

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 IN RATE BASE OF )  
QUALIFIED POLLUTION CONTROL )  
PROPERTY AND CLEAN ENERGY )  
PROJECT; (4) ENHANCEMENTS TO THE )  
DRY SORBENT INJECTION SYSTEM; (5) )  
ADVANCED METERING INFRASTRUCTURE; )  
(6) RATE ADJUSTMENT MECHANISM )  
PROPOSALS; AND (7) NEW SCHEDULES OF )  
RATES, RULES AND REGULATIONS. )

CAUSE NO. 45235

IURC  
PETITIONER'S 41  
EXHIBIT NO. 10-10-19  
DATE REPORTER

INDIANA MICHIGAN POWER COMPANY

FINANCIAL EXHIBIT A

OFFICIAL  
EXHIBITS

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EXHIBIT A-2: BALANCE SHEET  
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**INDIANA MICHIGAN POWER COMPANY**  
**EXHIBIT A: Case in Chief**

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INDIANA MICHIGAN POWER COMPANY  
INDIANA JURISDICTIONAL PROJECTED REQUIRED RATE RELIEF SUMMARY  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

( 1 )	( 2 )	( 3 )	( 4 )
Line No.	Description	Source	Indiana Jurisdictional Amount
1	Adjusted Original Cost Rate Base	Exhibit A-6	\$ 4,946,962,201
2	Required Rate of Return	Exhibit A-7	5.91%
3	Income Requirement	Line 1 x Line 2	<u>\$ 292,365,466</u>
4	Less: Net Electric Operating Income	Exhibit A-5	\$ 168,915,989
5	Income Deficiency	Line 3 - Line 4	\$ 123,449,477
6	Gross Revenue Conversion Factor	Exhibit A-8	<u>1.3596</u>
7	Jurisdictional Revenue Deficiency	Line 5 x Line 6	\$ 167,841,908
8	Remove Transmission Owner Costs, Revenues	Attachment MWN-1	\$ 3,909,218
9	Total Required Rate Relief Before Phase-In Credit	Line 7 + Line 8	<u><u>\$ 171,751,126</u></u>
10	Less: Current Revenue for Ongoing Riders	Attachment MWN-2	\$ (221,393,319)
11	Plus: Proposed Rider Revenue	Attachment MWN-2	\$ 221,646,844
12	Total Rate Change Before Phase-In Credit	Line 9 + Line 10 + Line 11	<u><u>\$ 172,004,651</u></u>
13	Forecasted Revenues Before Increase	Attachment MWN-2	\$ 1,464,416,431
14	Percent Increase	Line 12 / Line 13	11.75%

**Indiana Michigan Power Company**  
**Balance Sheet for Test Year**  
**(Dollars)**

Indiana Michigan Power Company  
Exhibit A-2  
Page 1 of 5

Witness: N. A. Heimberger

As of  
12/31/2020

Indiana Michigan Base Case (2020 Test Year)

**I&M - Corp (\$993,120,132,170,190)**

**ASSETS**

TCI - Minimum	
TCI - External (131,135,136.0,184)	
Cash Cleared from Direct Subledger	0
<b>Cash &amp; Cash Equivalents</b>	<b>0</b>
Special Deposits (132-134)	14,389,012
Auction Rate Securities (136.1)	
<b>Other Cash Deposits</b>	<b>14,389,012</b>
Cust Accts Receiv (142)	54,306,840
Other Accts Receiv (143)	21,872,271
Rents Receivable (172)	88,144
Accrued Revenues (173)	3,566,004
Accts Receiv - Affil (146)	65,821,655
Other Invest -Misc AR (124)	
Notes Receivable (141)	
Notes Receivable - Affil (145.0001)	
Interest & Dividends Receiv (171)	112,211
Int & Div Receiv - Affil (171.0002)	
Allow for Uncoll Accts (144)	(96,625)
<b>Accounts Receivable</b>	<b>145,670,500</b>
Advances to Affiliates (TCI - Money Pool) (145)	
<b>Advances to Affiliates</b>	
Fuel Stock (151)	30,958,474
Fuel Stock (151.0002)	1,387,998
Fuel Stock Expense Undist (152)	981,098
Fuel Residuals (153)	
Gas Storage (164)	
<b>Fuel</b>	<b>33,327,570</b>
Materials & Supplies (154)	163,849,568
Other Mat'ls & Supplies (156)	
Allowance Inventory - Curr (158)	(1,170,561)
Stores Expense Undistributed (163)	
<b>Materials &amp; Supplies</b>	<b>162,679,007</b>
Derivative Assets - Curr Hedges (176)	
Derivative Assets - Curr (175)	8,612,491
Margin Deposits (134)	1,731,132
<b>Curr Risk Mgmt Cont &amp; Deposits</b>	<b>10,343,623</b>
Prepayments (165)	7,147,557
Spec Allow Inventory NOx/SO2 (124)	25,488
Unbilled LCRA Rev (173)	

This includes Regulated operations only.

The comparable Projected 2019 Balance Sheet was supplied in the MSFR filing as Document 1-6-1(A)(ii).

**Indiana Michigan Power Company**  
**Balance Sheet for Test Year**  
**(Dollars)**

Indiana Michigan Power Company  
Exhibit A-2  
Page 2 of 5

Indiana Michigan Base Case (2020 Test Year)	As of 12/31/2020	Witness: N. A. Heimberger
<b>I&amp;M - Corp (\$993,120,132,170,190)</b>		
Misc Curr & Acc'd Assets (174)	31,087,102	
Misc Deferred Debits-Intang Ast (186)	183,152	
<b>Prepayments &amp; Other Curr Asts</b>	<b>38,443,299</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>404,853,011</b>	
 Plant (101,106)	10,379,852,707	
Capital Leases (101.1)	60,249,210	
Plant Held for Future Use (105)	1,444,928	
Other Plant Adj/Impairment (116)		
Nuclear Fuel Plant (120.1 - 120.4)	320,090,723	
Nuclear Fuel Accum Depr (120.5)	(467,082,449)	
Nuclear Fuel - Cap Leases (120.6)	319,694,743	
Non-Utility Property (121)	7,801,295	
Other Property (124)	9,693,097	
<b>Gross Property, Plant &amp; Equip</b>	<b>10,631,744,255</b>	
 Constn Work in Progress (107)	224,510,503	
<b>Construction Work in Progress</b>	<b>224,510,503</b>	
<b>TOTAL GROSS PLANT</b>	<b>10,856,254,758</b>	
 Accum Depr Plant (108, 111)	(3,581,640,688)	
Accum Depr Leased Assets (101.1)	(21,616,686)	
Accum Depr Non-Util (122)	12,725	
<b>Accumulated Depreciation</b>	<b>(3,603,244,649)</b>	
<b>TOTAL NET PLANT</b>	<b>7,253,010,109</b>	
 Other Regulatory Assets (182.3)	204,712,065	
Unrecovered Plant / NE U3 Addl GAAP Deprec (108.1055 & 108.1057	217,148,910	
FAS 109 Flow Thru Asset (182.330x)	285,535,038	
FAS 109 DFIT Liab Reclass (254)	(646,879,131)	
CWIP Mountaineer Carbon Capture (107.0006)		
Unamort Loss on Reacq Debt (189)	15,103,905	
<b>Net Regulatory Assets</b>	<b>75,620,786</b>	
 Nuclear Trust Funds (128)	2,474,916,786	
Tx Transition Assets (182.3)		
Deferred Equity Income (253.0180)		
<b>Nucl Trusts &amp; Securitized Assets</b>	<b>2,474,916,786</b>	
 Invest: Consol Subs (123.1)	19,317,611	
<b>Investments in Power &amp; Distr Prj</b>	<b>19,317,611</b>	
 <b>Goodwill</b>		

This includes Regulated operations only.

The comparable Projected 2019 Balance Sheet was supplied in the MSFR filing as Document 1-6-1(A)(ii).

**Indiana Michigan Power Company**  
**Balance Sheet for Test Year**  
**(Dollars)**

Indiana Michigan Power Company  
Exhibit A-2  
Page 3 of 5

As of      Witness: N. A. Heimberger

Indiana Michigan Base Case (2020 Test Year)

12/31/2020

**I&M - Corp (\$993,120,132,170,190)**

Derivative Assets - LT (175)	576,115
<b>Long-Term Risk Mgmt Assets</b>	<b>576,115</b>
Pension Net Funded Position (129)	52,952,614
Prepaid Pension Benefits (165)	89,244,007
FAS 158 Qual Contra Asset (165)	(89,244,007)
<b>Employee Benefits &amp; Pens. Assets</b>	<b>52,952,614</b>
Other Invest - Genl / Intang (124)	3,399,416
Prelim Survey & Invstg Chgs (183)	13,743,555
Clearing Accts (184)	7
Other Def Debits (186)	316,401,865
Deferred Property Taxes (186.0003)	48,668,899
Allowance Inventory - LT (158)	25,710,316
<b>Other Non-Current Assets</b>	<b>407,924,058</b>
<b>TOTAL ASSETS</b>	<b>10,689,171,091</b>

**LIABILITIES**

STD - Minimum

**Short-Term Debt**

Bonds Current (221)	
Other LTD Current (224)	304,000,000
InterCo Bond Current (223)	
<b>LTD Current</b>	<b>304,000,000</b>

Accts Payable (232)	170,123,789
Accts Payable - Affil (234)	69,385,560
Notes Payable - Affil (233.0001)	
<b>Accounts Payable</b>	<b>239,509,349</b>

Advances from Affiliates (STD - Money Pool) (233)	114,427,495
<b>Advances from Affiliates</b>	<b>114,427,495</b>

Curr Derivative Liabs - Hedges (245)	
Curr Derivative Liabs (244)	274,666
Risk Mgmt Collat - Deposits (235)	
<b>Current Risk Mgmt Liabilities</b>	<b>274,666</b>

Taxes Accrued (236)	70,683,104
Interest Accrued (237)	39,534,752
Interest Accrued - Affil (237.0010)	214,284
<b>Accrued Taxes &amp; Interest</b>	<b>110,432,140</b>

Customer Deposits (235)	37,972,608
Dividends Declared (238)	

This includes Regulated operations only.

The comparable Projected 2019 Balance Sheet was supplied in the MSFR filing as Document 1-6-1(A)(ii).

**Indiana Michigan Power Company  
Balance Sheet for Test Year  
(Dollars)**

Indiana Michigan Power Company  
Exhibit A-2  
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Witness: N. A. Heimberger

Indiana Michigan Base Case (2020 Test Year)

As of  
12/31/2020

**I&M - Corp (\$993,120,132,170,190)**

Dividends Declared - Affil (238.0003)	
Oblig Under Cap'l Leases - Curr (243)	67,929,495
Tax Collections Payable (241)	6,809,172
Other Curr Liabilities (242)	74,307,085
<b>Other Current Liabilities</b>	<b>187,018,361</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>955,662,012</b>

Bonds (221)	
Other LTD (224)	2,899,439,660
Hybrid Preferred	
Equity Units	
InterCo Bonds - Liab (223.0000)	
Other LTD - Affil (224.01xx)	
Unamort Debt Issue Expense (181)	(19,239,059)
LTD Prem/Disc FAS133 (224.0007)	
Unamort Prem on LTD (225)	
Unamort Disc on LTD (226)	(8,176,366)
<b>Long-Term Debt</b>	<b>2,872,024,235</b>

LT Derivative Liabs - Hedges (245)	
LT Derivative Liabs (244)	132,432
<b>Long-Term Risk Mgmt Liabs</b>	<b>132,432</b>

DFIT Asset Reclass - Static (190)	(771,861,389)
Accum DFIT (281-283)	1,735,884,314
<b>Deferred Income Taxes</b>	<b>964,022,925</b>

Accum Def Inc Tax Credit (255)	18,960,260
<b>Deferred Investment Tax Credit</b>	<b>18,960,260</b>

Accum Prov Rate Refund -Fuel (229)	
Over Recovered Fuel Cost (254.0011)	27,401,202
Other Regulatory Liabs (254)	924,659,091
Unamort Gain on Reacq Debt (257)	8,131
Accum Depr Removal Cst (108.0011)	215,826,284
<b>Regulatory Liabs &amp; Deferred Cr</b>	<b>1,167,894,709</b>

Accum Prov - Inj & Damages (228.2)	127,795
Accum Prov - Pension & Bfts (228.3)	6,993,307
<b>Employee Bfts &amp; Pension Oblig.</b>	<b>7,121,103</b>

Asset Retirement Obligations (230)	1,693,629,582
Deferred Gain - Rockpt (253)	7,163,785
Other Deferred Credits (253)	328,972,389
Oblig Under Cap'l Leases - LT (227)	84,371,811

This includes Regulated operations only.

The comparable Projected 2019 Balance Sheet was supplied in the MSFR filing as Document 1-6-1(A)(ii).

