

I&M Exhibit: \_\_\_\_\_

**FILED**  
July 1, 2021  
INDIANA UTILITY  
REGULATORY COMMISSION

Cause No. 45576

**INDIANA MICHIGAN POWER COMPANY**

**PRE-FILED VERIFIED DIRECT TESTIMONY**

**OF**

**JENNIFER C. DUNCAN**

## Content

<b>I. Introduction of Witness .....</b>	<b>1</b>
<b>II. Purpose of Testimony .....</b>	<b>2</b>
<b>III. Jurisdictional Separation Study .....</b>	<b>6</b>
Purpose of the Jurisdictional Separation Study .....	6
Process for Preparing the Jurisdictional Separation Study .....	7
<b>IV. Demand and Energy Allocation Factors .....</b>	<b>10</b>
<b>V. Account Allocations .....</b>	<b>13</b>
<b>VI. Jurisdictional Cost of Service Adjustments .....</b>	<b>18</b>
<b>VII. Phase-in Rate Adjustment (PRA).....</b>	<b>23</b>

**DIRECT TESTIMONY OF JENNIFER C. DUNCAN  
ON BEHALF OF  
INDIANA MICHIGAN POWER COMPANY**

**I. Introduction of Witness**

1 **Q1. Please state your name and business address.**

2 My name is Jennifer C. Duncan and my business address is 1 Riverside Plaza,  
3 Columbus, OH 43215.

4 **Q2. By whom are you employed and in what capacity?**

5 I am employed by American Electric Power Service Corporation (AEPSC) as a  
6 Regulatory Consultant Staff in the Regulated Pricing and Analysis Department.

7 AEPSC supplies engineering, financing, accounting, planning, advisory, and  
8 other services to the subsidiaries of the American Electric Power (AEP) system,  
9 one of which is Indiana Michigan Power Company (I&M or the Company).

10 **Q3. What are your responsibilities as Regulatory Consultant Staff?**

11 My responsibilities include preparation of cost-of-service studies and rate design  
12 analyses for the AEP system operating companies, as well as other projects  
13 related to regulatory issues and proceedings, individual customer requests, and  
14 general rate matters.

15 **Q4. Briefly describe your educational background and professional  
16 experience.**

17 I received a Bachelor of Arts degree in Psychology from The Ohio State  
18 University in 2005 and a Bachelor of Science degree in Accounting from  
19 Franklin University in 2008. I am also a Certified Public Accountant in the State

1 of Ohio and a Certified Internal Auditor. During and following completion of my  
2 Accounting degree, I held various accounting and financial positions.

3 In April 2013, I joined AEPSC as an Audit Consultant in the Audit Services  
4 Department. In February 2017, I accepted the position of Senior Regulatory  
5 Consultant in the AEPSC Regulated Pricing and Analysis Department. I  
6 accepted the position of Financial Analyst Staff in the Transmission Finance  
7 Department in December 2019. I returned to the Regulated Pricing and Analysis  
8 Department in September 2020 as a Regulatory Consultant Staff.

9 **Q5. Have you previously testified before any regulatory commissions?**

10 Yes. I have submitted testimony before the Indiana Utility Regulatory  
11 Commission (Commission or IURC) on behalf of I&M in Cause Nos. 44331  
12 ECR-5, 44511 SPR-2, 43774 PJM-8, 43775 OSS-8, 44871 ECR-2, 44182 LCM-  
13 9, and 45235. I have also submitted testimony before the Michigan Public  
14 Service Commission (MPSC).

## 15 II. Purpose of Testimony

16 **Q6. What is the purpose of your testimony?**

17 The purpose of my testimony is to support:

- 18 • the Test Year jurisdictional separation study, which reasonably allocates  
19 Total Company Test Year rate base, revenues and expenses to the  
Indiana retail jurisdiction;
- 20 • the calculation of the demand and energy allocation factors;
- 21 • several operating revenue adjustments included in the Test Year  
22 jurisdictional separation study; and

- 1                   • the calculation of the Company's proposed Phase-in Rate Adjustment  
2                   (PRA) mechanism designed to phase-in the Company's requested rate  
3                   change during the forward-looking Test Year.

4       **Q7. Are you sponsoring any exhibits?**

5           Yes, I am co-sponsoring the following portions of I&M Exhibit A:

- 6                   • I&M Exhibit A-5     Net electric operating income  
7                   • I&M Exhibit A-6     Rate base

8       **Q8. Are you sponsoring any attachments?**

9           Yes, I am sponsoring the following attachments:

- 10                   • Attachment JCD-1   Test Year Jurisdictional Separation Study  
11                   • Attachment JCD-2   Phase-in Rate Revenue Requirement

12       **Q9. Are you sponsoring any workpapers?**

13           Yes, I am sponsoring the following workpapers:

- 14                   • WP-JCD-1   Supports certain items in Attachment JCD-1  
15                   • WP-JCD-2   Summary of Test Year Cost of Service Adjustments<sup>1</sup>  
16                   • WP-JCD-3   Test Year Cost of Service Adjustments in a Jurisdictional  
17                   Study format  
18                   • WP-JCD-4   Phase-in Rate Adjustment Jurisdictional Separation Study  
19                   • WP-JCD-5   Calculation of the adjustments entered into WP-JCD-4 to  
20                   develop the PRA

---

<sup>1</sup> This workpaper does not contain adjustments related to the Phase-in Rate Adjustment.

- 1           • WP-JCD-6   Calculation of the PRA

2   **Q10. Are you sponsoring any portion of Company workpaper WP-A?**

3           Yes, I am sponsoring or co-sponsoring the following portions of WP-A and  
4           corresponding Test Year cost of service adjustments as included in I&M Exhibit  
5           A-5:

- 6           • WP-A-OR-1: Adjust Indiana Firm and Interruptible Sales Revenues to  
7           detailed tariff level forecast revenues, including current riders (supports  
8           Adjustment OR-1).
- 9           • WP-A-RIDER-1: To reduce Total Company O&M expense associated  
10          with EE/DSM program expenses that will continue to be recovered in the  
11          DSM Rider and related Indiana retail revenue (supports Adjustment  
12          RIDER-1). I am co-sponsoring this adjustment with Company witness  
13          Auer.
- 14          • WP-A-RIDER-2: To reduce Total Company OSS margin and NITS  
15          expenses and related Indiana retail revenue that will continue to be  
16          recovered in the PJM/OSS rider (supports Adjustment RIDER-2). I am co-  
17          sponsoring this adjustment with Company witness Seger-Lawson.
- 18          • WP-A-RIDER-3: To reduce Total Company investment, accumulated  
19          depreciation, expenses and related Indiana retail revenue associated with  
20          the Saint Joseph Solar Facility (SJSF) that will continue to be recovered  
21          in the Solar Power Rider<sup>2</sup> (supports Adjustment RIDER-3). I am co-  
22          sponsoring this adjustment with Company witness Auer.
- 23          • WP-A-RIDER-4: To increase Indiana amortization expense and retail  
24          revenues to remove the associated unprotected excess Accumulated

---

<sup>2</sup> The Company is proposing to change the name of the Solar Power Rider to the Renewable Projects Rider.

1           Deferred Federal Income Taxes (ADFIT) amortization from Test Year  
2           basic rates. The remaining tax benefits will be credited to customers  
3           through a Tax Rider until unprotected excess ADFIT is fully amortized  
4           (supports Adjustment RIDER-4). I am co-sponsoring this adjustment with  
5           Company witness Seger-Lawson and Company witness Criss.

- 6           • WP-A-RIDER-5: To remove Cook LCM independent monitor costs from  
7           the Test Year and related Indiana retail revenue that will continue to be  
8           recovered in the LCM Rider (supports Adjustment RIDER-5). I am co-  
9           sponsoring this adjustment with Company witness Auer.

- 10          • WP-A-RIDER-6: To remove from the Test Year account 4470099  
11          (capacity credit net sales) and related Indiana retail revenue that will be  
12          recovered in the Resource Adequacy Rider (supports Adjustment RIDER-  
13          6). I am co-sponsoring this adjustment with Company witness Seger-  
14          Lawson.

15       **Q11. Were the exhibits, attachments and workpapers that you sponsor prepared**  
16       **by you or under your direction?**

17       Yes.

18       **Q12. Please summarize your testimony.**

19       The Company's jurisdictional separation study appropriately allocates the  
20       Company's Test Year cost of providing service to the Indiana retail jurisdiction.  
21       Additionally, the calculated demand and energy allocation factors proposed in  
22       this Cause are reasonable and accurately reflect the Indiana retail jurisdiction's  
23       contribution to Total Company Test Year demand and energy.

24       Furthermore, the revenue adjustments I sponsor reflect the appropriate level of  
25       Test Year firm and interruptible sales the Company is proposing in basic rates.

1 The revenue requirement calculated for the Company's proposed PRA  
2 appropriately determines the Company's cost of providing service to the Indiana  
3 retail jurisdiction, net of plant activity forecasted to occur in the Test Year.

### III. Jurisdictional Separation Study

#### Purpose of the Jurisdictional Separation Study

4 **Q13. Please explain the purpose of the jurisdictional separation study.**

5 The purpose of the jurisdictional separation study is to reasonably allocate the  
6 Company's Test Year cost of providing service to the Company's Indiana retail  
7 jurisdiction.

8 Retail customers are served in the Indiana and Michigan jurisdictions, and  
9 wholesale customers in both states comprise the wholesale or FERC  
10 jurisdiction. Because I&M provides service in three jurisdictions, it is necessary  
11 to determine the rate base, revenues, and expenses that relate to serving I&M's  
12 Indiana jurisdictional retail customers.

13 The allocation of Total Company Test Year costs to the three jurisdictions I&M  
14 serves is based on established cost allocation procedures, using underlying  
15 data that represents how the system is used to meet customer requirements.

16 In general, Test Year costs are divided among the jurisdictions based upon their  
17 use of the system. In order to accomplish this task, the following three-step cost  
18 assignment process is performed:

- 19 1) Costs are functionalized into production, transmission, and distribution  
20 functions.
- 21 2) Costs are then classified as demand, energy, or customer related.



1                   3) Lastly, costs are directly assigned or allocated to a jurisdiction on the  
2                   basis of an appropriate allocation methodology.

### Process for Preparing the Jurisdictional Separation Study

3       **Q14. Please explain functionalization, the first step in the cost assignment**  
4       **process.**

5                   Functionalization is the process by which costs are separated according to the  
6                   major electric system functions of production, transmission, and distribution.

7                   In general, the functionalized costs as reported in the Federal Energy  
8                   Regulatory Commission's (FERC) Uniform System of Accounts are used, but  
9                   certain plant and expense accounts, such as general and intangible plant and  
10                  administrative and general expenses, are not directly assigned to major  
11                  functions. All such costs are therefore classified according to the  
12                  functionalization of other related costs so they can be properly classified and  
13                  allocated.

14       **Q15. Describe the major functions of production, transmission, and distribution**  
15       **and related assignments.**

16                  Production refers to all production facilities including steam generation, nuclear,  
17                  hydraulic, and solar generation, together with step-up substation facilities  
18                  necessary to integrate that generation into the power supply system. Production  
19                  facilities are used in serving all customers.

20                  Transmission refers to the transmission substations and lines necessary to  
21                  integrate I&M's sources of power, both I&M owned and purchased or  
22                  interchanged, into the power supply system. Transmission assets are used in  
23                  serving all customers.

1 Distribution refers to the facilities required to connect the customer to the  
2 transmission system. Distribution resources are directly assigned to their  
3 respective state jurisdiction.

4 Further separation of common investment and expenses between the Indiana  
5 jurisdiction and other jurisdictions is accomplished through the allocation  
6 process.

7 **Q16. Explain classification, the second step in the cost assignment process.**

8 Classification is the process by which the functionalized costs are designated as  
9 being either demand, energy, or customer-related. Demand and customer-  
10 related costs are fixed costs incurred regardless of the level of energy sales.

11 An example of a demand-related cost is the investment in transmission facilities.  
12 An example of a customer-related cost is metering equipment. An energy-  
13 related cost is a cost such as fuel expense, which varies with the level of energy  
14 sales.

15 **Q17. Explain allocation, the final step in the cost assignment process.**

16 Allocation is the process by which the functionalized and classified costs are  
17 assigned to the jurisdictions with the use of allocation factors. When each  
18 functionalized and classified cost is multiplied by a jurisdictional allocation factor,  
19 the product is the cost assigned to each jurisdiction.

20 **Q18. What is the period of the Company's Test Year jurisdictional separation  
21 study?**

22 The Company's Test Year jurisdictional separation study (Attachment JCD-1)  
23 has been prepared for the projected twelve months ended December 31, 2022.

1 **Q19. What is the source of the information used in the Test Year jurisdictional**  
2 **separation study?**

3 The Company's forecast, as provided by Company witness Heimberger, serves  
4 as the source of information for the study.

5 **Q20. Please describe Attachment JCD-1.**

6 Attachment JCD-1, pages 1 through 14 represents the Test Year jurisdictional  
7 separation study for the twelve months ended December 31, 2022, which is  
8 used in the calculation of the Indiana retail jurisdictional revenue deficiency as  
9 shown in Exhibit A-1 supported by Company witness Seger-Lawson.

10 The study begins with "Total Company Projected" amounts from the Company's  
11 forecast. Column 6, "Adjustments", reflects the cost of service adjustments  
12 proposed by the Company's witnesses in this case, which are summarized in  
13 WP-JCD-2. Column 7, "Total Company after Adjustments", contains the total  
14 dollars to be allocated or assigned to one of the Company's three jurisdictions.  
15 Indiana retail amounts for each line item are reflected in Column 8. Column 9  
16 identifies the allocator applied to the "Total Company after Adjustment" amount  
17 to calculate the Indiana retail amount.

