

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) **CAUSE NO. 45235**
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.)

PREPARED WORKPAPERS

OF

INDIANA MICHIGAN POWER COMPANY

VOLUME 1

WP-I&M-1 HISTORIC

2018 HISTORIC BASE PERIOD

INDIANA MICHIGAN POWER COMPANY
WP-I&M-1 Historic
2018 Historic Base Period

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Indiana Michigan Power Company
Comparative Balance Sheets
December 31, 2018 and 2017

	December 31, 2018	December 31, 2017
UTILITY PLANT		
Utility Plant (101-106, 114)	9,079,286,843.85	8,332,896,582.83
Construction Work in Progress (107)	465,252,781.91	460,208,618.63
Utility Plant	9,544,539,625.76	8,793,105,201.46
(Less) Accum. Prov. For Depr. Amort. Depl. (108,110,111,115)	3,068,176,858.47	2,948,719,775.85
Net Utility Plant	6,476,362,767.29	5,844,385,425.61
Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	32,268,258.73	37,447,358.65
Nuclear Fuel Materials and Assemblies-Stock Account (120.2)	-	-
Nuclear Fuel Assemblies in Reactor (120.3)	1,602,197.67	1,347,289.46
Spent Nuclear Fuel (120.4)	518,765,415.08	695,441,601.29
Nuclear Fuel Under Capital Leases (120.6)	122,281,366.07	180,028,830.05
(Less) Accum. Prov. For Amort. Of Nucl. Fuel Assemblies (120.5)	518,996,189.08	695,661,520.60
Net Nuclear Fuel	155,921,048.47	218,603,558.85
Net Utility Plant (Enter Total of lines 6 and 13)	6,632,283,815.75	6,062,988,984.46
Utility Plant Adjustments (116)	-	-
Gas Stored Underground - Noncurrent (117)	-	-
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)	7,801,295.26	10,487,444.61
(Less) Accum. Prov. For Depr. And Amort. (122)	(12,725.27)	1,135,407.31
Investments in Associated Companies (123)	-	-
Investment in Subsidiary Companies (123.1)	19,317,611.34	19,061,858.72
Noncurrent Portion of Allowances	25,667,167.70	27,124,422.66
Other Investments (124)	13,118,001.13	13,524,077.05
Sinking Funds (125)	-	-
Depreciation Fund (126)	-	-
Amortization Fund - Federal (127)	-	-
Other Special Funds (128)	2,474,916,786.29	2,527,614,722.07
Special Funds (Non Major Only) (129)	61,262,502.85	64,864,361.91
Long-Term Portion of Derivative Assets (175)	576,115.01	720,561.50
Long-Term Portion of Derivative Assets - Hedges (176)	-	-
Other Property and Investments	2,602,672,204.85	2,662,262,041.21
CURRENT AND ACCRUED ASSETS		
Cash and Working Funds (Non-major Only) (130)		
Cash (131)	2,363,489.97	1,326,155.35
Special Deposits (132-134)	16,120,143.82	11,610,021.34
Working Funds (135)	-	-
Temporary Cash Investments (136)	-	-
Notes Receivable (141)	-	-
Customer Accounts Receivable (142)	74,837,789.07	56,348,872.20
Other Accounts Receivable (143)	1,341,321.22	1,899,369.28
(Less) Accum. Prov. For Uncollectible Acct.-Credit (144)	96,625.00	206,193.38
Notes Receivable from Associated Companies (145)	-	-
Accounts Receivable from Assoc. Companies (146)	68,786,451.77	43,368,220.67
Fuel Stock (151)	36,307,472.23	30,732,935.24
Fuel Stock Expenses Undistributed (152)	981,097.66	621,540.03
Residuals (Elec) and Extracted Products (153)	-	-
Plant Materials and Operating Supplies (154)	163,849,568.11	156,944,999.31
Merchandise (155)	-	-
Other Materials and Supplies (156)	-	-
Nuclear Materials Held for Sale (157)	-	-
Allowances (158.1 and 158.2)	27,088,586.45	28,650,948.81
(Less) Noncurrent Portion of Allowances	25,667,167.70	27,124,422.66
Stores Expense Undistributed (163)	-	-
Gas Stored Underground - Current (164.1)		
Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		
Prepayments (165)	7,147,556.99	7,624,909.79
Advances for Gas (166-167)		
Interest and Dividends Receivable (171)	112,211.00	173,120.00
Rents Receivable (172)	88,144.12	87,047.39
Accrued Utility Revenues (173)	3,566,004.32	7,288,586.19
Miscellaneous Current and Accrued Assets (174)	31,087,102.46	16,882,968.58
Derivative Instrument Assets (175)	9,188,606.10	8,289,835.16
(Less) Long-Term Portion of Derivative Instrument Assets (175)	576,115.01	720,561.50
Derivative Instrument Assets - Hedges (176)	-	-
(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (	-	-
Total Current and Accrued Assets	416,525,637.58	343,798,351.80

Indiana Michigan Power Company
Comparative Balance Sheets
December 31, 2018 and 2017

	December 31, 2018	December 31, 2017
DEFERRED DEBITS		
Unamortized Debt Expenses (181)	20,189,247.73	12,912,315.22
Extraordinary Property Losses (182.1)	-	-
Unrecovered Plant and Regulatory Study Costs (182.2)	-	-
Other Regulatory Assets (182.3)	542,177,593.97	599,072,708.51
Prelim. Survey and Investigation Charges (Electric) (183)	13,743,554.95	19,607,891.41
Preliminary Natural Gas Survey and Investigation Charges (183.1)	-	-
Other Preliminary Survey and Investigation Charges (183.2)	-	-
Clearing Accounts (184)	6.79	(0.00)
Temporary Facilities (185)	-	-
Miscellaneous Deferred Debits (186)	52,182,367.92	49,612,470.63
Def. Losses from Disposition of Utility Plt. (187)	-	-
Research, Devel. And Demonstration Expend. (188)	-	-
Unamortized Loss on Reacquired Debt (189)	17,921,845.52	8,418,221.01
Accumulated Deferred Income Tax (190)	771,861,389.20	1,096,714,903.80
Unrecovered Purchased Gas Costs (191)	-	-
Total Deferred Debits (lines 69 through 83)	1,418,076,006.08	1,786,338,510.58
TOTAL ASSETS (lines 14-16. 32, 67, and 84)	11,069,557,664.26	10,855,387,888.04
PROPRIETARY CAPITAL		
Common Stock Issued (201)	56,583,866.43	56,583,866.43
Preferred Stock Issued (204)	-	-
Capital Stock Subscribed (202, 205)	-	-
Stock Liability for Conversion (203, 206)	-	-
Premium on Capital Stock (207)	4,234,635.00	4,234,635.00
Other Paid-In Capital (208-211)	976,661,803.22	976,661,803.22
Installments Received on Capital Stock (212)	-	-
(Less) Discount on Capital Stock (213)	-	-
(Less) Capital Stock Expense (214)	-	-
Unappropriated Undistributed Subsidiary Earnings (216.1)	(6,033,663.70)	(6,289,416.32)
(Less) Reacquired Capital Stock (217)	-	-
Noncorporate Proprietorship (Nonmajor Only) (218)	-	-
Accumulated Other Comprehensive Income (219)	(11,379,702.21)	(10,681,426.10)
Total Proprietary Capital	2,324,134,954.17	2,190,210,991.05
LONG-TERM DEBT		
Bonds (221)	-	-
(Less) Reacquired Bonds (222)	-	-
Advances from Associated Companies (223)	-	-
Other Long-Term Debt (224)	2,928,439,660.03	2,574,997,049.25
Unamortized Premium on Long-Term Debt (225)	-	-
(Less) Unamortized Discount on Long-Term Debt-Debit (226)	8,698,984.86	5,626,318.18
Total Long-Term Debt	2,919,740,675.18	2,569,370,731.08
OTHER NONCURRENT LIABILITIES		
Obligations Under Capital Leases - Noncurrent (227)	91,803,954.29	120,622,004.63
Accumulated Provision for Property Insurance (228.1)	-	-
Accumulated Provision for Injuries and Damages (228.2)	127,795.34	47,070.64
Accumulated Provision for Pensions and Benefits (228.3)	6,544,118.36	11,218,099.60
Accumulated Miscellaneous Operating Provisions (228.4)	681,434.73	952,362.71
Accumulated Provision for Rate Refunds (229)	18,630,953.24	8,298,302.02
Long-Term Portion of Derivative Instrument Liabilities	132,432.30	120,346.39
Long-Term Portion of Derivative Instrument Liabilities-Hedges	-	-
Asset Retirement Obligations (230)	1,681,320,133.43	1,321,774,264.72
Total Other Noncurrent Liabilities	1,799,240,821.69	1,463,032,450.71
CURRENT AND ACCRUED LIABILITIES		
Notes Payable (231)	-	-
Accounts Payable (232)	170,123,789.43	150,825,238.39
Notes Payable to Associated Companies (233)	18,332,234.88	226,179,291.58
Accounts Payable to Associated Companies (234)	72,350,356.46	100,461,937.32
Customer Deposits (235)	37,972,608.04	37,670,439.53
Taxes Accrued (236)	65,555,320.78	19,867,077.24
Interest Accrued (237)	38,357,565.76	38,829,775.05
Dividends Declared (238)	-	-
Matured Long-Term Debt (239)	-	-
Matured Interest (240)	-	-
Tax Collections Payable (241)	6,809,172.27	6,094,004.80

Indiana Michigan Power Company
Comparative Balance Sheets
December 31, 2018 and 2017

	December 31, 2018	December 31, 2017
Miscellaneous Current and Accrued Liabilities (242)	90,409,161.76	93,135,063.07
Obligations Under Capital Leases-Current (243)	69,110,997.73	99,305,090.08
Derivative Instrument Liabilities (244)	407,098.77	3,602,082.10
(Less) Long-Term Portion of Derivative Instrument Liabilities	132,432.30	120,346.39
Derivative Instrument Liabilities-Hedges (245)	-	-
(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges	-	-
Total Current and Accrued Liabilities (lines 37 through 53)	569,295,873.57	775,849,652.76
DEFERRED CREDITS		
Customer Advances for Construction (252)	-	-
Accumulated Deferred Investment Tax Credits (255)	29,388,700.00	34,075,627.00
Deferred Gains from Disposition of Utility Plant (256)	-	-
Other Deferred Credits (253)	31,652,003.13	34,823,503.26
Other Regulatory Liabilities (254)	1,675,502,543.11	1,738,909,747.41
Unamortized Gain on Reacquired Debt (257)	8,131.50	9,843.42
Accum. Deferred Income Taxes-Accel. Amort. (281)	17,764,010.25	17,658,663.54
Accum. Deferred Income Taxes-Other Property (282)	975,569,763.30	886,231,255.25
Accum. Deferred Income Taxes-Other (283)	727,260,188.37	1,145,215,422.57
Total Deferred Credits	3,457,145,339.66	3,856,924,062.44
Total Liabilities And Stockholder Equity	11,069,557,664.26	10,855,387,888.04

Indiana Michigan Power Company
Balance Sheets
January 31, February 28 and March 31, 2019

		Jan 2019	Feb 2019	Mar 2019
Description				
UTILITY PLANT				
Line 2	Utility Plant (101-106, 114)	9,397,496,801.27	9,412,472,412.17	9,427,504,974.84
Line 3	Construction Work in Progress (107)	488,730,843.81	504,775,664.18	533,508,780.60
Line 4	Utility Plant	9,886,227,645.07	9,917,248,076.35	9,961,013,755.44
Line 5	(Less) Accum. Prov. For Depr. Amort. Depl. (108,110,111,115)	3,087,414,280.99	3,113,187,345.08	3,126,876,760.11
Line 6	Net Utility Plant	6,798,813,364.08	6,804,060,731.27	6,834,136,995.32
Line 7	Nuclear Fuel in Process of Ref., Conv.,Enrich., and Fab. (120.1)	32,600,122.22	60,766,281.18	62,238,431.42
Line 8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)	-	-	-
Line 9	Nuclear Fuel Assemblies in Reactor (120.3)	1,602,197.67	1,602,197.67	1,602,197.67
Line 10	Spent Nuclear Fuel (120.4)	518,765,415.08	518,765,415.08	518,765,415.08
Line 11	Nuclear Fuel Under Capital Leases (120.6)	111,775,310.07	102,496,327.74	97,512,734.99
Line 12	(Less) Accum. Prov. For Amort. Of Nucl. Fuel Assemblies (120.5)	519,012,907.59	519,028,166.01	519,357,093.16
Line 13	Net Nuclear Fuel	145,730,137.45	164,602,055.66	160,761,686.00
Line 14	Net Utility Plant (Enter Total of lines 6 and 13)	6,944,543,501.53	6,968,662,786.92	6,994,898,681.32
Line 15	Utility Plant Adjustments (116)	-	-	-
Line 16	Gas Stored Underground - Noncurrent (117)	-	-	-
OTHER PROPERTY AND INVESTMENTS				
Line 18	Nonutility Property (121)	7,801,295.26	7,801,295.26	7,801,295.26
Line 19	(Less) Accum. Prov. For Depr. And Amort. (122)	(12,725.27)	(12,725.27)	(12,725.27)
Line 20	Investments in Associated Companies (123)	-	-	-
Line 21	Investment in Subsidiary Companies (123.1)	19,382,436.64	19,410,951.19	19,441,150.47
Line 23	Noncurrent Portion of Allowances	-	-	25,503,840.64
Line 24	Other Investments (124)	13,087,290.13	13,056,581.13	13,025,872.13
Line 25	Sinking Funds (125)	-	-	-
Line 26	Depreciation Fund (126)	-	-	-
Line 27	Amortization Fund - Federal (127)	-	-	-
Line 28	Other Special Funds (128)	2,475,514,375.52	2,476,111,495.63	2,683,994,603.50
Line 29	Special Funds (Non Major Only) (129)	61,540,845.90	61,817,649.90	62,154,271.25
Line 30	Long-Term Portion of Derivative Assets (175)	182,869.12	568,105.77	81,560.62
Line 31	Long-Term Portion of Derivative Assets - Hedges (176)	-	-	-
Line 32	Other Property and Investments	2,577,521,837.84	2,578,778,804.15	2,812,015,319.14
CURRENT AND ACCRUED ASSETS				
Line 34	Cash and Working Funds (Non-major Only) (130)			
Line 35	Cash (131)	1,063,647.86	2,365,601.06	1,696,264.57
Line 36	Special Deposits (132-134)	15,247,966.25	13,423,865.75	11,729,914.18
Line 37	Working Funds (135)	-	-	-
Line 38	Temporary Cash Investments (136)	-	-	-
Line 39	Notes Receivable (141)	-	-	-
Line 40	Customer Accounts Receivable (142)	80,177,865.44	78,557,817.53	73,788,575.58
Line 41	Other Accounts Receivable (143)	851,986.74	850,149.10	1,210,662.71
Line 42	(Less) Accum. Prov. For Uncollectible Acct.-Credit (144)	96,163.94	65,137.88	176,640.29
Line 43	Notes Receivable from Associated Companies (145)	749,026.11	18,331,085.70	-
Line 44	Accounts Receivable from Assoc. Companies (146)	57,238,754.58	35,859,691.00	48,428,015.21
Line 45	Fuel Stock (151)	36,474,256.63	33,974,574.91	31,009,595.09
Line 46	Fuel Stock Expenses Undistributed (152)	1,144,691.93	1,034,033.87	1,030,521.48
Line 47	Residuals (Elec) and Extracted Products (153)	-	-	-
Line 48	Plant Materials and Operating Supplies (154)	165,395,462.03	163,379,473.10	162,771,871.58
Line 49	Merchandise (155)	-	-	-
Line 50	Other Materials and Supplies (156)	-	-	-
Line 51	Nuclear Materials Held for Sale (157)	-	-	-
Line 52	Allowances (158.1 and 158.2)	26,971,233.54	26,898,379.22	26,850,655.90
Line 53	(Less) Noncurrent Portion of Allowances	-	-	25,503,840.64
Line 54	Stores Expense Undistributed (163)	(0.00)	(0.00)	-
Line 55	Gas Stored Underground - Current (164.1)			
Line 56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
Line 57	Prepayments (165)	12,311,668.63	9,009,859.09	10,223,849.55
Line 58	Advances for Gas (166-167)			
Line 59	Interest and Dividends Receivable (171)	45,311.00	3,930.00	36,293.00
Line 60	Rents Receivable (172)	200,337.76	312,531.40	424,725.04
Line 61	Accrued Utility Revenues (173)	11,798,613.79	(6,523,569.68)	8,121,223.98
Line 62	Miscellaneous Current and Accrued Assets (174)	31,252,910.09	31,236,476.71	23,479,398.54
Line 63	Derivative Instrument Assets (175)	6,965,988.81	9,178,976.27	4,509,628.42
Line 64	(Less) Long-Term Portion of Derivative Instrument Assets (175)	182,869.12	568,105.77	81,560.62
Line 65	Derivative Instrument Assets - Hedges (176)	-	-	-
Line 66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)	-	-	-
Line 67	Total Current and Accrued Assets	447,610,688.13	417,259,631.37	379,549,153.28
DEFERRED DEBITS				
Line 69	Unamortized Debt Expenses (181)	19,782,076.79	19,640,905.85	19,499,734.91
Line 70	Extraordinary Property Losses (182.1)	-	-	-
Line 71	Unrecovered Plant and Regulatory Study Costs (182.2)	-	-	-
Line 72	Other Regulatory Assets (182.3)	498,386,823.95	490,127,662.93	536,969,129.44

Indiana Michigan Power Company
Balance Sheets
January 31, February 28 and March 31, 2019

		Jan 2019	Feb 2019	Mar 2019
Line 73	Prelim. Survey and Investigation Charges (Electric) (183)	13,946,558.54	13,928,333.20	14,170,911.53
Line 74	Preliminary Natural Gas Survey and Investigation Charges (183.1)	-	-	-
Line 75	Other Preliminary Survey and Investigation Charges (183.2)	-	-	-
Line 76	Clearing Accounts (184)	6.79	6.79	(0.00)
Line 77	Temporary Facilities (185)	-	-	-
Line 78	Miscellaneous Deferred Debits (186)	63,535,227.85	58,116,115.55	53,361,585.09
Line 79	Def. Losses from Disposition of Utility Plt. (187)	-	-	-
Line 80	Research, Devel. And Demonstration Expend. (188)	-	-	-
Line 81	Unamortized Loss on Reacquired Debt (189)	17,805,291.44	17,688,737.36	17,572,183.28
Line 82	Accumulated Deferred Income Tax (190)	771,825,895.18	771,790,401.16	771,754,907.14
Line 83	Unrecovered Purchased Gas Costs (191)	-	-	-
Line 84	Total Deferred Debits (lines 69 through 83)	1,385,281,880.54	1,371,292,162.84	1,413,328,451.39
Line 85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)	11,354,957,908.04	11,335,993,385.28	11,599,791,605.13
PROPRIETARY CAPITAL				
Line 2	Common Stock Issued (201)	56,583,866.43	56,583,866.43	56,583,866.43
Line 3	Preferred Stock Issued (204)	-	-	-
Line 4	Capital Stock Subscribed (202, 205)	-	-	-
Line 5	Stock Liability for Conversion (203, 206)	-	-	-
Line 6	Premium on Capital Stock (207)	4,234,635.00	4,234,635.00	4,234,635.00
Line 7	Other Paid-In Capital (208-211)	976,661,803.22	976,661,803.22	976,661,803.22
Line 8	Installments Received on Capital Stock (212)	-	-	-
Line 9	(Less) Discount on Capital Stock (213)	-	-	-
Line 10	(Less) Capital Stock Expense (214)	-	-	-
Line 12	Unappropriated Undistributed Subsidiary Earnings (216.1)	(5,968,838.40)	(5,940,323.85)	(5,910,124.57)
Line 13	(Less) Reacquired Capital Stock (217)	-	-	-
Line 14	Noncorporate Proprietorship (Nonmajor Only) (218)	-	-	-
Line 15	Accumulated Other Comprehensive Income (219)	(11,246,177.10)	(11,112,651.97)	(10,979,126.84)
Line 16	Total Proprietary Capital	2,356,267,516.02	2,358,862,603.82	2,403,130,512.70
LONG-TERM DEBT				
Line 18	Bonds (221)	-	-	-
Line 19	(Less) Reacquired Bonds (222)	-	-	-
Line 20	Advances from Associated Companies (223)	-	-	-
Line 21	Other Long-Term Debt (224)	2,928,877,260.24	2,929,314,181.45	2,929,750,419.66
Line 22	Unamortized Premium on Long-Term Debt (225)	-	-	-
Line 23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	8,659,899.10	8,620,813.34	8,581,727.58
Line 24	Total Long-Term Debt	2,920,217,361.15	2,920,693,368.12	2,921,168,692.09
OTHER NONCURRENT LIABILITIES				
Line 26	Obligations Under Capital Leases - Noncurrent (227)	328,487,186.60	325,702,353.23	324,524,437.74
Line 27	Accumulated Provision for Property Insurance (228.1)	-	-	-
Line 28	Accumulated Provision for Injuries and Damages (228.2)	127,795.34	40,120.80	35,570.90
Line 29	Accumulated Provision for Pensions and Benefits (228.3)	6,560,150.97	6,623,775.32	7,248,587.55
Line 30	Accumulated Miscellaneous Operating Provisions (228.4)	677,747.38	679,670.33	679,670.33
Line 31	Accumulated Provision for Rate Refunds (229)	12,266,561.78	13,121,834.13	13,465,424.48
Line 32	Long-Term Portion of Derivative Instrument Liabilities	64,681.37	224,832.13	65,231.26
Line 33	Long-Term Portion of Derivative Instrument Liabilities-Hedges	-	-	-
Line 34	Asset Retirement Obligations (230)	1,686,797,418.97	1,692,304,830.06	1,697,851,953.67
Line 35	Total Other Noncurrent Liabilities	2,034,981,542.42	2,038,697,416.00	2,043,870,875.94
CURRENT AND ACCRUED LIABILITIES				
Line 37	Notes Payable (231)	-	-	-
Line 38	Accounts Payable (232)	150,730,891.93	168,000,207.48	154,157,361.91
Line 39	Notes Payable to Associated Companies (233)	-	-	48,763,961.70
Line 40	Accounts Payable to Associated Companies (234)	64,762,086.10	60,020,795.07	70,858,921.02
Line 41	Customer Deposits (235)	38,399,303.60	38,311,415.27	38,643,357.90
Line 42	Taxes Accrued (236)	93,754,123.87	87,406,903.29	91,884,548.94
Line 43	Interest Accrued (237)	40,874,699.24	38,764,833.11	21,720,894.95
Line 44	Dividends Declared (238)	-	-	-
Line 45	Matured Long-Term Debt (239)	-	-	-
Line 46	Matured Interest (240)	-	-	-
Line 47	Tax Collections Payable (241)	6,947,167.43	7,459,681.69	9,487,475.98
Line 48	Miscellaneous Current and Accrued Liabilities (242)	104,654,175.49	96,389,564.27	54,438,143.36
Line 49	Obligations Under Capital Leases-Current (243)	134,390,572.26	128,922,411.58	128,141,736.70
Line 50	Derivative Instrument Liabilities (244)	476,271.73	1,210,312.53	325,052.01
Line 51	(Less) Long-Term Portion of Derivative Instrument Liabilities	64,681.37	224,832.13	65,231.26
Line 52	Derivative Instrument Liabilities-Hedges (245)	-	-	-
Line 53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges	-	-	-
Line 54	Total Current and Accrued Liabilities (lines 37 through 53)	634,924,610.27	626,261,292.14	618,356,223.20
DEFERRED CREDITS				
Line 56	Customer Advances for Construction (252)	-	-	-
Line 57	Accumulated Deferred Investment Tax Credits (255)	29,388,700.00	29,388,700.00	29,388,700.00
Line 58	Deferred Gains from Disposition of Utility Plant (256)	-	-	-

Indiana Michigan Power Company
Balance Sheets
January 31, February 28 and March 31, 2019

		Jan 2019	Feb 2019	Mar 2019
Line 59	Other Deferred Credits (253)	29,557,034.15	28,725,429.64	28,906,031.53
Line 60	Other Regulatory Liabilities (254)	1,635,045,388.28	1,623,005,465.47	1,831,417,650.24
Line 61	Unamortized Gain on Reacquired Debt (257)	7,988.84	7,846.18	7,703.52
Line 62	Accum. Deferred Income Taxes-Accel. Amort. (281)	17,764,010.25	17,764,010.25	17,764,010.25
Line 63	Accum. Deferred Income Taxes-Other Property (282)	969,543,568.30	965,327,065.30	978,521,017.30
Line 64	Accum. Deferred Income Taxes-Other (283)	727,260,188.37	727,260,188.37	727,260,188.37
Line 65	Total Deferred Credits	3,408,566,878.18	3,391,478,705.20	3,613,265,301.21
Line 66	Total Liabilities And Stockholder Equity	11,354,957,908.04	11,335,993,385.28	11,599,791,605.13

OPERATING ACTIVITIES

Adjustments to Reconcile Net Income to Net Cash Flows from Operating Activities and Changes in Certain Components or Working Capital:	
Net Income	\$ 259,372,239
Noncash Charges (Credits) to Income:	
Depreciation and Depletion	293,061,364
Amortization of Regulatory Debits and Credits (Net)	29,419
Deferred Income Taxes (Net)	(43,205,251)
Investment Tax Credit Adjustment (Net)	(4,686,927)
Net (Increase) Decrease in Receivables	757,848
Net (Increase) Decrease Inventory	(12,838,663)
Net (Increase) Decrease Allowances Inventory	1,562,362
Net Increase (Decrease) Payables and Accrued Expenses	30,189,389
Net (Increase) Decrease Other Regulatory Assets	86,644,643
Net Increase (Decrease) Other Regulatory Liabilities	18,952,582
(Less) Allowance for Other Funds Used During Construction	11,901,254
(Less) Undistributed Earnings from Subsidiary Companies	255,753
Other	(11,972,428)
Net Cash Provided by (Used in) Operating Activities	605,709,572

INVESTING ACTIVITIES

CASH FLOW FROM INVESTMENT ACTIVITIES:	
Construction and Acquisition of Plant (including land):	
Gross Additions to Utility Plant (less nuclear fuel)	(579,330,036)
Gross Additions to Nuclear Fuel	(47,045,636)
Gross Additions to Non Utility Plant	(868)
(Less) Allowance for Other Funds Used During Construction	(11,901,254)
Other (Provide details in footnote)	(1,231,876)
Cash Outflows for Plant	(615,707,162)
Proceeds from Disposal of Noncurrent Assets	11,276,095
Purchase of Investment Securities	(2,064,731,986)
Proceeds from Sales of Investment Securities	2,010,007,164
Other (Provide details in footnote)	4,795,579
(Increase) Decrease in Other Special Deposits	(400,927)
Net Cash Provided by (Used in) Investing Activities	(654,761,237)

FINANCING ACTIVITIES

CASH FLOW FROM FINANCING ACTIVITIES:	
Proceeds From Issuance of:	
Long-Term Debt - Issued	1,125,000,000
Long Term Issuances Costs	(12,357,202)
Other	46,621,497
Cash Provided by Outside Sources	1,159,264,295
Payments for Retirement of:	
Long-Term Debt - Retired	(776,578,238)
Notes Payable to Associated Companies - Retired	(207,847,057)
Dividends on Common Stock	(124,750,000)
Net Cash Provided by (Used in) Financing Activities	50,089,000
Net Increase Decrease in Cash and Cash Equivalents	1,037,335
Cash and Cash Equivalents at Beginning of Period	1,326,155
Cash and Cash Equivalents at End of Period	\$ 2,363,490

