,479,240	\$375,116	\$9,383	\$2,239	\$128	\$909,455	\$53,859	\$1,217	\$171,677	\$621,110
Demand	POD Net Gen Plt	70	\$289,698	\$109,103	\$26,423	\$689	\$148	\$10	\$62,538	\$3,796	\$90	\$11,484	\$41,780
Transmission	RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue Related	RSale	56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Plant Related	RB_GUP_EPIS_G	34	(\$779,736)	(\$334,882)	(\$73,026)	(\$1,655)	(\$338)	(\$22)	(\$155,961)	(\$9,098)	(\$202)	(\$28,088)	(\$98,800)
Total Current Year DFIT			\$26,968,148	\$8,973,130	\$2,283,203	\$63,886	\$15,938	\$1,147	\$6,024,053	\$374,000	\$9,108	\$1,146,072	\$4,402,603
Deferred ITC													
Prior Year Feedback	RATEBASE	39	(\$1,156,009)	(\$516,716)	(\$116,833)	(\$2,264)	(\$443)	(\$23)	(\$237,370)	(\$12,563)	(\$237)	(\$41,012)	(\$132,383)
Solar Investment Tax Credit	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rockport	RB_GUP_EPIS_P	28	(\$1,556,019)	(\$585,548)	(\$141,301)	(\$3,427)	(\$791)	(\$54)	(\$337,184)	(\$19,776)	(\$444)	(\$61,898)	(\$225,083)
Cook Plant Simulator	RB_GUP_EPIS_P	28	(\$22,623)	(\$8,513)	(\$2,054)	(\$50)	(\$11)	(\$1)	(\$4,902)	(\$288)	(\$6)	(\$900)	(\$3,272)
Total Deferred ITC			(\$2,734,651)	(\$1,110,777)	(\$260,189)	(\$5,741)	(\$1,245)	(\$78)	(\$579,457)	(\$32,626)	(\$688)	(\$103,810)	(\$360,738)
Total Federal Income Tax			\$26,535,922	\$18,000,536	\$7,269,288	\$156,991	\$28,654	\$2,213	\$2,549,811	\$91,517	(\$1,186)	\$259,385	(\$472,784)
Total Income Tax			\$24,355,463	\$19,298,875	\$8,298,130	\$176,216	\$31,073	\$2,443	\$1,262,123	(\$731)	(\$4,146)	(\$33,623)	(\$1,914,192)
Total Expenses			\$1,320,222,535	\$551,711,674	\$131,273,588	\$2,961,928	\$613,888	\$39,462	\$271,479,774	\$15,479,658	\$327,971	\$48,728,183	\$168,143,998
Net Operating Income			\$236,820,294	\$128,141,671	\$41,077,269	\$861,550	\$161,671	\$11,238	\$37,858,544	\$1,853,842	\$24,521	\$5,885,341	\$14,251,429
Current Rate of Return			4.52%	5.48%	7.76%	8.40%	8.06%	10.70%	3.52%	3.26%	2.28%	3.17%	2.38%
O&M Labor													
Production Demand	POD Net Gen Plt	70	\$99,570,493	\$37,499,352	\$9,081,651	\$236,833	\$50,873	\$3,516	\$21,494,658	\$1,304,579	\$30,899	\$3,947,047	\$14,359,969
Production Energy	PROD_ENERGY	2	\$4,681,028	\$1,679,640	\$425,935	\$10,654	\$2,543	\$145	\$1,032,664	\$61,155	\$1,382	\$194,935	\$705,255
Transmission	TOTBSEXP	46	\$4,879,671	\$1,908,802	\$503,406	\$12,655	\$4,041	\$117	\$1,083,789	\$64,485	\$1,932	\$181,857	\$633,005
Distribution	EXP_OM_DIST	48	\$14,234,374	\$7,779,263	\$1,621,911	\$20,721	\$35	\$5	\$2,821,902	\$115,986	\$71	\$454,018	\$1,109,942
Customer Accounts	EXP_OM_CUSTACCT	50	\$5,734,861	\$5,000,996	\$488,278	\$444	\$38	\$19	\$63,332	\$1,076	\$12	\$656	\$1,213
Customer Service	EXP_OM_CUSTSERV	52	\$3,566,084	\$3,109,747	\$303,624	\$276	\$23	\$12	\$39,381	\$669	\$7	\$408	\$754
Total			\$132,666,511	\$56,977,800	\$12,424,805	\$281,583	\$57,553	\$3,813	\$26,535,724	\$1,547,950	\$34,304	\$4,778,921	\$16,810,139
Production Demand	POD Net Gen Plt	70	\$99,570,493	\$37,499,352	\$9,081,651	\$236,833	\$50,873	\$3,516	\$21,494,658	\$1,304,579	\$30,899	\$3,947,047	\$14,359,969
Production Energy	PROD_ENERGY	2	\$4,681,028	\$1,679,640	\$425,935	\$10,654	\$2,543	\$145	\$1,032,664	\$61,155	\$1,382	\$194,935	\$705,255
Total Production			\$104,251,521	\$39,178,992	\$9,507,586	\$247,487	\$53,416	\$3,661	\$22,527,321	\$1,365,734	\$32,281	\$4,141,982	\$15,065,224

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Federal Taxable Income			\$17,157,066	(\$9,116,887)	(\$10,203,611)	\$174,060	(\$1,217,591)	(\$985,855)	(\$198,892)	\$70,288	\$62,879	\$474,947	(\$1,033,532)
Tax Factor (Tax Rate x Apportionment)													
Gross Current FIT			\$3,602,984	(\$1,914,546)	(\$2,142,758)	\$36,553	(\$255,694)	(\$207,030)	(\$41,767)	\$14,760	\$13,205	\$99,739	(\$217,042)
Parent Savings Allocation	RB_GUP	36	(\$692,573)	(\$26,344)	(\$16,370)	(\$1,373)	(\$3,647)	(\$2,106)	(\$344)	(\$304)	(\$123)	(\$4,496)	(\$3,988)
Research & Development Credit	RB_GUP_EPIS_P	28	(\$607,986)	(\$33,692)	(\$24,723)	(\$1,143)	(\$3,622)	(\$2,381)	(\$451)	(\$236)	(\$69)	(\$1,700)	(\$2,515)
Total Current FIT			\$2,302,425	(\$1,974,582)	(\$2,183,852)	\$34,037	(\$262,963)	(\$211,517)	(\$42,562)	\$14,220	\$13,013	\$93,542	(\$223,545)
Deferred FIT													
Gross Plant Related	RB_GUP	36	(\$16,301,154)	(\$620,065)	(\$385,300)	(\$32,310)	(\$85,839)	(\$49,575)	(\$8,098)	(\$7,163)	(\$2,892)	(\$105,829)	(\$93,865)
Net Plant Related	NP	38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Production Plant	RB_GUP_EPIS_P	28	\$38,136,289	\$2,113,320	\$1,550,788	\$71,712	\$227,163	\$149,345	\$28,259	\$14,826	\$4,325	\$106,660	\$157,747
Distribution	RB_GUP_EPIS_D	32	(\$524,742)	(\$6)	(\$4)	(\$1,083)	(\$2,381)	(\$921)	(\$1)	(\$272)	(\$162)	(\$7,785)	(\$5,727)
Labor	LABOR_IM	54	\$2,228,884	\$102,745	\$73,078	\$4,185	\$12,075	\$7,590	\$1,374	\$878	\$303	\$10,872	\$8,904
Rate Base	RATEBASE	39	(\$203,620)	(\$7,507)	(\$4,573)	(\$405)	(\$1,061)	(\$607)	(\$98)	(\$90)	(\$37)	(\$1,372)	(\$1,189)
Energy	PROD_ENERGY	2	\$4,122,529	\$240,364	\$170,812	\$7,696	\$25,527	\$16,637	\$3,115	\$1,563	\$435	\$13,365	\$19,591
Demand	POD Net Gen Plt	70	\$289,698	\$16,083	\$11,767	\$566	\$1,720	\$1,134	\$216	\$113	\$33	\$808	\$1,197
Transmission	RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue Related	RSALE	56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Plant Related	RB_GUP_EPIS_G	34	(\$779,736)	(\$35,943)	(\$25,565)	(\$1,464)	(\$4,224)	(\$2,655)	(\$481)	(\$307)	(\$106)	(\$3,803)	(\$3,115)
Total Current Year DFIT			\$26,968,148	\$1,808,990	\$1,391,004	\$48,898	\$172,979	\$120,949	\$24,287	\$9,546	\$1,898	\$12,916	\$83,542
Deferred ITC													
Prior Year Feedback	RATEBASE	39	(\$1,156,009)	(\$42,617)	(\$25,963)	(\$2,298)	(\$6,026)	(\$3,444)	(\$556)	(\$512)	(\$210)	(\$7,788)	(\$6,752)
Solar Investment Tax Credit	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rockport	RB_GUP_EPIS_P	28	(\$1,556,019)	(\$86,227)	(\$63,275)	(\$2,926)	(\$9,269)	(\$6,093)	(\$1,153)	(\$605)	(\$176)	(\$4,352)	(\$6,436)
Cook Plant Simulator	RB_GUP_EPIS_P	28	(\$22,623)	(\$1,254)	(\$920)	(\$43)	(\$135)	(\$89)	(\$17)	(\$9)	(\$3)	(\$63)	(\$94)
Total Deferred ITC			(\$2,734,651)	(\$130,098)	(\$90,157)	(\$5,267)	(\$15,430)	(\$9,626)	(\$1,725)	(\$1,125)	(\$389)	(\$12,204)	(\$13,282)
Total Federal Income Tax			\$26,535,922	(\$295,690)	(\$883,005)	\$77,667	(\$105,413)	(\$100,194)	(\$20,000)	\$22,640	\$14,522	\$94,254	(\$153,284)
Total Income Tax			\$24,355,463	(\$889,715)	(\$1,489,552)	\$80,672	(\$185,319)	(\$161,129)	(\$31,934)	\$24,965	\$17,266	\$99,118	(\$225,076)
Total Expenses			\$1,320,222,535	\$60,519,639	\$41,664,829	\$2,570,725	\$7,092,068	\$4,386,485	\$783,480	\$552,016	\$198,678	\$5,907,372	\$5,787,118
Net Operating Income			\$236,820,294	\$4,146,085	(\$39,281)	\$563,386	\$326,089	\$41,819	(\$6,476)	\$145,220	\$78,748	\$1,232,763	\$204,866
Current Rate of Return			4.52%	2.15%	-0.03%	5.41%	1.19%	0.27%	-0.26%	6.27%	8.28%	3.49%	0.67%
O&M Labor													
Production Demand	POD Net Gen Plt	70	\$99,570,493	\$5,527,657	\$4,044,472	\$194,676	\$591,303	\$389,658	\$74,275	\$38,691	\$11,310	\$277,767	\$411,307
Production Energy	PROD_ENERGY	2	\$4,681,028	\$272,927	\$193,953	\$8,739	\$28,985	\$18,891	\$3,537	\$1,774	\$494	\$15,175	\$22,245
Transmission	TOTBEXP	46	\$4,879,671	\$314,485	\$111,057	\$10,327	\$23,678	\$15,469	\$3,843	\$2,098	\$483	\$1,691	\$2,452
Distribution	EXP_OM_DIST	48	\$14,234,374	\$168	\$97	\$30,657	\$68,239	\$27,510	\$38	\$7,598	\$4,438	\$93,060	\$78,714
Customer Accounts	EXP_OM_CUSTACCT	50	\$5,734,861	\$167	\$97	\$2,892	\$4,017	\$133	\$51	\$1,275	\$792	\$159,949	\$9,424
Customer Service	EXP_OM_CUSTSERV	52	\$3,566,084	\$104	\$60	\$1,798	\$2,498	\$83	\$32	\$793	\$492	\$99,461	\$5,860
Total			\$132,666,511	\$6,115,509	\$4,349,737	\$249,089	\$718,719	\$451,743	\$81,777	\$52,230	\$18,009	\$647,104	\$530,002
Production Demand	POD Net Gen Plt	70	\$99,570,493	\$5,527,657	\$4,044,472	\$194,676	\$591,303	\$389,658	\$74,275	\$38,691	\$11,310	\$277,767	\$411,307
Production Energy	PROD_ENERGY	2	\$4,681,028	\$272,927	\$193,953	\$8,739	\$28,985	\$18,891	\$3,537	\$1,774	\$494	\$15,175	\$22,245
Total Production			\$104,251,521	\$5,800,584	\$4,238,425	\$203,415	\$620,288	\$408,549	\$77,812	\$40,466	\$11,804	\$292,943	\$433,552

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(REVENUES)

	I&M Allocation Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Operating Revenues													
Firm Sales of Electricity	RSALE	56	\$1,264,202,237	\$566,975,891	\$143,748,625	\$3,127,036	\$586,103	\$42,633	\$245,464,149	\$13,573,586	\$256,403	\$43,218,603	\$142,346,308
Interruptible													
Demand	POD Net Gen Plt	70	\$2,638,280	\$993,606	\$240,633	\$6,275	\$1,348	\$93	\$569,535	\$34,567	\$819	\$104,583	\$380,490
Energy	PROD_ENERGY	2	\$95,086,423	\$34,118,781	\$8,652,077	\$216,413	\$51,654	\$2,948	\$20,976,649	\$1,242,254	\$28,080	\$3,959,735	\$14,325,955
Interruptible - Indiana Specific	PROD_ENERGY	2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$97,724,704	\$35,112,387	\$8,892,710	\$222,688	\$53,002	\$3,041	\$21,546,185	\$1,276,821	\$28,899	\$4,064,319	\$14,706,446
Sales for Resale													
Demand	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy	PROD_ENERGY	2	\$44,928,132	\$16,121,051	\$4,088,088	\$102,255	\$24,406	\$1,393	\$9,911,422	\$586,963	\$13,268	\$1,870,966	\$6,768,983
Total			\$44,928,132	\$16,121,051	\$4,088,088	\$102,255	\$24,406	\$1,393	\$9,911,422	\$586,963	\$13,268	\$1,870,966	\$6,768,983
Other Operating Revenues													
Forfeited Discounts (Acct. 450)	FORF_DISC	58	\$4,522,710	\$3,288,722	\$581,582	\$7,180	\$0	\$338	\$444,087	\$25,295	\$224	\$80,378	\$97,482
Miscellaneous Service Revenue (Acct. 451)	MISC_SERV_REV	42	\$348,431	\$318,212	\$27,487	\$58	\$0	\$0	\$1,812	\$52	\$0	\$132	\$231
Rent Assoc Co - Prod	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Assoc Co - Trans	RB_GUP_EPIS_T	30	\$1,532,659	\$599,537	\$158,115	\$3,975	\$1,269	\$37	\$340,408	\$20,254	\$607	\$57,120	\$198,821
Rent Assoc Co - Dist	RB_GUP_EPIS_D	32	\$2,867,338	\$1,598,615	\$323,793	\$3,796	\$7	\$1	\$531,332	\$21,348	\$15	\$85,188	\$203,013
Rent Non-Assoc Co - Prod	RB_GUP_EPIS_P	28	\$155,918	\$58,674	\$14,159	\$343	\$79	\$5	\$33,787	\$1,982	\$45	\$6,202	\$22,554
Rent Non-Assoc Co - Trans	RB_GUP_EPIS_T	30	\$68,018	\$26,607	\$7,017	\$176	\$56	\$2	\$15,107	\$899	\$27	\$2,535	\$8,823
Rent Non-Assoc Co - Dist	RB_GUP_EPIS_D	32	\$1,779	\$992	\$201	\$2	\$0	\$0	\$330	\$13	\$0	\$53	\$126
Rent From Elect Prop-Pole Attch Transmission	RB_GUP_EPIS_T	30	\$8,886	\$3,476	\$917	\$23	\$7	\$0	\$1,974	\$117	\$4	\$331	\$1,153
Rent From Elect Prop-Pole Attch Distribution	RB_GUP_EPIS_D	32	\$3,396,343	\$1,893,548	\$383,530	\$4,496	\$9	\$1	\$629,359	\$25,286	\$17	\$100,904	\$240,467
Other Electric Revenue - Prod	RB_GUP_EPIS_P	28	\$208,420	\$78,431	\$18,927	\$459	\$106	\$7	\$45,164	\$2,649	\$60	\$8,291	\$30,149
Other Electric Rev. Production-Retail Demand (456)	POD Net Gen Plt	70	(\$2,983,714)	(\$1,123,700)	(\$272,139)	(\$7,097)	(\$1,524)	(\$105)	(\$644,106)	(\$39,093)	(\$926)	(\$118,277)	(\$430,309)
Other Electric Rev. Production-Retail Energy (456)	PROD_ENERGY	2	\$7,567,609	\$2,715,399	\$688,590	\$17,224	\$4,111	\$235	\$1,669,461	\$98,867	\$2,235	\$315,142	\$1,140,155
Other Electric Revenue - Transmission	TRAN_TO	16	\$130,314,782	\$50,975,808	\$13,443,784	\$337,956	\$107,908	\$3,111	\$28,943,276	\$1,722,101	\$51,597	\$4,856,617	\$16,904,803
Other Electric Revenue - Dist	RB_GUP_EPIS_D	32	\$1,685,287	\$939,590	\$190,310	\$2,231	\$4	\$1	\$312,292	\$12,547	\$9	\$50,069	\$119,321
Other Electric Revenue - Local Facil Charge	RB_GUP_EPIS_D	32	\$468,548	\$261,228	\$52,911	\$620	\$1	\$0	\$86,824	\$3,488	\$2	\$13,920	\$33,174
Total - Other Operating Revenues			\$150,163,016	\$61,635,139	\$15,619,184	\$371,443	\$112,034	\$3,632	\$32,411,105	\$1,895,807	\$53,914	\$5,458,606	\$18,569,963
Total Other Revenues			\$292,815,851	\$112,868,577	\$28,599,982	\$696,385	\$189,442	\$8,066	\$63,868,711	\$3,759,590	\$96,081	\$11,393,892	\$40,045,392
Gain on Disp of Emission Const. Allow.	PROD_ENERGY	2	\$24,741	\$8,877	\$2,251	\$56	\$13	\$1	\$5,458	\$323	\$7	\$1,030	\$3,728
Total Operating Revenues			\$1,557,042,829	\$679,853,346	\$172,350,857	\$3,823,477	\$775,558	\$50,700	\$309,338,318	\$17,333,500	\$352,492	\$54,613,525	\$182,395,427

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(REVENUES)

	I&M Allocation Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Operating Revenues													
Firm Sales of Electricity	RSALE	56	\$1,264,202,237	\$47,541,219	\$32,547,925	\$2,561,240	\$5,821,170	\$3,398,418	\$561,467	\$575,437	\$245,845	\$6,482,376	\$5,127,804
Interruptible													
Demand	POD Net Gen Plt	70	\$2,638,280	\$146,464	\$107,165	\$5,158	\$15,668	\$10,325	\$1,968	\$1,025	\$300	\$7,360	\$10,898
Energy	PROD_ENERGY	2	\$95,086,423	\$5,544,010	\$3,939,796	\$177,514	\$588,776	\$383,739	\$71,853	\$36,043	\$10,028	\$308,261	\$451,857
Interruptible - Indiana Specific	PROD_ENERGY	2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$97,724,704	\$5,690,474	\$4,046,961	\$182,673	\$604,443	\$394,063	\$73,821	\$37,068	\$10,328	\$315,621	\$462,755
Sales for Resale													
Demand	POD Net Gen Plt	70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy	PROD_ENERGY	2	\$44,928,132	\$2,619,533	\$1,861,545	\$83,875	\$278,195	\$181,316	\$33,951	\$17,030	\$4,738	\$145,653	\$213,501
Total			\$44,928,132	\$2,619,533	\$1,861,545	\$83,875	\$278,195	\$181,316	\$33,951	\$17,030	\$4,738	\$145,653	\$213,501
Other Operating Revenues													
Forfeited Discounts (Acct. 450)	FORF_DISC	58	\$4,522,710	\$14,910	(\$41,626)	\$673	\$4,423	\$1,134	\$56	\$4,710	\$312	\$8,436	\$4,394
Miscellaneous Service Revenue (Acct. 451)	MISC_SERV_REV	42	\$348,431	\$0	\$0	\$40	\$122	\$0	\$0	\$32	\$40	\$109	\$104
Rent Assoc Co - Prod	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Assoc Co - Trans	RB_GUP_EPIS_T	30	\$1,532,659	\$98,777	\$34,882	\$3,244	\$7,437	\$4,859	\$1,207	\$659	\$152	\$531	\$770
Rent Assoc Co - Dist	RB_GUP_EPIS_D	32	\$2,867,338	\$35	\$20	\$5,919	\$13,012	\$5,030	\$8	\$1,488	\$888	\$42,541	\$31,292
Rent Non-Assoc Co - Prod	RB_GUP_EPIS_P	28	\$155,918	\$8,640	\$6,340	\$293	\$929	\$611	\$116	\$61	\$18	\$436	\$645
Rent Non-Assoc Co - Trans	RB_GUP_EPIS_T	30	\$68,018	\$4,384	\$1,548	\$144	\$330	\$216	\$54	\$29	\$7	\$24	\$34
Rent Non-Assoc Co - Dist	RB_GUP_EPIS_D	32	\$1,779	\$0	\$0	\$4	\$8	\$3	\$0	\$1	\$1	\$26	\$19
Rent From Elect Prop-Pole Attch Transmission	RB_GUP_EPIS_T	30	\$8,886	\$573	\$202	\$19	\$43	\$28	\$7	\$4	\$1	\$3	\$4
Rent From Elect Prop-Pole Attch Distribution	RB_GUP_EPIS_D	32	\$3,396,343	\$41	\$24	\$7,012	\$15,413	\$5,958	\$9	\$1,762	\$1,052	\$50,389	\$37,065
Other Electric Revenue - Prod	RB_GUP_EPIS_P	28	\$208,420	\$11,550	\$8,475	\$392	\$1,241	\$816	\$154	\$81	\$24	\$583	\$862
Other Electric Rev. Production-Retail Demand (456)	POD Net Gen Plt	70	(\$2,983,714)	(\$165,641)	(\$121,196)	(\$5,834)	(\$17,719)	(\$11,676)	(\$2,226)	(\$1,159)	(\$339)	(\$8,324)	(\$12,325)
Other Electric Rev. Production-Retail Energy (456)	PROD_ENERGY	2	\$7,567,609	\$441,229	\$313,555	\$14,128	\$46,859	\$30,540	\$5,719	\$2,869	\$798	\$24,533	\$35,962
Other Electric Revenue - Transmission	TRAN_TO	16	\$130,314,782	\$8,398,533	\$2,965,852	\$275,796	\$632,323	\$413,111	\$102,637	\$56,037	\$12,895	\$45,162	\$65,475
Other Electric Revenue - Dist	RB_GUP_EPIS_D	32	\$1,685,287	\$20	\$12	\$3,479	\$7,648	\$2,956	\$5	\$875	\$522	\$25,003	\$18,392
Other Electric Revenue - Local Facil Charge	RB_GUP_EPIS_D	32	\$468,548	\$6	\$3	\$967	\$2,126	\$822	\$1	\$243	\$145	\$6,952	\$5,113
Total - Other Operating Revenues			\$150,163,016	\$8,813,056	\$3,168,092	\$306,276	\$714,196	\$454,407	\$107,747	\$67,691	\$16,513	\$196,404	\$187,806
Total Other Revenues			\$292,815,851	\$17,123,063	\$9,076,598	\$572,824	\$1,596,834	\$1,029,786	\$215,519	\$121,789	\$31,579	\$657,678	\$864,062
Gain on Disp of Emission Const. Allow.	PROD_ENERGY	2	\$24,741	\$1,443	\$1,025	\$46	\$153	\$100	\$19	\$9	\$3	\$80	\$118
Total Operating Revenues			\$1,557,042,829	\$64,665,724	\$41,625,548	\$3,134,110	\$7,418,157	\$4,428,304	\$777,005	\$697,236	\$277,426	\$7,140,134	\$5,991,984

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(ALLOCATION AMOUNT)