18 Page 1 is a summary of operating revenues, expenses, and net operating  
19 income for I&M on a Total Company basis and on an Indiana retail jurisdictional  
20 basis. The components of rate base on a Total Company basis and on an  
21 Indiana retail jurisdictional basis are also reflected in page 1.

22 Pages 2 through 5 contain the detailed development of rate base. Pages 5 and  
23 6 reflect the detailed breakdown of operating revenues. Pages 7 through 13  
24 contain the detailed development of expenses, including operation and  
25 maintenance expenses, depreciation and amortization expenses, administrative  
26 and general expenses, taxes other than income, and income taxes.

1 The computation of the payroll allocation factor for the Indiana retail jurisdiction  
2 is contained in page 14. The allocation factor values utilized throughout the  
3 study are reflected on page 15.

#### IV. Demand and Energy Allocation Factors

4 **Q21. Please describe the method used in calculating the demand and energy**  
5 **allocation factors.**

6 Demand and energy allocation factors are created for each of the Company's  
7 three jurisdictions. These factors represent each jurisdiction's proportional share  
8 of Total Company Test Year demand/energy.

9 Demand allocation factors are calculated using an average of 12 monthly loss  
10 adjusted coincident peak demands (12 CP). Energy allocation factors are  
11 calculated using annual loss adjusted kWh usage provided by Company witness  
12 Burnett.

13 Retail demand and retail energy allocation factors, based solely on retail load,  
14 are also calculated for those items in the jurisdictional study that are only related  
15 to retail service and should not be allocated to the Company's wholesale  
16 customers.

17 Demand excluding shopping, energy excluding shopping, retail demand  
18 excluding shopping, and retail energy excluding shopping allocation factors,  
19 were calculated by removing the demand and energy related to Michigan  
20 shopping customers from the original demand and energy allocators. These  
21 calculations properly allocate the power supply costs related to service provided  
22 to Indiana and non-shopping Michigan customers.

23 Michigan shopping customers pay competitive suppliers for non-capacity  
24 Generation and Transmission services (such as fuel costs) instead of paying  
25 I&M. Michigan shopping customers remain responsible for paying capacity costs

1           such as production plant. The excluding shopping allocation factors in the  
2           jurisdictional study reflect this framework.

3           **Q22. How does the Test Year mix of jurisdictional load affect demand and**  
4           **energy allocation factors?**

5           The demand and energy allocation factors are computed for the three  
6           jurisdictions I&M serves based on each jurisdiction's contribution to Total  
7           Company Test Year demand and energy.

8           For example, if Total Company forecasted demand was 1,000 MW and the  
9           Indiana retail jurisdiction's share of that load was 700 MW, the Indiana retail  
10          demand allocation factor would be 70% (700/1,000).

11          All else being equal, from case to case, when the Company experiences  
12          changes in load whether retail or wholesale, the portion of total system demand  
13          and energy allocated to one jurisdiction increases while the portion allocated to  
14          the remaining jurisdictions decrease.

15          **Q23. Would it be appropriate to base jurisdictional allocation factors on**  
16          **hypothetical jurisdiction proportions?**

17          No, hypothetical jurisdiction proportions would result in hypothetical demand and  
18          energy allocation factors. Essentially, such factors would pretend that a  
19          jurisdiction will not contribute to Test Year system demand and energy in the  
20          way the jurisdiction is forecasted to contribute. Developing the allocation factors  
21          based on Test Year demand and energy usage reasonably allocates costs and  
22          benefits among the various jurisdictions.

1 **Q24. How have I&M's Indiana retail demand and energy allocation factors**  
 2 **changed over time?**

3 Since 1990, I&M's Commission-approved or settled allocation factors have  
 4 ranged from a 65% to 74% demand allocation factor and a 63% to 72% energy  
 5 allocation factor for its Indiana retail jurisdiction. The Indiana demand and  
 6 energy allocation factors proposed in this Cause are 70.69600% and  
 7 68.56712%, respectively. These allocation factors are within the historical range  
 8 of approved allocation factors for the Company.

9 As proposed in this Cause, the demand allocation factor will change by 4%  
 10 while the energy allocation factor will change by 0.2%. These changes are  
 11 within the range of historical changes approved for the Company. The increases  
 12 in the allocation factors are reasonable and accurately reflect the Indiana retail  
 13 jurisdiction's contribution to Total Company Test Year demand and energy.

14 *Figure JCD-1* summarizes the changes to the Indiana retail jurisdictional  
 15 demand and energy allocation factors since 1990.

**Figure JCD-1. Indiana jurisdictional allocation factors**

Cause No.	Order Date	Approved Demand	Approved Energy
45235	03/11/2020	66.23353%	68.37233%
44967	05/30/2018	65.21029%	63.76832%
44075	02/13/2013	64.65519%	63.48797%
43306	03/04/2009	65.45490%	65.19218%
39314	11/12/1993	73.60470%	72.20607%
38728	08/24/1990	71.63488%	71.03291%

1 **Q25. Were adjustments made to the 2022 Test Year load data used to calculate**  
2 **the demand and energy allocation factors?**

3 No. The demand and energy allocation factors reflect the actual proportions of  
4 Test Year forecasted wholesale, Indiana, and Michigan load.

## V. Account Allocations

5 **Q26. Were there any changes to the allocation process used in the current**  
6 **case?**

7 No, the allocation process utilized in the 2022 Test Year study is consistent with  
8 the methodology used in Cause Nos. 44075, 44967, and 45235.

9 **Q27. Please describe the allocation of the functional components of electric**  
10 **plant-in-service.**

11 Production plant and Transmission plant are allocated using the 12 CP demand  
12 allocation factor. This approach is consistent with the guidance set forth in the  
13 NARUC (National Association of Regulatory Utility Commissioners) Electric  
14 Utility Cost Allocation Manual, which explains on pages 13-14 that “[s]ince  
15 generating units and transmission lines are sized according to the peak demand  
16 consumed, the individual contribution to peak demand came to be considered  
17 the appropriate factor for the allocation of those costs.”

18 Distribution plant is directly assigned to a state based on the geographic location  
19 identified in the Company’s plant accounting system.

20 Plant that is not functionalized, such as intangible plant and general plant, is  
21 allocated to the Indiana retail jurisdiction using the payroll allocation factor,  
22 which is the ratio of Indiana jurisdictional operation and maintenance (O&M)  
23 payroll expense to Total Company O&M payroll expense.

1 **Q28. Please describe the method of allocation of accumulated provisions for**  
2 **depreciation and amortization.**

3 The functional components of accumulated provisions for depreciation and  
4 amortization related to production, transmission and intangible plant are  
5 allocated in the same manner as the corresponding portions of electric plant-in-  
6 service.

7 Distribution related accumulated provisions for depreciation and amortization  
8 are directly assigned to Indiana when feasible or allocated based on the  
9 distribution plant excluding Indiana specific accounts allocation factor. General  
10 plant related amounts are allocated using the general plant allocation factor.

11 **Q29. Please describe the allocation of other rate base items including certain**  
12 **regulatory assets.**

13 Fuel inventory and allowances are allocated using the energy excluding  
14 shopping allocation factor. Materials and supplies are separated into functional  
15 groups of production, transmission, and distribution. Production and  
16 transmission related materials and supplies are allocated based on demand,  
17 while distribution related materials and supplies are allocated based on  
18 distribution plant.

19 Prepaid pension and OPEB expense is allocated based on payroll. The deferred  
20 gain of Rockport Unit 2 Sale costs have been allocated based on demand in  
21 prior cases; the deferral balance at 12/31/22 is zero. The remaining regulatory  
22 assets are directly assigned to Indiana.

23 **Q30. Please describe the development of the Indiana retail jurisdictional**  
24 **revenues.**

25 Firm sales of electricity, base revenues plus riders, are directly assigned to the  
26 three jurisdictions the Company serves. Interruptible sales revenue and non-firm



1 (system sales) revenues are classified between demand and energy and  
2 subsequently allocated using the applicable allocation factors.

3 The components of other operating revenues are either assigned or allocated to  
4 the Indiana jurisdiction based upon the nature of each type of revenue.

5 Miscellaneous service revenues and forfeited discounts are directly assigned.

6 Rentals from certain items of I&M property and other electric revenues are  
7 functionalized and then allocated to the Indiana jurisdiction utilizing the  
8 associated allocation factor.

9 Gains on the disposition of allowances are allocated using the energy excluding  
10 shopping allocation factor.

11 **Q31. Please describe the classification and allocation of O&M expenses.**

12 Production expense is primarily classified as demand-related or energy-related  
13 and allocated to the Indiana retail jurisdiction utilizing the applicable demand or  
14 energy allocation factor. Nuclear decommissioning expense, account 5240008,  
15 is direct assigned to the Indiana retail jurisdiction to reflect Company witness  
16 Hill's recommendation that we use the amount the Commission approved in  
17 Cause No. 45235.

18 Purchased power expense reflects the demand-related and energy-related  
19 classification of billings for that power. The demand-related charges billed to  
20 I&M are allocated based on the demand allocation factor, and the energy-  
21 related charges are allocated based on the energy excluding shopping  
22 allocation factor.

23 Most transmission expense is classified as demand-related and allocated using  
24 the appropriate demand allocation factor. The PJM-related activity in Account  
25 565 was allocated using the retail demand excluding shopping and retail energy  
26 excluding shopping allocation factors.

1 Distribution expense is allocated using the distribution plant allocation factor,  
2 which was derived from the assignment of distribution plant. Vegetation  
3 management and major storm related expenses within account 593 include a  
4 state designation and are direct assigned to the Indiana and Michigan retail  
5 jurisdictions.

6 With the exception of accounts 902 and 908, customer accounts expense and  
7 customer service and information expense are classified as customer-related  
8 and allocated using the number of customers allocation factor. Meter reading  
9 costs in account 902 are direct assigned to the Indiana and Michigan retail  
10 jurisdictions using each state's proportional share of AMR meters.

11 Activity in account 908 includes a state designation and is direct assigned to the  
12 Indiana and Michigan retail jurisdictions. Furthermore, the cost of demand  
13 response pursuant to Rider D.R.S. 1 in account 9080018 is demand-related and  
14 allocated using the demand allocation factor.

15 Sales expenses are incurred to encourage the use of electricity. As such, these  
16 costs are classified as demand-related and have been allocated using the  
17 demand allocation factor in prior cases; there are no sales expense costs  
18 allocated to the Indiana retail jurisdiction in the current case.

19 Most administrative and general expenses are allocated using the payroll  
20 allocation factor. Property insurance, account 924, is functionalized into  
21 production, transmission, and distribution; production and transmission functions  
22 are allocated on demand, while distribution is allocated on distribution plant.  
23 Regulatory commission expense, account 928, is direct assigned or allocated  
24 using the demand allocation factor, depending upon the specific nature of the  
25 expense.

1 **Q32. How are other O&M expense items allocated?**

2 Factoring expense is directly assigned based upon the receivables that the  
3 Company sells. Line of credit fees are allocated using the rate base allocation  
4 factor. Accretion is functionalized and allocated accordingly.

5 **Q33. Please explain how depreciation and amortization expenses are allocated.**

6 Depreciation and amortization expenses are functionalized and are allocated  
7 consistent with the functional plant-based allocation of accumulated provisions  
8 for depreciation and amortization. Distribution depreciation expense is direct  
9 assigned to the Indiana and Michigan retail jurisdictions.

10 **Q34. Please explain how regulatory debits and credits are allocated.**

11 Regulatory debits and credits are directly assigned to the benefiting jurisdiction.

12 **Q35. Please describe the allocation of taxes other than income taxes.**

13 Taxes other than income taxes are classified as relating to payroll, property (net  
14 plant), demand, or gross plant and allocated accordingly, or are direct assigned.  
15 Payroll taxes are related to payroll and are allocated using the payroll allocation  
16 factor. Property taxes and taxes on capital leases are allocated using the net  
17 plant allocation factor.

18 Taxes relating to the IURC and MPSC assessments are direct assigned to the  
19 Indiana and Michigan retail jurisdictions. Sales and use taxes, business  
20 franchise taxes, and registration fees are allocated based on gross plant. State  
21 gross receipts taxes are direct assigned. Federal excise taxes are allocated  
22 based on demand.

1 **Q36. How are state and federal income taxes assigned?**

2 State and federal income taxes are direct assigned to Indiana and provided by  
3 Company witness Criss.

## VI. Jurisdictional Cost of Service Adjustments

4 **Q37. Please explain how cost of service adjustments are treated.**

5 Cost of service adjustments are provided to me by various Company witnesses.  
6 Workpaper JCD-2 provides a comprehensive list of the adjustments contained  
7 within the Test Year jurisdictional study, as well as identifies the adjustment  
8 amounts, witnesses sponsoring each adjustment, and a brief description of each  
9 adjustment.

10 The sum of all adjustments are shown in the Adjustments column within  
11 Attachment JCD-1 and shown by adjustment in WP JCD-3. For those  
12 adjustments derived on a Total Company basis, I add the Total Company  
13 adjustment amount to the applicable account to arrive at Total Company after  
14 Adjustments. I then allocate the total based on the applicable allocation factor.

15 Some adjustments are calculated on a retail jurisdictional basis; those  
16 adjustments are directly assigned to the appropriate retail jurisdiction.

17 **Q38. Describe the purpose of I&M's cost of service adjustments to firm sales**  
18 **and interruptible revenues.**

19 I&M's Test Year revenues include all revenues associated with I&M's current  
20 basic rates and existing rider mechanisms. I&M's OR-1 and RIDER adjustments  
21 restate I&M's Test Year revenue from I&M's Indiana retail customers and allows  
22 a comparison to I&M's proposed rates. This is accomplished in two distinct  
23 steps:

1           1) I&M's total Test Year retail revenues are recalculated on a tariff class  
2           level in Attachment JLF-3. The resulting variance between the revenues  
3           calculated in Attachment JLF-3 and those reflected in the Test Year  
4           forecast is represented by Operating Revenue Adjustment No. 1 (OR-1).  
5           See Company witness Fischer's testimony for further discussion  
6           regarding Attachment JLF-3.

