I&M Exhibit: _____

INDIANA MICHIGAN POWER COMPANY

PRE-FILED VERIFIED DIRECT TESTIMONY

OF

MICHAEL S. SMALL

Cause No. 45933

Content

DIRECT TESTIMONY OF MICHAEL S. SMALL
ON BEHALF OF
INDIANA MICHIGAN POWER COMPANY

I. Introduction of Witness

Q1. Please state your name and business address.

My name is Michael S. Small and my business address is 1 Riverside Plaza, Columbus, OH 43215.

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

I am employed by American Electric Power Service Corporation (AEPSC) as a Regulatory Consultant Senior in the Regulated Pricing and Analysis Department. AEPSC supplies engineering, accounting, planning, advisory, and other services to the subsidiaries of the American Electric Power (AEP) system, one of which is Indiana Michigan Power Company (I&M or the Company).

Q3. Briefly describe your educational background and professional experience.

I received a Bachelor of Arts degree in Economics, Accounting & Business from Muskingum College in 2008. I received a Master of Business Administration from Ohio Christian University in 2015. I attended the Practical Regulatory Training held by the New Mexico State University in 2021. I attended the EEI Electric Rates Advanced Course held by the University of Wisconsin in 2022.

I began my career working for the Ohio Valley Electrical Corporation as an accountant. In May 2013, I joined AEPSC as a Fuel Accountant in the Accounting Department. In 2016, I accepted the position of Financial Reporting Senior Accountant in the AEPSC Financial Reporting Department. I accepted

my current position of Regulatory Consultant Senior in the AEPSC Regulated Pricing and Analysis Department in September 2021.

Q4. What are your responsibilities as Regulatory Consultant Senior?

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

Q5. Have you previously testified before any regulatory commissions?

Yes. I have submitted testimony before the Indiana Utility Regulatory Commission (Commission) on behalf of I&M in the following cases:

- Cause No. 44871 – ECR 6 & 7
- Cause No. 45245 – SPR 2

II. Purpose of Testimony

Q6. What is the purpose of your testimony?

The purpose of my testimony is to support and describe the development of the Company's class cost-of-service study, which allocates the total Indiana retail jurisdiction rate base, revenues, and expenses to each rate schedule.

The cost allocation methodology used in the class cost-of-service study assigns costs among the customer classes in a fair and equitable manner based on principles of cost causation. Customers who cause costs to be incurred are allocated such costs in the Company's class cost-of-service study.

Q7. What is the test period used to prepare the class cost-of-service study in this proceeding?

The test period used to develop the class cost-of-service study in this proceeding is the twelve-month period ending December 31, 2024 (Test Year).

Q8. Are you sponsoring any attachments?

Yes, I am sponsoring the following attachment:

- Attachment MSS-1: Test Year Class Cost-of-Service Study

Q9. Are you sponsoring any workpapers?

Yes, I am sponsoring the following workpapers:

- WP-MSS-1: Class Cost-of Service Study - Proposed Equalized Rate of Return (ROR)
- WP-MSS-2: Class Cost-of Service Study - Allocation Factors
- WP-MSS-3: Class Cost-of Service Study - Allocators
- WP-MSS-4: Class Cost-of Service Study - Test Year Transmission and Subtransmission
- WP-MSS-5: Class Cost-of-Service Study Inputs
- WP-MSS-6: Customer and Demand Allocation Factors
- WP-MSS-7: Revenue Allocation Factors
- WP-MSS-8: Revenue Allocation String
- WP-MSS-9: Number of Customers - Allocation Factors
- WP-MSS-10: Coincident Peak Demands at Time of Generation, Transmission, Subtransmission and Distribution System Peaks
- WP-MSS-11: Class Peak Data
- WP-MSS-12: Allocation of Account 903
- WP-MSS-13: Meter Reading Expense - Account 902

- WP-MSS-14: Calculation of Meter Allocator
- WP-MSS-15: Calculation of FORT Allocator and Calculation of CUST_451 Allocator
- WP-MSS-16: Account 364 - Poles, Account 365 - Overhead Conductors, Account 367 - Underground Conductors and Account 368 - Transformers
- WP-MSS-17: Class Cost-of Service Study - Phase-In
- WP-MSS-18: Proposed Equalized ROR - Phase-In
- WP-MSS-19: Class Cost-of Service Study - Allocation Factors - Phase-In
- WP-MSS-20: Class Cost-of Service Study - Allocators - Phase-In

Q10. Were the workpapers and attachment that you sponsor prepared by you or under your direction or supervision?

Yes.

Q11. Please summarize your testimony.

A class cost-of-service study is a basic analytical tool used in traditional utility rate design. Cost studies are utilized to determine the revenue requirement for the services offered by the utility and to determine the costs that different classes of customers cause to be incurred on the utility system. When the jurisdictional costs are allocated to the various customer classes, the result is a fully allocated class cost-of-service study that is a guide in establishing rates based on costs.

This testimony describes the class cost-of-service allocation study for the Test Year and presents the resulting class-by-class rates of return. The cost allocation methods used to prepare the study meet the criteria identified in the testimony and assign costs based on Commission approved cost causations approaches. Customers who cause costs to be incurred are allocated such costs in the Company’s class cost-of-service study.

The class cost-of-service study equitably allocates costs among customer classes based on contributions to demand and energy levels and number of customers. The Company proposes to continue using the 6 Coincident Peak (CP) demand allocator, consistent with the 6 CP methodology used in I&M's last four basic rate cases (Cause Nos. 45576, 45235, 44967, and 44075). The CP cost allocation refers to the process of determining each class's hourly contribution to the Company's monthly peak demand. The 6 CP is the most appropriate demand allocator considering the load profile during the Test Year continues to reflect six monthly peaks, three during the summer and three during the winter. The benefit of the 6 CP demand allocator is that each customer class is being allocated their fair share of demand costs based on their contributions to the average of the six monthly peaks during the Test Year.

When the costs are allocated to the customer classes, the result is a fully allocated cost-of-service study that establishes cost responsibility and the Test Year rate of return earned from each class, making it possible to determine the rates each class of customer should pay based on costs that are just and reasonable. Company witness Fischer explains that the results of the study help guide the allocation of the Test Year sales revenue to each customer class.

III. Overview of Class Cost-of-Service Studies

Q12. Briefly describe the nature and purpose of a class cost-of-service study.

Cost studies are utilized to determine the revenue requirement for the services offered by the utility and to determine the costs that different classes of customers cause to be incurred on the utility system.

A class cost-of-service study is a basic analytical tool used in traditional utility rate design. When the jurisdictional costs are allocated to the various customer

classes, the result is a fully allocated class cost study that is a guide in establishing rates based on costs.

Q13. Please describe how you prepared the class cost-of-service study.

Attachment MSS-1 was used to prepare the class cost-of-service study. This spreadsheet permits the analyst to use two types of allocation factors – those which are generated externally and input to the program and those which are developed internally as a result of the allocation process.

An example of an external allocation factor would be the total number of secondary customers served at distribution level (DIST_SERV). An example of an internal factor would be the rate base gross utility plant electric plant in service distribution allocation factor (RB_GUP_EPIS_D).

Q14. What is the source of the data used in a class cost-of-service study?

A jurisdictional allocation of rate base, revenue, and expenses was prepared for the forecasted Test Year by Company witness Duncan. The Indiana retail rate base and expense components and revenues were then assigned to the various customer classes using the standard three-step process to assign costs: functionalization, classification, and allocation.

Q15. Please describe the functionalization process.

Once the relevant data is gathered, the costs are then separated by major electric system functions. Typically, functions in an electric utility are:

- *Production and Purchased Power Costs* - includes the costs associated with power generation and power purchases and their delivery to the bulk transmission system.

- *Transmission Costs* - consists of costs associated with the high voltage system utilized for the transmission of power to and from interconnected utilities to the load centers of the utility's system.
- *Distribution Costs* - includes the distribution system that connects the transmission system and the ultimate customer.
- *Customer Service Costs* - includes the costs associated with providing meter reading, billing and collection, and customer information and services.
- *Administrative and General (A&G) Costs* - comprised of administrative costs that may not be directly assignable to other cost functions. These costs include such items as salaries, insurance, and administrative costs.

Q16. Please describe the classification process.

The second step is to separate the functionalized costs into the following classifications:

- Demand costs (costs that vary with the demand or kW/kVa imposed by the customer).
- Energy costs (costs that vary with the number of kilowatt hours used by the customer).
- Customer costs (costs that are directly related to the number of customers served).

Figure MSS-1 shows the typical classifications used in class cost-of-service studies:

Figure MSS-1. Cost Classification

Function	Classification
Production	Demand, Energy
Transmission	Demand
Distribution	Demand, Customer
Customer Service	Customer
Administrative & General	Demand, Customer, Energy

Production plant costs, such as depreciation and return on investment, are considered to be demand-related costs because costs of this nature are incurred regardless of the amount of energy consumed or the number of customers served. Some production costs, such as fuel costs and certain production operation and maintenance (O&M) expenses, are energy-related because they vary with the quantity of electricity produced.

Transmission costs are classified as demand-related costs because they are fixed costs, do not vary with energy usage, and do not directly change with the number of customers utilizing the transmission system.

Generally, the distribution system costs are affected either by the instantaneous peak demand imposed on the distribution facilities or by the number of customers served. Demand-related distribution costs typically vary with the size of the electrical load served, while customer-related distribution costs vary based on the number of customers receiving the service.