I&M Alloc Name	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
PROD_DEMAND	1	2,049,410	856,534	206,248	4,849	1,066	80	444,854	25,880	573	71,334	253,083
PROD_ENERGY	2	12,944,211,319	4,644,624,317	1,177,816,024	29,460,473	7,031,669	401,306	2,855,572,536	169,109,344	3,822,573	539,042,786	1,950,206,827
BULK_TRANS	3	2,049,410	856,534	206,248	4,849	1,066	80	444,854	25,880	573	71,334	253,083
SUB_TRANS	4	1,008,987	425,766	100,477	2,361	1,060	0	210,180	12,230	550	33,492	119,879
DIST_CPD	5	1,854,407	898,368	188,337	4,428	0	0	410,296	23,872	0	66,257	240,106
DISTSEC	6	3,163,864	1,977,522	401,054	-	-	-	624,540	-	-	104,226	-
CUST_TOTAL	7	492,930	410,265	51,777	47	4	2	5,355	91	1	74	137
DIST_PCUST	8	492,888	410,265	51,777	47	-	-	5,355	91	-	74	137
DIST_SERV	9	492,598	410,265	51,777	-	-	-	5,355	-	-	74	-
DIST_METERS	10	74,241,251	51,974,742	15,051,650	42,128	3,757	513	4,630,658	681,354	7,538	130,654	845,882
DIST_OL	11	1										
DIST_SL	12	1										
CUST_902	13	490,554	410,265	51,777	47	4	2	26,777	455	5	-	-
CUST_903	14	13,955,907	12,196,930	1,172,861	1,067	91	46	121,313	2,061	23	1,683	3,112
CUST_451	15	2,086,940	1,905,940	164,637	346	-	-	10,850	314	-	791	1,386
TRAN_TO	16	\$1,287,833,242	\$503,767,404	\$132,857,930	\$3,339,844	\$1,066,401	\$30,749	\$286,031,345	\$17,018,628	\$509,910	\$47,995,418	\$167,061,375
DIST_POLES	19	\$295,451,430	\$157,261,788	\$32,539,356	\$465,516	\$0	\$0	\$62,972,088	\$2,509,514	\$0	\$10,276,176	\$25,240,625
DIST_OHLINES	21	\$454,570,703	\$243,551,525	\$50,349,634	\$689,143	\$0	\$0	\$96,615,985	\$3,715,054	\$0	\$15,778,943	\$37,365,909
DIST_UGLINES	23	\$300,056,681	\$164,195,689	\$33,850,053	\$396,628	\$0	\$0	\$63,192,949	\$2,138,154	\$0	\$10,347,495	\$21,505,499
DIST_TRANSF	26	\$373,390,619	\$222,388,137	\$45,360,757	\$186,741	\$0	\$0	\$75,572,063	\$1,006,688	\$0	\$12,518,370	\$10,125,245
RB_GUP_EPIS_P	28	\$3,307,058,885	\$1,244,485,666	\$300,312,646	\$7,283,893	\$1,680,086	\$113,884	\$716,629,181	\$42,031,199	\$944,422	\$131,553,245	\$478,376,696
RB_GUP_EPIS_T	30	\$1,287,833,242	\$503,767,404	\$132,857,930	\$3,339,844	\$1,066,401	\$30,749	\$286,031,345	\$17,018,628	\$509,910	\$47,995,418	\$167,061,375
RB_GUP_EPIS_D	32	\$2,490,650,721	\$1,388,601,660	\$281,255,549	\$3,297,194	\$6,358	\$868	\$461,529,568	\$18,543,271	\$12,756	\$73,996,541	\$176,342,578
RB_GUP_EPIS_G	34	\$401,006,276	\$172,224,741	\$37,556,011	\$851,131	\$173,964	\$11,526	\$80,208,576	\$4,678,933	\$103,689	\$14,445,072	\$50,811,401
RB_GUP	36	\$7,486,549,124	\$3,309,079,471	\$751,982,136	\$14,772,062	\$2,926,809	\$157,027	\$1,544,398,670	\$82,272,030	\$1,570,777	\$267,990,276	\$872,592,049
NP	38	\$4,869,972,499	\$2,193,384,132	\$495,255,757	\$9,469,937	\$1,835,595	\$93,831	\$998,367,099	\$52,457,747	\$976,457	\$171,793,017	\$549,990,448
RATEBASE	39	\$5,235,969,265	\$2,340,385,582	\$529,176,542	\$10,253,689	\$2,005,905	\$104,982	\$1,075,131,969	\$56,900,417	\$1,073,723	\$185,758,190	\$599,608,034
MISC_SERV_REV	42	\$2,086,940	\$1,905,940	\$164,637	\$346	\$0	\$0	\$10,850	\$314	\$0	\$791	\$1,386
TOTOHLINES	43	\$750,022,133	\$400,813,313	\$82,888,990	\$1,154,659	\$0	\$0	\$159,588,073	\$6,224,568	\$0	\$26,055,120	\$62,606,535
TOTUGLINES	44	\$470,066,019	\$257,227,446	\$53,029,179	\$621,354	\$0	\$0	\$98,997,488	\$3,349,613	\$0	\$16,210,290	\$33,690,315
TOTBSEXP	46	\$14,881,856	\$5,821,401	\$1,535,271	\$38,594	\$12,323	\$355	\$3,305,302	\$196,663	\$5,892	\$554,622	\$1,930,517
TOTOXEXP	47	\$23,480,137	\$13,197,966	\$2,766,514	\$30,941	\$118	\$16	\$4,280,607	\$181,016	\$236	\$677,034	\$1,632,588
EXP_OM_DIST	48	\$55,169,993	\$30,151,088	\$6,286,251	\$80,311	\$137	\$19	\$10,937,207	\$449,543	\$276	\$1,759,696	\$4,301,945
TOTOX234	49	\$10,306,957	\$8,988,020	\$877,556	\$799	\$68	\$34	\$113,822	\$1,934	\$21	\$1,179	\$2,181
EXP_OM_CUSTACCT	50	\$11,414,308	\$9,953,668	\$971,838	\$884	\$75	\$38	\$126,051	\$2,142	\$23	\$1,306	\$2,415
EXP_OM_CUSTSERV	52	\$11,414,308	\$9,953,668	\$971,838	\$884	\$75	\$38	\$126,051	\$2,142	\$23	\$1,306	\$2,415
LABOR_M	54	\$132,666,511	\$56,977,800	\$12,424,805	\$281,583	\$57,553	\$3,813	\$26,535,724	\$1,547,950	\$34,304	\$4,778,921	\$16,810,139
RSALE	56	\$1,264,202,237	\$566,975,891	\$143,748,625	\$3,127,036	\$586,103	\$42,633	\$245,464,149	\$13,573,586	\$256,403	\$43,218,603	\$142,346,308
FORF_DISC	58	\$2,786,287	\$2,026,069	\$358,293	\$4,423	\$0	\$208	\$273,587	\$15,584	\$138	\$49,518	\$60,055
POD Gplant	63	100.0000%	37.6312%	9.0810%	0.2203%	0.0508%	0.0034%	21.6697%	1.2710%	0.0286%	3.9780%	14.4653%
POD Reserve	64	100.0000%	37.5648%	9.0826%	0.2206%	0.0510%	0.0034%	21.6867%	1.2725%	0.0286%	3.9849%	14.4879%
POD Depr	65	100.0000%	38.1575%	9.0390%	0.2179%	0.0497%	0.0035%	21.5070%	1.2595%	0.0282%	3.9313%	14.2963%
POD Amort	66	100.0000%	40.4186%	8.8554%	0.2077%	0.0451%	0.0036%	20.8046%	1.2096%	0.0266%	3.7296%	13.5736%
Hrly Fuel	67	100.0000%	37.4341%	8.8811%	0.2157%	0.0498%	0.0033%	21.4870%	1.2630%	0.0283%	4.0067%	14.6315%
12-CP	68	1,953,476	757,378	203,426	5,122	1,231	70	441,525	26,277	593	74,051	257,281
12-CP Subtrans	69	971,087	386,702	98,264	2,462	1,194	-	207,955	12,367	567	34,931	122,064
POD Net Gen Plt	70	\$4,812,910,783	\$1,812,595,572	\$438,977,197	\$11,447,729	\$2,459,048	\$169,949	\$1,038,981,193	\$63,059,056	\$1,493,561	\$190,787,308	\$694,113,770

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE STUDY
(ALLOCATION AMOUNT)

I&M Alloc Name	TAI Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
PROD_DEMAND	1	2,049,410	93,549	68,543	4,166	9,493	6,331	1,202	954	197	188	286
PROD_ENERGY	2	12,944,211,319	754,711,717	536,328,423	24,165,222	80,150,628	52,238,733	9,781,467	4,906,547	1,365,129	41,963,874	61,511,724
BULK_TRANS	3	2,049,410	93,549	68,543	4,166	9,493	6,331	1,202	954	197	188	286
SUB_TRANS	4	1,008,987	90,234	0	1,923	4,522	3,011	1,159	435	86	654	969
DIST_CPD	5	1,854,407	0	0	3,502	8,959	5,967	0	858	177	1,322	1,957
DISTSEC	6	3,163,864	-	-	8,886	17,051	-	-	1,965	2,168	11,598	14,854
CUST_TOTAL	7	492,930	19	11	307	426	14	5	135	67	23,125	1,067
DIST_PCUST	8	492,888	-	-	307	426	14	-	135	67	23,125	1,067
DIST_SERV	9	492,598	-	-	307	426	-	-	135	67	23,125	1,067
DIST_METERS	10	74,241,251	17,825	10,332	175,278	259,376	13,233	4,038	78,599	50,398	-	263,295
DIST_OL	11	1	-	-	-	-	-	-	-	-	1	-
DIST_SL	12	1	-	-	-	-	-	-	-	-	-	1
CUST_902	13	490,554	-	-	307	426	14	5	135	335	-	-
CUST_903	14	13,955,907	429	249	6,945	9,649	319	123	3,064	1,516	410,253	24,173
CUST_451	15	2,086,940	-	-	238	731	-	-	191	237	654	623
TRAN_TO	16	\$1,287,833,242	\$82,998,334	\$29,309,974	\$2,725,549	\$6,248,922	\$4,082,564	\$1,014,312	\$553,788	\$127,434	\$446,309	\$647,051
DIST_POLES	19	\$295,451,430	\$0	\$0	\$650,453	\$1,483,470	\$627,253	\$0	\$152,679	\$87,534	\$507,401	\$677,576
DIST_OHLINES	21	\$454,570,703	\$0	\$0	\$1,011,195	\$2,288,742	\$928,577	\$0	\$236,702	\$141,364	\$814,158	\$1,083,772
DIST_UGLINES	23	\$300,056,681	\$0	\$0	\$689,921	\$1,524,389	\$534,431	\$0	\$160,107	\$107,699	\$609,471	\$804,196
DIST_TRANSF	26	\$373,390,619	\$0	\$0	\$976,724	\$1,968,660	\$251,622	\$0	\$219,577	\$209,779	\$1,137,852	\$1,468,403
RB_GUP_EPIS_P	28	\$3,307,058,885	\$183,260,434	\$134,479,478	\$6,218,675	\$19,698,860	\$12,950,712	\$2,450,572	\$1,285,661	\$375,058	\$9,249,230	\$13,679,287
RB_GUP_EPIS_T	30	\$1,287,833,242	\$82,998,334	\$29,309,974	\$2,725,549	\$6,248,922	\$4,082,564	\$1,014,312	\$553,788	\$127,434	\$446,309	\$647,051
RB_GUP_EPIS_D	32	\$2,490,650,721	\$30,162	\$17,484	\$5,141,809	\$11,302,647	\$4,369,095	\$6,833	\$1,292,487	\$771,161	\$36,951,979	\$27,180,722
RB_GUP_EPIS_G	34	\$401,006,276	\$18,485,127	\$13,147,793	\$752,912	\$2,172,446	\$1,365,467	\$247,183	\$157,874	\$54,435	\$1,955,977	\$1,602,019
RB_GUP	36	\$7,486,549,124	\$284,774,058	\$176,954,729	\$14,838,945	\$39,422,875	\$22,767,837	\$3,718,901	\$3,289,811	\$1,328,088	\$48,603,495	\$43,109,079
NP	38	\$4,869,972,499	\$174,656,390	\$104,389,402	\$9,719,951	\$25,199,174	\$14,261,376	\$2,270,953	\$2,172,559	\$903,657	\$33,806,758	\$28,968,261
RATEBASE	39	\$5,235,969,265	\$193,028,570	\$117,595,420	\$10,410,529	\$27,295,507	\$15,598,598	\$2,516,244	\$2,317,632	\$950,767	\$35,276,381	\$30,580,585
MISC_SERV_REV	42	\$2,086,940	\$0	\$0	\$238	\$731	\$0	\$0	\$191	\$237	\$654	\$623
TOTOHLINES	43	\$750,022,133	\$0	\$0	\$1,661,647	\$3,772,213	\$1,555,829	\$0	\$389,381	\$228,898	\$1,321,558	\$1,761,348
TOTUGLINES	44	\$470,066,019	\$0	\$0	\$1,080,824	\$2,388,094	\$837,235	\$0	\$250,822	\$168,721	\$954,791	\$1,259,846
TOTBSEXP	46	\$14,881,856	\$959,107	\$338,698	\$31,496	\$72,211	\$47,177	\$11,721	\$6,399	\$1,473	\$5,157	\$7,477
TOTOXEXP	47	\$23,480,137	\$558	\$323	\$49,384	\$106,850	\$40,327	\$126	\$12,929	\$7,736	\$280,132	\$214,733
EXP_OM_DIST	48	\$55,169,993	\$651	\$378	\$118,822	\$264,482	\$106,623	\$148	\$29,448	\$17,202	\$360,684	\$305,083
TOTOX234	49	\$10,306,957	\$301	\$174	\$5,197	\$7,219	\$238	\$92	\$2,292	\$1,423	\$287,468	\$16,938
EXP_OM_CUSTACCT	50	\$11,414,308	\$333	\$193	\$5,755	\$7,995	\$264	\$102	\$2,538	\$1,576	\$318,353	\$18,758
EXP_OM_CUSTSERV	52	\$11,414,308	\$333	\$193	\$5,755	\$7,995	\$264	\$102	\$2,538	\$1,576	\$318,353	\$18,758
LABOR_M	54	\$132,666,511	\$6,115,509	\$4,349,737	\$249,089	\$718,719	\$451,743	\$81,777	\$52,230	\$18,009	\$647,104	\$530,002
RSALE	56	\$1,264,202,237	\$47,541,219	\$32,547,925	\$2,561,240	\$5,821,170	\$3,398,418	\$561,467	\$575,437	\$245,845	\$6,482,376	\$5,127,804
FORF_DISC	58	\$2,786,287	\$9,185	(\$25,644)	\$415	\$2,725	\$698	\$35	\$2,901	\$192	\$5,197	\$2,707
POD Gplant	63	100.0000%	5.5415%	4.0664%	0.1880%	0.5957%	0.3916%	0.0741%	0.0389%	0.0113%	0.2797%	0.4136%
POD Reserve	64	100.0000%	5.5514%	4.0686%	0.1880%	0.5964%	0.3919%	0.0741%	0.0388%	0.0113%	0.2809%	0.4154%
POD Depr	65	100.0000%	5.4830%	4.0466%	0.1877%	0.5924%	0.3898%	0.0744%	0.0393%	0.0112%	0.2764%	0.4091%
POD Amort	66	100.0000%	5.2293%	3.9665%	0.1864%	0.5779%	0.3820%	0.0755%	0.0412%	0.0109%	0.2637%	0.3921%
Hrly Fuel	67	100.0000%	5.6695%	4.1731%	0.1846%	0.6131%	0.4013%	0.0767%	0.0390%	0.0110%	0.3353%	0.4958%
12-CP	68	1,953,476	96,187	66,348	4,226	9,594	6,269	1,171	858	199	686	985
12-CP Subtrans	69	971,087	92,584	-	1,963	4,596	3,002	1,136	399	91	327	484
POD Net Gen Plt	70	\$4,812,910,783	\$267,188,774	\$195,496,501	\$9,409,991	\$28,581,641	\$18,834,778	\$3,590,213	\$1,870,214	\$546,692	\$13,426,365	\$19,881,231

INDIANA MICHIGAN POWER COMPANY
PROBABILITY OF DISPATCH CLASS COST OF SERVICE
(ALLOCATION PERCENT)

I&M Alloc Name	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
PROD_DEMAND	1	100.0000%	41.7942%	10.0638%	0.2366%	0.0520%	0.0039%	21.7065%	1.2628%	0.0280%	3.4807%	12.3491%	4.5647%	3.3445%	0.2033%	0.4632%	0.3089%	0.0586%	0.0466%	0.0096%	0.0092%	0.0139%
PROD_ENERGY	2	100.0000%	35.8819%	9.0992%	0.2276%	0.0543%	0.0031%	22.0606%	1.3064%	0.0295%	4.1644%	15.0662%	5.8305%	4.1434%	0.1867%	0.6192%	0.4036%	0.0756%	0.0379%	0.0105%	0.3242%	0.4752%
BULK_TRANS	3	100.0000%	41.7942%	10.0638%	0.2366%	0.0520%	0.0039%	21.7065%	1.2628%	0.0280%	3.4807%	12.3491%	4.5647%	3.3445%	0.2033%	0.4632%	0.3089%	0.0586%	0.0466%	0.0096%	0.0092%	0.0139%
SUB_TRANS	4	100.0000%	42.1974%	9.9582%	0.2340%	0.1051%	0.0000%	20.8308%	1.2121%	0.0545%	3.3193%	11.8811%	8.9430%	0.0000%	0.1906%	0.4481%	0.2984%	0.1149%	0.0431%	0.0086%	0.0648%	0.0960%
DIST_CPD	5	100.0000%	48.4450%	10.1562%	0.2388%	0.0000%	0.0000%	22.1255%	1.2873%	0.0000%	3.5729%	12.9479%	0.0000%	0.0000%	0.1889%	0.4831%	0.3218%	0.0000%	0.0463%	0.0096%	0.0713%	0.1055%
DISTSEC	6	100.0000%	62.5034%	12.6761%	0.0000%	0.0000%	0.0000%	19.7398%	0.0000%	0.0000%	3.2943%	0.0000%	0.0000%	0.0000%	0.2808%	0.5389%	0.0000%	0.0000%	0.0621%	0.0685%	0.3666%	0.4695%
CUST_TOTAL	7	100.0000%	83.2298%	10.5039%	0.0096%	0.0008%	0.0004%	1.0865%	0.0185%	0.0002%	0.0151%	0.0279%	0.0038%	0.0022%	0.0622%	0.0864%	0.0029%	0.0011%	0.0274%	0.0136%	4.6913%	0.2165%
DIST_PCUST	8	100.0000%	83.2370%	10.5048%	0.0096%	0.0000%	0.0000%	1.0865%	0.0185%	0.0000%	0.0151%	0.0279%	0.0000%	0.0000%	0.0622%	0.0864%	0.0029%	0.0000%	0.0274%	0.0136%	4.6917%	0.2165%
DIST_SERV	9	100.0000%	83.2859%	10.5110%	0.0000%	0.0000%	0.0000%	1.0872%	0.0000%	0.0000%	0.0151%	0.0000%	0.0000%	0.0000%	0.0622%	0.0865%	0.0000%	0.0000%	0.0275%	0.0136%	4.6945%	0.2166%
DIST_METERS	10	100.0000%	70.0079%	20.2740%	0.0567%	0.0051%	0.0007%	6.2373%	0.9178%	0.0102%	0.1760%	1.1394%	0.0240%	0.0139%	0.2361%	0.3494%	0.0178%	0.0054%	0.1059%	0.0679%	0.0000%	0.3546%
DIST_OL	11	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%	0.0000%
DIST_SL	12	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
CUST_902	13	100.0000%	83.6330%	10.5548%	0.0096%	0.0008%	0.0004%	5.4585%	0.0928%	0.0010%	0.0000%	0.0000%	0.0000%	0.0000%	0.0626%	0.0868%	0.0029%	0.0010%	0.0275%	0.0683%	0.0000%	0.0000%
CUST_903	14	100.0000%	87.3962%	8.4040%	0.0076%	0.0006%	0.0003%	8.0693%	0.0148%	0.0002%	0.0121%	0.0223%	0.0031%	0.0018%	0.0498%	0.0691%	0.0023%	0.0009%	0.0220%	0.0109%	2.9396%	0.1732%
CUST_451	15	100.0000%	91.3270%	7.8889%	0.0166%	0.0000%	0.0000%	0.5199%	0.0151%	0.0000%	0.0379%	0.0664%	0.0000%	0.0000%	0.0114%	0.0350%	0.0000%	0.0000%	0.0092%	0.0114%	0.0314%	0.0299%
TRAN_TO	16	100.0000%	39.1174%	10.3164%	0.2593%	0.0828%	0.0024%	22.2103%	1.3215%	0.0396%	3.7268%	12.9723%	6.4448%	2.2759%	0.2116%	0.4852%	0.3170%	0.0788%	0.0430%	0.0099%	0.0347%	0.0502%
DIST_POLES	19	100.0000%	53.2276%	11.0134%	0.1576%	0.0000%	0.0000%	21.3139%	0.8494%	0.0000%	3.4781%	8.5431%	0.0000%	0.0000%	0.2202%	0.5021%	0.2123%	0.0000%	0.0517%	0.0296%	0.1717%	0.2293%
DIST_OHLINES	21	100.0000%	53.5784%	11.0763%	0.1516%	0.0000%	0.0000%	21.2543%	0.8173%	0.0000%	3.4712%	8.2200%	0.0000%	0.0000%	0.2225%	0.5035%	0.2043%	0.0000%	0.0521%	0.0311%	0.1791%	0.2384%
DIST_UGLINES	23	100.0000%	54.7216%	11.2812%	0.1322%	0.0000%	0.0000%	21.0603%	0.7126%	0.0000%	3.4485%	7.1671%	0.0000%	0.0000%	0.2299%	0.5080%	0.1781%	0.0000%	0.0534%	0.0359%	0.2031%	0.2680%
DIST_TRANSF	26	100.0000%	59.5591%	12.1483%	0.0500%	0.0000%	0.0000%	20.2394%	0.2696%	0.0000%	3.3526%	7.7117%	0.0000%	0.0000%	0.2616%	0.5272%	0.0674%	0.0000%	0.0588%	0.0562%	0.3047%	0.3933%
RB_GUP_EPIS_P	28	100.0000%	37.6312%	9.0810%	0.2203%	0.0508%	0.0034%	21.6697%	1.2710%	0.0286%	3.9780%	14.4653%	5.5415%	4.0664%	0.1880%	0.5957%	0.3916%	0.0741%	0.0389%	0.0113%	0.2797%	0.4136%
RB_GUP_EPIS_T	30	100.0000%	39.1174%	10.3164%	0.2593%	0.0828%	0.0024%	22.2103%	1.3215%	0.0396%	3.7268%	12.9723%	6.4448%	2.2759%	0.2116%	0.4852%	0.3170%	0.0788%	0.0430%	0.0099%	0.0347%	0.0502%
RB_GUP_EPIS_D	32	100.0000%	55.7526%	11.2925%	0.1324%	0.0003%	0.0000%	18.5305%	0.7445%	0.0005%	2.9710%	7.0802%	0.0012%	0.0007%	0.2064%	0.4538%	0.1754%	0.0003%	0.0519%	0.0310%	1.4836%	1.0913%
RB_GUP_EPIS_G	34	100.0000%	42.9481%	9.3654%	0.2122%	0.0434%	0.0029%	20.0018%	1.1668%	0.0259%	3.6022%	12.6710%	4.6097%	3.2787%	0.1878%	0.5417%	0.3405%	0.0616%	0.0394%	0.0136%	0.4878%	0.3995%
RB_GUP	36	100.0000%	44.2003%	10.0444%	0.1973%	0.0391%	0.0021%	20.6290%	1.0989%	0.0210%	3.5796%	11.6555%	3.8038%	2.3636%	0.1982%	0.5266%	0.3041%	0.0497%	0.0439%	0.0177%	0.6492%	0.5758%
NP	38	100.0000%	45.0389%	10.1696%	0.1945%	0.0377%	0.0019%	20.5005%	1.0772%	0.0201%	3.5276%	11.2935%	3.5864%	2.1435%	0.1996%	0.5174%	0.2928%	0.0466%	0.0446%	0.0186%	0.6942%	0.5948%
RATEBASE	39	100.0000%	44.6982%	10.1066%	0.1958%	0.0383%	0.0020%	20.5336%	1.0867%	0.0205%	3.5477%	11.4517%	3.6866%	2.2459%	0.1988%	0.5213%	0.2979%	0.0481%	0.0443%	0.0182%	0.6737%	0.5840%
MISC_SERV_REV	42	100.0000%	91.3270%	7.8889%	0.0166%	0.0000%	0.0000%	0.5199%	0.0151%	0.0000%	0.0379%	0.0664%	0.0000%	0.0000%	0.0114%	0.0350%	0.0000%	0.0000%	0.0092%	0.0114%	0.0314%	0.0299%
TOTOHLINES	43	100.0000%	53.4402%	11.0515%	0.1539%	0.0000%	0.0000%	21.2778%	0.8299%	0.0000%	3.4739%	8.3473%	0.0000%	0.0000%	0.2215%	0.5029%	0.2074%	0.0000%	0.0519%	0.0305%	0.1762%	0.2348%
TOTUGLINES	44	100.0000%	54.7216%	11.2812%	0.1322%	0.0000%	0.0000%	21.0603%	0.7126%	0.0000%	3.4485%	7.1671%	0.0000%	0.0000%	0.2299%	0.5080%	0.1781%	0.0000%	0.0534%	0.0359%	0.2031%	0.2680%
TOTBSEXP	46	100.0000%	39.1174%	10.3164%	0.2593%	0.0828%	0.0024%	22.2103%	1.3215%	0.0396%	3.7268%	12.9723%	6.4448%	2.2759%	0.2116%	0.4852%	0.3170%	0.0788%	0.0430%	0.0099%	0.0347%	0.0502%
TOTOXEXP	47	100.0000%	56.2091%	11.7824%	0.1318%	0.0005%	0.0001%	18.2308%	0.7709%	0.0010%	2.8834%	6.9531%	0.0024%	0.0014%	0.2103%	0.4551%	0.1718%	0.0005%	0.0551%	0.0329%	1.1931%	0.9145%
EXP_OM_DIST	48	100.0000%	54.6512%	11.3943%	0.1456%	0.0002%	0.0000%	19.8246%	0.8148%	0.0005%	3.1896%	7.7976%	0.0012%	0.0007%	0.2154%	0.4794%	0.1933%	0.0003%	0.0534%	0.0312%	0.6538%	0.5530%
TOTOX234	49	100.0000%	87.2034%	8.5142%	0.0077%	0.0007%	0.0003%	1.1043%	0.0188%	0.0002%	0.0114%	0.0212%	0.0029%	0.0017%	0.0504%	0.0700%	0.0023%	0.0009%	0.0222%	0.0138%	2.7891%	0.1643%
EXP_OM_CUSTACCT	50	100.0000%	87.2034%	8.5142%	0.0077%	0.0007%	0.0003%	1.1043%	0.0188%	0.0002%	0.0114%	0.0212%	0.0029%	0.0017%	0.0504%	0.0700%	0.0023%	0.0009%	0.0222%	0.0138%	2.7891%	0.1643%
EXP_OM_CUSTSERV	52	100.0000%	87.2034%	8.5142%	0.0077%	0.0007%	0.0003%	1.1043%	0.0188%	0.0002%	0.0114%	0.0212%	0.0029%	0.0017%	0.0504%	0.0700%	0.0023%	0.0009%	0.0222%	0.0138%	2.7891%	0.1643%
LABOR_M	54	100.0000%	42.9481%	9.3654%	0.2122%	0.0434%	0.0029%	20.0018%	1.1668%	0.0259%	3.6022%	12.6710%	4.6097%	3.2787%	0.1878%	0.5417%	0.3405%	0.0616%	0.0394%	0.0136%	0.4878%	0.3995%
RSALE	56	100.0000%	44.8485%	11.3707%	0.2474%	0.0464%	0.0034%	19.4165%	1.0737%	0.0203%	3.4186%	11.2598%	3.7606%	2.5746%	0.2026%	0.4605%	0.2688%	0.0444%	0.0455%	0.0194%	0.5128%	0.4056%
FORF_DISC	58	100.0000%	72.7157%	12.8592%	0.1588%	0.0000%	0.0075%	9.8190%	0.5593%	0.0049%	1.7772%	2.1554%	0.3297%	-0.9204%	0.0149%	0.0978%	0.0251%	0.0012%	0.1041%	0.0069%	0.1865%	0.0972%
POD Gplant	63	100.0000%	37.6312%	9.0810%	0.2203%	0.0508%	0.0034%	21.6697%	1.2710%	0.0286%	3.9780%	14.4653%	5.5415%	4.0664%	0.1880%	0.5957%	0.3916%	0.0741%	0.0389%	0.0113%	0.2797%	0.4136%
POD Reserve	64	100.0000%	37.5648%	9.0826%	0.2206%	0.0510%	0.0034%	21.6867%	1.2725%	0.0286%	3.9849%	14.4879%	5.5514%	4.0686%	0.1880%	0.5964%	0.3919%	0.0741%	0.0388%	0.0113%	0.2809%	0.4154%
POD Depr	65	100.0000%	38.1575%	9.0390%	0.2179%	0.0497%	0.0035%	21.5070%	1.2595%	0.0282%	3.9313%	14.2963%	5.4830%	4.0466%	0.1877%	0.5924%	0.3898%	0.0744%	0.0393%	0.0112%	0.2764%	0.4091%
POD Amort	66	100.0000%	40.4186%	8.8554%	0.2077%	0.0451%	0.0036%	20.8046%	1.2096%	0.0266%	3.7296%	13.5736%	5.2293%	3.9665%	0.1864%	0.5779%	0.3820%	0.0755%	0.0412%	0.0109%	0.2637%	0.3921%
Hrly Fuel	67	100.0000%	37.4341%	8.8811%	0.2157%	0.0498%	0.0033%	21.4870%	1.2630%	0.0283%	4.0067%	14.6315%	5.6695%	4.1731%	0.1846%	0.6131%	0.4013%	0.0767%	0.0390%	0.0110%	0.3353%	0.4958%
12-CP	68	100.0000%	38.7708%	10.4136%	0.2622%	0.0630%	0.0036%	22.6020%	1.3451%	0.0304%	3.7907%	13.1704%	4.9239%	3.3964%	0.2163%	0.4911%	0.3209%	0.0599%	0.0439%	0.0102%	0.0351%	0.0504%
12-CP Subtrans	69	100.0000%	39.8215%	10.1190%	0.2535%	0.1230%	0.0000%	21.4146%	1.2735%	0.0584%	3.5971%	12.5698%	9.5340%	0.0000%	0.2021%	0.4732%	0.3091%	0.1170%	0.0411%	0.0094%	0.0337%	0.0499%
POD Net Gen Plt	70	100.0000%	37.6611%	9.1208%	0.2379%	0.0511%	0.0035%	21.5874														