7           2) I&M's Test Year retail revenues are adjusted to remove all rider revenues  
8           that relate to costs I&M seeks to recover through its rider mechanisms.  
9           Adjustments RIDER-1 through RIDER-6 represents the resulting  
10          adjustments.

11          The sum of I&M's Test Year operating revenues and the adjustments below  
12          produce adjusted Indiana retail operating revenue specific to I&M's Test Year  
13          and its proposed basic rates.

14          **Q39. Describe Operating Revenue Adjustment No. 1 (OR-1) to Exhibit A-5.**

15          Adjustment OR-1 adjusts the Test Year level of operating revenues to match  
16          revenues developed on a tariff class level as calculated in Attachment JLF-3.

17          This adjustment is necessary because the Company forecasts Indiana retail  
18          revenues and retail energy sales by revenue class, not rate schedule.

19          Adjustment OR-1 is the sum of the recalculated total operating revenue less the  
20          original forecasted level.

21          As a result of this adjustment, the Company's firm sales revenues in Indiana are  
22          decreased by \$3,783,746, and the Company's interruptible sales are decreased  
23          by \$412,422. This results in a decrease in Total Company revenues of  
24          \$4,196,168. If this adjustment were not made, Indiana's retail revenues would  
25          be overstated. The calculation for this adjustment is reflected in WP-A-OR-1.

1 **Q40. Describe Rider Adjustment No. 1 (RIDER-1) to Exhibit A-5.**

2 As supported by Company witness Auer, adjustment RIDER-1 removes Total  
3 Company O&M expense and related Indiana retail revenue associated with the  
4 Demand Side Management/Energy Efficiency (DSM/EE) Program Cost  
5 expenses that the Company proposes to continue to collect under the DSM/EE  
6 rider. I support the calculation of revenues while Company witness Auer  
7 supports the calculation of expenses to be removed related to the rider. The  
8 revenue adjustment needs to be split between firm and interruptible sales  
9 revenues as the interruptible revenues are related to multiple jurisdictions and  
10 thus need to be identified and allocated to the appropriate jurisdictions within the  
11 Test Year separation study. I support this revenue adjustment split amount  
12 between firm and interruptible sales revenues.

13 As a result of this adjustment, the Company's firm retail sales revenues in  
14 Indiana decreased by \$9,776,929 and the Company's interruptible sales  
15 decreased by \$153,173. This results in a revenue decrease of \$9,930,102 on a  
16 Total Company basis.

17 **Q41. Describe Rider Adjustment No. 2 (RIDER-2) to Exhibit A-5.**

18 As supported by Company witness Seger-Lawson, adjustment RIDER-2  
19 removes Total Company Off-system Sales Margins, PJM Network Integration  
20 Transmission Services (NITS) expenses and related Indiana retail revenue the  
21 Company proposes to continue to collect under the OSS/PJM rider. Company  
22 witness Seger-Lawson supports the calculation of both the revenues and  
23 expenses to be removed related to the rider, while I support the revenue  
24 adjustment split amount between firm and interruptible sales revenues similar to  
25 adjustment RIDER-1.

26 As a result of this adjustment, the Company's firm retail sales revenues in  
27 Indiana decreased by \$261,151,671 and the Company's interruptible sales

1 decreased by \$4,965,354. This results in a revenue decrease of \$266,117,025  
2 on a Total Company basis.

3 **Q42. Describe Rider Adjustment No. 3 (RIDER-3) to Exhibit A-5.**

4 As supported by Company witness Auer, adjustment RIDER-3 removes Total  
5 Company investment, accumulated depreciation, expenses and related Indiana  
6 retail revenue associated with the Saint Joseph Solar Facility that will continue  
7 to be recovered in the Solar Power Rider. Company witness Auer supports the  
8 calculation of both the revenues and expenses to be removed related to the  
9 rider, while I support the revenue adjustment split amount between firm and  
10 interruptible sales revenues similar to adjustment RIDER-1.

11 As a result of this adjustment, the Company's firm retail sales revenues in  
12 Indiana decreased by \$1,936,082 and the Company's interruptible sales  
13 decreased by \$38,352. This results in a revenue decrease of \$1,974,434 on a  
14 Total Company basis.

15 **Q43. Describe Rider Adjustment No. 4 (RIDER-4) to Exhibit A-5.**

16 As supported by Company witnesses Seger-Lawson and Criss, adjustment  
17 RIDER-4 increases Indiana retail amortization expense and revenues to remove  
18 the associated unprotected EADFIT amortization. The remaining tax benefits will  
19 be credited to customers through a Tax Rider until unprotected EADFIT is fully  
20 amortized. Company witnesses Seger-Lawson and Criss support the  
21 calculations of both the revenue credit and expenses to be added related to the  
22 Tax Rider, while I support the revenue credit adjustment split amount between  
23 firm and interruptible sales revenues.

24 As a result of this adjustment, the Company's firm retail sales revenues in  
25 Indiana increased by \$21,298,233 and the Company's interruptible sales

1 increased by \$442,792. This results in a revenue increase of \$21,741,025 on a  
2 Total Company basis.

3 **Q44. Describe Rider Adjustment No. 5 (RIDER-5) to Exhibit A-5.**

4 As supported by Company witness Auer, adjustment RIDER-5 removes the  
5 Cook Life Cycle Management (LCM) independent monitoring costs and the  
6 related Indiana retail revenue, which will continue to be recovered in the  
7 Company's LCM rider. Company witness Auer supports the calculation of both  
8 the revenues and expenses to be removed related to the rider, while I support  
9 the revenue adjustment split between firm and interruptible sales revenues.

10 As a result of this adjustment, the Company's firm retail sales in Indiana  
11 decreased by \$129,810 and the Company's interruptible sales decreased by  
12 \$2,092. This results in a Total Company revenue decrease of \$131,902.

13 **Q45. Describe Rider Adjustment No. 6 (RIDER-6) to Exhibit A-5.**

14 As supported by Company witness Seger-Lawson, adjustment RIDER-6  
15 removes account 4470099 (Capacity credit net sales) from the Test Year as well  
16 as the related Indiana retail revenue that will be recovered in the Company's  
17 Resource Adequacy Rider. Company witness Seger-Lawson supports the  
18 calculation to remove Total Company capacity credit net sales from the Test  
19 Year as well as the related Indiana retail revenue, while I support the revenue  
20 adjustment split amount between firm and interruptible sales.

21 As a result of this adjustment, the Company's firm retail sales revenues in  
22 Indiana increased by \$11,255,394 and the Company's interruptible sales  
23 increased by \$224,534. This results in a revenue increase of \$11,479,928 on a  
24 Total Company basis.



## VII. Phase-in Rate Adjustment (PRA)

1 **Q46. Did you calculate the revenue requirement for the Company's Phase-in**  
2 **Rate Adjustment (PRA)?**

3 Yes. I calculated the PRA revenue requirement following the same methods  
4 employed to develop the Phase-In Rate Adjustments in Cause Nos. 44967 and  
5 45235.

6 **Q47. How is the utility plant adjustment calculated to set net electric plant-in-**  
7 **service to the balance at the beginning of the Test Year?**

8 The amount for plant-in-service is developed using the forecasted capital  
9 additions provided by Company witness Heimberger. To compute the balance at  
10 the beginning of the Test Year, I use Company witness Heimberger's forecasts  
11 and remove the plant-in-service activity forecasted to occur during the Test  
12 Year. The amount for accumulated depreciation is calculated using the  
13 authorized depreciation rates in Adjustment DEP-1 supported by Company  
14 witness Heimberger. Both calculations are shown in WP-JCD-5. This adjustment  
15 results in a decrease to Total Company rate base of \$172,139,062 as reflected  
16 in WP-JCD-4.

17 **Q48. How are the depreciation and amortization adjustments calculated to set**  
18 **depreciation expense to a level matching depreciable plant-in-service at**  
19 **the beginning of the Test Year?**

20 The amount of depreciation expense is developed using the forecasted plant-in-  
21 service activity provided by Company witness Heimberger. To compute the  
22 adjusted level of depreciation expense, I applied the Company's proposed  
23 depreciation rates, supported by Company witness Cash, to plant balances at  
24 the beginning of the Test Year. The adjusted level of amortization expense is  
25 calculated by multiplying the forecasted amortization expense in December

1           2021 by 12 months. These calculations are reflected in WP-JCD-5. The  
2           adjustment results in a decrease to Total Company depreciation and  
3           amortization expense of \$47,115,514 as reflected in WP-JCD-4.

4           **Q49. How are these two adjustments used to calculate the PRA?**

5           A separate jurisdictional study, provided as WP-JCD-4, is prepared with an  
6           additional column showing the total of these two adjustments, including the tax  
7           effect. The adjusted Total Company amounts are then allocated using the same  
8           methodology used in Attachment JCD-1.

9           Company witness Hornyak then develops a class cost-of-service study based  
10          on the adjusted Indiana jurisdictional amounts to provide revenue requirements  
11          by rate schedule. By comparing the new class revenue requirements with the  
12          ones calculated in WP-SH-1, the adjustment amount for each rate schedule is  
13          developed.

14          The PRA total adjustment of \$31,337,826 is shown in Attachment JCD-2. This  
15          adjustment is applied to customer bills from the date of implementation of new  
16          basic rates to the end of the Test Year, as described by Company witness  
17          Seger-Lawson.

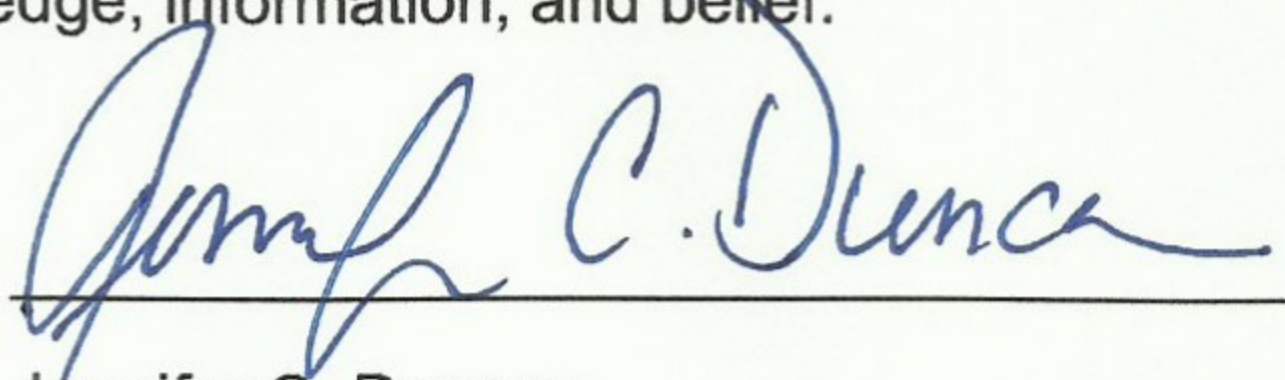
18          **Q50. Does this conclude your pre-filed verified direct testimony?**

19          Yes.

**VERIFICATION**

I, Jennifer C. Duncan, Regulatory Consultant Staff of American Electric Power Service Corporation, affirm under penalties of perjury that the foregoing representations are true and correct to the best of my knowledge, information, and belief.

Date: 6/23/2021



Jennifer C. Duncan

**Indiana Michigan Power Company**  
**Indiana Jurisdictional Separation Study Projected**  
**For the Test Year Ended December 31, 2022**

