Tvelve Months Ended 2023

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

Indiana Michigan Power Company

Line No.			Total	Allocator			Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 130)					$201,605,842
2	REVENUE CREDITS	(worksheet E Ln 8) (Note A)	6,136,000	DA	1.00000	$	6,136,000
3	Facility Credits under PJM OATT Section 30.9	(worksheet E Ln 9) (Note X)				$	450,538
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				$	195,920,380

MEMO: The Carrying Charge Calculations on lines 7 to 12 below are used in calculating project revenue requirements billed through PJM Schedule 12, Transmission Enhancement Charges. The total non-incentive revenue requirements for these projects shown on line 5 is included in the total on line 4.

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J/K)		6,216,348	DA	1.00000	$	6,216,348
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)						
7	Annual Rate	((ln 1 - ln 95)/((ln 42) x 100))					14.96%
8	Monthly Rate	(ln 7 / 12)					1.25%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)						
10	Annual Rate	((ln 1 - ln 95 - ln 100) /((ln 42) x 100))					11.59%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)						
12	Annual Rate	((ln 1 - ln 95 - ln 100 - ln 125 - ln 126) /((ln 42) x 100))					3.85%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)						

14	**REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES**		
15	Total Load Dispatch & Scheduling (Account 561)	Line 75 Below	6,710,000
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)		4,755,000
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)		1,385,000
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)	570,000

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Transmission Cost of Service Formula Rate
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Indiana Michigan Power Company

Line No.	(1) RATE BASE CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total NOTE C	(4) Allocator		(5) Total Transmission
	GROSS PLANT IN SERVICE					
19	Production	(Worksheet A ln 14.(b))	5,562,960,000	NA	0.00000	-
20	Less: Production ARO (Enter Negative)	(Worksheet A ln 14.(c))	(508,445,000)	NA	0.00000	-
21	Transmission	(Worksheet A ln 14.(d) & TCOS Ln 134)	1,876,778,000	DA		1,817,688,000
22	Less: Transmission ARO (Enter Negative)	(Worksheet A ln 14.(e))	-	TP	0.96852	-
23	Distribution	(Worksheet A ln 14.(f))	3,212,256,000	NA	0.00000	-
24	Less: Distribution ARO (Enter Negative)	(Worksheet A ln 14.(g))	(2,968,000)	NA	0.00000	-
25	General Plant	(Worksheet A ln 14.(h))	232,167,000	W/S	0.04935	11,457,257
26	Less: General Plant ARO (Enter Negative)	(Worksheet A ln 14.(i))	(1,303,000)	W/S	0.04935	(64,302)
27	Intangible Plant	(Worksheet A ln 14.(j))	365,384,000	W/S	0.04935	18,031,410
28	TOTAL GROSS PLANT	(sum lns 19 to 27)	10,736,829,000	**GP**	**0.172035**	1,847,112,365
				GTD=	**0.35739**	
29	ACCUMULATED DEPRECIATION AND AMORTIZATION					
30	Production	(Worksheet A ln 28.(b))	2,839,374,000	NA	0.00000	-
31	Less: Production ARO (Enter Negative)	(Worksheet A ln 28.(c))	(210,135,000)	NA	0.00000	-
32	Transmission	(Worksheet A ln 28.(d) & ln 43.(c))	484,810,000	**TP1=**	0.96887	469,719,000
33	Less: Transmission ARO (Enter Negative)	(Worksheet A ln 28.(e))	-	**TP1=**	0.96887	-
34	Distribution	(Worksheet A ln 28.(f))	813,257,000	NA	0.00000	-
35	Less: Distribution ARO (Enter Negative)	(Worksheet A ln 28.(g))	(2,968,000)	NA	0.00000	-
36	General Plant	(Worksheet A ln 28.(h))	45,830,000	W/S	0.04935	2,261,674
37	Less: General Plant ARO (Enter Negative)	(Worksheet A ln 28.(i))	(269,000)	W/S	0.04935	(13,275)
38	Intangible Plant	(Worksheet A ln 28.(j))	141,140,000	W/S	0.04935	6,965,147
39	TOTAL ACCUMULATED DEPRECIATION	(sum lns 30 to 38)	4,111,039,000			478,932,546
40	NET PLANT IN SERVICE					
41	Production	(ln 19 + ln 20 - ln 30 - ln 31)	2,425,276,000			-
42	Transmission	(ln 21 + ln 22 - ln 32 - ln 33)	1,391,968,000			1,347,969,000
43	Distribution	(ln 23 + ln 24 - ln 34 - ln 35)	2,398,999,000			-
44	General Plant	(ln 25 + ln 26 - ln 36 - ln 37)	185,303,000			9,144,556
45	Intangible Plant	(ln 27 - ln 38)	224,244,000			11,066,263
46	TOTAL NET PLANT IN SERVICE	(sum lns 41 to 45)	6,625,790,000	**NP**	**0.206493**	1,368,179,819
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
48	Account No. 281.1 (enter negative)	(Worksheet B, ln 2 & ln 5.E)	(25,892,000)	NA		-
49	Account No. 282.1 (enter negative)	(Worksheet B, ln 7 & ln 10.E)	(1,374,585,500)	DA		(223,076,500)
50	Account No. 283.1 (enter negative)	(Worksheet B, ln 12 & ln 15.E)	(605,528,000)	DA		5,398,500
51	Account No. 190.1	(Worksheet B, ln 17 & ln 20.E)	740,697,500	DA		15,271,500
52	Account No. 255 (enter negative)	(Worksheet B, ln 24 & ln 25.E)	-	DA		(1,915,002)
53	TOTAL ADJUSTMENTS	(sum lns 48 to 52)	(1,265,308,000)			(204,321,502)
54	PLANT HELD FOR FUTURE USE	(Worksheet A ln 44.(e) & ln 45.(e))	1,320,000	DA		146,500
55	REGULATORY ASSETS	(Worksheet A ln 51.(e))	-	DA		-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A ln 54.(e))	(705,000)	W/S	0.04935	(34,791)
57	WORKING CAPITAL	(Note E)				
58	Cash Working Capital	(1/8 * ln 78)	3,624,250			3,510,141
59	Transmission Materials & Supplies	(Worksheet C, ln 2.(F))	1,125,000	TP	0.96852	1,089,580
60	A&G Materials & Supplies	(Worksheet C, ln 3.(F))	596,000	W/S	0.04935	29,412
61	Stores Expense	(Worksheet C, ln 4.(F))	-	GP	0.17204	-
62	Prepayments (Account 165) - Labor Allocated	(Worksheet C, ln 8.G)	170,823,500	W/S	0.04935	8,430,004
63	Prepayments (Account 165) - Gross Plant	(Worksheet C, ln 8.F)	4,967,000	GP	0.17204	854,499
64	Prepayments (Account 165) - Transmission Only	(Worksheet C, ln 8.E)	-	DA	1.00000	-
65	Prepayments (Account 165) - Unallocable	(Worksheet C, ln 8.D)	(164,366,500)	NA	0.00000	-
66	TOTAL WORKING CAPITAL	(sum lns 58 to 65)	16,769,250			13,913,636
67	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, ln 8.B)	(3,893,000)	DA	1.00000	(3,893,000)
68	RATE BASE (sum lns 46, 53, 54, 55, 56, 66, 67)		5,373,973,250			1,173,990,661

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

Indiana Michigan Power Company

Line No.	(1)	(2)	(3)	(4)		(5)
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	**Data Sources (See "General Notes")**	**TO Total**	**Allocator**		**Total Transmission**
	OPERATION & MAINTENANCE EXPENSE					
69	Production	321.80.b	804,544,000			
70	Distribution	322.156.b	82,604,000			
71	Customer Related Expense	322 & 323.164,171,178.b	15,702,000			
72	Regional Marketing Expenses	322.131.b	5,187,000			
73	Transmission	321.112.b	292,170,000			
74	TOTAL O&M EXPENSES	(sum lns 69 to 73)	1,200,207,000			
75	Less: Total Account 561	(Note G) (Worksheet F, ln 14.C)	6,710,000			
76	Less: Account 565	(Note H) 321.96.b	256,466,000			
77	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, ln 4.C)	-			
78	Total O&M Allocable to Transmission	(lns 73 - 75 - 76 - 77)	28,994,000	TP	0.96852	28,081,129
79	Administrative and General	323.197.b (Notes J and M)	112,484,000			
80	Less: Acct. 924, Property Insurance	323.185.b	2,772,000			
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(14,720,000)			
82	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-			
83	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(3,793,000)			
84	Acct. 928, Reg. Com. Exp.	323.189.b	16,239,000			
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b	82,000			
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b	8,178,000			
87	Balance of A & G	(ln 79 - sum ln 80 to ln 86)	103,726,000	W/S	0.04935	5,118,796
88	Plus: Acct. 924, Property Insurance	(ln 80)	2,772,000	GP	0.17204	476,882
89	Acct. 928 - Transmission Specific	Worksheet F ln 20.(E) (Note L)	26,000	TP	0.96852	25,181
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F ln 37.(E) (Note L)	-	TP	0.96852	-
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F ln 43.(E) (Note L)	437,000	DA	1.00000	437,000
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	14,094,652	W/S	0.04935	695,560
93	A & G Subtotal	(sum lns 87 to 92)	121,055,652			6,753,418
94	O & M EXPENSE SUBTOTAL	(ln 78 + ln 93)	150,049,652			34,834,548
95	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	1.00000	-
96	TOTAL O & M EXPENSE	(ln 94 + ln 95)	150,049,652			34,834,548
97	DEPRECIATION AND AMORTIZATION EXPENSE					
98	Production	336.2-6.f	394,857,000	NA	0.00000	-
99	Distribution	336.8.f	91,323,000	NA	0.00000	-
100	Transmission	336.7.f	46,824,000	TP1	0.96887	45,366,479
101	General	336.10.f	8,675,000	W/S	0.04935	428,104
102	Intangible	336.1.f	49,085,000	W/S	0.04935	2,422,306
103	TOTAL DEPRECIATION AND AMORTIZATI0N	(Ln 98+99+ 100+101+102)	590,764,000			48,216,889
104	TAXES OTHER THAN INCOME	(Note N)				
105	Labor Related					
106	Payroll	Worksheet H ln 23.(D)	4,095,000	W/S	0.04935	202,085
107	Plant Related					
108	Property	Worksheet H ln 23.(C)	76,288,000	DA		13,925,215
109	Gross Receipts/Sales & Use	Worksheet H ln 23.(F)	7,231,000	NA	0.00000	-
110	Other	Worksheet H ln 23.(E)	(1,000)	GP	0.17204	(172)
111	TOTAL OTHER TAXES	(sum lns 106 to 110)	87,613,000			14,127,128
112	INCOME TAXES	(Note O)				
113	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		24.96%			
114	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		23.51%			
115	where WCLTD=(ln 154) and WACC = (ln 157)					
116	and FIT, SIT & p are as given in Note O.					
117	GRCF=1 / (1 - T) = (from ln 113)		1.3326			
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)	(324,000)			
119	Excess Deferred Income Tax	(Note U)	(20,087,000)	DA		(3,225,000)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	2,904,000	DA		580,000
121	Income Tax Calculation	(ln 114 * ln 126)	94,013,861			20,538,136
122	ITC adjustment	(ln 117 * ln 118)	(431,758)	GP	0.17204	(74,278)
123	Excess Deferred Income Tax	(ln 117 * ln 119)	(26,767,641)			(4,297,588)
124	Tax Effect of Permanent and Flow-Through Differences	(ln 117 * ln 120)	3,869,828			772,899
125	TOTAL INCOME TAXES	(sum lns 121 to 124)	70,684,290			16,939,171
126	RETURN ON RATE BASE (Rate Base*WACC)	(ln 68 * ln 157)	399,902,350			87,362,107
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, ln 2.(B))		126,000	DA	1.00000	126,000
128	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, ln 4, Cols. ((F) & (H))		-			-
129	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (ln 128 * ln114)		-			-
130	TOTAL REVENUE REQUIREMENT (sum lns 96, 103, 111, 125, 126, 127, 128, 129)		1,299,139,292			201,605,842

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

Indiana Michigan Power Company

SUPPORTING CALCULATIONS

ln No.									
	TRANSMISSION PLANT INCLUDED IN PJM TARIFF								
131	Total transmission plant	(ln 21)							1,876,778,000
132	Less transmission plant excluded from PJM Tariff (Worksheet A, ln 42, Col. (d)) (Note P)								-
133	Less transmission plant included in OATT Ancillary Services (Worksheet A, ln 42, Col. (b)) (Note Q)								59,090,000
134	Transmission plant included in PJM Tariff	(ln 131 - ln 132 - ln 133)							1,817,688,000
135	Percent of transmission plant in PJM Tariff	(ln 134 / ln 131)						**TP=**	**0.96852**
				Payroll Billed from					
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	AEP Service Corp.	Total				
137	Production	354.20.b	132,414,000	9,711,000	142,125,000	NA	0.00000		-
138	Transmission	354.21.b	4,457,000	4,871,000	9,328,000	TP	0.96852		9,034,310
139	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000		-
140	Distribution	354.23.b	17,702,000	1,894,000	19,596,000	NA	0.00000		-
141	Other (Excludes A&G)	354.24,25,26.b	6,762,000	5,258,000	12,020,000	NA	0.00000		-
142	Total	(sum lns 137 to 141)	161,335,000	21,734,000	183,069,000				9,034,310
143	Transmission related amount							**W/S=**	**0.04935**
144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								$
145	Long Term Interest	(Worksheet M, ln. 37, col. (d))							131,763,000
146	Preferred Dividends	(Worksheet M, ln. 71)							-
147	Development of Common Stock:								
148	Proprietary Capital	(Worksheet M, ln. 14, col. (b))							3,064,812,000
149	Less: Preferred Stock	(Worksheet M, ln. 14, col. (c))							-
150	Less: Account 216.1	(Worksheet M, ln. 14, col. (d))							(5,065,000)
151	Less: Account 219	(Worksheet M, ln. 14, col. (e))							32,000
152	Common Stock	(ln 148 - ln 149 - ln 150 - ln 151)							3,069,845,000
					Capital Structure Percentages		Cost		
153				$	%	Cap Limit	(Note S)		Weighted
154	Long Term Debt (Note T) Worksheet M, ln 28, col. (g), ln 38, col. (d))			2,970,524,000	49.18%	49.18%	4.44%		0.0218
155	Preferred Stock (ln 149)			-	0.00%	0.00%	-		0.0000
156	Common Stock (ln 152)			3,069,845,000	50.82%	50.82%	10.35%		0.0526
157	Total (Sum lns 154 to 156)			6,040,369,000				**WACC=**	**0.0744**
158	Capital Structure Equity Limit (Note Z)	55%							

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

Indiana Michigan Power Company

Letter **Notes**

General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X

A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
7) If AEP East companies have any directly assigned transmission facilities, the revenue credits in the AEP East formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based.
See Worksheet E for details.

B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet Q and any over under recovery will be filed and posted as part of the informational filing.

C Transmission Plant Balances in this study are projected or actual average of 13-month balances.

D The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flowthrough and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated.
In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section1.167(l)-l(h)(6)(ii).
RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base. Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the information filing.

E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 78. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 75.
2) Costs of Transmission of Electricity by Others, as described in Note H.
3) The impact of state regulatory deferrals and amortizations, as shown on line 77
4) All A&G Expenses, as shown on line 93.

F Consistent with Paragraph 657 of Order 2003-A, the amount on line 67 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 127.

G Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.

H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 78. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such cost is added back on line 95 to determine the total O&M collected in the formula. The amounts on line 95 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.
The addbacks on line 95 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.
The company records referenced on line 95 is the Indiana Michigan Power Company general ledger.

I Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.

J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.

K These deductions on lines 81 through 83 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.

L Expenses recorded in FERC Accounts 928 (Regulatory Commission Expense), 930.1 (Safety Related Advertising) and 930.2 (Miscellaneouse General Expenses) that are not directly related to or properly allocable to transmission service will be removed from the TCOS. If AEP includes any expenses booked to these accounts in future ATRR updates, AEP must provide supporting information demonstrating that the underlying activities are directly related to providing transmission service. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.

M See note K above. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corportation. The calculation of the recoverable amount for each company is shown on Worksheet O.

N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.

O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f)
(ln 118) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.

Inputs Required:	FIT =	21.00%	
	SIT=	5.01%	(State Income Tax Rate or Composite SIT. Worksheet G))
	p =	0.00%	(percent of federal income tax deductible for state purposes)

The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable.
If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.

P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.

Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.

R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.

S Long Term Debt cost rate = Long-Term Interest (ln 145) / Long-Term Debt (ln 154). Preferred Stock cost rate = preferred dividends (ln 146) / preferred outstanding (ln 155).
Common Stock cost rate (ROE) = 10.35%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO Membership.
The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of captial are shown on Worksheet M.
Eligible Hedging Gains and Losses are computed on Worksheet M.The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.

T The Long Term Debt balance for I&M includes the accumulated balance of principle and related interest for Spent Nuclear Fuel Disposal Costs collected prior to April 7, 1983.
This total balance of $265,249,280 at 12/31/12 is not included in the balance in line 154 above.
The cost rates for long-term debt shall include interest expense and related periodic expenses (such as remarketing and letter of credit fees) as recorded in FERC Account 427 or 430, amortization of issuance costs (including insurance) and discounts as recorded in FERC Account 428, issuance premiums as recorded in FERC Account 429 and losses or gains on reacquired debt as recorded in FERC Accounts 428.1 or 429.1, respectively. The cost rates for preferred stock (if applicable) shall include the dividends.

U Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.

V Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All other prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.

W The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.

X Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.

Y The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilites recorded to Accounts 228.1-228.4 from rate base.

Z Per the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
Indiana Michigan Power Company

		Gross Plant In Service								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 46	FF1, page 205&204, Col.(g)&(b), lns 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5
1	December Prior to Rate Year	5,534,507,000	508,407,000	1,805,031,000		3,084,634,000	2,968,000	219,069,000	1,306,000	351,772,000
2	January	5,533,608,000	508,412,000	1,864,963,000		3,099,660,000	2,968,000	220,858,000	1,306,000	356,755,000
3	February	5,532,569,000	508,418,000	1,869,471,000		3,116,871,000	2,968,000	222,343,000	1,305,000	361,891,000
4	March	5,533,612,000	508,424,000	1,870,564,000		3,137,843,000	2,968,000	223,559,000	1,305,000	357,426,000
5	April	5,534,981,000	508,430,000	1,871,761,000		3,160,275,000	2,968,000	224,740,000	1,304,000	362,282,000
6	May	5,536,459,000	508,436,000	1,877,199,000		3,184,358,000	2,968,000	225,857,000	1,304,000	366,952,000
7	June	5,550,306,000	508,443,000	1,880,538,000		3,207,501,000	2,968,000	226,894,000	1,303,000	364,387,000
8	July	5,553,190,000	508,450,000	1,884,995,000		3,231,583,000	2,968,000	227,771,000	1,303,000	368,796,000
9	August	5,557,116,000	508,457,000	1,886,216,000		3,261,209,000	2,968,000	228,551,000	1,302,000	373,193,000
10	September	5,661,718,000	508,464,000	1,888,672,000		3,284,650,000	2,968,000	229,264,000	1,302,000	366,429,000
11	October	5,593,987,000	508,472,000	1,892,054,000		3,306,341,000	2,968,000	230,678,000	1,302,000	370,850,000
12	November	5,595,513,000	508,480,000	1,899,462,000		3,331,290,000	2,968,000	267,297,000	1,301,000	375,312,000
13	December of Rate Year	5,600,914,000	508,488,000	1,907,186,000		3,353,111,000	2,968,000	271,289,000	1,301,000	373,944,000
14	Average of the 13 Monthly Balances	5,562,960,000	508,445,000	1,876,778,000	-	3,212,256,000	2,968,000	232,167,000	1,303,000	365,384,000

		Accumulated Depreciation								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 219, lns 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, ln 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, ln 26, Col. (b)	Company Records (Included in total in Column (f))	FF1, page 219, ln 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, ln 21, Col. (b)
15	December Prior to Rate Year	2,659,134,000	197,964,000	463,580,000		789,994,000	2,968,000	45,205,000	247,000	140,989,000
16	January	2,687,282,000	199,991,000	479,112,000		793,708,000	2,968,000	45,277,000	251,000	143,358,000
17	February	2,714,007,000	202,020,000	480,448,000		797,453,000	2,968,000	45,377,000	255,000	145,809,000
18	March	2,741,406,000	204,048,000	481,792,000		801,132,000	2,968,000	45,472,000	258,000	138,575,000
19	April	2,768,667,000	206,076,000	483,136,000		804,977,000	2,968,000	45,577,000	262,000	141,070,000
20	May	2,796,259,000	208,105,000	484,485,000		808,874,000	2,968,000	45,688,000	265,000	143,647,000
21	June	2,823,640,000	210,133,000	485,846,000		812,838,000	2,968,000	45,793,000	269,000	139,316,000
22	July	2,851,360,000	212,162,000	487,218,000		816,841,000	2,968,000	45,905,000	272,000	141,946,000
23	August	2,879,129,000	214,192,000	488,600,000		820,893,000	2,968,000	46,023,000	276,000	144,649,000
24	September	2,906,659,000	216,221,000	489,985,000		825,022,000	2,968,000	46,144,000	279,000	136,232,000
25	October	3,001,300,000	218,250,000	491,375,000		829,145,000	2,968,000	46,267,000	283,000	138,926,000
26	November	3,027,214,000	220,280,000	492,772,000		833,449,000	2,968,000	46,390,000	286,000	141,691,000
27	December of Rate Year	3,055,810,000	222,310,000	494,185,000		838,010,000	2,968,000	46,672,000	290,000	138,616,000
28	Average of the 13 Monthly Balances	2,839,374,000	210,135,000	484,810,000	-	813,257,000	2,968,000	45,830,000	269,000	141,140,000

Line No	Month (a) (Note A)	OATT Ancillary Services (GSU) Plant In Service (b) Company Records (included in total in column (d) of gross plant above)	OATT Ancillary Services (GSU) Accumulated Depreciation (c) Company Records (included in total in column (b) of accumulated depreciation above)	Excluded Plant - Plant In Service (d) Company Records	Excluded Plant - Accumulated Depreciation (e) Company Records
29	December Prior to Rate Year	59,090,000	14,325,000		
30	January	59,090,000	14,453,000		
31	February	59,090,000	14,580,000		
32	March	59,090,000	14,708,000		
33	April	59,090,000	14,836,000		
34	May	59,090,000	14,963,000		
35	June	59,090,000	15,091,000		
36	July	59,090,000	15,218,000		
37	August	59,090,000	15,346,000		
38	September	59,090,000	15,474,000		
39	October	59,090,000	15,601,000		
40	November	59,090,000	15,729,000		
41	December of Rate Year	59,090,000	15,856,000		
42	Average of the 13 Monthly Balances	59,090,000	15,091,000	-	-
43	Transmission Accum Depreciation net of GSU		469,719,000		

	Plant Held For Future Use (a)	Source of Data (b)	Balance @ December 31, 2023 (c)	Balance @ December 31, 2022 (d)	Average Balance for 2023 (e)
44	**Plant Held For Future Use**	FF1, page 214, ln 47, Col. (d)	1,320,000	1,320,000	1,320,000
45	**Transmission Plant Held For Future Use (Included in total on line 44)**	Company Records - Note 1	146,000	147,000	146,500

Regulatory Assets and Liabilities Approved for Recovery In Ratebase

Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.

46					-
47					-
48					-
49					-
50					-
51	Total Regulatory Deferrals Included in Ratebase		-	-	-

Unfunded Reserves Summary (Company Records)

52	Description	Account			
53a	Accum Prv I/D Worker's Com	2282003	59,000	59,000	59,000
53b	Accm Prv I/D - Asbestos - Curr	2282011	73,000	73,000	73,000
53c	Accm Prv I/D - Asbestos	2282012	573,000	573,000	573,000
54		Total	705,000	705,000	705,000

NOTE 1: On this worksheet, "Company Records" refers to AEP's property accounting ledger.
NOTE 2: The ratebase should not include the unamortized balance of hedging gains or losses.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
Indiana Michigan Power Company

	(A)	(B)	(C)	(D)	(E)
Line Number	**Description**	**Source**	**Balance @ December 31, 2023**	**Balance @ December 31, 2022**	**Average Balance for 2023**
1	**Account 281**				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	25,786,000	25,998,000	25,892,000
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-	-	-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	25,786,000	25,998,000	25,892,000
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	**Account 282**				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	1,368,951,000	1,380,220,000	1,374,585,500
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	86,394,000	86,394,000	86,394,000
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	1,059,839,000	1,070,391,000	1,065,115,000
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	222,718,000	223,435,000	223,076,500
11	**Account 283**				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	603,046,000	608,010,000	605,528,000
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	737,296,000	737,296,000	737,296,000
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	(128,874,000)	(123,865,000)	(126,369,500)
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	(5,376,000)	(5,421,000)	(5,398,500)
16	**Account 190**				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	734,929,000	746,466,000	740,697,500
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	815,894,000	815,894,000	815,894,000
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	(91,747,000)	(89,189,000)	(90,468,000)
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	10,783,000	19,762,000	15,271,500
21	**Account 255**				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	14,783,000	18,676,000	16,729,500
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	14,783,000	18,676,000	16,729,500
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	1,915,002	1,915,002	1,915,002

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section I.l67(l)-l(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

NOTE 2 ADIT balances should exclude balances related to hedging activity.

Indiana Michigan Power Company
SPECIFIED DEFERRED CREDITS - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2023

(DEBIT) CREDIT

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
		PER BOOKS		NON-APPLICABLE/NON-UTILITY		AVERAGE ELECTRIC UTILITY	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2022			FUNCTIONALIZATION 12/31/2023		
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2022	BALANCE AS OF 12-31-2023	BALANCE AS OF 12-31-2022	BALANCE AS OF 12-31-2023	(B+C+D+E)/2	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1.00	ACCOUNT 281:														
2.01															
2.02		0	0			0	0	0	0						
2.03															
2.04		0	0	0	0	0									
2.05		0	0	0	0	0									
2.06		0	0	0	0	0									
3	TOTAL ACCOUNT 281	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	ACCOUNT 281 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	ACCOUNT 282:														
5.01		0	0			0	0	0	0						
5.02		0	0			0	0	0	0						
5.03		0	0			0	0	0	0						
5.04		0	0			0	0	0	0						
5.05		0	0			0	0	0	0						
5.06		0	0			0	0	0	0						
5.07		0	0			0	0	0	0						
5.08		0	0			0	0	0	0						
5.09		0	0			0	0	0	0						
5.10		0	0			0	0	0	0						
5.38		0	0			0	0	0	0						
5.39				0	0	0									
5.40				0	0	0									
5.41				0	0	0									
6	TOTAL ACCOUNT 282	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	ACCOUNT 282 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	ACCOUNT 283:														
9.01		0	0			0	0	0	0						
9.02		0	0			0	0	0	0						
9.03		0	0			0	0	0	0						
9.04		0	0			0	0	0	0						
9.05		0	0			0	0	0	0						
9.06		0	0			0	0	0	0						
9.07		0	0			0	0	0	0						
9.08		0	0			0	0	0	0						
9.09		0	0			0	0	0	0						
9.10		0	0			0	0	0	0						
9.93		0	0			0	0	0	0						
9.94				0	0	0									
9.95				0	0	0									
9.96				0	0	0									
9.97				0	0	0									
9.98				0	0	0									
9.99				0	0	0									
10		0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	DEFD STATE INCOME TAXES	0	0			0	0	0	0						
11.01				0	0	0									
12	TOTAL ACCOUNT 283	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	ACCOUNT 283 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	JURISDICTIONAL AMOUNTS FUNCTIONALIZED														
15	TOTAL COMPANY AMOUNTS FUNCTIONALIZED														
16	REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT														
17	NOTE: POST 1970 ACCUMULATED DEFERRED														
18	INV TAX CRED. (JDITC) IN A/C 255														
18.01		0	0			0	0	0	0						
18.02		0	0			0	0	0	0						
19															
20	TOTAL ACCOUNT 255	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Indiana Michigan Power Company
ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2023

DEBIT (CREDIT)

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
		PER BOOKS		NON-APPLICABLE/NON-UTILITY		AVERAGE	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2022			FUNCTIONALIZATION 12/31/2023		
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2022	BALANCE AS OF 12-31-2023	BALANCE AS OF 12-31-2022	BALANCE AS OF 12-31-2023	ELECTRIC UTILITY (B+C+D+E)/2	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1	ACCOUNT 190:														
2.01		0	0			0	0	0	0						
2.02		0	0			0	0	0	0						
2.03		0	0			0	0	0	0						
2.04		0	0			0	0	0	0						
2.05		0	0			0	0	0	0						
2.06		0	0			0	0	0	0						
2.07		0	0			0	0	0	0						
2.08		0	0			0	0	0	0						
2.09		0	0			0	0	0	0						
2.10		0	0			0	0	0	0						
2.79		0	0			0	0	0	0						
2.80				0	0	0									
2.81				0	0	0									
2.82				0	0	0									
2.83				0	0	0									
2.84				0	0	0									
2.85				0	0	0									
2.86				0	0	0									
2.87				0	0	0									
2.88				0	0	0									
2.89				0	0	0									
2.90				0	0	0	0	0	0						
2.91		0	0			0	0	0	0						
3	TOTAL ACCOUNT 190	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	ACCOUNT 190 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0	0	0	0	0

INDIANA MICHIGAN POWER COMPANY, INC.
Worksheet B-3
Excess/ Deficient ADIT Worksheet for Total Company and Functional Balances
For Year Ended December 31, 2023
Debit/(Credit)

A	B	C	D	E
TOTAL COMPANY BALANCES				
Line No.	**Account (NOTE A)**	**Description of Account**	**Protected Unprotected**	**Tax Rate Change Act**
	Deferred Tax Account (NOTE B)			
1a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
1b	2811001	ADFIT - Accel Amortization Property	Protected	TCJA 2017
1c	2814001	ADFIT - Accel Amort FAS 109 Excess	Protected	TCJA 2017
1d	2821001	ADFIT - Utility Property	Protected	TCJA 2017
1e	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
1f	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
1g	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
1h	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
1i	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
1j	**NOTE E**			
	Regulatory Deferral Accounts			
2a	182.3	Regulatory Asset		TCJA 2017
2b	254	Regulatory Liability		TCJA 2017
2c	**NOTE E**			
3	Total For Accounting Entires (Sum of Lines 1a through 2b)			
TRANSMISSION FUNCTION BALANCES				
	Deferred Tax Account (NOTE B)			
4a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
4b	2821001	ADFIT - Utility Property	Protected	TCJA 2017
4c	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
4d	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
4e	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
4f	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
4g	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
4h	**NOTE E**			
	Regulatory Deferral Accounts			
5a	182.3	Regulatory Asset		TCJA 2017
5b	254	Regulatory Liability		TCJA 2017
5c	**NOTE E**			
6	Total For Accounting Entires (Sum of Lines 4a through 5b)			

GENERAL NOTE: ADIT Tax balances provided in the formula presented in Attachment H-14B are maintained on both a to formula, the information for excess and deficient ADIT is also presented for both total company and the transmission functi transmission functional summary.