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(SUMMARY)

	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Operating Income											
Revenue:											
Firm Sales	\$1,264,202,237	\$566,975,891	\$143,748,625	\$3,127,036	\$586,103	\$42,633	\$245,464,149	\$13,573,586	\$256,403	\$43,218,603	\$142,346,308
Interruptible	\$97,724,704	\$35,141,663	\$8,926,816	\$223,330	\$53,317	\$3,042	\$21,572,953	\$1,277,742	\$28,881	\$4,059,745	\$14,673,428
Sales for Resale	\$44,928,132	\$16,121,051	\$4,088,088	\$102,255	\$24,406	\$1,393	\$9,911,422	\$586,963	\$13,268	\$1,870,966	\$6,768,983
Other Operating Revenues	\$150,163,016	\$61,606,181	\$15,585,467	\$370,869	\$111,722	\$3,632	\$32,384,228	\$1,895,035	\$53,941	\$5,463,097	\$18,602,586
Gain on Disp of Emission Const. Allow.	\$24,741	\$8,877	\$2,251	\$56	\$13	\$1	\$5,458	\$323	\$7	\$1,030	\$3,728
Total Operating Revenue	\$1,557,042,829	\$679,853,664	\$172,351,247	\$3,823,546	\$775,562	\$50,700	\$309,338,210	\$17,333,650	\$352,501	\$54,613,441	\$182,395,032
Expenses:											
Operating & Maintenance	\$841,625,807	\$339,311,873	\$84,196,636	\$1,979,366	\$455,981	\$25,525	\$182,092,689	\$10,575,486	\$229,065	\$31,698,548	\$109,687,322
Depreciation & Amortization	\$349,159,750	\$151,183,468	\$36,986,743	\$797,530	\$172,339	\$8,950	\$74,733,056	\$4,144,869	\$83,266	\$12,421,646	\$40,451,963
Regulatory Debits/Credits	\$1,310,661	\$508,154	\$136,487	\$3,436	\$826	\$47	\$296,236	\$17,630	\$398	\$49,683	\$172,620
Taxes Other Than Income	\$92,031,060	\$41,529,561	\$10,000,342	\$205,768	\$41,245	\$2,273	\$18,826,658	\$1,018,117	\$19,391	\$3,170,525	\$10,132,109
Other O&M Expenses	\$11,739,795	\$5,238,639	\$1,329,760	\$29,058	\$5,511	\$395	\$2,295,674	\$127,310	\$2,426	\$403,064	\$1,329,842
State Income Taxes	(\$2,180,459)	\$902,760	\$395,010	\$3,100	(\$3,615)	\$208	(\$1,794,726)	(\$120,598)	(\$3,272)	(\$221,122)	(\$881,619)
Federal Income Taxes (Current + Def.)	\$26,535,922	\$16,805,905	\$5,184,278	\$106,537	\$8,648	\$2,167	\$836,922	\$2,852	(\$1,851)	\$483,453	\$1,327,882
Total Expenses	\$1,320,222,536	\$555,480,360	\$138,229,255	\$3,124,796	\$680,935	\$39,565	\$277,286,508	\$15,765,665	\$329,422	\$48,005,798	\$162,220,119
Net Operating Income	\$236,820,293	\$124,373,304	\$34,121,992	\$698,750	\$94,627	\$11,135	\$32,051,702	\$1,567,985	\$23,078	\$6,607,644	\$20,174,913
Rate Base:											
Gross Plant	\$7,486,549,124	\$3,350,106,406	\$799,942,960	\$16,232,292	\$3,367,154	\$161,074	\$1,578,284,716	\$84,829,853	\$1,628,106	\$261,276,225	\$826,002,419
Accum. Depreciation and Amortization	(\$2,616,576,625)	(\$1,134,815,281)	(\$277,894,714)	(\$5,948,421)	(\$1,283,418)	(\$65,103)	(\$560,710,017)	(\$30,934,930)	(\$619,881)	(\$93,123,870)	(\$301,674,905)
Net Plant	\$4,869,972,499	\$2,215,291,125	\$522,048,246	\$10,283,871	\$2,083,735	\$95,971	\$1,017,574,698	\$53,894,923	\$1,008,225	\$168,152,355	\$524,327,514
Working Capital	\$186,545,418	\$72,735,370	\$18,720,309	\$450,857	\$105,056	\$5,851	\$41,285,680	\$2,406,976	\$52,715	\$7,194,406	\$24,950,702
Rate Base Offsets	\$179,451,347	\$76,414,914	\$18,608,519	\$426,724	\$97,700	\$5,438	\$38,155,365	\$2,203,769	\$47,230	\$6,383,155	\$21,645,964
Total Rate Base	\$5,235,969,265	\$2,364,441,409	\$559,377,074	\$11,161,452	\$2,286,492	\$107,260	\$1,097,015,744	\$58,505,668	\$1,108,170	\$181,729,916	\$570,924,180
Rate of Return	4.52%	5.26%	6.10%	6.26%	4.14%	10.38%	2.92%	2.68%	2.08%	3.64%	3.53%
Indexed ROR	100.00%	116.30%	134.87%	138.41%	91.50%	229.53%	64.60%	59.25%	46.04%	80.39%	78.13%

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(SUMMARY)

	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Operating Income											
Revenue:											
Firm Sales	\$1,264,202,237	\$47,541,219	\$32,547,925	\$2,561,240	\$5,821,170	\$3,398,418	\$561,467	\$575,437	\$245,845	\$6,482,376	\$5,127,804
Interruptible	\$97,724,704	\$5,673,916	\$4,029,403	\$183,222	\$601,733	\$392,205	\$73,435	\$37,202	\$10,296	\$309,188	\$453,187
Sales for Resale	\$44,928,132	\$2,619,533	\$1,861,545	\$83,875	\$278,195	\$181,316	\$33,951	\$17,030	\$4,738	\$145,653	\$213,501
Other Operating Revenues	\$150,163,016	\$8,829,532	\$3,185,508	\$305,758	\$716,880	\$456,252	\$108,133	\$67,558	\$16,544	\$202,789	\$197,303
Gain on Disp of Emission Const. Allow.	\$24,741	\$1,443	\$1,025	\$46	\$153	\$100	\$19	\$9	\$3	\$80	\$118
Total Operating Revenue	\$1,557,042,829	\$64,665,642	\$41,625,406	\$3,134,142	\$7,418,131	\$4,428,289	\$777,004	\$697,237	\$277,426	\$7,140,086	\$5,991,914
Expenses:											
Operating & Maintenance	\$841,625,807	\$39,979,029	\$27,523,975	\$1,700,365	\$4,385,013	\$2,776,007	\$499,786	\$354,118	\$100,778	\$2,106,791	\$1,947,455
Depreciation & Amortization	\$349,159,750	\$13,462,256	\$8,513,143	\$740,078	\$1,671,334	\$989,049	\$164,316	\$159,031	\$52,977	\$1,389,837	\$1,033,899
Regulatory Debits/Credits	\$1,310,661	\$64,535	\$44,515	\$2,835	\$6,437	\$4,206	\$786	\$576	\$133	\$460	\$661
Taxes Other Than Income	\$92,031,060	\$3,258,449	\$1,993,348	\$191,217	\$432,022	\$246,354	\$39,428	\$42,322	\$16,463	\$496,945	\$368,524
Other O&M Expenses	\$11,739,795	\$446,036	\$305,122	\$23,857	\$54,215	\$31,787	\$5,278	\$5,338	\$2,240	\$58,163	\$46,081
State Income Taxes	(\$2,180,459)	(\$314,495)	(\$292,313)	(\$8,565)	(\$31,716)	(\$27,956)	(\$5,044)	\$38	\$3,318	\$120,226	\$99,923
Federal Income Taxes (Current + Def.)	\$26,535,922	\$613,132	\$147,261	\$40,899	\$51,978	\$7,795	\$2,767	\$15,206	\$16,423	\$472,969	\$410,697
Total Expenses	\$1,320,222,536	\$57,508,942	\$38,235,051	\$2,690,686	\$6,569,283	\$4,027,242	\$707,316	\$576,629	\$192,332	\$4,645,391	\$3,907,240
Net Operating Income	\$236,820,293	\$7,156,700	\$3,390,355	\$443,456	\$848,848	\$401,047	\$69,688	\$120,607	\$85,094	\$2,494,694	\$2,084,673
Rate Base:											
Gross Plant	\$7,486,549,124	\$262,460,203	\$152,793,779	\$15,837,211	\$35,656,801	\$20,217,408	\$3,206,601	\$3,472,273	\$1,285,507	\$39,782,207	\$30,005,931
Accum. Depreciation and Amortization	(\$2,616,576,625)	(\$100,119,522)	(\$61,862,215)	(\$5,562,770)	(\$12,549,434)	(\$7,375,050)	(\$1,221,908)	(\$1,198,345)	(\$406,365)	(\$10,882,262)	(\$8,328,213)
Net Plant	\$4,869,972,499	\$162,340,681	\$90,931,564	\$10,274,441	\$23,107,367	\$12,842,357	\$1,984,692	\$2,273,928	\$879,142	\$28,899,945	\$21,677,718
Working Capital	\$186,545,418	\$9,186,103	\$6,308,821	\$383,705	\$990,425	\$630,938	\$114,720	\$79,200	\$21,857	\$430,761	\$490,967
Rate Base Offsets	\$179,451,347	\$7,695,310	\$5,204,205	\$371,749	\$847,577	\$529,812	\$94,018	\$78,109	\$22,056	\$419,927	\$199,809
Total Rate Base	\$5,235,969,265	\$179,222,094	\$102,444,589	\$11,029,894	\$24,945,369	\$14,003,107	\$2,193,430	\$2,431,237	\$923,054	\$29,750,633	\$22,368,494
Rate of Return	4.52%	3.99%	3.31%	4.02%	3.40%	2.86%	3.18%	4.96%	9.22%	8.39%	9.32%
Indexed ROR	100.00%	88.29%	73.17%	88.89%	75.23%	63.32%	70.24%	109.68%	203.82%	185.40%	206.05%

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(RATE BASE)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI		
Rate Base															
P-T-D Plant in Service															
Production															
Demand	12-CP	68	\$3,265,574,990	\$1,266,089,185	\$340,062,783	\$8,562,104	\$2,058,350	\$116,357	\$738,085,337	\$43,925,930	\$991,204	\$123,788,433	\$430,090,045		
<u>GSU</u>	12-CP	<u>68</u>	<u>\$41,483,895</u>	<u>\$16,083,633</u>	<u>\$4,319,952</u>	<u>\$108,768</u>	<u>\$26,148</u>	<u>\$1,478</u>	<u>\$9,376,191</u>	<u>\$558,009</u>	<u>\$12,592</u>	<u>\$1,572,534</u>	<u>\$5,463,605</u>		
Total			\$3,307,058,885	\$1,282,172,818	\$344,382,736	\$8,670,872	\$2,084,498	\$117,835	\$747,461,527	\$44,483,939	\$1,003,796	\$125,360,966	\$435,553,649		
Transmission															
Bulk	12-CP	68	\$862,967,739	\$334,579,400	\$89,865,709	\$2,262,640	\$543,944	\$30,749	\$195,047,989	\$11,607,959	\$261,938	\$32,712,592	\$113,656,503		
<u>Sub</u>	12-CP Subtrans	<u>69</u>	<u>\$424,865,504</u>	<u>\$169,188,004</u>	<u>\$42,992,221</u>	<u>\$1,077,205</u>	<u>\$522,457</u>	<u>\$0</u>	<u>\$90,983,356</u>	<u>\$5,410,669</u>	<u>\$247,973</u>	<u>\$15,282,826</u>	<u>\$53,404,872</u>		
Total			\$1,287,833,242	\$503,767,404	\$132,857,930	\$3,339,844	\$1,066,401	\$30,749	\$286,031,345	\$17,018,628	\$509,910	\$47,995,418	\$167,061,375		
Distribution															
360 Land and Land Rights	DIST_CPD	5	\$23,763,627	\$11,512,300	\$2,413,475	\$56,747	\$0	\$0	\$5,257,810	\$305,915	\$0	\$849,058	\$3,076,887		
361 Structures and Improvements	DIST_CPD	5	\$38,190,130	\$18,501,226	\$3,878,655	\$91,198	\$0	\$0	\$8,449,739	\$491,631	\$0	\$1,364,507	\$4,944,813		
362 Station Equipment	DIST_CPD	5	\$463,306,767	\$224,449,173	\$47,054,228	\$1,106,373	\$0	\$0	\$102,508,715	\$5,964,266	\$0	\$16,553,629	\$59,988,420		
363 Storage Battery Equipment	DIST_POLES	19	\$5,606,730	\$2,984,330	\$617,494	\$8,834	\$0	\$0	\$1,195,010	\$47,623	\$0	\$195,009	\$478,987		
364 Poles															
Primary	DIST_CPD	5	\$194,940,164	\$94,438,851	\$19,798,456	\$465,516	\$0	\$0	\$43,131,392	\$2,509,514	\$0	\$6,965,077	\$25,240,625		
Secondary	DISTSEC	6	\$100,511,265	\$62,822,937	\$12,740,899	\$0	\$0	\$0	\$19,840,696	\$0	\$0	\$3,311,100	\$0		
365 Overhead Lines															
Primary	DIST_CPD	5	\$288,587,005	\$139,806,105	\$29,309,390	\$689,143	\$0	\$0	\$63,851,179	\$3,715,054	\$0	\$10,311,013	\$37,365,909		
Secondary	DISTSEC	6	\$165,983,698	\$103,745,420	\$21,040,244	\$0	\$0	\$0	\$32,764,806	\$0	\$0	\$5,467,930	\$0		
366 Underground Conduit															
Primary	DIST_CPD	5	\$94,106,627	\$45,589,998	\$9,557,630	\$224,726	\$0	\$0	\$20,821,516	\$1,211,459	\$0	\$3,362,364	\$12,184,816		
Secondary	DISTSEC	6	\$75,902,711	\$47,441,759	\$9,621,497	\$0	\$0	\$0	\$14,983,023	\$0	\$0	\$2,500,431	\$0		
367 Underground Lines															
Primary	DIST_CPD	5	\$166,092,772	\$80,463,719	\$16,868,666	\$396,628	\$0	\$0	\$36,748,776	\$2,138,154	\$0	\$5,934,379	\$21,505,499		
Secondary	DISTSEC	6	\$133,963,909	\$83,731,970	\$16,981,387	\$0	\$0	\$0	\$26,444,172	\$0	\$0	\$4,413,116	\$0		
368 Transformers															
Primary	DIST_CPD	5	\$78,199,998	\$37,884,024	\$7,942,126	\$186,741	\$0	\$0	\$17,302,103	\$1,006,688	\$0	\$2,794,032	\$10,125,245		
Secondary	DISTSEC	6	\$295,190,621	\$184,504,113	\$37,418,631	\$0	\$0	\$0	\$58,269,961	\$0	\$0	\$9,724,339	\$0		
369 Services	DIST_SERV	9	\$195,442,042	\$162,775,706	\$20,542,843	\$0	\$0	\$0	\$2,124,815	\$0	\$0	\$29,469	\$0		
370 Meters	DIST_METERS	10	\$125,628,718	\$87,950,030	\$25,469,930	\$71,288	\$6,358	\$868	\$7,835,854	\$1,152,966	\$12,756	\$221,089	\$1,431,376		
371 Installations on Cust Premises	DIST_OL	11	\$23,978,809	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
<u>373 Street Lighting</u>	<u>DIST_SL</u>	<u>12</u>	<u>\$21,255,128</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		
Total			\$2,490,650,721	\$1,388,601,660	\$281,255,549	\$3,297,194	\$6,358	\$868	\$461,529,568	\$18,543,271	\$12,756	\$73,996,541	\$176,342,578		
Total P-T-D Plant in Service			\$7,085,542,848	\$3,174,541,882	\$758,496,214	\$15,307,910	\$3,157,257	\$149,452	\$1,495,022,441	\$80,045,838	\$1,526,462	\$247,352,925	\$778,957,602		
General & Intangible Plant			LABOR_M	54	\$401,006,276	\$175,564,524	\$41,446,745	\$924,382	\$209,897	\$11,622	\$83,262,275	\$4,784,015	\$101,644	\$13,923,300	\$47,044,817
Total Electric Plant in Service			\$7,486,549,124	\$3,350,106,406	\$799,942,960	\$16,232,292	\$3,367,154	\$161,074	\$1,578,284,716	\$84,829,853	\$1,628,106	\$261,276,225	\$826,002,419		

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(RATE BASE)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Rate Base													
P-T-D Plant in Service													
Production													
Demand	12-CP	68	\$3,265,574,990	\$160,792,909	\$110,912,511	\$7,064,541	\$16,038,212	\$10,479,166	\$1,957,503	\$1,434,629	\$331,862	\$1,147,233	\$1,646,696
<u>GSU</u>	12-CP	<u>68</u>	<u>\$41,483,895</u>	<u>\$2,042,616</u>	<u>\$1,408,966</u>	<u>\$89,744</u>	<u>\$203,740</u>	<u>\$133,121</u>	<u>\$24,867</u>	<u>\$18,225</u>	<u>\$4,216</u>	<u>\$14,574</u>	<u>\$20,919</u>
Total			\$3,307,058,885	\$162,835,526	\$112,321,477	\$7,154,285	\$16,241,952	\$10,612,287	\$1,982,369	\$1,452,853	\$336,077	\$1,161,807	\$1,667,615
Transmission													
Bulk	12-CP	68	\$862,967,739	\$42,491,474	\$29,309,974	\$1,866,891	\$4,238,292	\$2,769,246	\$517,294	\$379,118	\$87,698	\$303,170	\$435,159
<u>Sub</u>	12-CP Subtrans	<u>69</u>	<u>\$424,865,504</u>	<u>\$40,506,861</u>	<u>\$0</u>	<u>\$858,659</u>	<u>\$2,010,630</u>	<u>\$1,313,317</u>	<u>\$497,018</u>	<u>\$174,670</u>	<u>\$39,736</u>	<u>\$143,139</u>	<u>\$211,892</u>
Total			\$1,287,833,242	\$82,998,334	\$29,309,974	\$2,725,549	\$6,248,922	\$4,082,564	\$1,014,312	\$553,788	\$127,434	\$446,309	\$647,051
Distribution													
360 Land and Land Rights	DIST_CPD	5	\$23,763,627	\$0	\$0	\$44,881	\$114,806	\$76,463	\$0	\$11,000	\$2,274	\$16,938	\$25,073
361 Structures and Improvements	DIST_CPD	5	\$38,190,130	\$0	\$0	\$72,127	\$184,503	\$122,883	\$0	\$17,679	\$3,654	\$27,220	\$40,295
362 Station Equipment	DIST_CPD	5	\$463,306,767	\$0	\$0	\$875,016	\$2,238,311	\$1,490,767	\$0	\$214,469	\$44,332	\$330,224	\$488,844
363 Storage Battery Equipment	DIST_POLES	19	\$5,606,730	\$0	\$0	\$12,344	\$28,152	\$11,903	\$0	\$2,897	\$1,661	\$9,629	\$12,858
364 Poles													
Primary	DIST_CPD	5	\$194,940,164	\$0	\$0	\$368,170	\$941,788	\$627,253	\$0	\$90,240	\$18,653	\$138,945	\$205,685
Secondary	DISTSEC	6	\$100,511,265	\$0	\$0	\$282,283	\$541,683	\$0	\$0	\$62,439	\$68,881	\$368,456	\$471,891
365 Overhead Lines													
Primary	DIST_CPD	5	\$288,587,005	\$0	\$0	\$545,035	\$1,394,211	\$928,577	\$0	\$133,590	\$27,614	\$205,692	\$304,494
Secondary	DISTSEC	6	\$165,983,698	\$0	\$0	\$466,160	\$894,531	\$0	\$0	\$103,112	\$113,750	\$608,466	\$779,278
366 Underground Conduit													
Primary	DIST_CPD	5	\$94,106,627	\$0	\$0	\$177,733	\$454,645	\$302,804	\$0	\$43,563	\$9,005	\$67,075	\$99,294
Secondary	DISTSEC	6	\$75,902,711	\$0	\$0	\$213,170	\$409,060	\$0	\$0	\$47,152	\$52,017	\$278,245	\$356,356
367 Underground Lines													
Primary	DIST_CPD	5	\$166,092,772	\$0	\$0	\$313,688	\$802,421	\$534,431	\$0	\$76,886	\$15,893	\$118,383	\$175,248
Secondary	DISTSEC	6	\$133,963,909	\$0	\$0	\$376,233	\$721,968	\$0	\$0	\$83,221	\$91,807	\$491,087	\$628,948
368 Transformers													
Primary	DIST_CPD	5	\$78,199,998	\$0	\$0	\$147,691	\$377,797	\$251,622	\$0	\$36,199	\$7,483	\$55,737	\$82,510
Secondary	DISTSEC	6	\$295,190,621	\$0	\$0	\$829,033	\$1,590,863	\$0	\$0	\$183,378	\$202,297	\$1,082,115	\$1,385,892
369 Services	DIST_SERV	9	\$195,442,042	\$0	\$0	\$121,645	\$169,001	\$0	\$0	\$53,660	\$26,559	\$9,174,957	\$423,387
370 Meters	DIST_METERS	10	\$125,628,718	\$30,162	\$17,484	\$296,600	\$438,908	\$22,392	\$6,833	\$133,003	\$85,282	\$0	\$445,540
371 Installations on Cust Premises	DIST_OL	11	\$23,978,809	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,978,809	\$0
<u>373 Street Lighting</u>	<u>DIST_SL</u>	<u>12</u>	<u>\$21,255,128</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$21,255,128</u>
Total			\$2,490,650,721	\$30,162	\$17,484	\$5,141,809	\$11,302,647	\$4,369,095	\$6,833	\$1,292,487	\$771,161	\$36,951,979	\$27,180,722
Total P-T-D Plant in Service			\$7,085,542,848	\$245,864,022	\$141,648,935	\$15,021,643	\$33,793,521	\$19,063,945	\$3,003,515	\$3,299,129	\$1,234,673	\$38,560,095	\$29,495,389
General & Intangible Plant	LABOR_M	54	\$401,006,276	\$16,596,181	\$11,144,843	\$815,568	\$1,863,280	\$1,153,463	\$203,086	\$173,144	\$50,834	\$1,222,113	\$510,542
Total Electric Plant in Service			\$7,486,549,124	\$262,460,203	\$152,793,779	\$15,837,211	\$35,656,801	\$20,217,408	\$3,206,601	\$3,472,273	\$1,285,507	\$39,782,207	\$30,005,931

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(RATE BASE)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Accum. Depreciation and Amortization													
Steam & Hydro	RB_GUP_EPIS_P	28	(\$378,432,319)	(\$146,721,195)	(\$39,408,297)	(\$992,222)	(\$238,533)	(\$13,484)	(\$85,533,282)	(\$5,090,372)	(\$114,866)	(\$14,345,267)	(\$49,841,138)
Nuclear	RB_GUP_EPIS_P	28	(\$1,107,967,400)	(\$429,567,702)	(\$115,378,908)	(\$2,905,011)	(\$698,372)	(\$39,478)	(\$250,422,818)	(\$14,903,501)	(\$336,303)	(\$41,999,816)	(\$145,923,995)
ARO Steam & Hydro	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARO Nuclear	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GSU	RB_GUP_EPIS_P	28	(\$9,746,333)	(\$3,778,730)	(\$1,014,941)	(\$25,554)	(\$6,143)	(\$347)	(\$2,202,866)	(\$131,100)	(\$2,958)	(\$369,455)	(\$1,283,633)
Transmission	TRAN_TO	16	(\$327,252,885)	(\$128,012,953)	(\$33,760,691)	(\$848,692)	(\$270,984)	(\$7,814)	(\$72,683,776)	(\$4,324,624)	(\$129,574)	(\$12,196,175)	(\$42,452,171)
Distribution	RB_GUP_EPIS_D	32	(\$663,852,963)	(\$370,115,054)	(\$74,965,280)	(\$878,827)	(\$1,695)	(\$231)	(\$123,015,150)	(\$4,942,486)	(\$3,400)	(\$19,722,887)	(\$47,001,991)
General & Intangible	RB_GUP_EPIS_G	34	(\$129,324,725)	(\$56,619,647)	(\$13,366,596)	(\$298,114)	(\$67,692)	(\$3,748)	(\$26,852,125)	(\$1,542,847)	(\$32,780)	(\$4,490,271)	(\$15,171,977)
Total			(\$2,616,576,625)	(\$1,134,815,281)	(\$277,894,714)	(\$5,948,421)	(\$1,283,418)	(\$65,103)	(\$560,710,017)	(\$30,934,930)	(\$619,881)	(\$93,123,870)	(\$301,674,905)
Net Electric Plant in Service			\$4,869,972,499	\$2,215,291,125	\$522,048,246	\$10,283,871	\$2,083,735	\$95,971	\$1,017,574,698	\$53,894,923	\$1,008,225	\$168,152,355	\$524,327,514
Working Capital													
Fuel Inventory	PROD_ENERGY	2	\$44,262,887	\$15,882,349	\$4,027,556	\$100,740	\$24,045	\$1,372	\$9,764,665	\$578,271	\$13,071	\$1,843,263	\$6,668,756
Allowance Inventory-Current	PROD_ENERGY	2	\$17,674,176	\$6,341,824	\$1,608,204	\$40,226	\$9,601	\$548	\$3,899,032	\$230,904	\$5,219	\$736,015	\$2,662,835
Materials & Supplies - Prod	RB_GUP_EPIS_P	28	\$107,009,495	\$41,488,426	\$11,143,504	\$280,571	\$67,450	\$3,813	\$24,186,289	\$1,439,407	\$32,481	\$4,056,418	\$14,093,603
Materials & Supplies - Trans	RB_GUP_EPIS_T	30	\$4,743,242	\$1,855,435	\$489,331	\$12,301	\$3,928	\$113	\$1,053,487	\$62,682	\$1,878	\$176,773	\$615,307
Materials & Supplies - Dist	RB_GUP_EPIS_D	32	\$12,855,617	\$7,167,336	\$1,451,714	\$17,019	\$33	\$4	\$2,382,208	\$95,712	\$66	\$381,937	\$910,201
Total Working Capital			\$186,545,418	\$72,735,370	\$18,720,309	\$450,857	\$105,056	\$5,851	\$41,285,680	\$2,406,976	\$52,715	\$7,194,406	\$24,950,702
Rate Base Offsets													
Cook Plant Turbine Replacement (1823308)	12-CP	68	\$13,769,160	\$5,338,412	\$1,433,860	\$36,102	\$8,679	\$491	\$3,112,106	\$185,212	\$4,179	\$521,949	\$1,813,457
Rockport DSI Deferrals	12-CP	68	\$7,101,204	\$2,753,193	\$739,489	\$18,619	\$4,476	\$253	\$1,605,014	\$95,520	\$2,155	\$269,186	\$935,259
Rate Case Expense Deferral (1823xxx)	LABOR_M	54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepaid Pension Expense	LABOR_M	54	\$127,429,283	\$55,789,804	\$13,170,689	\$293,744	\$66,700	\$3,693	\$26,458,568	\$1,520,234	\$32,300	\$4,424,460	\$14,949,610
Deferred Gain Rockport Unit 2 Sale	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cook Uprate Project Deferral (1823418)	12-CP	68	\$16,553,064	\$6,417,753	\$1,723,764	\$43,401	\$10,434	\$590	\$3,741,324	\$222,659	\$5,024	\$627,478	\$2,180,109
Def. Cook Nuc Plnt 316(b) Comply Costs (1823xxx)	12-CP	68	\$5,765,379	\$2,235,283	\$600,382	\$15,116	\$3,634	\$205	\$1,303,091	\$77,551	\$1,750	\$218,549	\$759,325
Baffle Bolt Deferral (1823295) - Direct IN	12-CP	68	\$4,549,033	\$1,763,696	\$473,716	\$11,927	\$2,867	\$162	\$1,028,172	\$61,190	\$1,381	\$172,441	\$599,127
COVID-19 Deferred Expense (1823587) - Direct IN	RB_GUP	36	\$2,023,141	\$905,322	\$216,174	\$4,387	\$910	\$44	\$426,511	\$22,924	\$440	\$70,606	\$223,216
Deferred Storm Expense (1823078) - Direct IN	DIST_OHLINES	21	\$2,261,084	\$1,211,452	\$250,445	\$3,428	\$0	\$0	\$480,578	\$18,479	\$0	\$78,486	\$185,862
Total			\$179,451,347	\$76,414,914	\$18,608,519	\$426,724	\$97,700	\$5,438	\$38,155,365	\$2,203,769	\$47,230	\$6,383,155	\$21,645,964
Total Rate Base			\$5,235,969,265	\$2,364,441,409	\$559,377,074	\$11,161,452	\$2,286,492	\$107,260	\$1,097,015,744	\$58,505,668	\$1,108,170	\$181,729,916	\$570,924,180