Customer service costs are primarily related to the number of customers. The classification process provides a basis on which to allocate different categories of costs (demand, energy, or customer costs) to the Company's classes.

Q17. Please describe the allocation process.

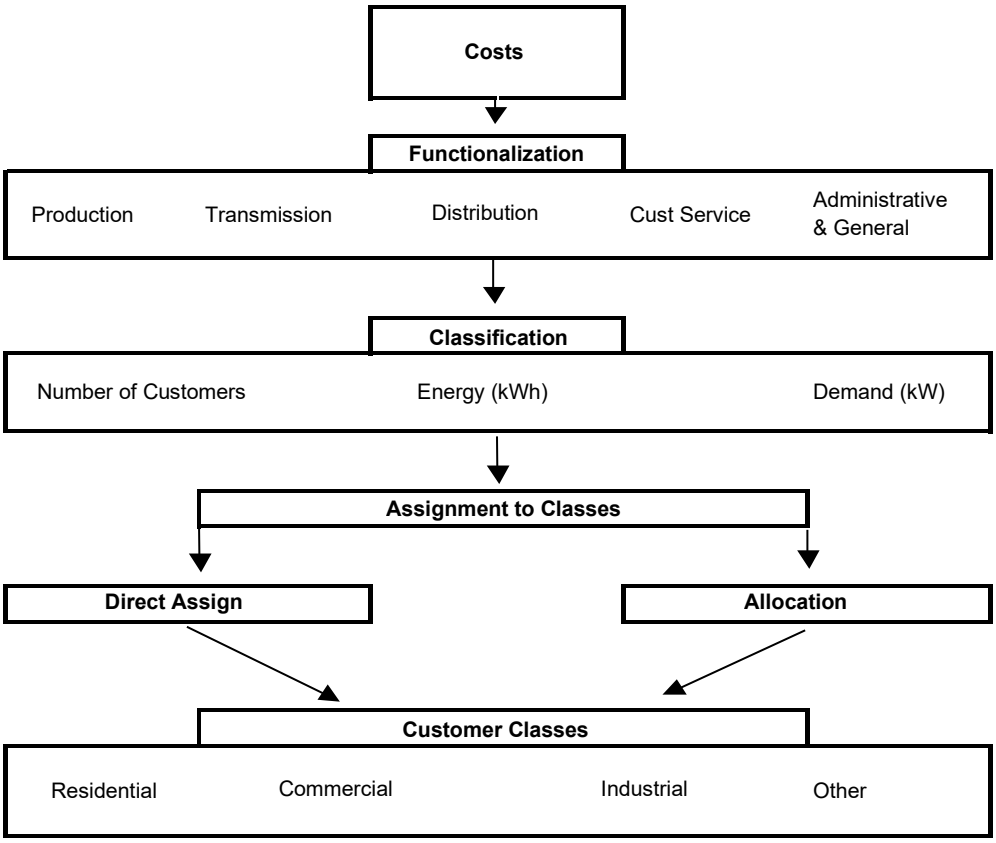
The third and final step is to allocate these costs among the classes of customers based on how the costs are incurred for each class. Customer classes are determined and grouped according to the nature of service provided, voltage level, and load usage characteristics. In general, the five principal customer classes are residential, commercial, industrial, outdoor lighting, and street lighting.

The allocation process involves dividing the functionalized and classified costs among the customer classes. The objective in this process is to determine a reasonable, appropriate, and understandable method to assign the costs. Some costs are directly assignable to a single class, or even a single customer. For instance, the equipment used wholly for public street and highway lighting are directly assigned to the street lighting class.

Most costs, however, are attributable to more than one customer class. These are joint costs and must be allocated to customers by an allocation methodology that is based on the manner in which the costs are caused by the different customers. The joint costs are incurred based on the capacity demanded, the energy used, or the number of customers.

Figure MSS-2 illustrates how costs are allocated to customer classes.

Figure MSS-2. Example of Cost Allocation



In *Figure MSS-2*, costs are functionalized into production, transmission, distribution, customer service, and A&G. Some of these costs can be directly assigned to a customer class as mentioned previously. The remaining joint costs are incurred based on the number of customers, the energy used, or by the capacity demanded.

In many instances, the classification process will lead to an allocation methodology. For example, costs associated with the customer call center will vary with the number of customers, so those costs associated with maintaining

and staffing the customer call center are allocated to the classes based on a weighted number of customers.

A weighted number of customers allocation factor is developed by multiplying the number of customers in each class by a factor representing the difference in cost associated with providing that service to different types of customers. Similarly, the cost of fuel varies by the number of kilowatt hours consumed and, therefore, is allocated based on the proportion of total energy used by a customer class.

When this process is complete and all of the costs are allocated to the customer classes, the result is a fully allocated class cost-of-service study that establishes cost responsibility and the Test Year rate of return earned from each class, making it possible to determine the rates each class of customer should pay based on costs that are just and reasonable.

Q18. What criteria must be established to ensure the allocation of costs to customers is appropriate?

Generally, the following criteria should be used to determine the appropriateness of an allocation method:

- The method should match customer benefit from the use of the system with the appropriate cost responsibility for the system.
- The method should reflect the planning and operating characteristics of the utility's system.
- The method should recognize customer class characteristics such as energy usage, peak demand on the system, diversity characteristics, number of customers, etc.
- The method should produce stable results on a year-to-year basis.

Q19. Does the allocation method employed by the Company meet these objectives?

Yes, it does. The allocation methodology utilized in the Company's class cost-of-service study was chosen while considering each of the criteria listed above.

The results of the class cost-of-service study for the forecast period can be relied upon to determine the appropriate revenue requirement for I&M's customer classes.

IV. Allocation of Components of Rate Base

Q20. Please describe the allocation of production electric plant in service.

From the jurisdictional separation study, as prepared by Company witness Duncan, electric plant in service is identified and functionalized into production, transmission, distribution, intangible plant, and general plant.

Production plant is classified as demand-related and is allocated using the production demand allocation factor (PROD_DEMAND). The production demand allocation factor assigns costs based on the class contribution to the average of I&M's six monthly coincident peaks on the production facilities.

Q21. Please briefly describe Coincident Peak (CP) Cost Allocation method and what CP demand allocator the Company is proposing in this proceeding?

CP cost allocation refers to the process of determining each class's hourly contribution to the Company's monthly peak demand. The Company is proposing to continue using the 6 CP demand allocator, consistent with the 6 CP methodology used in I&M's last four basic rate cases (Cause Nos. 45576, 45235, 44967, and 44075).

More specifically, the six months that were used to derive the production, transmission, and primary distribution demand allocation factors were the three summer months of June, July, and August and the three winter months of December, January, and February for the Test Year.

Q22. Is the 6 CP demand allocator the most appropriate demand allocator to assign demand-related costs among the customer classes in this proceeding?

Yes. The 6 CP is the most appropriate demand allocator considering the load profile during the Test Year continues to reflect six monthly peaks, three during the summer and three during the winter. Coincident peak load data is provided in WP-MSS-10.

The importance of these six months is that Company engineers plan and size equipment (*e.g.*, poles, lines, and transformers) to meet customers' maximum expected demand on those facilities during the peak months in the summer and winter. The benefit of the 6 CP demand allocator is that each customer class is being allocated their fair share of demand costs based on their contributions to the average of the six monthly peaks during the Test Year.

Q23. Please explain why it is reasonable to utilize a different demand allocator in the class cost-of-service study from what is used in the jurisdictional separation study.

For class cost-of-service, one must consider the individual retail class load shapes in addition to the jurisdictional load shape. It is the combination of the variability of the load shapes by class and the seasonality of the retail class load shapes that supports the Company's proposed 6 CP demand allocator as the best method to allocate demand costs among the customer classes.

Q24. How were the portions of the transmission plant allocated?

The functional components of transmission plant were obtained directly from the jurisdictional study and are classified as demand-related; the functional components were then allocated to the classes based on their contribution to the average of the six monthly peak demands on the power supply transmission (BULK_TRANS) and sub-transmission systems (SUB_TRANS), respectively.

Generator step-up transformers are included in transmission plant based on the FERC accounts but are separately identified and allocated using the production demand allocation factor since they are related to the production function.

Q25. How are transmission costs and revenues treated in your class cost-of-service study?

As explained by Company witness Fischer and consistent with the previous four rate cases, the Company's traditional cost of transmission, net of the revenue the Company receives from PJM as a transmission owner, have been removed from the cost of service.

WP-MSS-4 and Attachment JLF-1 calculate in total the transmission owner cost and revenue adjustment, while WP-JLF-3 determines the transmission owner cost and revenue adjustment for each customer class for revenue allocation purposes. The transmission costs that remain in the class cost-of-service study are those related to I&M's role as a PJM Load Serving Entity as reflected in the jurisdictional separation study.

Q26. How were the portions of distribution plant allocated?

Distribution plant is classified as demand- and customer-related and allocated to the customer classes using factors based on demand levels or number of customers. Distribution plant Accounts 360 through 368 were classified solely as demand-related for class allocation purposes. Accounts 360 (Land and Land

Rights), Account 361 (Structures and Improvements), and Account 362 (Station Equipment) were allocated to the distribution customer classes based on their contributions to the average of I&M's six monthly peak demands on the primary distribution system (DIST_CPD).