NOTE A In order to ensure ratebase neutrality, AEP utilizes the fourth digit of its seven digit FERC Tax subaccount nun the fourth digit of a FERC tax account refers to the utility operations balances or activity. Accounts with the "1' in the fourth position of the account number indicates accounts used to track regulatory accounting requireme balance, which will ensure that in the formula rate the excess or deficiency amounts will be part of ratebase, b The amounts recorded in the "4" accounts will be offset on a net basis in the regulatory asset or liability subac

NOTE B: The amount of the FIT gross up to recorded on regulatory assets and liabilities will be reported on the first line

NOTE C: The amounts of the remeasurement shown here are as of the effective date of the change in tax rates and will

NOTE D: The ten year amortization period for unprotected excess ADIT is consistent with the period agreed upon by the *Company, et al, 166 FERC ¶ 61,135 (2019).*

NOTE E: In the event of future tax rate changes, additional lines will be inserted in both the Total Company and Transr that may be necessary to track that tax rate change.

NOTE F: The amount of excess amortization entries shown in lines 1a through 1j and 4a through 4h are shown as a de and 6 is the offset recorded to the 410/411 account and will tie to the total company and transmission function service.

F	G	H	I	J
			1/1/2022 Beginning Balances	
Excess Balance at Remeasurement (NOTE C)	**Amortization Methodology (NOTE D)**	**Amotization Period**	**Excess ADIT Regulatory Offset**	**Excess ADIT in Utility Deferrals**
(11,772,442)	**ARAM**	**Life of Asset**		
(410,365,997)	**ARAM**	**Life of Asset**		
(148,924,633)	**10 Years**	**1/2018 - 12/2027**		
(5,353,470)	**10 Years**	**1/2018 - 12/2027**		
			0	-
(82,304,124)	**ARAM**	**Life of Asset**		
(14,907,164)	**10 Years**	**1/2018 - 12/2027**		
5,174,807	**10 Years**	**1/2018 - 12/2027**		
			0	-

tal company and transmission functional basis. Because both sets of numbers are presented in the
on on this worksheet. Account 281 only applies to the generation function, so is not presented in the

nbers to identify balances associated with utility operations vs regulatory reporting requirements. A "1" in
" designation will be included in the determination of ratebase to be recovered in the formula rate. A "4"
nts. The excess ADIT amounts recorded in accounts with the "4" designation will be contra to the "1"
ut at the total FERC account level the tax liability or asset will be recorded at the current Federal FIT rate.
ccount established for this purpose.

of ADIT accounts provided for each specific change in tax rates.

remain static on this workpaper.

e Company and its customers and approved for the Company's PJM formula rates. *Appalachian Power*

nission Funcational sections above as required to reflect any new ADIT or regulatory deferral accounts

ebit or credit to the ADIT account from which it is being amortized. The total in line 3
al amounts of excess or deficient ADIT amortization shown on line 119 of the cost of

K	L	M	N	O
	Balance Sheet Entries		Tax Expense Entries	
Balance Sheet Account Reclassifications	**182.3**	**254**	**410/411 Excess Amortization**	**410/411 Deferred Tax Expense/ (Benefit)**
-	-	-	-	-
			NOTE F	
-	-	-	-	-
			NOTE F	

P	Q	R
12/31/2022 Ending Balance		
Excess ADIT Regulatory Offset	**Excess ADIT in Utility Deferrals**	**Reference**
Sum of Cols (I) - (O)		-
-		WS B - 2 Col B/C, ADIT item 3.21
	-	
-		WS B - 1, Col B/C, ADIT Item 2.06
	-	WS B - 1 Cols O+P+Q+R+S , ADIT Item 5.63
	-	
-		WS B - 1 Col B/C, ADIT Item 5.62
-		
	-	WS B - 1 Col B/C, Items 10.30
-		WS B - 1 Col B/C, Item 10.33
-		Company Records
-		FERC Form 1 p. 278 Ln. 3 Cols, (b) /(f)
-	-	

Sum of Cols (I) - (O)		
-		Company Records
	-	WS B - 1 Col Q, ADIT 5.63
	-	
-		Company Records
-		
	-	WS B - 1 Col Q, item 10.30
-		Company Records
-		Company Records
-		Company Records
-	-	

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
Indiana Michigan Power Company

Materials & Supplies

Line Number	(A)	(B)	(C) Source	(D) Balance @ December 31, 2023	(E) Balance @ December 31, 2022	(F) Average Balance for 2023
1						
2		Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	1,125,000	1,125,000	1,125,000
3		General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	596,000	596,000	596,000
4		Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-

Prepayment Balance Summary (Note 1)

Line		(C) Average of YE Balance	(D) Excludable Balances	(E) 100% Transmission Related	(F) Transmission Plant Related	(G) Transmission Labor Related	(H) Total Included in Ratebase (E)+(F)+(G)
5							
6	Totals as of December 31, 2023	11,424,000	(169,450,000)	0	4,967,000	175,907,000	180,874,000
7	Totals as of December 31, 2022	11,424,000	(159,283,000)		4,967,000	165,740,000	170,707,000
8	**Average Balance**	11,424,000	(164,366,500)	-	4,967,000	170,823,500	175,790,500

Prepayments Account 165 - Balance @ 12/31/2023

9	Acc. No.	Description	2023 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	3,497,000	-		3,497,000		3,497,000	Plant Related Insurance Policies
11	165000220	Prepaid Taxes	-	-				-	
12	165000221	Prepaid Taxes	710,000	710,000				-	Prepaid Taxes-Distribution
13	1650003	Prepaid Rents	6,000	6,000				-	River Transport
14	1650005	Prepaid Employee Benefits	-	-				-	
15	1650006	Other Prepayments	1,947,000	1,947,000				-	Relates to EPRI dues
16	1650009	Prepaid Carry Cost-Factored AR	56,000	56,000				-	AR Factoring
17	1650010	Prepaid Pension Benefits	76,098,000	-			76,098,000	76,098,000	Prefunded Pension Expense
18	1650014	FAS 158 Qual Contra Asset	(76,098,000)	(76,098,000)				-	SFAS 158 Offset
19	165001121	Prepaid Sales Taxes	665,000	665,000				-	Prepaid Sales Tax - Distribution
20	165001221	Prepaid Use Taxes	49,000	49,000				-	Prepaid Use Tax - Distribution
21	1650017	Prepayment - Coal	2,222,000	2,222,000				-	Prepaid Coal
22	1650021	Prepaid Insurance - EIS	1,470,000	-		1,470,000		1,470,000	Energy INS Services
23	1650022	Prepaid SNF Container Costs	-	-				-	
24	1650023	Prepaid Lease	178,000	178,000				-	Prepaid Leases-All Functions
25	1650026	Prepaid SNF Costs	-	-				-	
26	1650030	Other Payments - Long Term	624,000	624,000				-	Other - Dist
27	1650035	PRW without MED-D Benefits	99,809,000	-			99,809,000	99,809,000	Med-D Benefits
28	1650037	FAS 158 Contra-PRW Exc Med-D	(99,809,000)	(99,809,000)				-	SFAS 158 Offset
29									
30									
31									
		Subtotal - Form 1, p 111.57.c	11,424,000	(169,450,000)	0	4,967,000	175,907,000	180,874,000	

Prepayments Account 165 - Balance @ 12/31/ 2022

32	Acc. No.	Description	2022 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
33	1650001	Prepaid Insurance	3,497,000	-		3,497,000		3,497,000	Plant Related Insurance Policies
34	165000220	Prepaid Taxes	-	-				-	
35	165000221	Prepaid Taxes	710,000	710,000				-	Prepaid Taxes-Distribution
36	1650003	Prepaid Rents	6,000	6,000				-	River Transport
37	1650005	Prepaid Employee Benefits	-	-				-	
38	1650006	Other Prepayments	1,947,000	1,947,000				-	Relates to EPRI dues
39	1650009	Prepaid Carry Cost-Factored AR	56,000	56,000				-	AR Factoring
40	1650010	Prepaid Pension Benefits	65,931,000	-			65,931,000	65,931,000	Prefunded Pension Expense
41	1650014	FAS 158 Qual Contra Asset	(65,931,000)	(65,931,000)				-	SFAS 158 Offset
42	165001121	Prepaid Sales Taxes	665,000	665,000				-	Prepaid Sales Tax - Distribution
43	165001221	Prepaid Use Taxes	49,000	49,000				-	Prepaid Use Tax - Distribution
44	1650017	Prepayment - Coal	2,222,000	2,222,000				-	Prepaid Coal
45	1650021	Prepaid Insurance - EIS	1,470,000	-		1,470,000		1,470,000	Energy INS Services
46	1650022	Prepaid SNF Container Costs	-	-				-	
47	1650023	Prepaid Lease	178,000	178,000				-	Prepaid Leases-All Functions
48	1650026	Prepaid SNF Costs	-	-				-	
49	1650030	Other Payments - Long Term	624,000	624,000				-	Other - Dist
50	1650035	PRW without MED-D Benefits	99,809,000	-			99,809,000	99,809,000	Med-D Benefits
51	1650037	FAS 158 Contra-PRW Exc Med-D	(99,809,000)	(99,809,000)				-	SFAS 158 Offset
52									
53									
54									
		Subtotal - Form 1, p 111.57.d	11,424,000	(159,283,000)		4,967,000	165,740,000	170,707,000	

Note 1: Prepayment Balance will not include: (i) federal and state income tax payments made to offset additional tax liabilities resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; (ii) outstanding income tax refunds due to the company resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; or (iii) prepayments of federal or state income taxes which are attributable to income earned during periods prior to January 1 of the year depicted in the Balance Sheet (as described in USofA Account 236).

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
Indiana Michigan Power Company

Line Number	(A) Description	(B) 2023
1	Net Funds from IPP Customers 12/31/2022 (2023 FORM 1, P269)	(3,830,000)
2	Interest Accrual (Company Records - Note 1)	(126,000)
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	Other Adjustments	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2023 (2023 FORM 1, P269)	(3,956,000)
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	(3,893,000)

Note 1 On this worksheet Company Records refers to Indiana Michigan Power Company 's general ledger.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
Indiana Michigan Power Company

Line Number	Description	Total Company	Non-Transmission	Transmission
1	**Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)**	5,272,000	5,272,000	-
2	**Account 451,Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)**	3,288,000	3,240,000	48,000
3	**Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)**	12,913,000	7,396,000	5,517,000
4	**Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)**	3,390,000	2,819,000	571,000
5	**Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)**	59,511,000	59,511,000	-
5a	**Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)**		-	
5b	**Account 457.2, Miscellaneous Revenues (FF1p.300.24.(b); Company Records - Note 1)**		-	
6	**Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))**	84,374,000	78,238,000	6,136,000
7	**Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)**		-	
8	**Total Other Operating Revenues To Reduce Revenue Requirement**	84,374,000	78,238,000	6,136,000

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or Indiana Michigan Power Company 's general ledger. The functional amounts identified as transmission revenue also come from the general ledger.

Note 2 The total of line 4 and line 5 will equal total Account 456 as listed on FF1 p.300.21-22.(b)

9	**Facility Credits under PJM OATT Section 30.9**			450,538

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
Indiana Michigan Power Company

Line Number	(A) Item No.	(B) Description	(C) 2023 Expense	(D) 100% Non-Transmission	(E) 100% Transmission Specific	(F) Explanation
		Regulatory O&M Deferrals & Amortizations				
1						
2						
3						
4		**Total**	0			
		Detail of Account 561 Per FERC Form 1				
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	0			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	240,000			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	0			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	4,755,000			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	330,000			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	0			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	0			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	1,385,000			
14		**Total of Account 561**	6,710,000			
		Account 928				
15	9280000	Regulatory Commission Exp	2,122,000	2,122,000	-	
16	9280001	Regulatory Commission Exp-Adm	9,331,000	9,331,000	-	
17	9280002	Regulatory Commission Exp-Case	4,760,000	4,760,000	-	
18	9280005	Reg Com Exp-FERC Trans Cases	26,000	-	26,000	
19						
20		**Total (FERC Form 1 p.323.189.b)**	16,239,000	16,213,000	26,000	
		Account 930.1				
21	9301000	General Advertising Expenses	7,000	7,000	-	
22	9301001	Newspaper Advertising Space	7,000	7,000	-	
23	9301002	Radio Station Advertising Time	-	-	-	
24	9301003	TV Station Advertising Time	6,000	6,000	-	
25	9301006	Spec Corporate Comm Info Proj	1,000	1,000	-	
26	9301007	Special Adv Space & Prod Exp	-	-	-	
27	9301008	Direct Mail and Handouts	5,000	5,000	-	
28	9301009	Fairs, Shows, and Exhibits	39,000	39,000	-	
29	9301010	Publicity	-	-	-	
30	9301011	Dedications, Tours, & Openings	17,000	17,000	-	
31	9301012	Public Opinion Surveys	-	-	-	
32	9301013	Movies Slide Films & Speeches	-	-	-	
33	9301014	Video Communications	-	-	-	
34	9301015	Other Corporate Comm Exp	-	-	-	
35				-	-	
36				-	-	
37		**Total (FERC Form 1 p.323.191.b)**	82,000	82,000	-	
		Account 930.2				
38	9302000	Misc General Expenses	5,557,000	5,557,000		
39	9302003	Corporate & Fiscal Expenses	515,000	515,000		
40	9302004	Research, Develop&Demonstr Exp	1,000	1,000		
	9302005	Nucl Fac Ins - Replce Engy Cst	-			
41	9302006	Assoc Business Development Materials Sold	155,000	155,000		
42	9302007	Assoc Business Development Exp	1,950,000	1,513,000	437,000	
43		**Total (FERC Form 1 p.323.192.b)**	8,178,000	7,741,000	437,000	

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
Indiana Michigan Power Company

Indiana Corporate Income Tax Rate	4.90%	
Apportionment Factor - Note 2	78.12%	
Effective State Tax Rate		3.83%
Michigan Single Business Tax Rate	6.00%	
Apportionment Factor - Note 2	16.47%	
Effective State Tax Rate		0.99%
West Virginia Corporation Income Tax Rate	6.50%	
Apportionment Factor - Note 2	1.46%	
Effective State Tax Rate		0.09%
Ohio Franchise Tax Rate	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Kentucky Corporation Income Tax Rate	5.00%	
Apportionment Factor - Note 2	0.91%	
Effective State Tax Rate		0.05%
Missouri Corporation Income Tax Rate	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Illinois Corporation Income Tax Rate	9.50%	
Apportionment Factor - Note 2	0.55%	
Effective State Tax Rate		0.05%
Total Effective State Income Tax Rate		5.01%

Note 1 Apportionment Factors are determined as part of the Company's annual tax return for that jurisdiction.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H Supporting Taxes Other than Income
Indiana Michigan Power Company

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	**Revenue Taxes**					
2	Gross Receipts Tax	7,209,000				7,209,000
3	**Real Estate and Personal Property Taxes**					
4	Real and Personal Property - Michigan	51,484,000	51,484,000			
5	Real and Personal Property - Indiana	24,799,000	24,799,000			
6	Real and Personal Property - Other Jurisdictions	5,000	5,000			
7	**Payroll Taxes**					
8	Federal Insurance Contribution (FICA)	4,002,000		4,002,000		
9	Federal Unemployment Tax	23,000		23,000		
10	State Unemployment Insurance	70,000		70,000		
11	**Production Taxes**					
12	State Severance Taxes	-				-
13	**Miscellaneous Taxes**					
14	State Business & Occupation Tax	-				-
15	State Public Service Commission Fees	-			-	
16	State Franchise Taxes	(1,000)			(1,000)	
17	State Lic/Registration Fee	-			-	
18	Misc. State and Local Tax	-			-	
19	Sales & Use	18,000				18,000
20	Federal Excise Tax	4,000				4,000
21	Gross Receipts Audit	-				-
22						
23	Total Taxes by Allocable Basis	87,613,000	76,288,000	4,095,000	(1,000)	7,231,000
	(Total Company Amount Ties to FFI p.114, Ln 14,(c))					
	NOTE 1: The detail of each total company number and its source in the FERC Form 1 is shown on WS H-1.					