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(RATE BASE)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Accum. Depreciation and Amortization													
Steam & Hydro	RB_GUP_EPIS_P	28	(\$378,432,319)	(\$18,633,543)	(\$12,853,136)	(\$818,677)	(\$1,858,594)	(\$1,214,382)	(\$226,846)	(\$166,252)	(\$38,458)	(\$132,948)	(\$190,828)
Nuclear	RB_GUP_EPIS_P	28	(\$1,107,967,400)	(\$54,554,957)	(\$37,631,182)	(\$2,396,908)	(\$5,441,558)	(\$3,555,445)	(\$664,155)	(\$486,751)	(\$112,596)	(\$389,241)	(\$558,703)
ARO Steam & Hydro	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARO Nuclear	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GSU	RB_GUP_EPIS_P	28	(\$9,746,333)	(\$479,897)	(\$331,026)	(\$21,085)	(\$47,867)	(\$31,276)	(\$5,842)	(\$4,282)	(\$990)	(\$3,424)	(\$4,915)
Transmission	TRAN_TO	16	(\$327,252,885)	(\$21,090,808)	(\$7,447,994)	(\$692,593)	(\$1,587,921)	(\$1,037,425)	(\$257,748)	(\$140,724)	(\$32,382)	(\$113,412)	(\$164,423)
Distribution	RB_GUP_EPIS_D	32	(\$663,852,963)	(\$8,039)	(\$4,660)	(\$1,370,487)	(\$3,012,584)	(\$1,164,530)	(\$1,821)	(\$344,497)	(\$205,544)	(\$9,849,105)	(\$7,244,694)
General & Intangible	RB_GUP_EPIS_G	34	(\$129,324,725)	(\$5,352,277)	(\$3,594,218)	(\$263,021)	(\$600,909)	(\$371,992)	(\$65,495)	(\$55,839)	(\$16,394)	(\$394,132)	(\$164,650)
Total			(\$2,616,576,625)	(\$100,119,522)	(\$61,862,215)	(\$5,562,770)	(\$12,549,434)	(\$7,375,050)	(\$1,221,908)	(\$1,198,345)	(\$406,365)	(\$10,882,262)	(\$8,328,213)
Net Electric Plant in Service			\$4,869,972,499	\$162,340,681	\$90,931,564	\$10,274,441	\$23,107,367	\$12,842,357	\$1,984,692	\$2,273,928	\$879,142	\$28,899,945	\$21,677,718
Working Capital													
Fuel Inventory	PROD_ENERGY	2	\$44,262,887	\$2,580,746	\$1,833,982	\$82,633	\$274,076	\$178,631	\$33,448	\$16,778	\$4,668	\$143,496	\$210,340
Allowance Inventory-Current	PROD_ENERGY	2	\$17,674,176	\$1,030,492	\$732,309	\$32,995	\$109,439	\$71,327	\$13,356	\$6,699	\$1,864	\$57,298	\$83,989
Materials & Supplies - Prod	RB_GUP_EPIS_P	28	\$107,009,495	\$5,269,016	\$3,634,488	\$231,498	\$525,556	\$343,391	\$64,145	\$47,011	\$10,875	\$37,594	\$53,961
Materials & Supplies - Trans	RB_GUP_EPIS_T	30	\$4,743,242	\$305,693	\$107,952	\$10,039	\$23,016	\$15,037	\$3,736	\$2,040	\$469	\$1,644	\$2,383
Materials & Supplies - Dist	RB_GUP_EPIS_D	32	\$12,855,617	\$156	\$90	\$26,540	\$58,339	\$22,551	\$35	\$6,671	\$3,980	\$190,729	\$140,295
Total Working Capital			\$186,545,418	\$9,186,103	\$6,308,821	\$383,705	\$990,425	\$630,938	\$114,720	\$79,200	\$21,857	\$430,761	\$490,967
Rate Base Offsets													
Cook Plant Turbine Replacement (1823308)	12-CP	68	\$13,769,160	\$677,977	\$467,658	\$29,787	\$67,624	\$44,185	\$8,254	\$6,049	\$1,399	\$4,837	\$6,943
Rockport DSI Deferrals	12-CP	68	\$7,101,204	\$349,655	\$241,186	\$15,362	\$34,876	\$22,788	\$4,257	\$3,120	\$722	\$2,495	\$3,581
Rate Case Expense Deferral (1823xxx)	LABOR_M	54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepaid Pension Expense	LABOR_M	54	\$127,429,283	\$5,273,831	\$3,541,539	\$259,166	\$592,102	\$366,540	\$64,535	\$55,021	\$16,154	\$388,355	\$162,237
Deferred Gain Rockport Unit 2 Sale	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cook Uprate Project Deferral (1823418)	12-CP	68	\$16,553,064	\$815,053	\$562,211	\$35,810	\$81,297	\$53,118	\$9,922	\$7,272	\$1,682	\$5,815	\$8,347
Def. Cook Nuc Plnt 316(b) Comply Costs (1823xxx)	12-CP	68	\$5,765,379	\$283,880	\$195,816	\$12,472	\$28,315	\$18,501	\$3,456	\$2,533	\$586	\$2,025	\$2,907
Baffle Bolt Deferral (1823295) - Direct IN	12-CP	68	\$4,549,033	\$223,989	\$154,504	\$9,841	\$22,342	\$14,598	\$2,727	\$1,998	\$462	\$1,598	\$2,294
COVID-19 Deferred Expense (1823587) - Direct IN	RB_GUP	36	\$2,023,141	\$70,926	\$41,290	\$4,280	\$9,636	\$5,463	\$867	\$938	\$347	\$10,751	\$8,109
Deferred Storm Expense (1823078) - Direct IN	DIST_OHLINES	21	\$2,261,084	\$0	\$0	\$5,030	\$11,384	\$4,619	\$0	\$1,177	\$703	\$4,050	\$5,391
Total			\$179,451,347	\$7,695,310	\$5,204,205	\$371,749	\$847,577	\$529,812	\$94,018	\$78,109	\$22,056	\$419,927	\$199,809
Total Rate Base			\$5,235,969,265	\$179,222,094	\$102,444,589	\$11,029,894	\$24,945,369	\$14,003,107	\$2,193,430	\$2,431,237	\$923,054	\$29,750,633	\$22,368,494

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Operating Expense													
O&M Expense													
Production													
Steam Generation Expense													
500-Supervision & Engineering	12-CP	68	\$2,891,129	\$1,120,914	\$301,070	\$7,580	\$1,822	\$103	\$653,453	\$38,889	\$878	\$109,594	\$380,774
5000005-DSI Amort - Direct IN	12-CP	68	\$599,100	\$232,276	\$62,388	\$1,571	\$378	\$21	\$135,409	\$8,059	\$182	\$22,710	\$78,904
501-Fuel	PROD_ENERGY	2	\$39,781,478	\$14,274,336	\$3,619,785	\$90,541	\$21,610	\$1,233	\$8,776,039	\$519,724	\$11,748	\$1,656,642	\$5,993,576
502 - Steam Expenses	12-CP	68	\$149,541	\$57,978	\$15,573	\$392	\$94	\$5	\$33,799	\$2,012	\$45	\$5,669	\$19,695
502 - Steam Consumables	PROD_ENERGY	2	\$4,615,914	\$1,656,276	\$420,010	\$10,506	\$2,507	\$143	\$1,018,299	\$60,305	\$1,363	\$192,223	\$695,445
505-Electric	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
506-Misc. Power	12-CP	68	\$4,663,098	\$1,807,920	\$485,595	\$12,226	\$2,939	\$166	\$1,053,954	\$62,724	\$1,415	\$176,764	\$614,150
507-Rents	12-CP	68	\$48,930,766	\$18,970,844	\$5,095,437	\$128,293	\$30,842	\$1,743	\$11,059,333	\$658,178	\$14,852	\$1,854,823	\$6,444,389
508-Operation Supplies & Expenses - Non-major	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
509-Allowances	PROD_ENERGY	2	\$109,642	\$39,341	\$9,976	\$250	\$60	\$3	\$24,188	\$1,432	\$32	\$4,566	\$16,519
Total Steam Operation			\$101,740,669	\$38,159,885	\$10,009,833	\$251,359	\$60,253	\$3,419	\$22,754,473	\$1,351,323	\$30,516	\$4,022,991	\$14,243,452
510-Supervision & Engineering	PROD_ENERGY	2	\$837,230	\$300,414	\$76,181	\$1,905	\$455	\$26	\$184,698	\$10,938	\$247	\$34,865	\$126,139
511-Structures	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512-Boiler Plant	PROD_ENERGY	2	\$5,279,338	\$1,894,325	\$480,376	\$12,016	\$2,868	\$164	\$1,164,654	\$68,972	\$1,559	\$219,850	\$795,398
513-Electric Plant	PROD_ENERGY	2	\$1,111,398	\$398,790	\$101,128	\$2,529	\$604	\$34	\$245,181	\$14,520	\$328	\$46,283	\$167,446
514-Misc Steam Plant	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Steam Maintenance			\$7,227,966	\$2,593,529	\$657,685	\$16,451	\$3,926	\$224	\$1,594,534	\$94,430	\$2,135	\$300,998	\$1,088,983
Total Steam Generation Expense			\$108,968,635	\$40,753,414	\$10,667,518	\$267,809	\$64,179	\$3,643	\$24,349,006	\$1,445,752	\$32,650	\$4,323,989	\$15,332,435
Nuclear Generation Expense													
517-Supervision & Engineering	12-CP	68	\$16,280,070	\$6,311,911	\$1,695,336	\$42,685	\$10,262	\$580	\$3,679,622	\$218,987	\$4,942	\$617,130	\$2,144,154
5180000-5180002 -Fuel	PROD_ENERGY	2	\$56,968,725	\$20,441,440	\$5,183,682	\$129,658	\$30,947	\$1,766	\$12,567,651	\$744,267	\$16,824	\$2,372,379	\$8,583,049
519-Coolants and Water	12-CP	68	\$8,273,585	\$3,207,734	\$861,575	\$21,693	\$5,215	\$295	\$1,869,996	\$111,290	\$2,511	\$313,628	\$1,089,666
520-Steam Expense	12-CP	68	\$8,194,903	\$3,177,229	\$853,382	\$21,486	\$5,165	\$292	\$1,852,212	\$110,231	\$2,487	\$310,645	\$1,079,303
520-Steam Expense - Direct IN	12-CP	68	\$5,118	\$1,984	\$533	\$13	\$3	\$0	\$1,157	\$69	\$2	\$194	\$674
521-Steam from Other Sources	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
522-Steam Transferred Credit	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
523-Electric Expense	12-CP	68	\$5,694,513	\$2,207,808	\$593,002	\$14,931	\$3,589	\$203	\$1,287,074	\$76,598	\$1,728	\$215,862	\$749,991
524-Misc Nuclear Power Exp	12-CP	68	\$45,651,701	\$17,699,524	\$4,753,970	\$119,695	\$28,775	\$1,627	\$10,318,198	\$614,071	\$13,857	\$1,730,523	\$6,012,522
524xxxx - Cook Amort (Uprate Project/ 316(b)) - Direct IN	12-CP	68	\$2,049,252	\$794,511	\$213,400	\$5,373	\$1,292	\$73	\$463,172	\$27,565	\$622	\$77,681	\$269,895
524xxxx - Cook Amort (Uprate Project/ 316(b)) - Non Juris	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5240008-Nuclear Decomm Exp	12-CP	68	\$2,000,000	\$775,416	\$208,271	\$5,244	\$1,261	\$71	\$452,040	\$26,902	\$607	\$75,814	\$263,408
5240009-Nuclear Decomm Expense-ARO	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Nuclear Operations			\$145,117,866	\$54,617,558	\$14,363,151	\$360,779	\$86,509	\$4,907	\$32,491,122	\$1,929,979	\$43,580	\$5,713,856	\$20,192,664
528-Maint Supervision & Engineering	12-CP	68	\$5,454,418	\$2,114,721	\$567,999	\$14,301	\$3,438	\$194	\$1,232,808	\$73,369	\$1,656	\$206,761	\$718,370
529-Maint of Structures	12-CP	68	\$2,530,097	\$980,938	\$263,473	\$6,634	\$1,595	\$90	\$571,852	\$34,033	\$768	\$95,909	\$333,224
530-Maint of Reactor Plant	12-CP	68	\$55,885,933	\$21,667,417	\$5,819,718	\$146,529	\$35,226	\$1,991	\$12,631,340	\$751,733	\$16,963	\$2,118,473	\$7,360,414
530-Maint of Reactor Plant IN Baffle Bolt Amort.	12-CP	68	\$299,936	\$116,288	\$31,234	\$786	\$189	\$11	\$67,792	\$4,035	\$91	\$11,370	\$39,503
531-Maint of Electric Plant	12-CP	68	\$10,305,873	\$3,995,668	\$1,073,209	\$27,021	\$6,496	\$367	\$2,329,334	\$138,626	\$3,128	\$390,666	\$1,357,327
532-Maint of Misc Nuclear Plant	12-CP	68	\$10,977,596	\$4,256,100	\$1,143,159	\$28,782	\$6,919	\$391	\$2,481,156	\$147,662	\$3,332	\$416,129	\$1,445,796
Total Nuclear Maintenance			\$85,453,851	\$33,131,132	\$8,898,793	\$224,054	\$53,863	\$3,045	\$19,314,282	\$1,149,458	\$25,938	\$3,239,307	\$11,254,634
Total Nuclear Generation Expenses			\$230,571,718	\$87,748,690	\$23,261,943	\$584,833	\$140,372	\$7,952	\$51,805,403	\$3,079,437	\$69,517	\$8,953,163	\$31,447,298

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Operating Expense													
O&M Expense													
Production													
Steam Generation Expense													
500-Supervision & Engineering	12-CP	68	\$2,891,129	\$142,356	\$98,195	\$6,254	\$14,199	\$9,278	\$1,733	\$1,270	\$294	\$1,016	\$1,458
5000005-DSI Amort - Direct IN	12-CP	68	\$599,100	\$29,499	\$20,348	\$1,296	\$2,942	\$1,923	\$359	\$263	\$61	\$210	\$302
501-Fuel	PROD_ENERGY	2	\$39,781,478	\$2,319,457	\$1,648,300	\$74,267	\$246,327	\$160,545	\$30,061	\$15,079	\$4,195	\$128,968	\$189,044
502 - Steam Expenses	12-CP	68	\$149,541	\$7,363	\$5,079	\$324	\$734	\$480	\$90	\$66	\$15	\$53	\$75
502 - Steam Consumables	PROD_ENERGY	2	\$4,615,914	\$269,131	\$191,255	\$8,617	\$28,582	\$18,628	\$3,488	\$1,750	\$487	\$14,964	\$21,935
505-Electric	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
506-Misc. Power	12-CP	68	\$4,663,098	\$229,605	\$158,378	\$10,088	\$22,902	\$14,964	\$2,795	\$2,049	\$474	\$1,638	\$2,351
507-Rents	12-CP	68	\$48,930,766	\$2,409,291	\$1,661,892	\$105,854	\$240,314	\$157,018	\$29,331	\$21,496	\$4,973	\$17,190	\$24,674
508-Operation Supplies & Expenses - Non-major	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
509-Allowances	PROD_ENERGY	2	\$109,642	\$6,393	\$4,543	\$205	\$679	\$442	\$83	\$42	\$12	\$355	\$521
Total Steam Operation			\$101,740,669	\$5,413,095	\$3,787,990	\$206,905	\$556,679	\$363,278	\$67,940	\$42,014	\$10,510	\$164,394	\$240,361
510-Supervision & Engineering	PROD_ENERGY	2	\$837,230	\$48,815	\$34,690	\$1,563	\$5,184	\$3,379	\$633	\$317	\$88	\$2,714	\$3,979
511-Structures	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
512-Boiler Plant	PROD_ENERGY	2	\$5,279,338	\$307,812	\$218,743	\$9,856	\$32,690	\$21,306	\$3,989	\$2,001	\$557	\$17,115	\$25,088
513-Electric Plant	PROD_ENERGY	2	\$1,111,398	\$64,800	\$46,049	\$2,075	\$6,882	\$4,485	\$840	\$421	\$117	\$3,603	\$5,281
514-Misc Steam Plant	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Steam Maintenance			\$7,227,966	\$421,426	\$299,482	\$13,494	\$44,756	\$29,170	\$5,462	\$2,740	\$762	\$23,432	\$34,348
Total Steam Generation Expense			\$108,968,635	\$5,834,521	\$4,087,472	\$220,398	\$601,435	\$392,448	\$73,402	\$44,754	\$11,272	\$187,827	\$274,709
Nuclear Generation Expense													
517-Supervision & Engineering	12-CP	68	\$16,280,070	\$801,611	\$552,939	\$35,219	\$79,956	\$52,242	\$9,759	\$7,152	\$1,654	\$5,719	\$8,209
5180000-5180002 -Fuel	PROD_ENERGY	2	\$56,968,725	\$3,321,559	\$2,360,433	\$106,353	\$352,751	\$229,908	\$43,049	\$21,594	\$6,008	\$184,687	\$270,719
519-Coolants and Water	12-CP	68	\$8,273,585	\$407,381	\$281,005	\$17,899	\$40,634	\$26,550	\$4,959	\$3,635	\$841	\$2,907	\$4,172
520-Steam Expense	12-CP	68	\$8,194,903	\$403,507	\$278,333	\$17,728	\$40,248	\$26,297	\$4,912	\$3,600	\$833	\$2,879	\$4,132
520-Steam Expense - Direct IN	12-CP	68	\$5,118	\$252	\$174	\$11	\$25	\$16	\$3	\$2	\$1	\$2	\$3
521-Steam from Other Sources	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
522-Steam Transferred Credit	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
523-Electric Expense	12-CP	68	\$5,694,513	\$280,391	\$193,409	\$12,319	\$27,967	\$18,274	\$3,413	\$2,502	\$579	\$2,001	\$2,872
524-Misc Nuclear Power Exp	12-CP	68	\$45,851,701	\$2,247,834	\$1,550,522	\$98,760	\$224,209	\$146,495	\$27,365	\$20,056	\$4,639	\$16,038	\$23,020
524xxxx - Cook Amort (Uprate Project/ 316(b)) - Direct IN	12-CP	68	\$2,049,252	\$100,903	\$69,601	\$4,433	\$10,064	\$6,576	\$1,228	\$900	\$208	\$720	\$1,033
524xxxx - Cook Amort (Uprate Project/ 316(b)) - Non Juris	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5240008-Nuclear Decomm Exp	12-CP	68	\$2,000,000	\$98,478	\$67,928	\$4,327	\$9,823	\$6,418	\$1,199	\$879	\$203	\$703	\$1,009
5240009-Nuclear Decomm Expense-ARO	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Nuclear Operations			\$145,117,866	\$7,661,915	\$5,354,345	\$297,050	\$785,677	\$512,777	\$95,889	\$60,320	\$14,966	\$215,655	\$315,169
528-Maint Supervision & Engineering	12-CP	68	\$5,454,418	\$268,569	\$185,255	\$11,800	\$26,788	\$17,503	\$3,270	\$2,396	\$554	\$1,916	\$2,750
529-Maint of Structures	12-CP	68	\$2,530,097	\$124,579	\$85,933	\$5,473	\$12,426	\$8,119	\$1,517	\$1,112	\$257	\$889	\$1,276
530-Maint of Reactor Plant	12-CP	68	\$55,885,933	\$2,751,755	\$1,898,119	\$120,900	\$274,472	\$179,337	\$33,500	\$24,552	\$5,679	\$19,633	\$28,181
530-Maint of Reactor Plant IN Baffle Bolt Amort.	12-CP	68	\$299,936	\$14,768	\$10,187	\$649	\$1,473	\$962	\$180	\$132	\$30	\$105	\$151
531-Maint of Electric Plant	12-CP	68	\$10,305,873	\$507,449	\$350,030	\$22,295	\$50,615	\$33,071	\$6,178	\$4,528	\$1,047	\$3,621	\$5,197
532-Maint of Misc Nuclear Plant	12-CP	68	\$10,977,596	\$540,523	\$372,845	\$23,748	\$53,914	\$35,227	\$6,580	\$4,823	\$1,116	\$3,857	\$5,536
Total Nuclear Maintenance			\$85,453,851	\$4,207,643	\$2,902,368	\$184,866	\$419,689	\$274,220	\$51,224	\$37,541	\$8,684	\$30,021	\$43,091
Total Nuclear Generation Expenses			\$230,571,718	\$11,869,558	\$8,256,713	\$481,915	\$1,205,367	\$786,996	\$147,113	\$97,861	\$23,650	\$245,676	\$358,260

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Production Hydraulic													
535-Supervision & Engineering	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
536- Water for Power	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
537-Hydraulic Expense	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
538-Electric	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
539-Misc Hydraulic	12-CP	68	\$1,474,979	\$571,861	\$153,598	\$3,867	\$930	\$53	\$333,375	\$19,840	\$448	\$55,912	\$194,261
540- Rents	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Hydraulic Operations			\$1,474,979	\$571,861	\$153,598	\$3,867	\$930	\$53	\$333,375	\$19,840	\$448	\$55,912	\$194,261
541-Supervision & Engineering	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
542-Structures	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
543-Reservoirs, Etc.	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
544-Electric Plant	PROD_ENERGY	2	\$1,729,560	\$620,599	\$157,376	\$3,936	\$940	\$54	\$381,552	\$22,596	\$511	\$72,025	\$260,580
545-Misc Hydraulic Plant	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Hydraulic Maintenance			\$1,729,560	\$620,599	\$157,376	\$3,936	\$940	\$54	\$381,552	\$22,596	\$511	\$72,025	\$260,580
Total Hydraulic Generation Expense			\$3,204,540	\$1,192,460	\$310,974	\$7,804	\$1,869	\$106	\$714,927	\$42,436	\$958	\$127,937	\$454,841
Production Other													
546-Supervision & Engineering	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
547- Fuel	PROD_ENERGY	2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
548-Generation Expense	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
549-Misc Other Power Generation Expense	12-CP	68	\$219,158	\$84,969	\$22,822	\$575	\$138	\$8	\$49,534	\$2,948	\$67	\$8,308	\$28,864
550-Rents	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Power Operation			\$219,158	\$84,969	\$22,822	\$575	\$138	\$8	\$49,534	\$2,948	\$67	\$8,308	\$28,864
551-Supervision & Engineering													
552-Structures													
553-Generation & Electric Plant	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
554-Misc Other Generation	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Power Maintenance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Production Expense			\$219,158	\$84,969	\$22,822	\$575	\$138	\$8	\$49,534	\$2,948	\$67	\$8,308	\$28,864
Other Power Supply Expense													
555-Purchased Power Expense Demand	12-CP	68	\$129,158,238	\$50,075,668	\$13,449,977	\$338,644	\$81,411	\$4,602	\$29,192,348	\$1,737,334	\$39,204	\$4,896,012	\$17,010,686
555-OSS/PJM Purchased Power Expense Demand	12-CP	68	\$4,803,793	\$1,862,469	\$500,246	\$12,595	\$3,028	\$171	\$1,085,753	\$64,617	\$1,458	\$182,098	\$632,680
555-Purchased Power Expense Energy	PROD_ENERGY	2	\$141,309,167	\$50,704,363	\$12,857,964	\$321,614	\$76,763	\$4,381	\$31,173,670	\$1,846,130	\$41,730	\$5,884,614	\$21,289,988
555-OSS/PJM Purchased Power Expense Energy	PROD_ENERGY	2	\$21,924,595	\$7,866,953	\$1,994,957	\$49,899	\$11,910	\$680	\$4,836,700	\$286,433	\$6,475	\$913,018	\$3,303,214
5550106-Under recovered PJM Expense Direct IN	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5550145-Defrd RES Wildcat Wind Cost-Non Juris	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5550552 - Resource Adequacy Rider Direct IN	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
556-Sys Control & Load Dispatching	12-CP	68	\$286,934	\$111,246	\$29,880	\$752	\$181	\$10	\$64,853	\$3,860	\$87	\$10,877	\$37,790
557- Other Expenses	12-CP	68	\$908,335	\$352,169	\$94,590	\$2,382	\$573	\$32	\$205,302	\$12,218	\$276	\$34,432	\$119,632
Total Other Power Supply Expense			\$298,391,061	\$110,972,868	\$28,927,614	\$725,886	\$173,865	\$9,877	\$66,558,627	\$3,950,593	\$89,229	\$11,921,051	\$42,393,990
Total Production O&M Expense excl GSU			\$641,355,112	\$240,752,401	\$63,190,871	\$1,586,906	\$380,424	\$21,586	\$143,477,497	\$8,521,166	\$192,422	\$25,334,448	\$89,657,427
GSU	12-CP	68	\$479,377	\$185,858	\$49,920	\$1,257	\$302	\$17	\$108,349	\$6,448	\$146	\$18,172	\$63,136
Total Production O&M Expense			\$641,834,489	\$240,938,259	\$63,240,792	\$1,588,163	\$380,726	\$21,603	\$143,585,846	\$8,527,614	\$192,567	\$25,352,620	\$89,720,563
Transmission													
Transmission	TRAN_TO	16	\$14,881,856	\$5,821,401	\$1,535,271	\$38,594	\$12,323	\$355	\$3,305,302	\$196,663	\$5,892	\$554,622	\$1,930,517
Transmission O&M - LSE Demand	12-CP	68	\$25,040,311	\$9,708,326	\$2,607,589	\$65,654	\$15,783	\$892	\$5,659,612	\$336,822	\$7,601	\$949,205	\$3,297,915
Total			\$39,922,167	\$15,529,727	\$4,142,860	\$104,248	\$28,106	\$1,248	\$8,964,913	\$533,485	\$13,493	\$1,503,827	\$5,228,431