Costs included in Accounts 364 through 368 are incurred based on peak demand; therefore, the costs included in these accounts should be classified as demand-related and allocated using I&M's demand allocation factors. The allocation of distribution plant continues to be an appropriate method due to its foundation in cost-causation.

Accounts 364 through 367, Overhead and Underground Lines, are split into primary and secondary voltage functions based upon information contained in the Company's records and the expertise of the Company's distribution engineers. The primary portions of Accounts 364 through 367 were allocated using the DIST_CPD, and the secondary component of Accounts 364 through 367 were allocated based on a combination of each class's 12-month maximum demand and the summation of individual customers' annual maximum demands (DIST_POLES, DIST_OHLINES, and DIST_UGLINES). This recognizes that some secondary facilities serve only one customer, while others serve two or more customers.

Account 368, Distribution Transformers and Devices, are split into primary and secondary voltage functions based upon information contained in the Company's records and the expertise of the Company's distribution engineers as to the determination of the functional use of the equipment. The primary portion of Account 368 – cutouts, arresters, capacitors, voltage regulators, and network protectors – was allocated using the DIST_CPD allocator.

The secondary portion – primary-to-secondary transformers – is allocated using the appropriate secondary voltage demand allocation factor, which is based on

a combination of each class's 12-month maximum demand and the summation of individual customers' annual maximum demands (DIST_TRANSF).

Account 369, Services, was classified as customer-related and was allocated using the average number of secondary customers served (DIST_SERV).

Account 370, Meter Plant, was allocated using the average number of customers weighted by a factor that considers the cost differential of various metering installations (DIST_METERS). Account 371 was directly assigned to the outdoor lighting class (DIST_OL), and Account 373 was directly assigned to the street lighting class (DIST_SL).

Q27. Has the Company made the appropriate classification of distribution plant?

Yes. The Company is continuing to classify services and meters as customer-related and classify primary and secondary poles, lines, and transformers as demand-related as reflected in Cause No. 45576.

This classification recognizes the standard engineering practice to plan the distribution facilities to meet the maximum expected demand on the system, not necessarily the number of customers being served by the facilities. It is more appropriate to classify services and meters as customer-related since a single service is required to serve each customer.

For other distribution facilities, a diversified mix of commercial and residential customers will be served from those facilities. It is the customers' demand placed on those facilities that drives the size and cost of the distribution facilities, not the absolute number of customers served from those facilities.

The benefit of the Company's approach in classifying distribution plant is that each customer class is being allocated its equitable share of distribution facilities based on contributions to peak demand associated with Accounts 360-368, and based on the number of customers with Accounts 369-373.

Q28. How was the general and intangible portion of electric plant classified and allocated?

General and intangible plant investment was classified as labor-related. It was allocated to the customer classes on the basis of a payroll labor allocator (LABOR_M), constructed by first allocating the functional components of O&M expense by the applicable class demand, energy, and customer allocation factors, and then summing the allocated components by class to create a set of labor expense ratios.

Q29. Please describe the allocation of accumulated provision for depreciation and amortization.

The functionalized components of accumulated provision for depreciation and amortization were obtained directly from the jurisdictional study and classified and allocated in a fashion similar to electric plant in service.

Q30. Please describe the allocation of working capital.

Fuel inventory and allowances were allocated using the energy allocation factor (PROD_ENERGY). The energy allocation factor allocates costs based on the loss adjusted class energy used during the period compared to the total energy used by all classes. The functional components of material and supplies were allocated on the corresponding plant items.

Q31. How were the other rate base items allocated?

The rate base elements of prepaid pension and OPEB expenses were allocated on O&M labor expense. The individual components of other rate base items were allocated as well using internally and externally derived allocation factors deemed to best reflect the causative nature of that particular item.

V. Allocation of Revenues, O&M and A&G Expenses

Q32. How were revenues developed for each class?

Forecasted sales revenue was directly assigned to each class. Demand-related system sales and interruptible sales revenues were allocated based on the PROD_DEMAND allocation factor. Energy-related system sales and interruptible sales revenues were allocated based on the PROD_ENERGY allocation factor.

Forfeited discounts and miscellaneous service revenues were directly assigned based on an analysis of accounting records.

The functional components of rent from electric property and other electric revenue were obtained directly from the jurisdictional study and allocated to classes based on corresponding functional plant ratios.

Q33. Please describe the allocation of production O&M expense.

Production-related O&M was classified as either demand- or energy-related in the jurisdictional study. The demand component was allocated using the production demand allocation factor (PROD_DEMAND) and the energy component was allocated using the energy allocation factor (PROD_ENERGY).

Q34. Please describe the allocation of transmission O&M.

The functional components of transmission-related O&M were obtained directly from the jurisdictional study and classified as demand-related and allocated using the transmission demand allocation factor (TRAN_TO). O&M expense associated with generator step-up transformers was separately identified and allocated using the production demand allocation factor (PROD_DEMAND).

Q35. Please describe the allocation of distribution O&M between the various customer classes.

Distribution O&M expenses were functionalized and classified according to the associated distribution plant accounts and allocated accordingly.

Account 581, Load Dispatching, and Account 582, Station Expenses, were allocated using the distribution demand allocation factor (DIST_CPD). Account 583, Overhead Line Expense, was allocated based upon the same allocation used for plant Account 365, Overhead Lines (DIST_OHLINES).

Account 584, Underground Line Expense, was allocated based upon the same allocation used for plant Accounts 366, Underground Conduit, and Account 367, Underground Lines (DIST_UGLINES).

Account 585, Street Lighting and Signal System Expense, was classified as customer-related and directly assigned to the street lighting class. Meter Expense, Account 586, was classified as customer-related and allocated in the same manner as meter plant. Account 587, Customer Installation Expense, was classified as customer-related and allocated based on primary customers (DIST_PCUST).

Accounts 588 and 589 were allocated on total distribution plant and classified accordingly. Account 580, Operation Supervision and Engineering, was classified demand- and customer-related and allocated using the allocated subtotal of Accounts 581 through 589.

Account 591, Maintenance of Structures, and Account 592, Maintenance of Station Equipment, were classified as demand-related and allocated on the distribution demand allocation factor DIST_CPD. Account 593, Maintenance of Overhead Lines, Account 594, Maintenance of Underground Lines, and Account 595, Maintenance of Line Transformers, were functionalized and classified according to the associated distribution plant accounts and allocated accordingly.

Account 596, Maintenance of Street Lighting and Signal Systems, was classified customer-related and directly assigned to the street lighting class. Account 597, Maintenance of Meters, was classified customer-related and allocated in the same manner as meter plant. Account 598, Maintenance of Miscellaneous Distribution Plant, was classified customer-related and directly assigned to the outdoor lighting class. Account 590, Maintenance Supervision and Engineering, was classified and allocated based on the sum of the allocated O&M expense Accounts 591 through 598.

Q36. Please explain how customer accounting (Accounts 901-905), customer services, and sales expense (Accounts 907-912) were allocated?

Account 902, Meter Reading Expense, was allocated to those classes with meter installations based upon an average number of customers weighted to reflect differences in meter reading requirements.

Account 903, Customer Records Expense, was divided into two categories of cost which included the call center and other. Call center costs were first split into residential and other based on the actual number of calls received by the call center and then other call center expenses were allocated based on the number of customers.

Account 904, Uncollectibles, was allocated based on revenue for each class. Accounts 901 and 905 were allocated based on the sum of the allocated Accounts 902, 903, and 904. Accounts 907-912 were allocated using the allocated total of Accounts 901-905. All customer accounting, customer services, and sales expense accounts were classified as customer-related.

Q37. Please describe the allocation of A&G expense.

The regulatory expense associated with the Nuclear Regulatory Commission (NRC) was allocated based on the production demand allocation factor.

The functional components of property insurance were taken directly from the jurisdictional study and allocated based on the appropriate plant allocation factor. The regulatory expense associated with retail rate case proceedings and all other A&G expenses were allocated based on payroll labor.

VI. Allocation of Depreciation, Taxes and Other O&M Expenses

Q38. Please describe the allocation of depreciation and amortization expense.

The functionalized components of depreciation and amortization expense were allocated using the corresponding plant items.

Q39. How were other O&M and regulatory expense items allocated?

The functional components of regulatory debit and credit expense were obtained directly from the jurisdictional study and allocated using the appropriate plant allocation factor. Electric plant in service accretion expenses are allocated to the appropriate Distribution and Production factors. Line of credit expenses assigned to rate base and factoring expenses allocated to revenue sales.

Q40. How were taxes assigned to the retail classes?

Individual other tax items were allocated and classified using the appropriate demand, revenue, or plant allocator.

Interest expense was calculated on rate base and individual Schedule M items were allocated using the appropriate allocators. State and current Federal income taxes were computed by class. Deferred Federal Income Tax and Deferred Investment Tax Credit were allocated using the appropriate allocation factors.

VII. Earned Returns

Q41. Please summarize the resulting earned rate of return for each class shown in the class cost-of-service study.

Figure MSS-3 shows the resulting earned rates of return for the class cost-of-service study in Attachment MSS-1.

Figure MSS-3. Rates of Return for Classes in Projected Class Cost of Service Study

Residential	4.02%
General Service	6.20%
Large General Service	4.66%
Industrial Power	6.08%
Municipal and School Service	3.97%
Water and Sewage Service	4.46%
Electric Heating General	3.40%
Irrigation Service	3.60%
Outdoor Lighting	6.22%
Street Lighting	5.37%
Total I&M Jurisdictional Class	4.78%

Q42. How were these rates of return used in this proceeding?