Line No.	Description (1)	12 MOS. ENDED	OTHER	NON-UTILITY	TOTAL COMPANY		TOTAL COMPANY		ALLOCATOR (9)
		TOTAL COMPANY DEC. 31, 2022 PROJECTED (2)	REGULATORY ITEMS (3)	ITEMS (4)	PROJECTED BEFORE ADJUSTMENTS (5)	ADJUSTMENTS (6)	AFTER ADJUSTMENTS (7)	IN RETAIL (8)	
1	Operating Revenues - Sale of Electricity	2,041,105,648	-	-	2,041,105,648	(244,224,611)	1,796,881,037	1,264,202,237	
2	Interruptible Sales	145,315,706	-	-	145,315,706	(4,904,067)	140,411,640	97,724,704	
3	Non-Firm Sales Revenues	112,952,142	-	-	112,952,142	(48,371,241)	64,580,901	44,928,132	
4	Other Electric Operating Revenues	64,879,827	-	-	64,879,827	141,800,121	206,679,948	150,163,016	
5	G/L Emissions Allowances	35,563	-	-	35,563	-	35,563	24,741	
6	<b>Total Operating Revenues</b>	<b>2,364,288,886</b>	<b>-</b>	<b>-</b>	<b>2,364,288,886</b>	<b>(155,699,799)</b>	<b>2,208,589,088</b>	<b>1,557,042,829</b>	
7	Operation and Maintenance Expenses								
8	Power Production	916,082,474	-	-	916,082,474	(289,023)	915,793,451	641,355,112	
9	Transmission	248,979,346	-	-	248,979,346	(193,978,393)	55,000,952	40,401,544	
10	Distribution	77,892,498	-	-	77,892,498	617,931	78,510,428	55,169,993	
11	Customer Accounts	15,324,779	-	-	15,324,779	(722,672)	14,602,107	11,414,308	
12	Customer Service & Information	22,366,744	-	-	22,366,744	(13,571,692)	8,795,052	5,487,912	
13	Sales Expense	353,937	-	-	353,937	(345,057)	8,880	-	
14	Administrative and General	120,796,471	-	-	120,796,471	876,796	121,673,267	87,796,938	
15	Other O&M	6,106,218	9,675,904	-	15,782,122	3,889,583	19,671,704	11,739,795	
16	<b>Total Operation and Maintenance Expense</b>	<b>1,407,902,466</b>	<b>9,675,904</b>	<b>-</b>	<b>1,417,578,370</b>	<b>(203,522,529)</b>	<b>1,214,055,841</b>	<b>853,365,602</b>	
17	Depreciation and Amortization Expense	470,809,448	-	-	470,809,448	8,864,192	479,673,640	349,159,750	
18	Regulatory Debits/Credits	-	1,310,661	-	1,310,661	-	1,310,661	1,310,661	
19	Taxes Other than Income	116,396,224	-	-	116,396,224	(78,613)	116,317,612	92,031,060	
20	<b>Total Other Expenses</b>	<b>587,205,673</b>	<b>1,310,661</b>	<b>-</b>	<b>588,516,334</b>	<b>8,785,579</b>	<b>597,301,913</b>	<b>442,501,471</b>	
21	<b>Net Operating Income Before Income Tax</b>	<b>369,180,748</b>	<b>(10,986,565)</b>	<b>-</b>	<b>358,194,183</b>	<b>39,037,152</b>	<b>397,231,334</b>	<b>261,175,756</b>	
22	Total State Income Tax	(2,711,811)	(920,424)	-	(3,632,235)	2,256,608	(1,375,627)	(2,180,460)	
23	Federal Income Tax								
24	Current Federal Income Tax	4,183,593	(3,694,751)	-	488,842	9,058,479	9,547,321	2,302,425	
25	Deferred Federal Income Tax	(2,565,598)	182,965	-	(2,382,633)	29,311,955	26,929,321	26,968,148	
26	Deferred Investment Tax Credit	(3,791,000)	-	-	(3,791,000)	-	(3,791,000)	(2,734,651)	
27	<b>Total Federal Income Taxes</b>	<b>(2,173,005)</b>	<b>(3,511,786)</b>	<b>-</b>	<b>(5,684,791)</b>	<b>38,370,434</b>	<b>32,685,642</b>	<b>26,535,922</b>	
28	<b>Net Operating Income</b>	<b>374,065,563</b>	<b>(6,554,355)</b>	<b>-</b>	<b>367,511,208</b>	<b>(1,589,890)</b>	<b>365,921,318</b>	<b>236,820,294</b>	
29	Electric Plant in Service - Original Cost	10,663,788,784	-	-	10,663,788,784	(502,897,249)	10,160,891,535	7,486,549,124	
30	Accumulated Provision for Depreciation & Amortization	(3,744,599,357)	-	-	(3,744,599,357)	148,337,697	(3,596,261,659)	(2,616,576,625)	
31	Other Rate Base Items	263,144,293	-	-	263,144,293	-	263,144,293	186,545,418	
32	Regulatory Liabilities and Assets	176,927,954	47,737,840	-	224,665,794	4,284,225	228,950,019	179,451,347	
33	<b>Rate Base</b>	<b>7,359,261,675</b>	<b>47,737,840</b>	<b>-</b>	<b>7,406,999,515</b>	<b>(350,275,327)</b>	<b>7,056,724,189</b>	<b>5,235,969,265</b>	
34	Rate of Return	5.08%			4.96%		5.19%	4.52%	

**Indiana Michigan Power Company  
Indiana Jurisdictional Separation Study Projected  
For the Test Year Ended December 31, 2022**

Line No.	Description	12 MOS. ENDED	OTHER		TOTAL COMPANY		TOTAL COMPANY		
		DEC. 31, 2022	REGULATORY	NON-UTILITY	PROJECTED	BEFORE	AFTER	IN RETAIL	ALLOCATOR
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Development of Rate Base								
2	Electric Plant in Service								
3	Intangible Plant	352,560,986	-	-	352,560,986	-	352,560,986	253,925,920	Payroll
4	Intangible Plant - Direct Assign <b>IN</b>	-	-	-	-	6,204,938	6,204,938	6,204,938	Direct
5	Intangible Plant - Direct Assign <b>MI</b>	-	-	-	-	2,451,616	2,451,616	-	Non Juris
6	Total Intangible Plant	352,560,986	-	-	352,560,986	8,656,554	361,217,540	260,130,858	
7	Production Plant								
8	Steam Production	966,261,120	-	-	966,261,120	5,090,259	971,351,379	686,706,571	Demand
9	A317 ARO Steam Production Plant	9,654,655	-	-	9,654,655	(9,654,655)	-	-	Demand
10	Total Steam Production	975,915,776	-	-	975,915,776	(4,564,396)	971,351,379	686,706,571	
11	Nuclear Production								
12	Nuclear Production Plant	3,572,156,671	-	-	3,572,156,671	(20,000,439)	3,552,156,231	2,511,232,369	Demand
13	A326 ARO Nuclear Production Plnt	439,029,648	-	-	439,029,648	(439,029,648)	-	-	Demand
14	Total Nuclear Production	4,011,186,319	-	-	4,011,186,319	(459,030,088)	3,552,156,231	2,511,232,369	
15	Hydraulic Production								
16	Hydraulic Production Plant	58,279,642	-	-	58,279,642	-	58,279,642	41,201,375	Demand
17	A337 ARO Hydraulic Production	318,520	-	-	318,520	(318,520)	-	-	Demand
18	Total Hydraulic Production	58,598,161	-	-	58,598,161	(318,520)	58,279,642	41,201,375	
19	Other Production								
20	Other Production Plant	72,152,448	-	-	72,152,448	(34,760,412)	37,392,036	26,434,674	Demand
21	Total Other Production	72,152,448	-	-	72,152,448	(34,760,412)	37,392,036	26,434,674	
22	Total Production Plant	5,117,852,704	-	-	5,117,852,704	(498,673,416)	4,619,179,289	3,265,574,990	
23	Transmission Plant								
24	Total Transmission Plant	1,880,328,643	-	-	1,880,328,643	-	1,880,328,643	1,329,317,137	Demand
25	Transmission Plant - GSU	58,679,268	-	-	58,679,268	-	58,679,268	41,483,895	Demand
26	Transmission Plant	1,821,649,375	-	-	1,821,649,375	-	1,821,649,375	1,287,833,242	Demand
27	Total	1,880,328,643	-	-	1,880,328,643	-	1,880,328,643	1,329,317,137	

**Indiana Michigan Power Company  
Indiana Jurisdictional Separation Study Projected  
For the Test Year Ended December 31, 2022**

Line No.	Description	12 MOS. ENDED	OTHER	NON-UTILITY	TOTAL COMPANY		TOTAL COMPANY	IN RETAIL	ALLOCATOR
		DEC. 31, 2022	REGULATORY	ITEMS	BEFORE	ADJUSTMENTS	AFTER		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Distribution Plant								
2	A360 Land and Land Rights	23,889,771	-	-	23,889,771	-	23,889,771	23,763,627	Direct
3	A361 Structures and Improvements	38,360,663	-	-	38,360,663	-	38,360,663	38,190,130	Direct
4	A362 Station Equipment	470,729,399	-	-	470,729,399	-	470,729,399	463,306,767	Direct
5	A363 Storage Battery Equipment	5,606,730	-	-	5,606,730	-	5,606,730	5,606,730	Direct
6	A364 Poles, Towers & Fixtures	295,835,591	-	-	295,835,591	-	295,835,591	295,451,430	Direct
7	A365 O.H. Conductors & Devices	455,179,637	-	-	455,179,637	-	455,179,637	454,570,703	Direct
8	A366 Underground Conduits	170,009,338	-	-	170,009,338	-	170,009,338	170,009,338	Direct
9	A367 U.G. Conductors & Devices	300,056,681	-	-	300,056,681	-	300,056,681	300,056,681	Direct
10	A368 Line Transformers	373,390,619	-	-	373,390,619	-	373,390,619	373,390,619	Direct
11	A369 Services	195,442,042	-	-	195,442,042	-	195,442,042	195,442,042	Direct
12	A370 Meters	139,190,851	-	-	139,190,851	(13,073,627)	126,117,224	125,628,718	Direct
13	A370 Meters South Bend Smart Meter Pilot Program	3,714,977	-	-	3,714,977	(3,714,977)	-	-	Direct
14	A371 Install. on Customer Prem.	23,978,809	-	-	23,978,809	-	23,978,809	23,978,809	Direct
15	A372 Leased Prop. on Cust. Premises	-	-	-	-	-	-	-	Direct
16	A373 Street Lights	21,255,128	-	-	21,255,128	-	21,255,128	21,255,128	Direct
17	Total Indiana Distribution Plant	2,516,640,237	-	-	2,516,640,237	(16,788,604)	2,499,851,632	2,490,650,721	
18	A360 Land and Land Rights	8,329,869	-	-	8,329,869	-	8,329,869	-	Non Juris
19	A361 Structures and Improvements	5,294,753	-	-	5,294,753	-	5,294,753	-	Non Juris
20	A362 Station Equipment	117,191,800	-	-	117,191,800	-	117,191,800	-	Non Juris
21	A363 Storage Battery Equipment	-	-	-	-	-	-	-	Non Juris
22	A364 Poles, Towers & Fixtures	94,502,042	-	-	94,502,042	-	94,502,042	-	Non Juris
23	A365 O.H. Conductors & Devices	163,550,991	-	-	163,550,991	-	163,550,991	-	Non Juris
24	A366 Underground Conduits	14,760,342	-	-	14,760,342	-	14,760,342	-	Non Juris
25	A367 U.G. Conductors & Devices	44,434,878	-	-	44,434,878	-	44,434,878	-	Non Juris
26	A368 Line Transformers	61,488,724	-	-	61,488,724	-	61,488,724	-	Non Juris
27	A369 Services	38,799,967	-	-	38,799,967	-	38,799,967	-	Non Juris
28	A370 Meters	44,969,028	-	-	44,969,028	(2,426,116)	42,542,912	-	Non Juris
29	A370 Meters South Bend Smart Meter Pilot Program	-	-	-	-	-	-	-	Non Juris
30	A371 Install. on Customer Prem.	9,795,643	-	-	9,795,643	-	9,795,643	-	Non Juris
31	A372 Leased Prop. on Cust. Premises	-	-	-	-	-	-	-	Non Juris
32	A373 Street Lights	6,904,789	-	-	6,904,789	-	6,904,789	-	Non Juris
33	Total Michigan Distribution Plant	610,022,825	-	-	610,022,825	(2,426,116)	607,596,709	-	
34	Total Distribution Plant	3,126,663,062	-	-	3,126,663,062	(19,214,721)	3,107,448,341	2,490,650,721	
35	General Plant								
36	General Plant	185,305,034	-	-	185,305,034	-	185,305,034	133,462,729	Payroll
37	General Plant - Direct IN	-	-	-	-	7,412,689	7,412,689	7,412,689	Direct
38	A397 Communication Equipment SBSMPP - Direct IN	335,375	-	-	335,375	(335,375)	-	-	Direct
39	A39919 ARO General Plant	742,981	-	-	742,981	(742,981)	-	-	Payroll
40	Total General Plant	186,383,390	-	-	186,383,390	6,334,333	192,717,723	140,875,418	
41	Total Electric Plant in Service	10,663,788,784	-	-	10,663,788,784	(502,897,249)	10,160,891,535	7,486,549,124	
42	Electric Plant Acquisition Adjustment (Acct. 114)	-	-	-	-	-	-	-	Direct
43	Total Electric Utility Plant	10,663,788,784	-	-	10,663,788,784	(502,897,249)	10,160,891,535	7,486,549,124	

**Indiana Michigan Power Company  
Indiana Jurisdictional Separation Study Projected  
For the Test Year Ended December 31, 2022**

Indiana Michigan Power Company  
Witness: Jennifer C. Duncan  
Attachment JCD-1  
Page 4 of 15