SUPPLEMENTARY INFORMATION

Cash Paid for Interest, Net of Capitalized Amounts	\$ 112,093,764
Net Cash Paid for Income Taxes	31,605,834
Noncash Acquisitions Under Capital Leases	61,256,092
Construction Expenditures Included in Accounts Payable @YTD Dec 2018	86,787,450
Construction Expenditures Included in Other Current Liabilities @YTD Dec 2018	884,145
Nuclear Fuel Expenditures Included in Accounts Payable @YTD Dec 2018	4,018,414

Indiana Michigan Power Company
Comparative Income Statements
Years Ended December 31, 2018 and 2017

	DECEMBER 2018	DECEMBER 2017
Utility Operating Income		
Operating Revenues (400)	2,284,142,641.75	2,051,641,009.28
Operating Expenses		
Operating Expenses (401)	1,251,039,275.98	1,184,121,791.09
Maintenance Expenses (402)	238,087,514.40	208,395,754.51
Depreciation Expense (403)	256,272,563.40	179,225,778.45
Depreciation Expense for Asset Retirement Costs (403.1)	2,017,955.99	1,723,493.28
Amort. & Depl. Of Utility Plant (404-405)	34,770,844.77	29,698,985.74
Amort. Of Utility Plant Acq. Adj. (406)	0.00	0.00
Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)	0.00	0.00
Amort. Of Conversion Expenses (407)	0.00	0.00
Regulatory Debits (407.3)	29,418.53	295,199.16
(Less) Regulatory Credits (407.4)	0.00	0.00
Taxes Other Than Income Taxes (408.1)	95,184,340.64	88,676,779.55
Income Taxes - Federal (409.1)	65,620,925.16	(107,960,155.55)
Income Taxes - Other (409.1)	15,997,680.74	(8,681,078.22)
Provision for Deferred Income Taxes (410.1)	2,453,657,433.61	616,452,503.35
(Less) Provision for Deferred Income Taxes-Cr (411.1)	2,498,631,479.43	419,844,969.73
Investment Tax Credit Adj. - Net (411.4)	(4,686,927.00)	(4,705,788.00)
(Less) Gains from Disp. Of Utility Plant (411.6)	938,029.12	285,054.00
Losses from Disp. Of Utility Plant (411.7)	0.00	0.00
(Less) Gains from Disposition of Allowances (411.8)	41,311.21	406.43
Losses from Disposition of Allowances (411.9)	0.00	0.00
Accretion Expense (411.10)	7,302,976.13	8,248,772.63
TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)	1,915,683,182.58	1,775,361,605.83
Net Util Oper Inc (Enter Tot. line 2 less 25) Carry to Pg 117, line 27	368,459,459.17	276,279,403.45
Net Util Oper Inc (Carried FORWARD FROM PAGE 114)	368,459,459.17	276,279,403.45
Other Income and Deductions		
Other Income		
Nonutility Operating Income		
Revenues From Merchandising, Jobbing & Contract Work (415)	0.00	0.00
(Less) Costs and Exp. Merchandising, Job. & Contract Work (416)	0.00	0.00
Revenues From Nonutility Operations (417)	145,196.60	0.00
(Less) Expenses of Nonutility Operations (417.1)	20,971.03	80.47
Nonoperating Rental Income (418)	287,664.91	50,470.89
Equity in Earnings of Subsidiary Companies (418.1)	255,752.62	384,897.38
Interest and Dividend Income (419)	2,835,235.19	1,653,850.92
Allowance for Other Funds Used During Construction (419.1)	11,901,253.57	11,055,694.71
Miscellaneous Nonoperating Income (421)	4,105,859.35	13,049,587.84
Gain on Disposition of Property (421.1)	941,869.56	(0.00)
TOTAL Other Income (Enter Total of lines 31 thru 40)	20,451,860.77	26,194,421.27
Other Income Deductions		
Loss on Disposition of Property (421.2)	0.00	0.00
Miscellaneous Amortization (425)	0.00	0.00
Donations (426.1)	1,893,597.82	511,422.88
Life Insurance (426.2)	0.00	0.00
Penalties (426.3)	81,396.29	(4,677.52)
Exp. For Certain Civic, Political & Related Activities (426.4)	1,331,893.65	1,009,052.34
Other Deductions (426.5)	10,164,892.02	3,027,326.08
TOTAL Other Income Deductions (Total of lines 43 thru 49)	13,471,779.78	4,543,123.78
Taxes Applic. To Other Income and Deductions		
Taxes Other Than Income Taxes (408.2)	216,597.58	201,584.90
Income Taxes - Federal (409.2)	(5,090,327.70)	1,247,169.47
Income Taxes - Other (409.2)	(170,470.35)	459,918.29
Provision for Deferred Inc. Taxes (410.2)	5,654,188.85	15,335,740.39
(Less) Provision for Deferred Income Taxes-Cr (411.2)	3,885,393.54	10,168,752.12
Investment Tax Credit Adj.-Net (411.5)	0.00	0.00
(Less) Investment Tax Credits (420)	0.00	0.00

Indiana Michigan Power Company
Comparative Income Statements
Years Ended December 31, 2018 and 2017

	DECEMBER 2018	DECEMBER 2017
TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)	(3,275,405.16)	7,075,660.93
Net Other Income and Deductions (Total of lines 41, 50, 59)	10,255,486.15	14,575,636.56
Interest Charges		
Interest on Long-Term Debt (427)	115,645,150.95	100,206,743.56
Amort. Of Debt Disc. And Expense (428)	2,440,849.62	2,129,649.25
Amortization of Loss on Reacquired Debt (428.1)	1,368,596.57	1,252,843.63
(Less) Amort. Of Premium on Debt-Credit (429)	0.00	0.00
(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)	1,711.92	1,711.92
Interest on Debt to Assoc. Companies (430)	2,049,144.79	2,865,466.33
Other Interest Expense (431)	5,222,857.31	7,523,658.16
(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)	7,382,181.23	6,705,457.26
Net Interest Charges (Total of lines 62 thru 69)	119,342,706.09	107,271,191.75
Income Before Extraordinary Items (Total of lines 27, 60 and 70)	259,372,239.23	183,583,848.26
Extraordinary Items		
Extraordinary Income (434)	0.00	0.00
(Less) Extraordinary Deductions (435)	0.00	0.00
Net Extraordinary Items (Total of line 73 less line 74)	0.00	0.00
Income Taxes-Federal and Other (409.3)	0.00	0.00
Extraordinary Items After Taxes (line 75 less line 76)	0.00	0.00
Net Income (Total of line 71 and 77)	259,372,239.23	183,583,848.26

Indiana Michigan Power Company
Income Statement
Months Ended January 31, February 28 and March 31, 2019

Account	Description	January 2019	February 2019	March 2019
Line 1	Utility Operating Income			
Line 2	Operating Revenues (400)	218,126,842.99	197,022,832.84	195,184,714.10
Line 3	Operating Expenses			
Line 4	Operating Expenses (401)	118,951,490.70	107,817,733.30	89,568,683.83
Line 5	Maintenance Expenses (402)	19,352,319.05	19,605,949.83	19,317,589.19
Line 6	Depreciation Expense (403)	25,246,454.89	25,331,453.61	25,700,388.46
Line 7	Depreciation Expense for Asset Retirement Costs (403.1)	1,726,033.71	(1,317,869.94)	192,368.96
Line 8	Amort. & Depl. Of Utility Plant (404-405)	3,208,864.46	3,203,927.63	2,809,611.38
Line 9	Amort. Of Utility Plant Acq. Adj. (406)	0.00	0.00	0.00
Line 10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (	0.00	0.00	0.00
Line 11	Amort. Of Conversion Expenses (407)			
Line 12	Regulatory Debits (407.3)	26,545.22	26,149.43	24,525.09
Line 13	(Less) Regulatory Credits (407.4)	0.00	0.00	0.00
Line 14	Taxes Other Than Income Taxes (408.1)	8,987,902.59	8,302,711.35	9,123,452.52
Line 15	Income Taxes - Federal (409.1)	6,677,750.56	4,752,395.38	959,781.92
Line 16	Income Taxes - Other (409.1)	0.00	0.00	0.00
Line 17	Provision for Deferred Income Taxes (410.1)	(6,026,195.00)	(4,216,503.00)	10,242,698.00
Line 18	(Less) Provision for Deferred Income Taxes-Cr (411.1)	0.00	0.00	13,935,621.00
Line 19	Investment Tax Credit Adj. - Net (411.4)	0.00	0.00	0.00
Line 20	(Less) Gains from Disp. Of Utility Plant (411.6)	30,711.00	30,709.00	30,709.00
Line 21	Losses from Disp. Of Utility Plant (411.7)	0.00	0.00	0.00
Line 22	(Less) Gains from Disposition of Allowances (411.8)	65,413.42	0.00	89.67
Line 23	Losses from Disposition of Allowances (411.9)	0.00	0.00	0.00
Line 24	Accretion Expense (411.10)	(1,002,485.26)	2,033,584.97	505,739.67
Line 25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)	177,052,556.50	165,508,823.56	144,478,419.35
Line 26	Net Util Oper Inc (Enter Tot. line 2 less 25) Carry to Pg 117, line 27	41,074,286.49	31,514,009.28	50,706,294.75
Line 27	Net Util Oper Inc (Carried FORWARD FROM PAGE 114)	41,074,286.49	31,514,009.28	50,706,294.75
Line 28	Other Income and Deductions			
Line 29	Other Income			
Line 30	Nonutility Operating Income			
Line 31	Revenues From Merchandising, Jobbing & Contract Work (415)	0.00	0.00	0.00
Line 32	(Less) Costs and Exp. Merchandising, Job. & Contract Work (416)	0.00	0.00	0.00
Line 33	Revenues From Nonutility Operations (417)	0.00	12,977.65	12,993.24
Line 34	(Less) Expenses of Nonutility Operations (417.1)	0.00	678.60	160.61
Line 35	Nonoperating Rental Income (418)	4,142.80	2,797.36	3,827.11
Line 36	Equity in Earnings of Subsidiary Companies (418.1)	64,825.30	28,514.55	30,199.28
Line 37	Interest and Dividend Income (419)	(43,757.08)	18,722.21	4,612.19
Line 38	Allowance for Other Funds Used During Construction (419.1)	1,517,990.40	1,540,837.33	3,189,147.23
Line 39	Miscellaneous Nonoperating Income (421)	(213,420.84)	(219,029.42)	(216,663.76)
Line 40	Gain on Disposition of Property (421.1)	0.00	0.00	0.00
Line 41	TOTAL Other Income (Enter Total of lines 31 thru 40)	1,329,780.58	1,384,141.08	3,023,954.68
Line 42	Other Income Deductions			
Line 43	Loss on Disposition of Property (421.2)	0.00	0.00	0.00
Line 44	Miscellaneous Amortization (425)	0.00	0.00	0.00
Line 45	Donations (426.1)	163,345.55	64,895.10	126,620.05
Line 46	Life Insurance (426.2)	0.00	0.00	0.00
Line 47	Penalties (426.3)	60.06	381.48	161.58
Line 48	Exp. For Certain Civic, Political & Related Activities (426.4)	205,347.57	84,086.39	96,727.64
Line 49	Other Deductions (426.5)	890,110.31	1,025,765.23	967,296.25
Line 50	TOTAL Other Income Deductions(Total of lines 43 thru 49)	1,258,863.49	1,175,128.20	1,190,805.52
Line 51	Taxes Applic. To Other Income and Deductions			
Line 52	Taxes Other Than Income Taxes (408.2)	17,775.00	17,775.00	17,775.00
Line 53	Income Taxes - Federal (409.2)	(183,352.56)	(208,292.38)	(759,338.92)
Line 54	Income Taxes - Other (409.2)	0.00	0.00	0.00
Line 55	Provision for Deferred Inc. Taxes (410.2)	0.00	0.00	0.00
Line 56	(Less) Provision for Deferred Income Taxes-Cr (411.2)	0.00	0.00	0.00
Line 57	Investment Tax Credit Adj.-Net (411.5)	0.00	0.00	0.00
Line 58	(Less) Investment Tax Credits (420)	0.00	0.00	0.00
Line 59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-5	(165,577.56)	(190,517.38)	(741,563.92)
Line 60	Net Other Income and Deductions (Total of lines 41, 50, 59)	236,494.65	399,530.26	2,574,713.08
Line 61	Interest Charges			
Line 62	Interest on Long-Term Debt (427)	9,277,607.50	9,214,044.39	9,284,987.88
Line 63	Amort. Of Debt Disc. And Expense (428)	180,256.70	180,256.70	180,256.70
Line 64	Amortization of Loss on Reacquired Debt (428.1)	133,800.20	133,800.20	133,800.20
Line 65	(Less) Amort. Of Premium on Debt-Credit (429)	0.00	0.00	0.00
Line 66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)	142.66	142.66	142.66
Line 67	Interest on Debt to Assoc. Companies (430)	22,497.59	20,703.65	65,051.10
Line 68	Other Interest Expense (431)	419,052.63	662,613.94	538,548.97
Line 69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (	721,327.56	759,299.35	1,055,878.10
Line 70	Net Interest Charges (Total of lines 62 thru 69)	9,311,744.40	9,451,976.87	9,146,624.09
Line 71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)	31,999,036.74	22,461,562.67	44,134,383.74
Line 72	Extraordinary Items			
Line 73	Extraordinary Income (434)	0.00	0.00	0.00
Line 74	(Less) Extraordinary Deductions (435)	0.00	0.00	0.00
Line 75	Net Extraordinary Items (Total of line 73 less line 74)	0.00	0.00	0.00
Line 76	Income Taxes-Federal and Other (409.3)	0.00	0.00	0.00
Line 77	Extraordinary Items After Taxes (line 75 less line 76)	0.00	0.00	0.00
Line 78	Net Income (Total of line 71 and 77)	31,999,036.74	22,461,562.67	44,134,383.74

Indiana Michigan Power Company
Rate of Return Summary
As of 12/31/2018

Line	(a)	(b)	(c)	(d)	(e)
No.	Description	Total Company Capitalization	Percent of Total	% Cost Rate ⁽¹⁾	% Weighted Average Cost Rate
1		\$			
2	Long Term Debt	2,654,833,358	41.07%	4.45%	1.83%
3	Common Equity	2,352,848,356	36.40%	9.95%	3.62%
4	Customer Deposits	35,498,703	0.55%	2.00%	0.01%
5	ADFIT ⁽²⁾	1,391,615,847	21.53%	0.00%	0.00%
6	ADITC ⁽³⁾	<u>29,388,700</u>	<u>0.45%</u>	7.03%	<u>0.03%</u>
7					
8	Total	<u>6,464,184,965</u>	100.00%		<u>5.49%</u>
9					
10					
11					
12	<u>Cost of Investor Supplied Capital</u>				
13	Long Term Debt	2,654,833,358	53.02%	4.45%	2.36%
14	Common Equity	<u>2,352,848,356</u>	<u>46.98%</u>	9.95%	<u>4.67%</u>
15	Total	5,007,681,714	100.00%		7.03%

⁽¹⁾ Current authorized ROE per Cause No. 44967

⁽²⁾ Accumulated Deferred Federal Income Tax

⁽³⁾ Accumulated Deferred Job Development Investment Tax Credits

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	226000X	181000X	189000X	(j)	(k)	(l)	(m)	(n)
	DESCRIPTION	INT. RATE	DATE OF OFFERING	DATE OF MATURITY	TERM IN YEARS	PRINCIPAL AMOUNT (A) OUTSTANDING	ORIGINAL PRINCIPAL AMOUNT	ORIGINAL PREMIUM (DISCOUNT) (EXPENSE)	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)*(o)+(p)		
Line No.		%				\$	\$	\$			\$	%	\$	\$		
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 I	1.81	5/22/2008	10/1/2019	11	25,000,000	25,000,000	0	(179,337)	(1,383,267)	23,437,396	2.44%	25,000	635,000		
5	LAWRENCEBURG, 2008 SERIES H	1.81	5/20/2008	11/1/2021	13	52,000,000	52,000,000	0	(277,847)	(2,724,991)	48,997,162	2.31%	52,000	1,253,200		
6	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		
7	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		
8	TOTAL POLLUTION CONT. REV. BONDS					267,000,000	267,000,000	(1,045,037)	(4,343,379)	(8,780,443)	252,831,141		77,000	7,821,200		
9																
10	SENIOR UNSECURED NOTES:															
11	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		
12	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		
13	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		
14	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		
15	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		
16	I&M SERIES N	4.25	8/8/2018	8/15/2048	30	475,000,000	475,000,000	(2,717,000)	(4,926,878)	(10,665,268)	456,690,854	4.48%	0	21,280,000		
17	TOTAL SENIOR UNSECURED NOTES					2,175,000,000	2,175,000,000	(9,954,000)	(52,847,169)	(10,665,268)	2,101,533,563		0	101,470,000		
18																
19	TERM LOAN FACILITY:															
20	3-YEAR TERM LOAN	3.66	5/9/2018	5/9/2021	3	200,000,000	200,000,000	0	(508,528)	0	199,491,472	3.75%	35,000	7,535,000		
21	TOTAL TERM LOAN FACILITIES:					200,000,000	200,000,000	0	(508,528)	0	199,491,472		35,000	7,535,000		
22																
23	OTHER DEBT:															
24	FORT WAYNE LEASE	6.00	3/1/2010	3/1/2025	15	12,833,358	26,802,388	0	0	0	26,802,388	6.00%	0	770,001		
25	TOTAL OTHER DEBT:					12,833,358	26,802,388	0	0	0	26,802,388		0	770,001		
26																
27	TOTAL LONG TERM DEBT					2,654,833,358	2,668,802,388	(10,999,037)	(57,699,076)	(19,445,711)	2,580,658,564		112,000	117,596,201		
28	ANNUAL AMORTIZATION UNREFUNDED REDEEMED													501,410		
29	TOTAL COST OF LONG TERM DEBT													118,097,611		
30																
31	WEIGHTED AVERAGE COST OF DEBT					118,097,611	DIVIDED BY	2,654,833,358			EQUALS	4.450%				
32																
33																
34	(A) DISCOUNT ON REACQUIRED DEBT IS RECORDED IN A/C 421 AND IS NOT															
35	AMORTIZED. PREMIUM ON REACQUIRED DEBT IS RECORDED IN A/C 189 AND															
36	AMORTIZED OVER THE LIFE OF THE ISSUE WHICH REPLACES THE REACQUIRED ISSUE.															
37																
38	(B) VARIABLE INTEREST RATES FORECASTED AS OF DECEMBER 31, 2018															
39																
40	(C) EXCLUDES SPENT NUCLEAR FUEL DISPOSAL COSTS AND ALL RELATED INTEREST															
41	WHICH IS RECOVERED THROUGH COST-OF- SERVICE EXPENSE PROVISION.															
42																
43	(D) HEDGING GAINS (LOSSES) ARE INCLUDED IN ORIGINAL EXPENSE: \$(16,028,474) LOSS ON SERIES H AND (\$16,064,895) LOSS ON SERIES J.															
44																
45	(E) AMORTIZATION OF OTHER COSTS INCLUDE INSURANCE PREMIUMS AND REMARKETING FEES.															

Indiana Michigan Power Company
SUMMARY OF INCOME TAX EXPENSE
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.	Summary Information	(1) Total Company Per Books 12 Mo. 12/31/18	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Assign & Adjust.	(4) Other Regulatory Items	(5) Total Company Electric Utility After Assignment	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
1	NET ELECTRIC OPERATING INCOME BEFORE INCOME TAX	391,264,956	-	391,264,956	-	391,264,956	-	391,264,956
2	Interest Expense Synchronized	119,342,706	343,124	118,999,582	-	118,999,582	-	118,999,582
3	Other Income & Deductions - Net	15,918,719	15,918,719	-	-	-	-	-
4	PRE-TAX BOOK INCOME BEFORE STATE INCOME TAX	287,840,969	15,575,595	272,265,374	-	272,265,374	-	272,265,374
5	Current State Income Tax Expense	15,827,210	4,641,817	11,185,393	-	11,185,393	-	11,185,393
6	PRE-TAX BOOK INCOME BEFORE FEDERAL INCOME TAX	272,013,759	10,933,778	261,079,981	-	261,079,981	-	261,079,981
7								
8								
9								
10	Current FIT Expense	60,530,597	19,492,868	41,037,729	0	41,037,729	0	41,037,729
11								
12	Deferred FIT Expense	(44,346,768)	(27,482,221)	(16,864,547)	0	(16,864,547)	0	(16,864,547)
13								
14	Deferred ITC Expense	(4,686,927)	0	(4,686,927)	0	(4,686,927)	0	(4,686,927)
15								
16	Total FIT Expense	11,496,902	(7,989,353)	19,486,255	0	19,486,255	0	19,486,255
17								
18								
19	Effective Federal Income Tax Rate	4.23%		7.46%		7.46%		7.46%

Indiana Michigan Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.	Item Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Total Company Per Books 12 Mo. 12/31/18	Less Non-Utility/ Non-Applicable	Total Company Electric Utility Before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
1	NET ELECTRIC OPERATING INCOME BEFORE INCOME TAX	391,264,956	-	391,264,956	-	391,264,956	-	391,264,956
2	Interest Expense Synchronized	119,342,706	343,124	118,999,582	-	118,999,582	-	118,999,582
3	Other Income & Deductions (Before Income Tax)	15,918,719	15,918,719	-	-	-	-	-
4	PRE-TAX BOOK INCOME BEFORE STATE INCOME TAX	287,840,969	15,575,595	272,265,374	-	272,265,374	-	272,265,374
5	Current State Income Tax Expense	15,827,210	4,641,817	11,185,393	-	11,185,393	-	11,185,393
6	PRE-TAX BOOK INCOME BEFORE FEDERAL INCOME TAX	272,013,759	10,933,778	261,079,981	-	261,079,981	-	261,079,981
7								
8	EXCESS TAX vs BOOK DEPRECIATION							
9	210A LIBERALIZED DEPR-REG	4,953	-	4,953	-	4,953	-	4,953
10	210A-XS EXCESS DFIT - LIBERALIZED DEPR-REG	-	-	-	-	-	-	-
11	220A CLS LIFE DEPR (ADR)-REG	1,680	-	1,680	-	1,680	-	1,680
12	220A-XS EXCESS DIT - CLADR DEPR - REG	-	-	-	-	-	-	-
13	230A ACRS BENEFIT NORMALIZED	(108,974,611)	-	(108,974,611)	-	(108,974,611)	-	(108,974,611)
14	230A-XS EXCESS DIT - ACRS NORM REVERSAL	-	-	-	-	-	-	-
15	230I CAPD INTEREST-SECTION 481(a)-CHANGE IN METHD	33,887	-	33,887	-	33,887	-	33,887
16	230J RELOCATION CST-SECTION 481(a)-CHANGE IN METHD	175,986	-	175,986	-	175,986	-	175,986
17	230K PJM INTEGRATION-SEC 481(a)-INTANG-DFD LABOR	175,023	-	175,023	-	175,023	-	175,023
18	230X R&D DEDUCTION - SECTION 174	(8,300,000)	-	(8,300,000)	-	(8,300,000)	-	(8,300,000)
19	232C ACRS NORM - RKPT U1	17,868,000	-	17,868,000	-	17,868,000	-	17,868,000
20	232C-XS EXCESS DIT - ACRS NORM RKPT U1	-	-	-	-	-	-	-
21	232K ACRS NORM - RKPT U2	2,364,000	-	2,364,000	-	2,364,000	-	2,364,000
22	232K-XS EXCESS DIT - ACRS NORM RKPT U2	-	-	-	-	-	-	-
23	232M ACRS NORM - RKPT SPARE PARTS	(240,000)	-	(240,000)	-	(240,000)	-	(240,000)
24	232M-XS EXCESS DIT - ACRS NORM RKPT SPRPTS	-	-	-	-	-	-	-
25	234H TAX > BK BASIS - THI SETTLEMNT	-	-	-	-	-	-	-
26	234Q MACRS TAX DEPRECIATION - RAILCARS	684,000	-	684,000	-	684,000	-	684,000
27	280A EXCESS TX VS S/L BK DEPR	26,974,000	-	26,974,000	-	26,974,000	-	26,974,000
28	280D NON-UTIL EXCESS TAX VS BK DEPR	-	-	-	-	-	-	-
29	280H BK PLANT IN SERVICE - SFAS 143 - ARO	(302,142,656)	-	(302,142,656)	-	(302,142,656)	-	(302,142,656)
30	282A EXCESS TX VS S/L BK DEPR RKPT2	9,588,000	-	9,588,000	-	9,588,000	-	9,588,000
31	282B EX TX VS SL BK DEPR-RKPT SPARE	(5,076,000)	-	(5,076,000)	-	(5,076,000)	-	(5,076,000)
32	295A GAIN/LOSS ON ACRS/MACRS PROPERTY	-	-	-	-	-	-	-
33	295A GAIN/LOSS ON ACRS/MACRS PROPERTY - DFIT FBK	-	-	-	-	-	-	-
34	295C GAIN/LOSS ACRS/MACRS-BK/TX UNIT PROPERTY	-	-	-	-	-	-	-
35	295D TAX LOSS ON PLANT RETIREMENTS	-	-	-	-	-	-	-
36	390A CIAC - BOOK RECEIPTS	(72,213)	-	(72,213)	-	(72,213)	-	(72,213)
37	390B CIAC - BK RECTS-STEEL DYNAMICS	-	-	-	-	-	-	-
38	Total EXCESS TAX vs BOOK DEPRECIATION	(366,935,951)	-	(366,935,951)	-	(366,935,951)	-	(366,935,951)
39	=====							
40	AFUDC / INTEREST CAPITALIZED							
41	310A AOFUDC	(11,901,254)	(11,901,254)	-	-	-	-	-
42	320A ABFUDC	(6,690,243)	-	(6,690,243)	-	(6,690,243)	-	(6,690,243)
43	320A ABFUDC - DFIT FBK	-	-	-	-	-	-	-
44	320D ABFUDC-NUCLEAR FUEL	(691,938)	-	(691,938)	-	(691,938)	-	(691,938)
45	320D ABFUDC - NUCLEAR FUEL - DFIT FBK	-	-	-	-	-	-	-
46	320E ABFUDC - ROCKPORT SPARE PARTS	-	-	-	-	-	-	-
47	320G ABFUDC-RKPRT-SULL EHV	-	-	-	-	-	-	-
48	320K ABFUDC - ROCKPORT UNIT 1	-	-	-	-	-	-	-
49	320L ABFUDC - ROCKPORT UNIT 2	-	-	-	-	-	-	-
50	320M ABFUDC- RKPRT-JEFF EHV	-	-	-	-	-	-	-
51	320N ABFUDC-RKPRT PC U1	-	-	-	-	-	-	-
52	320Q ABFUDC - COOK U2 STEAM GNR	-	-	-	-	-	-	-
53	380J INT EXP CAPITALIZED FOR TAX	14,939,198	-	14,939,198	-	14,939,198	-	14,939,198
54	380J INT EXP CAPITALIZED FOR TAX - DFIT FBK	-	-	-	-	-	-	-
55	380L INT EXP CAPD - COOK U2 STEAM	-	-	-	-	-	-	-