Functional Property Tax Allocation

Line No.		Production	Transmsission	Distribution	General	Total
24	Functionalized Net Plant (TCOS, Lns 41 thru 46)	2,425,276,000	1,391,968,000	2,398,999,000	185,303,000	6,401,546,000
	MICHIGAN JURISDICTION					
25	Percentage of Plant in MICHIGAN JURISDICTION	81.52%	15.97%	19.14%	14.40%	
26	Net Plant in MICHIGAN JURISDICTION (Ln 24 * Ln 25)	1,977,019,385	222,354,162	459,273,612	26,683,328	2,685,330,487
27	Less: Net Value of Exempted Generation Plant	484,827,125				
28	Taxable Property Basis (Ln 26 - Ln 27)	1,492,192,260	222,354,162	459,273,612	26,683,328	2,200,503,362
29	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
30	Weighted Net Plant (Ln 28 * Ln 29)	1,492,192,260	222,354,162	459,273,612	26,683,328	
31	General Plant Allocator (Ln 30 / (Total - General Plant))	68.64%	10.23%	21.13%	-100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	18,316,445	2,729,365	5,637,518	(26,683,328)	-
33	Weighted MICHIGAN JURISDICTION Plant (Ln 30 + 32)	1,510,508,705	225,083,528	464,911,130	0	2,200,503,362
34	Functional Percentage (Ln 33/Total Ln 33)	68.64%	10.23%	21.13%		
	INDIANA JURISDICTION					
35	Percentage of Plant in INDIANA JURISDICTION	18.48%	84.03%	80.86%	85.41%	
36	Net Plant in INDIANA JURISDICTION (Ln 24 * Ln 35)	448,256,615	1,169,613,838	1,939,725,388	158,269,639	3,715,865,480
37	Less: Net Value of Exempted Generation Plant	207,556,840				
38	Taxable Property Basis (Ln 36 - Ln 37)	240,699,775	1,169,613,838	1,939,725,388	158,269,639	3,508,308,640
39	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
40	Weighted Net Plant (Ln 38 * Ln 39)	240,699,775	1,169,613,838	1,939,725,388	158,269,639	
41	General Plant Allocator (Ln 40 / (Total - General Plant))	7.18%	34.91%	57.90%	-100.00%	
42	Functionalized General Plant (Ln 41 * General Plant)	11,371,649	55,257,375	91,640,616	(158,269,639)	-
43	Weighted INDIANA JURISDICTION Plant (Ln 40 + 42)	252,071,424	1,224,871,212	2,031,366,004	0	3,508,308,640
44	Functional Percentage (Ln 43/Total Ln 43)	7.18%	34.91%	57.90%		
45	Total Other Jurisdictions: (Line 6 * Net Plant Allocator)	0	1,032	0	-	5,000

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H-1 Form 1 Source Reference of Company Amounts on WS H
Indiana Michigan Power Company

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
1	**Revenue Taxes**			
2	Gross Receipts Tax	7,209,000		
			7,209,000	

Line No.	(A) Real Estate and Personal Propety Tax Detail Annual Tax Expenses by Type (Note 1)	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
3	**Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)**		**76,288,000**				**13,925,215**
4	Real and Personal Property - Michigan		51,484,000				5,266,159
		2023		51,484,000		10.23%	5,266,159
							-
							-
							-
							-
5	Real and Personal Property - Indiana		24,799,000				8,658,184
		2023		24,799,000		34.91%	8,658,184
							-
							-
							-
							-
							-
							-
							-
							-
6	Real and Personal Property - Other		5,000				872
		2023		5,000		17.45%	872
							-
							-
							-
							-
			-				-
7	Real and Personal Property - Other Jurisdictions			-			-
							-
							-

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
8	**Payroll Taxes**			
9	Federal Insurance Contribution (FICA)	4,002,000		
			4,002,000	
10	Federal Unemployment Tax	23,000		
			23,000	
11	State Unemployment Insurance	70,000		
			70,000	
12	**Production Taxes**	-		
13	State Severance Taxes		-	
14	**Miscellaneous Taxes**			
15	State Business & Occupation Tax	-		
			-	
16	State Public Service Commission Fees	-		
			-	
17	State Franchise Taxes	(1,000)		
			(1,000)	
18	State Lic/Registration Fee	-		
			-	
19	Misc. State and Local Tax	-		
			-	
20	Sales & Use	18,000		
			18,000	
21	Federal Excise Tax	4,000		
			4,000	
22	Michigan Single Business Tax	-		
			-	
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	87,613,000	87,613,000	

Note 1: The taxes assessed on each operating company can differ from year to year and between operating companies by both the type of taxes and the states in which they were assessed. Therefore, for each company, the types and jurisdictions of tax expense recorded on this page could differ from the same page in the same company's prior year template or from this page in other operating companies' current year templates. For each update, this sheet will be revised to ensure that the total activity recorded hereon equals the total reported in account 408.1 on P. 114, Ln 14.(c) of the Ferc Form 1.

Note 2: The transmission functional amounts for any Real Estate and Property taxes listed on pages 263 of the FERC Form 1 will be allocated using the transmission functional allocator calculated for each state in Worksheet H of the applicable year that the taxes were assesed. Real and Personal Property - Other Jurisdictions will be allocated using the Gross Plant Allocator from the applicable year.

AEP East Companies
Cost of Service Formula Rate Using 2023 FF1 Balances
Worksheet I RESERVED FOR FUTURE USE
Indiana Michigan Power Company

AEP East Companies
Cost of Service Formula Rate Using 2023 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
Indiana Michigan Power Company

I. Calculate Return and Income Taxes with basis point ROE increase for Projects Qualified for Regional Billing.

A. Determine 'R' with hypothetical basis point increase in ROE for Identified Projects

ROE w/o incentives (TCOS, ln 156)			10.35%
Project ROE Incentive Adder			
ROE with additional basis point incentive			10.35%

Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through156)

	%	Cost	Weighted cost
Long Term Debt	49.18%	4.44%	2.181%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	50.82%	10.35%	5.260%
		R =	7.441%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS		Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2023	6,216,348	6,216,348	$ -

B. Determine Return using 'R' with hypothetical basis point ROE increase for Identified Projects.

Rate Base (TCOS, ln 68)	1,173,990,661
R (from A. above)	7.441%
Return (Rate Base x R)	87,362,107

C. Determine Income Taxes using Return with hypothetical basis point ROE increase for Identified Projects.

Return (from B. above)	87,362,107
Effective Tax Rate (TCOS, ln 114)	23.51%
Income Tax Calculation (Return x CIT)	20,538,136
ITC Adjustment	(74,278)
Excess Deferred Income Tax	(4,297,588)
Tax Affect of Permanent Differences	772,899
Income Taxes	16,939,171

II. Calculate Net Plant Carrying Charge Rate (Fixed Charge Rate or FCR) with hypothetical basis point ROE increase.

A. Determine Annual Revenue Requirement less return and Income Taxes.

Annual Revenue Requirement (TCOS, ln 1)	201,605,842
Lease Payments (TCOS, Ln 95)	-
Return (TCOS, ln 126)	87,362,107
Income Taxes (TCOS, ln 125)	16,939,171
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	97,304,564

B. Determine Annual Revenue Requirement with hypothetical basis point increase in ROE.

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	97,304,564
Return (from I.B. above)	87,362,107
Income Taxes (from I.C. above)	16,939,171
Annual Revenue Requirement, with Basis Point ROE increase	201,605,842
Depreciation (TCOS, ln 100)	45,366,479
Annual Rev. Req, w/ Basis Point ROE increase, less Depreciation	156,239,363

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (TCOS, ln 42)	1,347,969,000
Annual Revenue Requirement, with Basis Point ROE increase	201,605,842
FCR with Basis Point increase in ROE	14.96%
Annual Rev. Req, w / Basis Point ROE increase, less Dep.	156,239,363
FCR with Basis Point ROE increase, less Depreciation	11.59%
FCR less Depreciation (TCOS, ln 10)	11.59%
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2023 (TCOS, ln 21)	1,817,688,000
Annual Depreciation and Amortization Expense (TCOS, ln 100)	45,366,479
Composite Depreciation Rate	2.50%
Depreciable Life for Composite Depreciation Rate	40.07
Round to nearest whole year	40

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. **Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.**

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

Current Projected Year ARR	**835,544**
Current Projected Year ARR w/ Incentive	**835,544**
Current Projected Year Incentive ARR	-

Project Description:

RTEP ID: b0839 (Replace existing 450 MVA transformer at Twin Branch 345 / 138 kV with a 675 MVA transformer)

Details			
Investment	8,327,150	Current Year	**2023**
Service Year (yyyy)	2009	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	11.59%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	11.59%
CIAC (Yes or No)	No	Annual Depreciation Expense	208,179

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:
INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
2009	8,327,150	104,089	8,223,061	1,063,234	1,063,234	$ -					
2010	8,223,061	208,179	8,014,882	1,149,226	1,149,226	$ -	$ 1,408,114		$ 1,408,114		
2011	8,014,882	208,179	7,806,703	1,125,097	1,125,097	$ -	$ 1,487,355		$ 1,487,355		
2012	7,806,703	208,179	7,598,525	1,100,967	1,100,967	$ -	$ 1,319,695		$ 1,319,695		
2013	7,598,525	208,179	7,390,346	1,076,838	1,076,838	$ -	$ 1,272,484		$ 1,272,484		
2014	7,390,346	208,179	7,182,167	1,052,709	1,052,709	$ -	$ 1,249,385		$ 1,249,385		
2015	7,182,167	208,179	6,973,988	1,028,579	1,028,579	$ -	$ 1,278,273		$ 1,278,273		
2016	6,973,988	208,179	6,765,810	1,004,450	1,004,450	$ -	$ 1,254,654		$ 1,254,654		
2017	6,765,810	208,179	6,557,631	980,320	980,320	$ -	$ 1,132,871		$ 1,132,871		
2018	6,557,631	208,179	6,349,452	956,191	956,191	$ -	$ 933,326		$ 933,326		
2019	6,349,452	208,179	6,141,273	932,062	932,062	$ -	$ 856,880		$ 856,880		
2020	6,141,273	208,179	5,933,095	907,932	907,932	$ -	$ 804,584		$ 804,584		
2021	5,933,095	208,179	5,724,916	883,803	883,803	$ -	$ 786,905		$ 786,905		
2022	5,724,916	208,179	5,516,737	859,673	859,673	$ -	$ 792,610		$ 792,610		
2023	5,516,737	208,179	5,308,558	835,544	835,544	$ -					
2024	5,308,558	208,179	5,100,380	811,414	811,414	$ -					
2025	5,100,380	208,179	4,892,201	787,285	787,285	$ -					
2026	4,892,201	208,179	4,684,022	763,156	763,156	$ -					
2027	4,684,022	208,179	4,475,843	739,026	739,026	$ -					
2028	4,475,843	208,179	4,267,665	714,897	714,897	$ -					
2029	4,267,665	208,179	4,059,486	690,767	690,767	$ -					
2030	4,059,486	208,179	3,851,307	666,638	666,638	$ -					
2031	3,851,307	208,179	3,643,128	642,508	642,508	$ -					
2032	3,643,128	208,179	3,434,950	618,379	618,379	$ -					
2033	3,434,950	208,179	3,226,771	594,250	594,250	$ -					
2034	3,226,771	208,179	3,018,592	570,120	570,120	$ -					
2035	3,018,592	208,179	2,810,413	545,991	545,991	$ -					
2036	2,810,413	208,179	2,602,234	521,861	521,861	$ -					
2037	2,602,234	208,179	2,394,056	497,732	497,732	$ -					
2038	2,394,056	208,179	2,185,877	473,602	473,602	$ -					
2039	2,185,877	208,179	1,977,698	449,473	449,473	$ -					
2040	1,977,698	208,179	1,769,519	425,344	425,344	$ -					
2041	1,769,519	208,179	1,561,341	401,214	401,214	$ -					
2042	1,561,341	208,179	1,353,162	377,085	377,085	$ -					
2043	1,353,162	208,179	1,144,983	352,955	352,955	$ -					
2044	1,144,983	208,179	936,804	328,826	328,826	$ -					
2045	936,804	208,179	728,626	304,696	304,696	$ -					
2046	728,626	208,179	520,447	280,567	280,567	$ -					
2047	520,447	208,179	312,268	256,438	256,438	$ -					
2048	312,268	208,179	104,089	232,308	232,308	$ -					
2049	104,089	104,089	-	110,122	110,122	$ -					
2050	-	-	-	-	-	$ -					
2051	-	-	-	-	-	$ -					
2052	-	-	-	-	-	$ -					
2053	-	-	-	-	-	$ -					
2054	-	-	-	-	-	$ -					
2055	-	-	-	-	-	$ -					
2056	-	-	-	-	-	$ -					
2057	-	-	-	-	-	$ -					
2058	-	-	-	-	-	$ -					
2059	-	-	-	-	-	$ -					
2060	-	-	-	-	-	$ -					
2061	-	-	-	-	-	$ -					
2062	-	-	-	-	-	$ -					
2063	-	-	-	-	-	$ -					
2064	-	-	-	-	-	$ -					
2065	-	-	-	-	-	$ -					
2066	-	-	-	-	-	$ -					
2067	-	-	-	-	-	$ -					
2068	-	-	-	-	-	$ -					
Project Totals		8,327,150		28,113,279	28,113,279	-					

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

Current Projected Year ARR	65,589
Current Projected Year ARR w/ Incentive	65,589
Current Projected Year Incentive ARR	-

Project Description: **RTEP ID: b1465.2 (Replace the 100 MVAR 765 kV shunt reactor bank on Rockport - Jefferson 765 kV line with a 300 MVAR bank at Rockport Station)**

Details			
Investment	585,981	Current Year	2023
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	11.59%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	11.59%
CIAC (Yes or No)	No	Annual Depreciation Expense	14,650