Company witness Fischer utilized the earned rates of return for each class as an input for the allocation of the revenue increase required for each class.

VIII. PRA Class Cost-of-Service Study

Q43. Please describe the additional class cost-of-service study you completed related to the Phase-In Rate Adjustment (PRA) mechanism.

In addition to the Test Year class cost-of-service study (Attachment MSS-1) developed in this filing, I performed an additional class cost-of service study in support of the Company's proposed PRA mechanism, which is supported by

Company witness Seger-Lawson. This additional class cost-of service study is displayed in WP-MSS-17. The workpaper utilizes as its inputs the PRA jurisdictional separation study prepared by Company witness Duncan.

Q44. How did you complete this additional class cost-of-service study in support of the PRA?

I prepared the additional class cost-of-service study shown on WP-MSS-17 in a manner consistent with the Test Year class cost-of-service study displayed in Attachment MSS-1. The difference between this additional study and Attachment MSS-1 are due to the different inputs provided by the jurisdictional separation studies supported by Company witness Duncan.

Q45. Does this conclude your pre-filed verified direct testimony?

Yes.

VERIFICATION

I, Michael S. Small, Regulatory Consultant Senior for 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: August 8, 2023

Michael Small

Michael S. Small

Label	Constant	Allocation Factor	Function	Total Retail	RS	Total GS	Total LGS	Total IP	MS	Total WSS	EHG	IS	OL	SL
				1	2				15		19	20	21	22
Rate Base														
P-T-D Plant in Service														
Production														
Demand	3,379,364,521	PROD_DEMAND	TOTAL	3,379,364,521	1,443,171,543	391,506,644	761,690,102	743,492,062	7,882,715	28,363,476	1,725,486	107,892	560,653	863,949
GSU	41,920,960	PROD_DEMAND	TOTAL	41,920,960	17,902,519	4,856,633	9,448,753	9,223,006	97,785	351,848	21,405	1,338	6,955	10,717
Total	3,421,285,481		TOTAL	3,421,285,481	1,461,074,062	396,363,278	771,138,854	752,715,068	7,980,500	28,715,324	1,746,891	109,230	567,608	874,666
Transmission														
Transmission	1,341,527,517	TRAN_TO	TOTAL	1,341,527,517	577,887,186	154,181,190	298,655,522	294,380,179	3,034,297	11,501,939	688,593	45,209	453,922	699,480
Total	1,341,527,517		TOTAL	1,341,527,517	577,887,186	154,181,190	298,655,522	294,380,179	3,034,297	11,501,939	688,593	45,209	453,922	699,480
Distribution														
360 Land and Land Rights	27,925,485	DIST_CPD	TOTAL	27,925,485	13,355,264	3,443,728	6,610,491	4,153,077	64,517	228,010	15,807	1,136	21,038	32,418
361 Structures and Improvements	55,474,229	DIST_CPD	TOTAL	55,474,229	26,530,353	6,840,996	13,131,800	8,250,125	128,163	452,943	31,400	2,258	41,791	64,399
362 Station Equipment	488,212,287	DIST_CPD	TOTAL	488,212,287	233,485,789	60,205,587	115,569,091	72,606,912	1,127,929	3,986,217	276,341	19,869	367,794	566,759
363 Storage Battery Equipment	5,606,730	DIST_POLES	TOTAL	5,606,730	2,982,728	707,305	1,235,943	599,492	13,518	39,383	3,202	2,488	9,291	13,380
364 Poles	342,580,677	DIST_POLES	TOTAL	342,580,677	182,249,733	43,217,531	75,518,212	36,629,984	825,984	2,406,355	195,659	152,002	567,703	817,513
365 Overhead Lines	563,390,390	DIST_OHLINES	TOTAL	563,390,390	297,296,639	70,945,584	124,926,921	62,123,181	1,353,831	4,008,769	321,541	231,815	892,889	1,289,219
366 Underground Conduit	197,112,474	DIST_UGLINES	TOTAL	197,112,474	108,275,033	25,046,300	42,417,472	18,421,715	481,648	1,312,115	112,902	113,051	384,038	548,199
367 Underground Lines	328,726,980	DIST_UGLINES	TOTAL	328,726,980	180,571,649	41,770,033	70,740,158	30,722,129	803,251	2,188,231	188,288	188,536	640,465	914,239
368 Transformers	407,983,542	DIST_TRANSF	TOTAL	407,983,542	245,312,044	52,959,135	81,372,697	21,638,938	1,036,663	2,265,754	235,700	392,993	1,151,463	1,618,154
369 Services	217,261,899	DIST_SERV	TOTAL	217,261,899	181,495,381	22,726,352	2,242,338	27,161	126,974	184,333	54,413	14,173	9,924,157	466,618
370 Meters	172,481,002	DIST_METERS	TOTAL	172,481,002	120,986,247	35,119,100	12,431,028	2,116,446	403,116	611,318	155,079	56,893	-	601,774
371 Installations on Cust Premises	26,475,457	DIST_OL	TOTAL	26,475,457	-	-	-	-	-	-	-	-	26,475,457	-
373 Street Lighting	30,957,353	DIST_SL	TOTAL	30,957,353	-	-	-	-	-	-	-	-	-	30,957,353
Total	2,864,188,505		TOTAL	2,864,188,505	1,592,540,860	362,981,651	546,196,152	257,289,161	6,365,595	17,683,429	1,590,332	1,175,213	40,476,086	37,890,027
Total P-T-D Plant in Service	7,627,001,503		TOTAL	7,627,001,503	3,631,502,107	913,526,119	1,615,990,527	1,304,384,408	17,380,392	57,900,692	4,025,816	1,329,653	41,497,616	39,464,173
General & Intangible Plant	495,399,284	LABOR_M	TOTAL	495,399,284	232,204,821	57,060,518	103,558,219	95,613,843	1,087,570	3,843,815	245,384	40,348	1,249,513	495,254
Total Electric Plant in Service	8,122,400,787		TOTAL	8,122,400,787	3,863,706,928	970,586,636	1,719,548,746	1,399,998,251	18,467,962	61,744,507	4,271,199	1,370,001	42,747,130	39,959,427
Electric Utility Plant	8,122,400,787		TOTAL	8,122,400,787	3,863,706,928	970,586,636	1,719,548,746	1,399,998,251	18,467,962	61,744,507	4,271,199	1,370,001	42,747,130	39,959,427
Accum. Depreciation and Amortization														
Steam & Hydro	(567,046,689)	RB_GUP_EPIS_P	TOTAL	(567,046,689)	(242,159,625)	(65,693,578)	(127,809,192)	(124,755,619)	(1,322,695)	(4,759,302)	(289,531)	(18,104)	(94,076)	(144,968)
Nuclear	(1,302,226,899)	RB_GUP_EPIS_P	TOTAL	(1,302,226,899)	(556,121,363)	(150,865,786)	(293,514,752)	(286,502,198)	(3,037,578)	(10,929,771)	(664,910)	(41,576)	(216,046)	(332,920)
ARO Steam & Hydro	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-	-	-	-	-	-	-
ARO Nuclear	0	RB_GUP_EPIS_P	TOTAL	0	0	0	0	0	0	0	0	0	0	0
GSU	(12,301,992)	RB_GUP_EPIS_P	TOTAL	(12,301,992)	(5,253,616)	(1,425,212)	(2,772,801)	(2,706,554)	(28,696)	(103,252)	(6,281)	(393)	(2,041)	(3,145)
Transmission	(349,018,719)	TRAN_TO	TOTAL	(349,018,719)	(150,346,111)	(40,112,574)	(77,699,761)	(76,587,466)	(789,418)	(2,992,404)	(179,148)	(11,762)	(118,095)	(181,980)
Distribution	(701,928,722)	RB_GUP_EPIS_D	TOTAL	(701,928,722)	(390,285,126)	(88,956,172)	(133,856,681)	(63,054,038)	(1,560,021)	(4,333,691)	(389,744)	(288,010)	(9,919,503)	(9,285,736)
General & Intangible	(142,410,885)	RB_GUP_EPIS_G	TOTAL	(142,410,885)	(66,751,195)	(16,403,009)	(29,769,558)	(27,485,813)	(312,640)	(1,104,969)	(70,540)	(11,599)	(359,194)	(142,369)
Total	(3,074,933,906)		TOTAL	(3,074,933,906)	(1,410,917,036)	(363,456,331)	(665,422,745)	(581,091,688)	(7,051,048)	(24,223,389)	(1,600,154)	(371,443)	(10,708,954)	(10,091,118)
Net Electric Plant in Service	5,047,466,882		TOTAL	5,047,466,882	2,452,789,892	607,130,306	1,054,126,001	818,906,563	11,416,914	37,521,118	2,671,045	998,557	32,038,175	29,868,309
Working Capital														
Fuel Inventory	42,799,585	PROD_ENERGY	TOTAL	42,799,585	14,772,081	4,480,319	10,105,608	12,534,538	82,835	473,706	16,551	3,280	134,450	196,216
Allowance Inventory-Current	15,588,873	PROD_ENERGY	TOTAL	15,588,873	5,380,428	1,631,865	3,680,761	4,565,449	30,171	172,538	6,028	1,195	48,971	71,468
Materials & Supplies - Prod	100,634,004	RB_GUP_EPIS_P	TOTAL	100,634,004	42,976,166	11,658,666	22,682,349	22,140,430	234,739	844,635	51,383	3,213	16,696	25,728
Materials & Supplies - Trans	2,855,417	RB_GUP_EPIS_T	TOTAL	2,855,417	1,230,022	328,172	635,683	626,583	6,458	24,482	1,466	96	966	1,489
Materials & Supplies - Dist	27,842,312	RB_GUP_EPIS_D	TOTAL	27,842,312	15,480,832	3,528,486	5,309,484	2,501,066	61,879	171,898	15,459	11,424	393,461	368,323
Total Working Capital	189,720,191		TOTAL	189,720,191	79,839,529	21,627,507	42,413,885	42,368,066	416,083	1,687,258	90,888	19,208	594,544	663,223
Rate Base Offsets														
Cook Plant Turbine Replacement (1823309)	11,937,322	PROD_DEMAND	TOTAL	11,937,322	5,097,883	1,382,964	2,690,607	2,626,324	27,845	100,192	6,095	381	1,980	3,052
Rockport DSI Deferrals	4,227,692	PROD_DEMAND	TOTAL	4,227,692	1,805,453	489,787	952,898	930,132	9,862	35,484	2,159	135	701	1,081
Rate Case Expense Deferral (1823xxx)	-	LABOR_M	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Prepaid Pension Expense	143,217,349	LABOR_M	TOTAL	143,217,349	67,129,202	16,495,898	29,938,141	27,641,463	314,411	1,111,227	70,939	11,664	361,228	143,175
Deferred Gain Rockport Unit 2 Sale	-	PROD_DEMAND	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Cook Uprate Project Deferral (1823418)	13,400,099	PROD_DEMAND	TOTAL	13,400,099	5,722,568	1,552,430	3,020,308	2,948,148	31,257	112,469	6,842	428	2,223	3,426
Deferred Cook Nuc Plnt 316(b) Comply Costs (18	4,819,839	PROD_DEMAND	TOTAL	4,819,839	2,058,332	558,389	1,086,365	1,060,410	11,243	40,454	2,461	154	800	1,232
Baffle Bolt Deferral (1823295) - Direct IN	3,949,160	PROD_DEMAND	TOTAL	3,949,160	1,686,505	457,519	890,119	868,853	9,212	33,146	2,016	126	655	1,010
ADFIT Unamortized Tax Basis Balance Sheet (254	(10,303,179)	RB_GUP	TOTAL	(10,303,179)	(4,901,071)	(1,231,179)	(2,181,229)	(1,775,883)	(23,426)	(78,322)	(5,418)	(1,738)	(54,224)	(50,688)
Deferred Storm Expense (1823078) - Direct IN	15,270,762	DIST_OHLINES	TOTAL	15,270,762	8,058,260	1,922,988	3,386,159	1,683,856	36,696	108,658	8,715	6,283	24,202	34,944
Total	186,519,044		TOTAL	186,519,044	86,657,132	21,628,797	39,783,368	35,983,303	417,098	1,463,306	93,810	17,434	337,565	137,232
Total Rate Base	5,423,706,117		TOTAL	5,423,706,117	2,619,286,553	650,386,610	1,136,323,254	897,257,932	12,250,095	40,671,682	2,855,743	1,035,199	32,970,285	30,668,764