Line No.	Description	12 MOS. ENDED	OTHER	TOTAL COMPANY			TOTAL COMPANY			ALLOCATOR
		DEC. 31, 2022	REGULATORY	NON-UTILITY	PROJECTED	ADJUSTMENTS	ADJUSTMENTS	ADJUSTMENTS	IN RETAIL	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Accumulated Provision for Depreciation									
2	Production									
3	Steam, Hydraulic & Other Generation	(410,733,681)	-	-	(410,733,681)	(32,021,248)	(442,754,929)	(313,010,025)	Demand	
4	Steam - Non-juris	(10,171,440)	-	-	(10,171,440)	-	(10,171,440)	-	Non Juris	
5	Nuclear	(1,577,501,252)	-	-	(1,577,501,252)	10,273,403	(1,567,227,849)	(1,107,967,400)	Demand	
6	ARO Steam, Hydraulic & Other Generation	(504,845)	-	-	(504,845)	504,845	-	-	Demand	
7	ARO Nuclear	(147,419,719)	-	-	(147,419,719)	147,419,719	-	-	Demand	
8	Total Production Plant	(2,146,330,938)	-	-	(2,146,330,938)	126,176,719	(2,020,154,219)	(1,420,977,425)		
9	Transmission	(481,097,160)	-	-	(481,097,160)	4,409,346	(476,687,814)	(336,999,217)	Demand	
10	Total Transmission Plant	(481,097,160)	-	-	(481,097,160)	4,409,346	(476,687,814)	(336,999,217)		
11	Transmission Plant - GSU	(13,913,780)	-	-	(13,913,780)	127,522	(13,786,258)	(9,746,333)	Demand	
12	Transmission Plant	(467,183,380)	-	-	(467,183,380)	4,281,824	(462,901,557)	(327,252,885)	Demand	
13	Total	(481,097,160)	-	-	(481,097,160)	4,409,346	(476,687,814)	(336,999,217)		
14	Distribution	(839,762,820)	-	-	(839,762,820)	15,816,077	(823,946,743)	(660,105,885)	Dist. Plt. Excl. IN Accts	
15	Distribution Direct Acct 363 (Storage Battery) - Direct IN	(3,747,078)	-	-	(3,747,078)	-	(3,747,078)	(3,747,078)	Direct	
16	Distribution Direct Acct 370 (SBSMPP) - Direct IN	(3,714,977)	-	-	(3,714,977)	3,714,977	-	-	Direct	
17	Total Distribution Plant	(847,224,876)	-	-	(847,224,876)	19,531,055	(827,693,821)	(663,852,963)		
18	General	(19,181,400)	-	-	(19,181,400)	(35,358)	(19,216,758)	(14,047,327)	General Plant	
19	General Direct Acct 397 (SBSMPP) - Direct IN	(335,375)	-	-	(335,375)	335,375	-	-	Direct	
20	ARO General	186,458	-	-	186,458	(186,458)	-	-	General Plant	
21	Total General Plant	(19,330,317)	-	-	(19,330,317)	113,559	(19,216,758)	(14,047,327)		
22	Total Accumulated Provision for Depreciation	(3,493,983,291)	-	-	(3,493,983,291)	150,230,679	(3,343,752,612)	(2,435,876,932)		
23	Accumulated Provision for Amortization									
24	Intangible	(151,842,273)	-	-	(151,842,273)	-	(151,842,273)	(109,361,757)	Payroll	
25	Intangible - Direct IN	-	-	-	-	(1,359,002)	(1,359,002)	(1,359,002)	Direct	
26	Intangible - Direct MI	-	-	-	-	(533,979)	(533,979)	-	Non Juris	
27	Total Intangible	(151,842,273)	-	-	(151,842,273)	(1,892,981)	(153,735,254)	(110,720,759)		
28	Steam & Hydraulic	(92,540,306)	-	-	(92,540,306)	-	(92,540,306)	(65,422,295)	Demand	
29	Nuclear	-	-	-	-	-	-	-	Demand	
30	Total Production Plant	(92,540,306)	-	-	(92,540,306)	-	(92,540,306)	(65,422,295)		
31	Transmission Plant	-	-	-	-	-	-	-	Demand	
32	Total Transmission Plant	-	-	-	-	-	-	-		
33	Distribution	-	-	-	-	-	-	-	Distribution Plant	
34	Total Distribution Plant	-	-	-	-	-	-	-		
35	General	(6,233,487)	-	-	(6,233,487)	-	(6,233,487)	(4,556,639)	General Plant	
36	Total General Plant	(6,233,487)	-	-	(6,233,487)	-	(6,233,487)	(4,556,639)		
37	Total Accumulated Provision for Amortization	(250,616,066)	-	-	(250,616,066)	(1,892,981)	(252,509,047)	(180,699,693)		
38	Total Acc Prov Depreciation and Amortization	(3,744,599,357)	-	-	(3,744,599,357)	148,337,697	(3,596,261,659)	(2,616,576,625)		
39	Net Electric Plant in Service	6,919,189,428	-	-	6,919,189,428	(354,559,551)	6,564,629,876	4,869,972,499		

**Indiana Michigan Power Company  
Indiana Jurisdictional Separation Study Projected  
For the Test Year Ended December 31, 2022**

Indiana Michigan Power Company  
Witness: Jennifer C. Duncan  
Attachment JCD-1  
Page 5 of 15

Line No.	Description	12 MOS. ENDED	OTHER	TOTAL COMPANY	TOTAL COMPANY	TOTAL COMPANY	IN RETAIL	ALLOCATOR	
		DEC. 31, 2022	REGULATORY	NON-UTILITY	PROJECTED	BEFORE	AFTER		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Other Rate Base Items								
2	Fuel Inventory (Accts 151-152)	63,624,660	-	-	63,624,660	-	63,624,660	44,262,887	Energy Excl Shop
3	Allowance Inventory (Acct 158)	25,405,335	-	-	25,405,335	-	25,405,335	17,674,176	Energy Excl Shop
4	Materials & Supplies Production	151,365,700	-	-	151,365,700	-	151,365,700	107,009,495	Demand
5	Materials & Supplies Transmission	6,709,349	-	-	6,709,349	-	6,709,349	4,743,242	Demand
6	Materials & Supplies Distribution	16,039,249	-	-	16,039,249	-	16,039,249	12,855,617	Distribution Plant
7	<b>Total Other Rate Base Items</b>	<b>263,144,293</b>	<b>-</b>	<b>-</b>	<b>263,144,293</b>	<b>-</b>	<b>263,144,293</b>	<b>186,545,418</b>	
8	Regulatory Liabilities and Assets								
9	Prepaid Pension and OPEB Expense	176,927,954	-	-	176,927,954	-	176,927,954	127,429,283	Payroll
10	Deferred Gain Rockport Unit 2 Sale	-	-	-	-	-	-	-	Demand
11	Baffle Bolt Deferral (1823295) - Direct IN	-	4,549,033	-	4,549,033	-	4,549,033	4,549,033	Direct
12	Cook Plant Turbine Replacement (1823309) - Direct IN	-	13,769,160	-	13,769,160	-	13,769,160	13,769,160	Direct
13	Rockport DSI Deferrals (18233xx) - Direct IN	-	7,101,204	-	7,101,204	-	7,101,204	7,101,204	Direct
14	Cook Uprate Project Deferral (1823418) - Direct IN	-	16,553,064	-	16,553,064	-	16,553,064	16,553,064	Direct
15	Deferred Cook Nuc Plnt 316(b) Comply Costs (1823580) - Direct IN	-	5,765,379	-	5,765,379	-	5,765,379	5,765,379	Direct
16	Deferred Storm Expense (1823078) - Direct IN	-	-	-	-	2,261,084	2,261,084	2,261,084	Direct
17	COVID-19 Deferred Expense (1823587) - Direct IN	-	-	-	-	2,023,141	2,023,141	2,023,141	Direct
18	<b>Total Regulatory Liabilities and Assets</b>	<b>176,927,954</b>	<b>47,737,840</b>	<b>-</b>	<b>224,665,794</b>	<b>4,284,225</b>	<b>228,950,019</b>	<b>179,451,347</b>	
19	<b>Total Rate Base</b>	<b>7,359,261,675</b>	<b>47,737,840</b>	<b>-</b>	<b>7,406,999,515</b>	<b>(350,275,327)</b>	<b>7,056,724,189</b>	<b>5,235,969,265</b>	
20	Firm Sales Revenue	2,041,105,648	-	-	2,041,105,648	-	2,041,105,648	1,508,426,848	Direct
21	Firm Sales Revenue - Direct Assign Indiana	-	-	-	-	(244,224,611)	(244,224,611)	(244,224,611)	Direct
22	<b>Total Firm Sales</b>	<b>2,041,105,648</b>	<b>-</b>	<b>-</b>	<b>2,041,105,648</b>	<b>(244,224,611)</b>	<b>1,796,881,037</b>	<b>1,264,202,237</b>	
23	Interruptible								
24	Demand Related	9,937,587	-	-	9,937,587	(6,205,720)	3,731,866	2,638,280	Demand
25	Energy Related	135,378,120	-	-	135,378,120	1,301,654	136,679,773	95,086,423	Energy Excl Shop
26	<b>Total Interruptible Sales</b>	<b>145,315,706</b>	<b>-</b>	<b>-</b>	<b>145,315,706</b>	<b>(4,904,067)</b>	<b>140,411,640</b>	<b>97,724,704</b>	
27	Sales for Resale								
28	Sales for Resale - Demand Related	16,884,141	-	-	16,884,141	(16,884,141)	-	-	Demand Excl Shop
29	Sales for Resale - Energy Related	(230,195)	-	-	(230,195)	-	(230,195)	(160,144)	Energy Excl Shop
30	OSS Margin - Energy Related	31,487,101	-	-	31,487,101	(31,487,101)	-	-	Energy Excl Shop
31	OSS Cost Recovery	64,811,096	-	-	64,811,096	-	64,811,096	45,088,276	Energy Excl Shop
32	<b>Total Sales for Resale</b>	<b>112,952,142</b>	<b>-</b>	<b>-</b>	<b>112,952,142</b>	<b>(48,371,241)</b>	<b>64,580,901</b>	<b>44,928,132</b>	



**Indiana Michigan Power Company  
Indiana Jurisdictional Separation Study Projected  
For the Test Year Ended December 31, 2022**

Indiana Michigan Power Company  
Witness: Jennifer C. Duncan  
Attachment JCD-1  
Page 6 of 15

Line No.	Description	12 MOS. ENDED	OTHER	TOTAL COMPANY			TOTAL COMPANY			IN RETAIL	ALLOCATOR
		DEC. 31, 2022	REGULATORY	NON-UTILITY	PROJECTED	BEFORE	ADJUSTMENTS	ADJUSTMENTS	ADJUSTMENTS		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
1	Other Operating Revenues										
2	450-Forfeited Discounts	5,506,465	-	-	5,506,465	-	5,506,465	4,522,710	Direct		
3	451-Miscellaneous Service Revenues	3,884,440	-	-	3,884,440	-	3,884,440	3,303,099	Direct		
4	451-Miscellaneous Service Revenues - Direct Assign IN	-	-	-	-	(2,954,668)	(2,954,668)	(2,954,668)	Direct		
5	Rent from Electric Property										
6	4541-Rent-Assoc Cos- Production	-	-	-	-	-	-	-	-	Demand	
7	4541-Rent-Assoc Cos- Transmission	2,167,957	-	-	2,167,957	-	2,167,957	1,532,659	Demand		
8	4541-Rent-Assoc Cos- Distribution	3,577,421	-	-	3,577,421	-	3,577,421	2,867,338	Distribution Plant		
9	4542-Rent-Non-Assoc Cos- Production	220,547	-	-	220,547	-	220,547	155,918	Demand		
10	4542-Rent-Non-Assoc Cos- Transmission	96,212	-	-	96,212	-	96,212	68,018	Demand		
11	4542-Rent-Non-Assoc Cos- Distribution	2,220	-	-	2,220	-	2,220	1,779	Distribution Plant		
12	4544-Rent From Elect Prop-ABD-Nonaf Transmission	-	-	-	-	-	-	-	-	Demand	
13	4544-Rent From Elect Prop-ABD-Nonaf Distribution	-	-	-	-	-	-	-	-	Distribution Plant	
14	4545-Rent From Elect Prop-Pole Attch Transmission	12,569	-	-	12,569	-	12,569	8,886	Demand		
15	4545-Rent From Elect Prop-Pole Attch Distribution	4,237,431	-	-	4,237,431	-	4,237,431	3,396,343	Distribution Plant		
16	<b>Total Rent from Electric Property</b>	<b>10,314,357</b>	<b>-</b>	<b>-</b>	<b>10,314,357</b>	<b>-</b>	<b>10,314,357</b>	<b>8,030,941</b>			
17	Other Electric Revenue										
18	456-Other Electric Rev. Production	294,812	-	-	294,812	-	294,812	208,420	Demand		
19	456-Other Electric Rev. Production-Retail Demand	(147,615,338)	-	-	(147,615,338)	144,030,876	(3,584,463)	(2,983,714)	Retail Demand Excl Shop		
20	456-Other Electric Rev. Production-Retail Energy	(1,163,648)	-	-	(1,163,648)	1,163,648	-	-	Retail Energy Excl Shop		
21	456-Other Electric Rev. Production-Energy	11,317,620	-	-	11,317,620	(439,735)	10,877,885	7,567,609	Energy Excl Shop		
22	456-Other Electric Rev. Production Non Juris	2,491,689	-	-	2,491,689	-	2,491,689	-	Non Juris		
23	456-Other Electric Rev. Transmission	184,331,196	-	-	184,331,196	-	184,331,196	130,314,782	Demand		
24	456-Other Electric Rev. Transmission Non Juris	(7,389,643)	-	-	(7,389,643)	-	(7,389,643)	-	Non Juris		
25	456-Other Electric Rev. Distribution	2,102,640	-	-	2,102,640	-	2,102,640	1,685,287	Distribution Plant		
26	456-Other Electric Rev. Local Facility Charge	584,582	-	-	584,582	-	584,582	468,548	Distribution Plant		
27	456-Other Electric Rev. Local Facility Charge FERC	220,656	-	-	220,656	-	220,656	-	Non Juris		
28	<b>Total Other Electric Revenues</b>	<b>45,174,565</b>	<b>-</b>	<b>-</b>	<b>45,174,565</b>	<b>144,754,789</b>	<b>189,929,354</b>	<b>137,260,933</b>			
29	<b>Total Other Operating Revenues</b>	<b>64,879,827</b>	<b>-</b>	<b>-</b>	<b>64,879,827</b>	<b>141,800,121</b>	<b>206,679,948</b>	<b>150,163,016</b>			
30	Gain on Disp of Emission Allow.	35,563	-	-	35,563	-	35,563	24,741	Energy Excl Shop		
31	<b>Total Operating Revenues</b>	<b>2,364,288,886</b>	<b>-</b>	<b>-</b>	<b>2,364,288,886</b>	<b>(155,699,799)</b>	<b>2,208,589,088</b>	<b>1,557,042,829</b>			

**Indiana Michigan Power Company  
Indiana Jurisdictional Separation Study Projected  
For the Test Year Ended December 31, 2022**

Indiana Michigan Power Company  
Witness: Jennifer C. Duncan  
Attachment JCD-1  
Page 7 of 15