**Indiana Michigan Power Company**  
**Balance Sheet for Test Year**  
**(Dollars)**

Indiana Michigan Power Company  
Exhibit A-2  
Page 5 of 5

Witness: N. A. Heimberger

As of  
12/31/2020

Indiana Michigan Base Case (2020 Test Year)

***I&M - Corp (\$993,120,132,170,190)***

Cust Advances for Constn (252)

Accum Prov - Rate Refunds (229)

14,038,334

Accum Prov - Property Ins (228.1)

Accum Prov - Other Misc (228.4)

681,435

**Other Non-Current Liabilities**

**2,128,857,335**

**TOTAL LIABILITIES**

**8,114,675,011**

**EQUITY**

Minority Interest (253.0059)

**MINORITY INTEREST - DEFERRED CREDITS**

Com Equity (201, 207-217, 437-439)

2,585,188,845

Partner's Capital - Non-Affil

Equity - Other Comp Inc (219)

(10,692,768)

**COMMON EQUITY**

**2,574,496,077**

**TOTAL LIABILITIES & EQUITY**

**10,689,171,088**

This includes Regulated operations only.

The comparable Projected 2019 Balance Sheet was supplied in the MSFR filing as Document 1-6-1(A)(ii).



**Indiana Michigan Power Company**  
**Cash Flow Statement for Test Year**  
**(Dollars)**

Indiana Michigan Power Company  
Exhibit A-3  
Page 1 of 2

Witness: N. A. Heimberger

Indiana Michigan Base Case (2020 Test Year)

As of  
12/31/2020

***I&M - Corp (\$993,120,132,170,190)***

**OPERATING ACTIVITIES**

Net Income before Preferred Stock Divs 178,065,265

(Income)/Loss from Discontinued Operations

**Net Income from Continuing Operations 178,065,265**

**ADJUSTMENTS TO NET INCOME**

Depreciation & Amortization	399,989,996
Deferred Income Tax	(24,993,361)
Deferred Investment Tax Credits	(5,214,220)
Amortization of Deferred Gain - Rockport Plant U2	(3,707,000)
Deferred Property Tax	(755,000)
Pension Contribution (cash)	(6,391,000)
Pension and Postemployment Benefit Reserves	7,981,242
Amortization of Nuclear Fuel	90,658,780
Regulatory Provisions	623,677
Refueling Outage Expense	24,391,578
Carrying Costs Income (non-cash)	2,537,226
AFUDC Equity	(15,405,066)
Change in Other Regulatory Assets	6,976,151
Change in Other Assets	3,101,668
Forecast Net Removal Expenditures	(34,359,699)
Change in Other Liabilities	6,185,326
<b>Cash Flow before Changes in Working Capital</b>	<b>629,685,564</b>

**CHANGES IN WORKING CAPITAL**

Accounts Receivable - Customers	
Fuel, Materials & Supplies	(316,474)
Margin Deposits	
Taxes Accrued	9,616,362
Interest Accrued	(370,070)
Rent Accrued - Rockport Plant Unit 2	
Other Current Assets	282,236
Other Current Liabilities	(6,038,279)
<b>Changes in Working Capital</b>	<b>3,173,776</b>

**Net Cash Flow From Operating Activities 632,859,341**

**INVESTING ACTIVITIES**

Capital Expenditures - Property & Construction	(597,496,842)
Forecast AFUDC Debt	(8,170,174)
Change in Adv to Affiliates	65,776,260
Acquisitions of Assets	
Acquisitions of Nuclear Fuel	(118,449,840)
Purchases of Investment Securities	
Sales of Investment Securities	

This includes Regulated operations only.

**Indiana Michigan Power Company**  
**Cash Flow Statement for Test Year**  
**(Dollars)**

Indiana Michigan Power Company  
Exhibit A-3  
Page 2 of 2

Witness: N. A. Heimberger

As of  
12/31/2020

Indiana Michigan Base Case (2020 Test Year)

***I&M - Corp (\$993,120,132,170,190)***

Investment in Subsidiaries

**Net Cash Flow (Used) by Investing Activities** (658,340,596)

**FINANCING ACTIVITIES**

Issuance - Common Stock (AEP)

Capital Contribution from Partner

Issuance - Long-term Debt

Change in Adv from Affiliates 114,427,495

Retirement - Long-term Debt

Dividend Paid - Common Stock (85,000,000)

Capital Lease Obligations - Principal Payment (3,946,239)

Other Financing Activities

**Net Cash Flow From Financing Activities** 25,481,256

**INC(DEC) in CASH & CASH EQUIVALENTS**

**0**

Beg. Cash & Cash Equivalents

**0**

Less: Cash held by Divestitures

Net Beg. Cash & Cash Equivalents

**0**

**ENDING CASH BALANCE**

**0**

End. Cash & Cash Equiv, Net of STD

(114,427,495)

Cash change diff (fcst s/b 0)

(0)

This includes Regulated operations only.

**Indiana Michigan Power Company  
Income Statement for Test Year  
(Dollars)**

Indiana Michigan Power Company  
Exhibit A-4  
Page 1 of 12

Indiana Michigan Base Case (2020 Test Year)

As of  
12/31/2020

Witness: N. A. Heimberger

***I&M - Corp (\$993,120,132,170,190)***

**REVENUES**

440.0001 Residential Base Revenue	531,442,119
440.0001.RATECHG Residential Base Rate Change	9,489,853
440.0001.RTCHGOFSET Residential Sales Rt Chg With Offsets	106,000,741
440.0005 Residential Fuel Revenue	101,932,116
555.0106 Under-recovered PJM Expense	
<b>Revenue - Residential Sales</b>	<b>748,864,828</b>
442.0001 Commercial Base Revenue	338,909,362
442.0101 OAD Commercial Base Revenue	199,740
442.0001.RATECHG Commercial Base Rate Change	7,016,469
442.0001.RTCHGOFSET Commercial Sales	78,384,731
442.0013 Commercial Fuel Revenue	83,779,078
<b>Revenue - Commercial Sales</b>	<b>508,289,380</b>
442.0005 C&I Sales - Affil Cos	
<b>Revenue - Industrial Sales - Affil</b>	
442.0002 Industrial Base Revenue	355,580,025
442.0102 OAD Industrial Base Revenue	8,347,608
442.0002.RATECHG Industrial Base Rate Change	3,659,203
442.0002.RTCHGOFSET Industrial Sales (Excl Mines)	75,112,242
442.0016 Industrial Fuel Revenue	112,302,381
<b>Revenue - Industrial Sales - NonAffiliated</b>	<b>555,001,458</b>
<b>Revenue - Industrial Sales</b>	<b>555,001,458</b>
480.0000 Residential Gas Sales	
<b>Revenue - Gas Products Sales</b>	
444.0000 Public St/Highway Lighting Base Revenue	6,676,318
444.0000.RATECHG Public St/Highway Lighting Base Rate Change	59,584
444.0000.RTCHGOFSET Public Street Rt Chg with Offsets	717,281
444.0002 Public St/Highway Lighting Fuel Revenue	1,194,102
<b>Revenue - Other Retail Sales</b>	<b>8,647,284</b>
<b>Revenue - Retail Sales</b>	<b>1,820,802,951</b>
456.1001 ERCOT Matrix Revenue - Affil	
456.1033 PJM NITS Revenue - Affiliated	130,370,762
456.1034 PJM TO Adm. Serv Rev - Aff	1,186,919
456.1035 PJM Affiliated Trans NITS Cost	(130,370,762)
456.1036 PJM Affiliated Trans TO Cost	(1,186,919)
456.1059 Affil PJM Trans Enhancmnt Rev	3,065,522
456.1060 Affil PJM Trans Enhancmnt Cost	(3,065,522)
456.1062 PROVISION RTO Cost - Affi	4,263,059
456.1063 PROVISION RTO Rev Affiliated	(4,955,537)
456.1069 PJM OATT 205 Trans Cost-Affil	
<b>Revenue - Transmission Affiliated</b>	<b>(692,478)</b>

This includes Regulated operations only.

The comparable Projected 2019 Income Statement was supplied in the MSFR filing as Document 1-6-1(C)(ii).

**Indiana Michigan Power Company  
Income Statement for Test Year  
(Dollars)**

Indiana Michigan Power Company  
Exhibit A-4  
Page 2 of 12

Indiana Michigan Base Case (2020 Test Year)

As of  
12/31/2020  
Witness: N. A. Heimberger

***I&M - Corp (\$993,120,132,170,190)***

456.1002 RTO Formation Cost Recovery	56,389
456.1005 PJM Point to Point Trans Svc	1,235,233
456.1006 PJM Trans Owner Admin Rev	198,341
456.1007 PJM Network Integ Trans Svc	16,234,171
456.1012 SPP Direct Assignment	
456.1027 PJM Tranms Dist/Meter - NonAff	512,181
456.1028 PJM Pow Fac Cre Rev Whsl Cu-NA	111,129
456.1029 PJM NITS Revenue Whsl Cus-Naff	7,053,943
456.1030 PJM TO Serv Rev Whsl Cus-Naff	63,744
456.1042 SPP BASE Funding - Contra	
456.1058 NonAffil PJM Trans Enhncmt Rev	3,881,638
456.1061 NAff PJM RTEP Rev for Whsl-FR	165,866
456.1064 PROVISION RTO Rev WhslCus-NAf	(267,329)
456.1065 PROVISION RTO Rev - NonAff	(642,265)
<b>Total Non-Affiliated Transmission Revenue</b>	<b>28,603,041</b>
<b>Revenue Transmission-NonAffiliated</b>	<b>28,603,041</b>
<b>Revenue - Transmission</b>	<b>27,910,563</b>

447.0001 Sales for Resale - Assoc Cos  
**Affiliated Resale - OSS Profit**  
 421.0026 B/L Affl MTM Assign  
**Affiliated Resale - Optimization**  
 447.0127 Sales for Trs-Affil Pool Cap  
**Affiliated Resale - Pool Flows**  
 447.0001.AFFWHOL Affiliated Base Revenue  
**Affiliated Resale - Other**  
**Revenue - Resale-Affiliated**

447.0033.BUCK Buckeye Backup Base Revenue	
<b>NonAffiliated Resale - Buckeye Backup</b>	
447.0033.CPLC Unit Pwr Base Rev	
<b>NonAffiliated Resale - Unit Power</b>	
447.0033.MUNIS Municipal and Coop Base Revenue	146,030,621
447.0033.RATECHG Municipal and Coop Base Rate Chg	10,550,589
447.0027.MUNIS Municipal and Coop Fuel Revenue	45,144,120
<b>NonAffiliated Resale - Municipal and Coop</b>	<b>201,725,329</b>
447.0033 Whsal/Mun/Pub Auth Base Revenue	
<b>NonAffiliated Resale - Other Firm Wholesale</b>	
447.0135 SPP Ded-Sales	
<b>NonAffiliated Resale - SPP Ded-Sales</b>	
447.0002 Sales for Resale - NonAssoc	
447.0089 PJM Energy Sales Margin	51,069,000
447.0099 Capacity Cr. Net Sales	1,719,636
447.0100 PJM FTR Revenue-OSS	74,300
447.0126 PJM Incremental Imp Cong-OSS	(6,768,900)

This includes Regulated operations only.

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***I&M - Corp (\$993,120,132,170,190)***

447.0175 OSS Sharing Reclass - Retail	37,918,084
447.0176 OSS Sharing Reclass-Reduction	(37,918,084)
447.0206 PJM Trans Loss Credits OSS	1,857,500
447.0209 PJM transm loss charges-OSS	(5,766,100)
<b>NonAffiliated Resale - OSS Profit</b>	<b>42,185,436</b>
447.0103 PJM Energy Sales Cost	172,011,440
<b>NonAffiliated Resale - OSS Cost Recovery</b>	<b>172,011,440</b>
447.0006 Sales for Resale-Bookout Sales	1,228,551
<b>NonAffiliated Resale - Optimization</b>	<b>1,228,551</b>
447.0068 Curtailment Energy	
<b>NonAffiliated Resale - Other</b>	
<b>Revenue - Resale-NonAffiliated</b>	<b>417,150,757</b>
447.0009 Sales for Resale - Coal Sales	
<b>Revenue - Resale-Realized</b>	
421.0015 SOP 98-5 Precommencement Rev	
<b>Revenue - Resale-Risk Mgmt Activities</b>	
<b>Revenue - Sales for Resale</b>	<b>417,150,757</b>
440.0004 Gas Revenues - Affiliated	
454.0001 Rent From Elect Property - Af	5,186,257
<b>Revenue - Other Ele-Affiliated</b>	<b>5,186,257</b>
456.0083 Coal Procurement liquidations	
<b>Revenue - Other Ele-NonAffil - Off-Sys Sales Cost Recovery</b>	
426.5003 Special Allowance Losses	
<b>Revenue - Oth Ele-NonAffil - Optimization</b>	
450.0000 Forfeited Discounts	5,306,484
451.0001 Misc Service Rev - Nonaffil	4,924,461
454.0002 Rent from Elect Property-NAC	550,774
454.0005 Rent from Elec Prop-Pole Attch	3,915,000
456.0010 Other Operating Revenues - Royalties	
456.0025 Plant Operations O/H Revenue	
456.0041 Misc. Revenue - NonAffiliated	838
456.0073.RTCHGOFSET Tx Wires Resid Rate Change W Offsets	
456.0074.RTCHGOFSET Tx Wires Commercial Rate Change W Offsets	
456.0075.RTCHGOFSET Tx Wires Industrial Rate Change W Offsets	
456.0076.RTCHGOFSET Tx Wires Oth Ult Rate Change W Offsets	
456.0116 Sale Renew Energy Credits WV	
456.0117 MTM Gas and Basis Hedging	
<b>Revenue - Oth Ele-NonAffil - Other</b>	<b>14,697,557</b>
<b>Revenue - Other Ele-NonAffiliated</b>	<b>14,697,557</b>
447.0008 Sales for Resale - Gas Sales	
<b>Revenue Gas</b>	
411.8000 Gain Disposition of Allowances	