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:
INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
2013	585,981	7,325	578,656	74,820	74,820	$ -	$ 92,625		$ 92,625		
2014	578,656	14,650	564,007	80,871	80,871	$ -	$ 87,393		$ 87,393		
2015	564,007	14,650	549,357	79,173	79,173	$ -	$ 87,463		$ 87,463		
2016	549,357	14,650	534,708	77,475	77,475	$ -	$ 85,936		$ 85,936		
2017	534,708	14,650	520,058	75,777	75,777	$ -	$ 77,494		$ 77,494		
2018	520,058	14,650	505,409	74,079	74,079	$ -	$ 70,215		$ 70,215		
2019	505,409	14,650	490,759	72,381	72,381	$ -	$ 65,616		$ 65,616		
2020	490,759	14,650	476,110	70,683	70,683	$ -	$ 61,867		$ 61,867		
2021	476,110	14,650	461,460	68,985	68,985	$ -	$ 61,041		$ 61,041		
2022	461,460	14,650	446,811	67,287	67,287	$ -	$ 61,869		$ 61,869		
2023	446,811	14,650	432,161	65,589	65,589	$ -					
2024	432,161	14,650	417,512	63,891	63,891	$ -					
2025	417,512	14,650	402,862	62,193	62,193	$ -					
2026	402,862	14,650	388,213	60,495	60,495	$ -					
2027	388,213	14,650	373,563	58,797	58,797	$ -					
2028	373,563	14,650	358,913	57,099	57,099	$ -					
2029	358,913	14,650	344,264	55,401	55,401	$ -					
2030	344,264	14,650	329,614	53,703	53,703	$ -					
2031	329,614	14,650	314,965	52,005	52,005	$ -					
2032	314,965	14,650	300,315	50,307	50,307	$ -					
2033	300,315	14,650	285,666	48,609	48,609	$ -					
2034	285,666	14,650	271,016	46,911	46,911	$ -					
2035	271,016	14,650	256,367	45,213	45,213	$ -					
2036	256,367	14,650	241,717	43,515	43,515	$ -					
2037	241,717	14,650	227,068	41,817	41,817	$ -					
2038	227,068	14,650	212,418	40,119	40,119	$ -					
2039	212,418	14,650	197,769	38,421	38,421	$ -					
2040	197,769	14,650	183,119	36,723	36,723	$ -					
2041	183,119	14,650	168,470	35,025	35,025	$ -					
2042	168,470	14,650	153,820	33,327	33,327	$ -					
2043	153,820	14,650	139,171	31,629	31,629	$ -					
2044	139,171	14,650	124,521	29,931	29,931	$ -					
2045	124,521	14,650	109,871	28,233	28,233	$ -					
2046	109,871	14,650	95,222	26,535	26,535	$ -					
2047	95,222	14,650	80,572	24,837	24,837	$ -					
2048	80,572	14,650	65,923	23,139	23,139	$ -					
2049	65,923	14,650	51,273	21,441	21,441	$ -					
2050	51,273	14,650	36,624	19,743	19,743	$ -					
2051	36,624	14,650	21,974	18,046	18,046	$ -					
2052	21,974	14,650	7,325	16,348	16,348	$ -					
2053	7,325	7,325	-	7,749	7,749	$ -					
2054	-	-	-	-	-	$ -					
2055	-	-	-	-	-	$ -					
2056	-	-	-	-	-	$ -					
2057	-	-	-	-	-	$ -					
2058	-	-	-	-	-	$ -					
2059	-	-	-	-	-	$ -					
2060	-	-	-	-	-	$ -					
2061	-	-	-	-	-	$ -					
2062	-	-	-	-	-	$ -					
2063	-	-	-	-	-	$ -					
2064	-	-	-	-	-	$ -					
2065	-	-	-	-	-	$ -					
2066	-	-	-	-	-	$ -					
2067	-	-	-	-	-	$ -					
2068	-	-	-	-	-	$ -					
2069	-	-	-	-	-	$ -					
2070	-	-	-	-	-	$ -					
2071	-	-	-	-	-	$ -					
2072	-	-	-	-	-	$ -					
Project Totals		585,981		1,978,330	1,978,330	-					

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

Project Description: **RTEP ID: b1465.3 (Transpose the Rockport - Sullivan 765 kV line and the Rockport - Jefferson 765 kV line)**

Current Projected Year ARR	**2,447,064**
Current Projected Year ARR w/ Incentive	**2,447,064**
Current Projected Year Incentive ARR	-

Details			
Investment	21,957,101	Current Year	2023
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	4	FCR w/o incentives, less depreciation	11.59%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	11.59%
CIAC (Yes or No)	No	Annual Depreciation Expense	548,928

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	21,957,101	365,952	21,591,150	2,889,730	2,889,730	$ -
2014	21,591,150	548,928	21,042,222	3,019,686	3,019,686	$ -
2015	21,042,222	548,928	20,493,295	2,956,061	2,956,061	$ -
2016	20,493,295	548,928	19,944,367	2,892,436	2,892,436	$ -
2017	19,944,367	548,928	19,395,440	2,828,812	2,828,812	$ -
2018	19,395,440	548,928	18,846,512	2,765,187	2,765,187	$ -
2019	18,846,512	548,928	18,297,585	2,701,562	2,701,562	$ -
2020	18,297,585	548,928	17,748,657	2,637,938	2,637,938	$ -
2021	17,748,657	548,928	17,199,729	2,574,313	2,574,313	$ -
2022	17,199,729	548,928	16,650,802	2,510,688	2,510,688	$ -
2023	16,650,802	548,928	16,101,874	2,447,064	2,447,064	$ -
2024	16,101,874	548,928	15,552,947	2,383,439	2,383,439	$ -
2025	15,552,947	548,928	15,004,019	2,319,814	2,319,814	$ -
2026	15,004,019	548,928	14,455,092	2,256,190	2,256,190	$ -
2027	14,455,092	548,928	13,906,164	2,192,565	2,192,565	$ -
2028	13,906,164	548,928	13,357,237	2,128,940	2,128,940	$ -
2029	13,357,237	548,928	12,808,309	2,065,316	2,065,316	$ -
2030	12,808,309	548,928	12,259,382	2,001,691	2,001,691	$ -
2031	12,259,382	548,928	11,710,454	1,938,066	1,938,066	$ -
2032	11,710,454	548,928	11,161,527	1,874,442	1,874,442	$ -
2033	11,161,527	548,928	10,612,599	1,810,817	1,810,817	$ -
2034	10,612,599	548,928	10,063,672	1,747,192	1,747,192	$ -
2035	10,063,672	548,928	9,514,744	1,683,568	1,683,568	$ -
2036	9,514,744	548,928	8,965,816	1,619,943	1,619,943	$ -
2037	8,965,816	548,928	8,416,889	1,556,318	1,556,318	$ -
2038	8,416,889	548,928	7,867,961	1,492,694	1,492,694	$ -
2039	7,867,961	548,928	7,319,034	1,429,069	1,429,069	$ -
2040	7,319,034	548,928	6,770,106	1,365,444	1,365,444	$ -
2041	6,770,106	548,928	6,221,179	1,301,820	1,301,820	$ -
2042	6,221,179	548,928	5,672,251	1,238,195	1,238,195	$ -
2043	5,672,251	548,928	5,123,324	1,174,570	1,174,570	$ -
2044	5,123,324	548,928	4,574,396	1,110,945	1,110,945	$ -
2045	4,574,396	548,928	4,025,469	1,047,321	1,047,321	$ -
2046	4,025,469	548,928	3,476,541	983,696	983,696	$ -
2047	3,476,541	548,928	2,927,614	920,071	920,071	$ -
2048	2,927,614	548,928	2,378,686	856,447	856,447	$ -
2049	2,378,686	548,928	1,829,758	792,822	792,822	$ -
2050	1,829,758	548,928	1,280,831	729,197	729,197	$ -
2051	1,280,831	548,928	731,903	665,573	665,573	$ -
2052	731,903	548,928	182,976	601,948	601,948	$ -
2053	182,976	182,976	-	193,580	193,580	$ -
2054	-	-	-	-	-	$ -
2055	-	-	-	-	-	$ -
2056	-	-	-	-	-	$ -
2057	-	-	-	-	-	$ -
2058	-	-	-	-	-	$ -
2059	-	-	-	-	-	$ -
2060	-	-	-	-	-	$ -
2061	-	-	-	-	-	$ -
2062	-	-	-	-	-	$ -
2063	-	-	-	-	-	$ -
2064	-	-	-	-	-	$ -
2065	-	-	-	-	-	$ -
2066	-	-	-	-	-	$ -
2067	-	-	-	-	-	$ -
2068	-	-	-	-	-	$ -
2069	-	-	-	-	-	$ -
2070	-	-	-	-	-	$ -
2071	-	-	-	-	-	$ -
2072	-	-	-	-	-	$ -
Project Totals		21,957,101		73,705,170	73,705,170	-

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:
INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.

Investment Year	RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
2013	$ 1,301,059		$ 1,301,059		
2014	$ 3,243,481		$ 3,243,481		
2015	$ 3,604,460		$ 3,604,460		
2016	$ 3,506,792		$ 3,506,792		
2017	$ 3,162,406		$ 3,162,406		
2018	$ 2,623,914		$ 2,623,914		
2019	$ 2,433,873		$ 2,433,873		
2020	$ 2,310,007		$ 2,310,007		
2021	$ 2,278,398		$ 2,278,398		
2022	$ 2,308,748		$ 2,308,748		

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

Project Description: **RTEP ID: b1659.14 (Fort Wayne - Marion: Relocate 138 kV line due to new 765 kV build into Sorenson)**

Current Projected Year ARR	**135,239**
Current Projected Year ARR w/ Incentive	**135,239**
Current Projected Year Incentive ARR	**-**

Details			
Investment	1,112,263	Current Year	**2023**
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	11.59%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	11.59%
CIAC (Yes or No)	No	Annual Depreciation Expense	27,807

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:
INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
2016	1,112,263	4,634	1,107,628	133,285	133,285	$ -	$ 226,163		$ 226,163		
2017	1,107,628	27,807	1,079,822	154,577	154,577	$ -	$ 7,946		$ 7,946		
2018	1,079,822	27,807	1,052,015	151,354	151,354	$ -	$ 18,182		$ 18,182		
2019	1,052,015	27,807	1,024,209	148,131	148,131	$ -	$ 125,631		$ 125,631		
2020	1,024,209	27,807	996,402	144,908	144,908	$ -	$ 125,733		$ 125,733		
2021	996,402	27,807	968,595	141,685	141,685	$ -	$ 124,826		$ 124,826		
2022	968,595	27,807	940,789	138,462	138,462	$ -	$ 127,072		$ 127,072		
2023	940,789	27,807	912,982	135,239	135,239	$ -					
2024	912,982	27,807	885,176	132,016	132,016	$ -					
2025	885,176	27,807	857,369	128,793	128,793	$ -					
2026	857,369	27,807	829,563	125,570	125,570	$ -					
2027	829,563	27,807	801,756	122,347	122,347	$ -					
2028	801,756	27,807	773,949	119,124	119,124	$ -					
2029	773,949	27,807	746,143	115,901	115,901	$ -					
2030	746,143	27,807	718,336	112,678	112,678	$ -					
2031	718,336	27,807	690,530	109,455	109,455	$ -					
2032	690,530	27,807	662,723	106,232	106,232	$ -					
2033	662,723	27,807	634,917	103,009	103,009	$ -					
2034	634,917	27,807	607,110	99,787	99,787	$ -					
2035	607,110	27,807	579,303	96,564	96,564	$ -					
2036	579,303	27,807	551,497	93,341	93,341	$ -					
2037	551,497	27,807	523,690	90,118	90,118	$ -					
2038	523,690	27,807	495,884	86,895	86,895	$ -					
2039	495,884	27,807	468,077	83,672	83,672	$ -					
2040	468,077	27,807	440,271	80,449	80,449	$ -					
2041	440,271	27,807	412,464	77,226	77,226	$ -					
2042	412,464	27,807	384,658	74,003	74,003	$ -					
2043	384,658	27,807	356,851	70,780	70,780	$ -					
2044	356,851	27,807	329,044	67,557	67,557	$ -					
2045	329,044	27,807	301,238	64,334	64,334	$ -					
2046	301,238	27,807	273,431	61,111	61,111	$ -					
2047	273,431	27,807	245,625	57,888	57,888	$ -					
2048	245,625	27,807	217,818	54,665	54,665	$ -					
2049	217,818	27,807	190,012	51,442	51,442	$ -					
2050	190,012	27,807	162,205	48,219	48,219	$ -					
2051	162,205	27,807	134,398	44,996	44,996	$ -					
2052	134,398	27,807	106,592	41,773	41,773	$ -					
2053	106,592	27,807	78,785	38,550	38,550	$ -					
2054	78,785	27,807	50,979	35,327	35,327	$ -					
2055	50,979	27,807	23,172	32,104	32,104	$ -					
2056	23,172	23,172	-	24,515	24,515	$ -					
2057	-	-	-	-	-	$ -					
2058	-	-	-	-	-	$ -					
2059	-	-	-	-	-	$ -					
2060	-	-	-	-	-	$ -					
2061	-	-	-	-	-	$ -					
2062	-	-	-	-	-	$ -					
2063	-	-	-	-	-	$ -					
2064	-	-	-	-	-	$ -					
2065	-	-	-	-	-	$ -					
2066	-	-	-	-	-	$ -					
2067	-	-	-	-	-	$ -					
2068	-	-	-	-	-	$ -					
2069	-	-	-	-	-	$ -					
2070	-	-	-	-	-	$ -					
2071	-	-	-	-	-	$ -					
2072	-	-	-	-	-	$ -					
2073	-	-	-	-	-	$ -					
2074	-	-	-	-	-	$ -					
2075	-	-	-	-	-	$ -					
Project Totals		1,112,263		3,798,081	3,798,081	-					

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. **Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.**

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

Project Description: **RTEP ID: b2048 (Tanners Creek - Support for Transformer A/B Replacement)**

Current Projected Year ARR	**92,748**
Current Projected Year ARR w/ Incentive	**92,748**
Current Projected Year Incentive ARR	-

Details			
Investment	818,037	Current Year	2023
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	11.59%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	11.59%
CIAC (Yes or No)	No	Annual Depreciation Expense	20,451

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:
INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't.From Prior Year Template with Incentives **
2013	818,037	-	818,037	94,816	94,816	$ -	$ -	$ -
2014	818,037	20,451	797,586	114,082	114,082	$ -	$ 139,756	$ 139,756
2015	797,586	20,451	777,135	111,712	111,712	$ -	$ 133,078	$ 133,078
2016	777,135	20,451	756,684	109,341	109,341	$ -	$ 132,118	$ 132,118
2017	756,684	20,451	736,234	106,971	106,971	$ -	$ 119,121	$ 119,121
2018	736,234	20,451	715,783	104,601	104,601	$ -	$ 98,812	$ 98,812
2019	715,783	20,451	695,332	102,230	102,230	$ -	$ 90,112	$ 90,112
2020	695,332	20,451	674,881	99,860	99,860	$ -	$ 87,283	$ 87,283
2021	674,881	20,451	654,430	97,489	97,489	$ -	$ 86,203	$ 86,203
2022	654,430	20,451	633,979	95,119	95,119	$ -	$ 87,433	$ 87,433
2023	633,979	20,451	613,528	92,748	92,748	$ -		
2024	613,528	20,451	593,077	90,378	90,378	$ -		
2025	593,077	20,451	572,626	88,008	88,008	$ -		
2026	572,626	20,451	552,175	85,637	85,637	$ -		
2027	552,175	20,451	531,724	83,267	83,267	$ -		
2028	531,724	20,451	511,273	80,896	80,896	$ -		
2029	511,273	20,451	490,822	78,526	78,526	$ -		
2030	490,822	20,451	470,371	76,156	76,156	$ -		
2031	470,371	20,451	449,920	73,785	73,785	$ -		
2032	449,920	20,451	429,470	71,415	71,415	$ -		
2033	429,470	20,451	409,019	69,044	69,044	$ -		
2034	409,019	20,451	388,568	66,674	66,674	$ -		
2035	388,568	20,451	368,117	64,304	64,304	$ -		
2036	368,117	20,451	347,666	61,933	61,933	$ -		
2037	347,666	20,451	327,215	59,563	59,563	$ -		
2038	327,215	20,451	306,764	57,192	57,192	$ -		
2039	306,764	20,451	286,313	54,822	54,822	$ -		
2040	286,313	20,451	265,862	52,451	52,451	$ -		
2041	265,862	20,451	245,411	50,081	50,081	$ -		
2042	245,411	20,451	224,960	47,711	47,711	$ -		
2043	224,960	20,451	204,509	45,340	45,340	$ -		
2044	204,509	20,451	184,058	42,970	42,970	$ -		
2045	184,058	20,451	163,607	40,599	40,599	$ -		
2046	163,607	20,451	143,157	38,229	38,229	$ -		
2047	143,157	20,451	122,706	35,859	35,859	$ -		
2048	122,706	20,451	102,255	33,488	33,488	$ -		
2049	102,255	20,451	81,804	31,118	31,118	$ -		
2050	81,804	20,451	61,353	28,747	28,747	$ -		
2051	61,353	20,451	40,902	26,377	26,377	$ -		
2052	40,902	20,451	20,451	24,007	24,007	$ -		
2053	20,451	20,451	0	21,636	21,636	$ -		
2054	0	0	-	0	0	$ -		
2055	-	-	-	-	-	$ -		
2056	-	-	-	-	-	$ -		
2057	-	-	-	-	-	$ -		
2058	-	-	-	-	-	$ -		
2059	-	-	-	-	-	$ -		
2060	-	-	-	-	-	$ -		
2061	-	-	-	-	-	$ -		
2062	-	-	-	-	-	$ -		
2063	-	-	-	-	-	$ -		
2064	-	-	-	-	-	$ -		
2065	-	-	-	-	-	$ -		
2066	-	-	-	-	-	$ -		
2067	-	-	-	-	-	$ -		
2068	-	-	-	-	-	$ -		
2069	-	-	-	-	-	$ -		
2070	-	-	-	-	-	$ -		
2071	-	-	-	-	-	$ -		
2072	-	-	-	-	-	$ -		
Project Totals		818,037		2,809,182	2,809,182	-		