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Production Hydraulic													
535-Supervision & Engineering	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
536- Water for Power	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
537-Hydraulic Expense	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
538-Electric	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
539-Misc Hydraulic	12-CP	68	\$1,474,979	\$72,626	\$50,096	\$3,191	\$7,244	\$4,733	\$884	\$648	\$150	\$518	\$744
540- Rents	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Hydraulic Operations			\$1,474,979	\$72,626	\$50,096	\$3,191	\$7,244	\$4,733	\$884	\$648	\$150	\$518	\$744
Production Hydraulic Maintenance													
541-Supervision & Engineering	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
542-Structures	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
543-Reservoirs, Etc.	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
544-Electric Plant	PROD_ENERGY	2	\$1,729,560	\$100,842	\$71,662	\$3,229	\$10,709	\$6,980	\$1,307	\$656	\$182	\$5,607	\$8,219
545-Misc Hydraulic Plant	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Hydraulic Maintenance			\$1,729,560	\$100,842	\$71,662	\$3,229	\$10,709	\$6,980	\$1,307	\$656	\$182	\$5,607	\$8,219
Total Hydraulic Generation Expense			\$3,204,540	\$173,468	\$121,759	\$6,420	\$17,954	\$11,713	\$2,191	\$1,304	\$332	\$6,125	\$8,963
Production Other													
546-Supervision & Engineering	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
547- Fuel	PROD_ENERGY	2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
548-Generation Expense	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
549-Misc Other Power Generation Expense	12-CP	68	\$219,158	\$10,791	\$7,444	\$474	\$1,076	\$703	\$131	\$96	\$22	\$77	\$111
550-Rents	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Power Operation			\$219,158	\$10,791	\$7,444	\$474	\$1,076	\$703	\$131	\$96	\$22	\$77	\$111
Production Other Maintenance													
551-Supervision & Engineering			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
552-Structures			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
553-Generation & Electric Plant	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
554-Misc Other Generation	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Power Maintenance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Production Expense			\$219,158	\$10,791	\$7,444	\$474	\$1,076	\$703	\$131	\$96	\$22	\$77	\$111
Other Power Supply Expense													
555-Purchased Power Expense Demand	12-CP	68	\$129,158,238	\$6,359,593	\$4,386,751	\$279,413	\$634,335	\$414,466	\$77,422	\$56,742	\$13,126	\$45,375	\$65,129
555-OSS/PJM Purchased Power Expense Demand	12-CP	68	\$4,803,793	\$236,533	\$163,157	\$10,392	\$23,593	\$15,415	\$2,880	\$2,110	\$488	\$1,688	\$2,422
555-Purchased Power Expense Energy	PROD_ENERGY	2	\$141,309,167	\$8,239,025	\$5,854,982	\$263,807	\$874,987	\$570,279	\$106,782	\$53,564	\$14,903	\$458,111	\$671,510
555-OSS/PJM Purchased Power Expense Energy	PROD_ENERGY	2	\$21,924,595	\$1,278,313	\$908,420	\$40,930	\$135,757	\$88,481	\$16,568	\$8,311	\$2,312	\$71,077	\$104,187
5550106-Under recovered PJM Expense Direct IN	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5550145-Defd RES Wildcat Wind Cost-Non Juris	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5550552 - Resource Adequacy Rider Direct IN	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
556-Sys Control & Load Dispatching	12-CP	68	\$286,934	\$14,128	\$9,745	\$621	\$1,409	\$921	\$172	\$126	\$29	\$101	\$145
557- Other Expenses	12-CP	68	\$908,335	\$44,725	\$30,851	\$1,965	\$4,461	\$2,915	\$544	\$399	\$92	\$319	\$458
Total Other Power Supply Expense			\$298,391,061	\$16,172,318	\$11,353,906	\$597,128	\$1,674,542	\$1,092,477	\$204,368	\$121,251	\$30,950	\$576,670	\$843,852
Total Production O&M Expense excl GSU			\$641,355,112	\$34,060,656	\$23,827,294	\$1,306,336	\$3,500,374	\$2,284,337	\$427,206	\$265,267	\$66,228	\$1,016,375	\$1,485,893
GSU	12-CP	68	\$479,377	\$23,604	\$16,282	\$1,037	\$2,354	\$1,538	\$287	\$211	\$49	\$168	\$242
Total Production O&M Expense			\$641,834,489	\$34,084,260	\$23,843,575	\$1,307,373	\$3,502,728	\$2,285,875	\$427,493	\$265,477	\$66,276	\$1,016,543	\$1,486,135
Transmission													
Transmission	TRAN_TO	16	\$14,881,856	\$959,107	\$338,698	\$31,496	\$72,211	\$47,177	\$11,721	\$6,399	\$1,473	\$5,157	\$7,477
Transmission O&M - LSE Demand	12-CP	68	\$25,040,311	\$1,232,954	\$850,473	\$54,171	\$122,980	\$80,354	\$15,010	\$11,001	\$2,545	\$8,797	\$12,627
Total			\$39,922,167	\$2,192,061	\$1,189,171	\$85,666	\$195,191	\$127,531	\$26,731	\$17,400	\$4,017	\$13,954	\$20,104

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Distribution Operation													
580 Supervision & Engineering	TOTOXEXP	47	\$2,609,870	\$1,466,984	\$307,504	\$3,439	\$13	\$2	\$475,799	\$20,120	\$26	\$75,254	\$181,466
581 Load Dispatching	DIST_CPD	5	\$534,506	\$258,942	\$54,285	\$1,276	\$0	\$0	\$118,262	\$6,881	\$0	\$19,098	\$69,207
582 Station Expenses	DIST_CPD	5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
583 Overhead Lines	DIST_OHLINES	21	\$1,791,520	\$959,867	\$198,434	\$2,716	\$0	\$0	\$380,776	\$14,641	\$0	\$62,187	\$147,264
584 Underground Lines	DIST_UGLINES	23	\$1,299,236	\$710,962	\$146,570	\$1,717	\$0	\$0	\$273,623	\$9,258	\$0	\$44,804	\$93,118
585 Street Lighting	DIST_SL	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
586 Meters	DIST_METERS	10	\$1,393,115	\$975,291	\$282,440	\$791	\$10	\$10	\$86,893	\$12,785	\$141	\$2,452	\$15,873
587 Customer Installations	DIST_PCUST	8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
588 Miscellaneous Distribution	RB_GUP_EPIS_D	32	\$16,248,722	\$9,059,079	\$1,834,879	\$21,511	\$41	\$6	\$3,010,966	\$120,974	\$83	\$482,745	\$1,150,439
588 Miscellaneous Dist - Misc Dist IN Ft. Wayne Amort.	RB_GUP_EPIS_D	32	\$914,592	\$509,908	\$103,280	\$1,211	\$2	\$0	\$169,478	\$6,809	\$5	\$27,172	\$64,755
589 Rents	RB_GUP_EPIS_D	32	\$1,298,446	\$723,917	\$146,626	\$1,719	\$3	\$0	\$240,608	\$9,667	\$7	\$38,576	\$91,932
Total			\$26,090,007	\$14,664,950	\$3,074,019	\$34,380	\$131	\$18	\$4,756,406	\$201,137	\$262	\$752,288	\$1,814,054
Distribution Maintenance													
590 Supervision & Engineering	TOTMXP												
591 Structures	DIST_CPD	5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
592 Station Equipment	DIST_CPD	5	\$1,935,038	\$937,430	\$196,526	\$4,621	\$0	\$0	\$428,136	\$24,910	\$0	\$69,138	\$250,546
593 Overhead Lines	TOTOHLINES	43	\$25,395,631	\$13,571,476	\$2,806,608	\$39,097	\$0	\$0	\$5,403,627	\$210,763	\$0	\$882,222	\$2,119,847
594 Underground Lines	TOTUGLINES	44	\$1,618,615	\$885,731	\$182,600	\$2,140	\$0	\$0	\$340,886	\$11,534	\$0	\$55,818	\$116,008
595 Line Transformers	DIST_TRANSF	26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
596 Street Lighting	DIST_SL	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
597 Meters	DIST_METERS	10	\$130,702	\$91,501	\$26,498	\$74	\$7	\$1	\$8,152	\$1,200	\$13	\$230	\$1,489
598 Miscellaneous Distribution	DIST_OL	11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$29,079,986	\$15,486,138	\$3,212,232	\$45,931	\$7	\$1	\$6,180,801	\$248,407	\$13	\$1,007,408	\$2,487,892
Customer Accounts													
901 Supervision	TOTOX234	49	\$1,003,261	\$874,878	\$85,420	\$78	\$7	\$3	\$11,079	\$188	\$2	\$115	\$212
902 Meter Read	CUST_902	13	\$527,932	\$441,525	\$55,722	\$51	\$4	\$2	\$28,817	\$490	\$5	\$0	\$0
903 Customer Records	CUST_903	14	\$9,779,025	\$8,546,495	\$821,834	\$748	\$63	\$32	\$85,005	\$1,444	\$16	\$1,179	\$2,181
904 Uncollectibles	UNCOLFAC	51	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
905 Miscellaneous	TOTOX234	49	\$104,090	\$90,770	\$8,862	\$8	\$1	\$0	\$1,149	\$20	\$0	\$12	\$22
Total			\$11,414,308	\$9,953,668	\$971,838	\$884	\$75	\$38	\$126,051	\$2,142	\$23	\$1,306	\$2,415
Customer Service & Inf & Sales Exp													
907 Supervision	EXP_OM_CUSTACCT	50	\$1,446,418	\$1,261,327	\$123,151	\$112	\$10	\$5	\$15,973	\$271	\$3	\$165	\$306
908 Customer Assist & 9080018 Dem Resp - Emergency DRS 1	EXP_OM_CUSTACCT	50	\$4,011,759	\$3,498,391	\$341,570	\$311	\$26	\$13	\$44,303	\$753	\$8	\$459	\$849
909 Information & Instruction	EXP_OM_CUSTACCT	50	\$29,735	\$25,930	\$2,532	\$2	\$0	\$0	\$328	\$6	\$0	\$3	\$6
910 Miscellaneous Cust. Serv.	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
911-916 Misc Selling	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$5,487,912	\$4,785,648	\$467,252	\$425	\$36	\$18	\$60,604	\$1,030	\$11	\$628	\$1,161
Administrative & General Expense													
Reg Commission - Prod	12-CP	68	\$8,358,786	\$3,240,767	\$870,448	\$21,916	\$5,269	\$298	\$1,889,253	\$112,436	\$2,537	\$316,857	\$1,100,887
Reg Commission - Expense	LABOR_M	54	\$1,309,398	\$573,267	\$135,335	\$3,018	\$685	\$38	\$271,875	\$15,621	\$332	\$45,463	\$153,615
Insurance - Production	RB_GUP_EPIS_P	28	\$2,337,722	\$906,353	\$243,440	\$6,129	\$1,474	\$83	\$528,372	\$31,445	\$710	\$88,616	\$307,888
Insurance - Transmission	RB_GUP_EPIS_T	30	\$232,066	\$90,778	\$23,941	\$62	\$192	\$6	\$51,543	\$3,067	\$92	\$8,649	\$30,104
Insurance - Distribution	RB_GUP_EPIS_D	32	\$516,650	\$288,046	\$58,342	\$684	\$1	\$0	\$95,738	\$3,847	\$3	\$15,350	\$36,580
Misc General Expense - PJM Capacity Perf Ins	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A&G - Labor Related	LABOR_M	54	\$75,042,316	\$32,854,270	\$7,756,137	\$172,984	\$39,279	\$2,175	\$15,581,287	\$895,257	\$19,021	\$2,605,537	\$8,803,733
Total			\$87,796,938	\$37,953,482	\$9,087,644	\$205,334	\$46,900	\$2,600	\$18,418,067	\$1,061,672	\$22,694	\$3,080,472	\$10,432,807
Total O&M Expense			\$841,625,807	\$339,311,873	\$84,196,636	\$1,979,366	\$455,981	\$25,525	\$182,092,689	\$10,575,486	\$229,065	\$31,698,548	\$109,687,322
Depreciation & Amortization Expense													
Production	RB_GUP_EPIS_P	28	\$76,218,202	\$29,550,398	\$7,937,032	\$199,839	\$48,042	\$2,716	\$17,226,840	\$1,025,227	\$23,135	\$2,889,210	\$10,038,260
Nuclear	RB_GUP_EPIS_P	28	\$113,503,586	\$44,006,236	\$11,819,770	\$297,598	\$71,543	\$4,044	\$25,654,083	\$1,526,760	\$34,452	\$4,302,590	\$14,948,903
GSU	RB_GUP_EPIS_P	28	\$1,122,798	\$435,318	\$116,923	\$2,944	\$708	\$40	\$253,775	\$15,103	\$341	\$42,562	\$147,877
Transmission	TRAN_TO	16	\$34,046,349	\$13,318,060	\$3,512,355	\$88,295	\$28,192	\$813	\$7,561,789	\$449,920	\$13,480	\$1,268,851	\$4,416,589
Distribution	RB_GUP_EPIS_D	32	\$79,081,810	\$44,090,137	\$8,930,276	\$104,691	\$202	\$28	\$14,654,240	\$588,776	\$405	\$2,349,499	\$5,599,135
General & Intangible	RB_GUP_EPIS_G	34	\$45,187,004	\$19,783,318	\$4,670,386	\$104,163	\$23,652	\$1,310	\$9,382,329	\$539,082	\$11,454	\$1,568,934	\$5,301,200
Total Depreciation & Amort Expense			\$349,159,750	\$151,183,468	\$36,986,743	\$797,530	\$172,339	\$8,950	\$74,733,056	\$4,144,869	\$83,266	\$12,421,646	\$40,451,963

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Distribution Operation													
580 Supervision & Engineering	TOTOXEXP	47	\$2,609,870	\$62	\$36	\$5,489	\$11,877	\$4,482	\$14	\$1,437	\$860	\$31,137	\$23,868
581 Load Dispatching	DIST_CPD	5	\$534,506	\$0	\$0	\$1,009	\$2,582	\$1,720	\$0	\$247	\$51	\$381	\$564
582 Station Expenses	DIST_CPD	5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
583 Overhead Lines	DIST_OHLINES	21	\$1,791,520	\$0	\$0	\$3,985	\$9,020	\$3,660	\$0	\$933	\$557	\$3,209	\$4,271
584 Underground Lines	DIST_UGLINES	23	\$1,299,236	\$0	\$0	\$2,987	\$6,601	\$2,314	\$0	\$693	\$466	\$2,639	\$3,482
585 Street Lighting	DIST_SL	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
586 Meters	DIST_METERS	10	\$1,393,115	\$334	\$194	\$3,289	\$4,867	\$248	\$76	\$1,475	\$946	\$0	\$4,941
587 Customer Installations	DIST_PCUST	8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
588 Miscellaneous Distribution	RB_GUP_EPIS_D	32	\$16,248,722	\$197	\$114	\$33,545	\$73,737	\$28,503	\$45	\$8,432	\$5,031	\$241,071	\$177,324
588 Miscellaneous Dist - Misc Dist IN Ft. Wayne Amort.	RB_GUP_EPIS_D	32	\$914,592	\$11	\$6	\$1,888	\$4,150	\$1,604	\$3	\$475	\$283	\$13,569	\$9,981
589 Rents	RB_GUP_EPIS_D	32	\$1,298,446	\$16	\$9	\$2,681	\$5,892	\$2,278	\$4	\$674	\$402	\$19,264	\$14,170
Total			\$26,090,007	\$620	\$359	\$54,874	\$118,727	\$44,810	\$140	\$14,366	\$8,596	\$311,270	\$238,601
Distribution Maintenance													
590 Supervision & Engineering	TOTMXEXP												
591 Structures	DIST_CPD	5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
592 Station Equipment	DIST_CPD	5	\$1,935,038	\$0	\$0	\$3,655	\$9,348	\$6,226	\$0	\$896	\$185	\$1,379	\$2,042
593 Overhead Lines	TOTOHLINES	43	\$25,395,631	\$0	\$0	\$56,263	\$127,727	\$52,680	\$0	\$13,184	\$7,750	\$44,748	\$59,639
594 Underground Lines	TOTUGLINES	44	\$1,618,615	\$0	\$0	\$3,722	\$8,223	\$2,883	\$0	\$864	\$581	\$3,288	\$4,338
595 Line Transformers	DIST_TRANSF	26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
596 Street Lighting	DIST_SL	12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
597 Meters	DIST_METERS	10	\$130,702	\$31	\$18	\$309	\$457	\$23	\$7	\$138	\$89	\$0	\$464
598 Miscellaneous Distribution	DIST_OL	11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$29,079,986	\$31	\$18	\$63,948	\$145,755	\$61,813	\$7	\$15,082	\$8,605	\$49,415	\$66,482
Customer Accounts													
901 Supervision	TOTOX234	49	\$1,003,261	\$29	\$17	\$506	\$703	\$23	\$9	\$223	\$139	\$27,982	\$1,649
902 Meter Read	CUST_902	13	\$527,932	\$0	\$0	\$330	\$458	\$15	\$5	\$145	\$361	\$0	\$0
903 Customer Records	CUST_903	14	\$9,779,025	\$301	\$174	\$4,867	\$6,761	\$223	\$86	\$2,147	\$1,063	\$287,468	\$16,938
904 Uncollectibles	UNCOLFAC	51	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
905 Miscellaneous	TOTOX234	49	\$104,090	\$3	\$2	\$52	\$73	\$2	\$1	\$23	\$14	\$2,903	\$171
Total			\$11,414,308	\$333	\$193	\$5,755	\$7,995	\$264	\$102	\$2,538	\$1,576	\$318,353	\$18,758
Customer Service & Inf & Sales Exp													
907 Supervision	EXP_OM_CUSTACCT	50	\$1,446,418	\$42	\$24	\$729	\$1,013	\$33	\$13	\$322	\$200	\$40,342	\$2,377
908 Customer Assist & 9080018 Dem Resp - Emergency DRS 1	EXP_OM_CUSTACCT	50	\$4,011,759	\$117	\$68	\$2,023	\$2,810	\$93	\$36	\$892	\$554	\$111,891	\$6,593
909 Information & Instruction	EXP_OM_CUSTACCT	50	\$29,735	\$1	\$1	\$15	\$21	\$1	\$0	\$7	\$4	\$829	\$49
910 Miscellaneous Cust. Serv.	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
911-916 Misc Selling	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$5,487,912	\$160	\$93	\$2,767	\$3,844	\$127	\$49	\$1,220	\$758	\$153,062	\$9,019
Administrative & General Expense													
Reg Commission - Prod	12-CP	68	\$8,358,786	\$411,576	\$283,899	\$18,083	\$41,052	\$26,823	\$5,011	\$3,672	\$849	\$2,937	\$4,215
Reg Commission - Expense	LABOR_M	54	\$1,309,398	\$54,191	\$36,391	\$2,663	\$6,084	\$3,766	\$663	\$565	\$166	\$3,991	\$1,667
Insurance - Production	RB_GUP_EPIS_P	28	\$2,337,722	\$115,107	\$79,399	\$5,057	\$11,481	\$7,502	\$1,401	\$1,027	\$238	\$821	\$1,179
Insurance - Transmission	RB_GUP_EPIS_T	30	\$232,066	\$14,956	\$5,282	\$491	\$1,126	\$736	\$183	\$100	\$23	\$80	\$117
Insurance - Distribution	RB_GUP_EPIS_D	32	\$516,650	\$6	\$4	\$1,067	\$2,345	\$906	\$1	\$268	\$160	\$7,665	\$5,638
Misc General Expense - PJM Capacity Perf Ins	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A&G - Labor Related	LABOR_M	54	\$75,042,316	\$3,105,727	\$2,085,590	\$152,621	\$348,685	\$215,853	\$38,004	\$32,401	\$9,513	\$228,700	\$95,540
Total			\$87,796,938	\$3,701,563	\$2,490,565	\$179,982	\$410,773	\$255,587	\$45,264	\$38,034	\$10,949	\$244,194	\$108,356
Total O&M Expense			\$841,625,807	\$39,979,029	\$27,523,975	\$1,700,365	\$4,385,013	\$2,776,007	\$499,786	\$354,118	\$100,778	\$2,106,791	\$1,947,455
Depreciation & Amortization Expense													
Production	RB_GUP_EPIS_P	28	\$76,218,202	\$3,752,891	\$2,588,687	\$164,886	\$374,330	\$244,583	\$45,688	\$33,484	\$7,746	\$26,776	\$38,434
Nuclear	RB_GUP_EPIS_P	28	\$113,503,586	\$5,588,777	\$3,855,054	\$245,547	\$557,450	\$364,231	\$68,038	\$49,864	\$11,535	\$39,875	\$57,235
GSU	RB_GUP_EPIS_P	28	\$1,122,798	\$55,285	\$38,135	\$2,429	\$5,514	\$3,603	\$673	\$493	\$114	\$394	\$566
Transmission	TRAN_TO	16	\$34,046,349	\$2,194,221	\$774,866	\$72,055	\$165,202	\$107,930	\$26,815	\$14,640	\$3,369	\$11,799	\$17,106
Distribution	RB_GUP_EPIS_D	32	\$79,081,810	\$958	\$555	\$163,260	\$358,876	\$138,725	\$217	\$41,038	\$24,486	\$1,173,279	\$863,028
General & Intangible	RB_GUP_EPIS_G	34	\$45,187,004	\$1,870,125	\$1,255,846	\$91,901	\$209,962	\$129,977	\$22,885	\$19,511	\$5,728	\$137,713	\$57,530
Total Depreciation & Amort Expense			\$349,159,750	\$13,462,256	\$8,513,143	\$740,078	\$1,671,334	\$989,049	\$164,316	\$159,031	\$52,977	\$1,389,837	\$1,033,899

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Regulatory Debits/Credits													
Reg Debits / Credits - Generation	RB_GUP_EPIS_P	28	\$394,742	\$153,045	\$41,107	\$1,035	\$249	\$14	\$89,220	\$5,310	\$120	\$14,964	\$51,989
Reg Debits / Credits - Nuclear	RB_GUP_EPIS_P	28	\$915,919	\$355,109	\$95,380	\$2,401	\$577	\$33	\$207,016	\$12,320	\$278	\$34,720	\$120,630
Reg Debits / Credits - Transmission	RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reg Debits / Credits - Distribution	RB_GUP_EPIS_D	32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Regulatory Debits/Credits			\$1,310,661	\$508,154	\$136,487	\$3,436	\$826	\$47	\$296,236	\$17,630	\$398	\$49,683	\$172,620
Taxes Other Than Income													
			\$0										
FICA	LABOR_M	54	\$9,451,188	\$4,137,824	\$976,845	\$21,786	\$4,947	\$274	\$1,962,382	\$112,753	\$2,396	\$328,154	\$1,108,784
Federal Unemployment Tax	LABOR_M	54	\$45,540	\$19,938	\$4,707	\$105	\$24	\$1	\$9,456	\$543	\$12	\$1,581	\$5,343
State Unemployment Tax	LABOR_M	54	\$157,091	\$68,776	\$16,236	\$362	\$82	\$5	\$32,617	\$1,874	\$40	\$5,454	\$18,429
Real & Personal Property Tax	NP	38	\$54,744,605	\$24,902,653	\$5,868,478	\$115,604	\$23,424	\$1,079	\$11,438,817	\$605,847	\$11,334	\$1,890,244	\$5,894,099
IN PSC Assessment	RSALE	56	\$1,905,000	\$854,364	\$216,612	\$4,712	\$883	\$64	\$369,885	\$20,454	\$386	\$65,125	\$214,499
Sales and Use Taxes	RB_GUP	36	\$35,366	\$15,826	\$3,779	\$77	\$16	\$1	\$7,456	\$401	\$8	\$1,234	\$3,902
Gross Receipts Tax	RSALE	56	\$24,508,558	\$10,991,724	\$2,786,794	\$60,623	\$11,363	\$827	\$4,758,710	\$263,145	\$4,971	\$837,861	\$2,759,608
Federal Excise Tax	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Business Franchise Tax	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regis Fee	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes on Capital Leases	NP	38	\$1,183,711	\$538,456	\$126,891	\$2,500	\$506	\$23	\$247,335	\$13,100	\$245	\$40,872	\$127,445
Total Taxes Other Than Income			\$92,031,060	\$41,529,561	\$10,000,342	\$205,768	\$41,245	\$2,273	\$18,826,658	\$1,018,117	\$19,391	\$3,170,525	\$10,132,109
Other O&M Expenses													
Line of Credit Fees	RATEBASE	39	\$94,214	\$42,545	\$10,065	\$201	\$41	\$2	\$19,739	\$1,053	\$20	\$3,270	\$10,273
Accretion Expense - Distribution	RB_GUP_EPIS_D	32	\$15,200	\$8,475	\$1,716	\$20	\$0	\$0	\$2,817	\$113	\$0	\$452	\$1,076
Factoring Expense	RSALE	56	\$11,162,561	\$5,006,243	\$1,269,261	\$27,611	\$5,175	\$376	\$2,167,382	\$119,851	\$2,264	\$381,608	\$1,256,879
Accretion Expense - Production	RB_GUP_EPIS_P	28	\$467,819	\$181,377	\$48,717	\$1,227	\$295	\$17	\$105,736	\$6,293	\$142	\$17,734	\$61,614
Accretion Expense - Nuclear	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Expenses			\$11,739,795	\$5,238,639	\$1,329,760	\$29,058	\$5,511	\$395	\$2,295,674	\$127,310	\$2,426	\$403,064	\$1,329,842
Total Operating Expense Before Income Tax			\$1,295,867,073	\$537,771,695	\$132,649,967	\$3,015,159	\$675,903	\$37,190	\$278,244,312	\$15,883,411	\$334,546	\$47,743,466	\$161,773,857
Gross Operating Income			\$261,175,756	\$142,081,970	\$39,701,280	\$808,388	\$99,659	\$13,510	\$31,093,898	\$1,450,239	\$17,955	\$6,869,975	\$20,621,176
Interest Expense Factor													
Interest Expense Synchronized			\$94,996,539	\$42,898,218	\$10,148,816	\$202,503	\$41,484	\$1,946	\$19,903,230	\$1,061,472	\$20,106	\$3,297,138	\$10,358,315
Net Operating Income Before Income Tax			\$166,179,217	\$99,183,752	\$29,552,464	\$605,885	\$58,175	\$11,564	\$11,190,668	\$388,767	(\$2,151)	\$3,572,837	\$10,262,860
Schedule M Income Adjustments													
Gross Plant Related	RB_GUP	36	\$53,845,494	\$24,094,964	\$5,753,428	\$116,747	\$24,218	\$1,158	\$11,351,494	\$610,122	\$11,710	\$1,879,177	\$5,940,856
Property Tax Adjustments	NP	38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Labor Related	LABOR_M	54	(\$10,246,023)	(\$4,485,810)	(\$1,058,997)	(\$23,619)	(\$5,363)	(\$297)	(\$2,127,416)	(\$122,235)	(\$2,597)	(\$355,751)	(\$1,202,032)
Production Plant Related	RB_GUP_EPIS_P	28	(\$181,601,379)	(\$70,408,287)	(\$18,911,178)	(\$476,146)	(\$114,467)	(\$6,471)	(\$41,045,548)	(\$2,442,758)	(\$55,122)	(\$6,883,979)	(\$23,917,670)
Production Demand Related	12-CP	68	(\$1,379,514)	(\$534,848)	(\$143,657)	(\$3,617)	(\$870)	(\$49)	(\$311,798)	(\$18,556)	(\$419)	(\$52,293)	(\$181,688)
Rate Base Related	RATEBASE	39	\$969,621	\$437,858	\$103,588	\$2,067	\$423	\$20	\$203,150	\$10,834	\$205	\$33,654	\$105,726
Production Energy Related	PROD_ENERGY	2	(\$19,002,612)	(\$6,818,491)	(\$1,729,080)	(\$43,249)	(\$10,323)	(\$589)	(\$4,192,093)	(\$248,259)	(\$5,612)	(\$791,336)	(\$2,862,980)
Customer Related	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Related	RB_GUP_EPIS_D	32	\$2,498,773	\$1,393,130	\$282,173	\$3,308	\$6	\$1	\$463,035	\$18,604	\$13	\$74,238	\$176,918
General Plant Related	RB_GUP_EPIS_G	34	\$3,713,029	\$1,625,601	\$383,767	\$8,559	\$1,943	\$108	\$770,949	\$44,297	\$941	\$128,920	\$435,601
Transmission Plant Related	RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provision for Uncollectibles	RSALE	56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Schedule M Income Adjustments			(\$151,202,611)	(\$54,695,884)	(\$15,319,956)	(\$415,949)	(\$104,431)	(\$6,119)	(\$34,888,227)	(\$2,147,952)	(\$50,880)	(\$5,967,372)	(\$21,505,269)