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411.8008 Comp Allow Gains CSAPR Seas NOx	49,360
411.8009 Comp Allow Gains CSAPR An NOx	2,000
411.8010 Emission Allow KY Env Surch	
<b>Gain/(Loss) on Allowances</b>	<b>51,360</b>
<b>Revenue - Other Ele-NonAffiliated</b>	<b>14,748,917</b>
<b>Revenue - Other Opr Electric</b>	<b>19,935,173</b>
417.0003 Rev from Non-Util Oper Affil	(37,426,384)
<b>Revenues Non-Utility Operations - Affiliated</b>	<b>(37,426,384)</b>
417.0006 Lightstone TSA Net Revenue	
456.0114 NonAffil Rev Dolet Hills	
<b>Revenues from Non-Utility Operations</b>	<b>(37,426,384)</b>
418.0001 Non-Operating Rental Income	132,163
<b>Non-Operating Rental Income - NonAffiliated</b>	<b>132,163</b>
<b>Non-Operating Rental Income</b>	<b>132,163</b>
421.0000 Misc Non-Operating Income	266,261
<b>Non-Operating Misc Income - NonAffiliated</b>	<b>266,261</b>
<b>Non-Operating Misc Income</b>	<b>266,261</b>
454.0004 Rent From elect Prop-ABD-Nonaf	636,000
456.0015 Other Electric Revenues - ABD	2,046,800
<b>Associated Business Development Income</b>	<b>2,682,800</b>
<b>Revenue - Other Opr - Other</b>	<b>(34,345,160)</b>
<b>Revenue - Other Operating</b>	<b>(14,409,987)</b>
<b>Goal Seek Rate Relief</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>2,251,454,284</b>

**FUEL & PURCHASED POWER EXPENSES**

407.3013 Regulatory Debits - APCo CRR	
407.4004 Regulatory Credits - APCo CRR	
417.1015 Fuel-Okuppa	
501.0000 Fuel	2,140,464
501.0001 Fuel Consumed	132,360,396
501.0003 Fuel - Procure Unload & Handle	5,727,997
501.0018 Lignite Consumed	
501.0019 Fuel Oil Consumed	2,026,835
501.0022 Fuel Consumed - Biomass	
501.0023 Biodiesel Fuel Consumed	
518.0001 Nuc Fuel Assmblies - Net Amort	90,658,780
518.0002 Spent Nuc Fuel Disposal Cash	160,530
547.0003 Gas Transp Res Fees - CT	

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547.0004 Fuel - Gas Turb - Purch / Hand	
547.0005 Gas Transp Fees - CT	
<b>Fuel Expense Total</b>	<b>233,075,002</b>
<b>557.0004 Deferred Fuel</b>	
440.0006 Residential O/U Fuel Rev	
<b>Over Under Fuel Recovery</b>	
<b>Fuel for Electric Generation</b>	<b>233,075,002</b>
509.0000 Allow Consum Title IV SO2	1,158,992
509.0013 CSAPR Seasonal NOx Cons. Exp	1,534
557.0009 Other Pwr Exp - REC's - RETAIL	
<b>Allowances - Consumption</b>	<b>1,160,526</b>
502.0001 Lime Expense	
502.0008 Activated Carbon	2,286,247
502.0013 Anhydrous Amonia Exp	522,666
502.0028 Sodium Bicarbonate Expense	9,214,455
<b>Emissions Control - Chemicals</b>	<b>12,023,368</b>
<b>Total Fuel for Electric Generation</b>	<b>246,258,896</b>

555.0027 Purch Pwr-Non-Fuel Portion-Aff	156,714,923
555.0122 Affil Purchased Power Capacity	
<b>Purchased Power - Affiliates - Dmd &amp; Nonfuel Chrgs</b>	<b>156,714,923</b>
555.0002 Purchased Power - Associated	
555.0046 Purch Power-Fuel Portion-Affil	99,575,260
<b>Purchased Purchased Power - Affiliates - Fuel</b>	<b>99,575,260</b>
<b>Purchased Electricity from AEP - Affiliates</b>	<b>256,290,184</b>

555.0039 PJM Inadvertent Mtr Res-OSS	
<b>Purchased Power - NonAffiliated - OSS Profit</b>	
555.0040 PJM Inadvertent Mtr Res-LSE	180,000
555.0074 PJM Reactive-Charge	7,500,000
555.0075 PJM Reactive-Credit	(4,200,000)
555.0076 PJM Black Start-Charge	3,050,000
555.0078 PJM Regulation-Charge	3,325,000
555.0079 PJM Regulation-Credit	(794,563)
555.0083 PJM Spinning Reserve-Charge	1,310,000
555.0084 PJM Spinning Reserve-Credit	(60,000)
555.0090 PJM 30 m Suppl Rserv Charge LSE	535,000
555.0123 PJM OpRes-LSE-Charge	1,600,000
555.0137 PJM OpRes-LSE-Credit	(80,000)
<b>Purchased Power - NonAffiliated - PJM Ancillary</b>	<b>12,365,437</b>
407.3008 Reg Debits - PIRR Debt CC	
407.3011 Regulatory Debits - PIRR Prin	
407.3012 Regulatory Debits - RSR Amort	
407.3015 Reg Debit - RSR Debt Carrying Ch	

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407.4005 Reg Debits - RSR Capacity Cost	
407.4006 Reg Debits - RSR Capacity CC	
555.0001 Purch Pwr-NonTrading-Nonassoc	36,055,987
555.0012 Purchased Power Auctions	
555.0047 Purchase Power Wind Energy	80,481,748
555.0096 Purch Power-Non Trad-Non-Fuel	25,546,680
555.0124 PJM Implicit Congestion-LSE	25,000,000
555.0132 PJM FTR Revenue-LSE	(24,000,000)
555.0142 KY Env Sur - Purchase Power	
555.0326 PJM Transm Loss Charges - LSE	19,500,000
555.0327 PJM Transm Loss Credits - LSE	(6,100,000)
555.0551 Purch PWR-TN Under/Over FPPAR	
<b>Purchased Power - NonAffiliated</b>	<b>156,484,415</b>
<b>Purchased Electricity for Resale - NonAffiliated</b>	<b>168,849,852</b>
808.1000 Gas Withdrawn from Storage	
<b>Total Purchased Power</b>	<b>425,140,035</b>
<b>Total Cost of Sales</b>	<b>671,398,932</b>
<b>GROSS MARGIN</b>	<b>1,580,055,352</b>

**OPERATING EXPENSES**

403.0014 Depr Exp - CO2 Capture Storage	
500.0000 Oper Supervision & Engineering	5,105,741
502.0000 Steam Expenses	189,432
502.0026 Capacity Cost Ov-Und Rec Exp	
506.0000 Misc Steam Power Expenses	8,095,666
506.0026 Capacity Cost Ov-Und Rec Exp	
507.0000 Rents	70,147,272
507.0006 Rents - Associated	10,666
<b>Steam Generation Op Exp</b>	<b>83,548,777</b>
517.0000 Oper Supervision & Engineering	11,359,097
519.0000 Coolants and Water	8,967,741
520.0000 Steam Expenses	8,438,414
523.0000 Electric Expenses	4,615,501
524.0000 Misc Nuclear Power Expenses	76,659,777
524.0008 Nuclear Decommissioning Exp	7,447,880
524.0009 Nuclear Decommissioning Expense - ARO	(7,447,880)
<b>Nuclear Generation Op Exp</b>	<b>110,040,530</b>
535.0000 Oper Supervision & Engineering	
539.0000 Misc Hydr Power Generation Exp	1,931,366
<b>Hydro Generation Op Exp</b>	<b>1,931,366</b>
546.0000 Oper Supervision & Engineering	
549.0000 Misc Other Pwr Generation Exp	246,000
556.0000 Sys Control & Load Dispatching	1,389,107
557.0000 Other Expenses	1,608,885

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557.0010 OH Auction Exp - Incremental	
575.7000 PJM Admin-MAM&SC - OSS	1,086,261
575.7001 PJM Admin-MAM&SC- Internal	4,270,765
<b>Other Generation Op Exp</b>	<b>8,601,017</b>
560.0000 Oper Supervision & Engineering	4,491,166
561.0000 Load Dispatching	1,701,359
561.4000 PJM Admin-SSC&DS-OSS	1,004,443
561.4001 PJM Admin-SSC&DS-Internal	3,858,790
561.4002 SPP Admin-SSC&DS	
561.4005 ERCOT Admin-SSC&DS	
561.4006 SPP Transmission Charges	
561.8000 PJM Admin-RP&SDS-OSS	338,820
561.8001 PJM Admin-RP&SDS- Internal	1,250,238
565.0012 AEP Trans Enhancement Charge	11,285,281
565.0015 PJM TO Serv Exp - Aff	1,687,151
565.0016 PJM NITS Expense - Affiliated	151,911,232
565.0019 Affil PJM Trans Enhancement Exp	14,903,718
565.0020 PROVISION RTO Affil Expense	(1,149,924)
565.0021 PJM NITS Expense - Non-Affilia	602,041
565.0052 SPP Transmission - Contra	
566.0000 Misc Transmission Expenses	2,035,364
567.0002 Rents - Associated	1,066,713
Reclass Trans Exp Affil & NonAffil - Corp Elim from AEP Energy Supply	
<b>Transmission Op Exp</b>	<b>194,986,391</b>
580.0000 Oper Supervision & Engineering	4,183,365
581.0000 Load Dispatching	998,118
583.0000 Overhead Line Expenses	1,826,658
584.0000 Underground Line Expenses	2,206,422
586.0000 Meter Expenses	3,181,079
587.0000 Customer Installations Exp	202,966
588.0000 Miscellaneous Distribution Exp	16,248,818
588.0006 SCR Over/Under Recovery Exp	
589.0001 Rents - Nonassociated	1,620,000
<b>Distribution Op Exp</b>	<b>30,467,425</b>
456.0118 MTM Fleet Fuel Hedging	
901.0000 Supervision - Customer Accts	1,109,224
902.0000 Meter Reading Expenses	1,230,621
903.0000 Cust Records & Collection Exp	10,811,092
904.0110 Uncoll-Delayed Pymts Deferred	
905.0000 Misc Customer Accounts Exp	3,927,016
907.0000 Supervision - Customer Service	1,313,736
908.0000 Customer Assistance Expenses	8,234,607
908.0009 Cust Assistance Expense - DSM	24,387,655
909.0000 Information & Instruct Advrtis	37,911
<b>Customer Service and Information Op Exp</b>	<b>51,051,863</b>
911.0000 Supervision - Sales ExpensesComm & Ind	

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912.0000 Demonstrating & Selling Exp	373,048
<b>Sales Expenses</b>	<b>373,048</b>
920.0000 Administrative & Gen Salaries	47,291,054
921.0001 Off Supl & Exp - Nonassociated	3,779,694
922.0000 Administrative Exp Trnsf - Cr	(3,956,070)
923.0001 Outside Svcs Empl - Nonassoc	(42,881)
923.0003 AEPSC Billed to Client Co	1,417,697
924.0000 Property Insurance	3,486,295
925.0000 Injury and Damages	8,878,943
926.0000 Employee Benefits	25,796,466
926.0003 Pension Plan	13,721,467
928.0000 Regulatory Commission Exp	12,071,484
930.1000 General Advertising Expenses	77,320
930.2000 Misc General Expenses	3,044,104
931.0000 Rents	3,142,839
<b>Administration &amp; General</b>	<b>118,708,411</b>
411.1005 Accretion Expense	5,731,791
<b>Accretion</b>	<b>5,731,791</b>
411.6000 Gain From Disposition of plant	
<b>Loss/(Gain) on Utility Plant</b>	
930.2007 Assoc Business Development Exp	759,412
<b>Associated Business Development Expenses</b>	<b>759,412</b>
421.1000 Gain on Dspstion of Property	(250,000)
<b>Gain on Disposition of Property</b>	<b>(250,000)</b>
<b>Loss (Gain) of Sale of Property</b>	<b>(250,000)</b>
401.0001 Operation Exp - Nonassociated	
426.5009 Factored Cust A/R Exp - Affil	9,701,274
<b>Opr Exp and Factoring A/R</b>	<b>9,701,274</b>
417.1001 Exp of NonUtil Oper - Nonassoc	(37,426,384)
417.1019 Contingent Rent - OKUPPA	
426.5001 Other Deductions - Associated	1,282,713
<b>Expense of Non-Utility Operation</b>	<b>(36,143,671)</b>
426.1000 Donations	1,439,563
<b>Donation Contributions</b>	<b>1,439,563</b>
426.4000 Civic and Political Activity	891,377
<b>Civic &amp; Political Activities</b>	<b>891,377</b>
426.5002 Other Deductions - nonassoc	68,314
426.5033 Transition Costs	
426.5050 Impairment & Related Charges	
<b>Other Deductions</b>	<b>68,314</b>
<b>All Other Operational Expenses</b>	<b>(24,043,142)</b>
<b>Operational Expenses</b>	<b>581,906,890</b>
417.1017 Maintenance-Okuppa	