Indiana Michigan Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 12/31/18	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Assign & Adjust.	(4) Other Regulatory Items	(5) Total Company Electric Utility After Assignment	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
56	380M TXBL INT INC CAP FOR BK-BFSHAW	-	-	-	-	-	-	-
57	380P INT EXP CAPD BK - THI SETTLE	-	-	-	-	-	-	-
58	380Q INT EXP CAPD TAX - RKPT SPARES	-	-	-	-	-	-	-
59	Total AFUDC / INTEREST CAPITALIZED	(4,344,237)	(11,901,254)	7,557,017	-	7,557,017	-	7,557,017
60	=====							
61	MISC OVERHEADS CAPITALIZED							
62	340A INVOL CONV RKPT U1-TURBINE	-	-	-	-	-	-	-
63	340B INVOL CONV RKPT U1-ASH HOPPER	-	-	-	-	-	-	-
64	350A TXS CAPD	-	-	-	-	-	-	-
65	350B TXS CAPD-COOK	-	-	-	-	-	-	-
66	350D TXS CAPD-ROCKPORT SPARE PARTS	-	-	-	-	-	-	-
67	350E TXS CAPD-RKPRT-SULL EHV	-	-	-	-	-	-	-
68	350F TXS CAPD - ROCKPORT UNIT 1	-	-	-	-	-	-	-
69	350G TXS CAPD - ROCKPORT UNIT 2	-	-	-	-	-	-	-
70	350H TXS CAPD - RKPRT-JEFF EHV	-	-	-	-	-	-	-
71	360A PENS CAPD	-	-	-	-	-	-	-
72	360B PENS CAPD-COOK	-	-	-	-	-	-	-
73	360D PENS CAPD-RKPRT-SULL EHV	-	-	-	-	-	-	-
74	360E PENS CAPD-ROCKPORT SPARE PARTS	-	-	-	-	-	-	-
75	360F PENS CAPD - ROCKPORT UNIT 1	-	-	-	-	-	-	-
76	360H PENS CAPD - RKPRT-JEFF EHV	-	-	-	-	-	-	-
77	360J SEC 481 PENS/OPEB ADJUSTMENT	-	-	-	-	-	-	-
78	370A SAV PLAN CAPD	-	-	-	-	-	-	-
79	370B SAV PLAN CAPD-COOK	-	-	-	-	-	-	-
80	370D SAV PLAN CAPD-RKPRT-SULL EHV	-	-	-	-	-	-	-
81	370E SAV PLAN CAPD-RKPT SPARE PARTS	-	-	-	-	-	-	-
82	370F SAV PLAN CAPD - ROCKPORT UNIT1	-	-	-	-	-	-	-
83	370H SAV PLAN CAPD - RKPRT-JEFF EHV	-	-	-	-	-	-	-
84	Total MISC OVERHEADS CAPITALIZED	-	-	-	-	-	-	-
85	=====							
86	PERCENT REPAIR ALLOWANCE							
87	532A PERCENT REPAIR ALLOWANCE	-	-	-	-	-	-	-
88	532A PERCENT REPAIR ALLOWANCE - DFIT FBK	-	-	-	-	-	-	-
89	532C BOOK/TAX UNIT OF PROPERTY ADJ	(32,567,000)	-	(32,567,000)	-	(32,567,000)	-	(32,567,000)
90	532D BK/TX UNIT OF PROPERTY ADJ - SECTION 481	12,064,000	-	12,064,000	-	12,064,000	-	12,064,000
91	534A CAPITALIZED RELOCATION COSTS	(2,129,000)	-	(2,129,000)	-	(2,129,000)	-	(2,129,000)
92	534A CAPITALIZED RELOCATION COSTS - DFIT FBK	-	-	-	-	-	-	-
93	Total PERCENT REPAIR ALLOWANCE	(22,632,000)	-	(22,632,000)	-	(22,632,000)	-	(22,632,000)
94	=====							
95	REMOVAL COSTS							
96	910K REMOVAL CST	(38,238,000)	-	(38,238,000)	-	(38,238,000)	-	(38,238,000)
97	910X REMOVAL COSTS-COOK U2 STM GNR	-	-	-	-	-	-	-
98	910Y REMOVAL COSTS-COOK U1 STM GNR	-	-	-	-	-	-	-
99	912K REMOVAL CST - NORMALIZED	(22,224,000)	-	(22,224,000)	-	(22,224,000)	-	(22,224,000)
100	Total REMOVAL COSTS	(60,462,000)	-	(60,462,000)	-	(60,462,000)	-	(60,462,000)
101	=====							
102	ACCELERATED AMORTIZATION							
103	533A TX AMORT POLLUTION CONT EQPT	(1,068,000)	-	(1,068,000)	-	(1,068,000)	-	(1,068,000)
104	533J TX ACCEL AMORT - CAPITALIZED SOFTWARE	(1,403,376)	-	(1,403,376)	-	(1,403,376)	-	(1,403,376)
105	Total ACCELERATED AMORTIZATION	(2,471,376)	-	(2,471,376)	-	(2,471,376)	-	(2,471,376)
106	=====							
107	PROPERTY TAX ADJUSTMENTS							
108	510B PROP TX-RKPT SPARES-WVA-TAX	6,726	-	6,726	-	6,726	-	6,726
109	510H PROPERTY TAX-NEW METHOD-BOOK	1,293,009	-	1,293,009	-	1,293,009	-	1,293,009
110	510I PROP TX-STATE 2-OLD METHOD-TX	-	-	-	-	-	-	-

Indiana Michigan Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 12/31/18	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Assign & Adjust.	(4) Other Regulatory Items	(5) Total Company Electric Utility After Assignment	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
111	510M PROP TAX-RKPT U2-OLD METHOD TX	95,141	-	95,141	-	95,141	-	95,141
112	Total PROPERTY TAX ADJUSTMENTS	1,394,876	-	1,394,876	-	1,394,876	-	1,394,876
113	=====							
114	REVENUE REFUNDS							
115	520A PROVS POSS REV REFDS	(19,901,343)	-	(19,901,343)	-	(19,901,343)	-	(19,901,343)
116	520V PROV REV REFED - WEST COAST ELECTRIC	-	-	-	-	-	-	-
117	520X PROV FOR RATE REFUND-TAX REFORM	16,741,571		16,741,571	-	16,741,571	-	16,741,571
118	520Y PROV FOR RATE REFUND-EXCESS PROTECTED	3,124,857		3,124,857	-	3,124,857	-	3,124,857
119	Total REVENUE REFUNDS	(34,915)	-	(34,915)	-	(34,915)	-	(34,915)
120	=====							
121	DEFERRED FUEL COSTS							
122	430I SI-UNRECD FUEL CSTS (CUR MO)	-	-	-	-	-	-	-
123	430J SM-UNRECD FUEL CSTS	14,897,213	-	14,897,213	-	14,897,213	-	14,897,213
124	430T UNRECOVERED FUEL INTEREST	-	-	-	-	-	-	-
125	Total DEFERRED FUEL COSTS	14,897,213	-	14,897,213	-	14,897,213	-	14,897,213
126	=====							
127	EQUITY IN EARNINGS OF SUBSIDIARIES							
128	531A EQTY IN SUBSIDIARIES (US)	(258,852)	(258,852)	-	-	-	-	-
129	Total EQUITY IN EARNINGS OF SUBSIDIARIES	(258,852)	(258,852)	-	-	-	-	-
130	=====							
131	BOOK ACCRUALS							
132	602A PROV WORKER'S COMP	506,792	-	506,792	-	506,792	-	506,792
133	605B ACCRUED BK PENSION EXPENSE	7,489,434	-	7,489,434	-	7,489,434	-	7,489,434
134	605C ACCRUED BK PENSION COSTS - SFAS 158	(13,467,529)	-	(13,467,529)	-	(13,467,529)	-	(13,467,529)
135	605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	178,115	-	178,115	-	178,115	-	178,115
136	605F ACCRD SUP EXEC RETIRE PLAN COSTS-SFAS 158	87,312	-	87,312	-	87,312	-	87,312
137	605I ACCRD BK SUP. SAVINGS PLAN EXP	16,609	-	16,609	-	16,609	-	16,609
138	605J EMPLOYER SAVINGS PLAN MATCH	-	-	-	-	-	-	-
139	605O ACCRUED PSI PLAN EXP	(2,479,142)	-	(2,479,142)	-	(2,479,142)	-	(2,479,142)
140	605V PROV RAD WASTE ACCRUAL - LT	311,217	-	311,217	-	311,217	-	311,217
141	605W PROV RAD WASTE ACCRUAL - ST	(582,145)	-	(582,145)	-	(582,145)	-	(582,145)
142	610A BK PROV UNCOLL ACCTS - ST	(109,568)	-	(109,568)	-	(109,568)	-	(109,568)
143	610D BK PROV UNCOLL ACCTS - LT	-	-	-	-	-	-	-
144	612G ACCRD COMPANYWIDE INCENT PLAN-ENGAGE TO GAIN	-	-	-	-	-	-	-
145	612Y ACCRD COMPANYWIDE INCENT PLAN	9,694,547	-	9,694,547	-	9,694,547	-	9,694,547
146	613C ACCRD ENVIRONMENTAL LIAB - CURRENT	-	-	-	-	-	-	-
147	613E ACCRUED BOOK VACATION PAY	(912,495)	-	(912,495)	-	(912,495)	-	(912,495)
148	613F ACCRD ENVIRONMENTAL LIAB - LONGTERM	-	-	-	-	-	-	-
149	613G ACCRD SEMCO ENVIRON REMEDIATION COSTS - LT	-	-	-	-	-	-	-
150	613K (ICDP) INCENTIVE COMP DEFERRAL PLAN	(190,309)	-	(190,309)	-	(190,309)	-	(190,309)
151	613L ACCRD SEMCO ENVIRON REMEDIATION COSTS - ST	(11,619)	-	(11,619)	-	(11,619)	-	(11,619)
152	613V ACCRD BK SEI EMPLOYEE BENEFIT COSTS	-	-	-	-	-	-	-
153	613Y ACCRD BK SEVERANCE BENEFITS	-	-	-	-	-	-	-
154	614L PROVISION FOR POTENTIAL LOSS	-	-	-	-	-	-	-
155	614W FORT WAYNE CITY LIGHTS SETTLEMENT	(349,106)	-	(349,106)	-	(349,106)	-	(349,106)
156	614Y FORT WAYNE CITY LIGHTS - INT EXP DIFFERENTIAL	(208,000)	(208,000)	-	-	-	-	-
157	614Z FORT WAYNE CITY LIGHTS - RIGHT TO SERVE SETTLE	914,591	-	914,591	-	914,591	-	914,591
158	615A ACCRUED INTEREST EXP -STATE	-	-	-	-	-	-	-
159	615B ACCRUED INTEREST-LONG-TERM - FIN 48	(291,752)	-	(291,752)	-	(291,752)	-	(291,752)
160	615C ACCRUED INTEREST-SHORT-TERM - FIN 48	(4,326)	-	(4,326)	-	(4,326)	-	(4,326)
161	615E ACCRUED STATE INCOME TAX EXP	-	-	-	-	-	-	-
162	615R REG ASSET - DEFERRED RTO COSTS	309,292	-	309,292	-	309,292	-	309,292
163	615Z IN CUSTOMER PROGRAM CONTRIBUTIONS S/T	175,000		175,000	-	175,000	-	175,000
164	625A FEDERAL MITIGATION PROGRAMS	(161,332)	-	(161,332)	-	(161,332)	-	(161,332)
165	625B STATE MITIGATION PROGRAMS	(175,690)	-	(175,690)	-	(175,690)	-	(175,690)
166	Total BOOK ACCRUALS	739,896	(208,000)	947,896	-	947,896	-	947,896
167	=====							

Indiana Michigan Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.	Item Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Total Company Per Books 12 Mo. 12/31/18	Less Non-Utility/ Non-Applicable	Total Company Electric Utility Before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
168	BOOK DEFERRALS							
169	390F CUST ADV INC FOR TAX	-	-	-	-	-	-	-
170	615O BK DFL RAIL TRANS REV/EXP	-	-	-	-	-	-	-
171	615T DEFD ENVIRON COMP COSTS & CARRY CHG	(330,159)	-	(330,159)	-	(330,159)	-	(330,159)
172	630F DEFD BK CONTRACT REVENUE	158,114	-	158,114	-	158,114	-	158,114
173	630I OUTAGE INSURANCE PREMIUMS	-	-	-	-	-	-	-
174	630J DEFD STORM DAMAGE	-	-	-	-	-	-	-
175	630M RATE CASE DEFD CHGS	(96,869)	-	(96,869)	-	(96,869)	-	(96,869)
176	630W RTD DEFD INCOME - A/C 190	-	-	-	-	-	-	-
177	630Y RTD DEFD EXPENSE - A/C 1283	-	-	-	-	-	-	-
178	632U BK DEFL - DEMAND SIDE MANAGEMENT	-	-	-	-	-	-	-
179	635C SM - OVER RECOVERED RCS COSTS	3,862,627	-	3,862,627	-	3,862,627	-	3,862,627
180	641I ADVANCE RENTAL INC (CUR MO)	22,413	-	22,413	-	22,413	-	22,413
181	660F REG ASSET - SFAS 143 - ARO	111,812	-	111,812	-	111,812	-	111,812
182	660G REG LIABILITY - SFAS 143 - ARO	(116,535,130)	-	(116,535,130)	-	(116,535,130)	-	(116,535,130)
183	660N REG ASSET - DEFD CARRY COST ON STR	-	-	-	-	-	-	-
184	660X REG ASSET - DEFERRED PJM FEES	-	-	-	-	-	-	-
185	660Z REG ASSET - DEFERRED EQUITY CARRYING CHGS	(48,804)	(48,804)	-	-	-	-	-
186	661R REG ASSET - SFAS 158 - PENSIONS	13,467,529	-	13,467,529	-	13,467,529	-	13,467,529
187	661S REG ASSET - SFAS 158 - SERP	(87,312)	-	(87,312)	-	(87,312)	-	(87,312)
188	661T REG ASSET - SFAS 158 - OPEB	(20,477,004)	-	(20,477,004)	-	(20,477,004)	-	(20,477,004)
189	663E REG ASSET - ENVIRON COMPLIANCE CAR	-	-	-	-	-	-	-
190	663F REG ASSET - OSS MARGIN SHARING	8,956,170	-	8,956,170	-	8,956,170	-	8,956,170
191	663G REG ASSET - UNDERRECOVERY PJM EXPENSES	48,010,285	-	48,010,285	-	48,010,285	-	48,010,285
192	663H REG ASSET - NSR CONSENT DECREE	-	-	-	-	-	-	-
193	663O REG ASSET - UNDERRECOVERY-DSM ENER	679,843	-	679,843	-	679,843	-	679,843
194	663Q REG ASSET - UND/REC - CCT RIDER CAR CHG	-	-	-	-	-	-	-
195	663R REG ASSET - UND/REC CCTR PST APP ADD	-	-	-	-	-	-	-
196	663-- REG ASSET - CARBON CAPTURE / FEED STUDY	-	-	-	-	-	-	-
197	664L REG ASSET - DEFD NUC DECOM STUDY CO	-	-	-	-	-	-	-
198	664M REG ASSET - ENHANCED COOK PLT SECURITY	-	-	-	-	-	-	-
199	664N REG ASSET - DEFD SEVERANCE COSTS	-	-	-	-	-	-	-
200	664P REG ASSET - DEFD EVSE PROGRAM COSTS	(12,727)	-	(12,727)	-	(12,727)	-	(12,727)
201	664V REG ASSET - NET CCS FEED STUDY COSTS	-	-	-	-	-	-	-
202	665X REG ASSET - DEFD COOK TURBINE REPL COST - MICH	440,811	-	440,811	-	440,811	-	440,811
203	667C REG ASSET - TURBINE REPL UNRECOG EQ CC	(309,028)	(309,028)	-	-	-	-	-
204	667D REG ASSET - DEFD TUBINE REPLACE EXP CC	762,500	762,500	-	-	-	-	-
205	667E REG ASSET - UNRECOVERED RES-MI	-	-	-	-	-	-	-
206	667P REG ASSET - RES CARRYING COSTS-MI	8,944	8,944	-	-	-	-	-
207	667R REG ASSET - RES UNRECOGNIZED EQUITY	-	-	-	-	-	-	-
208	667T REG ASSET - BAFFLE BOLTS	299,936	-	299,936	-	299,936	-	299,936
209	667U REG ASSET - MI DEFERRED DEPR-COOK	(264,081)	-	(264,081)	-	(264,081)	-	(264,081)
210	667V REG ASSET - MI CARRYING CHARGE-COOK	(1,637,881)	(1,637,881)	-	-	-	-	-
211	667W REG ASSET - MI CC-COOK LCM-UNREC EQ	391,479	391,479	-	-	-	-	-
212	667X REG ASSET - IN UNDER RECOVERY CAPACITY	-	-	-	-	-	-	-
213	667Y REG ASSET - IN COOK TURBINE CC EQUITY	219,113	219,113	-	-	-	-	-
214	667Z REG ASSET - IN COOK TURBINE CC	(1,019,570)	(1,019,570)	-	-	-	-	-
215	668D REG ASSET - IN CARRYING CHARGES COOK PLANT LCM UI	20,344	20,344	-	-	-	-	-
216	668E REG ASSET - IN CARRYING CHARGES COOK PLANT LCM	4,482,050	4,482,050	-	-	-	-	-
217	668H REG ASSET-MI DEFERRED PROP TAX-CC	65,333	-	65,333	-	65,333	-	65,333
218	668I REG ASSET - IN DEFERRED PROP TAX-COOK	(371,292)	-	(371,292)	-	(371,292)	-	(371,292)
219	668J REG ASSET - IN DEFERRED DEPRECIATION	(4,357,736)	-	(4,357,736)	-	(4,357,736)	-	(4,357,736)
220	668S REG ASSET-EO FINANCIAL INCENTIVES	-	-	-	-	-	-	-
221	668T REG ASSET-MI CARRYING CHARGE-EECO	35,670	35,670	-	-	-	-	-
222	668U REG ASSET-MI CC-EECO UNREC EQUITY	(16,534)	(16,534)	-	-	-	-	-
223	668V REG ASSET-MI DSM-EECO	(7,059)	-	(7,059)	-	(7,059)	-	(7,059)
224	669D REG ASSET-IN EECO EQUITY CC-RES	-	-	-	-	-	-	-
225	669E REG ASSET-IN EECO EQUITY CC-C&I	-	-	-	-	-	-	-

Indiana Michigan Power Company
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Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.	Item Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Total Company Per Books 12 Mo. 12/31/18	Less Non-Utility/ Non-Applicable	Total Company Electric Utility Before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
226	669F REG ASSET-IN EECO TOTAL CC-RES	-	-	-	-	-	-	-
227	669G REG ASSET-EECO TOTAL-CC-C&I	-	-	-	-	-	-	-
228	669H REG ASSET-IN DSM UNDER RECOV C&I	(1,003,471)	-	(1,003,471)	-	(1,003,471)	-	(1,003,471)
229	669I REG ASSET-IN DSM UNDER RECOV NON	1,232,943	-	1,232,943	-	1,232,943	-	1,232,943
230	669L REG ASSET - ABANDONED PLANT STRANDED COSTS	-	-	-	-	-	-	-
231	669N REG ASSET-ROCKPORT DSI DEPR-80PCT	-	-	-	-	-	-	-
232	669O REG ASSET-ROCKPORT DSI DEPR-20PCT	(509,426)	-	(509,426)	-	(509,426)	-	(509,426)
233	669P REG ASSET-ROCKPORT DSI CC-80PCT	-	-	-	-	-	-	-
234	669Q REG ASSET-ROCKPORT DSI EQUITY CC	-	-	-	-	-	-	-
235	669R REG ASSET-ROCKPORT DSI CC-20PCT	(268,563)	(268,563)	-	-	-	-	-
236	669S REG ASSET-ROCKPORT DSI EQ CC-20PCT	59,943	59,943	-	-	-	-	-
237	669T REG ASSET-CARRY CHARGES-MI LOST REVENUES	20,081	20,081	-	-	-	-	-
238	669W REG ASSET-MI NET LOST REVENUES-CONTRA	(3,882,708)	-	(3,882,708)	-	(3,882,708)	-	(3,882,708)
239	669Z REG ASSET-IN DEFERRED LCM-E3 COST	62,098	-	62,098	-	62,098	-	62,098
240	670D REG ASSET-IN TOTAL E3 CARRYING COSTS	3,432	3,432	-	-	-	-	-
241	670F REG ASSET-IN E3 EQUITY CARRYING COSTS	(444)	(444)	-	-	-	-	-
242	670H REG ASSET-IN DEF-O&M-DSI-20%	(9,203)	-	(9,203)	-	(9,203)	-	(9,203)
243	670I REG ASSET-IN DEF CONSUM DSI-20%	(401,895)	-	(401,895)	-	(401,895)	-	(401,895)
244	670P REG ASSET-IN DEF-PROP TX-DSI-20%	5,380	-	5,380	-	5,380	-	5,380
245	670S REG ASSET-MI DEFD DEPR-EECO	7,077	-	7,077	-	7,077	-	7,077
246	670T REG ASSET - IN CARRY CHGS-CESPP	-	-	-	-	-	-	-
247	670U REG ASSET - IN CAR CHGS-UNREC EQTY	-	-	-	-	-	-	-
248	670V REG ASSET - IN DEFERRED CESPP-O&M	-	-	-	-	-	-	-
249	671Z REG ASSET - IN DEFD DEPR-CESPP	(151,863)	-	(151,863)	-	(151,863)	-	(151,863)
250	672B REG ASSET - IN GPR MKTG EXP-CESPP	-	-	-	-	-	-	-
251	672E REG ASSET - RES SOLAR CARRYING COSTS	-	-	-	-	-	-	-
252	673D REG ASSET - IN DEFD PROP TAX-CESPP	-	-	-	-	-	-	-
253	673E REG ASSET - IN DEFD GPR MKTG EXP-CESPP	(17,606)	-	(17,606)	-	(17,606)	-	(17,606)
254	673M REG ASSET - COOK UPRATE PROJECT	1,271,714	-	1,271,714	-	1,271,714	-	1,271,714
255	674F REG ASSET-DSM DEFD LOAD MGT PROG COSTS	(3,345,997)	-	(3,345,997)	-	(3,345,997)	-	(3,345,997)
256	674G REG ASSET-DEFD DEPREC-ROCKPORT U2	(1,312,643)	-	(1,312,643)	-	(1,312,643)	-	(1,312,643)
257	674J REG ASSET-PJM EXP & OSS MARGIN SHARING	(20,085,379)	-	(20,085,379)	-	(20,085,379)	-	(20,085,379)
258	674P REG ASSET-MI LOW-INCOME COST RECSURCHG	(2,049)	-	(2,049)	-	(2,049)	-	(2,049)
259	674Q REG ASSET-MI LOW-INC CST RECSUR-CONTRA	2,049	-	2,049	-	2,049	-	2,049
260	674V REG ASSET-IN ROCKPORT UNDER-RECOVERY	(93,290)	-	(93,290)	-	(93,290)	-	(93,290)
261	690L REG ASSET - M&S RETIRING PLANTS	-	-	-	-	-	-	-
262	Total BOOK DEFERRALS	(91,996,033)	2,702,732	(94,698,765)	-	(94,698,765)	-	(94,698,765)
263	=====							
264	BOOK RESERVES							
265	611Y PROVISION FOR LITIGATION	-	-	-	-	-	-	-
266	Total BOOK RESERVES	-	-	-	-	-	-	-
267	=====							
268	OTHER MISCELLANEOUS							
269	003F FERC ORDER 144 CATCH UP (FR) A/L	-	-	-	-	-	-	-
270	003I-XS EXCESS-EX L/T DFIT TX RESERVE - 1986TRA (TC)	-	-	-	-	-	-	-
271	003K-XS EXCESS-EX L/T DFIT TX RESERVE - NUC DECOM	-	-	-	-	-	-	-
272	003L-XS EXCESS-EX L/T DFIT TX RESRV - SNF	-	-	-	-	-	-	-
273	003M-EFB FERC - MPCO DEFD FIT @ MERGER (TC)	-	-	-	-	-	-	-
274	011C-DFIT TAX CREDIT CARRYFORWARD	-	-	-	-	-	-	-
275	690F REG ASSET - NBV-ARO-RETIRED PLANTS	-	-	-	-	-	-	-
276	900A LOSS ON REACQUIRED DEBT	(9,534,336)	-	(9,534,336)	-	(9,534,336)	-	(9,534,336)
277	900F BK DEFL-GAIN REACQUIRED DEBT	(1,712)	-	(1,712)	-	(1,712)	-	(1,712)
278	900I REG ASSET - REACQ DEBT-RKPT U2	206,953	-	206,953	-	206,953	-	206,953
279	905I POST RETIREMENT BEN - PAYMENT	-	-	-	-	-	-	-
280	906A ACCRD SFAS 106 PST RETIRE EXP	(9,863,360)	-	(9,863,360)	-	(9,863,360)	-	(9,863,360)
281	906C DEFD SFAS 106 BOOK COSTS	-	-	-	-	-	-	-
282	906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	-	-	-	-	-	-	-
283	906F ACCRD OPEB COSTS - SFAS 158	20,477,004	-	20,477,004	-	20,477,004	-	20,477,004

Indiana Michigan Power Company
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		Total Company Per Books 12 Mo. 12/31/18	Less Non-Utility/ Non-Applicable	Total Company Electric Utility Before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
284	906K ACCRD SFAS 112 PST EMPLOY BEN	(2,497,183)	-	(2,497,183)	-	(2,497,183)	-	(2,497,183)
285	906P ACCRD BOOK ARO EXPENSE - SFAS 143	359,545,869	-	359,545,869	-	359,545,869	-	359,545,869
286	906Z SFAS 106 - MEDICARE SUBSIDY - (PPACA)	1,020,135	-	1,020,135	-	1,020,135	-	1,020,135
287	907A REG ASSET - MEDICARE SUBSIDY - FLOW THRU	-	-	-	-	-	-	-
288	907B SFAS 106 - MEDICARE SUBSIDY - NORMALIZED	-	-	-	-	-	-	-
289	910A GAIN ON REACQUIRED DEBT	-	-	-	-	-	-	-
290	910M GROSS RECEIPTS - TAX EXPENSE	-	-	-	-	-	-	-
291	910Z AMORT STEP-UP ITC TO TI-RKPT 2	-	-	-	-	-	-	-
292	911F FIN 48 DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-
293	911Q DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-
294	911R ACCRUED SIT TAX RESERVE	-	-	-	-	-	-	-
295	911S ACCRUED SALES & USE TAX RESERVE	-	-	-	-	-	-	-
296	911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	24,818	-	24,818	-	24,818	-	24,818
297	911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	-	-	-	-	-	-	-
298	913D CHARITABLE CONTRIBUTION CARRYFWD	(10,917,566)	(10,917,566)	-	-	-	-	-
299	913F VALUATION ALLOWANCE-CHARIT CONT CFD	-	-	-	-	-	-	-
300	913Y BK DEFL - MERGER COSTS	-	-	-	-	-	-	-
301	914A SFAS 109 - DEFD SIT LIABILITY	5,253,898	-	5,253,898	-	5,253,898	-	5,253,898
302	914B REG ASSET - SFAS 109 DSIT LIAB	(5,253,898)	-	(5,253,898)	-	(5,253,898)	-	(5,253,898)
303	914K REG ASSET - ACCRUED SFAS 112	2,497,183	-	2,497,183	-	2,497,183	-	2,497,183
304	930A BOOK > TAX BASIS - PARTNERSHIP INVEST	-	-	-	-	-	-	-
305	940A 1977-1980 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-
306	940E 1981-1982 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-
307	940I 1985-1987 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-
308	940K 1988-1990 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-
309	940N 1991-1996 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-
310	940S 1997-2003 IRS AUDIT SETTLEMENT	(1,135,680)	-	(1,135,680)	-	(1,135,680)	-	(1,135,680)
311	940X IRS CAPITALIZATION ADJUSTMENT	(1,776,791)	-	(1,776,791)	-	(1,776,791)	-	(1,776,791)
312	960Z NOL - DEFERRED TAX ASSET RECLASS	-	-	-	-	-	-	-
313	980A RESTRICTED STOCK PLAN	167,266	-	167,266	-	167,266	-	167,266
314	980J PSI - STOCK BASED COMP	1,633,112	-	1,633,112	-	1,633,112	-	1,633,112
315	Total OTHER MISCELLANEOUS	349,845,712	(10,917,566)	360,763,278	-	360,763,278	-	360,763,278
316	=====							
317	PERMANENT SCHEDULE M's							
318	906B SFAS 106 - POST RETIRE BEN MEDICARE SUBSIDY	-	-	-	-	-	-	-
319	910B NON-DEDUCT MEALS AND T&E	487,803	-	487,803	-	487,803	-	487,803
320	910C NON-DEDUCT FINES&PENALTIES	1,347	1,347	-	-	-	-	-
321	910E NON-DEDUCT MISCELLANEOUS	-	-	-	-	-	-	-
322	910H CHARITABLE DONATIONS	-	-	-	-	-	-	-
323	910S NON-DEDUCT LOBBYING	918,126	918,126	-	-	-	-	-
324	910U MEMBERSHIP DUES	-	-	-	-	-	-	-
325	911A ACCRUED NON-DEDUCTIBLE PENALTIES	-	-	-	-	-	-	-
326	913A LUXURY AUTO ADJUSTMENT	-	-	-	-	-	-	-
327	940Z IRS AUDIT SETTLEMENTS - PERM	-	-	-	-	-	-	-
328	970A MANUFACTURING DEDUCTION	-	-	-	-	-	-	-
329	980B RESTRICTED STOCK PLAN - TAX DEDUCTION	(163,220)	-	(163,220)	-	(163,220)	-	(163,220)
330	990B BK AMORT-LOSS REACQ DBT-MAND RED PR STK	30,712	-	30,712	-	30,712	-	30,712
331	995E 40.000% DIVDS PD CERT PRFD STK	-	-	-	-	-	-	-
332	999Q FIN-48 DSIT - PERM - FIN 48	-	-	-	-	-	-	-
333	Total PERMANENT SCHEDULE M's	1,274,768	919,473	355,295	-	355,295	-	355,295
334	=====							
335	TAX ACCRUALS							
336	711N CAPITALIZED SOFTWARE COSTS-TAX	(5,057)	-	(5,057)	-	(5,057)	-	(5,057)
337	711O BOOK LEASES CAPITALIZED FOR TAX	3,431,000	-	3,431,000	-	3,431,000	-	3,431,000
338	711R CAPITALIZED LEASES - A/C 1011 ASSETS	-	-	-	-	-	-	-
339	Total TAX ACCRUALS	3,425,943	-	3,425,943	-	3,425,943	-	3,425,943
340	=====							