Label	Constant	Allocation Factor	Function	Total Retail	RS	Total GS	Total LGS	Total IP	MS	Total WSS	EHG	IS	OL	SL
				1	2				15		19	20	21	22
Operating Revenues														
Firm Sales of Electricity	1,233,024,597	RSALE	TOTAL	1,233,024,597	539,225,575	156,377,327	262,479,304	251,349,906	2,611,543	9,736,349	565,983	156,212	5,777,686	4,744,712
Interruptible														
Demand	2,905,105	PROD_DEMAND	TOTAL	2,905,105	1,240,637	336,563	654,795	639,151	6,776	24,383	1,483	93	482	743
Energy	92,811,419	PROD_ENERGY	TOTAL	92,811,419	32,033,436	9,715,627	21,914,133	27,181,297	179,629	1,027,237	35,891	7,113	291,557	425,497
Interruptible - Indiana Specific	-	PROD_ENERGY	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Total	95,716,524		TOTAL	95,716,524	33,274,073	10,052,190	22,568,928	27,820,448	186,405	1,051,620	37,375	7,206	292,039	426,240
Sales for Resale														
Demand	25,941	PROD_DEMAND	TOTAL	25,941	11,078	3,005	5,847	5,707	61	218	13	1	4	7
Energy	47,555,283	PROD_ENERGY	TOTAL	47,555,283	16,413,488	4,978,152	11,228,498	13,927,320	92,039	526,342	18,390	3,645	149,390	218,019
Total	47,581,224		TOTAL	47,581,224	16,424,567	4,981,158	11,234,345	13,933,027	92,100	526,560	18,404	3,646	149,394	218,026
Other Operating Revenues														
Forfeited Discounts (Acct. 450)	4,564,429	FORF_DISC	TOTAL	4,564,429	3,299,856	567,764	474,274	199,579	1,427	8,501	1,276	763	6,820	4,168
Miscellaneous Service Revenue (Acct. 451)	450,133	MISC_SERV_REV	TOTAL	450,133	413,618	29,143	4,574	1,926	73	220	-	-	345	233
Rent Assoc Co - Prod	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Rent Assoc Co - Trans	2,829,495	RB_GUP_EPIS_T	TOTAL	2,829,495	1,218,856	325,193	629,912	620,895	6,400	24,259	1,452	95	957	1,475
Rent Assoc Co - Dist	3,328,621	RB_GUP_EPIS_D	TOTAL	3,328,621	1,850,774	421,840	634,763	299,009	7,398	20,551	1,848	1,366	47,039	44,034
Rent Non-Assoc Co - Prod	137,588	RB_GUP_EPIS_P	TOTAL	137,588	58,758	15,940	31,012	30,271	321	1,155	70	4	23	35
Rent Non-Assoc Co - Trans	128,347	RB_GUP_EPIS_T	TOTAL	128,347	55,288	14,751	28,573	28,164	290	1,100	66	4	43	67
Rent Non-Assoc Co - Dist	18,084	RB_GUP_EPIS_D	TOTAL	18,084	10,055	2,292	3,449	1,624	40	112	10	7	256	239
Rent From Elect Prop-Pole Attch Transmission	15,173	RB_GUP_EPIS_T	TOTAL	15,173	6,536	1,744	3,378	3,330	34	130	8	1	5	8
Rent From Elect Prop-Pole Attch Distribution	3,581,508	RB_GUP_EPIS_D	TOTAL	3,581,508	1,991,384	453,888	682,988	321,726	7,960	22,112	1,989	1,470	50,613	47,379
Other Electric Revenue - Prod	127,742	RB_GUP_EPIS_P	TOTAL	127,742	54,553	14,799	28,792	28,105	298	1,072	65	4	21	33
Other Electric Rev. Production-Retail Demand (456	(2,400,678)	PROD_DEMAND	TOTAL	(2,400,678)	(1,025,220)	(278,124)	(541,100)	(528,172)	(5,600)	(20,149)	(1,226)	(77)	(398)	(614)
Other Electric Rev. Production-Retail Energy (456)	-	PROD_ENERGY	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Other Electric Revenue - Transmission	149,929,940	TRAN_TO	TOTAL	149,929,940	64,585,027	17,231,385	33,377,925	32,900,110	339,115	1,285,464	76,958	5,053	50,731	78,174
Other Electric Revenue - Dist	1,878,950	RB_GUP_EPIS_D	TOTAL	1,878,950	1,044,730	238,121	358,313	168,786	4,176	11,601	1,043	771	26,553	24,856
Other Electric Revenue - Local Facil Charge	504,103	RB_GUP_EPIS_D	TOTAL	504,103	280,291	63,886	96,132	45,283	1,120	3,112	280	207	7,124	6,669
Total - Other Operating Revenues	165,093,436		TOTAL	165,093,436	73,844,506	19,102,621	35,812,984	34,120,635	363,053	1,359,241	83,839	9,668	190,133	206,757
Total Other Revenues	308,391,184		TOTAL	308,391,184	123,543,146	34,135,968	69,616,257	75,874,110	641,558	2,937,420	139,618	20,519	631,565	851,022
Gain on Disp of Emission Const. Allow.	1,618,627	PROD_ENERGY	TOTAL	1,618,627	558,662	169,440	382,182	474,041	3,133	17,915	626	124	5,085	7,421
Total Operating Revenues	1,543,034,408		TOTAL	1,543,034,408	663,327,383	190,682,736	332,477,742	327,698,056	3,256,234	12,691,685	706,227	176,855	6,414,336	5,603,155
Operating Expense														
O&M Expense														
Production														
Demand	284,141,427	PROD_DEMAND	TOTAL	284,141,427	121,343,767	32,918,395	64,043,909	62,513,793	662,789	2,384,838	145,081	9,072	47,140	72,642
Energy	296,315,269	PROD_ENERGY	TOTAL	296,315,269	102,271,858	31,018,690	69,964,369	86,780,631	573,494	3,279,618	114,589	22,710	930,841	1,358,469
GSU	613,398	PROD_DEMAND	TOTAL	613,398	261,954	71,063	138,256	134,953	1,431	5,148	313	20	102	157
Total	581,070,094		TOTAL	581,070,094	223,877,580	64,008,149	134,146,534	149,429,377	1,237,714	5,669,605	259,984	31,802	978,083	1,431,267
Transmission														
Transmission	19,629,564	TRAN_TO	TOTAL	19,629,564	8,455,789	2,256,017	4,370,002	4,307,444	44,399	168,299	10,076	662	6,642	10,235
Transmission O&M - LSE Demand	24,870,742	PROD_DEMAND	TOTAL	24,870,742	10,621,153	2,881,329	5,605,728	5,471,798	58,014	208,744	12,699	794	4,126	6,358
Total	44,500,305		TOTAL	44,500,305	19,076,941	5,137,346	9,975,730	9,779,242	102,412	377,043	22,775	1,456	10,768	16,593
Distribution Operation														
580 Supervision & Engineering	3,097,001	TOTOXEXP	TOTAL	3,097,001	1,741,731	415,512	582,247	272,351	7,086	19,155	1,840	1,254	27,893	27,933
581 Load Dispatching	507,960	DIST_CPD	TOTAL	507,960	242,930	62,641	120,244	75,544	1,174	4,147	288	21	383	590
582 Station Expenses	1,059,209	DIST_CPD	TOTAL	1,059,209	506,563	130,620	250,735	157,526	2,447	8,648	600	43	798	1,230
583 Overhead Lines	1,761,848	DIST_OHLINES	TOTAL	1,761,848	929,713	221,863	390,674	194,273	4,234	12,536	1,006	725	2,792	4,032
584 Underground Lines	3,915,525	DIST_UGLINES	TOTAL	3,915,525	2,150,821	497,530	842,598	365,937	9,568	26,064	2,243	2,246	7,629	10,890
585 Street Lighting	-	DIST_SL	TOTAL	-	-	-	-	-	-	-	-	-	-	-
586 Meters	2,432,258	DIST_METERS	TOTAL	2,432,258	1,706,100	495,236	175,297	29,845	5,685	8,621	2,187	802	-	8,486
587 Customer Installations	-	DIST_PCUST	TOTAL	-	-	-	-	-	-	-	-	-	-	-
588 Miscellaneous Distribution	12,482,463	RB_GUP_EPIS_D	TOTAL	12,482,463	6,940,476	1,581,916	2,380,386	1,121,296	27,742	77,066	6,931	5,122	176,399	165,129
588 Miscellaneous Distribution - Misc Distribution IN	914,592	RB_GUP_EPIS_D	TOTAL	914,592	508,530	115,907	174,411	82,158	2,033	5,647	508	375	12,925	12,099
589 Rents	1,343,688	RB_GUP_EPIS_D	TOTAL	1,343,688	747,115	170,287	256,239	120,703	2,986	8,296	746	551	18,989	17,775
Total	27,514,544		TOTAL	27,514,544	15,473,978	3,691,511	5,172,832	2,419,631	62,954	170,182	16,347	11,139	247,807	248,163