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510.0000 Maint Supv & Engineering	1,089,360
512.0000 Maintenance of Boiler Plant	10,728,579
513.0000 Maintenance of Electric Plant	871,088
<b>Steam Generation Maintenance</b>	<b>12,689,027</b>
528.0000 Maint Supv & Engineering	5,075,715
529.0000 Maintenance of Structures	2,183,083
530.0000 Maint of Reactor plant Equip	91,338,548
531.0000 Maintenance of Electric Plant	7,411,445
532.0000 Maint of Misc Nulcear Plant	36,476,314
<b>Nuclear Generation Maintenance</b>	<b>142,485,106</b>
541.0000 Maint of Supv & Engineering	
544.0000 Maintenance of Electric Plant	1,621,262
<b>Hydro Generation Maintenance</b>	<b>1,621,262</b>
551.0000 maint Supv & Engineering	
553.0003 Maintain solar plant	
<b>Other Generation Maintenance</b>	
568.0000 Maint supv & Engineering	
569.0000 Maintenance of Structures	226,423
570.0000 Maint of Station Equipment	4,813,434
571.0000 Maintenance of Overhead Lines	8,518,590
<b>Transmission Maintenance</b>	<b>13,558,448</b>
590.0000 Maint Supv & Engineering	
592.0000 Maint of Station Equipment	1,172
593.0000 Maintenance of Overhead Lines	44,415,540
594.0000 Maint of Underground Lines	1,175,947
596.0000 Maint of Strt Lghtng & Sgnal S	(6,673)
597.0000 Maintenance of Meters	85,785
598.0000 Maint of misc Distribution Plt	210,188
<b>Distribution Maintenance</b>	<b>45,881,959</b>
935.0000 Maintenance of General Plant	4,749,132
<b>Administration &amp; General Maintenance</b>	<b>4,749,132</b>
<b>Maintenance Expenses</b>	<b>220,984,934</b>
<b>Total Operational and Maintenance Expenses</b>	<b>802,891,824</b>
403.7000 Amort-TX Cap Impairment	
404.0001 Amort of Plant	51,085,775
<b>DDA Amortization</b>	<b>51,085,775</b>
407.0001 Amrt Prop loss, Unrecvr plant	
403.0025 Depr/Amort of Unrecovered Plant	7,501,860
407.3000 Regulatory Debits	3,248,010
<b>DDA Regulatory Debits</b>	<b>10,749,871</b>
<b>Amortization</b>	<b>61,835,646</b>
403.0001 Depreciation Expense	339,583,224
403.0029 Over/Undr Depr Exp Var Riders	1,493,478

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<b>DDA Depreciation</b>	<b>341,076,702</b>
403.1001 Depr - Asset Retirement Oblig	1,819,136
<b>DDA Asset Retirement Obligation</b>	<b>1,819,136</b>
<b>Depreciation</b>	<b>342,895,838</b>
<b>Depreciation &amp; Amortization</b>	<b>404,731,485</b>
 408.1008 State Franchise Taxes - Util Op Inc	
<b>Franchise Tax</b>	
408.1006 State Gross Receipts Tax	22,307,952
<b>Revenue-kWhr Taxes</b>	<b>22,307,952</b>
408.1002 FICA - Util Op Inc	18,371,091
408.1003 Federal Unemployment Tax - Util Op Inc	91,266
408.1007 State Unemployment Tax - Util Op Inc	409,289
408.1033 Fringe Benefit Loading - FICA	(5,094,867)
408.1034 Fringe Benefit Loading - FUT	(26,066)
408.1035 Fringe Benefit Loading - SUT	(86,233)
<b>Payroll Taxes</b>	<b>13,664,479</b>
408.1005 Real & Personal Property Taxes - Util Op Inc	67,175,000
408.1029 Real/Pers Prop Tax-Cap Leases	902,000
408.2005 Real & Personal Property Taxes - Oth I&D	214,000
<b>Property Taxes</b>	<b>68,291,000</b>
408.1018 St Publ Serv Comm Tax/Fees	2,950,500
<b>Regulatory Fees</b>	<b>2,950,500</b>
 408.1014 Federal Excise Taxes - Util Op Inc	
<b>Production Taxes</b>	
408.1017 St Lic/Rgstrtion Tax/Fees - Util Op Inc	
408.1019 State Sales and Use Taxes - Util Op Inc	107,500
408.1026 State Severance Taxes	
<b>Miscellaneous Taxes</b>	<b>107,500</b>
<b>Other Non-Income Taxes</b>	<b>107,500</b>
<b>Taxes Other Than Income Taxes</b>	<b>107,321,431</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,314,944,740</b>
<b>OPERATING INCOME</b>	<b>265,110,612</b>

**NON-OPERATING INCOME/(EXPENSES)**

419.0002 Int & Dividend Inc - Nonassoc	1,299,842
<b>Interest &amp; Dividend NonAffiliated</b>	<b>1,299,842</b>
419.0001 Interest Inc - Assoc Non CBP	
419.0005 Interest Inc - Assoc CBP	1,057,326
<b>Interest &amp; Dividend - Affiliated (Money Pool)</b>	<b>1,057,326</b>
<b>Total Interest &amp; Dividend Income</b>	<b>2,357,168</b>
421.0039 Carrying Charges	(2,537,226)
<b>Interest &amp; Dividend Carrying Charges</b>	<b>(2,537,226)</b>
926.0062 Pension Plan - Non-Service	20,226,564

This includes Regulated operations only.

The comparable Projected 2019 Income Statement was supplied in the MSFR filing as Document 1-6-1(C)(ii).

**Indiana Michigan Power Company  
Income Statement for Test Year  
(Dollars)**

Indiana Michigan Power Company  
Exhibit A-4  
Page 11 of 12

Witness: N. A. Heimberger

Indiana Michigan Base Case (2020 Test Year)

As of  
12/31/2020

**I&M - Corp (\$993,120,132,170,190)**

<b>Other Pension Components</b>	20,226,564
419.1000 Allw Oth Fnds Usd Drng Cnstr	15,405,066
<b>AFUDC Equity</b>	<b>15,405,066</b>

**INTEREST EXPENSE**

427.0002 Interest on LTD - Install Pur Contr	6,831,000
<b>Interest LTD IPC</b>	<b>6,831,000</b>
430.0001 Interest Exp - Assoc Non CBP	
<b>Interest LTD Notes Payable - Affiliated</b>	
427.0006 Interest on LTD - Sen Unsec Notes	118,820,911
<b>Interest LTD Senior Unsecured</b>	<b>118,820,911</b>
427.0212 PCRB Reacq Interest Exp-Assoc	
<b>Interest LTD Other - Affil</b>	
427.0005 Interest on LTD - Other LTD	
<b>Interest LTD Other - NonAffil</b>	
<b>Interest on Long-Term Debt</b>	<b>125,651,911</b>
430.0003 Interest to Assoc Co - CBP (Money Pool)	367,892
<b>Interest STD - Affil (Money Pool)</b>	<b>367,892</b>
431.0005 Oth Int Exp - S/T - Notes	
431.0007 Lines of Credit	288,002
<b>Interest STD - NonAffil</b>	<b>288,002</b>
<b>Interest on Short Term Debt</b>	<b>655,894</b>
428.0001 Amort of Debt Disc Prem & Exp	2,016,743
<b>Amort. of Debt Disc Prem &amp; Exp</b>	<b>2,016,743</b>
428.1001 Amort Loss on Reacquired Debt	1,319,352
<b>Amort Loss (Gain) on Reacquired Debt</b>	<b>1,319,352</b>
431.0014 Other Interest - Fuel Recovery	120,285
<b>Other Interest - Fuel Recovery</b>	<b>120,285</b>
431.0001 Other Interest Expense	7,988,329
431.0002 Interest on Customer Deposits	2,635,794
<b>Other Interest - NonAffil</b>	<b>10,624,124</b>
421.0013 Int Rate Hedge Unrealized Gain	
<b>Interest Rate Hedge Unrealized (Gain)/Loss</b>	
432.0000 Allw BrwedFnds Used Cnstr-Cr	(8,170,174)
<b>Less : AFUDC Borrowed Funds</b>	<b>(8,170,174)</b>
<b>Total Interest Charges</b>	<b>132,218,135</b>
<b>INCOME BEFORE INCOME TAXES and EQUITY EARNINGS</b>	<b>168,344,049</b>

**INCOME TAXES and EQUITY EARNINGS**

409.1001 Income Taxes, UOI - Federal	22,914,874
409.2001 Inc Tax, Oth Inc&Ded-Federal	(2,757,064)

This includes Regulated operations only.

The comparable Projected 2019 Income Statement was supplied in the MSFR filing as Document 1-6-1(C)(ii).

**Indiana Michigan Power Company**  
**Income Statement for Test Year**  
**(Dollars)**

Indiana Michigan Power Company  
Exhibit A-4  
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Witness: N. A. Heimberger

Indiana Michigan Base Case (2020 Test Year)

As of  
12/31/2020

**I&M - Corp (\$993,120,132,170,190)**

<b>Federal Current Income Tax</b>	<b>20,157,810</b>
410.1001 Prov Def I/T Util Op Inc-Fed	14,387,211
411.1001 Prv Def I/T-Cr Util Op Inc-Fed	(39,565,515)
<b>Federal Deferred Income Tax</b>	<b>(25,178,305)</b>
411.4001 ITC Adj, Utility Oper - Fed	(5,214,220)
<b>Federal Investment Tax Credits</b>	<b>(5,214,220)</b>
<b>Federal Income Taxes</b>	<b>(10,234,715)</b>
409.1002 Income Taxes, UOI - State	1,203,570
409.2002 Inc Tax, Oth Inc & Ded - State	(690,072)
<b>State Current Income Tax</b>	<b>513,498</b>
410.1002 Prov Def I/T Util Op Inc-State	
<b>State Deferred Income Tax</b>	
<b>State Investment Tax Credits</b>	
<b>State Income Taxes</b>	<b>513,498</b>
409.1003 Income Taxes, UOI - Local	
<b>Local Income Taxes</b>	
<b>Total Income Taxes</b>	<b>(9,721,217)</b>
418.1001 Equity Erngs of Sub-Consolidat	
<b>Equity Earnings of Subs</b>	
<b>INCOME AFTER INCOME TAXES and EQUITY EARNINGS</b>	<b>178,065,265</b>
434.0000 Extraordinary Income (pre-FIT)	
<b>Extraordinary Income / (Expenses)</b>	
<b>NET INCOME</b>	<b>178,065,265</b>
<b>Earnings to Common Shareholders</b>	<b>178,065,265</b>
<b>YTD Earnings to Common Shareholders</b>	<b>178,065,265</b>
<b>Quarterly Earnings to Common Shareholders</b>	<b>178,065,265</b>
<b>SHARES OUTSTANDING</b>	
Daily Avg Shares Out - Monthly	500,943,418
Daily Avg Shares Out - Quarterly	500,839,802
Daily Avg Shares Out - YTD	497,672,691
Daily Avg Shares Out - Annual	497,672,691
<b>EARNINGS PER SHARE</b>	
Monthly Earnings Per Share	0.36
Quarterly Earnings Per Share	0.36
YTD Earnings Per Share	0.36
Annual Earnings Per Share	0.36

This includes Regulated operations only.

The comparable Projected 2019 Income Statement was supplied in the MSFR filing as Document 1-6-1(C)(ii).

INDIANA MICHIGAN POWER COMPANY  
NET OPERATING INCOME: TOTAL COMPANY PER BOOKS & ADJUSTED FOR RATEMAKING PURPOSES  
TEST YEAR ENDED DECEMBER 31, 2020  
(Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Description	Total Company Forecast Before Assignment	Other Regulatory Items	Total Company Forecast After Assignment	Total Company Adjustments	Reference to Adjustments	Total Company After Adjustments	Indiana Jurisdictional
1	<u>OPERATING REVENUES:</u>							
2	RETAIL AND FIRM SALES FOR RESALE	1,877,797,124		1,877,797,124	(249,894,931)	OR-1, 2, & RIDER-1, 2	1,627,902,193	1,148,678,098
3	INTERRUPTIBLE SALES	144,731,156		144,731,156	(8,922,793)	OR-1 & RIDER-1, 2	135,808,363	94,345,014
4	SALES FOR RESALE - NON-FIRM	215,425,427		215,425,427	(35,882,584)	OR-2 & RIDER 2	179,542,843	124,696,131
5	OTHER OPERATING REVENUES	50,477,176		50,477,176	129,613,996	OR-3, 4, RIDER-2 & O&M-5	180,091,172	129,987,221
6	EMISSION ALLOWANCES	51,360		51,360	-		51,360	35,671
7	TOTAL OPERATING REVENUES	<b>2,288,482,243</b>	<b>-</b>	<b>2,288,482,243</b>	<b>(165,086,312)</b>		<b>2,123,395,931</b>	<b>1,497,742,135</b>
8	<u>OPERATING EXPENSES:</u>							
9	FUEL	233,075,002		233,075,002	(543,434)	O&M-8	232,531,568	161,331,863
10	PURCHASED AND INTERCHANGE POWER	425,140,035		425,140,035	7,412,682	OR-2, RB/O&M-2	432,552,717	302,778,965
11	OTHER OPERATION	599,157,363	9,989,276	609,146,639	(160,403,066)	OR-3, 4, RIDER-1, 2, RB/O&M-1, 2, 4, O&M-1 to 7, 9	448,743,573	328,015,663
12	MAINTENANCE	220,984,935		220,984,935	(1,750,183)	RB/O&M-2, 3, 5 & O&M-9	219,234,752	149,294,134
13	DEPRECIATION AND AMORTIZATION	401,483,474		401,483,474	43,992,099	RB/O&M-1 & DEP-1, 2	445,475,573	322,482,905
14	REGULATORY DEBITS/CREDITS	3,248,011	1,310,661	4,558,672	(3,248,010)	O&M-9	1,310,662	1,310,661
14	TAXES OTHER THAN INCOME TAXES	107,107,431		107,107,431	96,000	O&M-9	107,203,431	83,988,863
15	STATE INCOME TAXES	1,203,570	(593,927)	609,643	(459,957)	TAX-1	149,686	(1,295,865)
16	FEDERAL INCOME TAXES	(7,477,651)	(2,248,262)	(9,725,913)	(8,779,750)	TAX-2, 3	(18,505,663)	(19,081,043)
17	TOTAL OPERATING EXPENSES	<b>1,983,922,170</b>	<b>8,457,748</b>	<b>1,992,379,918</b>	<b>(123,683,619)</b>		<b>1,868,696,299</b>	<b>1,328,826,146</b>
18	NET ELECTRIC OPERATING INCOME	<b>304,560,073</b>	<b>(8,457,748)</b>	<b>296,102,325</b>	<b>(41,402,692)</b>		<b>254,699,633</b>	<b>168,915,989</b>