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341	TAX DEFERRALS							
342	700Z TAX DEFL - DEBT ISSUE COSTS	-	-	-	-	-	-	-
343	712E INSTALL ALLOWANCES CAPD - TAX	-	-	-	-	-	-	-
344	712K CAPITALIZED SOFTWARE COST-BOOK	(22,534,813)	-	(22,534,813)	-	(22,534,813)	-	(22,534,813)
345	913K CAPITALIZED COOK COSTS - TAX	-	-	-	-	-	-	-
346	Total TAX DEFERRALS	(22,534,813)	-	(22,534,813)	-	(22,534,813)	-	(22,534,813)
347	=====							
348	TAX vs BOOK GAIN / LOSS							
349	562B DEFD BK GAIN-RKPT 2 SALE/LEASE	(3,706,716)	-	(3,706,716)	-	(3,706,716)	-	(3,706,716)
350	562H DEFERRED INTERCOMPANY TAX G/L	-	-	-	-	-	-	-
351	560D BK/TX GAIN SALE OF MISC PROP	-	-	-	-	-	-	-
352	Total TAX vs BOOK GAIN / LOSS	(3,706,716)	-	(3,706,716)	-	(3,706,716)	-	(3,706,716)
353	=====							
354	NUCLEAR FUEL ADJUSTMENTS							
355	811B UNIT 1 NUC FUEL TAX VS BOOK DEPR	(27,744,000)	-	(27,744,000)	-	(27,744,000)	-	(27,744,000)
356	811C AMORT OF NUCLEAR FUEL - UNIT 1	64,570,977	-	64,570,977	-	64,570,977	-	64,570,977
357	813B UNIT 2 NUC FUEL TAX VS BOOK DEPR	(50,844,000)	-	(50,844,000)	-	(50,844,000)	-	(50,844,000)
358	813C AMORT OF NUCLEAR FUEL - UNIT 2	49,229,637	-	49,229,637	-	49,229,637	-	49,229,637
359	Total NUCLEAR FUEL ADJUSTMENTS	35,212,614	-	35,212,614	-	35,212,614	-	35,212,614
360	=====							
361	NUCLEAR FUEL DISPOSAL COSTS							
362	841A SM-DEFD PRE 4 7 83 DISP CSTS	-	-	-	-	-	-	-
363	841B SI-DEFD PRE 4 7 83 DISP CSTS	-	-	-	-	-	-	-
364	841C FR-DEFD PRE 4 7 83 DISP CSTS	-	-	-	-	-	-	-
365	841E AMORT SNF DISPOSAL CONTAINER COSTS	-	-	-	-	-	-	-
366	842A FR-AMORT INT PRE 4 7 83 DISP	-	-	-	-	-	-	-
367	842B SI-AMORT INT PRE 4 7 83 DISP	-	-	-	-	-	-	-
368	842C SM-AMORT INT PRE 4 7 83 DISP	-	-	-	-	-	-	-
369	843A TC-ACC INT PRE 4 7 83 DISP CST	(5,020,849)	-	(5,020,849)	-	(5,020,849)	-	(5,020,849)
370	844A TAX-EXEMPT INC-SPENT FUEL FUND	750,056	-	750,056	-	750,056	-	750,056
371	Total NUCLEAR FUEL DISPOSAL COSTS	(4,270,793)	-	(4,270,793)	-	(4,270,793)	-	(4,270,793)
372	=====							
373	NUCLEAR DECOMMISSIONING COSTS							
374	844I BK EXP NUC FUEL DECONTAM FUND	-	-	-	-	-	-	-
375	845A SM-ACC NQ NUC DECOM EXP -RATES	-	-	-	-	-	-	-
376	845B SI-ACC NQ NUC DECOM EXP -RATES	-	-	-	-	-	-	-
377	845C FR-ACC NQ NUC DECOM EXP -RATES	-	-	-	-	-	-	-
378	845D SM-NQ NUC DECOM TR-TAX EX INC	-	-	-	-	-	-	-
379	845E SI-NQ NUC DECOM TR-TAX EX INC	-	-	-	-	-	-	-
380	845F FR-NQ NUC DECOM TR-TAX EX INC	-	-	-	-	-	-	-
381	845G SM-ACC NUC DCM EXP-NQ TR INC	-	-	-	-	-	-	-
382	845H SI-ACC NUC DCM EXP-NQ TR INC	-	-	-	-	-	-	-
383	845I FR-ACC NUC DCM EXP-NQ TR INC	-	-	-	-	-	-	-
384	845K NUC DECOM TRUST - SFAS 143 - ARO - BK	57,667,475	-	57,667,475	-	57,667,475	-	57,667,475
385	846D SM-QUAL NUC DCM TR-NET BK INC	(7,013,019)	-	(7,013,019)	-	(7,013,019)	-	(7,013,019)
386	846E SI-QUAL NUC DEM TR-NET BK INC	(30,695,682)	-	(30,695,682)	-	(30,695,682)	-	(30,695,682)
387	846F FR-QUAL NUC DCM TR-NET BK INC	(4,240,684)	-	(4,240,684)	-	(4,240,684)	-	(4,240,684)
388	846G SM-ACC NUC DCM EXP-QUAL TR INC	7,013,019	-	7,013,019	-	7,013,019	-	7,013,019
389	846H SI-ACC NUC DCM EXP-QUAL TR INC	30,695,682	-	30,695,682	-	30,695,682	-	30,695,682
390	846I FR-ACC NUC DCM EXP-QUAL TR INC	4,240,684	-	4,240,684	-	4,240,684	-	4,240,684
391	Total NUCLEAR DECOMMISSIONING COSTS	57,667,475	-	57,667,475	-	57,667,475	-	57,667,475
392	=====							
393	BOOK DEFERRED NUCLEAR COSTS							
394	850A U1-BK DEFD NUC REFUEL COSTS	39,982,146	-	39,982,146	-	39,982,146	-	39,982,146
395	850C U2-BK DEFD NUC REFUEL COSTS	(10,795,941)	-	(10,795,941)	-	(10,795,941)	-	(10,795,941)
396	Total BOOK DEFERRED NUCLEAR COSTS	29,186,205	-	29,186,205	-	29,186,205	-	29,186,205
397	=====							

Indiana Michigan Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 12/31/18	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Assign & Adjust.	(4) Other Regulatory Items	(5) Total Company Electric Utility After Assignment	(6) Rate Case Adjustments	(7) Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
398	MARK-TO-MARKET ADJUSTMENTS							
399	575A MTM BK GAIN-B/L-TAX DEFL	-	-	-	-	-	-	-
400	575E MTM BK GAIN-A/L-TAX DEFL	(7,527,977)	-	(7,527,977)	-	(7,527,977)	-	(7,527,977)
401	576A MARK & SPREAD-DEFL-283-B/L	-	-	-	-	-	-	-
402	576C MARK & SPREAD-DEFL-190-B/L	-	-	-	-	-	-	-
403	576E MARK & SPREAD-DEFL-283-A/L	(1,981,727)	-	(1,981,727)	-	(1,981,727)	-	(1,981,727)
404	576F MARK & SPREAD-DEFL-190-A/L	(2,407,862)	-	(2,407,862)	-	(2,407,862)	-	(2,407,862)
405	610U PROV-TRADING CREDIT RISK - A/L	(7,451)	-	(7,451)	-	(7,451)	-	(7,451)
406	610V PROV - SFAS 157 - A/L	-	-	-	-	-	-	-
407	610W PROV-TRADING CREDIT RISK - B/L	-	-	-	-	-	-	-
408	610X PROV - SFAS 157 - B/L	-	-	-	-	-	-	-
409	652G REG LIAB-UNREAL MTM GAIN-DEFL	11,279,229	-	11,279,229	-	11,279,229	-	11,279,229
410	Total MARK-TO-MARKET ADJUSTMENTS	(645,788)	-	(645,788)	-	(645,788)	-	(645,788)
411	=====							
412	EMISSION ALLOWANCES							
413	638A BOOK > TAX BASIS - EMA-A/C 283	1,323,082	-	1,323,082	-	1,323,082	-	1,323,082
414	638C TAX > BOOK BASIS - EMA-A/C 190	-	-	-	-	-	-	-
415	639M TAX > BOOK BASIS - EMA-A/C 190 (B/L)	-	-	-	-	-	-	-
416	639O BOOK > TAX BASIS EMA - 283 (B/L)	-	-	-	-	-	-	-
417	639Q DEFD TAX GAIN - INTERCO SALE - EMA	-	-	-	-	-	-	-
418	639S DEFD TAX LOSS - INTERCO SALE - EMA	-	-	-	-	-	-	-
419	640K DEFD TAX GAIN-EPA AUCTION	-	-	-	-	-	-	-
420	Total EMISSION ALLOWANCES	1,323,082	-	1,323,082	-	1,323,082	-	1,323,082
421	=====							
422	Total Book/Tax Income Differences	(85,325,690)	(19,663,467)	(65,662,223)	-	(65,662,223)	-	(65,662,223)
423	=====							
424								
425	State Income Tax Return Adjustment	-	-	-	-	-	-	-
426	Taxable Income	186,688,069	(8,729,689)	195,417,758	-	195,417,758	-	195,417,758
427	Statutory Rate	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
428	Tax Before Credits	39,204,494	(1,833,235)	41,037,729	-	41,037,729	-	41,037,729
429	Tax Adjustments (FIN48 Current/Deferred Expense Reclass)	2,220,580	2,220,580	-	-	-	-	-
430	Tax Return Adjustments	45,096,725	45,096,725	-	-	-	-	-
431	Tax Credit C/F	(13,213,381)	(13,213,381)	-	-	-	-	-
432	Solar Investment Tax Credits	-	-	-	-	-	-	-
433	FIN48 / Other Items	(69,876)	(69,876)	-	-	-	-	-
434	NOL - Deferred Tax Asset Reclass	(10,392,945)	(10,392,945)	-	-	-	-	-
435	Parent Savings Allocation	(2,315,000)	(2,315,000)	-	-	-	-	-
436	Current Tax	60,530,597	19,492,868	41,037,729	-	41,037,729	-	41,037,729
437								
438								
439								
440								
441								
442	<u>Interest Synchronization:</u>							
443	Adjusted Original Cost Rate Base					4,569,552,309	1,169,941,551	5,739,493,860
444	Weighted Cost Rate of Long-Term Debt					1.7100%		1.7100%
445	Synchronized Interest Deduction					78,139,344	20,006,001	98,145,345

Indiana Michigan Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.		(1) Total Company Per Books DFIT 12 Mo. 12/31/18	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility DFIT Before Assign & Adjust.	(4) Other Regulatory Items	(5) Total Company Electric Utility After Assignment	(6) Deferred FIT Associated With Rate Case Adjustments	(7) Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
8	DEFERRED FEDERAL INCOME TAXES:							
8	EXCESS TAX vs BOOK DEPRECIATION							
9	210A LIBERALIZED DEPR-REG	(1,100)	(60)	(1,040)	-	(1,040)	-	(1,040)
10	210A-XS EXCESS DFIT - LIBERALIZED DEPR-REG	(1,366)	-	(1,366)	-	(1,366)	-	(1,366)
11	213A-XS EXCESS DIT - EXCESS FIT% RATE CHANGE LD	1,371,542		1,371,542	-	1,371,542	-	1,371,542
12	220A CLS LIFE DEPR (ADR)-REG	(346)	7	(353)	-	(353)	-	(353)
13	220A-XS EXCESS DIT - CLADR DEPR - REG	(1,198)	-	(1,198)	-	(1,198)	-	(1,198)
14	230A ACRS BENEFIT NORMALIZED	(45,732,592)	(68,617,260)	22,884,668	-	22,884,668	-	22,884,668
15	230A-XS EXCESS DIT - ACRS NORM REVERSAL	(1,113,162)	(1,944)	(1,111,218)	-	(1,111,218)	-	(1,111,218)
16	230I CAPD INTEREST-SECTION 481(a)-CHANGE IN METHD	(7,116)	-	(7,116)	-	(7,116)	-	(7,116)
17	230J RELOCATION CST-SECTION 481(a)-CHANGE IN METHD	(36,957)	-	(36,957)	-	(36,957)	-	(36,957)
18	230K PJM INTEGRATION-SEC 481(a)-INTANG-DFD LABOR	(36,755)	-	(36,755)	-	(36,755)	-	(36,755)
19	230X R&D DEDUCTION - SECTION 174	3,474,536	1,731,536	1,743,000	-	1,743,000	-	1,743,000
20	232C ACRS NORM - RKPT U1	(8,975,942)	(5,223,662)	(3,752,280)	-	(3,752,280)	-	(3,752,280)
21	232C-XS EXCESS DIT - ACRS NORM RKPT U1	(564,752)	-	(564,752)	-	(564,752)	-	(564,752)
22	232K ACRS NORM - RKPT U2	(426,776)	69,664	(496,440)	-	(496,440)	-	(496,440)
23	232K-XS EXCESS DIT - ACRS NORM RKPT U2	5,593	-	5,593	-	5,593	-	5,593
24	232M ACRS NORM - RKPT SPARE PARTS	4,007,494	3,957,094	50,400	-	50,400	-	50,400
25	232M-XS EXCESS DIT - ACRS NORM RKPT SPRPTS	(5,941)	-	(5,941)	-	(5,941)	-	(5,941)
26	234H TAX > BK BASIS - THI SETTLEMNT	-	-	-	-	-	-	-
27	234Q MACRS TAX DEPRECIATION - RAILCARS	(137,822)	5,818	(143,640)	-	(143,640)	-	(143,640)
28	280A EXCESS TX VS S/L BK DEPR	-	-	-	-	-	-	-
29	280D NON-UTIL EXCESS TAX VS BK DEPR	-	-	-	-	-	-	-
30	280H BK PLANT IN SERVICE - SFAS 143 - ARO	62,668,333	(781,625)	63,449,958	-	63,449,958	-	63,449,958
31	282A EXCESS TX VS S/L BK DEPR RKPT2	-	-	-	-	-	-	-
32	282B EX TX VS SL BK DEPR-RKPT SPARE	-	-	-	-	-	-	-
33	295A GAIN/LOSS ON ACRS/MACRS PROPERTY	8,368,743	8,368,742	1	-	1	-	1
34	295A GAIN/LOSS ON ACRS/MACRS PROPERTY - DFIT FBK	(2,877,191)	-	(2,877,191)	-	(2,877,191)	-	(2,877,191)
35	295C GAIN/LOSS ACRS/MACRS-BK/TX UNIT PROPERTY	161,001	161,001	-	-	-	-	-
36	295D TAX LOSS ON PLANT RETIREMENTS	(1,550,342)	(1,550,342)	0	-	0	-	0
37	390A CIAC - BOOK RECEIPTS	477,712	462,547	15,165	-	15,165	-	15,165
38	390B CIAC - BK RECTS-STEEL DYNAMICS	-	-	-	-	-	-	-
39	Total EXCESS TAX vs BOOK DEPRECIATION	19,065,596	(61,418,485)	80,484,081	-	80,484,081	-	80,484,081
40	=====							
41	AFUDC / INTEREST CAPITALIZED							
42	310A AOFUDC	-	-	-	-	-	-	-
43	320A ABFUDC	1,404,951	-	1,404,951	-	1,404,951	-	1,404,951
44	320A ABFUDC - DFIT FBK	(724,521)	-	(724,521)	-	(724,521)	-	(724,521)
45	320D ABFUDC - NUCLEAR FUEL	145,307	-	145,307	-	145,307	-	145,307
46	320D ABFUDC - NUCLEAR FUEL - DFIT FBK	(226,282)	-	(226,282)	-	(226,282)	-	(226,282)
47	320E ABFUDC - ROCKPORT SPARE PARTS - DFIT FBK	-	-	-	-	-	-	-
48	320G ABFUDC - RKPRT-SULL EHV - DFIT FBK	-	-	-	-	-	-	-
49	320K ABFUDC - ROCKPORT UNIT 1 - DFIT FBK	-	-	-	-	-	-	-
50	320L ABFUDC - ROCKPORT UNIT 2 - DFIT FBK	(50,450)	-	(50,450)	-	(50,450)	-	(50,450)
51	320M ABFUDC - RKPRT-JEFF EHV - DFIT FBK	-	-	-	-	-	-	-
52	320N ABFUDC - RKPRT PC U1 - DFIT FBK	-	-	-	-	-	-	-
53	320Q ABFUDC - COOK U2 STEAM GNR - DFIT FBK	-	-	-	-	-	-	-
54	380J INT EXP CAPITALIZED FOR TAX	(2,870,377)	266,855	(3,137,232)	-	(3,137,232)	-	(3,137,232)
55	380J INT EXP CAPITALIZED FOR TAX - DFIT FBK	1,335,128	-	1,335,128	-	1,335,128	-	1,335,128
56	380L INT EXP CAPD - COOK U2 STEAM - DFIT FBK	-	-	-	-	-	-	-
57	380M TXBL INT INC CAP FOR BK-BFSHAW - DFIT FBK	392	-	392	-	392	-	392
58	380P INT EXP CAPD BK - THI SETTLE - DFIT FBK	(8,058)	-	(8,058)	-	(8,058)	-	(8,058)
59	380Q INT EXP CAPD TAX - RKPT SPARES - DFIT FBK	-	-	-	-	-	-	-
60	Total AFUDC / INTEREST CAPITALIZED	(993,910)	266,855	(1,260,765)	-	(1,260,765)	-	(1,260,765)
61	=====							

Indiana Michigan Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Total Company Per Books DFIT 12 Mo. 12/31/18	Less Non-Utility/ Non-Applicable	Total Company Electric Utility DFIT Before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Deferred FIT Associated With Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
62	MISC OVERHEADS CAPITALIZED							
63	340A INVOL CONV RKPT U1-TURBINE - DFIT FBK	-	-	-	-	-	-	-
64	340B INVOL CONV RKPT U1-ASH HOPPER - DFIT FBK	-	-	-	-	-	-	-
65	350A TXS CAPD - DFIT FBK	-	-	-	-	-	-	-
66	350B TXS CAPD-COOK - DFIT FBK	-	-	-	-	-	-	-
67	350D TXS CAPD-ROCKPORT SPARE PARTS - DFIT FBK	-	-	-	-	-	-	-
68	350E TXS CAPD-RKPRT-SULL EHV - DFIT FBK	-	-	-	-	-	-	-
69	350F TXS CAPD - ROCKPORT UNIT 1 - DFIT FBK	-	-	-	-	-	-	-
70	350G TXS CAPD - ROCKPORT UNIT 2 - DFIT FBK	(132)	-	(132)	-	(132)	-	(132)
71	350H TXS CAPD - RKPRT-JEFF EHV - DFIT FBK	-	-	-	-	-	-	-
72	360A PENS CAPD - DFIT FBK	-	-	-	-	-	-	-
73	360B PENS CAPD-COOK - DFIT FBK	-	-	-	-	-	-	-
74	360D PENS CAPD-RKPRT-SULL EHV - DFIT FBK	-	-	-	-	-	-	-
75	360E PENS CAPD-ROCKPORT SPARE PARTS - DFIT FBK	-	-	-	-	-	-	-
76	360F PENS CAPD - ROCKPORT UNIT 1 - DFIT FBK	-	-	-	-	-	-	-
77	360H PENS CAPD - RKPRT-JEFF EHV - DFIT FBK	-	-	-	-	-	-	-
78	360J SEC 481 PENS/OPEB ADJUSTMENT	-	-	-	-	-	-	-
79	370A SAV PLAN CAPD - DFIT FBK	-	-	-	-	-	-	-
80	370B SAV PLAN CAPD-COOK - DFIT FBK	-	-	-	-	-	-	-
81	370D SAV PLAN CAPD-RKPRT-SULL EHV - DFIT FBK	-	-	-	-	-	-	-
82	370E SAV PLAN CAPD-RKPT SPARE PARTS - DFIT FBK	-	-	-	-	-	-	-
83	370F SAV PLAN CAPD - ROCKPORT UNIT1 - DFIT FBK	-	-	-	-	-	-	-
84	370H SAV PLAN CAPD - RKPRT-JEFF EHV - DFIT FBK	-	-	-	-	-	-	-
85	Total MISC OVERHEADS CAPITALIZED	(132)	-	(132)	-	(132)	-	(132)
86	=====							
87	PERCENT REPAIR ALLOWANCE							
88	532A PERCENT REPAIR ALLOWANCE	-	-	-	-	-	-	-
89	532A PERCENT REPAIR ALLOWANCE - DFIT FBK	(745,801)	-	(745,801)	-	(745,801)	-	(745,801)
90	532C BOOK/TAX UNIT OF PROPERTY ADJ	6,159,147	(679,924)	6,839,071	-	6,839,071	-	6,839,071
91	532D BK/TX UNIT OF PROPERTY ADJ - SECTION 481	36,201,380	38,734,820	(2,533,440)	-	(2,533,440)	-	(2,533,440)
92	534A CAPITALIZED RELOCATION COSTS	561,186	114,097	447,089	-	447,089	-	447,089
93	534A CAPITALIZED RELOCATION COSTS - DFIT FBK	(297,525)	-	(297,525)	-	(297,525)	-	(297,525)
94	Total PERCENT REPAIR ALLOWANCE	41,878,387	38,168,993	3,709,394	-	3,709,394	-	3,709,394
95	=====							
96	REMOVAL COSTS							
97	910K REMOVAL CST	-	-	-	-	-	-	-
98	910X REMOVAL COSTS-COOK U2 STM GNR - DFIT FBK	-	-	-	-	-	-	-
99	910Y REMOVAL COSTS-COOK U1 STM GNR - DFIT FBK	(217,520)	-	(217,520)	-	(217,520)	-	(217,520)
100	912K REMOVAL CST - NORMALIZED	4,677,432	10,392	4,667,040	-	4,667,040	-	4,667,040
101	Total REMOVAL COSTS	4,459,912	10,392	4,449,520	-	4,449,520	-	4,449,520
102	=====							
103	ACCELERATED AMORTIZATION							
104	533A TX AMORT POLLUTION CONT EQPT	105,347	(118,933)	224,280	-	224,280	-	224,280
105	533J TX ACCEL AMORT - CAPITALIZED SOFTWARE	294,709	-	294,709	-	294,709	-	294,709
106	Total ACCELERATED AMORTIZATION	400,056	(118,933)	518,989	-	518,989	-	518,989
107	=====							
108	PROPERTY TAX ADJUSTMENTS							
109	510B PROP TX-RKPT SPARES-WVA-TAX	(1,412)	-	(1,412)	-	(1,412)	-	(1,412)
110	510H PROPERTY TAX-NEW METHOD-BOOK	(472,039)	(200,507)	(271,532)	-	(271,532)	-	(271,532)
111	510I PROP TX-STATE 2-OLD METHOD-TX	-	-	-	-	-	-	-
112	510M PROP TAX-RKPT U2-OLD METHOD TX	32,271	52,251	(19,980)	-	(19,980)	-	(19,980)
113	Total PROPERTY TAX ADJUSTMENTS	(441,180)	(148,256)	(292,924)	-	(292,924)	-	(292,924)
114	=====							