Line No.	Description	12 MOS. ENDED	OTHER	TOTAL COMPANY			TOTAL COMPANY	IN RETAIL	ALLOCATOR
		DEC. 31, 2022	REGULATORY	NON-UTILITY	PROJECTED	ADJUSTMENTS	ADJUSTMENTS		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Power Production Expenses								
2	Steam Generation Expense								
3	500-Supervision & Engineering	4,189,523	-	-	4,189,523	(100,000)	4,089,523	2,891,129	Demand
4	5000005-DSI Amort - Direct IN	599,100	-	-	599,100	-	599,100	599,100	Direct
5	501-Fuel	57,182,963	-	-	57,182,963	-	57,182,963	39,781,478	Energy Excl Shop
6	502 - Steam Expenses	211,527	-	-	211,527	-	211,527	149,541	Demand
7	502 - Steam Consumables	6,635,039	-	-	6,635,039	-	6,635,039	4,615,914	Energy Excl Shop
8	505-Electric	-	-	-	-	-	-	-	Demand
9	506-Misc. Power	6,595,986	-	-	6,595,986	-	6,595,986	4,663,098	Demand
10	507-Rents	69,212,920	-	-	69,212,920	-	69,212,920	48,930,766	Demand
11	508-Operation Supplies & Expenses - Non-major	-	-	-	-	-	-	-	Demand
12	509-Allowances	157,602	-	-	157,602	-	157,602	109,642	Energy Excl Shop
13	<b>Total Steam Operation</b>	<b>144,784,660</b>	<b>-</b>	<b>-</b>	<b>144,784,660</b>	<b>(100,000)</b>	<b>144,684,660</b>	<b>101,740,669</b>	
14	510-Supervision & Engineering	1,203,456	-	-	1,203,456	-	1,203,456	837,230	Energy Excl Shop
15	511-Structures	-	-	-	-	-	-	-	Demand
16	512-Boiler Plant	7,588,662	-	-	7,588,662	-	7,588,662	5,279,338	Energy Excl Shop
17	513-Electric Plant	1,597,554	-	-	1,597,554	-	1,597,554	1,111,398	Energy Excl Shop
18	514-Misc Steam Plant	-	-	-	-	-	-	-	Demand
19	<b>Total Steam Maintenance</b>	<b>10,389,672</b>	<b>-</b>	<b>-</b>	<b>10,389,672</b>	<b>-</b>	<b>10,389,672</b>	<b>7,227,966</b>	
20	<b>Total Steam Generation Expense</b>	<b>155,174,333</b>	<b>-</b>	<b>-</b>	<b>155,174,333</b>	<b>(100,000)</b>	<b>155,074,333</b>	<b>108,968,635</b>	
21	Nuclear Generation Expense								
22	517-Supervision & Engineering	23,028,276	-	-	23,028,276	-	23,028,276	16,280,070	Demand
23	5180000-5180002 -Fuel	81,888,372	-	-	81,888,372	-	81,888,372	56,968,725	Energy Excl Shop
24	519-Coolants and Water	11,703,046	-	-	11,703,046	-	11,703,046	8,273,585	Demand
25	520-Steam Expense	11,591,749	-	-	11,591,749	-	11,591,749	8,194,903	Demand
26	520-Steam Expense - Direct IN	-	-	-	-	5,118	5,118	5,118	Direct
27	521-Steam from Other Sources	-	-	-	-	-	-	-	Demand
28	522-Steam Transferred Credit	-	-	-	-	-	-	-	Demand
29	523-Electric Expense	8,054,929	-	-	8,054,929	-	8,054,929	5,694,513	Demand
30	524-Misc Nuclear Power Exp	64,768,800	-	-	64,768,800	(194,141)	64,574,659	45,651,701	Demand
31	524xxxx - Cook Amort (Uprate Project/ 316(b)) - Direct IN	2,049,252	-	-	2,049,252	-	2,049,252	2,049,252	Direct
32	524xxxx - Cook Amort (Uprate Project/ 316(b)) - Non Juris	1,050,519	-	-	1,050,519	-	1,050,519	-	Non Juris
33	5240008-Nuclear Decomm Exp	4,601,715	-	-	4,601,715	-	4,601,715	2,000,000	Direct
34	5240009-Nuclear Decomm Expense-ARO	(4,487,715)	-	-	(4,487,715)	-	(4,487,715)	-	Non Juris
35	<b>Total Nuclear Operations</b>	<b>204,248,942</b>	<b>-</b>	<b>-</b>	<b>204,248,942</b>	<b>(189,023)</b>	<b>204,059,919</b>	<b>145,117,866</b>	
36	528-Maint Supervision & Engineering	7,715,313	-	-	7,715,313	-	7,715,313	5,454,418	Demand
37	529-Maint of Structures	3,578,840	-	-	3,578,840	-	3,578,840	2,530,097	Demand
38	530-Maint of Reactor Plant	79,051,054	-	-	79,051,054	-	79,051,054	55,885,933	Demand
39	530-Maint of Reactor Plant IN Baffle Bolt Amort.	299,936	-	-	299,936	-	299,936	299,936	Direct
40	531-Maint of Electric Plant	14,577,731	-	-	14,577,731	-	14,577,731	10,305,873	Demand
41	532-Maint of Misc Nuclear Plant	15,527,888	-	-	15,527,888	-	15,527,888	10,977,596	Demand
42	<b>Total Nuclear Maintenance</b>	<b>120,750,761</b>	<b>-</b>	<b>-</b>	<b>120,750,761</b>	<b>-</b>	<b>120,750,761</b>	<b>85,453,851</b>	
43	<b>Total Nuclear Generation Expenses</b>	<b>324,999,704</b>	<b>-</b>	<b>-</b>	<b>324,999,704</b>	<b>(189,023)</b>	<b>324,810,681</b>	<b>230,571,718</b>	

**Indiana Michigan Power Company  
Indiana Jurisdictional Separation Study Projected  
For the Test Year Ended December 31, 2022**

Line No.	Description	12 MOS. ENDED	OTHER	TOTAL COMPANY		TOTAL COMPANY		IN RETAIL	ALLOCATOR
		DEC. 31, 2022	REGULATORY	NON-UTILITY	PROJECTED	BEFORE	AFTER		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Production Hydraulic								
2	535-Supervision & Engineering	-	-	-	-	-	-	-	- Demand
3	536- Water for Power	-	-	-	-	-	-	-	- Demand
4	537-Hydraulic Expense	-	-	-	-	-	-	-	- Demand
5	538-Electric	-	-	-	-	-	-	-	- Demand
6	539-Misc Hydraulic	2,086,369	-	-	2,086,369	-	2,086,369	1,474,979	Demand
7	540- Rents	-	-	-	-	-	-	-	- Demand
8	<b>Total Hydraulic Operations</b>	<b>2,086,369</b>	<b>-</b>	<b>-</b>	<b>2,086,369</b>	<b>-</b>	<b>2,086,369</b>	<b>1,474,979</b>	
9	541-Supervision & Engineering	-	-	-	-	-	-	-	- Demand
10	542-Structures	-	-	-	-	-	-	-	- Demand
11	543-Reservoirs, Etc.	-	-	-	-	-	-	-	- Demand
12	544-Electric Plant	2,486,117	-	-	2,486,117	-	2,486,117	1,729,560	Energy Excl Shop
13	545-Misc Hydraulic Plant	-	-	-	-	-	-	-	- Demand
14	<b>Total Hydraulic Maintenance</b>	<b>2,486,117</b>	<b>-</b>	<b>-</b>	<b>2,486,117</b>	<b>-</b>	<b>2,486,117</b>	<b>1,729,560</b>	
15	<b>Total Hydraulic Generation Expense</b>	<b>4,572,486</b>	<b>-</b>	<b>-</b>	<b>4,572,486</b>	<b>-</b>	<b>4,572,486</b>	<b>3,204,540</b>	
16	Production Other								
17	546-Supervision & Engineering	-	-	-	-	-	-	-	- Demand
18	547- Fuel	-	-	-	-	-	-	-	- Energy Excl Shop
19	548-Generation Expense	-	-	-	-	-	-	-	- Demand
20	549-Misc Other Power Generation Expense	310,000	-	-	310,000	-	310,000	219,158	Demand
21	550-Rents	-	-	-	-	-	-	-	- Demand
22	<b>Total Other Power Operation</b>	<b>310,000</b>	<b>-</b>	<b>-</b>	<b>310,000</b>	<b>-</b>	<b>310,000</b>	<b>219,158</b>	
23	551-Supervision & Engineering	-	-	-	-	-	-	-	- Demand
24	552-Structures	-	-	-	-	-	-	-	- Demand
25	553-Generation & Electric Plant	-	-	-	-	-	-	-	- Demand
26	554-Misc Other Generation	-	-	-	-	-	-	-	- Demand
27	<b>Total Other Power Maintenance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
28	<b>Total Other Production Expense</b>	<b>310,000</b>	<b>-</b>	<b>-</b>	<b>310,000</b>	<b>-</b>	<b>310,000</b>	<b>219,158</b>	
29	Other Power Supply Expense								
30	555-Purchased Power Expense Demand	182,695,255	-	-	182,695,255	-	182,695,255	129,158,238	Demand
31	555-OSS/PJM Purchased Power Expense Demand	6,795,000	-	-	6,795,000	-	6,795,000	4,803,793	Demand
32	555-Purchased Power Expense Energy	203,121,583	-	-	203,121,583	-	203,121,583	141,309,167	Energy Excl Shop
33	555-OSS/PJM Purchased Power Expense Energy	31,515,000	-	-	31,515,000	-	31,515,000	21,924,595	Energy Excl Shop
34	5550106-Under recovered PJM Expense Direct IN	-	-	-	-	-	-	-	- Direct
35	5550145-Defd RES Wildcat Wind Cost-Non Juris	5,208,397	-	-	5,208,397	-	5,208,397	-	- Non Juris
36	5550552 - Resource Adequacy Rider Direct IN	-	-	-	-	-	-	-	- Direct
37	556-Sys Control & Load Dispatching	405,870	-	-	405,870	-	405,870	286,934	Demand
38	557- Other Expenses	1,284,847	-	-	1,284,847	-	1,284,847	908,335	Demand
39	<b>Total Other Power Supply Expense</b>	<b>431,025,952</b>	<b>-</b>	<b>-</b>	<b>431,025,952</b>	<b>-</b>	<b>431,025,952</b>	<b>298,391,061</b>	
40	<b>Total Production O&amp;M Expense</b>	<b>916,082,474</b>	<b>-</b>	<b>-</b>	<b>916,082,474</b>	<b>(289,023)</b>	<b>915,793,451</b>	<b>641,355,112</b>	

**Indiana Michigan Power Company**  
**Indiana Jurisdictional Separation Study Projected**  
**For the Test Year Ended December 31, 2022**

Line No.	Description	12 MOS. ENDED	OTHER		TOTAL COMPANY		TOTAL COMPANY		IN RETAIL	ALLOCATOR
		DEC. 31, 2022	REGULATORY	NON-UTILITY	BEFORE	ADJUSTMENTS	AFTER	ADJUSTMENTS		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Transmission Expense									
2	560-Supervision & Engineering	5,109,802	-	-	5,109,802	-	5,109,802	3,612,425	Demand	
3	561-Load Dispatching - Company	1,465,489	-	-	1,465,489	-	1,465,489	1,036,042	Demand	
4	561-Load Dispatching - PJM LSE	5,190,791	-	-	5,190,791	-	5,190,791	3,717,447	Demand Excl Shop	
5	561-Load Dispatching - PJM OSS Margin	868,737	-	-	868,737	(868,737)	-	-	Demand Excl Shop	
6	562-Station Equipment	-	-	-	-	-	-	-	Demand	
7	563-Overhead Lines	-	-	-	-	-	-	-	Demand	
8	564-Underground Lines	-	-	-	-	-	-	-	Demand	
9	5650012-PJM Trans Enhancement Charge	5,611,017	-	-	5,611,017	-	5,611,017	4,670,622	Retail Demand Excl Shop	
10	5650015-PJM TO Serv Exp - Aff	2,053,701	-	-	2,053,701	(2,053,701)	-	-	Retail Energy Excl Shop	
11	5650016-PJM NITS Expense - Affiliated	189,057,729	-	-	189,057,729	(189,057,729)	-	-	Retail Demand Excl Shop	
12	5650019-Affiliated PJM Trans Enhancement Expense	16,416,976	-	-	16,416,976	-	16,416,976	13,665,524	Retail Demand Excl Shop	
13	5650020-Provision PJM NITS Affiliate Expense Non Juris	1,883,142	-	-	1,883,142	-	1,883,142	-	Non Juris	
14	5650021-PJM NITS Expense Non Affiliate	1,349,507	-	-	1,349,507	(1,349,507)	-	-	Retail Demand Excl Shop	
15	566-Misc Transmission	1,283,762	-	-	1,283,762	-	1,283,762	907,568	Demand	
16	567-Rents	430,683	-	-	430,683	-	430,683	304,475	Demand	
17	575-PJM Regional Market Expenses LSE	4,170,452	-	-	4,170,452	-	4,170,452	2,986,718	Demand Excl Shop	
18	575-PJM Regional Market Expenses OSS Margin	648,720	-	-	648,720	(648,720)	-	-	Demand Excl Shop	
19	<b>Total Transmission Operation Expense</b>	<b>235,540,505</b>	<b>-</b>	<b>-</b>	<b>235,540,505</b>	<b>(193,978,393)</b>	<b>41,562,112</b>	<b>30,900,822</b>		
20	568-Supervision & Engineering	-	-	-	-	-	-	-	Demand	
21	569-Structures	281,740	-	-	281,740	-	281,740	199,179	Demand	
22	570-Station Equipment	3,519,261	-	-	3,519,261	-	3,519,261	2,487,977	Demand	
23	571-Overhead Lines	9,637,839	-	-	9,637,839	-	9,637,839	6,813,567	Demand	
24	572-Underground Lines	-	-	-	-	-	-	-	Demand	
25	573-Misc Transmission Expenses	-	-	-	-	-	-	-	Demand	
26	<b>Total Transmission Maintenance Expense</b>	<b>13,438,840</b>	<b>-</b>	<b>-</b>	<b>13,438,840</b>	<b>-</b>	<b>13,438,840</b>	<b>9,500,722</b>		
27	<b>Total Transmission O&amp;M Expense</b>	<b>248,979,346</b>	<b>-</b>	<b>-</b>	<b>248,979,346</b>	<b>(193,978,393)</b>	<b>55,000,952</b>	<b>40,401,544</b>		
28	Transmission O&M - GSU	678,081.91	-	-	678,082	-	678,082	479,377		
29	Transmission O&M	21,050,493	-	-	21,050,493	-	21,050,493	14,881,856		
30	Transmission O&M - OSS (Other Production)	1,517,457	-	-	1,517,457	(1,517,457)	-	-		
31	Transmission O&M - LSE Demand	221,796,472	-	-	221,796,472	(190,407,236)	31,389,236	25,040,311		
32	Transmission O&M - LSE Energy	2,053,701	-	-	2,053,701	(2,053,701)	-	-		
33	Transmission O&M - Non-jurisdictional	1,883,142	-	-	1,883,142	-	1,883,142	-		
34	<b>Total</b>	<b>248,979,346</b>	<b>-</b>	<b>-</b>	<b>248,979,346</b>	<b>(193,978,393)</b>	<b>55,000,952</b>	<b>40,401,544</b>		