INDIANA MICHIGAN POWER COMPANY  
NET OPERATING INCOME: TOTAL COMPANY PER BOOKS ADJUSTED FOR RATEMAKING PURPOSES  
TEST YEAR ENDED DECEMBER 31, 2020  
(Dollars)

Exhibit A-5  
Witness: A. J. Williamson  
J. C. Duncan  
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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Line No.	Description	Total Company Per Books Before Assignment	Other Regulatory Items	Total Company Per Books After Assignment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment
					OR-1	OR-2	OR-3	OR-4	RIDER-1	RIDER-2	RB/O&M-1
					J. C. Duncan	A. J. Williamson/ M. W. Nollenberger	N. A. Heimberger	K. C. Cooper	A. J. Williamson/ J. C. Duncan	A. J. Williamson/ J. C. Duncan	D. A. Lucas
					Adjust Indiana Firm and Interruptible Sales Revenues to detailed tariff level forecast revenues, including current riders	Adjust revenues and expenses to annualize the impact of the IMMIDA members contracts ending for the entirety of the test year	Adjust revenues and expenses to properly eliminate affiliated rent revenue and expense	Adjustment to increase Indiana special service revenues to proposed level	To reduce total company O&M expense associated with EE/DSM program expenses that will continue to be recovered in the DSM rider and related Indiana retail revenue	To reduce total company OSS margin and NITS expenses that will continue to be fully recovered in the PJM/OSS rider and also remove the related Indiana retail revenue	Adjustment to reflect AMI software related O&M expenses and AMI customer engagement expenses
1	Operating Revenues - Electric										
2	Firm Sales	1,877,797,124	0	1,877,797,124	3,788,134	(35,303,632)	0	0	(21,663,532)	(196,715,901)	0
3	Interruptible Sales	144,731,156	0	144,731,156	(4,683,479)	0	0	0	(2,356)	(4,236,958)	0
4	Sales for Resale - Non-Firm	215,425,427	0	215,425,427	0	22,630,898	0	0	0	(58,513,482)	0
5	Other Operating Revenues	50,477,176	0	50,477,176	0	0	(1,066,713)	207,656	0	130,471,182	0
6	Emission Allowances	51,360	0	51,360	0	0	0	0	0	0	0
7	Total Operating Revenues	2,288,482,243	0	2,288,482,243	(895,345)	(12,672,734)	(1,066,713)	207,656	(21,665,888)	(128,995,159)	0
8	Operating Expenses										
9	Fuel	233,075,002	0	233,075,002	0	0	0	0	0	0	0
10	Purchased and Interchange Power	425,140,035	0	425,140,035	0	(457,957)	0	0	0	0	0
11	Other Operation	599,157,363	9,989,276	609,146,639	0	0	(1,066,713)	(4,497)	(24,255,403)	(152,980,796)	629,054
12	Maintenance	220,984,935	0	220,984,935	0	0	0	0	0	0	0
13	Depreciation and Amortization	401,483,474	0	401,483,474	0	0	0	0	0	0	869,215
14	Regulatory Debits/Credits	3,248,011	1,310,661	4,558,672	0	0	0	0	0	0	0
15	Taxes Other than Income Taxes	107,107,431	0	107,107,431	0	0	0	0	0	0	0
16	State Income Taxes	1,203,570	(593,927)	609,643	0	0	0	0	0	0	0
17	Federal Income Taxes	(7,477,651)	(2,248,262)	(9,725,913)	0	0	0	0	0	0	0
18	Total Operating Expenses	1,983,922,170	8,457,748	1,992,379,918	0	(457,957)	(1,066,713)	(4,497)	(24,255,403)	(152,980,796)	1,498,269
19	Net Electric Operating Income	304,560,073	(8,457,748)	296,102,325	(895,345)	(12,214,777)	0	212,153	2,589,516	23,985,637	(1,498,269)



INDIANA MICHIGAN POWER COMPANY  
NET OPERATING INCOME: TOTAL COMPANY PER BOOKS ADJUSTED FOR RATEMAKING PURPOSES  
TEST YEAR ENDED DECEMBER 31, 2020  
(Dollars)

Exhibit A-5  
Witness: A. J. Williamson  
J. C. Duncan  
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(1)	(2)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
Line No.	Description	Adjustment RB/O&M-2	Adjustment RB/O&M-3	Adjustment RB/O&M-4	Adjustment RB/O&M-5	Adjustment DEP-1	Adjustment DEP-2	Adjustment O&M-1	Adjustment O&M-2	Adjustment O&M-3
		A. J. Williamson/ T. C. Kerns	A. J. Williamson/ Q. S. Lies	A. J. Williamson	T. H. Ross	N. A. Heimberger	N. A. Heimberger	A. J. Williamson	N. A. Heimberger	N. A. Heimberger
		Increase expense to include the Rockport enhanced DSI project for U1 and U2 impacts to O&M and Purchased Power	Adjustment to increase expense to reflect the Cook 316(b) deferral balance and related amortization over a 15 year period	Increase O&M expense to reflect rate case expenses and incremental nuclear decommissioning study expense	Adjustment to amortize the over-recovered storm expense deferral balance over a 2-year period	Adjust depreciation expense by applying Indiana jurisdictional depreciation rates approved by the Indiana Utility Regulatory Commission to projected depreciable plant balances	To adjust depreciation expense by applying Indiana jurisdictional depreciation rates proposed in this case to projected depreciable plant balances	Reduce O&M expenses to remove the lobbying/legislative portion of Indiana Energy Association dues	Remove the expenses associated with Value Advertising	Remove the lobbying expenses associated with the I&M State Office
1	Operating Revenues - Electric									
2	Firm Sales	0	0	0	0	0	0	0	0	0
3	Interruptible Sales	0	0	0	0	0	0	0	0	0
4	Sales for Resale - Non-Firm	0	0	0	0	0	0	0	0	0
5	Other Operating Revenues	0	0	0	0	0	0	0	0	0
6	Emission Allowances	0	0	0	0	0	0	0	0	0
7	Total Operating Revenues	0	0	0	0	0	0	0	0	0
8	Operating Expenses									
9	Fuel	0	0	0	0	0	0	0	0	0
10	Purchased and Interchange Power	7,870,639	0	0	0	0	0	0	0	0
11	Other Operation	7,955,332	0	776,941	0	0	0	(76,040)	(450,368)	(224,517)
12	Maintenance	125,000	713,792	0	(2,053,300)	0	0	0	0	0
13	Depreciation and Amortization	0	0	0	0	(2,466,761)	45,589,645	0	0	0
14	Regulatory Debits/Credits	0	0	0	0	0	0	0	0	0
15	Taxes Other than Income Taxes	0	0	0	0	0	0	0	0	0
16	State Income Taxes	0	0	0	0	0	0	0	0	0
17	Federal Income Taxes	0	0	0	0	0	0	0	0	0
18	Total Operating Expenses	15,950,971	713,792	776,941	(2,053,300)	(2,466,761)	45,589,645	(76,040)	(450,368)	(224,517)
19	Net Electric Operating Income	(15,950,971)	(713,792)	(776,941)	2,053,300	2,466,761	(45,589,645)	76,040	450,368	224,517

INDIANA MICHIGAN POWER COMPANY  
NET OPERATING INCOME: TOTAL COMPANY PER BOOKS ADJUSTED FOR RATEMAKING PURPOSES  
TEST YEAR ENDED DECEMBER 31, 2020  
(Dollars)

Exhibit A-5  
Witness: A. J. Williamson  
J. C. Duncan  
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(1)	(2)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Line No.	Description	Adjustment O&M-4	Adjustment O&M-5	Adjustment O&M-6	Adjustment O&M-7	Adjustment O&M-8	Adjustment O&M-9	Adjustment TAX-1	Adjustment TAX-2	Adjustment TAX-3
		A. J. Williamson/ T. C. Kerns	A. J. Williamson	A. J. Williamson	A. L. Hill	M. W. Nollenberger	N. A. Heimberger	M. N. Kelly	M. N. Kelly	M. N. Kelly
		Adjustment to annualize Rockport Unit 2 consumables expense	Adjustment to retail transmission expense to reflect reduction in estimated annual PJM OATT charges applicable to MI customer choice	Adjustment to include the forecasted level of PJM Capacity Performance Insurance expense	Adjustment to increase annual Indiana Nuclear Decommissioning funding expense from \$2M to \$10M	Adjust fuel expense to align with test year billing determinants	Adjustment to reclassify forecasted Regulatory Debits expense to the appropriate accounts related to previously approved regulatory assets and liabilities	Adjustment to update State Income Tax expense to reflect the current state income tax impact of the various ratemaking adjustments	Adjustment to update Current Federal Income Tax expense to reflect the current Federal income tax impact of the various ratemaking adjustments	Adjustment to update Deferred FIT and Deferred ITC expense to reflect the tax impact of the various ratemaking adjustments
1	Operating Revenues - Electric									
2	Firm Sales	0	0	0	0	0	0	0	0	0
3	Interruptible Sales	0	0	0	0	0	0	0	0	0
4	Sales for Resale - Non-Firm	0	0	0	0	0	0	0	0	0
5	Other Operating Revenues	0	1,871	0	0	0	0	0	0	0
6	Emission Allowances	0	0	0	0	0	0	0	0	0
7	Total Operating Revenues	0	1,871	0	0	0	0	0	0	0
8	Operating Expenses									
9	Fuel	0	0	0	0	(543,434)	0	0	0	0
10	Purchased and Interchange Power	0	0	0	0	0	0	0	0	0
11	Other Operation	94,733	(4,001,698)	1,513,220	8,000,000	0	3,687,685	0	0	0
12	Maintenance	0	0	0	0	0	(535,675)	0	0	0
13	Depreciation and Amortization	0	0	0	0	0	0	0	0	0
14	Regulatory Debits/Credits	0	0	0	0	0	(3,248,010)	0	0	0
15	Taxes Other than Income Taxes	0	0	0	0	0	96,000	0	0	0
16	State Income Taxes	0	0	0	0	0	0	(459,957)	0	0
17	Federal Income Taxes	0	0	0	0	0	0	0	(689,658)	(8,090,092)
18	Total Operating Expenses	94,733	(4,001,698)	1,513,220	8,000,000	(543,434)	0	(459,957)	(689,658)	(8,090,092)
19	Net Electric Operating Income	(94,733)	4,003,569	(1,513,220)	(8,000,000)	543,434	0	459,957	689,658	8,090,092

INDIANA MICHIGAN POWER COMPANY  
NET OPERATING INCOME: TOTAL COMPANY PER BOOKS ADJUSTED FOR RATEMAKING PURPOSES  
TEST YEAR ENDED DECEMBER 31, 2020  
(Dollars)

Exhibit A-5  
Witness: A. J. Williamson  
J. C. Duncan  
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(1)	(2)	(31)	(32)	(33)
Line No.	Description	Total Company Adjustments	Total Company AFTER Adjustments	Indiana Jurisdictional
1	<b>Operating Revenues - Electric</b>			
2	Firm Sales	(249,894,931)	1,627,902,193	1,148,678,098
3	Interruptible Sales	(8,922,793)	135,808,363	94,345,014
4	Sales for Resale - Non-Firm	(35,882,584)	179,542,843	124,696,131
5	Other Operating Revenues	129,613,996	180,091,172	129,987,221
6	Emission Allowances	0	51,360	35,671
7	<b>Total Operating Revenues</b>	<b>(165,086,312)</b>	<b>2,123,395,931</b>	<b>1,497,742,135</b>
8	<b>Operating Expenses</b>			
9	Fuel	(543,434)	232,531,568	161,331,863
10	Purchased and Interchange Power	7,412,682	432,552,717	302,778,965
11	Other Operation	(160,403,066)	448,743,573	328,015,663
12	Maintenance	(1,750,183)	219,234,752	149,294,134
13	Depreciation and Amortization	43,992,099	445,475,573	322,482,905
14	Regulatory Debits/Credits	(3,248,010)	1,310,662	1,310,661
15	Taxes Other than Income Taxes	96,000	107,203,431	83,988,863
16	State Income Taxes	(459,957)	149,686	(1,295,865)
17	Federal Income Taxes	(8,779,750)	(18,505,663)	(19,081,043)
18	<b>Total Operating Expenses</b>	<b>(123,683,619)</b>	<b>1,868,696,299</b>	<b>1,328,826,146</b>
19	<b>Net Electric Operating Income</b>	<b>(41,402,692)</b>	<b>254,699,633</b>	<b>168,915,989</b>