Indiana Michigan Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Total Company Per Books DFIT 12 Mo. 12/31/18	Less Non-Utility/ Non-Applicable	Total Company Electric Utility DFIT Before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Deferred FIT Associated With Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
115	DEFERRED FEDERAL INCOME TAXES:							
115	REVENUE REFUNDS							
116	520A PROVS POSS REV REFDS	4,179,282	-	4,179,282	-	4,179,282	-	4,179,282
117	520B PROVS INT CHGS-REV REFDS	-		-	-	-	-	-
118	520V PROV REV REF D - WEST COAST ELECTRIC	-	-	-	-	-	-	-
119	520X PROV FOR RATE REFUND-TAX REFORM	(3,515,730)		(3,515,730)	-	(3,515,730)	-	(3,515,730)
120	520Y PROV FOR RATE REFUND-EXCESS PROTECTED	(656,220)		(656,220)	-	(656,220)	-	(656,220)
121	Total REVENUE REFUNDS	7,332	-	7,332	-	7,332	-	7,332
122	=====							
123	DEFERRED FUEL COSTS							
124	430I SI-UNRECD FUEL CSTS (CUR MO)	-	-	-	-	-	-	-
125	430J SM-UNRECD FUEL CSTS	(3,128,415)	-	(3,128,415)	-	(3,128,415)	-	(3,128,415)
126	430T UNRECOVERED FUEL INTEREST	-	-	-	-	-	-	-
127	Total DEFERRED FUEL COSTS	(3,128,415)	-	(3,128,415)	-	(3,128,415)	-	(3,128,415)
128	=====							
129	EQUITY IN EARNINGS OF SUBSIDIARIES							
130	531A EQTY IN SUBSIDIARIES (US)	-	-	-	-	-	-	-
131	Total EQUITY IN EARNINGS OF SUBSIDIARIES	-	-	-	-	-	-	-
132	=====							
133	BOOK ACCRUALS							
134	602A PROV WORKER'S COMP	(106,426)	-	(106,426)	-	(106,426)	-	(106,426)
135	605B ACCRUED BK PENSION EXPENSE	(1,852,374)	(279,593)	(1,572,781)	-	(1,572,781)	-	(1,572,781)
136	605C ACCRUED BK PENSION COSTS - SFAS 158	2,828,181	-	2,828,181	-	2,828,181	-	2,828,181
137	605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	(37,404)	-	(37,404)	-	(37,404)	-	(37,404)
138	605F ACCRD SUP EXEC RETIRE PLAN COSTS-SFAS 158	(18,336)	-	(18,336)	-	(18,336)	-	(18,336)
139	605I ACCRD BK SUP. SAVINGS PLAN EXP	(3,488)	-	(3,488)	-	(3,488)	-	(3,488)
140	605J EMPLOYER SAVINGS PLAN MATCH	-	-	-	-	-	-	-
141	605O ACCRUED PSI PLAN EXP	501,953	(18,667)	520,620	-	520,620	-	520,620
142	605P STOCK BASED COMP-CAREER SHARES	-	-	-	-	-	-	-
143	605V PROV RAD WASTE ACCRUAL - LT	(65,356)	-	(65,356)	-	(65,356)	-	(65,356)
144	605W PROV RAD WASTE ACCRUAL - ST	122,250	-	122,250	-	122,250	-	122,250
145	610A BK PROV UNCOLL ACCTS - ST	23,009	-	23,009	-	23,009	-	23,009
146	610D BK PROV UNCOLL ACCTS - LT	-	-	-	-	-	-	-
147	612G ACCRD COMPANYWIDE INCENT PLAN-ENGAGE TO GAIN	-	-	-	-	-	-	-
148	612Y ACCRD COMPANYWIDE INCENT PLAN	(2,007,086)	28,768	(2,035,854)	-	(2,035,854)	-	(2,035,854)
149	613C ACCRD ENVIRONMENTAL LIAB - CURRENT	-	-	-	-	-	-	-
150	613E ACCRUED BOOK VACATION PAY	245,429	53,805	191,624	-	191,624	-	191,624
151	613F ACCRD ENVIRONMENTAL LIAB - LONGTERM	-	-	-	-	-	-	-
152	613G ACCRD SEMCO ENVIRON REMEDIATION COSTS - LT	-	-	-	-	-	-	-
153	613K (ICDP) INCENTIVE COMP DEFERRAL PLAN	39,965	-	39,965	-	39,965	-	39,965
154	613L ACCRD SEMCO ENVIRON REMEDIATION COSTS - ST	2,440	-	2,440	-	2,440	-	2,440
155	613V ACCRD BK SEI EMPLOYEE BENEFIT COSTS	-	-	-	-	-	-	-
156	613Y ACCRD BK SEVERANCE BENEFITS	-	-	-	-	-	-	-
157	614L PROVISION FOR POTENTIAL LOSS	-	-	-	-	-	-	-
158	614W FORT WAYNE CITY LIGHTS SETTLEMENT	74,152	840	73,312	-	73,312	-	73,312
159	614Y FORT WAYNE CITY LIGHTS - INT EXP DIFFERENTIAL	43,680	43,680	-	-	-	-	-
160	614Z FORT WAYNE CITY LIGHTS - RIGHT TO SERVE SETTLE	(192,064)	-	(192,064)	-	(192,064)	-	(192,064)
161	615A ACCRUED INTEREST EXP -STATE	-	-	-	-	-	-	-
162	615B ACCRUED INTEREST-LONG-TERM - FIN 48	61,268	-	61,268	-	61,268	-	61,268
163	615C ACCRUED INTEREST-SHORT-TERM - FIN 48	908	-	908	-	908	-	908
164	615E ACCRUED STATE INCOME TAX EXP	-	-	-	-	-	-	-
165	615R REG ASSET - DEFERRED RTO COSTS	(64,951)	-	(64,951)	-	(64,951)	-	(64,951)
166	615Z IN CUSTOMER PROGRAM CONTRIBUTIONS S/T	(36,750)	-	(36,750)	-	(36,750)	-	(36,750)
167	625A FEDERAL MITIGATION PROGRAMS	33,880	-	33,880	-	33,880	-	33,880
168	625B STATE MITIGATION PROGRAMS	36,895	-	36,895	-	36,895	-	36,895
169	Total BOOK ACCRUALS	(370,225)	(171,167)	(199,058)	-	(199,058)	-	(199,058)

Indiana Michigan Power Company
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Twelve Months Ended December 31, 2018

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Total Company Per Books DFIT 12 Mo. 12/31/18	Less Non-Utility/ Non-Applicable	Total Company Electric Utility DFIT Before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Deferred FIT Associated With Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
170	=====							
171	BOOK DEFERRALS							
172	390F CUST ADV INC FOR TAX	-	-	-	-	-	-	-
173	615O BK DFL RAIL TRANS REV/EXP	-	-	-	-	-	-	-
174	615T DEFD ENVIRON COMP COSTS & CARRY CHG	69,333	-	69,333	-	69,333	-	69,333
175	630F DEFD BK CONTRACT REVENUE	(33,204)	-	(33,204)	-	(33,204)	-	(33,204)
176	630I OUTAGE INSURANCE PREMIUMS	-	-	-	-	-	-	-
177	630J DEFD STORM DAMAGE	-	-	-	-	-	-	-
178	630M RATE CASE DEFD CHGS	20,342	-	20,342	-	20,342	-	20,342
179	630W RTD DEFD INCOME - A/C 190	-	-	-	-	-	-	-
180	630Y RTD DEFD EXPENSE - A/C 1283	-	-	-	-	-	-	-
181	632U BK DEFL - DEMAND SIDE MANAGEMENT	-	-	-	-	-	-	-
182	635C SM - OVER RECOVERED RCS COSTS	(811,152)	-	(811,152)	-	(811,152)	-	(811,152)
183	641I ADVANCE RENTAL INC (CUR MO)	(4,707)	-	(4,707)	-	(4,707)	-	(4,707)
184	660F REG ASSET - SFAS 143 - ARO	(23,481)	-	(23,481)	-	(23,481)	-	(23,481)
185	660G REG LIABILITY - SFAS 143 - ARO	24,472,377	-	24,472,377	-	24,472,377	-	24,472,377
186	660N REG ASSET - DEFD CARRY COST ON STR	-	-	-	-	-	-	-
187	660X REG ASSET - DEFERRED PJM FEES	-	-	-	-	-	-	-
188	660Z REG ASSET - DEFERRED EQUITY CARRYING CHGS	10,249	10,249	-	-	-	-	-
189	661R REG ASSET - SFAS 158 - PENSIONS	(2,828,181)	-	(2,828,181)	-	(2,828,181)	-	(2,828,181)
190	661S REG ASSET - SFAS 158 - SERP	18,336	-	18,336	-	18,336	-	18,336
191	661T REG ASSET - SFAS 158 - OPEB	4,300,171	-	4,300,171	-	4,300,171	-	4,300,171
192	663E REG ASSET - ENVIRON COMPLIANCE CAR	-	-	-	-	-	-	-
193	663F REG ASSET - OSS MARGIN SHARING	(1,880,796)	-	(1,880,796)	-	(1,880,796)	-	(1,880,796)
194	663G REG ASSET - UNDERRECOVERY PJM EXPENSES	(10,082,160)	-	(10,082,160)	-	(10,082,160)	-	(10,082,160)
195	663H REG ASSET - NSR CONSENT DECREE	-	-	-	-	-	-	-
196	663O REG ASSET - UNDERRECOVERY-DSM ENER	(142,767)	-	(142,767)	-	(142,767)	-	(142,767)
197	663Q REG ASSET - UND/REC - CCT RIDER CAR CHG	-	-	-	-	-	-	-
198	663R REG ASSET - UND/REC CCTR PST APP ADD	-	-	-	-	-	-	-
199	663-- REG ASSET - CARBON CAPTURE / FEED STUDY	-	-	-	-	-	-	-
200	664L REG ASSET - DEFD NUC DECOM STUDY CO	-	-	-	-	-	-	-
201	664M REG ASSET - ENHANCED COOK PLT SECURITY	-	-	-	-	-	-	-
202	664N REG ASSET - DEFD SEVERANCE COSTS	-	-	-	-	-	-	-
203	664P REG ASSET - DEFD EVSE PROGRAM COSTS	2,673	-	2,673	-	2,673	-	2,673
204	664V REG ASSET - NET CCS FEED STUDY COSTS	-	-	-	-	-	-	-
205	665X REG ASSET - DEFD COOK TURBINE REPL COST - MICH	(92,570)	-	(92,570)	-	(92,570)	-	(92,570)
206	667C REG ASSET - TURBINE REPL UNRECOG EQ CC	64,896	64,896	-	-	-	-	-
207	667D REG ASSET - DEFD TUBINE REPLACE EXP CC	(160,125)	(160,125)	-	-	-	-	-
208	667E REG ASSET - UNRECOVERED RES-MI	-	-	-	-	-	-	-
209	667P REG ASSET - RES CARRYING COSTS-MI	(1,878)	(1,878)	-	-	-	-	-
210	667R REG ASSET - RES UNRECOGNIZED EQUITY	-	-	-	-	-	-	-
211	667T REG ASSET - BAFFLE BOLTS	(62,987)	-	(62,987)	-	(62,987)	-	(62,987)
212	667U REG ASSET - MI DEFERRED DEPR-COOK	55,457	-	55,457	-	55,457	-	55,457
213	667V REG ASSET - MI CARRYING CHARGE-COOK	343,955	343,955	-	-	-	-	-
214	667W REG ASSET - MI CC-COOK LCM-UNREC EQ	(82,211)	(82,211)	-	-	-	-	-
215	667X REG ASSET - IN UNDER RECOVERY CAPACITY	-	-	-	-	-	-	-
216	667Y REG ASSET - IN COOK TURBINE CC EQUITY	(46,014)	(46,014)	-	-	-	-	-
217	667Z REG ASSET - IN COOK TURBINE CC	214,110	214,109	1	-	1	-	1
218	668D REG ASSET - IN CARRYING CHARGES COOK PLANT LCM UN	(4,272)	(4,272)	-	-	-	-	-
219	668E REG ASSET - IN CARRYING CHARGES COOK PLANT LCM	(941,230)	(941,230)	-	-	-	-	-
220	668H REG ASSET-MI DEFERRED PROP TAX-CC	(13,720)	-	(13,720)	-	(13,720)	-	(13,720)
221	668I REG ASSET - IN DEFERRED PROP TAX-COOK	77,971	-	77,971	-	77,971	-	77,971
222	668J REG ASSET - IN DEFERRED DEPRECIATION	915,125	-	915,125	-	915,125	-	915,125
223	668S REG ASSET-EO FINANCIAL INCENTIVES	-	-	-	-	-	-	-
224	668T REG ASSET-MI CARRYING CHARGE-EECO	(7,491)	(7,491)	-	-	-	-	-

Indiana Michigan Power Company
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		(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Total Company Per Books DFIT 12 Mo. 12/31/18	Less Non-Utility/ Non-Applicable	Total Company Electric Utility DFIT Before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Deferred FIT Associated With Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
Line No.	DEFERRED FEDERAL INCOME TAXES:							
225	668U REG ASSET-MI CC-EECO UNREC EQUITY	3,472	3,472	-	-	-	-	-
226	668V REG ASSET-MI DSM-EECO	1,482	-	1,482	-	1,482	-	1,482
227	669D REG ASSET-IN EECO EQUITY CC-RES	-	-	-	-	-	-	-
228	669E REG ASSET-IN EECO EQUITY CC-C&I	-	-	-	-	-	-	-
229	669F REG ASSET-IN EECO TOTAL CC-RES	-	-	-	-	-	-	-
230	669G REG ASSET-EECO TOTAL-CC-C&I	-	-	-	-	-	-	-
231	669H REG ASSET-IN DSM UNDER RECOV C&I	210,729	-	210,729	-	210,729	-	210,729
232	669I REG ASSET-IN DSM UNDER RECOV NON	(258,918)	-	(258,918)	-	(258,918)	-	(258,918)
233	669L REG ASSET - ABANDONED PLANT STRANDED COSTS	-	-	-	-	-	-	-
234	669N REG ASSET-ROCKPORT DSI DEPR-80PCT	-	-	-	-	-	-	-
235	669O REG ASSET-ROCKPORT DSI DEPR-20PCT	106,979	-	106,979	-	106,979	-	106,979
236	669P REG ASSET-ROCKPORT DSI CC-80PCT	-	-	-	-	-	-	-
237	669Q REG ASSET-ROCKPORT DSI EQUITY CC	-	-	-	-	-	-	-
238	669R REG ASSET-ROCKPORT DSI CC-20PCT	56,398	56,398	-	-	-	-	-
239	669S REG ASSET-ROCKPORT DSI EQ CC-20PCT	(12,588)	(12,588)	-	-	-	-	-
240	669T REG ASSET-CARRY CHARGES-MI LOST REVENUES	(4,217)	(4,217)	-	-	-	-	-
241	669W REG ASSET-MI NET LOST REVENUES-CONTRA	815,369	-	815,369	-	815,369	-	815,369
242	669Z REG ASSET-IN DEFERRED LCM-E3 COST	(13,041)	-	(13,041)	-	(13,041)	-	(13,041)
243	670D REG ASSET-IN TOTAL E3 CARRYING COSTS	(721)	(720)	(1)	-	(1)	-	(1)
244	670F REG ASSET-IN E3 EQUITY CARRYING COSTS	93	93	-	-	-	-	-
245	670H REG ASSET-IN DEF-O&M-DSI-20%	1,933	-	1,933	-	1,933	-	1,933
246	670I REG ASSET-IN DEF CONSUM DSI-20%	84,398	-	84,398	-	84,398	-	84,398
247	670P REG ASSET-IN DEF-PROP TX-DSI-20%	(1,130)	-	(1,130)	-	(1,130)	-	(1,130)
248	670S REG ASSET-MI DEFD DEPR-EECO	(1,486)	-	(1,486)	-	(1,486)	-	(1,486)
249	670T REG ASSET - IN CARRY CHGS-CESPP	-	-	-	-	-	-	-
250	670U REG ASSET - IN CAR CHGS-UNREC EQTY	-	-	-	-	-	-	-
251	670V REG ASSET - IN DEFERRED CESPP-O&M	-	-	-	-	-	-	-
252	671Z REG ASSET - IN DEFD DEPR-CESPP	31,891	-	31,891	-	31,891	-	31,891
253	672B REG ASSET - IN GPR MKTG EXP-CESPP	-	-	-	-	-	-	-
254	672E REG ASSET - RES SOLAR CARRYING COSTS	-	-	-	-	-	-	-
255	673D REG ASSET - IN DEFD PROP TAX-CESPP	-	-	-	-	-	-	-
256	673E REG ASSET - IN DEFD GPR MKTG EXP-CESPP	3,697	-	3,697	-	3,697	-	3,697
257	673M REG ASSET - COOK UPRATE PROJECT	(267,060)	-	(267,060)	-	(267,060)	-	(267,060)
258	674F REG ASSET-DSM DEFD LOAD MGT PROG COSTS	702,659	-	702,659	-	702,659	-	702,659
259	674G REG ASSET-DEFD DEPREC-ROCKPORT U2	275,655	-	275,655	-	275,655	-	275,655
260	674J REG ASSET-PJM EXP & OSS MARGIN SHARING	4,217,930	-	4,217,930	-	4,217,930	-	4,217,930
261	674P REG ASSET-MI LOW-INCOME COST RECSURCHG	430	-	430	-	430	-	430
262	674Q REG ASSET-MI LOW-INC CST RECSUR-CONTRA	(430)	-	(430)	-	(430)	-	(430)
263	674V REG ASSET-IN ROCKPORT UNDER-RECOVERY	19,591	-	19,591	-	19,591	-	19,591
264	690L REG ASSET - M&S RETIRING PLANTS	-	-	-	-	-	-	-
265	Total BOOK DEFERRALS	19,319,164	(567,574)	19,886,738	-	19,886,738	-	19,886,738
266	=====							
267	BOOK RESERVES							
268	611Y PROVISION FOR LITIGATION	-	-	-	-	-	-	-
269	Total BOOK RESERVES	-	-	-	-	-	-	-
270	=====							
271	OTHER MISCELLANEOUS							
272	003F FERC ORDER 144 CATCH UP (FR) A/L	-	-	-	-	-	-	-
273	003I-XS EXCESS-EX L/T DFIT TX RESERVE - 1986TRA (TC)	-	-	-	-	-	-	-
274	003K-XS EXCESS-EX L/T DFIT TX RESERVE - NUC DECOM	-	-	-	-	-	-	-
275	003L-XS EXCESS-EX L/T DFIT TX RESRV - SNF	(741,407)	-	(741,407)	-	(741,407)	-	(741,407)
276	003M-EFB FERC - MPCO DEFD FIT @ MERGER (TC)	-	-	-	-	-	-	-
277	011C-DFIT TAX CREDIT CARRYFORWARD	9,208,982	9,208,982	-	-	-	-	-
278	014C-NOL-STATE C/F	(239,719)	(239,719)	0	-	0	-	0
279	690F REG ASSET - NBV-ARO-RETIRED PLANTS	-	-	-	-	-	-	-

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Line No.		(1) Total Company Per Books DFIT 12 Mo. 12/31/18	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility DFIT Before Assign & Adjust.	(4) Other Regulatory Items	(5) Total Company Electric Utility After Assignment	(6) Deferred FIT Associated With Rate Case Adjustments	(7) Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
280	900A LOSS ON REACQUIRED DEBT	2,002,211	-	2,002,211	-	2,002,211	-	2,002,211
281	900F BK DEFL-GAIN REACQUIRED DEBT	360	-	360	-	360	-	360
282	900I REG ASSET - REACQ DEBT-RKPT U2	(43,460)	-	(43,460)	-	(43,460)	-	(43,460)
283	905I POST RETIREMENT BEN - PAYMENT	-	-	-	-	-	-	-
284	906A ACCRD SFAS 106 PST RETIRE EXP	1,213,038	(858,268)	2,071,306	-	2,071,306	-	2,071,306
285	906C DEFD SFAS 106 BOOK COSTS	-	-	-	-	-	-	-
286	906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	-	-	-	-	-	-	-
287	906F ACCRD OPEB COSTS - SFAS 158	(4,300,171)	-	(4,300,171)	-	(4,300,171)	-	(4,300,171)
288	906K ACCRD SFAS 112 PST EMPLOY BEN	524,408	-	524,408	-	524,408	-	524,408
289	906P ACCRD BOOK ARO EXPENSE - SFAS 143	(75,504,632)	-	(75,504,632)	-	(75,504,632)	-	(75,504,632)
290	906Z SFAS 106 - MEDICARE SUBSIDY - (PPACA)	(214,228)	-	(214,228)	-	(214,228)	-	(214,228)
291	907A REG ASSET - MEDICARE SUBSIDY - FLOW THRU	-	-	-	-	-	-	-
292	907B SFAS 106 - MEDICARE SUBSIDY - NORMALIZED	-	-	-	-	-	-	-
293	910A GAIN ON REACQUIRED DEBT - DFIT FBK	-	-	-	-	-	-	-
294	910M GROSS RECEIPTS - TAX EXPENSE	-	-	-	-	-	-	-
295	910Z AMORT STEP-UP ITC TO TI-RKPT 2 - DFIT FBK	238,190	-	238,190	-	238,190	-	238,190
296	911F FIN 48 DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-
297	911Q DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-
298	911R ACCRUED SIT TAX RESERVE	-	-	-	-	-	-	-
299	911S ACCRUED SALES & USE TAX RESERVE	-	-	-	-	-	-	-
300	911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	(5,212)	-	(5,212)	-	(5,212)	-	(5,212)
301	911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	-	-	-	-	-	-	-
302	913D CHARITABLE CONTRIBUTION CARRYFWD	2,292,689	2,292,689	-	-	-	-	-
303	913F VALUATION ALLOWANCE-CHARIT CONT CFD	-	-	-	-	-	-	-
304	913Y BK DEFL - MERGER COSTS	-	-	-	-	-	-	-
305	914A SFAS 109 - DEFD SIT LIABILITY	-	-	-	-	-	-	-
306	914B REG ASSET - SFAS 109 DSIT LIAB	-	-	-	-	-	-	-
307	914K REG ASSET - ACCRUED SFAS 112	(524,408)	-	(524,408)	-	(524,408)	-	(524,408)
308	930A BOOK > TAX BASIS - PARTNERSHIP INVEST	-	-	-	-	-	-	-
309	940A 1977-1980 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-
310	940E 1981-1982 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-
311	940I 1985-1987 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-
312	940K 1988-1990 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-
313	940N 1991-1996 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-
314	940S 1997-2003 IRS AUDIT SETTLEMENT	113,523	(124,970)	238,493	-	238,493	-	238,493
315	940X IRS CAPITALIZATION ADJUSTMENT	356,514	(16,612)	373,126	-	373,126	-	373,126
316	960E AMT CREDIT - DEFERRED	539,317	539,317	-	-	-	-	-
317	960Z NOL - DEFERRED TAX ASSET RECLASS	546,968	546,968	-	-	-	-	-
318	980A RESTRICTED STOCK PLAN	(35,126)	-	(35,126)	-	(35,126)	-	(35,126)
319	980J PSI - STOCK BASED COMP	(342,954)	-	(342,954)	-	(342,954)	-	(342,954)
320	Total OTHER MISCELLANEOUS	(64,915,117)	11,348,387	(76,263,504)	-	(76,263,504)	-	(76,263,504)
321	=====							
322	PERMANENT SCHEDULE M's							
323	906B SFAS 106 - POST RETIRE BEN MEDICARE SUBSIDY	-	-	-	-	-	-	-
324	910B NON-DEDUCT MEALS AND T&E	-	-	-	-	-	-	-
325	910C NON-DEDUCT FINES&PENALTIES	-	-	-	-	-	-	-
326	910E NON-DEDUCT MISCELLANEOUS	-	-	-	-	-	-	-
327	910H CHARITABLE DONATIONS	-	-	-	-	-	-	-
328	910S NON-DEDUCT LOBBYING	-	-	-	-	-	-	-
329	910U MEMBERSHIP DUES	-	-	-	-	-	-	-
330	911A ACCRUED NON-DEDUCTIBLE PENALTIES	-	-	-	-	-	-	-
331	913A LUXURY AUTO ADJUSTMENT	-	-	-	-	-	-	-
332	940Z IRS AUDIT SETTLEMENTS - PERM	-	-	-	-	-	-	-
333	970A MANUFACTURING DEDUCTION	-	-	-	-	-	-	-
334	980B RESTRICTED STOCK PLAN - TAX DEDUCTION							

Indiana Michigan Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Total Company Per Books DFIT 12 Mo. 12/31/18	Less Non-Utility/ Non-Applicable	Total Company Electric Utility DFIT Before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Deferred FIT Associated With Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
335	990B BK AMORT-LOSS REACQ DBT-MAND RED PR STK	-	-	-	-	-	-	-
336	995E 40.000% DIVDS PD CERT PRFD STK	-	-	-	-	-	-	-
337	999Q FIN-48 DSIT - PERM - FIN 48	-	-	-	-	-	-	-
338	Total PERMANENT SCHEDULE M's	-	-	-	-	-	-	-
339	=====							
340	TAX ACCRUALS							
341	711N CAPITALIZED SOFTWARE COSTS-TAX	(758)	(1,820)	1,062	-	1,062	-	1,062
342	711O BOOK LEASES CAPITALIZED FOR TAX	(218,379)	502,131	(720,510)	-	(720,510)	-	(720,510)
343	711R CAPITALIZED LEASES - A/C 1011 ASSETS	-	-	-	-	-	-	-
344	Total TAX ACCRUALS	(219,137)	500,311	(719,448)	-	(719,448)	-	(719,448)
345	=====							
346	TAX DEFERRALS							
347	700Z TAX DEFL - DEBT ISSUE COSTS	-	-	-	-	-	-	-
348	712E INSTALL ALLOWANCES CAPD - TAX	-	-	-	-	-	-	-
349	712K CAPITALIZED SOFTWARE COST-BOOK	8,225,357	3,493,046	4,732,311	-	4,732,311	-	4,732,311
350	913K CAPITALIZED COOK COSTS - TAX	2,835,000	2,835,000	-	-	-	-	-
351	Total TAX DEFERRALS	11,060,357	6,328,046	4,732,311	-	4,732,311	-	4,732,311
352	=====							
353	TAX vs BOOK GAIN / LOSS							
354	561G DEFD TAX GAIN RKPRT LAND ABFUDC	-	-	-	-	-	-	-
355	561H DEFD TX GAIN RKPRT LAND O/H	-	-	-	-	-	-	-
356	562B DEFD BK GAIN-RKPT 2 SALE/LEASE	778,410	-	778,410	-	778,410	-	778,410
357	562B-XS EXCESS DIT - AMORT BK GAIN-RKPT2 SALE	(182,869)	-	(182,869)	-	(182,869)	-	(182,869)
358	562H DEFERRED INTERCOMPANY TAX G/L	-	-	-	-	-	-	-
359	560D BK/TX GAIN SALE OF MISC PROP	-	-	-	-	-	-	-
360	Total TAX vs BOOK GAIN / LOSS	595,541	-	595,541	-	595,541	-	595,541
361	=====							
362	NUCLEAR FUEL ADJUSTMENTS							
363	811B UNIT 1 NUC FUEL TAX VS BOOK DEPR	5,597,706	(228,534)	5,826,240	-	5,826,240	-	5,826,240
364	811C AMORT OF NUCLEAR FUEL - UNIT 1	(13,559,905)	-	(13,559,905)	-	(13,559,905)	-	(13,559,905)
365	813B UNIT 2 NUC FUEL TAX VS BOOK DEPR	10,673,348	(3,892)	10,677,240	-	10,677,240	-	10,677,240
366	813C AMORT OF NUCLEAR FUEL - UNIT 2	(10,338,224)	-	(10,338,224)	-	(10,338,224)	-	(10,338,224)
367	Total NUCLEAR FUEL ADJUSTMENTS	(7,627,075)	(232,426)	(7,394,649)	-	(7,394,649)	-	(7,394,649)
368	=====							
369	NUCLEAR FUEL DISPOSAL COSTS							
370	841A SM-DEFD PRE 4 7 83 DISP CSTS	(36,445)	(36,135)	(310)	-	(310)	-	(310)
371	841B SI-DEFD PRE 4 7 83 DISP CSTS	(186,959)	(187,556)	597	-	597	-	597
372	841C FR-DEFD PRE 4 7 83 DISP CSTS	47,967	47,944	23	-	23	-	23
373	841D TC-DEFD DISPOL CSTS NUC FUEL	-	-	-	-	-	-	-
374	841E AMORT SNF DISPOSAL CONTAINER COSTS	-	-	-	-	-	-	-
375	842A FR-AMORT INT PRE 4 7 83 DISP	134,585	134,585	0	-	0	-	0
376	842B SI-AMORT INT PRE 4 7 83 DISP	(181,433)	(181,433)	(0)	-	(0)	-	(0)
377	842C SM-AMORT INT PRE 4 7 83 DISP	(40,504)	(40,504)	(0)	-	(0)	-	(0)
378	843A TC-ACC INT PRE 4 7 83 DISP CST	1,054,378	-	1,054,378	-	1,054,378	-	1,054,378
379	844A TAX-EXEMPT INC-SPENT FUEL FUND	-	-	-	-	-	-	-
380	Total NUCLEAR FUEL DISPOSAL COSTS	791,589	(263,098)	1,054,688	-	1,054,688	-	1,054,688
381	=====							
382	NUCLEAR DECOMMISSIONING COSTS							
383	844I BK EXP NUC FUEL DECONTAM FUND	-	-	-	-	-	-	-
384	845A SM-ACC NQ NUC DECOM EXP -RATES	-	-	-	-	-	-	-
385	845B SI-ACC NQ NUC DECOM EXP -RATES	-	-	-	-	-	-	-
386	845C FR-ACC NQ NUC DECOM EXP -RATES	-	-	-	-	-	-	-
387	845D SM-NQ NUC DECOM TR-TAX EX INC	-	-	-	-	-	-	-
388	845E SI-NQ NUC DECOM TR-TAX EX INC	-	-	-	-	-	-	-
389	845F FR-NQ NUC DECOM TR-TAX EX INC	-	-	-	-	-	-	-