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Regulatory Debits/Credits													
Reg Debits / Credits - Generation	RB_GUP_EPIS_P	28	\$394,742	\$19,437	\$13,407	\$854	\$1,939	\$1,267	\$237	\$173	\$40	\$139	\$199
Reg Debits / Credits - Nuclear	RB_GUP_EPIS_P	28	\$915,919	\$45,099	\$31,108	\$1,981	\$4,498	\$2,939	\$549	\$402	\$93	\$322	\$462
Reg Debits / Credits - Transmission	RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reg Debits / Credits - Distribution	RB_GUP_EPIS_D	32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Regulatory Debits/Credits			\$1,310,661	\$64,535	\$44,515	\$2,835	\$6,437	\$4,206	\$786	\$576	\$133	\$460	\$661
Taxes Other Than Income													
			\$0										
FICA	LABOR_M	54	\$9,451,188	\$391,150	\$262,669	\$19,222	\$43,915	\$27,186	\$4,786	\$4,081	\$1,198	\$28,804	\$12,033
Federal Unemployment Tax	LABOR_M	54	\$45,540	\$1,885	\$1,266	\$93	\$212	\$131	\$23	\$20	\$6	\$139	\$58
State Unemployment Tax	LABOR_M	54	\$157,091	\$6,501	\$4,366	\$319	\$730	\$452	\$80	\$68	\$20	\$479	\$200
Real & Personal Property Tax	NP	38	\$54,744,605	\$1,824,913	\$1,022,185	\$115,498	\$259,756	\$144,364	\$22,310	\$25,562	\$9,883	\$324,872	\$243,685
IN PSC Assessment	RSALE	56	\$1,905,000	\$71,639	\$49,046	\$3,859	\$8,772	\$5,121	\$846	\$867	\$370	\$9,768	\$7,727
Sales and Use Taxes	RB_GUP	36	\$35,366	\$1,240	\$722	\$75	\$168	\$96	\$15	\$16	\$6	\$188	\$142
Gross Receipts Tax	RSALE	56	\$24,508,558	\$921,662	\$630,993	\$49,654	\$112,853	\$65,884	\$10,885	\$11,156	\$4,766	\$125,671	\$99,411
Federal Excise Tax	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Business Franchise Tax	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regis Fee	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes on Capital Leases	NP	38	\$1,183,711	\$39,459	\$22,102	\$2,497	\$5,617	\$3,122	\$482	\$553	\$214	\$7,025	\$5,269
Total Taxes Other Than Income			\$92,031,060	\$3,258,449	\$1,993,348	\$191,217	\$432,022	\$246,354	\$39,428	\$42,322	\$16,463	\$496,945	\$368,524
Other O&M Expenses													
Line of Credit Fees	RATEBASE	39	\$94,214	\$3,225	\$1,843	\$198	\$449	\$252	\$39	\$44	\$17	\$535	\$402
Accretion Expense - Distribution	RB_GUP_EPIS_D	32	\$15,200	\$0	\$0	\$31	\$69	\$27	\$0	\$8	\$5	\$226	\$166
Factoring Expense	RSALE	56	\$11,162,561	\$419,776	\$287,389	\$22,615	\$51,399	\$30,007	\$4,958	\$5,081	\$2,171	\$57,238	\$45,277
Accretion Expense - Production	RB_GUP_EPIS_P	28	\$467,819	\$23,035	\$15,889	\$1,012	\$2,298	\$1,501	\$280	\$206	\$48	\$164	\$236
Accretion Expense - Nuclear	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Expenses			\$11,739,795	\$446,036	\$305,122	\$23,857	\$54,215	\$31,787	\$5,278	\$5,338	\$2,240	\$58,163	\$46,081
Total Operating Expense Before Income Tax			\$1,295,867,073	\$57,210,305	\$38,380,103	\$2,658,352	\$6,549,021	\$4,047,403	\$709,593	\$561,385	\$172,590	\$4,052,195	\$3,396,620
Gross Operating Income			\$261,175,756	\$7,455,337	\$3,245,303	\$475,790	\$869,110	\$380,887	\$67,411	\$135,852	\$104,836	\$3,087,890	\$2,595,293
Interest Expense Factor													
Interest Expense Synchronized			\$94,996,539	\$3,251,638	\$1,858,659	\$200,116	\$452,585	\$254,059	\$39,796	\$44,110	\$16,747	\$539,768	\$405,833
Net Operating Income Before Income Tax			\$166,179,217	\$4,203,699	\$1,386,644	\$275,673	\$416,524	\$126,827	\$27,615	\$91,741	\$88,089	\$2,548,122	\$2,189,460
Schedule M Income Adjustments													
Gross Plant Related	RB_GUP	36	\$53,845,494	\$1,887,692	\$1,098,938	\$113,906	\$256,454	\$145,410	\$23,063	\$24,974	\$9,246	\$286,125	\$215,812
Property Tax Adjustments	NP	38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Labor Related	LABOR_M	54	(\$10,246,023)	(\$424,045)	(\$284,759)	(\$20,838)	(\$47,608)	(\$29,472)	(\$5,189)	(\$4,424)	(\$1,299)	(\$31,226)	(\$13,045)
Production Plant Related	RB_GUP_EPIS_P	28	(\$181,601,379)	(\$8,941,829)	(\$6,167,938)	(\$392,865)	(\$891,899)	(\$582,755)	(\$108,858)	(\$79,781)	(\$18,455)	(\$63,799)	(\$91,574)
Production Demand Related	12-CP	68	(\$1,379,514)	(\$67,926)	(\$46,854)	(\$2,984)	(\$6,775)	(\$4,427)	(\$827)	(\$606)	(\$140)	(\$485)	(\$696)
Rate Base Related	RATEBASE	39	\$969,621	\$33,189	\$18,971	\$2,043	\$4,619	\$2,593	\$406	\$450	\$171	\$5,509	\$4,142
Production Energy Related	PROD_ENERGY	2	(\$19,002,612)	(\$1,107,947)	(\$787,351)	(\$35,475)	(\$117,664)	(\$76,689)	(\$14,360)	(\$7,203)	(\$2,004)	(\$61,605)	(\$90,302)
Customer Related	EXP_OM_CUSTACCT	50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Related	RB_GUP_EPIS_D	32	\$2,498,773	\$30	\$18	\$5,159	\$11,340	\$4,383	\$7	\$1,297	\$774	\$37,072	\$27,269
General Plant Related	RB_GUP_EPIS_G	34	\$3,713,029	\$153,669	\$103,193	\$7,552	\$17,253	\$10,680	\$1,880	\$1,603	\$471	\$11,316	\$4,727
Transmission Plant Related	RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provision for Uncollectibles	RSALE	56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Schedule M Income Adjustments			(\$151,202,611)	(\$8,467,167)	(\$6,065,783)	(\$323,505)	(\$774,280)	(\$530,276)	(\$103,878)	(\$63,690)	(\$11,237)	\$182,909	\$56,334

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
State Tax Adjustments													
Indiana - Gross Plant Related	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indiana - Other (bonus depreciation adjustment)	RB_GUP	36	(\$6,757,482)	(\$27,187,964)	(\$6,491,979)	(\$131,734)	(\$27,326)	(\$1,307)	(\$12,808,652)	(\$688,441)	(\$13,213)	(\$2,120,401)	(\$6,703,466)
Indiana - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Illinois - Other (bonus depreciation adjustment)	RB_GUP	36	(\$55,121,599)	(\$24,666,000)	(\$5,889,781)	(\$119,514)	(\$24,792)	(\$1,186)	(\$11,620,518)	(\$624,581)	(\$11,987)	(\$1,923,712)	(\$6,081,650)
Kentucky - Other (bonus depreciation adjustment)	RB_GUP	36	(\$60,757,482)	(\$27,187,964)	(\$6,491,979)	(\$131,734)	(\$27,326)	(\$1,307)	(\$12,808,652)	(\$688,441)	(\$13,213)	(\$2,120,401)	(\$6,703,466)
Kentucky - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Michigan - Other (bonus depreciation adjustment)	RB_GUP	36	(\$60,757,482)	(\$27,187,964)	(\$6,491,979)	(\$131,734)	(\$27,326)	(\$1,307)	(\$12,808,652)	(\$688,441)	(\$13,213)	(\$2,120,401)	(\$6,703,466)
Michigan - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other - Gross Plant Related	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West Virginia - Other (bonus depreciation adjustment)	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indiana Taxable Income			(\$45,780,876)	\$17,299,903	\$7,740,530	\$58,201	(\$73,582)	\$4,138	(\$36,506,211)	(\$2,447,627)	(\$66,244)	(\$4,514,936)	(\$17,945,875)
Tax Factor (Tax Rate x Apportionment)													
Indiana Tax including Credit			(\$1,732,607)	\$654,726	\$292,945	\$2,203	(\$2,785)	\$157	(\$1,381,601)	(\$92,632)	(\$2,507)	(\$170,871)	(\$679,173)
Illinois Taxable Income			(\$40,144,993)	\$19,821,867	\$8,342,728	\$70,421	(\$71,047)	\$4,259	(\$35,318,076)	(\$2,383,767)	(\$65,018)	(\$4,318,247)	(\$17,324,059)
Tax Factor (Tax Rate x Apportionment)													
Illinois Tax			(\$24,275)	\$11,986	\$5,045	\$43	(\$43)	\$3	(\$21,356)	(\$1,441)	(\$39)	(\$2,611)	(\$10,475)
Kentucky Taxable Income			(\$45,780,876)	\$17,299,903	\$7,740,530	\$58,201	(\$73,582)	\$4,138	(\$36,506,211)	(\$2,447,627)	(\$66,244)	(\$4,514,936)	(\$17,945,875)
Tax Factor (Tax Rate x Apportionment)													
Kentucky Tax			(\$25,012)	\$9,452	\$4,229	\$32	(\$40)	\$2	(\$19,945)	(\$1,337)	(\$36)	(\$2,467)	(\$9,805)
Michigan Taxable Income			(\$45,780,876)	\$17,299,903	\$7,740,530	\$58,201	(\$73,582)	\$4,138	(\$36,506,211)	(\$2,447,627)	(\$66,244)	(\$4,514,936)	(\$17,945,875)
Tax Factor (Tax Rate x Apportionment)													
Current Michigan Tax			(\$421,259)	\$159,187	\$71,225	\$536	(\$677)	\$38	(\$335,917)	(\$22,522)	(\$610)	(\$41,545)	(\$165,131)
Total Michigan Tax			(\$421,259)	\$159,187	\$71,225	\$536	(\$677)	\$38	(\$335,917)	(\$22,522)	(\$610)	(\$41,545)	(\$165,131)
West Virginia Taxable Income			\$14,976,606	\$44,487,868	\$14,232,509	\$189,935	(\$46,256)	\$5,445	(\$23,697,558)	(\$1,759,186)	(\$53,031)	(\$2,394,535)	(\$11,242,409)
Tax Factor (Tax Rate x Apportionment)													
West Virginia Tax			\$22,693	\$67,409	\$21,565	\$288	(\$70)	\$8	(\$35,907)	(\$2,666)	(\$80)	(\$3,628)	(\$17,035)
Other Taxable Income	RB_GUP	36	\$0										
Tax Factor (Tax Rate x Apportionment)													
Other Tax			\$0										
Total State Income Tax			(\$2,180,459)	\$902,760	\$395,010	\$3,100	(\$3,615)	\$208	(\$1,794,726)	(\$120,598)	(\$3,272)	(\$221,122)	(\$881,619)
Federal Taxable Income			\$17,157,065	\$43,585,108	\$13,837,499	\$186,835	(\$42,641)	\$5,237	(\$21,902,833)	(\$1,638,587)	(\$49,759)	(\$2,173,413)	(\$10,360,790)
Tax Factor (Tax Rate x Apportionment)													
Gross Current FIT			\$3,602,984	\$9,152,873	\$2,905,875	\$39,235	(\$8,955)	\$1,100	(\$4,599,595)	(\$344,103)	(\$10,449)	(\$456,417)	(\$2,175,766)
Parent Savings Allocation	RB_GUP	36	(\$692,573)	(\$309,915)	(\$74,002)	(\$1,502)	(\$311)	(\$15)	(\$146,006)	(\$7,848)	(\$151)	(\$24,170)	(\$76,413)
Research & Development Credit	RB_GUP_EPIS_P	28	(\$607,986)	(\$235,721)	(\$63,313)	(\$1,594)	(\$383)	(\$22)	(\$137,417)	(\$8,178)	(\$185)	(\$23,047)	(\$80,074)
Total Current FIT			\$2,302,425	\$8,607,237	\$2,768,560	\$36,140	(\$9,649)	\$1,063	(\$4,883,017)	(\$360,129)	(\$10,784)	(\$503,634)	(\$2,332,253)
Deferred FIT													
Gross Plant Related	RB_GUP	36	(\$16,301,154)	(\$7,294,495)	(\$1,741,790)	(\$35,344)	(\$7,332)	(\$351)	(\$3,436,545)	(\$184,708)	(\$3,545)	(\$568,901)	(\$1,798,531)
Net Plant Related	NP	38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Production Plant	RB_GUP_EPIS_P	28	\$38,136,289	\$14,785,740	\$3,971,347	\$99,991	\$24,038	\$1,359	\$8,619,565	\$512,979	\$11,576	\$1,445,636	\$5,022,711
Distribution	RB_GUP_EPIS_D	32	(\$524,742)	(\$292,557)	(\$59,256)	(\$695)	(\$1)	(\$0)	(\$97,237)	(\$3,907)	(\$3)	(\$15,590)	(\$37,153)
Labor	LABOR_M	54	\$2,228,884	\$975,828	\$230,370	\$5,138	\$1,167	\$65	\$462,791	\$26,591	\$565	\$77,389	\$261,486
Rate Base	RATEBASE	39	(\$203,620)	(\$91,950)	(\$21,753)	(\$434)	(\$89)	(\$4)	(\$42,662)	(\$2,275)	(\$43)	(\$7,067)	(\$22,202)
Energy	PROD_ENERGY	2	\$4,122,529	\$1,479,240	\$375,116	\$9,383	\$2,239	\$128	\$909,455	\$53,859	\$1,217	\$171,677	\$621,110
Demand	12-CP	68	\$289,698	\$112,318	\$30,168	\$760	\$183	\$10	\$65,478	\$3,897	\$88	\$10,982	\$38,154
Transmission	RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue Related	RSale	56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Plant Related	RB_GUP_EPIS_G	34	(\$779,736)	(\$341,376)	(\$80,591)	(\$1,797)	(\$408)	(\$23)	(\$161,899)	(\$9,302)	(\$198)	(\$27,073)	(\$91,476)
Total Current Year DFIT			\$26,968,148	\$9,332,747	\$2,703,611	\$77,001	\$19,797	\$1,184	\$6,318,946	\$397,133	\$9,657	\$1,087,052	\$3,994,099

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
State Tax Adjustments													
Indiana - Gross Plant Related	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indiana - Other (bonus depreciation adjustment)	RB_GUP	36	(\$6,757,482)	(\$2,130,010)	(\$1,240,006)	(\$128,528)	(\$289,375)	(\$164,075)	(\$26,023)	(\$28,179)	(\$10,433)	(\$322,855)	(\$243,515)
Indiana - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Illinois - Other (bonus depreciation adjustment)	RB_GUP	36	(\$55,121,599)	(\$1,932,429)	(\$1,124,983)	(\$116,605)	(\$262,532)	(\$148,856)	(\$23,609)	(\$25,565)	(\$9,465)	(\$292,906)	(\$220,926)
Kentucky - Other (bonus depreciation adjustment)	RB_GUP	36	(\$60,757,482)	(\$2,130,010)	(\$1,240,006)	(\$128,528)	(\$289,375)	(\$164,075)	(\$26,023)	(\$28,179)	(\$10,433)	(\$322,855)	(\$243,515)
Kentucky - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Michigan - Other (bonus depreciation adjustment)	RB_GUP	36	(\$60,757,482)	(\$2,130,010)	(\$1,240,006)	(\$128,528)	(\$289,375)	(\$164,075)	(\$26,023)	(\$28,179)	(\$10,433)	(\$322,855)	(\$243,515)
Michigan - Production Plant Related	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other - Gross Plant Related	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West Virginia - Other (bonus depreciation adjustment)	RB_GUP	36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indiana Taxable Income			(\$45,780,876)	(\$6,393,478)	(\$5,919,145)	(\$176,359)	(\$647,130)	(\$567,524)	(\$102,286)	(\$128)	\$66,419	\$2,408,177	\$2,002,280
Tax Factor (Tax Rate x Apportionment)													
Indiana Tax including Credit			(\$1,732,607)	(\$241,965)	(\$224,014)	(\$6,674)	(\$24,491)	(\$21,478)	(\$3,871)	(\$5)	\$2,514	\$91,139	\$75,778
Illinois Taxable Income			(\$40,144,993)	(\$6,195,897)	(\$5,804,122)	(\$164,437)	(\$620,288)	(\$552,304)	(\$99,872)	\$2,486	\$67,387	\$2,438,125	\$2,024,868
Tax Factor (Tax Rate x Apportionment)													
Illinois Tax			(\$24,275)	(\$3,747)	(\$3,510)	(\$99)	(\$375)	(\$334)	(\$60)	\$2	\$41	\$1,474	\$1,224
Kentucky Taxable Income			(\$45,780,876)	(\$6,393,478)	(\$5,919,145)	(\$176,359)	(\$647,130)	(\$567,524)	(\$102,286)	(\$128)	\$66,419	\$2,408,177	\$2,002,280
Tax Factor (Tax Rate x Apportionment)													
Kentucky Tax			(\$25,012)	(\$3,493)	(\$3,234)	(\$96)	(\$354)	(\$310)	(\$56)	(\$0)	\$36	\$1,316	\$1,094
Michigan Taxable Income			(\$45,780,876)	(\$6,393,478)	(\$5,919,145)	(\$176,359)	(\$647,130)	(\$567,524)	(\$102,286)	(\$128)	\$66,419	\$2,408,177	\$2,002,280
Tax Factor (Tax Rate x Apportionment)													
Current Michigan Tax			(\$421,259)	(\$58,830)	(\$54,466)	(\$1,623)	(\$5,955)	(\$5,222)	(\$941)	(\$1)	\$611	\$22,159	\$18,424
Total Michigan Tax			(\$421,259)	(\$58,830)	(\$54,466)	(\$1,623)	(\$5,955)	(\$5,222)	(\$941)	(\$1)	\$611	\$22,159	\$18,424
West Virginia Taxable Income			\$14,976,606	(\$4,263,468)	(\$4,679,139)	(\$47,831)	(\$357,756)	(\$403,449)	(\$76,262)	\$28,051	\$76,852	\$2,731,032	\$2,245,795
Tax Factor (Tax Rate x Apportionment)													
West Virginia Tax			\$22,693	(\$6,460)	(\$7,090)	(\$72)	(\$542)	(\$611)	(\$116)	\$43	\$116	\$4,138	\$3,403
Other Taxable Income	RB_GUP	36	\$0										
Tax Factor (Tax Rate x Apportionment)													
Other Tax			\$0										
Total State Income Tax			(\$2,180,459)	(\$314,495)	(\$292,313)	(\$8,565)	(\$31,716)	(\$27,956)	(\$5,044)	\$38	\$3,318	\$120,226	\$99,923
Federal Taxable Income			\$17,157,065	(\$3,948,973)	(\$4,386,826)	(\$39,266)	(\$326,039)	(\$375,493)	(\$71,218)	\$28,013	\$73,533	\$2,610,806	\$2,145,872
Tax Factor (Tax Rate x Apportionment)													
Gross Current FIT			\$3,602,984	(\$829,284)	(\$921,233)	(\$8,246)	(\$68,468)	(\$78,854)	(\$14,956)	\$5,883	\$15,442	\$548,269	\$450,633
Parent Savings Allocation	RB_GUP	36	(\$692,573)	(\$24,280)	(\$14,135)	(\$1,465)	(\$3,299)	(\$1,870)	(\$297)	(\$321)	(\$119)	(\$3,680)	(\$2,776)
Research & Development Credit	RB_GUP_EPIS_P	28	(\$607,986)	(\$29,936)	(\$20,650)	(\$1,315)	(\$2,986)	(\$1,951)	(\$364)	(\$267)	(\$62)	(\$214)	(\$307)
Total Current FIT			\$2,302,425	(\$883,501)	(\$956,018)	(\$11,026)	(\$74,753)	(\$82,675)	(\$15,617)	\$5,294	\$15,261	\$544,375	\$447,551
Deferred FIT													
Gross Plant Related	RB_GUP	36	(\$16,301,154)	(\$571,479)	(\$332,692)	(\$34,484)	(\$77,639)	(\$44,021)	(\$6,982)	(\$7,561)	(\$2,799)	(\$86,621)	(\$65,335)
Net Plant Related	NP	38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Production Plant	RB_GUP_EPIS_P	28	\$38,136,289	\$1,877,784	\$1,295,267	\$82,502	\$187,299	\$122,379	\$22,860	\$16,754	\$3,876	\$13,398	\$19,231
Distribution	RB_GUP_EPIS_D	32	(\$524,742)	(\$6)	(\$4)	(\$1,083)	(\$2,381)	(\$921)	(\$1)	(\$272)	(\$162)	(\$7,785)	(\$5,727)
Labor	LABOR_M	54	\$2,228,884	\$92,245	\$61,946	\$4,533	\$10,357	\$6,411	\$1,129	\$962	\$283	\$6,793	\$2,838
Rate Base	RATEBASE	39	(\$203,620)	(\$6,970)	(\$3,984)	(\$429)	(\$970)	(\$545)	(\$85)	(\$95)	(\$36)	(\$1,157)	(\$870)
Energy	PROD_ENERGY	2	\$4,122,529	\$240,364	\$170,812	\$7,696	\$25,527	\$16,637	\$3,115	\$1,563	\$435	\$13,365	\$19,591
Demand	12-CP	68	\$289,698	\$14,264	\$9,839	\$627	\$1,423	\$930	\$174	\$127	\$29	\$102	\$146
Transmission	RB_GUP_EPIS_T	30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue Related	RSALE	56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Plant Related	RB_GUP_EPIS_G	34	(\$779,736)	(\$32,270)	(\$21,671)	(\$1,586)	(\$3,623)	(\$2,243)	(\$395)	(\$337)	(\$99)	(\$2,376)	(\$993)
Total Current Year DFIT			\$26,968,148	\$1,613,932	\$1,179,514	\$57,776	\$139,991	\$98,628	\$19,814	\$11,142	\$1,526	(\$64,283)	(\$31,119)

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Deferred ITC													
Prior Year Feedback	RATEBASE	39	(\$1,156,009)	(\$522,027)	(\$123,501)	(\$2,464)	(\$505)	(\$24)	(\$242,202)	(\$12,917)	(\$245)	(\$40,123)	(\$126,050)
Solar Investment Tax Credit	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rockport	RB_GUP_EPIS_P	28	(\$1,556,019)	(\$603,281)	(\$162,037)	(\$4,080)	(\$981)	(\$55)	(\$351,691)	(\$20,930)	(\$472)	(\$58,984)	(\$204,934)
Cook Plant Simulator	RB_GUP_EPIS_P	28	(\$22,623)	(\$8,771)	(\$2,356)	(\$59)	(\$14)	(\$1)	(\$5,113)	(\$304)	(\$7)	(\$858)	(\$2,980)
Total Deferred ITC			(\$2,734,651)	(\$1,134,079)	(\$287,893)	(\$6,603)	(\$1,500)	(\$80)	(\$599,006)	(\$34,152)	(\$724)	(\$99,964)	(\$333,964)
Total Federal Income Tax			\$26,535,922	\$16,805,905	\$5,184,278	\$106,537	\$8,648	\$2,167	\$836,922	\$2,852	(\$1,851)	\$483,453	\$1,327,882
Total Income Tax			\$24,355,463	\$17,708,665	\$5,579,288	\$109,637	\$5,032	\$2,375	(\$957,804)	(\$117,746)	(\$5,123)	\$262,332	\$446,263
Total Expenses			\$1,320,222,536	\$555,480,360	\$138,229,255	\$3,124,796	\$680,935	\$39,565	\$277,286,508	\$15,765,665	\$329,422	\$48,005,798	\$162,220,119
Net Operating Income			\$236,820,293	\$124,373,304	\$34,121,992	\$698,750	\$94,627	\$11,135	\$32,051,702	\$1,567,985	\$23,078	\$6,607,644	\$20,174,913
Current Rate of Return			4.52%	5.26%	6.10%	6.26%	4.14%	10.38%	2.92%	2.68%	2.08%	3.64%	3.53%
O&M Labor													
Production Demand	12-CP	68	\$99,570,493	\$38,604,266	\$10,368,838	\$261,067	\$62,761	\$3,548	\$22,504,925	\$1,339,343	\$30,223	\$3,774,427	\$13,113,855
Production Energy	PROD_ENERGY	2	\$4,681,028	\$1,679,640	\$425,935	\$10,654	\$2,543	\$145	\$1,032,664	\$61,155	\$1,382	\$194,935	\$705,255
Transmission	TOTBSEXP	46	\$4,879,671	\$1,908,802	\$503,406	\$12,655	\$4,041	\$117	\$1,083,789	\$64,485	\$1,932	\$181,857	\$633,005
Distribution	EXP_OM_DIST	48	\$14,234,374	\$7,779,263	\$1,621,911	\$20,721	\$35	\$5	\$2,821,902	\$115,986	\$71	\$454,018	\$1,109,942
Customer Accounts	EXP_OM_CUSTACCT	50	\$5,734,861	\$5,000,996	\$488,278	\$444	\$38	\$19	\$63,332	\$1,076	\$12	\$656	\$1,213
Customer Service	EXP_OM_CUSTSERV	52	\$3,566,084	\$3,109,747	\$303,624	\$276	\$23	\$12	\$39,381	\$669	\$7	\$408	\$754
Total			\$132,666,511	\$58,082,714	\$13,711,993	\$305,817	\$69,441	\$3,845	\$27,545,992	\$1,582,715	\$33,627	\$4,606,301	\$15,564,025
Production Demand	12-CP	68	\$99,570,493	\$38,604,266	\$10,368,838	\$261,067	\$62,761	\$3,548	\$22,504,925	\$1,339,343	\$30,223	\$3,774,427	\$13,113,855
Production Energy	PROD_ENERGY	2	\$4,681,028	\$1,679,640	\$425,935	\$10,654	\$2,543	\$145	\$1,032,664	\$61,155	\$1,382	\$194,935	\$705,255
Total Production			\$104,251,521	\$40,283,906	\$10,794,773	\$271,721	\$65,304	\$3,693	\$23,537,589	\$1,400,499	\$31,605	\$3,969,362	\$13,819,111