**Indiana Michigan Power Company  
Indiana Jurisdictional Separation Study Projected  
For the Test Year Ended December 31, 2022**

Indiana Michigan Power Company  
Witness: Jennifer C. Duncan  
Attachment JCD-1  
Page 10 of 15

Line No.	Description	12 MOS. ENDED	OTHER	NON-UTILITY	TOTAL COMPANY		TOTAL COMPANY	IN RETAIL	ALLOCATOR
		DEC. 31, 2022	REGULATORY	ITEMS	PROJECTED	ADJUSTMENTS	AFTER		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Distribution Expense								
2	580-Supervision & Engineering	3,256,192	-	-	3,256,192	-	3,256,192	2,609,870	Distribution Plant
3	581-Load Dispatching	612,696	-	-	612,696	-	612,696	491,082	Distribution Plant
4	581-Load Dispatching - Direct IN	-	-	-	-	43,424	43,424	43,424	Direct
5	582-Station Equipment	-	-	-	-	-	-	-	Distribution Plant
6	583-Overhead Lines	2,235,181	-	-	2,235,181	-	2,235,181	1,791,520	Distribution Plant
7	584-Underground Lines	1,620,985	-	-	1,620,985	-	1,620,985	1,299,236	Distribution Plant
8	585-Street & Area Lighting	-	-	-	-	-	-	-	Distribution Plant
9	586-Meters	1,738,113	-	-	1,738,113	-	1,738,113	1,393,115	Distribution Plant
10	587-Customer Installations	-	-	-	-	-	-	-	Distribution Plant
11	588-Misc Distribution	20,269,485	-	-	20,269,485	-	20,269,485	16,246,194	Distribution Plant
12	588-Misc Distribution IN Ft. Wayne Amortization	914,592	-	-	914,592	-	914,592	914,592	Direct
13	588-Misc Distribution - Direct Assign IN	-	-	-	-	2,529	2,529	2,529	Direct
14	589-Rents	1,620,000	-	-	1,620,000	-	1,620,000	1,298,446	Distribution Plant
15	Total Distribution Operation	32,267,245	-	-	32,267,245	45,953	32,313,197	26,090,007	
16	590-Supervision & Engineering	-	-	-	-	-	-	-	Distribution Plant
17	591-Structures	-	-	-	-	-	-	-	Distribution Plant
18	592-Station Equipment	2,414,241	-	-	2,414,241	-	2,414,241	1,935,038	Distribution Plant
19	593-Overhead Lines	6,560,651	-	-	6,560,651	-	6,560,651	5,258,427	Distribution Plant
20	593-Overhead Lines -Storm Amort Exp - Direct IN	(504,572)	-	-	(504,572)	-	(504,572)	(504,572)	Direct
21	593-Overhead Lines - Direct Assign Indiana	20,069,798	-	-	20,069,798	571,978	20,641,776	20,641,776	Direct
22	593-Overhead Lines - Direct Assign MI	14,902,608	-	-	14,902,608	-	14,902,608	-	Non Juris
23	594-Underground Lines	2,019,457	-	-	2,019,457	-	2,019,457	1,618,615	Distribution Plant
24	595-Line Transformers	-	-	-	-	-	-	-	Distribution Plant
25	596-Street & Area Lighting	-	-	-	-	-	-	-	Distribution Plant
26	597-Meters	163,069	-	-	163,069	-	163,069	130,702	Distribution Plant
27	598-Misc Distribution Plant	-	-	-	-	-	-	-	Distribution Plant
28	Total Distribution Maintenance	45,625,253	-	-	45,625,253	571,978	46,197,231	29,079,986	
29	Total Distribution Expense	77,892,498	-	-	77,892,498	617,931	78,510,428	55,169,993	
30	Customer Accounts Expense								
31	901-Supervision & Engineering	1,280,122	-	-	1,280,122	-	1,280,122	1,003,261	No. of Customers
32	902-Meter Reading	890,487	-	-	890,487	-	890,487	824,499	Direct
33	902-Meter Reading - Direct IN	-	-	-	-	(296,567)	(296,567)	(296,567)	Direct
34	903-Customer Records & Collection Expense	13,021,355	-	-	13,021,355	-	13,021,355	10,205,130	No. of Customers
35	903-Customer Records & Collection Expense - Direct IN	-	-	-	-	(426,105)	(426,105)	(426,105)	Direct
36	904-Uncollectible Accounts	-	-	-	-	-	-	-	No. of Customers
37	905-Misc Customer Accounts	132,814	-	-	132,814	-	132,814	104,090	No. of Customers
38	Total Customer Accounts	15,324,779	-	-	15,324,779	(722,672)	14,602,107	11,414,308	
39	Customer Service & Information Expense								
40	907-Supervision	1,845,574	-	-	1,845,574	-	1,845,574	1,446,418	No. of Customers
41	908-Customer Assistance	165,744	-	-	165,744	-	165,744	129,897	No. of Customers
42	908-Customer Assistance - Direct Assign Indiana	10,873,891	-	-	10,873,891	(9,425,099)	1,448,792	1,448,792	Direct
43	908-Customer Assistance - Direct Assign MI	6,002,000	-	-	6,002,000	(4,146,593)	1,855,407	-	Non Juris
44	9080018 Dem Resp - Emergency DRS 1	3,441,594	-	-	3,441,594	-	3,441,594	2,433,069	Demand
45	909-Information & Instruction	37,941	-	-	37,941	-	37,941	29,735	No. of Customers
46	910-Misc Customer Service	-	-	-	-	-	-	-	No. of Customers
47	Total Customer Service & Information	22,366,744	-	-	22,366,744	(13,571,692)	8,795,052	5,487,912	

**Indiana Michigan Power Company**  
**Indiana Jurisdictional Separation Study Projected**  
**For the Test Year Ended December 31, 2022**

Indiana Michigan Power Company  
 Witness: Jennifer C. Duncan  
 Attachment JCD-1  
 Page 11 of 15

Line No.	Description	12 MOS. ENDED	OTHER	TOTAL COMPANY			TOTAL COMPANY	IN RETAIL	ALLOCATOR
		DEC. 31, 2022	REGULATORY	NON-UTILITY	PROJECTED	ADJUSTMENTS	AFTER		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Sales Expense								
2	911-Supervision	-	-	-	-	-	-	-	- Demand
3	912-Demo & Selling	345,057	-	-	345,057	(345,057)	-	-	- Demand
4	9120005 EVSE Costs Deferred - Direct MI	8,880	-	-	8,880	-	8,880	-	- Non Juris
5	913-Advertising	-	-	-	-	-	-	-	- Demand
6	916-Misc Sales Expense	-	-	-	-	-	-	-	- Demand
7	<b>Total Sales Expense</b>	<b>353,937</b>	<b>-</b>	<b>-</b>	<b>353,937</b>	<b>(345,057)</b>	<b>8,880</b>	<b>-</b>	
8	Administrative & General Expense								
9	920-Salaries	51,438,875	-	-	51,438,875	-	51,438,875	37,047,955	Payroll
10	920-Salaries - Direct Assign <b>Indiana</b>	102,132	-	-	102,132	(102,132)	-	-	- Direct
11	920-Salaries - Direct Assign <b>Michigan</b>	102,132	-	-	102,132	(102,132)	-	-	- Non Juris
12	921-Office Supplies	3,716,019	-	-	3,716,019	-	3,716,019	2,676,398	Payroll
13	921-Office Supplies - Direct Assign <b>Indiana</b>	30,982	-	-	30,982	(30,982)	-	-	- Direct
14	921-Office Supplies - Direct Assign <b>Michigan</b>	30,982	-	-	30,982	(30,982)	-	-	- Non Juris
15	922-Administrative Expense Transferred	(4,602,520)	-	-	(4,602,520)	-	(4,602,520)	(3,314,885)	Payroll
16	923-Outside Services	9,911,806	-	-	9,911,806	-	9,911,806	7,138,806	Payroll
17	924-Property Insurance Production	3,306,724	-	-	3,306,724	-	3,306,724	2,337,722	Demand
18	924-Property Insurance Transmission	328,259	-	-	328,259	-	328,259	232,066	Demand
19	924-Property Insurance Distribution	644,596	-	-	644,596	-	644,596	516,650	Distribution Plant
20	925-Injuries & Damages	7,698,682	-	-	7,698,682	-	7,698,682	5,544,842	Payroll
21	926-Employee Pension & Benefits	20,501,341	-	-	20,501,341	-	20,501,341	14,765,734	Payroll
22	9260021-Emp Pension & Benefits VEBA Trust Contrib/Amort	1,238,000	-	-	1,238,000	-	1,238,000	891,648	Payroll
23	927-Franchise Requirements	-	-	-	-	-	-	-	- Payroll
24	928 Reg. Commission Exp. - Production	11,742,051	-	-	11,742,051	81,512	11,823,563	8,358,786	Demand
25	928 Reg. Commission Exp. - Rate Case Exp Direct - <b>IN</b>	151,420	-	-	151,420	1,157,978	1,309,398	1,309,398	Direct
26	928 Reg. Commission Exp. - Rate Case Exp Direct - <b>MI</b>	68,949	-	-	68,949	-	68,949	-	- Non Juris
27	929-Duplicate Charges	-	-	-	-	-	-	-	- Payroll
28	930.1-General Advertising Expense	79,743	-	-	79,743	(79,743)	-	-	- Payroll
29	930.2-Misc General Expense	6,340,186	-	-	6,340,186	-	6,340,186	4,566,409	Payroll
30	931-Rent	3,689,640	-	-	3,689,640	-	3,689,640	2,657,399	Payroll
31	931-Rent - Direct Assign <b>Indiana</b>	6,264	-	-	6,264	(6,264)	-	-	- Direct
32	931-Rent - Direct Assign <b>Michigan</b>	10,458	-	-	10,458	(10,458)	-	-	- Non Juris
33	<b>Total Admin &amp; General Operation</b>	<b>116,536,722</b>	<b>-</b>	<b>-</b>	<b>116,536,722</b>	<b>876,796</b>	<b>117,413,517</b>	<b>84,728,928</b>	
34	935-Admin & General Maintenance	4,259,749	-	-	4,259,749	-	4,259,749	3,068,010	Payroll
35	<b>Total Admin &amp; General Expense</b>	<b>120,796,471</b>	<b>-</b>	<b>-</b>	<b>120,796,471</b>	<b>876,796</b>	<b>121,673,267</b>	<b>87,796,938</b>	
36	Other O&M Expense								
37	G/L Disp. Of Util Plant - Production	-	-	-	-	-	-	-	- Demand
38	G/L Disp. Of Util Plant - Distribution Plant	-	-	-	-	-	-	-	- Dist. Plt. Excl. IN Accts
39	Factoring Expense	-	9,548,928	-	9,548,928	-	9,548,928	7,725,837	Direct
40	Factoring Expense - Direct Assign <b>Indiana</b>	-	-	-	-	3,436,725	3,436,725	3,436,725	Direct
41	Factoring Expense Adj - Direct Assign <b>MI</b>	-	-	-	-	452,858	452,858	-	- Non Juris
42	Line of Credit Fees	-	126,976	-	126,976	-	126,976	94,214	Rate Base
43	Accretion Production	661,733	-	-	661,733	-	661,733	467,819	Demand
44	Accretion Distribution	15,200	-	-	15,200	-	15,200	15,200	Direct
45	Accretion Nuclear	5,429,284	-	-	5,429,284	-	5,429,284	-	- Non Juris
46	<b>Total Other O&amp;M Expense</b>	<b>6,106,218</b>	<b>9,675,904</b>	<b>-</b>	<b>15,782,122</b>	<b>3,889,583</b>	<b>19,671,704</b>	<b>11,739,795</b>	
47	<b>Total Operation &amp; Maint Expense</b>	<b>1,407,902,466</b>	<b>9,675,904</b>	<b>-</b>	<b>1,417,578,370</b>	<b>(203,522,529)</b>	<b>1,214,055,841</b>	<b>853,365,602</b>	

**Indiana Michigan Power Company**  
**Indiana Jurisdictional Separation Study Projected**  
**For the Test Year Ended December 31, 2022**

Indiana Michigan Power Company  
 Witness: Jennifer C. Duncan  
 Attachment JCD-1  
 Page 12 of 15