Indiana Michigan Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Total Company Per Books DFIT 12 Mo. 12/31/18	Less Non-Utility/ Non-Applicable	Total Company Electric Utility DFIT Before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Deferred FIT Associated With Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
390	845G SM-ACC NUC DCM EXP-NQ TR INC	-	-	-	-	-	-	-
391	845H SI-ACC NUC DCM EXP-NQ TR INC	-	-	-	-	-	-	-
392	845I FR-ACC NUC DCM EXP-NQ TR INC	-	-	-	-	-	-	-
393	845K NUC DECOM TRUST - SFAS 143 - ARO - BK	(12,110,170)	-	(12,110,170)	-	(12,110,170)	-	(12,110,170)
394	846D SM-QUAL NUC DCM TR-NET BK INC	-	-	-	-	-	-	-
395	846E SI-QUAL NUC DEM TR-NET BK INC	-	-	-	-	-	-	-
396	846F FR-QUAL NUC DCM TR-NET BK INC	-	-	-	-	-	-	-
397	846G SM-ACC NUC DCM EXP-QUAL TR INC	-	-	-	-	-	-	-
398	846H SI-ACC NUC DCM EXP-QUAL TR INC	-	-	-	-	-	-	-
399	846I FR-ACC NUC DCM EXP-QUAL TR INC	-	-	-	-	-	-	-
400	Total NUCLEAR DECOMMISSIONING COSTS	(12,110,170)	-	(12,110,170)	-	(12,110,170)	-	(12,110,170)
401	=====							
402	BOOK DEFERRED NUCLEAR COSTS							
403	850A U1-BK DEFD NUC REFUEL COSTS	(8,396,251)	-	(8,396,251)	-	(8,396,251)	-	(8,396,251)
404	850C U2-BK DEFD NUC REFUEL COSTS	2,267,148	-	2,267,148	-	2,267,148	-	2,267,148
405	Total BOOK DEFERRED NUCLEAR COSTS	(6,129,103)	-	(6,129,103)	-	(6,129,103)	-	(6,129,103)
406	=====							
407	MARK-TO-MARKET ADJUSTMENTS							
408	575A MTM BK GAIN-B/L-TAX DEFL	-	-	-	-	-	-	-
409	575E MTM BK GAIN-A/L-TAX DEFL	1,479,553	(101,322)	1,580,875	-	1,580,875	-	1,580,875
410	576A MARK & SPREAD-DEFL-283-B/L	-	-	-	-	-	-	-
411	576C MARK & SPREAD-DEFL-190-B/L	-	-	-	-	-	-	-
412	576E MARK & SPREAD-DEFL-283-A/L	692,623	276,460	416,163	-	416,163	-	416,163
413	576F MARK & SPREAD-DEFL-190-A/L	235,763	(269,888)	505,651	-	505,651	-	505,651
414	610U PROV-TRADING CREDIT RISK - A/L	(476)	(2,041)	1,565	-	1,565	-	1,565
415	610V PROV - SFAS 157 - A/L	-	-	-	-	-	-	-
416	610W PROV-TRADING CREDIT RISK - B/L	-	-	-	-	-	-	-
417	610X PROV - SFAS 157 - B/L	-	-	-	-	-	-	-
418	652G REG LIAB-UNREAL MTM GAIN-DEFL	(2,368,638)	-	(2,368,638)	-	(2,368,638)	-	(2,368,638)
419	Total MARK-TO-MARKET ADJUSTMENTS	38,825	(96,791)	135,616	-	135,616	-	135,616
420	=====							
421	EMISSION ALLOWANCES							
422	638A BOOK > TAX BASIS - EMA-A/C 283	(277,847)	-	(277,847)	-	(277,847)	-	(277,847)
423	638C TAX > BOOK BASIS - EMA-A/C 190	-	-	-	-	-	-	-
424	639C DEFD BK LOSS-NON-AFF SALE-EMA	-	-	-	-	-	-	-
425	639M TAX > BOOK BASIS - EMA-A/C 190 (B/L)	-	-	-	-	-	-	-
426	639O BOOK > TAX BASIS EMA - 283 (B/L)	-	-	-	-	-	-	-
427	639Q DEFD TAX GAIN - INTERCO SALE - EMA	-	-	-	-	-	-	-
428	639S DEFD TAX LOSS - INTERCO SALE - EMA	-	-	-	-	-	-	-
429	640K DEFD TAX GAIN-EPA AUCTION	-	-	-	-	-	-	-
430	Total EMISSION ALLOWANCES	(277,847)	-	(277,847)	-	(277,847)	-	(277,847)
431	=====							
432	EXCESS ADFIT							
433	960F-XS EXCESS ADFIT 281 - PROTECTED	(79,289)	(79,289)	(0)	-	(0)	-	(0)
434	960F-XS EXCESS ADFIT 281 - PROTECTED-FERC	2,249,099	-	2,249,099	-	2,249,099	-	2,249,099
435	960F-XS EXCESS ADFIT 281 - PROTECTED-IN	7,788,102	-	7,788,102	-	7,788,102	-	7,788,102
436	960F-XS EXCESS ADFIT 281 - PROTECTED-MI	1,734,531	-	1,734,531	-	1,734,531	-	1,734,531
437	960F-XS EXCESS ADFIT 282 - PROTECTED	(498,826,459)	(15,799,802)	(483,026,657)	-	(483,026,657)	-	(483,026,657)
438	960F-XS EXCESS ADFIT 282 - PROTECTED-FERC	50,100,490	-	50,100,490	-	50,100,490	-	50,100,490
439	960F-XS EXCESS ADFIT 282 - PROTECTED-IN	221,013,241	-	221,013,241	-	221,013,241	-	221,013,241
440	960F-XS EXCESS ADFIT 282 - PROTECTED-MI	50,560,857	-	50,560,857	-	50,560,857	-	50,560,857
441	960F-XS EXCESS ADFIT 282 - UNPROTECTED	13,431,855	-	13,431,855	-	13,431,855	-	13,431,855
442	960F-XS EXCESS ADFIT 282 - UNPROTECTED-FERC	21,822,440	-	21,822,440	-	21,822,440	-	21,822,440
443	960F-XS EXCESS ADFIT 282 - UNPROTECTED-IN	76,079,956	-	76,079,956	-	76,079,956	-	76,079,956
444	960F-XS EXCESS ADFIT 282 - UNPROTECTED-MI	25,844,137	-	25,844,137	-	25,844,137	-	25,844,137

Indiana Michigan Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Total Company Per Books DFIT 12 Mo. 12/31/18	Less Non-Utility/ Non-Applicable	Total Company Electric Utility DFIT Before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Deferred FIT Associated With Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
445	960F-XS EXCESS ADFIT 283 - UNPROTECTED	(24,777,701)	(2,988,804)	(21,788,897)	-	(21,788,897)	-	(21,788,897)
446	960F-XS EXCESS ADFIT 283 - UNPROTECTED-FERC	1,640,907	-	1,640,907	-	1,640,907	-	1,640,907
447	960F-XS EXCESS ADFIT 283 - UNPROTECTED-IN	5,886,272	-	5,886,272	-	5,886,272	-	5,886,272
448	960F-XS EXCESS ADFIT 283 - UNPROTECTED-MI	2,000,926	-	2,000,926	-	2,000,926	-	2,000,926
449	Total EXCESS ADFIT	(43,530,636)	(18,867,895)	(24,662,741)	-	(24,662,741)	-	(24,662,741)
450								
451	409/410/411 Adj	(2,220,580)	(2,220,580)					
452								
453	=====							
454	TOTAL DEFERRED FEDERAL INCOME TAXES	(44,346,768)	(27,482,221)	(16,864,546)	-	(16,864,546)	-	(16,864,546)
455	=====							
456								
457								
458								
459								
460	DEFERRED INVESTMENT TAX CREDITS:							
461	ITC Feedback - Prior Years 10%	(2,216,056)	-	(2,216,056)	-	(2,216,056)	-	(2,216,056)
462	ITC Feedback - Tax Reallocation	-	-	-	-	-	-	-
463	ITC Feedback - Prior Years 4%	-	-	-	-	-	-	-
464	ITC Feedback - Solar Investment Tax Credit 30%	-	-	-	-	-	-	-
465	ITC Feedback - Rockport U1	(516,455)	-	(516,455)	-	(516,455)	-	(516,455)
466	ITC Feedback - Rockport U2	(1,922,655)	-	(1,922,655)	-	(1,922,655)	-	(1,922,655)
467	ITC Feedback - QPE Credit Cook Plant Simulator	(31,761)	-	(31,761)	-	(31,761)	-	(31,761)
468	TOTAL DEFERRED INVESTMENT TAX CREDITS	(4,686,927)	-	(4,686,927)	-	(4,686,927)	-	(4,686,927)
469								
470								
471								
472	TOTAL DEFERRED FIT AND ITC	(49,033,695)	(27,482,221)	(21,551,473)	-	(21,551,473)	-	(21,551,473)

Indiana Michigan Power Company
Computation of Adjusted
Deferred Federal Income Tax Expense
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Total Company Electric Utility Sch M Per Books 12 Mo. 12/31/18	Schedule M x FIT Rate @ 21%	DFIT Feedback For 12 Months Based on 12 Mo. 12/31/18	Total Company Electric Utility DFIT before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
Line No.	DEFERRED FEDERAL INCOME TAXES:								
8	EXCESS TAX vs BOOK DEPRECIATION								
9	210A LIBERALIZED DEPR-REG	4,953	(1,040)	-	(1,040)	-	(1,040)	-	(1,040)
10	210A-XS EXCESS DFIT - LIBERALIZED DEPR-REG	-	-	(1,366)	(1,366)	-	(1,366)	-	(1,366)
11	213A-XS EXCESS DIT - EXCESS FIT% RATE CHANGE LD	-	-	1,371,542	1,371,542	-	1,371,542	-	1,371,542
12	220A CLS LIFE DEPR (ADR)-REG	1,680	(353)	-	(353)	-	(353)	-	(353)
13	220A-XS EXCESS DIT - CLADR DEPR - REG	-	-	(1,198)	(1,198)	-	(1,198)	-	(1,198)
14	230A ACRS BENEFIT NORMALIZED	(108,974,611)	22,884,668	-	22,884,668	-	22,884,668	-	22,884,668
15	230A-XS EXCESS DIT - ACRS NORM REVERSAL	-	-	(1,111,218)	(1,111,218)	-	(1,111,218)	-	(1,111,218)
16	230I CAPD INTEREST-SECTION 481(a)-CHANGE IN METHD	33,887	(7,116)	-	(7,116)	-	(7,116)	-	(7,116)
17	230J RELOCATION CST-SECTION 481(a)-CHANGE IN METHD	175,986	(36,957)	-	(36,957)	-	(36,957)	-	(36,957)
18	230K PJM INTEGRATION-SEC 481(a)-INTANG-DFD LABOR	175,023	(36,755)	-	(36,755)	-	(36,755)	-	(36,755)
19	230X R&D DEDUCTION - SECTION 174	(8,300,000)	1,743,000	-	1,743,000	-	1,743,000	-	1,743,000
20	232C ACRS NORM - RKPT U1	17,868,000	(3,752,280)	-	(3,752,280)	-	(3,752,280)	-	(3,752,280)
21	232C-XS EXCESS DIT - ACRS NORM RKPT U1	-	-	(564,752)	(564,752)	-	(564,752)	-	(564,752)
22	232K ACRS NORM - RKPT U2	2,364,000	(496,440)	-	(496,440)	-	(496,440)	-	(496,440)
23	232K-XS EXCESS DIT - ACRS NORM RKPT U2	-	-	5,593	5,593	-	5,593	-	5,593
24	232M ACRS NORM - RKPT SPARE PARTS	(240,000)	50,400	-	50,400	-	50,400	-	50,400
25	232M-XS EXCESS DIT - ACRS NORM RKPT SPRPTS	-	-	(5,941)	(5,941)	-	(5,941)	-	(5,941)
26	234H TAX > BK BASIS - THI SETTLEMNT	-	-	-	-	-	-	-	-
27	234Q MACRS TAX DEPRECIATION - RAILCARS	684,000	(143,640)	-	(143,640)	-	(143,640)	-	(143,640)
28	280A EXCESS TX VS S/L BK DEPR	26,974,000	-	-	-	-	-	-	-
29	280D NON-UTIL EXCESS TAX VS BK DEPR	-	-	-	-	-	-	-	-
30	280H BK PLANT IN SERVICE - SFAS 143 - ARO	(302,142,656)	63,449,958	-	63,449,958	-	63,449,958	-	63,449,958
31	282A EXCESS TX VS S/L BK DEPR RKPT2	9,588,000	-	-	-	-	-	-	-
32	282B EX TX VS SL BK DEPR-RKPT SPARE	(5,076,000)	-	-	-	-	-	-	-
33	295A GAIN/LOSS ON ACRS/MACRS PROPERTY	-	-	1	1	-	1	-	1
34	295A GAIN/LOSS ON ACRS/MACRS PROPERTY - DFIT FBK	-	-	(2,877,191)	(2,877,191)	-	(2,877,191)	-	(2,877,191)
35	295C GAIN/LOSS ACRS/MACRS-BK/TX UNIT PROPERTY	-	-	-	-	-	-	-	-
36	295D TAX LOSS ON PLANT RETIREMENTS	-	-	-	-	-	-	-	-
37	390A CIAC - BOOK RECEIPTS	(72,213)	15,165	-	15,165	-	15,165	-	15,165
38	390B CIAC - BK RECTS-STEEL DYNAMICS	-	-	-	-	-	-	-	-
39	Total EXCESS TAX vs BOOK DEPRECIATION	(366,935,951)	83,668,610	(3,184,530)	80,484,081	-	80,484,081	-	80,484,080
40	=====								
41	AFUDC / INTEREST CAPITALIZED								
42	310A AOFUDC	-	-	-	-	-	-	-	-
43	320A ABFUDC	(6,690,243)	1,404,951	-	1,404,951	-	1,404,951	-	1,404,951
44	320A ABFUDC - DFIT FBK	-	-	(724,521)	(724,521)	-	(724,521)	-	(724,521)
45	320D ABFUDC - NUCLEAR FUEL	(691,938)	145,307	-	145,307	-	145,307	-	145,307
46	320D ABFUDC - NUCLEAR FUEL - DFIT FBK	-	-	(226,282)	(226,282)	-	(226,282)	-	(226,282)
47	320E ABFUDC - ROCKPORT SPARE PARTS - DFIT FBK	-	-	-	-	-	-	-	-
48	320G ABFUDC - RKPRT-SULL EHV - DFIT FBK	-	-	-	-	-	-	-	-
49	320K ABFUDC - ROCKPORT UNIT 1 - DFIT FBK	-	-	-	-	-	-	-	-
50	320L ABFUDC - ROCKPORT UNIT 2 - DFIT FBK	-	-	(50,450)	(50,450)	-	(50,450)	-	(50,450)
51	320M ABFUDC - RKPRT-JEFF EHV - DFIT FBK	-	-	-	-	-	-	-	-
52	320N ABFUDC - RKPRT PC U1 - DFIT FBK	-	-	-	-	-	-	-	-
53	320Q ABFUDC - COOK U2 STEAM GNR - DFIT FBK	-	-	-	-	-	-	-	-
54	380J INT EXP CAPITALIZED FOR TAX	14,939,198	(3,137,232)	-	(3,137,232)	-	(3,137,232)	-	(3,137,232)
55	380J INT EXP CAPITALIZED FOR TAX - DFIT FBK	-	-	1,335,128	1,335,128	-	1,335,128	-	1,335,128
56	380L INT EXP CAPD - COOK U2 STEAM - DFIT FBK	-	-	-	-	-	-	-	-
57	380M TXBL INT INC CAP FOR BK-BFSHAW - DFIT FBK	-	-	392	392	-	392	-	392
58	380P INT EXP CAPD BK - THI SETTLE - DFIT FBK	-	-	(8,058)	(8,058)	-	(8,058)	-	(8,058)
59	380Q INT EXP CAPD TAX - RKPT SPARES - DFIT FBK	-	-	-	-	-	-	-	-
60	Total AFUDC / INTEREST CAPITALIZED	7,557,017	(1,586,974)	326,209	(1,260,765)	-	(1,260,765)	-	(1,260,765)
61	=====								

Indiana Michigan Power Company
Computation of Adjusted
Deferred Federal Income Tax Expense
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Total Company Electric Utility Sch M Per Books 12 Mo. 12/31/18	Schedule M x FIT Rate @ 21%	DFIT Feedback For 12 Months Based on 12 Mo. 12/31/18	Total Company Electric Utility DFIT before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
Line No.	DEFERRED FEDERAL INCOME TAXES:								
62	MISC OVERHEADS CAPITALIZED								
63	340A INVOL CONV RKPT U1-TURBINE - DFIT FBK	-	-	-	-	-	-	-	-
64	340B INVOL CONV RKPT U1-ASH HOPPER - DFIT FBK	-	-	-	-	-	-	-	-
65	350A TXS CAPD - DFIT FBK	-	-	-	-	-	-	-	-
66	350B TXS CAPD-COOK - DFIT FBK	-	-	-	-	-	-	-	-
67	350D TXS CAPD-ROCKPORT SPARE PARTS - DFIT FBK	-	-	-	-	-	-	-	-
68	350E TXS CAPD-RKPRT-SULL EHV - DFIT FBK	-	-	-	-	-	-	-	-
69	350F TXS CAPD - ROCKPORT UNIT 1 - DFIT FBK	-	-	-	-	-	-	-	-
70	350G TXS CAPD - ROCKPORT UNIT 2 - DFIT FBK	-	-	(132)	(132)	-	(132)	-	(132)
71	350H TXS CAPD - RKPRT-JEFF EHV - DFIT FBK	-	-	-	-	-	-	-	-
72	360A PENS CAPD - DFIT FBK	-	-	-	-	-	-	-	-
73	360B PENS CAPD-COOK - DFIT FBK	-	-	-	-	-	-	-	-
74	360D PENS CAPD-RKPRT-SULL EHV - DFIT FBK	-	-	-	-	-	-	-	-
75	360E PENS CAPD-ROCKPORT SPARE PARTS - DFIT FBK	-	-	-	-	-	-	-	-
76	360F PENS CAPD - ROCKPORT UNIT 1 - DFIT FBK	-	-	-	-	-	-	-	-
77	360H PENS CAPD - RKPRT-JEFF EHV - DFIT FBK	-	-	-	-	-	-	-	-
78	360J SEC 481 PENS/OPEB ADJUSTMENT	-	-	-	-	-	-	-	-
79	370A SAV PLAN CAPD - DFIT FBK	-	-	-	-	-	-	-	-
80	370B SAV PLAN CAPD-COOK - DFIT FBK	-	-	-	-	-	-	-	-
81	370D SAV PLAN CAPD-RKPRT-SULL EHV - DFIT FBK	-	-	-	-	-	-	-	-
82	370E SAV PLAN CAPD-RKPT SPARE PARTS - DFIT FBK	-	-	-	-	-	-	-	-
83	370F SAV PLAN CAPD - ROCKPORT UNIT1 - DFIT FBK	-	-	-	-	-	-	-	-
84	370H SAV PLAN CAPD - RKPRT-JEFF EHV - DFIT FBK	-	-	-	-	-	-	-	-
85	Total MISC OVERHEADS CAPITALIZED	-	-	(132)	(132)	-	(132)	-	(132)
86	=====								
87	PERCENT REPAIR ALLOWANCE								
88	532A PERCENT REPAIR ALLOWANCE	-	-	-	-	-	-	-	-
89	532A PERCENT REPAIR ALLOWANCE - DFIT FBK	-	-	(745,801)	(745,801)	-	(745,801)	-	(745,801)
90	532C BOOK/TAX UNIT OF PROPERTY ADJ	(32,567,000)	6,839,070	-	6,839,070	-	6,839,070	-	6,839,070
91	532D BK/TX UNIT OF PROPERTY ADJ - SECTION 481	12,064,000	(2,533,440)	-	(2,533,440)	-	(2,533,440)	-	(2,533,440)
92	534A CAPITALIZED RELOCATION COSTS	(2,129,000)	447,090	-	447,090	-	447,090	-	447,090
93	534A CAPITALIZED RELOCATION COSTS - DFIT FBK	-	-	(297,525)	(297,525)	-	(297,525)	-	(297,525)
94	Total PERCENT REPAIR ALLOWANCE	(22,632,000)	4,752,720	(1,043,326)	3,709,394	-	3,709,394	-	3,709,394
95	=====								
96	REMOVAL COSTS								
97	910K REMOVAL CST	(38,238,000)	-	-	-	-	-	-	-
98	910X REMOVAL COSTS-COOK U2 STM GNR - DFIT FBK	-	-	-	-	-	-	-	-
99	910Y REMOVAL COSTS-COOK U1 STM GNR - DFIT FBK	-	-	(217,520)	(217,520)	-	(217,520)	-	(217,520)
100	912K REMOVAL CST - NORMALIZED	(22,224,000)	4,667,040	-	4,667,040	-	4,667,040	-	4,667,040
101	Total REMOVAL COSTS	(60,462,000)	4,667,040	(217,520)	4,449,520	-	4,449,520	-	4,449,520
102	=====								
103	ACCELERATED AMORTIZATION								
104	533A TX AMORT POLLUTION CONT EQPT	(1,068,000)	224,280	-	224,280	-	224,280	-	224,280
105	533J TX ACCEL AMORT - CAPITALIZED SOFTWARE	(1,403,376)	294,709	-	294,709	-	294,709	-	294,709
106	Total ACCELERATED AMORTIZATION	(2,471,376)	518,989	-	518,989	-	518,989	-	518,989
107	=====								
108	PROPERTY TAX ADJUSTMENTS								
109	510B PROP TX-RKPT SPARES-WVA-TAX	6,726	(1,412)	-	(1,412)	-	(1,412)	-	(1,412)
110	510H PROPERTY TAX-NEW METHOD-BOOK	1,293,009	(271,532)	-	(271,532)	-	(271,532)	-	(271,532)
111	510I PROP TX-STATE 2-OLD METHOD-TX	-	-	-	-	-	-	-	-
112	510M PROP TAX-RKPT U2-OLD METHOD TX	95,141	(19,980)	-	(19,980)	-	(19,980)	-	(19,980)
113	Total PROPERTY TAX ADJUSTMENTS	1,394,876	(292,924)	-	(292,924)	-	(292,924)	-	(292,924)
114	=====								

Indiana Michigan Power Company
Computation of Adjusted
Deferred Federal Income Tax Expense
Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Total Company Electric Utility Sch M Per Books 12 Mo. 12/31/18	Schedule M x FIT Rate @ 21%	DFIT Feedback For 12 Months Based on 12 Mo. 12/31/18	Total Company Electric Utility DFIT before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
Line No.	DEFERRED FEDERAL INCOME TAXES:								
115	REVENUE REFUNDS								
116	520A PROVS POSS REV REFDS	(19,901,343)	4,179,282	-	4,179,282	-	4,179,282	-	4,179,282
117	520B PROVS INT CHGS-REV REFDS	-	-	-	-	-	-	-	-
118	520V PROV REV REF D - WEST COAST ELECTRIC	-	-	-	-	-	-	-	-
119	520X PROV FOR RATE REFUND-TAX REFORM	16,741,571	(3,515,730)	-	(3,515,730)	-	(3,515,730)	-	(3,515,730)
120	520Y PROV FOR RATE REFUND-EXCESS PROTECTED	3,124,857	(656,220)	-	(656,220)	-	(656,220)	-	(656,220)
121	Total REVENUE REFUNDS	(34,915)	7,332	-	7,332	-	7,332	-	7,332
122	=====								
123	DEFERRED FUEL COSTS								
124	430I SI-UNRECD FUEL CSTS (CUR MO)	-	-	-	-	-	-	-	-
125	430J SM-UNRECD FUEL CSTS	14,897,213	(3,128,415)	-	(3,128,415)	-	(3,128,415)	-	(3,128,415)
126	430T UNRECOVERED FUEL INTEREST	-	-	-	-	-	-	-	-
127	Total DEFERRED FUEL COSTS	14,897,213	(3,128,415)	-	(3,128,415)	-	(3,128,415)	-	(3,128,415)
128	=====								
129	EQUITY IN EARNINGS OF SUBSIDIARIES								
130	531A EQTY IN SUBSIDIARIES (US)	-	-	-	-	-	-	-	-
131	Total EQUITY IN EARNINGS OF SUBSIDIARIES	-	-	-	-	-	-	-	-
132	=====								
133	BOOK ACCRUALS								
134	602A PROV WORKER'S COMP	506,792	(106,426)	-	(106,426)	-	(106,426)	-	(106,426)
135	605B ACCRUED BK PENSION EXPENSE	7,489,434	(1,572,781)	-	(1,572,781)	-	(1,572,781)	-	(1,572,781)
136	605C ACCRUED BK PENSION COSTS - SFAS 158	(13,467,529)	2,828,181	-	2,828,181	-	2,828,181	-	2,828,181
137	605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	178,115	(37,404)	-	(37,404)	-	(37,404)	-	(37,404)
138	605F ACCRD SUP EXEC RETIRE PLAN COSTS-SFAS 158	87,312	(18,336)	-	(18,336)	-	(18,336)	-	(18,336)
139	605I ACCRD BK SUP. SAVINGS PLAN EXP	16,609	(3,488)	-	(3,488)	-	(3,488)	-	(3,488)
140	605J EMPLOYER SAVINGS PLAN MATCH	-	-	-	-	-	-	-	-
141	605O ACCRUED PSI PLAN EXP	(2,479,142)	520,620	-	520,620	-	520,620	-	520,620
142	605P STOCK BASED COMP-CAREER SHARES	-	-	-	-	-	-	-	-
143	605V PROV RAD WASTE ACCRUAL - LT	311,217	(65,356)	-	(65,356)	-	(65,356)	-	(65,356)
144	605W PROV RAD WASTE ACCRUAL - ST	(582,145)	122,250	-	122,250	-	122,250	-	122,250
145	610A BK PROV UNCOLL ACCTS - ST	(109,568)	23,009	-	23,009	-	23,009	-	23,009
146	610D BK PROV UNCOLL ACCTS - LT	-	-	-	-	-	-	-	-
147	612G ACCRD COMPANYWIDE INCENT PLAN-ENGAGE TO GAIN	-	-	-	-	-	-	-	-
148	612Y ACCRD COMPANYWIDE INCENT PLAN	9,694,547	(2,035,855)	-	(2,035,854)	-	(2,035,854)	-	(2,035,854)
149	613C ACCRD ENVIRONMENTAL LIAB - CURRENT	-	-	-	-	-	-	-	-
150	613E ACCRUED BOOK VACATION PAY	(912,495)	191,624	-	191,624	-	191,624	-	191,624
151	613F ACCRD ENVIRONMENTAL LIAB - LONGTERM	-	-	-	-	-	-	-	-
152	613G ACCRD SEMCO ENVIRON REMEDIATION COSTS - LT	-	-	-	-	-	-	-	-
153	613K (ICDP) INCENTIVE COMP DEFERRAL PLAN	(190,309)	39,965	-	39,965	-	39,965	-	39,965
154	613L ACCRD SEMCO ENVIRON REMEDIATION COSTS - ST	(11,619)	2,440	-	2,440	-	2,440	-	2,440
155	613V ACCRD BK SEI EMPLOYEE BENEFIT COSTS	-	-	-	-	-	-	-	-
156	613Y ACCRD BK SEVERANCE BENEFITS	-	-	-	-	-	-	-	-
157	614L PROVISION FOR POTENTIAL LOSS	-	-	-	-	-	-	-	-
158	614W FORT WAYNE CITY LIGHTS SETTLEMENT	(349,106)	73,312	-	73,312	-	73,312	-	73,312
159	614Y FORT WAYNE CITY LIGHTS - INT EXP DIFFERENTIAL	-	-	-	-	-	-	-	-
160	614Z FORT WAYNE CITY LIGHTS - RIGHT TO SERVE SETTLE	914,591	(192,064)	-	(192,064)	-	(192,064)	-	(192,064)
161	615A ACCRUED INTEREST EXP -STATE	-	-	-	-	-	-	-	-
162	615B ACCRUED INTEREST-LONG-TERM - FIN 48	(291,752)	61,268	-	61,268	-	61,268	-	61,268
163	615C ACCRUED INTEREST-SHORT-TERM - FIN 48	(4,326)	908	-	908	-	908	-	908
164	615E ACCRUED STATE INCOME TAX EXP	-	-	-	-	-	-	-	-
165	615R REG ASSET - DEFERRED RTO COSTS	309,292	(64,951)	-	(64,951)	-	(64,951)	-	(64,951)
166	615Z IN CUSTOMER PROGRAM CONTRIBUTIONS S/T	175,000	(36,750)	-	(36,750)	-	(36,750)	-	(36,750)
167	625A FEDERAL MITIGATION PROGRAMS	(161,332)	33,880	-	33,880	-	33,880	-	33,880
168	625B STATE MITIGATION PROGRAMS	(175,690)	36,895	-	36,895	-	36,895	-	36,895
169	Total BOOK ACCRUALS	947,896	(199,059)	-	(199,058)	-	(199,058)	-	(199,058)