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(EXPENSES)

	I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Deferred ITC													
Prior Year Feedback	RATEBASE	39	(\$1,156,009)	(\$39,569)	(\$22,618)	(\$2,435)	(\$5,507)	(\$3,092)	(\$484)	(\$537)	(\$204)	(\$6,568)	(\$4,939)
Solar Investment Tax Credit	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rockport	RB_GUP_EPIS_P	28	(\$1,556,019)	(\$76,616)	(\$52,849)	(\$3,366)	(\$7,642)	(\$4,993)	(\$933)	(\$684)	(\$158)	(\$547)	(\$785)
Cook Plant Simulator	RB_GUP_EPIS_P	28	(\$22,623)	(\$1,114)	(\$768)	(\$49)	(\$111)	(\$73)	(\$14)	(\$10)	(\$2)	(\$8)	(\$11)
Total Deferred ITC			(\$2,734,651)	(\$117,299)	(\$76,235)	(\$5,850)	(\$13,261)	(\$8,157)	(\$1,431)	(\$1,230)	(\$364)	(\$7,123)	(\$5,735)
Total Federal Income Tax			\$26,535,922	\$613,132	\$147,261	\$40,899	\$51,978	\$7,795	\$2,767	\$15,206	\$16,423	\$472,969	\$410,697
Total Income Tax			\$24,355,463	\$298,637	(\$145,052)	\$32,334	\$20,262	(\$20,161)	(\$2,277)	\$15,244	\$19,741	\$593,196	\$510,620
Total Expenses			\$1,320,222,536	\$57,508,942	\$38,235,051	\$2,690,686	\$6,569,283	\$4,027,242	\$707,316	\$576,629	\$192,332	\$4,645,391	\$3,907,240
Net Operating Income			\$236,820,293	\$7,156,700	\$3,390,355	\$443,456	\$848,848	\$401,047	\$69,688	\$120,607	\$85,094	\$2,494,694	\$2,084,673
Current Rate of Return			4.52%	3.99%	3.31%	4.02%	3.40%	2.86%	3.18%	4.96%	9.22%	8.39%	9.32%
O&M Labor													
Production Demand	12-CP	68	\$99,570,493	\$4,902,729	\$3,381,828	\$215,405	\$489,020	\$319,520	\$59,686	\$43,743	\$10,119	\$34,980	\$50,209
Production Energy	PROD_ENERGY	2	\$4,681,028	\$272,927	\$193,953	\$8,739	\$28,985	\$18,891	\$3,537	\$1,774	\$494	\$15,175	\$22,245
Transmission	TOTBSEXP	46	\$4,879,671	\$314,485	\$111,057	\$10,327	\$23,678	\$15,469	\$3,843	\$2,098	\$483	\$1,691	\$2,452
Distribution	EXP_OM_DIST	48	\$14,234,374	\$168	\$97	\$30,657	\$68,239	\$27,510	\$38	\$7,598	\$4,438	\$93,060	\$78,714
Customer Accounts	EXP_OM_CUSTACCT	50	\$5,734,861	\$167	\$97	\$2,892	\$4,017	\$133	\$51	\$1,275	\$792	\$159,949	\$9,424
Customer Service	EXP_OM_CUSTSERV	52	\$3,566,084	\$104	\$60	\$1,798	\$2,498	\$83	\$32	\$793	\$492	\$99,461	\$5,860
Total			\$132,666,511	\$5,490,581	\$3,687,093	\$269,817	\$616,436	\$381,605	\$67,188	\$57,282	\$16,818	\$404,316	\$168,905
Production Demand	12-CP	68	\$99,570,493	\$4,902,729	\$3,381,828	\$215,405	\$489,020	\$319,520	\$59,686	\$43,743	\$10,119	\$34,980	\$50,209
Production Energy	PROD_ENERGY	2	\$4,681,028	\$272,927	\$193,953	\$8,739	\$28,985	\$18,891	\$3,537	\$1,774	\$494	\$15,175	\$22,245
Total Production			\$104,251,521	\$5,175,656	\$3,575,781	\$224,143	\$518,005	\$338,411	\$63,223	\$45,518	\$10,612	\$50,156	\$72,454

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(REVENUES)

	I&M Allocation Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
Operating Revenues													
Firm Sales of Electricity	RSALE	56	\$1,264,202,237	\$566,975,891	\$143,748,625	\$3,127,036	\$586,103	\$42,633	\$245,464,149	\$13,573,586	\$256,403	\$43,218,603	\$142,346,308
Interruptible													
Demand	12-CP	68	\$2,638,280	\$1,022,882	\$274,739	\$6,917	\$1,663	\$94	\$596,304	\$35,488	\$801	\$100,010	\$347,473
Energy	PROD_ENERGY	2	\$95,086,423	\$34,118,781	\$8,652,077	\$216,413	\$51,654	\$2,948	\$20,976,649	\$1,242,254	\$28,080	\$3,959,735	\$14,325,955
Interruptible - Indiana Specific	PROD_ENERGY	2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$97,724,704	\$35,141,663	\$8,926,816	\$223,330	\$53,317	\$3,042	\$21,572,953	\$1,277,742	\$28,881	\$4,059,745	\$14,673,428
Sales for Resale													
Demand	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy	PROD_ENERGY	2	\$44,928,132	\$16,121,051	\$4,088,088	\$102,255	\$24,406	\$1,393	\$9,911,422	\$586,963	\$13,268	\$1,870,966	\$6,768,983
Total			\$44,928,132	\$16,121,051	\$4,088,088	\$102,255	\$24,406	\$1,393	\$9,911,422	\$586,963	\$13,268	\$1,870,966	\$6,768,983
Other Operating Revenues													
Forfeited Discounts (Acct. 450)	FORF_DISC	58	\$4,522,710	\$3,288,722	\$581,582	\$7,180	\$0	\$338	\$444,087	\$25,295	\$224	\$80,378	\$97,482
Miscellaneous Service Revenue (Acct. 451)	MISC_SERV_REV	42	\$348,431	\$318,212	\$27,487	\$58	\$0	\$0	\$1,812	\$52	\$0	\$132	\$231
Rent Assoc Co - Prod	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Assoc Co - Trans	RB_GUP_EPIS_T	30	\$1,532,659	\$599,537	\$158,115	\$3,975	\$1,269	\$37	\$340,408	\$20,254	\$607	\$57,120	\$198,821
Rent Assoc Co - Dist	RB_GUP_EPIS_D	32	\$2,867,338	\$1,598,615	\$323,793	\$3,796	\$7	\$1	\$531,332	\$21,348	\$15	\$85,188	\$203,013
Rent Non-Assoc Co - Prod	RB_GUP_EPIS_P	28	\$155,918	\$60,451	\$16,237	\$409	\$98	\$6	\$35,241	\$2,097	\$47	\$5,910	\$20,535
Rent Non-Assoc Co - Trans	RB_GUP_EPIS_T	30	\$68,018	\$26,607	\$7,017	\$176	\$56	\$2	\$15,107	\$899	\$27	\$2,535	\$8,823
Rent Non-Assoc Co - Dist	RB_GUP_EPIS_D	32	\$1,779	\$992	\$201	\$2	\$0	\$0	\$330	\$13	\$0	\$53	\$126
Rent From Elect Prop-Pole Attch Transmission	RB_GUP_EPIS_T	30	\$8,886	\$3,476	\$917	\$23	\$7	\$0	\$1,974	\$117	\$4	\$331	\$1,153
Rent From Elect Prop-Pole Attch Distribution	RB_GUP_EPIS_D	32	\$3,396,343	\$1,893,548	\$383,530	\$4,496	\$9	\$1	\$629,359	\$25,286	\$17	\$100,904	\$240,467
Other Electric Revenue - Prod	RB_GUP_EPIS_P	28	\$208,420	\$80,806	\$21,704	\$546	\$131	\$7	\$47,107	\$2,804	\$63	\$7,901	\$27,450
Other Electric Rev. Production-Retail Demand (456)	12-CP	68	(\$2,983,714)	(\$1,156,809)	(\$310,711)	(\$7,823)	(\$1,881)	(\$106)	(\$674,379)	(\$40,135)	(\$906)	(\$113,104)	(\$392,968)
Other Electric Rev. Production-Retail Energy (456)	PROD_ENERGY	2	\$7,567,609	\$2,715,399	\$688,590	\$17,224	\$4,111	\$235	\$1,669,461	\$98,867	\$2,235	\$315,142	\$1,140,155
Other Electric Revenue - Transmission	TRAN_TO	16	\$130,314,782	\$50,975,808	\$13,443,784	\$337,956	\$107,908	\$3,111	\$28,943,276	\$1,722,101	\$51,597	\$4,856,617	\$16,904,803
Other Electric Revenue - Dist	RB_GUP_EPIS_D	32	\$1,685,287	\$939,590	\$190,310	\$2,231	\$4	\$1	\$312,292	\$12,547	\$9	\$50,069	\$119,321
Other Electric Revenue - Local Facil Charge	RB_GUP_EPIS_D	32	\$468,548	\$261,228	\$52,911	\$620	\$1	\$0	\$86,824	\$3,488	\$2	\$13,920	\$33,174
Total - Other Operating Revenues			\$150,163,016	\$61,606,181	\$15,585,467	\$370,869	\$111,722	\$3,632	\$32,384,228	\$1,895,035	\$53,941	\$5,463,097	\$18,602,586
Total Other Revenues			\$292,815,851	\$112,868,896	\$28,600,371	\$696,454	\$189,445	\$8,067	\$63,868,603	\$3,759,740	\$96,090	\$11,393,808	\$40,044,997
Gain on Disp of Emission Const. Allow.	PROD_ENERGY	2	\$24,741	\$8,877	\$2,251	\$56	\$13	\$1	\$5,458	\$323	\$7	\$1,030	\$3,728
Total Operating Revenues			\$1,557,042,829	\$679,853,664	\$172,351,247	\$3,823,546	\$775,562	\$50,700	\$309,338,210	\$17,333,650	\$352,501	\$54,613,441	\$182,395,032

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(REVENUES)

	I&M Allocation Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
Operating Revenues													
Firm Sales of Electricity	RSALE	56	\$1,264,202,237	\$47,541,219	\$32,547,925	\$2,561,240	\$5,821,170	\$3,398,418	\$561,467	\$575,437	\$245,845	\$6,482,376	\$5,127,804
Interruptible													
Demand	12-CP	68	\$2,638,280	\$129,906	\$89,607	\$5,707	\$12,957	\$8,466	\$1,581	\$1,159	\$268	\$927	\$1,330
Energy	PROD_ENERGY	2	\$95,086,423	\$5,544,010	\$3,939,796	\$177,514	\$588,776	\$383,739	\$71,853	\$36,043	\$10,028	\$308,261	\$451,857
Interruptible - Indiana Specific	PROD_ENERGY	2	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total			\$97,724,704	\$5,673,916	\$4,029,403	\$183,222	\$601,733	\$392,205	\$73,435	\$37,202	\$10,296	\$309,188	\$453,187
Sales for Resale													
Demand	12-CP	68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy	PROD_ENERGY	2	\$44,928,132	\$2,619,533	\$1,861,545	\$83,875	\$278,195	\$181,316	\$33,951	\$17,030	\$4,738	\$145,653	\$213,501
Total			\$44,928,132	\$2,619,533	\$1,861,545	\$83,875	\$278,195	\$181,316	\$33,951	\$17,030	\$4,738	\$145,653	\$213,501
Other Operating Revenues													
Forfeited Discounts (Acct. 450)	FORF_DISC	58	\$4,522,710	\$14,910	(\$41,626)	\$673	\$4,423	\$1,134	\$56	\$4,710	\$312	\$8,436	\$4,394
Miscellaneous Service Revenue (Acct. 451)	MISC_SERV_REV	42	\$348,431	\$0	\$0	\$40	\$122	\$0	\$0	\$32	\$40	\$109	\$104
Rent Assoc Co - Prod	RB_GUP_EPIS_P	28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Assoc Co - Trans	RB_GUP_EPIS_T	30	\$1,532,659	\$98,777	\$34,882	\$3,244	\$7,437	\$4,859	\$1,207	\$659	\$152	\$531	\$770
Rent Assoc Co - Dist	RB_GUP_EPIS_D	32	\$2,867,338	\$35	\$20	\$5,919	\$13,012	\$5,030	\$8	\$1,488	\$888	\$42,541	\$31,292
Rent Non-Assoc Co - Prod	RB_GUP_EPIS_P	28	\$155,918	\$7,677	\$5,296	\$337	\$766	\$500	\$93	\$68	\$16	\$55	\$79
Rent Non-Assoc Co - Trans	RB_GUP_EPIS_T	30	\$68,018	\$4,384	\$1,548	\$144	\$330	\$216	\$54	\$29	\$7	\$24	\$34
Rent Non-Assoc Co - Dist	RB_GUP_EPIS_D	32	\$1,779	\$0	\$0	\$4	\$8	\$3	\$0	\$1	\$1	\$26	\$19
Rent From Elect Prop-Pole Attch Transmission	RB_GUP_EPIS_T	30	\$8,886	\$573	\$202	\$19	\$43	\$28	\$7	\$4	\$1	\$3	\$4
Rent From Elect Prop-Pole Attch Distribution	RB_GUP_EPIS_D	32	\$3,396,343	\$41	\$24	\$7,012	\$15,413	\$5,958	\$9	\$1,762	\$1,052	\$50,389	\$37,065
Other Electric Revenue - Prod	RB_GUP_EPIS_P	28	\$208,420	\$10,262	\$7,079	\$451	\$1,024	\$669	\$125	\$92	\$21	\$73	\$105
Other Electric Rev. Production-Retail Demand (456)	12-CP	68	(\$2,983,714)	(\$146,914)	(\$101,339)	(\$6,455)	(\$14,654)	(\$9,575)	(\$1,789)	(\$1,311)	(\$303)	(\$1,048)	(\$1,505)
Other Electric Rev. Production-Retail Energy (456)	PROD_ENERGY	2	\$7,567,609	\$441,229	\$313,555	\$14,128	\$46,859	\$30,540	\$5,719	\$2,869	\$798	\$24,533	\$35,962
Other Electric Revenue - Transmission	TRAN_TO	16	\$130,314,782	\$8,398,533	\$2,965,852	\$275,796	\$632,323	\$413,111	\$102,637	\$56,037	\$12,895	\$45,162	\$65,475
Other Electric Revenue - Dist	RB_GUP_EPIS_D	32	\$1,685,287	\$20	\$12	\$3,479	\$7,648	\$2,956	\$5	\$875	\$522	\$25,003	\$18,392
Other Electric Revenue - Local Facil Charge	RB_GUP_EPIS_D	32	\$468,548	\$6	\$3	\$967	\$2,126	\$822	\$1	\$243	\$145	\$6,952	\$5,113
Total - Other Operating Revenues			\$150,163,016	\$8,829,532	\$3,185,508	\$305,758	\$716,880	\$456,252	\$108,133	\$67,558	\$16,544	\$202,789	\$197,303
Total Other Revenues			\$292,815,851	\$17,122,981	\$9,076,456	\$572,855	\$1,596,808	\$1,029,772	\$215,518	\$121,790	\$31,579	\$657,629	\$863,992
Gain on Disp of Emission Const. Allow.	PROD_ENERGY	2	\$24,741	\$1,443	\$1,025	\$46	\$153	\$100	\$19	\$9	\$3	\$80	\$118
Total Operating Revenues			\$1,557,042,829	\$64,665,642	\$41,625,406	\$3,134,142	\$7,418,131	\$4,428,289	\$777,004	\$697,237	\$277,426	\$7,140,086	\$5,991,914

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(ALLOCATION AMOUNT)

I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI
PROD_DEMAND	1	2,049,410	856,534	206,248	4,849	1,066	80	444,854	25,880	573	71,334	253,083
PROD_ENERGY	2	12,944,211,319	4,644,624,317	1,177,816,024	29,460,473	7,031,669	401,306	2,855,572,536	169,109,344	3,822,573	539,042,786	1,950,206,827
BULK_TRANS	3	2,049,410	856,534	206,248	4,849	1,066	80	444,854	25,880	573	71,334	253,083
SUB_TRANS	4	1,008,987	425,766	100,477	2,361	1,060	0	210,180	12,230	550	33,492	119,879
DIST_CPD	5	1,854,407	898,368	188,337	4,428	0	0	410,296	23,872	0	66,257	240,106
DISTSEC	6	3,163,864	1,977,522	401,054	-	-	-	624,540	-	-	104,226	-
CUST_TOTAL	7	492,930	410,265	51,777	47	4	2	5,355	91	1	74	137
DIST_PCUST	8	492,888	410,265	51,777	47	-	-	5,355	91	-	74	137
DIST_SERV	9	492,598	410,265	51,777	-	-	-	5,355	-	-	74	-
DIST_METERS	10	74,241,251	51,974,742	15,051,650	42,128	3,757	513	4,630,658	681,354	7,538	130,654	845,882
DIST_OL	11	1	-	-	-	-	-	-	-	-	-	-
DIST_SL	12	1	-	-	-	-	-	-	-	-	-	-
CUST_902	13	490,554	410,265	51,777	47	4	2	26,777	455	5	-	-
CUST_903	14	13,955,907	12,196,930	1,172,861	1,067	91	46	121,313	2,061	23	1,683	3,112
CUST_451	15	2,086,940	1,905,940	164,637	346	-	-	10,850	314	-	791	1,386
TRAN_TO	16	\$1,287,833,242	\$503,767,404	\$132,857,930	\$3,339,844	\$1,066,401	\$30,749	\$286,031,345	\$17,018,628	\$509,910	\$47,995,418	\$167,061,375
DIST_POLES	19	\$295,451,430	\$157,261,788	\$32,539,356	\$465,516	\$0	\$0	\$62,972,088	\$2,509,514	\$0	\$10,276,176	\$25,240,625
DIST_OHLINES	21	\$454,570,703	\$243,551,525	\$50,349,634	\$689,143	\$0	\$0	\$96,615,985	\$3,715,054	\$0	\$15,778,943	\$37,365,909
DIST_UGLINES	23	\$300,056,681	\$164,195,689	\$33,850,053	\$396,628	\$0	\$0	\$63,192,949	\$2,138,154	\$0	\$10,347,495	\$21,505,499
DIST_TRANSF	26	\$373,390,619	\$222,388,137	\$45,360,757	\$186,741	\$0	\$0	\$75,572,063	\$1,006,688	\$0	\$12,518,370	\$10,125,245
RB_GUP_EPIS_P	28	\$3,307,058,885	\$1,282,172,818	\$344,382,736	\$8,670,872	\$2,084,498	\$117,835	\$747,461,527	\$44,483,939	\$1,003,796	\$125,360,966	\$435,553,649
RB_GUP_EPIS_T	30	\$1,287,833,242	\$503,767,404	\$132,857,930	\$3,339,844	\$1,066,401	\$30,749	\$286,031,345	\$17,018,628	\$509,910	\$47,995,418	\$167,061,375
RB_GUP_EPIS_D	32	\$2,490,650,721	\$1,388,601,660	\$281,255,549	\$3,297,194	\$6,358	\$868	\$461,529,568	\$18,543,271	\$12,756	\$73,996,541	\$176,342,578
RB_GUP_EPIS_G	34	\$401,006,276	\$175,564,524	\$41,446,745	\$924,382	\$209,897	\$11,622	\$83,262,275	\$4,784,015	\$101,644	\$13,923,300	\$47,044,817
RB_GUP	36	\$7,486,549,124	\$3,350,106,406	\$799,942,960	\$16,232,292	\$3,367,154	\$161,074	\$1,578,284,716	\$84,829,853	\$1,628,106	\$261,276,225	\$826,002,419
NP	38	\$4,869,972,499	\$2,215,291,125	\$522,048,246	\$10,283,871	\$2,083,735	\$95,971	\$1,017,574,698	\$53,894,923	\$1,008,225	\$168,152,355	\$524,327,514
RATEBASE	39	\$5,235,969,265	\$2,364,441,409	\$559,377,074	\$11,161,452	\$2,286,492	\$107,260	\$1,097,015,744	\$58,505,668	\$1,108,170	\$181,729,916	\$570,924,180
MISC_SERV_REV	42	\$2,086,940	\$1,905,940	\$164,637	\$346	\$0	\$0	\$10,850	\$314	\$0	\$791	\$1,386
TOTOHLINES	43	\$750,022,133	\$400,813,313	\$82,888,990	\$1,154,659	\$0	\$0	\$159,588,073	\$6,224,568	\$0	\$26,055,120	\$62,606,535
TOTUGLINES	44	\$470,066,019	\$257,227,446	\$53,029,179	\$621,354	\$0	\$0	\$98,997,488	\$3,349,613	\$0	\$16,210,290	\$33,690,315
TOTBSEXP	46	\$14,881,856	\$5,821,401	\$1,535,271	\$38,594	\$12,323	\$355	\$3,305,302	\$196,663	\$5,892	\$554,622	\$1,930,517
TOTOXEXP	47	\$23,480,137	\$13,197,966	\$2,766,514	\$30,941	\$118	\$16	\$4,280,607	\$181,016	\$236	\$677,034	\$1,632,588
EXP_OM_DIST	48	\$55,169,993	\$30,151,088	\$6,286,251	\$80,311	\$137	\$19	\$10,937,207	\$449,543	\$276	\$1,759,696	\$4,301,945
TOTOX234	49	\$10,306,957	\$8,988,020	\$877,556	\$799	\$68	\$34	\$113,822	\$1,934	\$21	\$1,179	\$2,181
EXP_OM_CUSTACCT	50	\$11,414,308	\$9,953,668	\$971,838	\$884	\$75	\$38	\$126,051	\$2,142	\$23	\$1,306	\$2,415
EXP_OM_CUSTSERV	52	\$11,414,308	\$9,953,668	\$971,838	\$884	\$75	\$38	\$126,051	\$2,142	\$23	\$1,306	\$2,415
LABOR_M	54	\$132,666,511	\$58,082,714	\$13,711,993	\$305,817	\$69,441	\$3,845	\$27,545,992	\$1,582,715	\$33,627	\$4,606,301	\$15,564,025
RSALE	56	\$1,264,202,237	\$566,975,891	\$143,748,625	\$3,127,036	\$586,103	\$42,633	\$245,464,149	\$13,573,586	\$256,403	\$43,218,603	\$142,346,308
FORF_DISC	58	\$2,786,287	\$2,026,069	\$358,293	\$4,423	\$0	\$208	\$273,587	\$15,584	\$138	\$49,518	\$60,055
12-CP	68	1,953,476	757,378	203,426	5,122	1,231	70	441,525	26,277	593	74,051	257,281
12-CP Subtrans	69	971,087	386,702	98,264	2,462	1,194	-	207,955	12,367	567	34,931	122,064

INDIANA MICHIGAN POWER COMPANY
12-CP CLASS COST OF SERVICE STUDY
(ALLOCATION AMOUNT)

I&M Alloc Factor	TAI Alloc Factor	Total Retail	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
PROD_DEMAND	1	2,049,410	93,549	68,543	4,166	9,493	6,331	1,202	954	197	188	286
PROD_ENERGY	2	12,944,211,319	754,711,717	536,328,423	24,165,222	80,150,628	52,238,733	9,781,467	4,906,547	1,365,129	41,963,874	61,511,724
BULK_TRANS	3	2,049,410	93,549	68,543	4,166	9,493	6,331	1,202	954	197	188	286
SUB_TRANS	4	1,008,987	90,234	0	1,923	4,522	3,011	1,159	435	86	654	969
DIST_CPD	5	1,854,407	0	0	3,502	8,959	5,967	0	858	177	1,322	1,957
DISTSEC	6	3,163,864	-	-	8,886	17,051	-	-	1,965	2,168	11,598	14,854
CUST_TOTAL	7	492,930	19	11	307	426	14	5	135	67	23,125	1,067
DIST_PCUST	8	492,888	-	-	307	426	14	-	135	67	23,125	1,067
DIST_SERV	9	492,598	-	-	307	426	-	-	135	67	23,125	1,067
DIST_METERS	10	74,241,251	17,825	10,332	175,278	259,376	13,233	4,038	78,599	50,398	-	263,295
DIST_OL	11	1	-	-	-	-	-	-	-	-	1	-
DIST_SL	12	1	-	-	-	-	-	-	-	-	-	1
CUST_902	13	490,554	-	-	307	426	14	5	135	335	-	-
CUST_903	14	13,955,907	429	249	6,945	9,649	319	123	3,064	1,516	410,253	24,173
CUST_451	15	2,086,940	-	-	238	731	-	-	191	237	654	623
TRAN_TO	16	\$1,287,833,242	\$82,998,334	\$29,309,974	\$2,725,549	\$6,248,922	\$4,082,564	\$1,014,312	\$553,788	\$127,434	\$446,309	\$647,051
DIST_POLES	19	\$295,451,430	\$0	\$0	\$650,453	\$1,483,470	\$627,253	\$0	\$152,679	\$87,534	\$507,401	\$677,576
DIST_OHLINES	21	\$454,570,703	\$0	\$0	\$1,011,195	\$2,288,742	\$928,577	\$0	\$236,702	\$141,364	\$814,158	\$1,083,772
DIST_UHLINES	23	\$300,056,681	\$0	\$0	\$689,921	\$1,524,389	\$534,431	\$0	\$160,107	\$107,699	\$609,471	\$804,196
DIST_TRANSF	26	\$373,390,619	\$0	\$0	\$976,724	\$1,968,660	\$251,622	\$0	\$219,577	\$209,779	\$1,137,852	\$1,468,403
RB_GUP_EPIS_P	28	\$3,307,058,885	\$162,835,526	\$112,321,477	\$7,154,285	\$16,241,952	\$10,612,287	\$1,982,369	\$1,452,853	\$336,077	\$1,161,807	\$1,667,615
RB_GUP_EPIS_T	30	\$1,287,833,242	\$82,998,334	\$29,309,974	\$2,725,549	\$6,248,922	\$4,082,564	\$1,014,312	\$553,788	\$127,434	\$446,309	\$647,051
RB_GUP_EPIS_D	32	\$2,490,650,721	\$30,162	\$17,484	\$5,141,809	\$11,302,647	\$4,369,095	\$6,833	\$1,292,487	\$771,161	\$36,951,979	\$27,180,722
RB_GUP_EPIS_G	34	\$401,006,276	\$16,596,181	\$11,144,843	\$815,568	\$1,863,280	\$1,153,463	\$203,086	\$173,144	\$50,834	\$1,222,113	\$510,542
RB_GUP	36	\$7,486,549,124	\$262,460,203	\$152,793,779	\$15,837,211	\$35,656,801	\$20,217,408	\$3,206,601	\$3,472,273	\$1,285,507	\$39,782,207	\$30,005,931
NP	38	\$4,869,972,499	\$162,340,681	\$90,931,564	\$10,274,441	\$23,107,367	\$12,842,357	\$1,984,692	\$2,273,928	\$879,142	\$28,899,945	\$21,677,718
RATEBASE	39	\$5,235,969,265	\$179,222,094	\$102,444,589	\$11,029,894	\$24,945,369	\$14,003,107	\$2,193,430	\$2,431,237	\$923,054	\$29,750,633	\$22,368,494
MISC_SERV_REV	42	\$2,086,940	\$0	\$0	\$238	\$731	\$0	\$0	\$191	\$237	\$654	\$623
TOTOHLINES	43	\$750,022,133	\$0	\$0	\$1,661,647	\$3,772,213	\$1,555,829	\$0	\$389,381	\$228,898	\$1,321,558	\$1,761,348
TOTUGLINES	44	\$470,066,019	\$0	\$0	\$1,080,824	\$2,388,094	\$837,235	\$0	\$250,822	\$168,721	\$954,791	\$1,259,846
TOTBSEXP	46	\$14,881,856	\$959,107	\$338,698	\$31,496	\$72,211	\$47,177	\$11,721	\$6,399	\$1,473	\$5,157	\$7,477
TOTOXEXP	47	\$23,480,137	\$558	\$323	\$49,384	\$106,850	\$40,327	\$126	\$12,929	\$7,736	\$280,132	\$214,733
EXP_OM_DIST	48	\$55,169,993	\$651	\$378	\$118,822	\$264,482	\$106,623	\$148	\$29,448	\$17,202	\$360,684	\$305,083
TOTOX234	49	\$10,306,957	\$301	\$174	\$5,197	\$7,219	\$238	\$92	\$2,292	\$1,423	\$287,468	\$16,938
EXP_OM_CUSTACCT	50	\$11,414,308	\$333	\$193	\$5,755	\$7,995	\$264	\$102	\$2,538	\$1,576	\$318,353	\$18,758
EXP_OM_CUSTSERV	52	\$11,414,308	\$333	\$193	\$5,755	\$7,995	\$264	\$102	\$2,538	\$1,576	\$318,353	\$18,758
LABOR_M	54	\$132,666,511	\$5,490,581	\$3,687,093	\$269,817	\$616,436	\$381,605	\$67,188	\$57,282	\$16,818	\$404,316	\$168,905
RSALE	56	\$1,264,202,237	\$47,541,219	\$32,547,925	\$2,561,240	\$5,821,170	\$3,398,418	\$561,467	\$575,437	\$245,845	\$6,482,376	\$5,127,804
FORF_DISC	58	\$2,786,287	\$9,185	(\$25,644)	\$415	\$2,725	\$698	\$35	\$2,901	\$192	\$5,197	\$2,707
12-CP	68	1,953,476	96,187	66,348	4,226	9,594	6,269	1,171	858	199	686	985
12-CP Subtrans	69	971,087	92,584	-	1,963	4,596	3,002	1,136	399	91	327	484