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I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

Current Projected Year ARR	**1,506,354**
Current Projected Year ARR w/ Incentive	**1,506,354**
Current Projected Year Incentive ARR	-

Project Description: **RTEP ID: b1818 (Expand the Allen station by installing a second 345/138 kV transformer and adding four exits by cutting in the Lincoln-Sterling and Timber Switch -Milan 138 kV double circuit tower line)**

Details			
Investment	13,008,915	Current Year	2023
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	11.59%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	11.59%
CIAC (Yes or No)	No	Annual Depreciation Expense	325,223

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:
INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't.From Prior Year Template with Incentives **
2014	13,008,915	54,204	12,954,712	1,558,890	1,558,890	$ -	$ -	$ -
2015	12,954,712	325,223	12,629,489	1,807,920	1,807,920	$ -	$ 248,467	$ 248,467
2016	12,629,489	325,223	12,304,266	1,770,224	1,770,224	$ -	$ 562,247	$ 562,247
2017	12,304,266	325,223	11,979,043	1,732,529	1,732,529	$ -	$ 1,427,903	$ 1,427,903
2018	11,979,043	325,223	11,653,820	1,694,833	1,694,833	$ -	$ 1,271,398	$ 1,271,398
2019	11,653,820	325,223	11,328,597	1,657,137	1,657,137	$ -	$ 1,164,196	$ 1,164,196
2020	11,328,597	325,223	11,003,374	1,619,441	1,619,441	$ -	$ 1,113,451	$ 1,113,451
2021	11,003,374	325,223	10,678,151	1,581,746	1,581,746	$ -	$ 1,397,056	$ 1,397,056
2022	10,678,151	325,223	10,352,929	1,544,050	1,544,050	$ -	$ 1,418,586	$ 1,418,586
2023	10,352,929	325,223	10,027,706	1,506,354	1,506,354	$ -		
2024	10,027,706	325,223	9,702,483	1,468,659	1,468,659	$ -		
2025	9,702,483	325,223	9,377,260	1,430,963	1,430,963	$ -		
2026	9,377,260	325,223	9,052,037	1,393,267	1,393,267	$ -		
2027	9,052,037	325,223	8,726,814	1,355,572	1,355,572	$ -		
2028	8,726,814	325,223	8,401,591	1,317,876	1,317,876	$ -		
2029	8,401,591	325,223	8,076,368	1,280,180	1,280,180	$ -		
2030	8,076,368	325,223	7,751,145	1,242,485	1,242,485	$ -		
2031	7,751,145	325,223	7,425,923	1,204,789	1,204,789	$ -		
2032	7,425,923	325,223	7,100,700	1,167,093	1,167,093	$ -		
2033	7,100,700	325,223	6,775,477	1,129,398	1,129,398	$ -		
2034	6,775,477	325,223	6,450,254	1,091,702	1,091,702	$ -		
2035	6,450,254	325,223	6,125,031	1,054,006	1,054,006	$ -		
2036	6,125,031	325,223	5,799,808	1,016,310	1,016,310	$ -		
2037	5,799,808	325,223	5,474,585	978,615	978,615	$ -		
2038	5,474,585	325,223	5,149,362	940,919	940,919	$ -		
2039	5,149,362	325,223	4,824,139	903,223	903,223	$ -		
2040	4,824,139	325,223	4,498,917	865,528	865,528	$ -		
2041	4,498,917	325,223	4,173,694	827,832	827,832	$ -		
2042	4,173,694	325,223	3,848,471	790,136	790,136	$ -		
2043	3,848,471	325,223	3,523,248	752,441	752,441	$ -		
2044	3,523,248	325,223	3,198,025	714,745	714,745	$ -		
2045	3,198,025	325,223	2,872,802	677,049	677,049	$ -		
2046	2,872,802	325,223	2,547,579	639,354	639,354	$ -		
2047	2,547,579	325,223	2,222,356	601,658	601,658	$ -		
2048	2,222,356	325,223	1,897,134	563,962	563,962	$ -		
2049	1,897,134	325,223	1,571,911	526,267	526,267	$ -		
2050	1,571,911	325,223	1,246,688	488,571	488,571	$ -		
2051	1,246,688	325,223	921,465	450,875	450,875	$ -		
2052	921,465	325,223	596,242	413,179	413,179	$ -		
2053	596,242	325,223	271,019	375,484	375,484	$ -		
2054	271,019	271,019	-	286,726	286,726	$ -		
2055	-	-	-	-	-	$ -		
2056	-	-	-	-	-	$ -		
2057	-	-	-	-	-	$ -		
2058	-	-	-	-	-	$ -		
2059	-	-	-	-	-	$ -		
2060	-	-	-	-	-	$ -		
2061	-	-	-	-	-	$ -		
2062	-	-	-	-	-	$ -		
2063	-	-	-	-	-	$ -		
2064	-	-	-	-	-	$ -		
2065	-	-	-	-	-	$ -		
2066	-	-	-	-	-	$ -		
2067	-	-	-	-	-	$ -		
2068	-	-	-	-	-	$ -		
2069	-	-	-	-	-	$ -		
2070	-	-	-	-	-	$ -		
2071	-	-	-	-	-	$ -		
2072	-	-	-	-	-	$ -		
2073	-	-	-	-	-	$ -		
Project Totals		13,008,915		44,421,987	44,421,987	-		

** This is the total amount that needs to be reported to PJM for billing to all regions.

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I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. **Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.**

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

Project Description: **RTEP ID: b1819 (Rebuild the Robinson Park-Sorneson 138 kV line corridor as a 345 kV double circuit line with one side operated at 345 kV and one side at 138 kV)**

Current Projected Year ARR	**404,774**
Current Projected Year ARR w/ Incentive	**404,774**
Current Projected Year Incentive ARR	-

Details			
Investment	3,315,854	Current Year	**2023**
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	11.59%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	11.59%
CIAC (Yes or No)	No	Annual Depreciation Expense	82,896

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:
INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't.From Prior Year Template with Incentives **
2016	3,315,854	-	3,315,854	384,332	384,332	$ -	$ 486,138	$ 486,138
2017	3,315,854	82,896	3,232,958	462,424	462,424	$ -	$ 574,408	$ 574,408
2018	3,232,958	82,896	3,150,062	452,815	452,815	$ -	$ 355,679	$ 355,679
2019	3,150,062	82,896	3,067,165	443,207	443,207	$ -	$ 367,592	$ 367,592
2020	3,067,165	82,896	2,984,269	433,599	433,599	$ -	$ 376,071	$ 376,071
2021	2,984,269	82,896	2,901,372	423,991	423,991	$ -	$ 373,465	$ 373,465
2022	2,901,372	82,896	2,818,476	414,382	414,382	$ -	$ 380,260	$ 380,260
2023	2,818,476	82,896	2,735,580	404,774	404,774	$ -		
2024	2,735,580	82,896	2,652,683	395,166	395,166	$ -		
2025	2,652,683	82,896	2,569,787	385,557	385,557	$ -		
2026	2,569,787	82,896	2,486,891	375,949	375,949	$ -		
2027	2,486,891	82,896	2,403,994	366,341	366,341	$ -		
2028	2,403,994	82,896	2,321,098	356,733	356,733	$ -		
2029	2,321,098	82,896	2,238,202	347,124	347,124	$ -		
2030	2,238,202	82,896	2,155,305	337,516	337,516	$ -		
2031	2,155,305	82,896	2,072,409	327,908	327,908	$ -		
2032	2,072,409	82,896	1,989,513	318,299	318,299	$ -		
2033	1,989,513	82,896	1,906,616	308,691	308,691	$ -		
2034	1,906,616	82,896	1,823,720	299,083	299,083	$ -		
2035	1,823,720	82,896	1,740,823	289,475	289,475	$ -		
2036	1,740,823	82,896	1,657,927	279,866	279,866	$ -		
2037	1,657,927	82,896	1,575,031	270,258	270,258	$ -		
2038	1,575,031	82,896	1,492,134	260,650	260,650	$ -		
2039	1,492,134	82,896	1,409,238	251,041	251,041	$ -		
2040	1,409,238	82,896	1,326,342	241,433	241,433	$ -		
2041	1,326,342	82,896	1,243,445	231,825	231,825	$ -		
2042	1,243,445	82,896	1,160,549	222,217	222,217	$ -		
2043	1,160,549	82,896	1,077,653	212,608	212,608	$ -		
2044	1,077,653	82,896	994,756	203,000	203,000	$ -		
2045	994,756	82,896	911,860	193,392	193,392	$ -		
2046	911,860	82,896	828,964	183,783	183,783	$ -		
2047	828,964	82,896	746,067	174,175	174,175	$ -		
2048	746,067	82,896	663,171	164,567	164,567	$ -		
2049	663,171	82,896	580,274	154,959	154,959	$ -		
2050	580,274	82,896	497,378	145,350	145,350	$ -		
2051	497,378	82,896	414,482	135,742	135,742	$ -		
2052	414,482	82,896	331,585	126,134	126,134	$ -		
2053	331,585	82,896	248,689	116,525	116,525	$ -		
2054	248,689	82,896	165,793	106,917	106,917	$ -		
2055	165,793	82,896	82,896	97,309	97,309	$ -		
2056	82,896	82,896	-	87,701	87,701	$ -		
2057	-	-	-	-	-	$ -		
2058	-	-	-	-	-	$ -		
2059	-	-	-	-	-	$ -		
2060	-	-	-	-	-	$ -		
2061	-	-	-	-	-	$ -		
2062	-	-	-	-	-	$ -		
2063	-	-	-	-	-	$ -		
2064	-	-	-	-	-	$ -		
2065	-	-	-	-	-	$ -		
2066	-	-	-	-	-	$ -		
2067	-	-	-	-	-	$ -		
2068	-	-	-	-	-	$ -		
2069	-	-	-	-	-	$ -		
2070	-	-	-	-	-	$ -		
2071	-	-	-	-	-	$ -		
2072	-	-	-	-	-	$ -		
2073	-	-	-	-	-	$ -		
2074	-	-	-	-	-	$ -		
2075	-	-	-	-	-	$ -		
Project Totals		3,315,854		11,386,816	11,386,816	-		

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

Project Description: **RTEP ID: b2831.1 (Upgrade Tanner Creek-Miami Fort 345kV circuit)**

Current Projected Year ARR	**84,539**
Current Projected Year ARR w/ Incentive	**84,539**
Current Projected Year Incentive ARR	-

Details			
Investment	653,739	Current Year	**2023**
Service Year (yyyy)	2019	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	11.59%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	11.59%
CIAC (Yes or No)	No	Annual Depreciation Expense	16,343

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:
INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
2019	653,739	8,172	645,568	83,471	83,471	$ -	$ 67,813		$ 67,813		
2020	645,568	16,343	629,224	90,222	90,222	$ -	$ 66,522		$ 66,522		
2021	629,224	16,343	612,881	88,328	88,328	$ -	$ 77,582		$ 77,582		
2022	612,881	16,343	596,537	86,434	86,434	$ -	$ 79,219		$ 79,219		
2023	596,537	16,343	580,194	84,539	84,539	$ -					
2024	580,194	16,343	563,850	82,645	82,645	$ -					
2025	563,850	16,343	547,507	80,751	80,751	$ -					
2026	547,507	16,343	531,163	78,856	78,856	$ -					
2027	531,163	16,343	514,820	76,962	76,962	$ -					
2028	514,820	16,343	498,476	75,068	75,068	$ -					
2029	498,476	16,343	482,133	73,173	73,173	$ -					
2030	482,133	16,343	465,789	71,279	71,279	$ -					
2031	465,789	16,343	449,446	69,385	69,385	$ -					
2032	449,446	16,343	433,102	67,490	67,490	$ -					
2033	433,102	16,343	416,759	65,596	65,596	$ -					
2034	416,759	16,343	400,415	63,702	63,702	$ -					
2035	400,415	16,343	384,072	61,807	61,807	$ -					
2036	384,072	16,343	367,728	59,913	59,913	$ -					
2037	367,728	16,343	351,385	58,019	58,019	$ -					
2038	351,385	16,343	335,041	56,124	56,124	$ -					
2039	335,041	16,343	318,698	54,230	54,230	$ -					
2040	318,698	16,343	302,354	52,336	52,336	$ -					
2041	302,354	16,343	286,011	50,441	50,441	$ -					
2042	286,011	16,343	269,667	48,547	48,547	$ -					
2043	269,667	16,343	253,324	46,653	46,653	$ -					
2044	253,324	16,343	236,980	44,758	44,758	$ -					
2045	236,980	16,343	220,637	42,864	42,864	$ -					
2046	220,637	16,343	204,294	40,970	40,970	$ -					
2047	204,294	16,343	187,950	39,075	39,075	$ -					
2048	187,950	16,343	171,607	37,181	37,181	$ -					
2049	171,607	16,343	155,263	35,287	35,287	$ -					
2050	155,263	16,343	138,920	33,392	33,392	$ -					
2051	138,920	16,343	122,576	31,498	31,498	$ -					
2052	122,576	16,343	106,233	29,604	29,604	$ -					
2053	106,233	16,343	89,889	27,709	27,709	$ -					
2054	89,889	16,343	73,546	25,815	25,815	$ -					
2055	73,546	16,343	57,202	23,921	23,921	$ -					
2056	57,202	16,343	40,859	22,026	22,026	$ -					
2057	40,859	16,343	24,515	20,132	20,132	$ -					
2058	24,515	16,343	8,172	18,238	18,238	$ -					
2059	8,172	8,172	-	8,645	8,645	$ -					
2060	-	-	-	-	-	$ -					
2061	-	-	-	-	-	$ -					
2062	-	-	-	-	-	$ -					
2063	-	-	-	-	-	$ -					
2064	-	-	-	-	-	$ -					
2065	-	-	-	-	-	$ -					
2066	-	-	-	-	-	$ -					
2067	-	-	-	-	-	$ -					
2068	-	-	-	-	-	$ -					
2069	-	-	-	-	-	$ -					
2070	-	-	-	-	-	$ -					
2071	-	-	-	-	-	$ -					
2072	-	-	-	-	-	$ -					
2073	-	-	-	-	-	$ -					
2074	-	-	-	-	-	$ -					
2075	-	-	-	-	-	$ -					
2076	-	-	-	-	-	$ -					
2077	-	-	-	-	-	$ -					
2078	-	-	-	-	-	$ -					
Project Totals		653,739		2,207,088	2,207,088	-					