Indiana Michigan Power Company
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Line No.		(1) Total Company Electric Utility Sch M Per Books 12 Mo. 12/31/18	(2) Schedule M x FIT Rate @ 21%	(3) DFIT Feedback For 12 Months Based on 12 Mo. 12/31/18	(4) Total Company Electric Utility DFIT before Assign & Adjust.	(5) Other Regulatory Items	(6) Total Company Electric Utility After Assignment	(7) Rate Case Adjustments	(8) Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
170	=====								
171	BOOK DEFERRALS								
172	390F CUST ADV INC FOR TAX	-	-	-	-	-	-	-	-
173	615O BK DFL RAIL TRANS REV/EXP	-	-	-	-	-	-	-	-
174	615T DEFD ENVIRON COMP COSTS & CARRY CHG	(330,159)	69,333	-	69,333	-	69,333	-	69,333
175	630F DEFD BK CONTRACT REVENUE	158,114	(33,204)	-	(33,204)	-	(33,204)	-	(33,204)
176	630I OUTAGE INSURANCE PREMIUMS	-	-	-	-	-	-	-	-
177	630J DEFD STORM DAMAGE	-	-	-	-	-	-	-	-
178	630M RATE CASE DEFD CHGS	(96,869)	20,342	-	20,342	-	20,342	-	20,342
179	630W RTD DEFD INCOME - A/C 190	-	-	-	-	-	-	-	-
180	630Y RTD DEFD EXPENSE - A/C 1283	-	-	-	-	-	-	-	-
181	632U BK DEFL - DEMAND SIDE MANAGEMENT	-	-	-	-	-	-	-	-
182	635C SM - OVER RECOVERED RCS COSTS	3,862,627	(811,152)	-	(811,152)	-	(811,152)	-	(811,152)
183	641I ADVANCE RENTAL INC (CUR MO)	22,413	(4,707)	-	(4,707)	-	(4,707)	-	(4,707)
184	660F REG ASSET - SFAS 143 - ARO	111,812	(23,481)	-	(23,481)	-	(23,481)	-	(23,481)
185	660G REG LIABILITY - SFAS 143 - ARO	(116,535,130)	24,472,377	-	24,472,377	-	24,472,377	-	24,472,377
186	660N REG ASSET - DEFD CARRY COST ON STR	-	-	-	-	-	-	-	-
187	660X REG ASSET - DEFERRED PJM FEES	-	-	-	-	-	-	-	-
188	660Z REG ASSET - DEFERRED EQUITY CARRYING CHGS	-	-	-	-	-	-	-	-
189	661R REG ASSET - SFAS 158 - PENSIONS	13,467,529	(2,828,181)	-	(2,828,181)	-	(2,828,181)	-	(2,828,181)
190	661S REG ASSET - SFAS 158 - SERP	(87,312)	18,336	-	18,336	-	18,336	-	18,336
191	661T REG ASSET - SFAS 158 - OPEB	(20,477,004)	4,300,171	-	4,300,171	-	4,300,171	-	4,300,171
192	663E REG ASSET - ENVIRON COMPLIANCE CAR	-	-	-	-	-	-	-	-
193	663F REG ASSET - OSS MARGIN SHARING	8,956,170	(1,880,796)	-	(1,880,796)	-	(1,880,796)	-	(1,880,796)
194	663G REG ASSET - UNDERRECOVERY PJM EXPENSES	48,010,285	(10,082,160)	-	(10,082,160)	-	(10,082,160)	-	(10,082,160)
195	663H REG ASSET - NSR CONSENT DECREE	-	-	-	-	-	-	-	-
196	663O REG ASSET - UNDERRECOVERY-DSM ENER	679,843	(142,767)	-	(142,767)	-	(142,767)	-	(142,767)
197	663Q REG ASSET - UND/REC - CCT RIDER CAR CHG	-	-	-	-	-	-	-	-
198	663R REG ASSET - UND/REC CCTR PST APP ADD	-	-	-	-	-	-	-	-
199	663-- REG ASSET - CARBON CAPTURE / FEED STUDY	-	-	-	-	-	-	-	-
200	664L REG ASSET - DEFD NUC DECOM STUDY CO	-	-	-	-	-	-	-	-
201	664M REG ASSET - ENHANCED COOK PLT SECURITY	-	-	-	-	-	-	-	-
202	664N REG ASSET - DEFD SEVERANCE COSTS	-	-	-	-	-	-	-	-
203	664P REG ASSET - DEFD EVSE PROGRAM COSTS	(12,727)	2,673	-	2,673	-	2,673	-	2,673
204	664V REG ASSET - NET CCS FEED STUDY COSTS	-	-	-	-	-	-	-	-
205	665X REG ASSET - DEFD COOK TURBINE REPL COST - MICH	440,811	(92,570)	-	(92,570)	-	(92,570)	-	(92,570)
206	667C REG ASSET - TURBINE REPL UNRECOG EQ CC	-	-	-	-	-	-	-	-
207	667D REG ASSET - DEFD TUBINE REPLACE EXP CC	-	-	-	-	-	-	-	-
208	667E REG ASSET - UNRECOVERED RES-MI	-	-	-	-	-	-	-	-
209	667P REG ASSET - RES CARRYING COSTS-MI	-	-	-	-	-	-	-	-
210	667R REG ASSET - RES UNRECOGNIZED EQUITY	-	-	-	-	-	-	-	-
211	667T REG ASSET - BAFFLE BOLTS	299,936	(62,987)	-	(62,987)	-	(62,987)	-	(62,987)
212	667U REG ASSET - MI DEFERRED DEPR-COOK	(264,081)	55,457	-	55,457	-	55,457	-	55,457
213	667V REG ASSET - MI CARRYING CHARGE-COOK	-	-	-	-	-	-	-	-
214	667W REG ASSET - MI CC-COOK LCM-UNREC EQ	-	-	-	-	-	-	-	-
215	667X REG ASSET - IN UNDER RECOVERY CAPACITY	-	-	-	-	-	-	-	-
216	667Y REG ASSET - IN COOK TURBINE CC EQUITY	-	-	-	-	-	-	-	-
217	667Z REG ASSET - IN COOK TURBINE CC	-	-	-	-	-	-	-	-
218	668D REG ASSET - IN CARRYING CHARGES COOK PLANT LCM UN	-	-	-	-	-	-	-	-
219	668E REG ASSET - IN CARRYING CHARGES COOK PLANT LCM	-	-	-	-	-	-	-	-
220	668H REG ASSET-MI DEFERRED PROP TAX-CC	65,333	(13,720)	-	(13,720)	-	(13,720)	-	(13,720)
221	668I REG ASSET - IN DEFERRED PROP TAX-COOK	(371,292)	77,971	-	77,971	-	77,971	-	77,971
222	668J REG ASSET - IN DEFERRED DEPRECIATION	(4,357,736)	915,125	-	915,125	-	915,125	-	915,125
223	668S REG ASSET-EO FINANCIAL INCENTIVES	-	-	-	-	-	-	-	-
224	668T REG ASSET-MI CARRYING CHARGE-EECO	-	-	-	-	-	-	-	-

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		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Total Company Electric Utility Sch M Per Books 12 Mo. 12/31/18	Schedule M x FIT Rate @ 21%	DFIT Feedback For 12 Months Based on 12 Mo. 12/31/18	Total Company Electric Utility DFIT before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
Line No.	DEFERRED FEDERAL INCOME TAXES:								
225	668U REG ASSET-MI CC-EECO UNREC EQUITY	-	-	-	-	-	-	-	-
226	668V REG ASSET-MI DSM-EECO	(7,059)	1,482	-	1,482	-	1,482	-	1,482
227	669D REG ASSET-IN EECO EQUITY CC-RES	-	-	-	-	-	-	-	-
228	669E REG ASSET-IN EECO EQUITY CC-C&I	-	-	-	-	-	-	-	-
229	669F REG ASSET-IN EECO TOTAL CC-RES	-	-	-	-	-	-	-	-
230	669G REG ASSET-EECO TOTAL-CC-C&I	-	-	-	-	-	-	-	-
231	669H REG ASSET-IN DSM UNDER RECOV C&I	(1,003,471)	210,729	-	210,729	-	210,729	-	210,729
232	669I REG ASSET-IN DSM UNDER RECOV NON	1,232,943	(258,918)	-	(258,918)	-	(258,918)	-	(258,918)
233	669L REG ASSET - ABANDONED PLANT STRANDED COSTS	-	-	-	-	-	-	-	-
234	669N REG ASSET-ROCKPORT DSI DEPR-80PCT	-	-	-	-	-	-	-	-
235	669O REG ASSET-ROCKPORT DSI DEPR-20PCT	(509,426)	106,979	-	106,979	-	106,979	-	106,979
236	669P REG ASSET-ROCKPORT DSI CC-80PCT	-	-	-	-	-	-	-	-
237	669Q REG ASSET-ROCKPORT DSI EQUITY CC	-	-	-	-	-	-	-	-
238	669R REG ASSET-ROCKPORT DSI CC-20PCT	-	-	-	-	-	-	-	-
239	669S REG ASSET-ROCKPORT DSI EQ CC-20PCT	-	-	-	-	-	-	-	-
240	669T REG ASSET-CARRY CHARGES-MI LOST REVENUES	-	-	-	-	-	-	-	-
241	669W REG ASSET-MI NET LOST REVENUES-CONTRA	(3,882,708)	815,369	-	815,369	-	815,369	-	815,369
242	669Z REG ASSET-IN DEFERRED LCM-E3 COST	62,098	(13,041)	-	(13,041)	-	(13,041)	-	(13,041)
243	670D REG ASSET-IN TOTAL E3 CARRYING COSTS	-	-	-	-	-	-	-	-
244	670F REG ASSET-IN E3 EQUITY CARRYING COSTS	-	-	-	-	-	-	-	-
245	670H REG ASSET-IN DEF-O&M-DSI-20%	(9,203)	1,933	-	1,933	-	1,933	-	1,933
246	670I REG ASSET-IN DEF CONSUM DSI-20%	(401,895)	84,398	-	84,398	-	84,398	-	84,398
247	670P REG ASSET-IN DEF-PROP TX-DSI-20%	5,380	(1,130)	-	(1,130)	-	(1,130)	-	(1,130)
248	670S REG ASSET-MI DEFD DEPR-EECO	7,077	(1,486)	-	(1,486)	-	(1,486)	-	(1,486)
249	670T REG ASSET - IN CARRY CHGS-CESPP	-	-	-	-	-	-	-	-
250	670U REG ASSET - IN CAR CHGS-UNREC EQTY	-	-	-	-	-	-	-	-
251	670V REG ASSET - IN DEFERRED CESPP-O&M	-	-	-	-	-	-	-	-
252	671Z REG ASSET - IN DEFD DEPR-CESPP	(151,863)	31,891	-	31,891	-	31,891	-	31,891
253	672B REG ASSET - IN GPR MKTG EXP-CESPP	-	-	-	-	-	-	-	-
254	672E REG ASSET - RES SOLAR CARRYING COSTS	-	-	-	-	-	-	-	-
255	673D REG ASSET - IN DEFD PROP TAX-CESPP	-	-	-	-	-	-	-	-
256	673E REG ASSET - IN DEFD GPR MKTG EXP-CESPP	(17,606)	3,697	-	3,697	-	3,697	-	3,697
257	673M REG ASSET - COOK UPRATE PROJECT	1,271,714	(267,060)	-	(267,060)	-	(267,060)	-	(267,060)
258	674F REG ASSET-DSM DEFD LOAD MGT PROG COSTS	(3,345,997)	702,659	-	702,659	-	702,659	-	702,659
259	674G REG ASSET-DEFD DEPREC-ROCKPORT U2	(1,312,643)	275,655	-	275,655	-	275,655	-	275,655
260	674J REG ASSET-PJM EXP & OSS MARGIN SHARING	(20,085,379)	4,217,930	-	4,217,930	-	4,217,930	-	4,217,930
261	674P REG ASSET-MI LOW-INCOME COST RECSURCHG	(2,049)	430	-	430	-	430	-	430
262	674Q REG ASSET-MI LOW-INC CST RECSUR-CONTRA	2,049	(430)	-	(430)	-	(430)	-	(430)
263	674V REG ASSET-IN ROCKPORT UNDER-RECOVERY	(93,290)	19,591	-	19,591	-	19,591	-	19,591
264	690L REG ASSET - M&S RETIRING PLANTS	-	-	-	-	-	-	-	-
265	Total BOOK DEFERRALS	(94,698,765)	19,886,738	-	19,886,738	-	19,886,738	-	19,886,738
266	=====								
267	BOOK RESERVES								
268	611Y PROVISION FOR LITIGATION	-	-	-	-	-	-	-	-
269	Total BOOK RESERVES	-	-	-	-	-	-	-	-
270	=====								
271	OTHER MISCELLANEOUS								
272	003F FERC ORDER 144 CATCH UP (FR) A/L	-	-	-	-	-	-	-	-
273	003I-XS EXCESS-EX L/T DFIT TX RESERVE - 1986TRA (TC)	-	-	-	-	-	-	-	-
274	003K-XS EXCESS-EX L/T DFIT TX RESERVE - NUC DECOM	-	-	-	-	-	-	-	-
275	003L-XS EXCESS-EX L/T DFIT TX RESRV - SNF	-	-	(741,407)	(741,407)	-	(741,407)	-	(741,407)
276	003M-EFB FERC - MPCO DEFD FIT @ MERGER (TC)	-	-	-	-	-	-	-	-
277	011C-DFIT TAX CREDIT CARRYFORWARD	-	-	-	-	-	-	-	-
278	014C-NOL-STATE C/F	-	-	-	-	-	-	-	-
279	690F REG ASSET - NBV-ARO-RETIRED PLANTS	-	-	-	-	-	-	-	-

Indiana Michigan Power Company
Computation of Adjusted
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Historic Base Period - Unadjusted
Twelve Months Ended December 31, 2018

Line No.		(1) Total Company Electric Utility Sch M Per Books 12 Mo. 12/31/18	(2) Schedule M x FIT Rate @ 21%	(3) DFIT Feedback For 12 Months Based on 12 Mo. 12/31/18	(4) Total Company Electric Utility DFIT before Assign & Adjust.	(5) Other Regulatory Items	(6) Total Company Electric Utility After Assignment	(7) Rate Case Adjustments	(8) Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
280	900A LOSS ON REACQUIRED DEBT	(9,534,336)	2,002,211	-	2,002,211	-	2,002,211	-	2,002,211
281	900F BK DEFL-GAIN REACQUIRED DEBT	(1,712)	360	-	360	-	360	-	360
282	900I REG ASSET - REACQ DEBT-RKPT U2	206,953	(43,460)	-	(43,460)	-	(43,460)	-	(43,460)
283	905I POST RETIREMENT BEN - PAYMENT	-	-	-	-	-	-	-	-
284	906A ACCRD SFAS 106 PST RETIRE EXP	(9,863,360)	2,071,306	-	2,071,306	-	2,071,306	-	2,071,306
285	906C DEFD SFAS 106 BOOK COSTS	-	-	-	-	-	-	-	-
286	906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	-	-	-	-	-	-	-	-
287	906F ACCRD OPEB COSTS - SFAS 158	20,477,004	(4,300,171)	-	(4,300,171)	-	(4,300,171)	-	(4,300,171)
288	906K ACCRD SFAS 112 PST EMPLOY BEN	(2,497,183)	524,408	-	524,408	-	524,408	-	524,408
289	906P ACCRD BOOK ARO EXPENSE - SFAS 143	359,545,869	(75,504,632)	-	(75,504,632)	-	(75,504,632)	-	(75,504,632)
290	906Z SFAS 106 - MEDICARE SUBSIDY - (PPACA)	1,020,135	(214,228)	-	(214,228)	-	(214,228)	-	(214,228)
291	907A REG ASSET - MEDICARE SUBSIDY - FLOW THRU	-	-	-	-	-	-	-	-
292	907B SFAS 106 - MEDICARE SUBSIDY - NORMALIZED	-	-	-	-	-	-	-	-
293	910A GAIN ON REACQUIRED DEBT - DFIT FBK	-	-	-	-	-	-	-	-
294	910M GROSS RECEIPTS - TAX EXPENSE	-	-	-	-	-	-	-	-
295	910Z AMORT STEP-UP ITC TO TI-RKPT 2 - DFIT FBK	-	-	238,190	238,190	-	238,190	-	238,190
296	911F FIN 48 DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-	-
297	911Q DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-	-
298	911R ACCRUED SIT TAX RESERVE	-	-	-	-	-	-	-	-
299	911S ACCRUED SALES & USE TAX RESERVE	-	-	-	-	-	-	-	-
300	911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	24,818	(5,212)	-	(5,212)	-	(5,212)	-	(5,212)
301	911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	-	-	-	-	-	-	-	-
302	913D CHARITABLE CONTRIBUTION CARRYFWD	-	-	-	-	-	-	-	-
303	913F VALUATION ALLOWANCE-CHARIT CONT CFD	-	-	-	-	-	-	-	-
304	913Y BK DEFL - MERGER COSTS	-	-	-	-	-	-	-	-
305	914A SFAS 109 - DEFD SIT LIABILITY	5,253,898	-	-	-	-	-	-	-
306	914B REG ASSET - SFAS 109 DSIT LIAB	(5,253,898)	-	-	-	-	-	-	-
307	914K REG ASSET - ACCRUED SFAS 112	2,497,183	(524,408)	-	(524,408)	-	(524,408)	-	(524,408)
308	930A BOOK > TAX BASIS - PARTNERSHIP INVEST	-	-	-	-	-	-	-	-
309	940A 1977-1980 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-	-
310	940E 1981-1982 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-	-
311	940I 1985-1987 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-	-
312	940K 1988-1990 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-	-
313	940N 1991-1996 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-	-
314	940S 1997-2003 IRS AUDIT SETTLEMENT	(1,135,680)	238,493	-	238,493	-	238,493	-	238,493
315	940X IRS CAPITALIZATION ADJUSTMENT	(1,776,791)	373,126	-	373,126	-	373,126	-	373,126
316	960E AMT CREDIT - DEFERRED	-	-	-	-	-	-	-	-
317	960Z NOL - DEFERRED TAX ASSET RECLASS	-	-	-	-	-	-	-	-
318	980A RESTRICTED STOCK PLAN	167,266	(35,126)	-	(35,126)	-	(35,126)	-	(35,126)
319	980J PSI - STOCK BASED COMP	1,633,112	(342,954)	-	(342,954)	-	(342,954)	-	(342,954)
320	Total OTHER MISCELLANEOUS	360,763,278	(75,760,287)	(503,217)	(76,263,504)	-	(76,263,504)	-	(76,263,504)
321	=====								
322	PERMANENT SCHEDULE M's								
323	906B SFAS 106 - POST RETIRE BEN MEDICARE SUBSIDY	-	-	-	-	-	-	-	-
324	910B NON-DEDUCT MEALS AND T&E	487,803	-	-	-	-	-	-	-
325	910C NON-DEDUCT FINES&PENALTIES	-	-	-	-	-	-	-	-
326	910E NON-DEDUCT MISCELLANEOUS	-	-	-	-	-	-	-	-
327	910H CHARITABLE DONATIONS	-	-	-	-	-	-	-	-
328	910S NON-DEDUCT LOBBYING	-	-	-	-	-	-	-	-
329	910U MEMBERSHIP DUES	-	-	-	-	-	-	-	-
330	911A ACCRUED NON-DEDUCTIBLE PENALTIES	-	-	-	-	-	-	-	-
331	913A LUXURY AUTO ADJUSTMENT	-	-	-	-	-	-	-	-
332	940Z IRS AUDIT SETTLEMENTS - PERM	-	-	-	-	-	-	-	-
333	970A MANUFACTURING DEDUCTION	-	-	-	-	-	-	-	-
334	980B RESTRICTED STOCK PLAN - TAX DEDUCTION	(163,220)	-	-	-	-	-	-	-

Indiana Michigan Power Company
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335	990B BK AMORT-LOSS REACQ DBT-MAND RED PR STK	30,712	-	-	-	-	-	-	-
336	995E 40.000% DIVDS PD CERT PRFD STK	-	-	-	-	-	-	-	-
337	999Q FIN-48 DSIT - PERM - FIN 48	-	-	-	-	-	-	-	-
338	Total PERMANENT SCHEDULE M's	355,295	-	-	-	-	-	-	-
339	=====								
340	TAX ACCRUALS								
341	711N CAPITALIZED SOFTWARE COSTS-TAX	(5,057)	1,062	-	1,062	-	1,062	-	1,062
342	711O BOOK LEASES CAPITALIZED FOR TAX	3,431,000	(720,510)	-	(720,510)	-	(720,510)	-	(720,510)
343	711R CAPITALIZED LEASES - A/C 1011 ASSETS	-	-	-	-	-	-	-	-
344	Total TAX ACCRUALS	3,425,943	(719,448)	-	(719,448)	-	(719,448)	-	(719,448)
345	=====								
346	TAX DEFERRALS								
347	700Z TAX DEFL - DEBT ISSUE COSTS	-	-	-	-	-	-	-	-
348	712E INSTALL ALLOWANCES CAPD - TAX	-	-	-	-	-	-	-	-
349	712K CAPITALIZED SOFTWARE COST-BOOK	(22,534,813)	4,732,311	-	4,732,311	-	4,732,311	-	4,732,311
350	913K CAPITALIZED COOK COSTS - TAX	-	-	-	-	-	-	-	-
351	Total TAX DEFERRALS	(22,534,813)	4,732,311	-	4,732,311	-	4,732,311	-	4,732,311
352	=====								
353	TAX vs BOOK GAIN / LOSS								
354	561G DEFD TAX GAIN RKPRT LAND ABFUDC	-	-	-	-	-	-	-	-
355	561H DEFD TX GAIN RKPRT LAND O/H	-	-	-	-	-	-	-	-
356	562B DEFD BK GAIN-RKPT 2 SALE/LEASE	(3,706,716)	778,410	-	778,410	-	778,410	-	778,410
357	562B-XS EXCESS DIT - AMORT BK GAIN-RKPT2 SALE	-	-	(182,869)	(182,869)	-	(182,869)	-	(182,869)
358	562H DEFERRED INTERCOMPANY TAX G/L	-	-	-	-	-	-	-	-
359	560D BK/TX GAIN SALE OF MISC PROP	-	-	-	-	-	-	-	-
360	Total TAX vs BOOK GAIN / LOSS	(3,706,716)	778,410	(182,869)	595,541	-	595,541	-	595,541
361	=====								
362	NUCLEAR FUEL ADJUSTMENTS								
363	811B UNIT 1 NUC FUEL TAX VS BOOK DEPR	(27,744,000)	5,826,240	-	5,826,240	-	5,826,240	-	5,826,240
364	811C AMORT OF NUCLEAR FUEL - UNIT 1	64,570,977	(13,559,905)	-	(13,559,905)	-	(13,559,905)	-	(13,559,905)
365	813B UNIT 2 NUC FUEL TAX VS BOOK DEPR	(50,844,000)	10,677,240	-	10,677,240	-	10,677,240	-	10,677,240
366	813C AMORT OF NUCLEAR FUEL - UNIT 2	49,229,637	(10,338,224)	-	(10,338,224)	-	(10,338,224)	-	(10,338,224)
367	Total NUCLEAR FUEL ADJUSTMENTS	35,212,614	(7,394,649)	-	(7,394,649)	-	(7,394,649)	-	(7,394,649)
368	=====								
369	NUCLEAR FUEL DISPOSAL COSTS								
370	841A SM-DEFD PRE 4 7 83 DISP CSTS	-	-	(310)	(310)	-	(310)	-	(310)
371	841B SI-DEFD PRE 4 7 83 DISP CSTS	-	-	597	597	-	597	-	597
372	841C FR-DEFD PRE 4 7 83 DISP CSTS	-	-	23	23	-	23	-	23
373	841D TC-DEFD DISPOL CSTS NUC FUEL	-	-	-	-	-	-	-	-
374	841E AMORT SNF DISPOSAL CONTAINER COSTS	-	-	-	-	-	-	-	-
375	842A FR-AMORT INT PRE 4 7 83 DISP	-	-	-	-	-	-	-	-
376	842B SI-AMORT INT PRE 4 7 83 DISP	-	-	-	-	-	-	-	-
377	842C SM-AMORT INT PRE 4 7 83 DISP	-	-	-	-	-	-	-	-
378	843A TC-ACC INT PRE 4 7 83 DISP CST	(5,020,849)	1,054,378	-	1,054,378	-	1,054,378	-	1,054,378
379	844A TAX-EXEMPT INC-SPENT FUEL FUND	750,056	-	-	-	-	-	-	-
380	Total NUCLEAR FUEL DISPOSAL COSTS	(4,270,793)	1,054,378	310	1,054,688	-	1,054,688	-	1,054,688
381	=====								
382	NUCLEAR DECOMMISSIONING COSTS								
383	844I BK EXP NUC FUEL DECONTAM FUND	-	-	-	-	-	-	-	-
384	845A SM-ACC NQ NUC DECOM EXP -RATES	-	-	-	-	-	-	-	-
385	845B SI-ACC NQ NUC DECOM EXP -RATES	-	-	-	-	-	-	-	-
386	845C FR-ACC NQ NUC DECOM EXP -RATES	-	-	-	-	-	-	-	-
387	845D SM-NQ NUC DECOM TR-TAX EX INC	-	-	-	-	-	-	-	-
388	845E SI-NQ NUC DECOM TR-TAX EX INC	-	-	-	-	-	-	-	-
389	845F FR-NQ NUC DECOM TR-TAX EX INC	-	-	-	-	-	-	-	-