Label	Constant	Allocation Factor	Function	Total Retail	RS	Total GS	Total LGS	Total IP	MS	Total WSS	EHG	IS	OL	SL
				1	2				15		19	20	21	22
Distribution Maintenance														
590 Supervision & Engineering	11,330	TOTMXEXP	TOTAL	11,330	5,982	1,428	2,504	1,243	27	80	6	5	29	26
591 Structures	11,154	DIST_CPD	TOTAL	11,154	5,334	1,375	2,640	1,659	26	91	6	0	8	13
592 Station Equipment	1,628,707	DIST_CPD	TOTAL	1,628,707	778,924	200,850	385,546	242,221	3,763	13,298	922	66	1,227	1,891
593 Overhead Lines	46,925,778	TOTOHLINES	TOTAL	46,925,778	24,838,637	5,913,205	10,382,278	5,115,030	112,906	332,278	26,789	19,880	75,653	109,121
594 Underground Lines	534,878	TOTUGLINES	TOTAL	534,878	293,811	67,965	115,103	49,989	1,307	3,561	306	307	1,042	1,488
595 Line Transformers	112,136	DIST_TRANSF	TOTAL	112,136	67,425	14,556	22,366	5,948	285	623	65	108	316	445
596 Street Lighting	-	DIST_SL	TOTAL	-	-	-	-	-	-	-	-	-	-	-
597 Meters	130,211	DIST_METERS	TOTAL	130,211	91,336	26,513	9,385	1,598	304	462	117	43	-	454
598 Miscellaneous Distribution	48,512	DIST_OL	TOTAL	48,512	-	-	-	-	-	-	-	-	48,512	-
Total	49,402,707		TOTAL	49,402,707	26,081,450	6,225,892	10,919,822	5,417,686	118,618	350,393	28,212	20,409	126,788	113,437
Customer Accounts														
901 Supervision	515,585	TOTOX234	TOTAL	515,585	447,452	46,028	7,391	171	265	402	114	48	12,877	836
902 Meter Read	859,748	CUST_902	TOTAL	859,748	664,942	117,904	73,939	-	838	1,252	375	498	-	-
903 Customer Records	10,712,713	CUST_903	TOTAL	10,712,713	9,378,247	915,218	91,964	3,849	5,107	7,772	2,189	570	289,029	18,768
904 Uncollectibles	-	UNCOLFAC	TOTAL	-	-	-	-	-	-	-	-	-	-	-
905 Miscellaneous	42,150	TOTOX234	TOTAL	42,150	36,580	3,763	604	14	22	33	9	4	1,053	68
Total	12,130,197		TOTAL	12,130,197	10,527,221	1,082,913	173,899	4,035	6,232	9,459	2,687	1,120	302,959	19,673
Customer Service & Inf & Sales Exp														
907 Supervision	1,788,303	EXP_OM_CUSTACC	TOTAL	1,788,303	1,551,983	159,649	25,637	595	919	1,394	396	165	44,664	2,900
908 Customer Assist & 9080018 Dem Resp - Emer	5,344,454	EXP_OM_CUSTACC	TOTAL	5,344,454	4,638,198	477,122	76,618	1,778	2,746	4,167	1,184	493	133,481	8,668
909 Information & Instruction	-	EXP_OM_CUSTACC	TOTAL	-	-	-	-	-	-	-	-	-	-	-
910 Miscellaneous Cust. Serv.	-	EXP_OM_CUSTACC	TOTAL	-	-	-	-	-	-	-	-	-	-	-
911-916 Misc Selling	(0)	EXP_OM_CUSTACC	TOTAL	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total	7,132,758		TOTAL	7,132,758	6,190,181	636,771	102,255	2,372	3,665	5,562	1,580	659	178,145	11,568
Administrative & General Expense														
Reg Commission - Prod	10,386,410	PROD_DEMAND	TOTAL	10,386,410	4,435,559	1,203,288	2,341,039	2,285,108	24,227	87,175	5,303	332	1,723	2,655
Reg Commission - Expense	1,178,728	LABOR_M	TOTAL	1,178,728	552,496	135,767	246,401	227,499	2,588	9,146	584	96	2,973	1,178
Insurance - Production	551,674	RB_GUP_EPIS_P	TOTAL	551,674	235,595	63,913	124,344	121,373	1,287	4,630	282	18	92	141
Insurance - Transmission	304,242	RB_GUP_EPIS_T	TOTAL	304,242	131,058	34,966	67,731	66,762	688	2,608	156	10	103	159
Insurance - Distribution	(41,754)	RB_GUP_EPIS_D	TOTAL	(41,754)	(23,216)	(5,292)	(7,962)	(3,751)	(93)	(258)	(23)	(17)	(590)	(552)
Misc General Expense - PJM Capacity Perf Ins	-	PROD_DEMAND	TOTAL	-	-	-	-	-	-	-	-	-	-	-
A&G - Labor Related	68,558,111	LABOR_M	TOTAL	68,558,111	32,134,733	7,896,583	14,331,381	13,231,962	150,508	531,944	33,959	5,584	172,920	68,538
Total	80,937,411		TOTAL	80,937,411	37,466,225	9,329,225	17,102,935	15,928,953	179,206	635,245	40,260	6,022	177,220	72,119
Total O&M Expense	802,688,016		TOTAL	802,688,016	338,693,577	90,111,807	177,594,006	182,981,297	1,710,800	7,217,488	371,844	72,606	2,021,771	1,912,821
Depreciation & Amortization Expense														
Production	63,400,658	RB_GUP_EPIS_P	TOTAL	63,400,658	27,075,512	7,345,102	14,290,158	13,948,743	147,889	532,131	32,372	2,024	10,518	16,209
Nuclear	120,457,570	RB_GUP_EPIS_P	TOTAL	120,457,570	51,441,902	13,955,268	27,150,471	26,501,801	280,980	1,011,017	61,505	3,846	19,984	30,795
GSU	1,136,563	RB_GUP_EPIS_P	TOTAL	1,136,563	485,374	131,673	256,175	250,054	2,651	9,539	580	36	189	291
Transmission	35,426,412	TRAN_TO	TOTAL	35,426,412	15,260,566	4,071,543	7,886,751	7,773,850	80,128	303,738	18,184	1,194	11,987	18,472
Distribution	92,300,594	RB_GUP_EPIS_D	TOTAL	92,300,594	51,320,808	11,697,352	17,601,575	8,291,334	205,136	569,862	51,250	37,872	1,304,372	1,221,034
General & Intangible	50,071,098	RB_GUP_EPIS_G	TOTAL	50,071,098	23,469,453	5,767,232	10,466,858	9,663,902	109,923	388,503	24,801	4,078	126,291	50,056
Total Depreciation & Amort Expense	362,792,895		TOTAL	362,792,895	169,053,615	42,968,171	77,651,988	66,429,684	826,707	2,814,789	188,693	49,050	1,473,341	1,336,857
Regulatory Debits/Credits														
Reg Debits / Credits - Generation	394,742	RB_GUP_EPIS_P	TOTAL	394,742	168,576	45,732	88,973	86,847	921	3,313	202	13	65	101
Reg Debits / Credits - Nuclear	915,919	RB_GUP_EPIS_P	TOTAL	915,919	391,147	106,111	206,443	201,511	2,136	7,687	468	29	152	234
Reg Debits / Credits - Transmission	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Reg Debits / Credits - Distribution	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Total Regulatory Debits/Credits	1,310,661		TOTAL	1,310,661	559,723	151,843	295,416	288,358	3,057	11,001	669	42	217	335
Taxes Other Than Income														
FICA	9,639,483	LABOR_M	TOTAL	9,639,483	4,518,243	1,110,284	2,015,037	1,860,455	21,162	74,793	4,775	785	24,313	9,637
Federal Unemployment Tax	40,297	LABOR_M	TOTAL	40,297	18,888	4,641	8,424	7,777	88	313	20	3	102	40
State Unemployment Tax	196,274	LABOR_M	TOTAL	196,274	91,998	22,607	41,029	37,882	431	1,523	97	16	495	196
Real & Personal Property Tax	53,666,212	NP	TOTAL	53,666,212	26,078,812	6,455,195	11,207,790	8,706,865	121,388	398,936	28,399	10,617	340,640	317,569
IN PSC Assessment	-	RSALE	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Sales and Use Taxes	37,617	RB_GUP	TOTAL	37,617	17,894	4,495	7,964	6,484	86	286	20	6	198	185
Gross Receipts Tax	9,960	RSALE	TOTAL	9,960	4,356	1,263	2,120	2,030	21	79	5	1	47	38
Federal Excise Tax	-	PROD_DEMAND	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Business Franchise Tax	-	RB_GUP	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Regis Fee	-	RB_GUP	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Taxes on Capital Leases	1,333,578	NP	TOTAL	1,333,578	648,045	160,408	278,508	216,361	3,016	9,913	706	264	8,465	7,891
Total Taxes Other Than Income	64,923,421		TOTAL	64,923,421	31,378,236	7,758,894	13,560,871	10,837,854	146,192	485,843	34,021	11,693	374,259	335,557