Witness: J. C. Duncan

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: OR-1

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjust Indiana Firm and Interruptible Sales Revenues to detailed tariff level forecast revenues, including current riders		
Increase Firm Sales Revenue (Direct IN)	44x	3,788,134
Decrease Interruptible Revenues - Demand Related	44x	(1,736,358)
Decrease Interruptible Revenues - Energy Related	44x	(2,947,121)
Total Adjustment		(895,345)

Witness: A. J. Williamson  
M. W. Nollenberger

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: OR-2

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjust revenues and expenses to annualize the impact of the IMMDA members contracts ending for the entirety of the test year		
Decrease Firm Sales Revenue - Non Juris	44x	(35,303,632)
Increase Sale for Resale - Demand Related	447	4,742,400
Increase OSS Margin - Energy Related	447	10,431,395
Increase OSS Cost Recovery	447	7,457,103
Decrease 555- Purchased Power Expense Energy	555	(457,957)
Total Adjustment		(13,130,691)

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjust revenues and expenses to properly eliminate affiliated rent revenue and expense		
Decrease Rent Revenue from Electric Property	454	(1,066,713)
Decrease Transmission Rent Expense	567	(1,066,713)
Total Adjustment		(2,133,426)

Witness: K. C. Cooper

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: OR-4

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to increase Indiana special service revenues to proposed level		
Increase 451-Miscellaneous Service Revenues - Direct Assign IN	451	207,656
Decrease 588-Misc Distribution - Direct Assign IN	588	(4,497)
Total Adjustment		203,159

Witness: A. J. Williamson  
J. C. Duncan

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RIDER-1

Column A		Column B
Description	FERC Account No.	Total Company Amount
To reduce total company O&M expense associated with EE/DSM program expenses that will continue to be recovered in the DSM rider and related Indiana retail revenue		
Decrease Firm Sales Revenue - Direct Assign Indiana	44x	(21,663,532)
Decrease Interruptible Revenues - Energy Related	44x	(2,356)
Decrease Customer Assistance Expenses - Direct Assign Indiana	908	(17,579,283)
Decrease Customer Assistance Expenses- Direct Assign MI	908	(6,676,120)
Total Adjustment		(45,921,291)



Witness: A. J. Williamson  
J. C. Duncan

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RIDER-2

Column A		Column B
Description	FERC Account No.	Total Company Amount
To reduce total company OSS margin and NITS expenses that will continue to be fully recovered in the PJM/OSS rider and also remove the related Indiana retail revenue		
Decrease Firm Sales Revenue - Direct Assign Indiana	44x	(196,715,901)
Decrease Interruptible Revenues - Demand Related	44x	(5,788,462)
Increase Interruptible Revenues - Energy Related	44x	1,551,504
<u>OSS:</u>		
Decrease Sales for Resale - Demand Related	447	(6,462,036)
Decrease OSS Margin - Energy Related	447	(52,051,446)
Decrease 561-Load Dispatching - PJM OSS Margin	561	(1,343,263)
Decrease 575-PJM Regional Market Expenses OSS Margin	575	(1,086,261)
<u>PJM:</u>		
Increase 456-Other Electric Rev. Production-Retail Demand	456	129,284,263
Increase 456-Other Electric Rev. Production-Retail Energy	456	1,186,919
Decrease 5650015-PJM TO Serv Exp - Aff	565	(1,649,539)
Decrease 5650016-PJM NITS Expense - Affiliated	565	(148,307,351)
Decrease 5650021-PJM NITS Expense Non Affiliate	565	(594,382)
Total Adjustment		(281,975,955)

Witness: D. A. Lucas

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB/O&M-1

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to reflect AMI software related O&M expenses and AMI customer engagement expenses		
Increase Distribution O&M Expense- IN	588	160,722
Increase Distribution O&M Expense -MI	588	45,332
Increase Customer Service Expense - IN	908	329,940
Increase Customer Service Expense - MI	908	93,060
Increase Amortization Expense – Intangible Plant – IN	404	677,988
Increase Amortization Expense – Intangible Plant – MI	404	191,227
Total Adjustment		1,498,269

Witness: A. J. Williamson  
T. C. Kerns

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB/O&M-2

Column A		Column B
Description	FERC Account No.	Total Company Amount
Increase expense to include the Rockport enhanced DSI project for U1 and U2 impacts to O&M and Purchased Power		
Increase Steam Generation Expense 502 - Steam Consumables	502	7,955,332
Increase Steam Generation Expense - 512-Boiler Plant	512	125,000
Increase 555-Purchased Power Expense Demand	555	7,870,639
Total Adjustment		15,950,971

Witness: A. J. Williamson  
Q. S. Lies

## INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB/O&amp;M-3

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to increase expense to reflect the Cook 316(b) deferral balance and related amortization over a 15 year period		
Increase Nuclear Generation Expense	532	713,792
Total Adjustment		713,792

Witness: A. J. Williamson

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB/O&M-4

Column A		Column B
Description	FERC Account No.	Total Company Amount
Increase O&M expense to reflect rate case expenses and incremental nuclear decommissioning study expense  Increase Administrative & General Expenses	928	776,941
Total Adjustment		776,941

Witness: T. H. Ross

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB/O&M-5

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to amortize the over-recovered storm expense deferral balance over a 2-year period		
Decrease Distribution O&M Expense - Direct Assign Indiana	593	(2,053,300)
Total Adjustment		(2,053,300)

Witness: N. A. Heimberger

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: DEP-1

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjust depreciation expense by applying Indiana jurisdictional depreciation rates approved by the Indiana Utility Regulatory Commission to projected depreciable plant balances		
Increase/(Decrease) Depreciation Expense for:		
Steam Plant	403	(6,893,238)
Nuclear Plant	403	2,470,078
Hydraulic Plant	403	122,419
Other Generation Plant	403	2,010,306
Transmission Plant	403	1,099,331
Distribution Plant	403	(939,858)
General Plant	403	(335,799)
Total Adjustment		(2,466,761)

Witness: N. A. Heimberger

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: DEP-2

Column A		Column B
Description	FERC Account No.	Total Company Amount
To adjust depreciation expense by applying Indiana jurisdictional depreciation rates proposed in this case to projected depreciable plant balances		
Increase/(Decrease) Depreciation Expense for:		
Steam Plant	403	3,023,616
Nuclear Plant	403	32,509,488
Hydraulic Plant	403	228,269
Other Generation Plant	403	15,284
Transmission Plant	403	9,298,582
Distribution Plant	403	309,859
General Plant	403	204,548
Total Adjustment		45,589,645



Witness: A. J. Williamson

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: O&M-1

Column A		Column B
Description	FERC Account No.	Total Company Amount
Reduce O&M expenses to remove the lobbying/ legislative portion of Indiana Energy Association dues		
Decrease Administrative & General Expenses - Direct Assign Indiana	930.2	(76,040)
Total Adjustment		(76,040)

Witness: N. A. Heimberger

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: O&M-2

Column A		Column B
Description	FERC Account No.	Total Company Amount
Remove the expenses associated with Value Advertising		
Decrease Demonstrating and Selling Expenses	912	(373,048)
Decrease Administrative & General Advertising Expenses	930.1	(77,320)
Total Adjustment		(450,368)

Witness: N. A. Heimberger

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: O&M-3

Column A		Column B
Description	FERC Account No.	Total Company Amount
Remove the lobbying expenses associated with the I&M State Office		
Decrease Administrative & General Salaries	920	
- IN		(33,119)
- MI		(66,238)
Decrease Office Supplies and Expenses	921	
- IN		(66,500)
Decrease Outside Service Expenses	923	
- MI		(42,000)
Decrease Administrative & General Rent Expense	931	
- IN		(6,226)
- MI		(10,434)
Total Adjustment		(224,517)

Witness: A. J. Williamson  
T. C. Kerns

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: O&M-4

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to annualize Rockport Unit 2 consumables expense		
Increase 502 - Steam Consumables	502	94,733
Total Adjustment		94,733

Witness: A. J. Williamson

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: O&M-5

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to retail transmission expense to reflect reduction in estimated annual PJM OATT charges applicable to MI customer choice		
Increase Other Electric Rev. Production-Retail Demand	456	1,871
Decrease 5650012-PJM Trans Enhancement Charge	565	(141,251)
Decrease 5650015-PJM TO Serv Exp - Aff	565	(37,612)
Decrease 5650016-PJM NITS Expense - Affiliated	565	(3,603,881)
Decrease 5650019-Affiliated PJM Trans Enhancement Expense	565	(211,295)
Decrease 5650021-PJM NITS Expense Non Affiliate	565	(7,659)
Total Adjustment		(3,999,826)

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to include the forecasted level of PJM Capacity Performance Insurance expense  Increase Miscellaneous General Expenses	930.2	1,513,220
<b>Total Adjustment</b>		<b>1,513,220</b>

Witness: A. L. Hill

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: O&M-7

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to increase annual Indiana Nuclear Decommissioning funding expense from \$2M to \$10M		
Increase Nuclear Generation Expenses - 5240008-Nuclear Decomm Exp - Direct IN	524	8,000,000
Total Adjustment		8,000,000

Witness: M. W. Nollenberger

INDIANA MICHIGAN POWER COMPANY

## ADJUSTMENT: O&amp;M-8

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjust fuel expense to align with test year billing determinants		
Decrease Steam Generation Expense -Fuel - Direct Assign IN	501	(543,434)
Total Adjustment		(543,434)



Witness: N. A. Heimberge

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: O&M-9

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to reclassify forecasted Regulatory Debits expense to the appropriate accounts related to previously approved regulatory assets and liabilities		
Increase Steam Operation Supervision & Engineering Expense - IN	500	47,592
Increase Steam Generation Consumables Expense -IN	502	551,508
Increase Misc Nuclear Generation Expenses - IN	524	1,576,482
Increase Misc Nuclear Generation Expenses - Non Juris	524	841,054
Decrease Maintenance of Overhead Lines - IN	593	(535,675)
Increase Customer Service & Information Expense - Non Juris	908	27,036
Increase Demonstrating and Selling Expenses - Non Juris	912	17,448
Increase Regulatory Commission Expenses - IN	928	490,233
Increase Regulatory Commission Expenses - Non Juris	928	136,332
Decrease Regulatory Debits Expense - IN	407	(2,130,141)
Decrease Regulatory Debits Expense - Non Juris	407	(1,117,870)
Increase Other Taxes - Real and Personal Property Tax - Non Juris	408	96,000
Total Adjustment		-

Witness: M. N. Kelly

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: TAX-1

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to update State Income Tax expense to reflect the current state income tax impact of the various ratemaking adjustments		
Decrease State Income Tax	409.1	(459,957)
Total Adjustment		(459,957)

Witness: M. N. Kelly

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: TAX-2

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to update Current Federal Income Tax expense to reflect the current Federal income tax impact of the various ratemaking adjustments		
Decrease in Current Federal Income Tax	409.1	(689,658)
Total Adjustment		(689,658)

Witness: M. N. Kelly

## INDIANA MICHIGAN POWER COMPANY

## ADJUSTMENT: TAX-3

	Column A	Column B
	Description	FERC Account No.
		Total Company Amount
	Adjustment to update Deferred FIT and Deferred ITC expense to reflect the tax impact of the various ratemaking adjustments	
	Increase Deferred Federal Income Tax Credit	(7,280,575)
	Increase Deferred Investment Tax Credit	(809,517)
	Total Adjustment	(8,090,092)

INDIANA MICHIGAN POWER COMPANY  
RATE BASE: TOTAL COMPANY PER BOOKS & ADJUSTED FOR RATEMAKING PURPOSES  
AS OF DECEMBER 31, 2020  
(Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Description	Total Company Per Books	Other Regulatory Items	Total Company Fixed, Known and Measurable Adjustments	Reference to Adjustments	Total Company After Adjustments	Indiana Jurisdictional
1	101 ELECTRIC PLANT IN SERVICE (a)	10,379,852,707	-	(458,034,906)	RB-1 to 5 & RB/O&M-1, 2	9,921,817,800	7,247,120,442
2	108 ACCUM. PROV. FOR DEPRECIATION (a)	(3,580,318,062)	-	98,342,536	RB-1 to 4 & RB/O&M-1 & DEP-1, 2	(3,481,975,526)	(2,525,787,876)
3	NET PLANT	<b>6,799,534,644</b>	-	<b>(359,692,370)</b>		<b>6,439,842,274</b>	<b>4,721,332,565</b>
4	151 FUEL STOCK	33,327,570	-	-		33,327,570	23,146,671
5	156 OTHER MATERIALS & SUPPLIES	163,849,568	-	-		163,849,568	116,811,112
6	158 ALLOWANCE INVENTORY	24,539,755	-	-		24,539,755	17,043,356
7	165 PREPAID PENSION EXPENSE	89,244,007	-	-		89,244,007	64,018,690
8	182.3 REGULATORY ASSETS	-	50,430,646	10,770,036	RB/O&M-3, 4	61,200,682	58,268,143
9	253 DEFERRED GAIN RKPT 2 SALE	(7,163,785)	-	-		(7,163,785)	(5,061,526)
10	254 REGULATORY LIABILITIES	-	-	(2,588,975)	RB/O&M-5	(2,588,975)	(2,588,975)
11	281-283 DEFERRED INCOME TAXES	-	-	(46,007,835)	RB-6	(46,007,835)	(46,007,835)
12	ORIGINAL COST RATE BASE	<b>7,103,331,760</b>	<b>50,430,646</b>	<b>(397,519,144)</b>		<b>6,756,243,261</b>	<b>4,946,962,201</b>
	(a) Excludes leased assets						