Indiana Michigan Power Company
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390	845G SM-ACC NUC DCM EXP-NQ TR INC	-	-	-	-	-	-	-	-
391	845H SI-ACC NUC DCM EXP-NQ TR INC	-	-	-	-	-	-	-	-
392	845I FR-ACC NUC DCM EXP-NQ TR INC	-	-	-	-	-	-	-	-
393	845K NUC DECOM TRUST - SFAS 143 - ARO - BK	57,667,475	(12,110,170)	-	(12,110,170)	-	(12,110,170)	-	(12,110,170)
394	846D SM-QUAL NUC DCM TR-NET BK INC	(7,013,019)	-	-	-	-	-	-	-
395	846E SI-QUAL NUC DEM TR-NET BK INC	(30,695,682)	-	-	-	-	-	-	-
396	846F FR-QUAL NUC DCM TR-NET BK INC	(4,240,684)	-	-	-	-	-	-	-
397	846G SM-ACC NUC DCM EXP-QUAL TR INC	7,013,019	-	-	-	-	-	-	-
398	846H SI-ACC NUC DCM EXP-QUAL TR INC	30,695,682	-	-	-	-	-	-	-
399	846I FR-ACC NUC DCM EXP-QUAL TR INC	4,240,684	-	-	-	-	-	-	-
400	Total NUCLEAR DECOMMISSIONING COSTS	57,667,475	(12,110,170)	-	(12,110,170)	-	(12,110,170)	-	(12,110,170)
401	=====								
402	BOOK DEFERRED NUCLEAR COSTS								
403	850A U1-BK DEFD NUC REFUEL COSTS	39,982,146	(8,396,251)	-	(8,396,251)	-	(8,396,251)	-	(8,396,251)
404	850C U2-BK DEFD NUC REFUEL COSTS	(10,795,941)	2,267,148	-	2,267,148	-	2,267,148	-	2,267,148
405	Total BOOK DEFERRED NUCLEAR COSTS	29,186,205	(6,129,103)	-	(6,129,103)	-	(6,129,103)	-	(6,129,103)
406	=====								
407	MARK-TO-MARKET ADJUSTMENTS								
408	575A MTM BK GAIN-B/L-TAX DEFL	-	-	-	-	-	-	-	-
409	575E MTM BK GAIN-A/L-TAX DEFL	(7,527,977)	1,580,875	-	1,580,875	-	1,580,875	-	1,580,875
410	576A MARK & SPREAD-DEFL-283-B/L	-	-	-	-	-	-	-	-
411	576C MARK & SPREAD-DEFL-190-B/L	-	-	-	-	-	-	-	-
412	576E MARK & SPREAD-DEFL-283-A/L	(1,981,727)	416,163	-	416,163	-	416,163	-	416,163
413	576F MARK & SPREAD-DEFL-190-A/L	(2,407,862)	505,651	-	505,651	-	505,651	-	505,651
414	610U PROV-TRADING CREDIT RISK - A/L	(7,451)	1,565	-	1,565	-	1,565	-	1,565
415	610V PROV - SFAS 157 - A/L	-	-	-	-	-	-	-	-
416	610W PROV-TRADING CREDIT RISK - B/L	-	-	-	-	-	-	-	-
417	610X PROV - SFAS 157 - B/L	-	-	-	-	-	-	-	-
418	652G REG LIAB-UNREAL MTM GAIN-DEFL	11,279,229	(2,368,638)	-	(2,368,638)	-	(2,368,638)	-	(2,368,638)
419	Total MARK-TO-MARKET ADJUSTMENTS	(645,788)	135,616	-	135,616	-	135,616	-	135,616
420	=====								
421	EMISSION ALLOWANCES								
422	638A BOOK > TAX BASIS - EMA-A/C 283	1,323,082	(277,847)	-	(277,847)	-	(277,847)	-	(277,847)
423	638C TAX > BOOK BASIS - EMA-A/C 190	-	-	-	-	-	-	-	-
424	639C DEFD BK LOSS-NON-AFF SALE-EMA	-	-	-	-	-	-	-	-
425	639M TAX > BOOK BASIS - EMA-A/C 190 (B/L)	-	-	-	-	-	-	-	-
426	639O BOOK > TAX BASIS EMA - 283 (B/L)	-	-	-	-	-	-	-	-
427	639Q DEFD TAX GAIN - INTERCO SALE - EMA	-	-	-	-	-	-	-	-
428	639S DEFD TAX LOSS - INTERCO SALE - EMA	-	-	-	-	-	-	-	-
429	640K DEFD TAX GAIN-EPA AUCTION	-	-	-	-	-	-	-	-
430	Total EMISSION ALLOWANCES	1,323,082	(277,847)	-	(277,847)	-	(277,847)	-	(277,847)
431	=====								

Indiana Michigan Power Company
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Twelve Months Ended December 31, 2018

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Total Company Electric Utility Sch M Per Books 12 Mo. 12/31/18	Schedule M x FIT Rate @ 21%	DFIT Feedback For 12 Months Based on 12 Mo. 12/31/18	Total Company Electric Utility DFIT before Assign & Adjust.	Other Regulatory Items	Total Company Electric Utility After Assignment	Rate Case Adjustments	Total Co Electric Utility After Assign & Adjust. 12 Mo. 12/31/18
Line No.	DEFERRED FEDERAL INCOME TAXES:								
432	EXCESS ADFIT								
433	960F-XS EXCESS ADFIT 281 - PROTECTED	-	-	(0)	(0)	-	(0)	-	(0)
434	960F-XS EXCESS ADFIT 281 - PROTECTED-FERC	-	-	2,249,099	2,249,099	-	2,249,099	-	2,249,099
435	960F-XS EXCESS ADFIT 281 - PROTECTED-IN	-	-	7,788,102	7,788,102	-	7,788,102	-	7,788,102
436	960F-XS EXCESS ADFIT 281 - PROTECTED-MI	-	-	1,734,531	1,734,531	-	1,734,531	-	1,734,531
437	960F-XS EXCESS ADFIT 282 - PROTECTED	-	-	(483,026,657)	(483,026,657)	-	(483,026,657)	-	(483,026,657)
438	960F-XS EXCESS ADFIT 282 - PROTECTED-FERC	-	-	50,100,490	50,100,490	-	50,100,490	-	50,100,490
439	960F-XS EXCESS ADFIT 282 - PROTECTED-IN	-	-	221,013,241	221,013,241	-	221,013,241	-	221,013,241
440	960F-XS EXCESS ADFIT 282 - PROTECTED-MI	-	-	50,560,857	50,560,857	-	50,560,857	-	50,560,857
441	960F-XS EXCESS ADFIT 282 - UNPROTECTED	-	-	13,431,855	13,431,855	-	13,431,855	-	13,431,855
442	960F-XS EXCESS ADFIT 282 - UNPROTECTED-FERC	-	-	21,822,440	21,822,440	-	21,822,440	-	21,822,440
443	960F-XS EXCESS ADFIT 282 - UNPROTECTED-IN	-	-	76,079,956	76,079,956	-	76,079,956	-	76,079,956
444	960F-XS EXCESS ADFIT 282 - UNPROTECTED-MI	-	-	25,844,137	25,844,137	-	25,844,137	-	25,844,137
445	960F-XS EXCESS ADFIT 283 - UNPROTECTED	-	-	(21,788,897)	(21,788,897)	-	(21,788,897)	-	(21,788,897)
446	960F-XS EXCESS ADFIT 283 - UNPROTECTED-FERC	-	-	1,640,907	1,640,907	-	1,640,907	-	1,640,907
447	960F-XS EXCESS ADFIT 283 - UNPROTECTED-IN	-	-	5,886,272	5,886,272	-	5,886,272	-	5,886,272
448	960F-XS EXCESS ADFIT 283 - UNPROTECTED-MI	-	-	2,000,926	2,000,926	-	2,000,926	-	2,000,926
449	Total EXCESS ADFIT			(24,662,741)	(24,662,741)	-	(24,662,741)	-	(24,662,741)
450									
451	TOTAL DEFERRED FEDERAL INCOME TAXES	(65,662,223)	12,603,268	(29,467,816)	(16,864,546)	-	(16,864,546)	-	(16,864,547)
452	=====								
453									
454									
455	DEFERRED INVESTMENT TAX CREDITS:								
456	ITC Feedback - Prior Years 10%	-	-	(2,216,056)	(2,216,056)	-	(2,216,056)	-	(2,216,056)
457	ITC Feedback - Tax Reallocation	-	-	-	-	-	-	-	-
458	ITC Feedback - Prior Years 4%	-	-	-	-	-	-	-	-
459	ITC Feedback - Solar Investment Tax Credit 30%	-	-	-	-	-	-	-	-
460	ITC Feedback - Rockport U1	-	-	(516,455)	(516,455)	-	(516,455)	-	(516,455)
461	ITC Feedback - Rockport U2	-	-	(1,922,655)	(1,922,655)	-	(1,922,655)	-	(1,922,655)
462	ITC Feedback - QPE Credit Cook Plant Simulator	-	-	(31,761)	(31,761)	-	(31,761)	-	(31,761)
463	TOTAL DEFERRED INVESTMENT TAX CREDITS	-	-	(4,686,927)	(4,686,927)	-	(4,686,927)	-	(4,686,927)
464									
465									
466									
467	TOTAL DEFERRED FIT AND ITC	(65,662,223)	12,603,268	(34,154,743)	(21,551,473)	-	(21,551,473)	-	(21,551,474)

INDIANA MICHIGAN POWER COMPANY
STATE INCOME TAXES
Twelve Months Ended December 31, 2018

STATE INCOME TAXES								
Line #	Item Description	Total Company Per Books 12 Mo. 12/31/18	Less Non-Utility / Non-Applicable	Total Company Electric Utility Before Assign & Adjust	Other Regulatory Items	Total Company Electric Utility After Assignments	Rate Case Adjustments	Total Company Electric Utility After Assign & Adjust
Indiana State Income Taxes								
1	Book Income Before State Income Tax Expense	287,840,969	15,575,595	272,265,374	0	272,265,374	0	272,265,374
2	Add (Subtract): Federal Schedule M Adjustments	(85,325,690)	(19,663,467)	(65,662,223)	0	(65,662,223)	0	(65,662,223)
3	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0
4	Add (Subtract): JCWA Depreciation Adjustment	(2,376,000)	0	(2,376,000)	0	(2,376,000)	0	(2,376,000)
5	Add (Subtract): Charitable Contributions	0	0	0	0	0	0	0
6	Add (Subtract): Federal Domestic Production Activity	0	0	0	0	0	0	0
7	Add (Subtract): Other	0	0	0	0	0	0	0
8	Add (Subtract): Other	0	0	0	0	0	0	0
9	State Taxable Income Subject to Apportionment	200,139,279	(4,087,872)	204,227,151	0	204,227,151	0	204,227,151
10	Apportionment Factor	0.719400	0.719400	0.719400	0.719400	0.719400	0.719400	0.719400
11	Apportioned State Taxable Income	143,980,197	(2,940,815)	146,921,012	0	146,921,012	0	146,921,012
12	Post Apportion Schedule M Adjustments	0	0	0	0	0	0	0
13	State Taxable Income After Apportionment	143,980,197	(2,940,815)	146,921,012	0	146,921,012	0	146,921,012
14	State Income Tax Rate	5.875%	5.88%	5.88%	5.88%	5.88%		5.875%
15	Current State Income Tax	8,458,837	(172,773)	8,631,609	0	8,631,609	0	8,631,609
16	Deferred State Income Tax - RTD	0	0	0	0	0	0	0
17	Tax Return, Apportionment & Other Adjustments	4,433,490	4,433,490	0	0	0	0	0
18	State Income Tax Credits	0	0	0	0	0	0	0
19	Other Adjustments	0	0	0	0	0	0	0
20	Total State Income Tax --- Indiana	12,892,327	4,260,717	8,631,609	0	8,631,609	0	8,631,609
21								
22								
23								
24								
Illinois State Income Taxes								
26								
27	Book Income Before State Income Tax Expense	287,840,969	15,575,595	272,265,374	0	272,265,374	0	272,265,374
28	Add (Subtract): Federal Schedule M Adjustments	(85,325,690)	(19,663,467)	(65,662,223)	0	(65,662,223)	0	(65,662,223)
29	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0
30	Add (Subtract): JCWA Depreciation Adjustment	6,864,000	0	6,864,000	0	6,864,000	0	6,864,000
31	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0
32	Add (Subtract): Other	0	0	0	0	0	0	0
33	Add (Subtract): Other	0	0	0	0	0	0	0
34	Add (Subtract): Other	0	0	0	0	0	0	0
35	State Taxable Income Subject to Apportionment	209,379,279	(4,087,872)	213,467,151	0	213,467,151	0	213,467,151
36	Apportionment Factor	0.015524	0.015524	0.015524	0.015524	0.015524	0.015524	0.015524
37	Apportioned State Taxable Income	3,250,404	(63,460)	3,313,864	0	3,313,864	0	3,313,864
38	Post Apportion Schedule M Adjustments	(164,194)	3,372	(167,566)	0	(167,566)	0	(167,566)
39	State Taxable Income After Apportionment	3,086,210	(60,088)	3,146,298	0	3,146,298	0	3,146,298
40	State Income Tax Rate	9.50%	9.50%	9.50%	9.50%	9.50%		9.50%
41	Current State Income Tax	293,190	(5,708)	298,898	0	298,898	0	298,898
42	Deferred State Income Tax - RTD	0	0	0	0	0	0	0
43	Tax Return, Apportionment & Other Adjustments	137,510	137,510	0	0	0	0	0
44	State Income Tax Credits	0	0	0	0	0	0	0
45	Other Adjustments	0	0	0	0	0	0	0
46	Total State Income Tax --- Illinois	430,700	131,802	298,898	0	298,898	0	298,898
47								
48								
49								

INDIANA MICHIGAN POWER COMPANY
STATE INCOME TAXES
Twelve Months Ended December 31, 2018

STATE INCOME TAXES								
Line #	Item Description	Total Company Per Books 12 Mo. 12/31/18	Less Non-Utility / Non-Applicable	Total Company Electric Utility Before Assign & Adjust	Other Regulatory Items	Total Company Electric Utility After Assignments	Rate Case Adjustments	Total Company Electric Utility After Assign & Adjust
50								
51	Kentucky State Income Taxes							
52								
53	Book Income Before State Income Tax Expense	287,840,969	15,575,595	272,265,374	0	272,265,374	0	272,265,374
54	Add (Subtract): Federal Schedule M Adjustments	(85,325,690)	(19,663,467)	(65,662,223)	0	(65,662,223)	0	(65,662,223)
55	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0
56	Add (Subtract): JCWA Depreciation Adjustment	(2,376,000)	0	(2,376,000)	0	(2,376,000)	0	(2,376,000)
57	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0
58	Add (Subtract): Federal Domestic Production Activity	0	0	0	0	0	0	0
59	Add (Subtract): Interest Income - US Obligations	0	0	0	0	0	0	0
60	Add (Subtract): Other	0	0	0	0	0	0	0
61	State Taxable Income Subject to Apportionment	200,139,279	(4,087,872)	204,227,151	0	204,227,151	0	204,227,151
62	Apportionment Factor	0.008658	0.008658	0.008658	0.008658	0.008658	0.008658	0.008658
63	Apportioned State Taxable Income	1,732,806	(35,393)	1,768,199	0	1,768,199	0	1,768,199
64	Post Apportion Schedule M Adjustments	0	0	0	0	0	0	0
65	State Taxable Income After Apportionment	1,732,806	(35,393)	1,768,199	0	1,768,199	0	1,768,199
66	State Income Tax Rate	5.00%	5.00%	5.00%	5.00%	5.00%		5.00%
67	Current State Income Tax	86,640	(1,770)	88,410	0	88,410	0	88,410
68	Deferred State Income Tax - RTD	47,999	47,999	0	0	0	0	0
69	Tax Return, Apportionment & Other Adjustments	10,823	10,823	0	0	0	0	0
70	State Income Tax Credits	0	0	0	0	0	0	0
71	Other Adjustments	0	0	0	0	0	0	0
72	Total State Income Tax --- Kentucky	145,462	57,052	88,410	0	88,410	0	88,410
73								
74								
75								
76								
77	Michigan State Income Taxes							
78								
79	Book Income Before State Income Tax Expense	287,840,969	15,575,595	272,265,374	0	272,265,374	0	272,265,374
80	Add (Subtract): Federal Schedule M Adjustments	(85,325,690)	(19,663,467)	(65,662,223)	0	(65,662,223)	0	(65,662,223)
81	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0
82	Add (Subtract): JCWA Depreciation Adjustment	1,272,000	0	1,272,000	0	1,272,000	0	1,272,000
83	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0
84	Add (Subtract): Interest Income - US Obligations	0	0	0	0	0	0	0
85	Add (Subtract): Other	0	0	0	0	0	0	0
86	Add (Subtract): Other	0	0	0	0	0	0	0
87	State Taxable Income Subject to Apportionment	203,787,279	(4,087,872)	207,875,151	0	207,875,151	0	207,875,151
88	Apportionment Factor	0.150103	0.150103	0.150103	0.150103	0.150103	0.150103	0.150103
89	Apportioned State Taxable Income	30,589,082	(613,602)	31,202,684	0	31,202,684	0	31,202,684
90	Post Apportion Schedule M Adjustments	0	0	0	0	0	0	0
91	State Taxable Income After Apportionment	30,589,082	(613,602)	31,202,684	0	31,202,684	0	31,202,684
92	State Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%		6.00%
93	Current State Income Tax	1,835,345	(36,816)	1,872,161	0	1,872,161	0	1,872,161
94	MBT Surcharge @ 21.99%	0	0	0	0	0	0	0
95	Deferred State Income Tax - RTD	174,822	174,822	0	0	0	0	0
96	Tax Return, Apportionment & Other Adjustments	603,744	603,744	0	0	0	0	0
97	State Income Tax Credits	0	0	0	0	0	0	0
98	Other Adjustments	0	0	0	0	0	0	0
99	Total State Income Tax --- Michigan	2,613,911	741,750	1,872,161	0	1,872,161	0	1,872,161
100								
101								

INDIANA MICHIGAN POWER COMPANY
STATE INCOME TAXES
Twelve Months Ended December 31, 2018

STATE INCOME TAXES

Line #	Item Description	Total Company Per Books 12 Mo. 12/31/18	Less Non-Utility / Non-Applicable	Total Company Electric Utility Before Assign & Adjust	Other Regulatory Items	Total Company Electric Utility After Assignments	Rate Case Adjustments	Total Company Electric Utility After Assign & Adjust
102								
103	Michigan Gross Receipts Taxes							
104								
105	Book Income Before State Income Tax Expense	287,840,969	15,575,595	272,265,374	0	272,265,374	0	272,265,374
106	Add (Subtract): Federal Schedule M Adjustments	0	0	0	0	0	0	0
107	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0
108	Add (Subtract): JCWA Depreciation Adjustment	0	0	0	0	0	0	0
109	Add (Subtract): Book Income Before State Income Tax Expense	(287,840,969)	(15,575,595)	(272,265,374)	0	(272,265,374)	0	(272,265,374)
110	Add (Subtract): Taxable Receipts	0	0	0	0	0	0	0
111	Add (Subtract): Other	0	0	0	0	0	0	0
112	Add (Subtract): Other	0	0	0	0	0	0	0
113	State Taxable Income Subject to Apportionment	0	0	0	0	0	0	0
114	Apportionment Factor	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
115	Apportioned State Taxable Income	0	0	0	0	0	0	0
116	State Income Tax Rate	0.98%	0.98%	0.98%	0.98%	0.98%		0.00%
117	Current State Income Tax	0	0	0	0	0	0	0
118	Deferred State Income Tax - RTD	0	0	0	0	0	0	0
119	Tax Return, Apportionment & Other Adjustments	0	0	0	0	0	0	0
120	State Income Tax Credits	0	0	0	0	0	0	0
121	Other Adjustments	0	0	0	0	0	0	0
122	Total State Income Tax --- Michigan Gross Receipts Tax	0	0	0	0	0	0	0
123								
124								
125								
126								
127	West Virginia State Income Taxes							
128								
129	Book Income Before State Income Tax Expense	287,840,969	15,575,595	272,265,374	0	272,265,374	0	272,265,374
130	Add (Subtract): Federal Schedule M Adjustments	(85,325,690)	(19,663,467)	(65,662,223)	0	(65,662,223)	0	(65,662,223)
131	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0
132	Add (Subtract): JCWA Depreciation Adjustment	0	0	0	0	0	0	0
133	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0
134	Add (Subtract): Federal Domestic Production Activity	0	0	0	0	0	0	0
135	Add (Subtract): Other	0	0	0	0	0	0	0
136	Add (Subtract): Other	0	0	0	0	0	0	0
137	State Taxable Income Subject to Apportionment	202,515,279	(4,087,872)	206,603,151	0	206,603,151	0	206,603,151
138	Apportionment Factor	0.021916	0.021916	0.021916	0.021916	0.021916	0.021916	0.021916
139	Apportioned State Taxable Income	4,438,325	(89,590)	4,527,915	0	4,527,915	0	4,527,915
140	Post Apportion Schedule M Adjustments	0	0	0	0	0	0	0
141	State Taxable Income After Apportionment	4,438,325	(89,590)	4,527,915	0	4,527,915	0	4,527,915
142	State Income Tax Rate	6.50%	6.50%	6.50%	6.50%	6.50%		6.50%
143	Current State Income Tax	288,491	(5,823)	294,314	0	294,314	0	294,314
144	Deferred State Income Tax - RTD	917,739	917,739	0	0	0	0	0
145	Tax Return, Apportionment & Other Adjustments	(320,798)	(320,798)	0	0	0	0	0
146	State Income Tax Credits	0	0	0	0	0	0	0
147	Other Adjustments	0	0	0	0	0	0	0
148	Total State Income Tax --- West Virginia	885,432	591,118	294,314	0	294,314	0	294,314
149								
150								
151								

INDIANA MICHIGAN POWER COMPANY
STATE INCOME TAXES
Twelve Months Ended December 31, 2018

STATE INCOME TAXES								
Line #	Item Description	Total Company Per Books 12 Mo. 12/31/18	Less Non-Utility / Non-Applicable	Total Company Electric Utility Before Assign & Adjust	Other Regulatory Items	Total Company Electric Utility After Assignments	Rate Case Adjustments	Total Company Electric Utility After Assign & Adjust
152								
153	All Other State Income Taxes							
154								
155								
156								
157	FIN-48 State Income Tax Adjustments	0	0	0	0	0	0	0
158	All Other State Income Taxes - Ohio	0	0	0	0	0	0	0
159	All Other State Income Taxes	(62)	(62)	0	0	0	0	0
160	Deferred State Income Tax - RTD	957	957	0	0	0	0	0
161	Total State Income Tax --- All Other	895	895	0	0	0	0	0
162								
163								
164								
165								
166								
167	Total State Income Tax --- All States	16,968,727	5,783,334	11,185,392	0	11,185,392	0	11,185,392
168								
169								
170	Total Current State Income Tax --- All States	15,827,210	4,641,817	11,185,392	0	11,185,392	0	11,185,392
171								
172								
173	Total Deferred State Income Tax --- All States	1,141,517	1,141,517	0	0	0	0	0

Indiana Michigan Power Company
Calculation of AEP Company, Inc. Tax Loss Benefit

WP-IM-1-HISTORIC
Section 8
1 OF 1

Historic Base Period = Twelve Months Ended 12/31/2018				
	Accrual 12/31/2018	Tax Return 12/31/2017	Tax Return 12/31/2016	Tax Return 12/31/2015
I&M Taxable Income (Loss)	183,529,286	(250,747,541)	(168,229,462)	21,134,377
AEP Companies with Positive Taxable Income	1,464,800,313	1,401,913,440	1,374,350,426	1,136,743,873
% of AEP Taxable Income Companies	12.53%	-17.89%	-12.24%	1.86%
AEP Company Inc. Interest Income	(31,282,423)	(20,466,194)	(11,311,042)	(5,901,543)
AEP Company Inc. Interest Expense	87,343,829	43,327,740	26,776,222	19,054,401
Net Interest Expense portion of Parent Loss	56,061,406	22,861,546	15,465,180	13,152,858
I&M Allocated Share of Net Interest Expense				
Portion of AEP Parent Company Tax Loss	7,024,494	0	0	244,643
Tax Benefit @ 21%/35% Before Jurisdictionalization	(2,458,573)	0	0	(85,625)
Indiana Jurisdictional Allocation % (Gross Plant Allocation Factor)	0.7304226	0.7304226	0.7304226	0.7304226
Indiana Parent Tax Savings Benefit	(1,795,797)	0	0	(62,542)
AEP Company, Inc. Interest Income Accounts:				
Interest Income - Associated Non-CBP	(1,907,000)	(1,639,122)	(904,000)	(1,450,875)
Interest & Dividend Income - Non-Associated	(2,475,209)	(2,627,672)	(389,261)	(387,211)
Interest Income - Associated CBP	(26,900,214)	(16,199,400)	(10,017,781)	(4,063,457)
Interest Income - Tax-Exempt	0	0	0	0
Total Interest Income	(31,282,423)	(20,466,194)	(11,311,042)	(5,901,543)
AEP Company Inc. Interest Expense Accounts:				
Interest Expense - Long-Term Debt	38,493,110	22,423,612	17,027,288	14,718,518
Interest Expense - Short-Term Debt - Affiliated	10,940,416	8,257,531	1,738,782	1,693,447
Interest Expense - Short-Term Debt - Non-Affiliated	35,967,159	11,312,901	6,840,961	1,472,801
Amort - Debt Discount, Premium & Expense	1,943,144	1,333,696	1,169,191	1,169,192
Other Interest Expense	0	0	0	443
Total Interest Expense	87,343,829	43,327,740	26,776,222	19,054,401

INDIANA MICHIGAN POWER COMPANY

Computation of Gross Revenue Conversion Factor
For the Historic Base Period Ended December 31, 2018

	<u>Tax Rates</u>	<u>Percentage of Incremental Gross Revenues</u>
1 Operating Revenues		100.00%
2 Less: Uncollectible Accounts Expense		<u>0.0000%</u>
3 Income Before Income Taxes		100.00%
4 Less: Indiana Utility Receipts Tax	1.4000%	
5 Public Utility Assessment Fee (IURC)	<u>0.1202%</u>	<u>1.5202%</u>
6 Base Subject to State Income Taxes		98.4798%
7 Less: State Income Taxes (Line 6 x Effective State Tax Rate (A))	5.4605%	<u>5.3775%</u>
8 Income Before Federal Income Taxes		93.1023%
9 Less: Federal Income Taxes (Line 8 x Federal Tax Rate)	21.00%	<u>19.5515%</u>
10 Operating Income Percentage		<u>73.5508%</u>
11 Gross Revenue Conversion Factor (100% / Line 10)		<u><u>1.3596</u></u>

(A) See Attachment MNK-1 for the calculation of the Effective
State Income Tax Rate

**INDIANA MICHIGAN POWER COMPANY
EFFECTIVE FEDERAL INCOME TAX RATE
HISTORIC BASE PERIOD ENDED DECEMBER 31, 2018**

Line No.	Description	Source	Jurisdictional Amount
1	Adjusted Net Electric Operating Income		\$ 360,593,308
2	Plus: Federal Income Tax Expense		<u>19,486,255</u>
3	Pre-Tax Electric Operating Income		\$ 380,079,563
4	Less: Interest Expense - Per Books		<u>118,999,582</u>
5	Pre-Tax Operating Income Before Federal Income Tax		<u><u>\$ 261,079,981</u></u>
6	Effective Federal Income Tax Rate - Line 2 divided by Line 5		7.46%

INDIANA MICHIGAN POWER COMPANY

Calculation of Effective State Income Tax Rate

Historic Year Ended December 31, 2018

State Income Tax Rate - Indiana	5.88%	
Apportionment Factor	<u>71.9400%</u>	
Effective Indiana State Income Tax Rate		4.2265%
State Income Tax Rate - Illinois	9.50%	
Apportionment Factor	<u>1.5524%</u>	
Effective Illinois State Income Tax Rate		0.1475%
State Income Tax Rate - Kentucky	5.00%	
Apportionment Factor	<u>0.8658%</u>	
Effective Kentucky State Income Tax Rate		0.0433%
State Income Tax Rate - Michigan	6.00%	
Apportionment Factor	<u>15.0103%</u>	
Effective Michigan State Income Tax Rate		0.9006%
State Income Tax Rate - West Virginia	6.50%	
Apportionment Factor	<u>2.1916%</u>	
Effective West Virginia State Income Tax Rate		0.1425%
State Income Tax Rate - Missouri	6.25%	
Apportionment Factor	<u>0.0020%</u>	
Effective Missouri State Income Tax Rate		0.0001%
Total Effective State Income Tax Rate		<u><u>5.4605%</u></u>

CALCULATION OF EFFECTIVE INCOME TAX RATE

Federal Tax Rate		21.0000%
Total Effective State Income Tax Rate	5.4605%	
Less: FIT Benefit (21% x 5.4605%)	<u>1.1467%</u>	<u>4.3138%</u>
Effective Income Tax Rate		<u><u>25.3138%</u></u>