Label	Constant	Allocation Factor	Function	Total Retail	RS	Total GS	Total LGS	Total IP	MS	Total WSS	EHG	IS	OL	SL
				1	2				15		19	20	21	22
Other O&M Expenses														
Line of Credit Fees	29,621	RATEBASE	TOTAL	29,621	14,305	3,552	6,206	4,900	67	222	16	6	180	167
Accretion Expense - Distribution	25,180	RB_GUP_EPIS_D	TOTAL	25,180	14,001	3,191	4,802	2,262	56	155	14	10	356	333
Factoring Expense	8,317,753	RSALE	TOTAL	8,317,753	3,637,515	1,054,892	1,770,636	1,695,559	17,617	65,680	3,818	1,054	38,975	32,007
Accretion Expense - Production	334,658	RB_GUP_EPIS_P	TOTAL	334,658	142,917	38,771	75,430	73,628	781	2,809	171	11	56	86
Accretion Expense - Nuclear	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Total Other Expenses	8,707,212		TOTAL	8,707,212	3,808,737	1,100,406	1,857,074	1,776,349	18,520	68,866	4,018	1,080	39,567	32,593
Total Operating Expense Before Income Tax	1,240,422,204		TOTAL	1,240,422,204	543,493,888	142,091,121	270,959,355	262,313,542	2,705,277	10,597,986	599,246	134,471	3,909,155	3,618,163
Gross Operating Income	302,612,204		TOTAL	302,612,204	119,833,494	48,591,615	61,518,387	65,384,514	550,957	2,093,699	106,981	42,384	2,505,181	1,984,992
Interest Expense Factor	1.8982%													
Interest Expense Synchronized	102,954,079		TOTAL	102,954,079	49,719,920	12,345,793	21,569,958	17,031,963	232,534	772,040	54,208	19,650	625,850	582,162
Net Operating Income Before Income Tax	199,658,125		TOTAL	199,658,125	70,113,574	36,245,821	39,948,429	48,352,551	318,423	1,321,659	52,773	22,733	1,879,331	1,402,830
Schedule M Income Adjustments														
Gross Plant Related	81,399,676	RB_GUP	TOTAL	81,399,676	38,720,632	9,726,858	17,232,677	14,030,261	185,079	618,780	42,804	13,730	428,396	400,458
Property Tax Adjustments	-	NP	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Labor Related	(6,481,262)	LABOR_M	TOTAL	(6,481,262)	(3,037,914)	(746,517)	(1,354,842)	(1,250,907)	(14,229)	(50,288)	(3,210)	(528)	(16,347)	(6,479)
Production Plant Related	(60,107,777)	RB_GUP_EPIS_P	TOTAL	(60,107,777)	(25,669,274)	(6,963,615)	(13,547,961)	(13,224,278)	(140,208)	(504,493)	(30,691)	(1,919)	(9,972)	(15,367)
Production Demand Related	(5,245,388)	PROD_DEMAND	TOTAL	(5,245,388)	(2,240,065)	(607,689)	(1,182,281)	(1,154,035)	(12,235)	(44,025)	(2,678)	(167)	(870)	(1,341)
Rate Base Related	828,035	RATEBASE	TOTAL	828,035	399,885	99,294	173,482	136,984	1,870	6,209	436	158	5,034	4,682
Production Energy Related	11,301,812	PROD_ENERGY	TOTAL	11,301,812	3,900,769	1,183,089	2,668,523	3,309,915	21,874	125,088	4,371	866	35,503	51,814
Customer Related	-	EXP_OM_CUSTACC	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Distribution Related	3,846,061	RB_GUP_EPIS_D	TOTAL	3,846,061	2,138,480	487,415	733,438	345,490	8,548	23,745	2,136	1,578	54,352	50,879
General Plant Related	4,350,785	RB_GUP_EPIS_G	TOTAL	4,350,785	2,039,311	501,127	909,488	839,717	9,551	33,758	2,155	354	10,974	4,350
Transmission Plant Related	11,940,504	RB_GUP_EPIS_T	TOTAL	11,940,504	5,143,588	1,372,317	2,658,237	2,620,183	27,007	102,375	6,129	402	4,040	6,226
Provision for Uncollectibles	-	RSALE	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Total Schedule M Income Adjustments	41,832,446		TOTAL	41,832,446	21,395,412	5,052,279	8,290,759	5,653,331	87,258	311,150	21,451	14,474	511,109	495,222
State Tax Adjustments														
Indiana - Gross Plant Related	-	RB_GUP	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Indiana - Other (bonus depreciation adjustment)	(52,938,585)	RB_GUP	TOTAL	(52,938,585)	(25,182,108)	(6,325,899)	(11,207,336)	(9,124,633)	(120,367)	(402,426)	(27,838)	(8,929)	(278,609)	(260,440)
Indiana - Production Plant Related	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Illinois - Other (bonus depreciation adjustment)	(47,540,741)	RB_GUP	TOTAL	(47,540,741)	(22,614,433)	(5,680,883)	(10,064,589)	(8,194,247)	(108,094)	(361,393)	(25,000)	(8,019)	(250,201)	(233,884)
Kentucky - Other (bonus depreciation adjustment)	(52,938,585)	RB_GUP	TOTAL	(52,938,585)	(25,182,108)	(6,325,899)	(11,207,336)	(9,124,633)	(120,367)	(402,426)	(27,838)	(8,929)	(278,609)	(260,440)
Kentucky - Production Plant Related	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Michigan - Other (bonus depreciation adjustment)	(52,938,585)	RB_GUP	TOTAL	(52,938,585)	(25,182,108)	(6,325,899)	(11,207,336)	(9,124,633)	(120,367)	(402,426)	(27,838)	(8,929)	(278,609)	(260,440)
Michigan - Production Plant Related	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Other - Gross Plant Related	-	RB_GUP	TOTAL	-	-	-	-	-	-	-	-	-	-	-
West Virginia - Other (bonus depreciation adjustme	-	RB_GUP	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Indiana Taxable Income	188,551,986		TOTAL	188,551,986	66,326,878	34,972,202	37,031,852	44,881,249	285,314	1,230,383	46,386	28,279	2,111,831	1,637,612
Tax Factor (Tax Rate x Apportionment)	3.8661000%													
Indiana Tax including Credit	7,289,608		TOTAL	7,289,608	2,564,263	1,352,060	1,431,688	1,735,154	11,031	47,568	1,793	1,093	81,645	63,312
Illinois Taxable Income	193,949,830		TOTAL	193,949,830	68,894,553	35,617,217	38,174,600	45,811,636	297,587	1,271,416	49,224	29,189	2,140,239	1,664,168
Tax Factor (Tax Rate x Apportionment)	0.0513000%													
Illinois Tax	99,496		TOTAL	99,496	35,343	18,272	19,584	23,501	153	652	25	15	1,098	854
Kentucky Taxable Income	188,551,986		TOTAL	188,551,986	66,326,878	34,972,202	37,031,852	44,881,249	285,314	1,230,383	46,386	28,279	2,111,831	1,637,612
Tax Factor (Tax Rate x Apportionment)	0.0435000%													
Kentucky Tax	82,020		TOTAL	82,020	28,852	15,213	16,109	19,523	124	535	20	12	919	712
Michigan Taxable Income	188,551,986		TOTAL	188,551,986	66,326,878	34,972,202	37,031,852	44,881,249	285,314	1,230,383	46,386	28,279	2,111,831	1,637,612
Tax Factor (Tax Rate x Apportionment)	0.9510000%													
Current Michigan Tax	1,793,129		TOTAL	1,793,129	630,769	332,586	352,173	426,821	2,713	11,701	441	269	20,084	15,574
Total Michigan Tax	1,793,129		TOTAL	1,793,129	630,769	332,586	352,173	426,821	2,713	11,701	441	269	20,084	15,574
West Virginia Taxable Income	241,490,571		TOTAL	241,490,571	91,508,987	41,298,100	48,239,188	54,005,882	405,681	1,632,809	74,224	37,208	2,390,440	1,898,052
Tax Factor (Tax Rate x Apportionment)	0.0182000%													
West Virginia Tax	43,951		TOTAL	43,951	16,655	7,516	8,780	9,829	74	297	14	7	435	345
Other Taxable Income	-	RB_GUP	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Tax Factor (Tax Rate x Apportionment)	74.2833397%													
Other Tax	-		TOTAL	-	-	-	-	-	-	-	-	-	-	-
Total State Income Tax	9,308,205		TOTAL	9,308,205	3,275,882	1,725,647	1,828,333	2,214,828	14,094	60,753	2,293	1,396	104,181	80,797