INDIANA MICHIGAN POWER COMPANY
 12-CP CLASS COST OF SERVICE STUDY
 (ALLOCATION PERCENT)

I&M Alloc Factor	TAI Alloc Factor	Total Retail	RS	GS-SEC	GS-PRI	GS-SUB	GS-TRAN	LGS-SEC	LGS-PRI	LGS-SUB	IP-SEC	IP-PRI	IP-SUB	IP-TRA	MS	WSS_SEC	WSS_PRI	WSS_SUB	EHG	IS	OL	SL
PROD_DEMAND	1	100.0000%	41.7942%	10.0638%	0.2366%	0.0520%	0.0039%	21.7065%	1.2628%	0.0280%	3.4807%	12.3491%	4.5647%	3.3445%	0.2033%	0.4632%	0.3089%	0.0586%	0.0466%	0.0096%	0.0092%	0.0139%
PROD_ENERGY	2	100.0000%	35.8819%	9.0992%	0.2276%	0.0543%	0.0031%	22.0606%	1.3064%	0.0295%	4.1644%	15.0662%	5.8305%	4.1434%	0.1867%	0.6192%	0.4036%	0.0756%	0.0379%	0.0105%	0.3242%	0.4752%
BULK_TRANS	3	100.0000%	41.7942%	10.0638%	0.2366%	0.0520%	0.0039%	21.7065%	1.2628%	0.0280%	3.4807%	12.3491%	4.5647%	3.3445%	0.2033%	0.4632%	0.3089%	0.0586%	0.0466%	0.0096%	0.0092%	0.0139%
SUB_TRANS	4	100.0000%	42.1974%	9.9582%	0.2340%	0.1051%	0.0000%	20.8308%	1.2121%	0.0545%	3.3193%	11.8811%	8.9430%	0.0000%	0.1906%	0.4481%	0.2984%	0.1149%	0.0431%	0.0086%	0.0648%	0.0960%
DIST_CPD	5	100.0000%	48.4450%	10.1562%	0.2388%	0.0000%	0.0000%	22.1255%	1.2873%	0.0000%	3.5729%	12.9479%	0.0000%	0.0000%	0.1889%	0.4831%	0.3218%	0.0000%	0.0463%	0.0096%	0.0713%	0.1055%
DISTSEC	6	100.0000%	62.5034%	12.6761%	0.0000%	0.0000%	0.0000%	19.7398%	0.0000%	0.0000%	3.2943%	0.0000%	0.0000%	0.0000%	0.2808%	0.5389%	0.0000%	0.0621%	0.0685%	0.3666%	0.4695%	
CUST_TOTAL	7	100.0000%	83.2298%	10.5039%	0.0096%	0.0008%	0.0004%	1.0865%	0.0185%	0.0002%	0.0151%	0.0279%	0.0038%	0.0022%	0.0622%	0.0864%	0.0029%	0.0011%	0.0274%	0.0136%	4.6913%	0.2165%
DIST_PCUST	8	100.0000%	83.2370%	10.5048%	0.0096%	0.0000%	0.0000%	1.0865%	0.0185%	0.0000%	0.0151%	0.0279%	0.0000%	0.0000%	0.0622%	0.0864%	0.0029%	0.0000%	0.0274%	0.0136%	4.6917%	0.2165%
DIST_SERV	9	100.0000%	83.2859%	10.5110%	0.0000%	0.0000%	0.0000%	1.0872%	0.0000%	0.0000%	0.0151%	0.0000%	0.0000%	0.0000%	0.0622%	0.0865%	0.0000%	0.0275%	0.0136%	4.6945%	0.2166%	
DIST_METERS	10	100.0000%	70.0079%	20.2740%	0.0567%	0.0051%	0.0007%	6.2373%	0.9178%	0.0102%	0.1760%	1.1394%	0.0240%	0.0139%	0.2361%	0.3494%	0.0178%	0.0054%	0.1059%	0.0679%	0.0000%	0.3546%
DIST_OL	11	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%	0.0000%	0.0000%
DIST_SL	12	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
CUST_902	13	100.0000%	83.6330%	10.5548%	0.0096%	0.0008%	0.0004%	5.4585%	0.0928%	0.0010%	0.0000%	0.0000%	0.0000%	0.0000%	0.0626%	0.0868%	0.0029%	0.0010%	0.0275%	0.0683%	0.0000%	0.0000%
CUST_903	14	100.0000%	87.3962%	8.4040%	0.0076%	0.0006%	0.0003%	0.8693%	0.0148%	0.0002%	0.0121%	0.0223%	0.0031%	0.0018%	0.0498%	0.0691%	0.0023%	0.0009%	0.0220%	0.0109%	2.9396%	0.1732%
CUST_451	15	100.0000%	91.3270%	7.8889%	0.0166%	0.0000%	0.0000%	0.5199%	0.0151%	0.0000%	0.0379%	0.0664%	0.0000%	0.0000%	0.0114%	0.0350%	0.0000%	0.0000%	0.0092%	0.0114%	0.0314%	0.0299%
TRAN_TO	16	100.0000%	39.1174%	10.3164%	0.2593%	0.0828%	0.0024%	22.2103%	1.3215%	0.0396%	3.7268%	12.9723%	6.4448%	2.2759%	0.2116%	0.4852%	0.3170%	0.0788%	0.0430%	0.0099%	0.0347%	0.0502%
DIST_POLES	19	100.0000%	53.2276%	11.0134%	0.1576%	0.0000%	0.0000%	21.3139%	0.8494%	0.0000%	3.4781%	8.5431%	0.0000%	0.0000%	0.0000%	0.2202%	0.5021%	0.2123%	0.0000%	0.0517%	0.0296%	0.1717%
DIST_OHLINES	21	100.0000%	53.5784%	11.0763%	0.1516%	0.0000%	0.0000%	21.2543%	0.8173%	0.0000%	3.4712%	8.2200%	0.0000%	0.0000%	0.2225%	0.5035%	0.2043%	0.0000%	0.0521%	0.0311%	0.1791%	0.2384%
DIST_UGLINES	23	100.0000%	54.7216%	11.2812%	0.1322%	0.0000%	0.0000%	21.0603%	0.7126%	0.0000%	3.4485%	7.1671%	0.0000%	0.0000%	0.2299%	0.5080%	0.1781%	0.0000%	0.0534%	0.0359%	0.2031%	0.2680%
DIST_TRANSF	26	100.0000%	59.5591%	12.1483%	0.0500%	0.0000%	0.0000%	20.2394%	0.2696%	0.0000%	3.3526%	2.7117%	0.0000%	0.0000%	0.2616%	0.5272%	0.0674%	0.0000%	0.0588%	0.0562%	0.3047%	0.3933%
RB_GUP_EPIS_P	28	100.0000%	38.7708%	10.4136%	0.2622%	0.0630%	0.0036%	22.6020%	1.3451%	0.0304%	3.7907%	13.1704%	4.9239%	3.3964%	0.2163%	0.4911%	0.3209%	0.0599%	0.0439%	0.102%	0.0351%	0.0504%
RB_GUP_EPIS_T	30	100.0000%	39.1174%	10.3164%	0.2593%	0.0828%	0.0024%	22.2103%	1.3215%	0.0396%	3.7268%	12.9723%	6.4448%	2.2759%	0.2116%	0.4852%	0.3170%	0.0788%	0.0430%	0.0099%	0.0347%	0.0502%
RB_GUP_EPIS_D	32	100.0000%	55.7526%	11.2925%	0.1324%	0.0003%	0.0000%	18.5305%	0.7445%	0.0005%	2.9710%	7.0802%	0.0012%	0.0007%	0.2064%	0.4538%	0.1754%	0.0003%	0.0519%	0.0310%	1.4836%	1.0913%
RB_GUP_EPIS_G	34	100.0000%	43.7810%	10.3357%	0.2305%	0.0523%	0.0029%	20.7633%	1.1930%	0.0253%	3.4721%	11.7317%	4.1386%	2.7792%	0.2034%	0.4647%	0.2876%	0.0506%	0.0432%	0.0127%	0.3048%	0.1273%
RB_GUP	36	100.0000%	44.7483%	10.6851%	0.2168%	0.0450%	0.0022%	21.0816%	1.1331%	0.0217%	3.4899%	11.0332%	3.5058%	2.0409%	0.2115%	0.4763%	0.2700%	0.0428%	0.0464%	0.0172%	0.5314%	0.4008%
NP	38	100.0000%	45.4888%	10.7197%	0.2112%	0.0428%	0.0020%	20.8949%	1.1067%	0.0207%	3.4528%	10.7665%	3.3335%	1.8672%	0.2110%	0.4745%	0.2637%	0.0408%	0.0467%	0.0181%	0.5934%	0.4451%
RATEBASE	39	100.0000%	45.1577%	10.6834%	0.2132%	0.0437%	0.0020%	20.9515%	1.1174%	0.0212%	3.4708%	10.9039%	3.4229%	1.9566%	0.2107%	0.4764%	0.2674%	0.0419%	0.0464%	0.0176%	0.5682%	0.4272%
MISC_SERV_REV	42	100.0000%	91.3270%	7.8889%	0.0166%	0.0000%	0.0000%	0.5199%	0.0151%	0.0000%	0.0379%	0.0664%	0.0000%	0.0000%	0.0114%	0.0350%	0.0000%	0.0000%	0.0092%	0.0114%	0.0314%	0.0299%
TOTOHLINES	43	100.0000%	53.4402%	11.0515%	0.1539%	0.0000%	0.0000%	21.2778%	0.8299%	0.0000%	3.4739%	8.3473%	0.0000%	0.0000%	0.2215%	0.5029%	0.2074%	0.0000%	0.0519%	0.0305%	0.1762%	0.2348%
TOTUGLINES	44	100.0000%	54.7216%	11.2812%	0.1322%	0.0000%	0.0000%	21.0603%	0.7126%	0.0000%	3.4485%	7.1671%	0.0000%	0.0000%	0.2299%	0.5080%	0.1781%	0.0000%	0.0534%	0.0359%	0.2031%	0.2680%
TOTBSEXP	46	100.0000%	39.1174%	10.3164%	0.2593%	0.0828%	0.0024%	22.2103%	1.3215%	0.0396%	3.7268%	12.9723%	6.4448%	2.2759%	0.2116%	0.4852%	0.3170%	0.0788%	0.0430%	0.0099%	0.0347%	0.0502%
TOTOXEP	47	100.0000%	56.2091%	11.7824%	0.1318%	0.0005%	0.0001%	18.2308%	0.7709%	0.0010%	2.8834%	6.9531%	0.0024%	0.0014%	0.2103%	0.4551%	0.1718%	0.0005%	0.0551%	0.0329%	1.1931%	0.9145%
EXP_OM_DIST	48	100.0000%	54.6512%	11.3943%	0.1456%	0.0002%	0.0000%	19.8246%	0.8148%	0.0005%	3.1896%	7.7976%	0.0012%	0.0007%	0.2154%	0.4794%	0.1933%	0.0003%	0.0534%	0.0312%	0.6538%	0.5530%
TOTOX234	49	100.0000%	87.2034%	8.5142%	0.0077%	0.0007%	0.0003%	1.1043%	0.0188%	0.0002%	0.0114%	0.0212%	0.0029%	0.0017%	0.0504%	0.0700%	0.0023%	0.0009%	0.0222%	0.0138%	2.7891%	0.1643%
EXP_OM_CUSTACC	50	100.0000%	87.2034%	8.5142%	0.0077%	0.0007%	0.0003%	1.1043%	0.0188%	0.0002%	0.0114%	0.0212%	0.0029%	0.0017%	0.0504%	0.0700%	0.0023%	0.0009%	0.0222%	0.0138%	2.7891%	0.1643%
EXP_OM_CUSTSER	52	100.0000%	87.2034%	8.5142%	0.0077%	0.0007%	0.0003%	1.1043%	0.0188%	0.0002%	0.0114%	0.0212%	0.0029%	0.0017%	0.0504%	0.0700%	0.0023%	0.0009%	0.0222%	0.0138%	2.7891%	0.1643%
LABOR_M	54	100.0000%	43.7810%	10.3357%	0.2305%	0.0523%	0.0029%	20.7633%	1.1930%	0.0253%	3.4721%	11.7317%	4.1386%	2.7792%	0.2034%	0.4647%	0.2876%	0.0506%	0.0432%	0.0127%	0.3048%	0.1273%
RSALE	56	100.0000%	44.8485%	11.3707%	0.2474%	0.0464%	0.0034%	19.4165%	1.0737%	0.0203%	3.4186%	11.2598%	3.7606%	2.5746%	0.2026%	0.4605%	0.2688%	0.0444%	0.0455%	0.0194%	0.5128%	0.4056%
FORF_DISC	58	100.0000%	72.7157%	12.8592%	0.1588%	0.0000%	0.0075%	9.8190%	0.5593%	0.0049%	1.7772%	2.1554%	0.3297%	-0.9204%	0.0149%	0.0978%	0.0251%	0.0012%	0.1041%	0.0069%	0.1865%	0.0972%
12-CP	68	100.0000%	38.7708%	10.4136%	0.2622%	0.0630%	0.0036%	22.6020%	1.3451%	0.0304%	3.7907%	13.1704%	4.9239%	3.3964%	0.2163%	0.4911%	0.3209%	0.0599%	0.0439%	0.102%	0.0351%	0.0504%
12-CP Subtrans	69	100.0000%	39.8215%	10.1190%	0.2535%	0.1230%	0.0000%	21.4146%	1.2735%	0.0584%	3.5971%	12.5698%	9.5340%	0.0000%	0.2021%	0.4732%	0.3091%	0.1170%	0.0411%	0.0094%	0.0337%	0.0499%

INDIANA MICHIGAN POWER COMPANY
Comparison of Rates of Return Under the Various CCOSS Models

Class	ROR				Indexed ROR			
	POD	12-CP	I&M	Avg.	POD	12-CP	I&M	Avg.
RS	5.48%	5.26%	4.48%	5.07%	121%	116%	99%	112%
GS Sec	7.76%	6.10%	6.52%	6.79%	172%	135%	144%	150%
GS Pri	8.40%	6.26%	7.90%	7.52%	186%	138%	175%	166%
GS Sub	8.06%	4.14%	7.55%	6.58%	178%	92%	167%	146%
GS Trans	10.70%	10.38%	8.19%	9.76%	237%	230%	181%	216%
LGS Sec	3.52%	2.92%	3.39%	3.28%	78%	65%	75%	72%
LGS Pri	3.26%	2.68%	3.49%	3.14%	72%	59%	77%	69%
LGS Sub	2.28%	2.08%	3.29%	2.55%	50%	46%	73%	56%
IP Sec	3.17%	3.64%	4.68%	3.83%	70%	80%	103%	85%
IP Pri	2.38%	3.53%	4.40%	3.44%	53%	78%	97%	76%
IP Sub	2.15%	3.99%	5.26%	3.80%	47%	88%	116%	84%
IP Trans	-0.03%	3.31%	3.61%	2.29%	-1%	73%	80%	51%
MS	5.41%	4.02%	4.75%	4.73%	120%	89%	105%	105%
WSS Sec	1.19%	3.40%	4.07%	2.89%	26%	75%	90%	64%
WSS Pri	0.27%	2.86%	3.35%	2.16%	6%	63%	74%	48%
WSS Sub	-0.26%	3.18%	3.52%	2.15%	-6%	70%	78%	47%
EHG	6.27%	4.96%	4.31%	5.18%	139%	110%	95%	115%
IS	8.28%	9.22%	9.68%	9.06%	183%	204%	214%	200%
OL	3.49%	8.39%	9.02%	6.97%	77%	185%	199%	154%
SL	0.67%	9.32%	10.57%	6.85%	15%	206%	234%	152%
Total IN Retail	4.52%	4.52%	4.52%	4.52%	100%	100%	100%	100%

INDIANA MICHIGAN POWER COMPANY OUCC Base Rate Revenue Distribution

Class	Indexed ROR Avg. of POD, 12-CP & 6-CP 2/	Present Base Revenue 3/	OUCC Percent of Firm % Increase	OUCC Revenue Increase	OUCC Proposed Base Revenue	OUCC Percent Increase
RS	112%	\$550,931,977	92%	\$63,564,011	\$614,495,988	11.54%
GS-SEC	150%	\$138,245,961	79%	\$13,699,355	\$151,945,316	9.91%
GS-PRI	166%	\$2,991,524	14%	\$52,087	\$3,043,612	1.74%
GS-SUB	146%	\$551,591	0%	\$0	\$551,591	0.00%
GS-TRAN	216%	\$40,724	0%	\$0	\$40,724	0.00%
LGS-SEC	72%	\$234,446,722	120%	\$35,237,223	\$269,683,946	15.03%
LGS-PRI	69%	\$12,908,824	108%	\$1,755,503	\$14,664,327	13.60%
LGS-SUB	56%	\$242,569	125%	\$38,054	\$280,623	15.69%
IP-SEC	85%	\$41,121,616	105%	\$5,418,920	\$46,540,536	13.18%
IP-PRI	76%	\$134,834,168	120%	\$20,306,471	\$155,140,639	15.06%
IP-SUB	84%	\$44,764,502	105%	\$5,898,972	\$50,663,474	13.18%
IP-TRA 1/	51%	\$30,631,491	125%	\$4,805,421	\$35,436,912	15.69%
MS	105%	\$2,451,407	94%	\$287,728	\$2,739,135	11.74%
WSS_SEC	64%	\$5,540,891	125%	\$869,246	\$6,410,138	15.69%
WSS_PRI	48%	\$3,225,101	125%	\$505,949	\$3,731,050	15.69%
WSS_SUB	47%	\$528,132	125%	\$82,853	\$610,985	15.69%
EHG	115%	\$552,188	105%	\$72,766	\$624,954	13.18%
IS	200%	\$243,653	0%	\$0	\$243,653	0.00%
OL	154%	\$6,549,214	0%	\$0	\$6,549,214	0.00%
SL	152%	\$5,064,001	0%	\$0	\$5,064,001	0.00%
TOTAL FIRM	100%	\$1,215,866,258	100%	\$152,594,559	\$1,368,460,817	12.55%
Juris. IRP	--	\$96,450,178	--	\$3,639,262	\$100,089,440	3.77%
TOTAL IN JURIS.		\$1,312,316,436		\$156,233,821	\$1,468,550,257	11.91%

1/ Includes firm portion of IRP.

2/ Per Attachment GAW-5.

3/ Per Attachment JLF-3, page 5.

INDIANA MICHIGAN POWER COMPANY
OUCG All-In Revenue Distribution

Class	(1) OUCG Base Rate Revenue Increase	(2) I&M Base Increase 2/	(3) I&M All-In Increase 3/	(4) OUCG All-In Increase (1) + (3) - (2)	(5) Total Current Revenue Including Riders 4/	(6) OUCG All-In Percent Increase
RS	\$63,564,011	\$66,299,952	\$45,361,228	\$42,625,288	\$672,376,084	6.34%
GS-SEC	\$13,699,355	\$13,699,355	\$10,763,565	\$10,763,565	\$170,172,396	6.33%
GS-PRI	\$52,087	\$52,087	\$234,140	\$234,140	\$3,805,959	6.15%
GS-SUB	\$0	-\$35,971	-\$131,815	-\$95,844	\$751,453	-12.75%
GS-TRAN	\$0	-\$3,464	\$13,158	\$16,622	\$52,090	31.91%
LGS-SEC	\$35,237,223	\$35,237,223	\$23,074,119	\$23,074,119	\$292,143,030	7.90%
LGS-PRI	\$1,755,503	\$1,755,503	\$1,060,005	\$1,060,005	\$16,294,775	6.51%
LGS-SUB	\$38,054	\$14,504	\$846	\$24,396	\$305,619	7.98%
IP-SEC	\$5,418,920	\$5,019,671	\$2,907,077	\$3,306,326	\$51,600,660	6.41%
IP-PRI	\$20,306,471	\$18,768,704	\$11,590,286	\$13,128,052	\$171,849,989	7.64%
IP-SUB	\$5,898,972	\$5,854,984	\$3,119,488	\$3,163,475	\$58,339,495	5.42%
IP-TRA 1/	\$4,805,421	\$4,052,586	\$2,376,979	\$3,129,814	\$39,845,578	7.85%
MS	\$287,728	\$287,728	\$166,159	\$166,159	\$3,056,352	5.44%
WSS_SEC	\$869,246	\$918,233	\$731,835	\$682,849	\$6,783,974	10.07%
WSS_PRI	\$505,949	\$492,007	\$380,904	\$394,846	\$4,031,420	9.79%
WSS_SUB	\$82,853	\$57,286	\$35,863	\$61,429	\$682,742	9.00%
EHG	\$72,766	\$80,376	\$63,844	\$56,235	\$679,665	8.27%
IS	\$0	-\$3,945	-\$5	\$3,940	\$261,785	1.51%
OL	\$0	-\$46,253	-\$3	\$46,250	\$6,464,538	0.72%
SL	\$0	\$93,991	-\$29	-\$94,020	\$5,145,499	-1.83%
TOTAL FIRM	\$152,594,559	\$152,594,559	\$101,747,644	\$101,747,644	\$1,504,643,102	6.76%
Juris. IRP	\$3,639,262	\$3,639,262	\$2,641,156	\$2,641,156	\$100,901,967	2.62%
TOTAL IN JURIS.	\$156,233,821	\$156,233,821	\$104,388,800	\$104,388,800	\$1,605,545,069	6.50%

1/ Includes firm portion of IRP.

2/ Calculated per Attachment JLF-3, pages 6 and 7.

3/ Per Attachment JLF-3, page 6.

4/ Per Attachment JLF-3, page 5.

INDIANA MICHIGAN POWER
Residential Customer Cost Analysis

	ROE @ 9.00%	ROE @ 10.00%
Gross Plant		
369 Services	\$162,775,706	\$162,775,706
370 Meters	\$87,950,030	\$87,950,030
Total Gross Plant	\$250,725,737	\$250,725,737
Depreciation Reserve		
Services 1/	\$59,009,525	\$59,009,525
Meters 1/	\$46,980,658	\$46,980,658
Total Depreciation Reserve	\$105,990,183	\$105,990,183
Total Net Plant	\$356,715,919	\$356,715,919
Operation & Maintenance Expenses		
586 Dist Oper - Meter	\$975,291	\$975,291
597 Maintenance of Meters	\$91,501	\$91,501
902 Meter Reading	\$441,525	\$441,525
903 Customer Records	\$8,546,495	\$8,546,495
Total O & M Expenses	\$10,054,812	\$10,054,812
Depreciation Expense		
Services 2/	\$4,313,556	\$4,313,556
Meters 3/	\$8,865,363	\$8,865,363
Total Depreciation Expense	\$13,178,919	\$13,178,919
Revenue Requirement		
Interest	\$7,776,407	\$7,776,407
Equity return	\$16,353,998	\$18,171,109
State Income Taxes	\$907,288	\$950,618
Income Tax	\$4,106,088	\$4,577,599
Revenue For Return	29,143,780	31,475,732
O & M Expenses	\$10,054,812	\$10,054,812
Depreciation Expense	\$13,178,919	\$13,178,919
Subtotal Customer Revenue Requirement	\$52,377,512	\$54,709,464
Total Revenue Requirement	\$52,377,512	\$54,709,464
Number of Bills	4,923,180	4,923,180
Monthly Cost Before Bad Debts & Utility Receipts Tax	\$10.64	\$11.11
Bad Debts + Utility Receipts Tax + PU Assessment Rate	1.9585%	1.9585%
TOTAL MONTHLY CUSTOMER COST	\$10.85	\$11.33

1/ Calculated based on the relationship of total Company reserve to total gross plant per testimony of Company witness Cash, Attachment JAC-1, page 27.

2/ Calculated based on an accrual rate of 2.65% per testimony of Company witness Cash, Attachment JAC-1, page 27.

3/ Calculated based on an accrual rate of 10.08% per testimony of Company witness Cash, Attachment JAC-1, page 27.

CERTIFICATE OF SERVICE

This is to certify that a copy of the Indiana Office of Utility Consumer Counselor's Testimony Filing has been served upon the following parties of record in the captioned proceeding by electronic service on October 12, 2021.

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