Line No.	Description	12 MOS. ENDED	OTHER		TOTAL COMPANY		TOTAL COMPANY		
		DEC. 31, 2022	REGULATORY	NON-UTILITY	PROJECTED	BEFORE	AFTER	IN RETAIL	ALLOCATOR
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Depreciation Expense								
2	Production	102,493,924	-	-	102,493,924	(3,925,800)	98,568,124	69,683,721	Demand
3	Production ARO	(619,909)	-	-	(619,909)	-	(619,909)	(438,251)	Demand
4	Nuclear	145,732,567	-	-	145,732,567	14,819,071	160,551,638	113,503,586	Demand
5	Nuclear ARO	(112,007)	-	-	(112,007)	-	(112,007)	-	Non Juris
6	<b>Total Production</b>	<b>247,494,576</b>	<b>-</b>	<b>-</b>	<b>247,494,576</b>	<b>10,893,272</b>	<b>258,387,847</b>	<b>182,749,057</b>	
7	Transmission	44,660,658	-	-	44,660,658	5,086,354	49,747,012	35,169,148	Demand
8	<b>Total Transmission</b>	<b>44,660,658</b>	<b>-</b>	<b>-</b>	<b>44,660,658</b>	<b>5,086,354</b>	<b>49,747,012</b>	<b>35,169,148</b>	
9	Transmission Plant - GSU	1,425,822	-	-	1,425,822	162,385	1,588,207	1,122,798	Demand
10	Transmission Plant	43,234,836	-	-	43,234,836	4,923,969	48,158,805	34,046,349	Demand
11	<b>Total</b>	<b>44,660,658</b>	<b>-</b>	<b>-</b>	<b>44,660,658</b>	<b>5,086,354</b>	<b>49,747,012</b>	<b>35,169,148</b>	
12	Distribution	-	-	-	-	(9,675,920)	(9,675,920)	(7,751,874)	Dist. Plt. Excl. IN Accts
13	Distribution - Indiana Distribution Plant	86,833,684	-	-	86,833,684	-	86,833,684	86,833,684	Direct
14	Distribution - Michigan Distribution Plant	21,142,448	-	-	21,142,448	-	21,142,448	-	Non Juris
15	<b>Total Distribution</b>	<b>107,976,132</b>	<b>-</b>	<b>-</b>	<b>107,976,132</b>	<b>(9,675,920)</b>	<b>98,300,213</b>	<b>79,081,810</b>	
16	General	6,374,908	-	-	6,374,908	829,175	7,204,083	5,266,138	General Plant
17	General ARO	(8,400)	-	-	(8,400)	-	(8,400)	(6,140)	General Plant
18	<b>Total General</b>	<b>6,366,508</b>	<b>-</b>	<b>-</b>	<b>6,366,508</b>	<b>829,175</b>	<b>7,195,683</b>	<b>5,259,998</b>	
19	<b>Total Depreciation Expense</b>	<b>406,497,874</b>	<b>-</b>	<b>-</b>	<b>406,497,874</b>	<b>7,132,881</b>	<b>413,630,755</b>	<b>302,260,012</b>	
20	Amortization Expense								
21	Intangible Plant	53,174,043	-	-	53,174,043	-	53,174,043	38,297,680	Payroll
22	Intangible Plant - Direct IN	-	-	-	-	1,240,988	1,240,988	1,240,988	Direct
23	Intangible Plant - Direct MI	-	-	-	-	490,323	490,323	-	Non Juris
24	<b>Total Intangible</b>	<b>53,174,043</b>	<b>-</b>	<b>-</b>	<b>53,174,043</b>	<b>1,731,311</b>	<b>54,905,354</b>	<b>39,538,667</b>	
25	Production	9,236,471	-	-	9,236,471	-	9,236,471	6,529,815	Demand
26	Production - Rockport DSI Direct IN	442,916	-	-	442,916	-	442,916	442,916	Direct
27	Nuclear	-	-	-	-	-	-	-	Demand
28	Production - Non-juris	926,897	-	-	926,897	-	926,897	-	Non Juris
29	<b>Total Production</b>	<b>10,606,284</b>	<b>-</b>	<b>-</b>	<b>10,606,284</b>	<b>-</b>	<b>10,606,284</b>	<b>6,972,731</b>	
30	Transmission Plant	-	-	-	-	-	-	-	Demand
31	<b>Total Transmission</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
32	Distribution Plant	-	-	-	-	-	-	-	Distribution Plant
33	<b>Total Distribution</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
34	General Plant	531,248	-	-	531,248	-	531,248	388,339	General Plant
35	<b>Total General</b>	<b>531,248</b>	<b>-</b>	<b>-</b>	<b>531,248</b>	<b>-</b>	<b>531,248</b>	<b>388,339</b>	
36	<b>Total Amortization Expense</b>	<b>64,311,574</b>	<b>-</b>	<b>-</b>	<b>64,311,574</b>	<b>1,731,311</b>	<b>66,042,885</b>	<b>46,899,738</b>	
37	Amortization of Plant Acquisition Adjustment	-	-	-	-	-	-	-	
38	<b>Total Depreciation &amp; Amortization Expense</b>	<b>470,809,448</b>	<b>-</b>	<b>-</b>	<b>470,809,448</b>	<b>8,864,192</b>	<b>479,673,640</b>	<b>349,159,750</b>	

**Indiana Michigan Power Company**  
**Indiana Jurisdictional Separation Study Projected**  
**For the Test Year Ended December 31, 2022**

Indiana Michigan Power Company  
 Witness: Jennifer C. Duncan  
 Attachment JCD-1  
 Page 13 of 15

Line No.	Description	12 MOS. ENDED DEC. 31, 2022			TOTAL COMPANY PROJECTED BEFORE ADJUSTMENTS		TOTAL COMPANY AFTER ADJUSTMENTS		IN RETAIL	ALLOCATOR
		TOTAL COMPANY PROJECTED	OTHER REGULATORY ITEMS	NON-UTILITY ITEMS	ADJUSTMENTS	ADJUSTMENTS	ADJUSTMENTS	(8)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Reg Debits/Credits - MI Direct Assign	-	-	-	-	-	-	-	- Non Juris	
2	Reg Debits/Credits - IN Direct Assign	-	-	-	-	-	-	-	- Direct	
3	Cook Unit 1 Turbine CC Amortization - Direct IN	-	915,919	-	915,919	-	915,919	915,919	Direct	
4	Rockport DSI CC Amortization - Direct IN	-	394,742	-	394,742	-	394,742	394,742	Direct	
5	<b>Total Reg Debits/Credits</b>	-	<b>1,310,661</b>	-	<b>1,310,661</b>	-	<b>1,310,661</b>	<b>1,310,661</b>		
6	Other Taxes									
7	Current Payroll Taxes									
8	FICA	13,122,411	-	-	13,122,411	-	13,122,411	9,451,188	Payroll	
9	Fed Unemployment	63,230	-	-	63,230	-	63,230	45,540	Payroll	
10	State Unemployment	218,112	-	-	218,112	-	218,112	157,091	Payroll	
11	<b>Total Payroll Related Tax</b>	<b>13,403,753</b>	-	-	<b>13,403,753</b>	-	<b>13,403,753</b>	<b>9,653,820</b>		
12	Real and Personal Property Tax	73,873,294	-	-	73,873,294	(78,613)	73,794,681	54,744,605	Net Plant	
13	Other									
14	IN P.S.C.	1,905,000	-	-	1,905,000	-	1,905,000	1,905,000	Direct	
15	MI P.S.C.	1,062,000	-	-	1,062,000	-	1,062,000	-	Non Juris	
16	Sales & Use	48,000	-	-	48,000	-	48,000	35,366	Gross Plant	
17	Bus Franchise	-	-	-	-	-	-	-	Gross Plant	
18	Regis Fee	-	-	-	-	-	-	-	Gross Plant	
19	State Gross Receipts Tax	24,508,558	-	-	24,508,558	-	24,508,558	24,508,558	Direct	
20	Federal Excise	-	-	-	-	-	-	-	Demand	
21	Taxes on Capital Leases	1,595,619	-	-	1,595,619	-	1,595,619	1,183,711	Net Plant	
22	<b>Total Taxes Other Than Income</b>	<b>116,396,224</b>	-	-	<b>116,396,224</b>	<b>(78,613)</b>	<b>116,317,612</b>	<b>92,031,060</b>		
23	Income Before Income Taxes	369,180,748	(10,986,565)	-	358,194,183	39,037,152	397,231,334	261,175,756		
24	State Income Tax	(2,711,811)	(920,424)	-	(3,632,235)	2,256,608	(1,375,627)	(2,180,460)	Direct	
25	Current Federal Income Taxes	4,183,593	(3,694,751)	-	488,842	9,058,479	9,547,321	2,302,425	Direct	
26	Deferred Federal Income Tax	(2,565,598)	182,965	-	(2,382,633)	29,311,955	26,929,321	26,968,148	Direct	
27	Deferred Investment Tax Credit	(3,791,000)	-	-	(3,791,000)	-	(3,791,000)	(2,734,651)	Direct	
28	<b>Total Federal Income Taxes</b>	<b>(2,173,005)</b>	<b>(3,511,786)</b>	-	<b>(5,684,791)</b>	<b>38,370,434</b>	<b>32,685,642</b>	<b>26,535,922</b>		
29	<b>Net Operating Income</b>	<b>374,065,563</b>	<b>(6,554,355)</b>	-	<b>367,511,208</b>	<b>(1,589,890)</b>	<b>365,921,318</b>	<b>236,820,294</b>		



**Indiana Michigan Power Company  
Indiana Jurisdictional Separation Study Projected  
For the Test Year Ended December 31, 2022**

Indiana Michigan Power Company  
Witness: Jennifer C. Duncan  
Attachment JCD-1  
Page 14 of 15

Line No.	Description	12 MOS. ENDED DEC. 31, 2022 TOTAL COMPANY PROJECTED	OTHER REGULATORY ITEMS	NON-UTILITY ITEMS	TOTAL COMPANY PROJECTED BEFORE ADJUSTMENTS	ADJUSTMENTS	TOTAL COMPANY AFTER ADJUSTMENTS	IN RETAIL	ALLOCATOR
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Payroll								
2	Production								
3	Demand Related	140,843,178	-	-	140,843,178	-	140,843,178	99,570,493	Demand
4	Energy Related	6,826,928	-	-	6,826,928	-	6,826,928	4,681,028	Energy
5	Total	<u>147,670,106</u>	-	-	<u>147,670,106</u>	-	<u>147,670,106</u>	<u>104,251,521</u>	
6	Transmission	6,902,330	-	-	6,902,330	-	6,902,330	4,879,671	Demand
7	Distribution	17,759,448	-	-	17,759,448	-	17,759,448	14,234,374	Distribution Plant
8	Customer Accounts	7,317,463	-	-	7,317,463	-	7,317,463	5,734,861	No. of Customers
9	Cust. Svcs/Info	4,550,186	-	-	4,550,186	-	4,550,186	3,566,084	No. of Customers
10	Subtotal	<u>184,199,533</u>	-	-	<u>184,199,533</u>	-	<u>184,199,533</u>	<u>132,666,511</u>	
11	A&G	38,359,215	-	-	38,359,215	-	38,359,215	27,627,558	Subtotal
12	<u>Total Operation and Maintenance Payroll</u>	<u>222,558,748</u>	-	-	<u>222,558,748</u>	-	<u>222,558,748</u>	<u>160,294,069</u>	
13	Payroll Labor Allocation Factor							0.7202326	

**Indiana Michigan Power Company  
 Projected Jurisdictional Allocation Factors  
 For the Test Year Ended December 31, 2022**

<b>DESCRIPTION</b>	Indiana	Other	Total
Demand	0.7069600	0.2930400	1.0000000
Demand Excl Shop	0.7161619	0.2838381	1.0000000
Energy	0.6856712	0.3143288	1.0000000
Energy Excl Shop	0.6956876	0.3043124	1.0000000
Retail Demand	0.8199964	0.1800036	1.0000000
Retail Demand Excl Shop	0.8324020	0.1675980	1.0000000
Retail Energy	0.8157849	0.1842151	1.0000000
Retail Energy Excl Shop	0.8300029	0.1699971	1.0000000
Number of Customers	0.7837226	0.2162774	1.0000000
Production Plant	0.7069600	0.2930400	1.0000000
Total Transmission Plant	0.7069600	0.2930400	1.0000000
Distribution Plant - Indiana	0.9963194	0.0036806	1.0000000
Distribution Plant - Michigan	0.0000000	1.0000000	1.0000000
Distribution Plant	0.8015099	0.1984901	1.0000000
Distribution Plant Excl IN-Specific Accounts	0.8011512	0.1988488	1.0000000
General Plant	0.7309936	0.2690064	1.0000000
Total Gross Plant	0.7368004	0.2631996	1.0000000
Total Net Plant	0.7418503	0.2581497	1.0000000
Rate Base	0.7419830	0.2580170	1.0000000
Firm Sales Revenues	0.7035537	0.2964463	1.0000000
Retail Sales Revenues	0.7834565	0.2165435	1.0000000
System Sales	0.6956876	0.3043124	1.0000000
Total O&M Expenses	0.7029047	0.2970953	1.0000000
Factoring Expense	0.8090790	0.1909210	1.0000000
Payroll Labor Factor	0.7202326	0.2797674	1.0000000

Indiana Michigan Power Company  
 Phase-In Rate Adjustment  
 For the Test Year Ended December 31, 2022

	<u>Demand</u>	<u>Energy</u>	Phase-In Rate <u>Total</u> <sup>1/</sup>
Residential	\$ -	\$ (15,951,685)	\$ (15,951,685)
Total General Service	\$ (3,442,830)	\$ (59,658)	\$ (3,502,489)
Total Large General Service	\$ (6,119,972)	\$ (148,925)	\$ (6,268,897)
Total Industrial Power	\$ (4,767,729)	\$ (185,976)	\$ (4,953,705)
Municipal Service	\$ -	\$ (62,424)	\$ (62,424)
Total Water & Sewage Service	\$ -	\$ (220,573)	\$ (220,573)
Irrigation Service	\$ -	\$ (6,650)	\$ (6,650)
Electric Heating General	\$ (15,567)	\$ (241)	\$ (15,808)
Outdoor Lighting	\$ -	\$ (212,392)	\$ (212,392)
Street Lighting	\$ -	\$ (143,204)	\$ (143,204)
<b>Total Indiana Retail</b>	<b>\$ (14,346,098)</b>	<b>\$ (16,991,729)</b>	<b>\$ (31,337,826)</b>

<sup>1/</sup> Source: WP-JCD-6