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

Project Description: **RTEP ID: b1465.5 (Make switching improvements at Sullivan and Jefferson 765 kV stations)**

Current Projected Year ARR	**70,606**
Current Projected Year ARR w/ Incentive	**70,606**
Current Projected Year Incentive ARR	-

Details			
Investment	633,540	Current Year	2023
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	4	FCR w/o incentives, less depreciation	11.59%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	11.59%
CIAC (Yes or No)	No	Annual Depreciation Expense	15,838

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:
INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
2013	633,540	10,559	622,981	83,379	83,379	$ -	$ -		$ -		
2014	622,981	15,838	607,142	87,129	87,129	$ -	$ -		$ -		
2015	607,142	15,838	591,304	85,293	85,293	$ -					
2016	591,304	15,838	575,465	83,457	83,457	$ -					
2017	575,465	15,838	559,627	81,621	81,621	$ -					
2018	559,627	15,838	543,788	79,785	79,785	$ -					
2019	543,788	15,838	527,950	77,950	77,950	$ -					
2020	527,950	15,838	512,111	76,114	76,114	$ -	$ 66,652		$ 66,652		
2021	512,111	15,838	496,273	74,278	74,278	$ -	$ 65,740		$ 65,740		
2022	496,273	15,838	480,434	72,442	72,442	$ -	$ 66,616		$ 66,616		
2023	480,434	15,838	464,596	70,606	70,606	$ -					
2024	464,596	15,838	448,757	68,771	68,771	$ -					
2025	448,757	15,838	432,919	66,935	66,935	$ -					
2026	432,919	15,838	417,080	65,099	65,099	$ -					
2027	417,080	15,838	401,242	63,263	63,263	$ -					
2028	401,242	15,838	385,403	61,427	61,427	$ -					
2029	385,403	15,838	369,565	59,592	59,592	$ -					
2030	369,565	15,838	353,726	57,756	57,756	$ -					
2031	353,726	15,838	337,888	55,920	55,920	$ -					
2032	337,888	15,838	322,049	54,084	54,084	$ -					
2033	322,049	15,838	306,211	52,248	52,248	$ -					
2034	306,211	15,838	290,372	50,413	50,413	$ -					
2035	290,372	15,838	274,534	48,577	48,577	$ -					
2036	274,534	15,838	258,695	46,741	46,741	$ -					
2037	258,695	15,838	242,857	44,905	44,905	$ -					
2038	242,857	15,838	227,018	43,069	43,069	$ -					
2039	227,018	15,838	211,180	41,234	41,234	$ -					
2040	211,180	15,838	195,341	39,398	39,398	$ -					
2041	195,341	15,838	179,503	37,562	37,562	$ -					
2042	179,503	15,838	163,664	35,726	35,726	$ -					
2043	163,664	15,838	147,826	33,890	33,890	$ -					
2044	147,826	15,838	131,987	32,055	32,055	$ -					
2045	131,987	15,838	116,149	30,219	30,219	$ -					
2046	116,149	15,838	100,310	28,383	28,383	$ -					
2047	100,310	15,838	84,472	26,547	26,547	$ -					
2048	84,472	15,838	68,633	24,712	24,712	$ -					
2049	68,633	15,838	52,795	22,876	22,876	$ -					
2050	52,795	15,838	36,956	21,040	21,040	$ -					
2051	36,956	15,838	21,118	19,204	19,204	$ -					
2052	21,118	15,838	5,279	17,368	17,368	$ -					
2053	5,279	5,279	-	5,585	5,585	$ -					
2054	-	-	-	-	-	$ -					
2055	-	-	-	-	-	$ -					
2056	-	-	-	-	-	$ -					
2057	-	-	-	-	-	$ -					
2058	-	-	-	-	-	$ -					
2059	-	-	-	-	-	$ -					
2060	-	-	-	-	-	$ -					
2061	-	-	-	-	-	$ -					
2062	-	-	-	-	-	$ -					
2063	-	-	-	-	-	$ -					
2064	-	-	-	-	-	$ -					
2065	-	-	-	-	-	$ -					
2066	-	-	-	-	-	$ -					
2067	-	-	-	-	-	$ -					
2068	-	-	-	-	-	$ -					
2069	-	-	-	-	-	$ -					
2070	-	-	-	-	-	$ -					
2071	-	-	-	-	-	$ -					
2072	-	-	-	-	-	$ -					
Project Totals		633,540		2,126,655	2,126,655	-					

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. **Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.**

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

Project Description: **RTEP ID: b2777 (Reconductor the entire Dequine - Eugene 345 kV circuit #1)**

Current Projected Year ARR	**573,890**
Current Projected Year ARR w/ Incentive	**573,890**
Current Projected Year Incentive ARR	**-**

Details			
Investment	4,904,295	Current Year	**2023**
Service Year (yyyy)	2022	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	4	FCR w/o incentives, less depreciation	11.59%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	11.59%
CIAC (Yes or No)	No	Annual Depreciation Expense	122,607

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:
INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
2022	4,904,295	81,738	4,822,557	645,445	645,445	$ -	$ -		$ -		
2023	4,822,557	15,838	4,806,718	573,890	573,890	$ -	$ -		$ -		
2024	4,806,718	15,838	4,790,880	572,054	572,054	$ -					
2025	4,790,880	15,838	4,775,041	570,218	570,218	$ -					
2026	4,775,041	15,838	4,759,203	568,382	568,382	$ -					
2027	4,759,203	15,838	4,743,364	566,547	566,547	$ -					
2028	4,743,364	15,838	4,727,526	564,711	564,711	$ -					
2029	4,727,526	15,838	4,711,687	562,875	562,875	$ -					
2030	4,711,687	15,838	4,695,849	561,039	561,039	$ -					
2031	4,695,849	15,838	4,680,010	559,203	559,203	$ -					
2032	4,680,010	15,838	4,664,172	557,368	557,368	$ -					
2033	4,664,172	15,838	4,648,333	555,532	555,532	$ -					
2034	4,648,333	15,838	4,632,495	553,696	553,696	$ -					
2035	4,632,495	15,838	4,616,656	551,860	551,860	$ -					
2036	4,616,656	15,838	4,600,818	550,024	550,024	$ -					
2037	4,600,818	15,838	4,584,979	548,189	548,189	$ -					
2038	4,584,979	15,838	4,569,141	546,353	546,353	$ -					
2039	4,569,141	15,838	4,553,302	544,517	544,517	$ -					
2040	4,553,302	15,838	4,537,464	542,681	542,681	$ -					
2041	4,537,464	15,838	4,521,625	540,845	540,845	$ -					
2042	4,521,625	15,838	4,505,787	539,010	539,010	$ -					
2043	4,505,787	15,838	4,489,948	537,174	537,174	$ -					
2044	4,489,948	15,838	4,474,110	535,338	535,338	$ -					
2045	4,474,110	15,838	4,458,271	533,502	533,502	$ -					
2046	4,458,271	15,838	4,442,433	531,667	531,667	$ -					
2047	4,442,433	15,838	4,426,594	529,831	529,831	$ -					
2048	4,426,594	15,838	4,410,756	527,995	527,995	$ -					
2049	4,410,756	15,838	4,394,917	526,159	526,159	$ -					
2050	4,394,917	15,838	4,379,079	524,323	524,323	$ -					
2051	4,379,079	15,838	4,363,240	522,488	522,488	$ -					
2052	4,363,240	15,838	4,347,402	520,652	520,652	$ -					
2053	4,347,402	15,838	4,331,563	518,816	518,816	$ -					
2054	4,331,563	15,838	4,315,725	516,980	516,980	$ -					
2055	4,315,725	15,838	4,299,886	515,144	515,144	$ -					
2056	4,299,886	15,838	4,284,048	513,309	513,309	$ -					
2057	4,284,048	15,838	4,268,209	511,473	511,473	$ -					
2058	4,268,209	15,838	4,252,371	509,637	509,637	$ -					
2059	4,252,371	15,838	4,236,532	507,801	507,801	$ -					
2060	4,236,532	15,838	4,220,694	505,965	505,965	$ -					
2061	4,220,694	15,838	4,204,855	504,130	504,130	$ -					
2062	4,204,855	15,838	4,189,017	502,294	502,294	$ -					
2063	4,189,017	15,838	4,173,178	500,458	500,458	$ -					
2064	4,173,178	15,838	4,157,340	498,622	498,622	$ -					
2065	4,157,340	15,838	4,141,501	496,786	496,786	$ -					
2066	4,141,501	15,838	4,125,663	494,951	494,951	$ -					
2067	4,125,663	15,838	4,109,824	493,115	493,115	$ -					
2068	4,109,824	15,838	4,093,986	491,279	491,279	$ -					
2069	4,093,986	15,838	4,078,147	489,443	489,443	$ -					
2070	4,078,147	15,838	4,062,309	487,607	487,607	$ -					
2071	4,062,309	15,838	4,046,470	485,772	485,772	$ -					
2072	4,046,470	15,838	4,030,632	483,936	483,936	$ -					
2073	4,030,632	15,838	4,014,793	482,100	482,100	$ -					
2074	4,014,793	15,838	3,998,955	480,264	480,264	$ -					
2075	3,998,955	15,838	3,983,116	478,428	478,428	$ -					
2076	3,983,116	15,838	3,967,278	476,593	476,593	$ -					
2077	3,967,278	15,838	3,951,439	474,757	474,757	$ -					
2078	3,951,439	15,838	3,935,601	472,921	472,921	$ -					
2079	3,935,601	15,838	3,919,762	471,085	471,085	$ -					
2080	3,919,762	15,838	3,903,924	469,249	469,249	$ -					
2081	3,903,924	15,838	3,888,085	467,414	467,414	$ -					
Project Totals		1,016,210		31,363,897	31,363,897	-					

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

AEP East Companies
Cost of Service Formula Rate Using 2023 FF1 Balances
Worksheet L Reserved for Future Use
Indiana Michigan Power Company

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
Indiana Michigan Power Company

Line No	Month (a)	Average Balance of Common Equity				
		Proprietary Capital (b)	**Less: Preferred Stock (c)**	**Less Undistributed Sub Earnings (Acct 216.1) (d)**	**Less AOCI (Acct 219.1) (e)**	**Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)**
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	2,980,879,000		(5,485,144)	(350,000)	2,986,714,144
2	January	3,019,481,000		(5,485,838)	(286,000)	3,025,252,838
3	February	3,005,129,000		(5,486,586)	(223,000)	3,010,838,586
4	March	3,035,942,000		(5,459,486)	(159,000)	3,041,560,486
5	April	3,048,662,000		(5,444,276)	(95,000)	3,054,201,276
6	May	3,036,696,000		(5,442,186)	(32,000)	3,042,170,186
7	June	3,069,136,000		(5,543,628)	32,000	3,074,647,628
8	July	3,104,778,000		(5,520,277)	96,000	3,110,202,277
9	August	3,093,675,000		(5,523,529)	159,000	3,099,039,529
10	September	3,107,449,000		(5,525,266)	223,000	3,112,751,266
11	October	3,127,675,000		(5,525,358)	287,000	3,132,913,358
12	November	3,095,677,000		(2,706,440)	350,000	3,098,033,440
13	December of Rate Year	3,117,375,000		(2,703,331)	414,000	3,119,664,331
14	Average of the 13 Monthly Balances	3,064,812,000	-	(5,065,000)	32,000	3,069,845,000

Line No	Month (a)	Average Balance of Long Term Debt					
		Acct 221 Bonds (b)	**Less: Acct 222 Reacquired Bonds (c)**	**Acct 223 LT Advances from Assoc. Companies (d)**	**Acct 224 Senior Unsecured Notes (e)**	**Less: Fair Value Hedges (f)**	**Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)**
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year		-		2,821,783,705		2,821,783,705
16	January		-		2,816,251,871		2,816,251,871
17	February		-		2,816,251,871		2,816,251,871
18	March		-		3,016,251,871		3,016,251,871
19	April		-		3,016,251,871		3,016,251,871
20	May		-		3,016,251,871		3,016,251,871
21	June		-		3,016,251,871		3,016,251,871
22	July		-		3,016,251,871		3,016,251,871
23	August		-		3,016,251,871		3,016,251,871
24	September		-		3,016,251,871		3,016,251,871
25	October		-		3,016,251,871		3,016,251,871
26	November		-		3,016,251,871		3,016,251,871
27	December of Rate Year		-		3,016,251,871		3,016,251,871
28	Average of the 13 Monthly Balances	-	-	-	2,970,524,000	-	2,970,524,000

NOTE 1: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (Page 257 Column H of the FF1)

Development of Cost of Long Term Debt Based on Average Outstanding Balance

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	**Annual Interest Expense for 2023**						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			128,603,000			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.			2,028,000			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			2,028,000			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			1,856,000			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			1,304,000			
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
37	**Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)**			131,763,000			
38	**Average Cost of Debt for 2023 (Ln 37/ ln 28 (g))**			**4.44%**			

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

39 NOTE: The net amount of hedging gains or losses recorded in account 427 to be recovered in this formula rate should be limited to the effective portion of pre-issuance cash flow hedges that are amortized over the life of the underlying debt issuances. The recovery of a net loss or passback of a net gain will be limited to five basis points of the total Capital Structure. <u>Amounts related to the ineffective portion of pre-issuance hedges, cash settlements of fair value hedges issued on Long Term Debt, post-issuance cash flow hedges, and cash flow hedges of variable rate debt issuances are not recoverable in this formula and are to be recorded in the “Excludable” column below.</u>

	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for 2023	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining Unamortized Balance	Amortization Period: Beginning	Amortization Period: Ending
40	Senior Unsecured Notes - Series F	-	-	-	-	November 2004	November 2014
41	Senior Unsecured Notes - Series G	-	-	-	-	12/07/05	11/30/15
42	Senior Unsecured Notes - Series H	422,000	-	422,000	6,379,000	11/14/06	02/28/37
43	Senior Unsecured Notes - Series J	1,606,000	-	1,606,000	1,941,000	03/15/13	03/15/23
44				-			
45				-			
46				-			
47				-			
48				-			
49					8,320,000		
50	Total Hedge Amortization	2,028,000	-				

51	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)	2,028,000
52	Total Average Capital Structure Balance for 2023 (TCOS, Ln 157)	6,040,369,000
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital	0.0005
54	Limit of Recoverable Amount	3,020,185
55	**Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)**	**2,028,000**

Development of Cost of Preferred Stock

	<u>Preferred Stock</u>			<u>Average</u>
56	0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%	
57	0% Series - 0 - Par Value (p. 250-251)	$ -	$ -	
58	0% Series - 0 - Shares O/S (p.250-251)	-	-	
59	0% Series - 0 - Monetary Value (Ln 57 * Ln 58)	-	-	-
60	0% Series - 0 - Dividend Amount (Ln 56 * Ln 59)	-	-	-
61	0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%	