Label	Constant	Allocation Factor	Function	Total Retail	RS	Total GS	Total LGS	Total IP	MS	Total WSS	EHG	IS	OL	SL
				1	2				15		19	20	21	22
Federal Taxable Income	232,182,366		TOTAL	232,182,366	88,233,105	39,572,454	46,410,855	51,791,054	391,587	1,572,056	71,930	35,811	2,286,259	1,817,255
Tax Factor (Tax Rate x Apportionment)	21.00%													
Gross Current FIT	48,758,297		TOTAL	48,758,297	18,528,952	8,310,215	9,746,280	10,876,121	82,233	330,132	15,105	7,520	480,114	381,624
Parent Savings Allocation	(1,960,376)	RB_GUP	TOTAL	(1,960,376)	(932,522)	(234,255)	(415,020)	(337,896)	(4,457)	(14,902)	(1,031)	(331)	(10,317)	(9,644)
Research & Development Credit	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Total Current FIT	46,797,921		TOTAL	46,797,921	17,596,430	8,075,960	9,331,259	10,538,226	77,776	315,229	14,075	7,190	469,797	371,979
Deferred FIT														
Gross Plant Related	(11,253,433)	RB_GUP	TOTAL	(11,253,433)	(5,353,093)	(1,344,729)	(2,382,402)	(1,939,671)	(25,587)	(85,546)	(5,918)	(1,898)	(59,225)	(55,363)
Net Plant Related	-	NP	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Production Plant	12,614,587	RB_GUP_EPIS_P	TOTAL	12,614,587	5,387,111	1,461,427	2,843,258	2,775,328	29,425	105,876	6,441	403	2,093	3,225
Distribution	(3,307,132)	RB_GUP_EPIS_D	TOTAL	(3,307,132)	(1,838,825)	(419,116)	(630,665)	(297,079)	(7,350)	(20,418)	(1,836)	(1,357)	(46,736)	(43,750)
Labor	1,450,540	LABOR_M	TOTAL	1,450,540	679,901	167,074	303,221	279,959	3,184	11,255	718	118	3,659	1,450
Rate Base	(173,887)	RATEBASE	TOTAL	(173,887)	(83,976)	(20,852)	(36,431)	(28,767)	(393)	(1,304)	(92)	(33)	(1,057)	(983)
Energy	(2,448,672)	PROD_ENERGY	TOTAL	(2,448,672)	(845,148)	(256,330)	(578,167)	(717,132)	(4,739)	(27,102)	(947)	(188)	(7,692)	(11,226)
Demand	(5,754,901)	PROD_DEMAND	TOTAL	(5,754,901)	(2,457,654)	(666,718)	(1,297,123)	(1,266,132)	(13,424)	(48,302)	(2,938)	(184)	(955)	(1,471)
Transmission	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-	-	-	-	-	-	-
Revenue Related	-	RSALE	TOTAL	-	-	-	-	-	-	-	-	-	-	-
General Plant Related	(913,665)	RB_GUP_EPIS_G	TOTAL	(913,665)	(428,255)	(105,237)	(190,992)	(176,341)	(2,006)	(7,089)	(453)	(74)	(2,304)	(913)
Total Current Year DFIT	(9,786,563)		TOTAL	(9,786,563)	(4,939,940)	(1,184,481)	(1,969,302)	(1,369,834)	(20,889)	(72,630)	(5,024)	(3,213)	(112,218)	(109,032)
Deferred ITC														
Prior Year Feedback	(995,314)	RATEBASE	TOTAL	(995,314)	(480,670)	(119,354)	(208,529)	(164,657)	(2,248)	(7,464)	(524)	(190)	(6,050)	(5,628)
Solar Investment Tax Credit	(375,233)	RB_GUP_EPIS_P	TOTAL	(375,233)	(160,245)	(43,472)	(84,575)	(82,555)	(875)	(3,149)	(192)	(12)	(62)	(96)
Rockport	(1,478,522)	RB_GUP_EPIS_P	TOTAL	(1,478,522)	(631,409)	(171,290)	(333,251)	(325,289)	(3,449)	(12,409)	(755)	(47)	(245)	(378)
Cook Plant Simulator	(22,674)	RB_GUP_EPIS_P	TOTAL	(22,674)	(9,683)	(2,627)	(5,111)	(4,988)	(53)	(190)	(12)	(1)	(4)	(6)
Total Deferred ITC	(2,871,743)		TOTAL	(2,871,743)	(1,282,007)	(336,742)	(631,465)	(577,489)	(6,625)	(23,213)	(1,482)	(250)	(6,362)	(6,108)
Total Federal Income Tax	34,139,615		TOTAL	34,139,615	11,374,484	6,554,737	6,730,492	8,590,902	50,261	219,387	7,568	3,727	351,217	256,840
Total Income Tax	43,447,820		TOTAL	43,447,820	14,650,365	8,280,384	8,558,825	10,805,730	64,356	280,140	9,862	5,123	455,398	337,637
Total Expenses	1,283,870,024		TOTAL	1,283,870,024	558,144,254	150,371,505	279,518,180	273,119,272	2,769,633	10,878,126	609,107	139,594	4,364,553	3,955,799
Net Operating Income	259,164,384		TOTAL	259,164,384	105,183,129	40,311,231	52,959,562	54,578,784	486,601	1,813,559	97,119	37,261	2,049,783	1,647,355
Current Rate of Return	4.78%			4.78%	4.02%	6.20%	4.66%	6.08%	3.97%	4.46%	3.40%	3.60%	6.22%	5.37%
O&M Labor														
Production Demand	98,757,617	PROD_DEMAND	TOTAL	98,757,617	42,174,847	11,441,282	22,259,421	21,727,607	230,362	828,886	50,425	3,153	16,384	25,248
Production Energy	3,668,055	PROD_ENERGY	TOTAL	3,668,055	1,266,013	383,977	866,082	1,074,248	7,099	40,598	1,418	281	11,523	16,816
Transmission	6,999,673	TOTBSEXP	TOTAL	6,999,673	3,015,235	804,469	1,558,291	1,535,984	15,832	60,014	3,593	236	2,368	3,650
Distribution	15,639,474	EXP_OM_DIST	TOTAL	15,639,474	8,449,406	2,016,491	3,272,096	1,593,551	36,919	105,848	9,060	6,415	76,166	73,524
Customer Accounts	4,978,676	EXP_OM_CUSTACC	TOTAL	4,978,676	4,320,756	444,467	71,374	1,656	2,558	3,882	1,103	460	124,345	8,074
Customer Service	4,329,576	EXP_OM_CUSTSER	TOTAL	4,329,576	3,757,433	386,519	62,069	1,440	2,224	3,376	959	400	108,134	7,022
Total	134,373,071		TOTAL	134,373,071	62,983,690	15,477,206	28,089,334	25,934,486	294,995	1,042,604	66,558	10,944	338,920	134,334
Production Demand	98,757,617	PROD_DEMAND	TOTAL	98,757,617	42,174,847	11,441,282	22,259,421	21,727,607	230,362	828,886	50,425	3,153	16,384	25,248
Production Energy	3,668,055	PROD_ENERGY	TOTAL	3,668,055	1,266,013	383,977	866,082	1,074,248	7,099	40,598	1,418	281	11,523	16,816
Total Production	102,425,672		TOTAL	102,425,672	43,440,860	11,825,259	23,125,503	22,801,855	237,462	869,484	51,844	3,434	27,907	42,064