INDIANA MICHIGAN POWER COMPANY  
RATE BASE: PER BOOKS AND ADJUSTED AS OF DECEMBER 31, 2020  
(Dollars)

Exhibit A-6  
Witness: A. J. Williamson  
J. C. Duncan  
Page 2 of 17

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Description	Total Company Per Books	Other Regulatory Items	Total Company Per Books Before Adjustments	Adjustment	Adjustment	Adjustment	Adjustment
					RB-1	RB-2	RB-3	RB-4
					T. H. Ross	T. H. Ross	T. H. Ross	T. H. Ross
					Adjust total company rate base to reflect treatment of Rockport Unit 1 legacy test energy and CWIP ratemaking related to Rockport Unit 1 pollution control facilities on an Indiana basis.	Remove ARO plant in service and ARO accumulated depreciation from rate base related to the original cost of ledger removal obligations for ash ponds, asbestos and nuclear decommissioning recorded with the implementation of FASB ASC 410 since costs for removal have not yet been incurred	Remove Electric Plant-in-Service and Accumulated Provision for Depreciation balances for all assets associated with the South Bend Smart Meter Pilot Project	Adjust plant and accumulated depreciation related to CWIP ratemaking approved in Indiana for LCM, DSI and SCR Unit 1 and IURC approved LCM Indiana depreciation rates
1	101 ELECTRIC PLANT IN SERVICE (a)	10,379,852,707	-	10,379,852,707	11,730,609	(454,229,362)	(4,050,352)	(19,491,971)
2	108 ACCUM. PROV. FOR DEPRECIATION (a)	(3,580,318,062)	-	(3,580,318,062)	(11,570,252)	111,869,145	3,842,666	(17,546,751)
3	NET PLANT	6,799,534,644	-	6,799,534,644	160,357	(342,360,217)	(207,687)	(37,038,722)
4	151 FUEL STOCK	33,327,570	-	33,327,570				
5	156 OTHER MATERIALS & SUPPLIES	163,849,568	-	163,849,568				
6	158 ALLOWANCE INVENTORY	24,539,755	-	24,539,755				
7	165 PREPAID PENSION EXPENSE	89,244,007	-	89,244,007				
8	182.3 REGULATORY ASSETS	-	50,430,646	50,430,646				
9	253 DEFERRED GAIN RKPT 2 SALE	(7,163,785)	-	(7,163,785)				
10	254 REGULATORY LIABILITIES	-	-	-				
11	281-283 DEFERRED INCOME TAXES	-	-	-				
12	ORIGINAL COST RATE BASE	7,103,331,760	50,430,646	7,153,762,405	160,357	(342,360,217)	(207,687)	(37,038,722)
	(a) Excludes leased assets							

INDIANA MICHIGAN POWER COMPANY  
RATE BASE: PER BOOKS AND ADJUSTED AS OF DECEMBER 31, 2020  
(Dollars)

Exhibit A-6  
Witness: A. J. Williamson  
J. C. Duncan  
Page 3 of 17

(1)	(2)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Line No.	Description	Adjustment RB-5	Adjustment RB-6	Adjustment RB/O&M-1	Adjustment RB/O&M-2	Adjustment RB/O&M-3	Adjustment RB/O&M-4	Adjustment RB/O&M-5	Adjustment DEP-1
		T. H. Ross	A. J. Williamson/ M. N. Kelly	D. A. Lucas	A. J. Williamson/ T. C. Kerns	A. J. Williamson/ Q. S. Lies	A. J. Williamson	T. H. Ross	N. A. Heimberger
		Adjust plant related to CWIP ratemaking approved in Indiana for the Rockport Unit 2 SCR	Reduce rate base to reflect the unamortized, unprotected excess ADIT balance specific to Indiana	Adjustment to reflect AMI Software Plant In Service and associated amortization	Increase rate base to include the Rockport enhanced DSI project for U1 and U2 impacts to Plant in Service	Adjustment to Rate Base to reflect the Cook 316(b) deferral balance and related amortization over a 15 year period	Increase Rate Base to reflect rate case expenses and incremental nuclear decommissioning study expense	Reduce rate base for over-recovered storm expenses	Adjust accumulated depreciation by applying Indiana jurisdictional depreciation rates approved by the Indiana Utility Regulatory Commission to projected depreciable plant balances
1	101 ELECTRIC PLANT IN SERVICE (a)	(9,654,737)	-	4,346,079	13,314,828	-	-	-	-
2	108 ACCUM. PROV. FOR DEPRECIATION (a)	-	-	(434,608)	-	-	-	-	56,560,980
3	NET PLANT	(9,654,737)	-	3,911,472	13,314,828	-	-	-	56,560,980
4	151 FUEL STOCK								
5	156 OTHER MATERIALS & SUPPLIES								
6	158 ALLOWANCE INVENTORY								
7	165 PREPAID PENSION EXPENSE								
8	182.3 REGULATORY ASSETS					9,993,095	776,941		
9	253 DEFERRED GAIN RKPT 2 SALE								
10	254 REGULATORY LIABILITIES							(2,588,975)	
11	281-283 DEFERRED INCOME TAXES		(46,007,835)						
12	ORIGINAL COST RATE BASE	(9,654,737)	(46,007,835)	3,911,472	13,314,828	9,993,095	776,941	(2,588,975)	56,560,980
	(a) Excludes leased assets								

INDIANA MICHIGAN POWER COMPANY  
RATE BASE: PER BOOKS AND ADJUSTED AS OF DECEMBER 31, 2020  
(Dollars)

Exhibit A-6  
Witness: A. J. Williamson  
J. C. Duncan  
Page 4 of 17

(1)	(2)	(18)	(19)	(20)	(21)
Line No.	Description	Adjustment DEP-2	Total Company Adjustments	Total Company AFTER Adjustments	Indiana Jurisdictional
		N. A. Heimberger			
		Adjust accumulated depreciation by applying Indiana jurisdictional depreciation rates proposed in this case to projected depreciable plant balances			
1	101 ELECTRIC PLANT IN SERVICE (a)	-	(458,034,906)	9,921,817,800	7,247,120,442
2	108 ACCUM. PROV. FOR DEPRECIATION (a)	(44,378,644)	98,342,536	(3,481,975,526)	(2,525,787,876)
3	NET PLANT	(44,378,644)	(359,692,370)	6,439,842,274	4,721,332,565
4	151 FUEL STOCK		-	33,327,570	23,146,671
5	156 OTHER MATERIALS & SUPPLIES		-	163,849,568	116,811,112
6	158 ALLOWANCE INVENTORY		-	24,539,755	17,043,356
7	165 PREPAID PENSION EXPENSE		-	89,244,007	64,018,690
8	182.3 REGULATORY ASSETS		10,770,036	61,200,682	58,268,143
9	253 DEFERRED GAIN RKPT 2 SALE		-	(7,163,785)	(5,061,526)
10	254 REGULATORY LIABILITIES		(2,588,975)	(2,588,975)	(2,588,975)
11	281-283 DEFERRED INCOME TAXES		(46,007,835)	(46,007,835)	(46,007,835)
12	ORIGINAL COST RATE BASE	(44,378,644)	(397,519,144)	6,756,243,261	4,946,962,201
	(a) Excludes leased assets				



Witness: T. H. Ross

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB-1

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjust total company rate base to reflect treatment of Rockport Unit 1 legacy test energy and CWIP ratemaking related to Rockport Unit 1 pollution control facilities on an Indiana basis.		
A) Reduction to Rockport Unit 1 test energy due to the Michigan jurisdictional treatment of test energy:		
Decrease Electric Plant In Service	312	(1,030,391)
Decrease Accumulated Depreciation	108/ Steam	1,016,300
B) Adjustment to recognize additional AFUDC not recorded as a result of the Michigan and FERC jurisdictional inclusion of pollution control CWIP in rate base:		
Increase Electric Plant In Service	312	12,761,000
Increase Accumulated Depreciation	108/ Steam	(12,586,552)
<b>Net Increase to Electric Plant in Service</b>	312	11,730,609
<b>Net Increase of Accumulated Depreciation</b>	108/Steam	(11,570,252)
<b>Total Adjustment</b>		<b>160,357</b>

Witness: T. H. Ross

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB-2

Column A		Column B
Description	FERC Account No.	Total Company Amount
Remove ARO plant in service and ARO accumulated depreciation from rate base related to the original cost of ledger removal obligations for ash ponds, asbestos and nuclear decommissioning recorded with the implementation of FASB ASC 410 since costs for removal have not yet been incurred		
A) Removal of 12/31/18 ARO Electric Plant in Service		
Decrease Electric Plant-in-Service for:		
Steam Plant	317	(14,642,066)
Nuclear Plant	326	(439,029,648)
Hydraulic Plant	337	(318,520)
General Plant	399	(239,128)
Total Reduction to Electric Plant in Service		(454,229,362)
B) Removal of 12/31/18 ARO Accumulated Depreciation		
Decrease Accumulated Depreciation for:		
Steam Plant	108/Steam	2,546,360
Nuclear Plant	108/Nuclear	107,840,558
Hydraulic Plant	108/Hydro	111,711
General Plant	108/General	160,658
Total Reduction to Accumulated Depreciation		110,659,287
C) Remove 2019 and 2020 forecasted depreciation amounts related to Steam and Nuclear from 2020 forecasted accumulated depreciation/rate base:		
Decrease Accumulated Depreciation for:		
Steam Plant	108/Steam	612,596
Nuclear Plant	108/Nuclear	3,025,677
Total Reduction to Accumulated Depreciation		3,638,273
D) Remove from rate base Michigan jurisdictional ARO accumulated depreciation offset. I&M's Michigan jurisdictional share of ARO depreciation and accretion is recovered through I&M Michigan depreciation rates:		
Increase Accumulated Depreciation for:		
Steam Plant	108/Steam	(1,969,686)
Hydraulic Plant	108/Hydro	(122,578)
General Plant	108/General	(336,151)
Total Increase to Accumulated Depreciation for Account 1080013		(2,428,415)
<b>Net Decrease to Electric Plant in Service Related to ARO Adjustments Listed Above:</b>		
Steam Plant	317	(14,642,066)
Nuclear Plant	326	(439,029,648)
Hydraulic Plant	337	(318,520)
General Plant	399	(239,128)
Total Decrease to Electric Plant in Service		(454,229,362)
<b>Net (Increase) Decrease to Accumulated Depreciation Related to ARO Adjustments Listed Above:</b>		
Steam Plant, Hydro Plant	08/Steam/Hydr	1,189,269
Nuclear Plant	108/Nuclear	110,866,235
General Plant	108/General	(175,493)
Net Decrease to Accumulated Depreciation		111,880,011
<b>Total Adjustment</b>		<b>(342,360,217)</b>

Witness: T. H. Ross

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB-3

Column A		Column B
Description	FERC Account No.	Total Company Amount
Remove Electric Plant-in-Service and Accumulated Provision for Depreciation balances for all assets associated with the South Bend Smart Meter Pilot Project		
Decrease Electric Plant-in-Service		
Distribution Plant	370	(3,714,977)
General Plant	390	(335,375)
Decrease Accum. Prov. for Depreciation		
Distribution Plant	108/Distribution	3,551,781
General Plant	108/General	290,885
<b>Net Decrease to Electric Plant in Service</b>		<b>(4,050,352)</b>
<b>Net Decrease to Accumulated Depreciation</b>		<b>(44,490)</b>
<b>Total Adjustment</b>		<b>(207,687)</b>

Witness: T. H. Ross

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB-4

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjust plant and accumulated depreciation related to CWIP ratemaking approved in Indiana for LCM, DSI and SCR Unit 1 and IURC approved LCM Indiana depreciation rates		
<b><u>Part A. - Rockport DSI U1, U2</u></b>		
Decrease Steam Generation Plant	316	(797,819)
<b><u>Part B. - Rockport SCR-1</u></b>		
Decrease Steam Generation Plant	316	(2,155,223)
Subtotal - Decrease in Electric Plant in Service - Steam		(2,953,042)
<b><u>Part C. - Cook LCM</u></b>		
Decrease Nuclear Generation Plant	325	(16,538,929)
Total Decrease in Electric Plant in Service		(19,491,971)
<b><u>Part A. - Rockport DSI U1, U2</u></b>		
Rockport DSI U1, U2		
Decrease Steam Generation Plant Accum Depreciation	108/Steam	273,210
<b><u>Part B. - Rockport SCR-1</u></b>		
Decrease Steam Generation Plant Accum Depreciation	108/Steam	280,107
Subtotal - Net Decrease to Accumulated Depreciation - Steam		553,317
<b><u>Part C. - Cook LCM</u></b>		
Increase Nuclear Generation Plant Accum Deprec	108/Nuclear	(18,100,068)
Net Increase to Accumulated Depreciation		(17,546,751)
Total Adjustment		(37,038,722)

Witness: T. H. Ross

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB-5

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjust plant related to CWIP ratemaking approved in Indiana for the Rockport Unit 2 SCR  Rockport SCR-2 Decrease Fossil Generation Plant	316	(9,654,737)
Total Adjustment		(9,654,737)

Witness: A. J. Williamson  
M. N. Kelly

## INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB-6

Column A		Column B
Description	FERC Account No.	Total Company Amount
Reduce rate base to reflect the unamortized, unprotected excess ADIT balance specific to Indiana		
Increase Regulatory Liability	281-283	(46,007,835)
Total Adjustment		(46,007,835)

Witness: D. A. Lucas

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB/O&M-1

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to reflect AMI Software Plant In Service and associated amortization		
Increase Electric Plant in Service - Intangible Plant - IN	303	3,389,942
Increase Electric Plant in Service - Intangible Plant - MI	303	956,137
Increase Provision for Amortization - Intangible Plant - IN	111	(338,994)
Increase Provision for Amortization - Intangible Plant - MI	111	(95,614)
Total Adjustment		3,911,472

Witness: A. J. Williamson  
T. C. Kerns

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB/O&M-2

Column A		Column B
Description	FERC Account No.	Total Company Amount
Increase rate base to include the Rockport enhanced DSI project for U1 and U2 impacts to Plant in Service  Increase Fossil Generation Plant	312	13,314,828
Total Adjustment		13,314,828



Witness: A. J. Williamson  
Q. S. Lies

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB/O&M-3

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjustment to Rate Base to reflect the Cook 316(b) deferral balance and related amortization over a 15 year period		
Increase Regulatory Asset	182.3	9,993,095
Total Adjustment		9,993,095

Witness: A. J. Williamson

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB/O&M-4

Column A		Column B
Description	FERC Account No.	Total Company Amount
Increase Rate Base to reflect rate case expenses and incremental nuclear decommissioning study expense		
Increase Regulatory Asset	182.3	776,941
Total Adjustment		776,941

Witness: T. H. Ross

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: RB/O&M-5

Column A		Column B
Description	FERC Account No.	Total Company Amount
Reduce rate base for over-recovered storm expenses  Increase Regulatory Liability	254	(2,588,975)
Total Adjustment		(2,588,975)

Witness: N. A. Heimberge

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: DEP-1

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjust accumulated depreciation by applying Indiana jurisdictional depreciation rates approved by the Indiana Utility Regulatory Commission to projected depreciable plant balances		
A) To adjust the accumulated depreciation to reflect Indiana jurisdictional rates authorized by the IURC @ 12/31/2018		
Increase/(Decrease) Accum. Depreciation for:		
Steam Plant	108	22,420,288
Nuclear Plant	108	(36,905,899)
Hydraulic Plant	108	2,192,955
Other Generation Plant	108	(5,934)
Transmission Plant	108	(8,646,951)
Distribution Plant	108	1,031,490
General Plant	108	(125,726)
B) To adjust the accumulated depreciation to reflect Indiana jurisdictional rates authorized by the IURC from 1/1/2019 to 12/31/2020		
Increase/(Decrease) Accum. Depreciation for:		
Steam Plant	108	(24,235,496)
Nuclear Plant	108	1,080,270
Hydraulic Plant	108	247,856
Other Generation Plant	108	935,192
Transmission Plant	108	(1,165,547)
Distribution Plant	108	(12,359,019)
General Plant	108	(1,024,459)
Total Adjustment		(56,560,980)

Witness: N. A. Heimberge

INDIANA MICHIGAN POWER COMPANY

ADJUSTMENT: DEP-2

Column A		Column B
Description	FERC Account No.	Total Company Amount
Adjust accumulated depreciation by applying Indiana jurisdictional depreciation rates proposed in this case to projected depreciable plant balances		
Increase/(Decrease) Accum. Depreciation for:		
Steam Plant	108	2,839,004
Hydraulic Plant	108	228,525
Nuclear Plant	108	31,970,435
Other Generation Plant	108	8,524
Transmission Plant	108	8,842,268
Distribution Plant	108	292,157
General Plant	108	197,731
Total Adjustment		44,378,644

Indiana Michigan Power Company  
Rate of Return Summary  
As Of 12/31/19

Line No.	(a) Description	(b) Total Company Capitalization	(c) Percent of Total	(d) % Cost Rate	(e) % Weighted Average Cost Rate
1		\$			
2	Long-Term Debt	2,928,301,261	43.55%	4.53%	1.97%
3	Common Equity	2,481,087,345	36.90%	10.50%	3.87%
4	Customer Deposits	37,972,608	0.56%	2.00%	0.01%
5	ADFIT <sup>1</sup>	1,251,804,495	18.62%	0.00%	0.00%
6	ADITC <sup>2</sup>	<u>24,174,484</u>	<u>0.36%</u>	7.27%	<u>0.03%</u>
7					
8	Total	<u>6,723,340,193</u>	100.00%		<u>5.89%</u>
9					
10					
11					
12	<u>Cost of Investor Supplied Capital</u>				
13	Long-Term Debt	2,928,301,261	54.13%	4.53%	2.45%
14	Common Equity	<u>2,481,087,345</u>	<u>45.87%</u>	10.50%	<u>4.82%</u>
15	Total	5,409,388,606	100.00%		7.27%

<sup>1</sup>Accumulated Deferred Federal Income Taxes

<sup>2</sup>Accumulated Deferred Job Development Investment Tax Credits

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Line No.	DESCRIPTION	INT. RATE %	DATE OF OFFERING	DATE OF MATURITY	TERM IN YEARS	PRINCIPAL AMOUNT (A) OUTSTANDING \$	ORIGINAL PRINCIPAL AMOUNT \$	ORIGINAL PREMIUM DISCOUNT \$	ORIGINAL ISSUANCE EXPENSE \$	LOSS ON REACQUIRED DEBT \$	NET PROCEEDS COLS. (g)+(h)+(i)+(j) \$	YIELD TO MATURITY %	AMORT. OF OTHER COSTS \$	ANNUAL COST OF DEBT COLS. (f)+(g)+(j)+(l)+(m)+(n) \$
1	POLLUTION CONTROL REV. BONDS:													
2	ROCKPORT 2009A	3.05	3/26/2009	6/1/2025	16	50,000,000	50,000,000	(467,500)	(354,262)	(2,677,532)	46,500,706	3.63%	0	1,815,000
3	ROCKPORT 2009B	3.05	3/26/2009	6/1/2025	16	50,000,000	50,000,000	(441,187)	(354,262)	(785,290)	48,419,261	3.30%	0	1,650,000
4	LAWRENCEBURG, 2008 SERIES H	2.33	5/20/2008	11/1/2021	13	52,000,000	52,000,000	0	(277,847)	(2,724,991)	48,997,162	2.85%	52,000	1,534,000
5	ROCKPORT SERIES 2002A	2.75	6/3/2002	6/1/2025	23	50,000,000	50,000,000	(136,351)	(955,323)	0	48,908,326	2.88%	0	1,440,000
6	ROCKPORT SERIES D	2.05	10/13/2003	4/1/2025	21	40,000,000	40,000,000	0	(2,222,349)	(1,209,363)	36,568,288	2.57%	0	1,028,000
7	TOTAL POLLUTION CONT. REV. BONDS					242,000,000	242,000,000	(1,045,037)	(4,164,042)	(7,397,176)	229,393,744		52,000	7,467,000
8														
9	SENIOR UNSECURED NOTES:													
10	I&M SERIES H	6.05	11/14/2006	3/15/2037	30	400,000,000	400,000,000	(2,272,000)	(19,843,857)	0	377,884,143	6.47%	0	25,880,000
11	I&M SERIES J	3.20	3/18/2013	3/15/2023	10	250,000,000	250,000,000	(402,500)	(18,034,601)	0	231,562,899	4.11%	0	10,275,000
12	I&M SERIES K	4.55	3/3/2016	3/15/2046	30	400,000,000	400,000,000	(1,372,000)	(4,036,755)	0	394,591,245	4.63%	0	18,520,000
13	I&M SERIES L	3.75	6/29/2017	7/1/2047	30	300,000,000	300,000,000	(2,088,000)	(3,139,683)	0	294,772,317	3.85%	0	11,550,000
14	I&M SERIES M	3.85	5/2/2018	5/15/2028	10	350,000,000	350,000,000	(1,102,500)	(2,865,394)	0	346,032,106	3.99%	0	13,965,000
15	I&M SERIES N	4.25	8/8/2018	8/15/2048	30	475,000,000	475,000,000	(2,717,000)	(4,660,878)	(10,665,268)	456,956,854	4.48%	0	21,280,000
16	I&M SERIES O	4.71	11/6/2019	11/15/2049	30	300,000,000	300,000,000	0	(3,223,069)	0	296,776,931	4.78%	0	14,340,000
17	TOTAL SENIOR UNSECURED NOTES					2,475,000,000	2,475,000,000	(9,954,000)	(55,804,238)	(10,665,268)	2,398,576,494		0	115,810,000
18														
19	TERM LOAN FACILITY:													
20	3-YEAR TERM LOAN	4.04	5/9/2018	5/9/2021	3	200,000,000	200,000,000	0	(508,528)	0	199,491,472	4.13%	35,000	8,295,000
21	TOTAL TERM LOAN FACILITIES:					200,000,000	200,000,000	0	(508,528)	0	199,491,472		35,000	8,295,000
22														
23	OTHER DEBT:													
24	FORT WAYNE LEASE	6.00	3/1/2010	3/1/2025	15	11,301,261	26,802,388	0	0	0	26,802,388	6.00%	0	678,076
25	TOTAL OTHER DEBT:					11,301,261	26,802,388	0	0	0	26,802,388		0	678,076
26														
27	TOTAL LONG TERM DEBT					2,928,301,261	2,943,802,388	(10,999,037)	(60,476,808)	(18,062,444)	2,854,264,099		87,000	132,

Indiana Michigan Power Company  
Rate of Return Summary  
As Of 12/31/20

Line No.	(a) Description	(b) Total Company Capitalization \$	(c) Percent of Total	(d) % Cost Rate	(e) % Weighted Average Cost Rate
1					
2	Long-Term Debt	2,926,531,185	42.69%	4.54%	1.94%
3	Common Equity	2,574,496,077	37.55%	10.50%	3.94%
4	Customer Deposits	37,972,608	0.55%	2.00%	0.01%
5	ADFIT <sup>1</sup>	1,297,621,545	18.93%	0.00%	0.00%
6	ADITC <sup>2</sup>	<u>18,960,268</u>	<u>0.28%</u>	7.33%	<u>0.02%</u>
7					
8	Total	<u>6,855,581,684</u>	100.00%		<u>5.91%</u>
9					
10					
11					
12	<u>Cost of Investor Supplied Capital</u>				
13	Long-Term Debt	2,926,531,185	53.20%	4.54%	2.42%
14	Common Equity	<u>2,574,496,077</u>	<u>46.80%</u>	10.50%	<u>4.91%</u>
15	Total	5,501,027,263	100.00%		7.33%

<sup>1</sup>Accumulated Deferred Federal Income Taxes

<sup>2</sup>Accumulated Deferred Job Development Investment Tax Credits



**INDIANA MICHIGAN POWER COMPANY**  
Computation of Gross Revenue Conversion Factor  
For the Test Year Ended December 31, 2020

	<u>Tax Rates</u>	<u>Percentage of Incremental Gross Revenues</u>
1 Operating Revenues		100.00%
2 Less: Uncollectible Accounts Expense		<u>0.2126%</u>
3 Income Before Income Taxes		99.79%
4 Less: Indiana Utility Receipts Tax	1.4000%	
5 Public Utility Assessment Fee (IURC)	<u>0.1202%</u>	<u>1.5170%</u>
6 Base Subject to State Income Taxes		98.2704%
7 Less: State Income Taxes (Line 6 x Effective State Tax Rate)	5.2562%	<u>5.1653%</u>
8 Income Before Federal Income Taxes		93.1051%
9 Less: Federal Income Taxes (Line 8 x Federal Tax Rate)	21.00%	<u>19.5521%</u>
10 Operating Income Percentage		<u>73.5530%</u>
11 Gross Revenue Conversion Factor (100% / Line 10)		<u><u>1.3596</u></u>

**INDIANA MICHIGAN POWER COMPANY  
EFFECTIVE FEDERAL INCOME TAX RATE  
TEST YEAR ENDED DECEMBER 31, 2020**

<b>Line No.</b>	<b>Description</b>	<b>Source</b>	<b>Jurisdictional Amount</b>
1	Adjusted Net Electric Operating Income	Exhibit A-5	\$ 168,915,989
2	Plus: Federal Income Tax Expense	Exhibit A-5	<u>(19,081,043)</u>
3	Pre-Tax Electric Operating Income		\$ 149,834,946
4	Less: Interest Expense - Synchronized	Attachment MNK-2	<u>95,971,067</u>
5	Pre-Tax Operating Income Before Federal Income Tax		<u><u>\$ 53,863,879</u></u>
6	Effective Tax Rate - Line 2 divided by Line 5		-35.42%