62 0% Series - 0 - Par Value (p. 250-251)	$ -	$ -		
63 0% Series - 0 - Shares O/S (p.250-251)	-	-		
64 0% Series - 0 - Monetary Value (Ln 62 * Ln 63)	-	-	-	
65 0% Series - 0 - Dividend Amount (Ln 61 * Ln 64)	-	-	-	
66 0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%		
67 0% Series - 0 - Par Value (p. 250-251)	$ -	$ -		
68 0% Series - 0 - Shares O/S (p.250-251)	-	-		
69 0% Series - 0 - Monetary Value (Ln 67 * Ln 68)	-	-	-	
70 0% Series - 0 - Dividend Amount (Ln 66 * Ln 69)	-	-	-	
71 **Balance of Preferred Stock (Lns 59, 64, 69)**	-	-	-	Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)
72 **Dividends on Preferred Stock (Lns 60, 65, 70)**	-	-	**-**	
73 **Average Cost of Preferred Stock (Ln 72/71)**	0.00%	0.00%	**0.00%**	

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
Indiana Michigan Power Company

Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectiviely. Sales will be funtionalized based on the description of that asset. Sales of transmission assets will be direct assigned; sales of general assets will be functionalized on labor. Sales of plant held for future use related to generation or distribution will not be included in the formula.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line	**Date**	**Property Description**	**Function (T) or (G)** T = Transmission G = General	**Basis**	**Proceeds**	**(Gain) / Loss**	**Functional Allocator**	**Functionalized Proceeds (Gain) / Loss**	**FERC Account**
1						-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4				Net (Gain) or Loss for 2023		-		-	

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet O - Calculation of Postemployment Benefits Other than Pensions Expenses Allocable to Transmission Service
Indiana Michigan Power Company

1 Total AEP East Operating Company PBOP Settlement Amount 52,288,000

Allocation of PBOP Settlement Amount for 2023

Line#	Company	Actual Expense (Including AEPSC Billed OPEB)	Total Company Amount Ratio of Company Actual to Total	Allocation of PBOB Recovery Allowance	Labor Allocator for 2023	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * 52288000	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
2	APCo	(23,619,000)	35.96%	18,800,564	10.674%	(2,521,032)	2,006,724	(4,527,756)
3	I&M	(17,707,000)	26.96%	14,094,652	4.922%	(871,581)	693,773	(1,565,354)
4	KPCo	(5,481,000)	8.34%	4,362,839	9.816%	(538,035)	428,272	(966,307)
5	KNGP	(551,000)	0.84%	438,592	10.629%	(58,565)	46,617	(105,182)
6	OPCo	(17,283,000)	26.31%	13,757,151	12.769%	(2,206,875)	1,756,658	(3,963,533)
7	WPCo	(1,048,000)	1.60%	834,201	2.864%	(30,016)	23,892	(53,908)
8	**Sum of Lines 2 to 7**	(65,689,000)		52,288,000		(6,226,104)	4,955,937	(11,182,040)

Detail of Actual PBOP Expenses to be Removed in Cost of Service

		APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9	Direct Charged PBOP Expense per Actuarial Report	(19,054,000)	(16,769,000)	(4,940,000)	(434,000)	(13,441,000)	(521,000)	(55,159,000)
10	Additional PBOP Ledger Entries (from Company Records)	567,000	2,049,000	483,000	-	-	(440,000)	
11	Medicare Subsidy	-	-	-	-	-	-	-
12	Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(18,487,000)	(14,720,000)	(4,457,000) -	(434,000)	(13,441,000)	(961,000)	(52,500,000)
13	PBOP Expenses From AEP Service Corporation (from Company Records)	(5,671,000)	(3,793,000)	(1,364,000)	(140,000)	(4,292,000)	(115,000)	(15,375,000)
14	Company PBOP Expense (Ln 12 + Ln 13)	(24,158,000)	(18,513,000)	(5,821,000)	(574,000)	(17,733,000)	(1,076,000)	(67,875,000)

For the rate year 2017 and adjusted every four years thereafter, using the annual actuarial report produced for that year, filed as part of the informational filing, Worksheet O will be used to adjust PBOP costs for the next four years (i.e. 2017, 2018, 2019, 2020). If the annual actuarial report projects PBOP costs during the next four years, taken together with the then current cumulative PBOP cost/allowance position, will, absent a change in the PBOP allowance, cause the AEP Companies to over or under collect their cumulative PBOP costs by more than 20% of the projected next four year's total cost, the PBOP allowance shall be adjusted. Worksheet O will be used in the process of updating the PBOP allowance determining (a) the level of cumulative over or under collections during the period since the PBOP allowance was last set, including carrying costs based on the weighted average cost of capital ("WACC") each year from the actual formula rate; (b) the cumulative net present value of projected PBOP costs during the next four years, as estimated by the then current actuarial report, assuming a discount rate equal to the actual formula rate weighted average cost of capital for the prior calendar year; and (c) the cumulative net present value of continued collections over the next four years based on the then effective PBOP allowance, assuming a discount rate equal to the prior year WACC. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance used in the formula rate calculation shall be changed to the value that will cause the projected result (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years will be less than 20% of (b), then the PBOP allowacance will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP expense stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF 1/1/2020
FOR MULTIPLE JURISDICTION COMPANIES
Appalachian Power Company

		VIRGINIA			WEST VIRGINIA			FERC WHOLESALE			FERC KINGSPORT			COMPANY
	PLANT ACCT.	*(1) VA SCC RATES*	*ALLOCATION FACTOR (5)*	*WTD AVG. DEPREC. RATE*	*(2) PSC OF WV APPROVED RATES*	*ALLOCATION FACTOR (5)*	*WTD AVG. DEPREC. RATE*	*(3) FERC RATES*	*ALLOCATION FACTOR (5)*	*WTD AVG. DEPREC. RATE*	*(4) FERC RATES*	*ALLOCATION FACTOR (5)*	*WTD AVG. DEPREC. RATE*	*WTD AVG. DEPREC. RATE*
TRANSMISSION PLANT														
Land Rights - Va.	350.1	0.66%	1.000000	0.66%										0.66%
Energy Storage Equip	351.0				14.22%	1.000000	14.22%							14.22%
Structures & Improvements	352.0	1.99%	0.494821	0.98%	1.62%	0.411083	0.67%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	1.86%
Station Equipment	353.0	2.70%	0.494821	1.34%	2.37%	0.411083	0.97%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	2.52%
Towers & Fixtures	354.0	1.64%	0.494821	0.81%	1.59%	0.411083	0.65%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	1.67%
Poles & Fixtures	355.0	3.46%	0.494821	1.71%	2.71%	0.411083	1.11%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	3.03%
Overhead Conductor	356.0	1.65%	0.494821	0.82%	1.53%	0.411083	0.63%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	1.66%
Underground Conduit	357.0	2.49%	0.494821	1.23%	3.71%	0.411083	1.53%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	2.97%
Underground Conductors	358.0	4.72%	0.494821	2.34%	5.24%	0.411083	2.15%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	4.70%
GENERAL PLANT														
Structures & Improvements	390.0	1.89%	0.523756	0.99%	1.91%	0.425941	0.81%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	1.98%
Office Furniture & Equipment	391.0	3.21%	0.523756	1.68%	3.17%	0.425941	1.35%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	3.21%
Transportation Equipment	392.0	3.46%	0.523756	1.81%	3.40%	0.425941	1.45%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	3.44%
Stores Equipment	393.0	1.78%	0.523756	0.93%	1.80%	0.425941	0.77%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	1.88%
Tools Shop & Garage Equipment	394.0	2.59%	0.523756	1.36%	2.57%	0.425941	1.09%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	2.63%
Laboratory Equipment	395.0	3.87%	0.523756	2.03%	4.01%	0.425941	1.71%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	3.92%
Power Operated Equipment	396.0	0.00%	0.523756	0.00%	3.90%	0.425941	1.66%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	1.84%
Communication Equipment	397.0	5.05%	0.523756	2.64%	4.98%	0.425941	2.12%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	4.94%
Miscellaneous Equipment	398.0	2.67%	0.523756	1.40%	2.70%	0.425941	1.15%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	2.73%

(1) As approved in VA Case No. PUE 2020-00015 on Nov. 24, 2020
Depreciation rates were made effective on January 1, 2020.

(2) Approved by PSC of WV Order dated 2/27/2019 in
Case No. 18-0645-E-D effective 03/06/2019.

(3) Approved by FERC March 2, 1990 in Docket ER90-132

(4) Approved by FERC March 2, 1990 in Docket ER90-133

(5) Transmission allocation factors are changed annually in January based on September factors as per the PJM tariff approved in FERC Docket ER08-1329 Attachment H-14B, Part II, pg. 15 of 21.

(6) Distribution Plant (recorded by state) is assigned only to jurisdictions within each state.

GENERAL NOTES:

The rates for each AEP company have been approved by their respective regulatory commissions.
APCo falls under the authority of Virginia, West Virginia and the FERC. Therefore, APCo's rates are a composite of the jurisdictions under which it operates. Each jurisdictions' rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the composite rate for the company.
AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF MARCH 11, 2020
FOR MULTIPLE JURISDICTION COMPANIES
INDIANA MICHIGAN POWER COMPANY

		INDIANA			MICHIGAN AND FERC			COMPANY
	PLANT ACCT.	(1) IURC RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	(2) MPSC APPROVED RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	WTD AVG. DEPREC. RATE
TRANSMISSION PLANT								
Land Improvements	350.1	1.6600%	0.662335	1.0995%	1.6200%	0.337665	0.5470%	1.65%
Structures & Improvements	352.0	1.7700%	0.662335	1.1723%	1.7400%	0.337665	0.5875%	1.76%
Station Equipment	353.0	2.4300%	0.662335	1.6095%	2.4100%	0.337665	0.8138%	2.42%
Towers & Fixtures	354.0	2.5700%	0.662335	1.7022%	2.4500%	0.337665	0.8273%	2.53%
Poles & Fixtures	355.0	3.1900%	0.662335	2.1128%	3.1700%	0.337665	1.0704%	3.18%
Overhead Conductors	356.0	2.3500%	0.662335	1.5565%	2.2800%	0.337665	0.7699%	2.33%
Underground Conduit	357.0	2.3000%	0.662335	1.5234%	2.2100%	0.337665	0.7462%	2.27%
Underground Conductors	358.0	1.9300%	0.662335	1.2783%	1.9000%	0.337665	0.6416%	1.92%
Trails & Roads	359.0	1.6100%	0.662335	1.0664%	1.5900%	0.337665	0.5369%	1.60%
GENERAL PLANT								
	390.0	2.0800%	0.681868	1.4183%	2.0800%	0.318132	0.6617%	2.08%
	391.0	4.7900%	0.681868	3.2661%	4.8400%	0.318132	1.5398%	4.81%
$0 at Dec 2018 - use old rate	392.0	4.6400%	0.681868	3.1639%	4.6800%	0.318132	1.4889%	4.65%
	393.0	7.3500%	0.681868	5.0117%	7.3800%	0.318132	2.3478%	7.36%
	394.0	6.9900%	0.681868	4.7663%	7.0700%	0.318132	2.2492%	7.02%
	395.0	5.4100%	0.681868	3.6889%	5.4600%	0.318132	1.7370%	5.43%
	396.0	4.8100%	0.681868	3.2798%	4.9000%	0.318132	1.5588%	4.84%
	397.0	3.9100%	0.681868	2.6661%	3.9300%	0.318132	1.2503%	3.92%
	398.0	3.3200%	0.681868	2.2638%	3.3500%	0.318132	1.0657%	3.33%

(1) As approved in Indiana Cause No. 45235 effective March 11, 2020.
(2) As approved in Michigan Case No. U-20359 effective February 1, 2020.
(3) FERC wholesale formula rate agreements specify that the depreciation rates in the formula rates change upon approval of MPSC rates in the Michigan jurisdiction.
(4) The rates approved for each jurisdiction are updated when approved by that commission. These demand-based allocation factors for all jurisdictions are updated when new rates are approved in one of the jurisdictions. These allocation factors reflect I&M's 12 monthly Coincident Peaks during test year of the most recent rate case.

GENERAL NOTES:

The rates for each AEP company have been approved by their respective regulatory commissions.
I&M falls under the authority of Indiana, Michigan and the FERC. Therefore, I&M's rates are a composite of the jurisdictions under which it operates. Each jurisdictions' rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the composite rate
AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 09/1/2016
FOR SINGLE JURISDICTION COMPANIES
KINGSPORT POWER COMPANY

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Structures & Improvements	352.0	1.04%
Station Equipment	353.0	1.49%
Towers & Fixtures	354.0	0.12%
Poles & Fixtures	355.0	2.14%
Overhead Conductors	356.0	0.77%
Underground Conduit	357.0	Note 2
Underground Conductors	358.0	Note 2
Composite Transmission Depreciation Rate		**1.46%**
GENERAL PLANT		
Structures & Improvements	390.0	1.71%
Office Furniture & Equipment	391.0	2.82%
Stores Equipment	393.0	2.22%
Tools Shop & Garage Equipmen	394.0	3.12%
Laboratory Equipment	395.0	3.17%
Communication Equipment	397.0	3.32%
Miscellaneous Equipment	398.0	4.92%
Total General Plant		3.25%

Reference:

Note 1: Rates Approved In Tennessee Regulatory Authority Docket No. 16-00001.
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Note 2: Kingsport Power Company does not have investment in plant accounts 357 or 358. Therefore, there are no depreciation rates approved

General Note
AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 07/1/2015
FOR SINGLE JURISDICTION COMPANIES
KENTUCKY POWER COMPANY

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Land Rights	350.1	1.44%
Structures & Improvements	352.0	2.08%
Station Equipment	353.0	2.15%
Towers & Fixtures	354.0	2.61%
Poles & Fixtures	355.0	3.95%
Overhead Conductors	356.0	2.91%
Underground Conduit	357.0	2.99%
Underground Conductors	358.0	2.62%

Reference:

Note 1: Rates Approved in KPSC Case No. 2014-00396.

General Note
AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 4/1/2012
FOR SINGLE JURISDICTION COMPANIES
OHIO POWER COMPANY

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Structures & Improvements	352.0	2.02%
Station Equipment	353.0	2.29%
Twrs and Fixtures Above 69 KV	354.0	1.88%
Twrs and Fixtures Below 69 KV	354.0	1.88%
Poles and Fixtures Above 69 KV	355.0	3.52%
Poles and Fixtures Below 69 KV	355.0	3.52%
Overhead Conductor & Devices Above	356.0	1.91%
Overhead Conductor & Devices MSP	356.0	1.91%
Overhead Conductor & Devices 138K	356.0	1.91%
Overhead Conductor & Devices 69KV	356.0	1.91%
Overhead Conductor & Devices CLR	356.0	1.91%
Underground Conduit	357.0	2.26%
Underground Conductors	358.0	3.27%

Reference:

Note 1: These are the weighted average of the depreciation rates in effect for Columbus Southern Power and Ohio Power prior to the merger of Columbus Southern into Ohio Power.

General Note:
AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 3/1/2019
FOR SINGLE JURISDICTION COMPANIES
WHEELING POWER COMPANY

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Structures & Improvements	352.0	1.15%
Station Equipment	353.0	2.22%
Towers & Fixtures	354.0	2.65%
Poles & Fixtures	355.0	2.41%
Overhead Conductors	356.0	1.32%
Underground Conduit	351.0	9.94%
Underground Conductors	351.0	13.98%
Trails & Roads	359.0	-
GENERAL PLANT		
Structures & Improvements	390.0	1.08%
Office Furniture & Equipment	391.0	2.13%
Stores Equipment	393.0	1.78%
Tools Shop & Garage Equipment	394.0	1.65%
Communication Equipment	397.0	5.09%
Miscellaneous Equipment	398.0	2.76%

Note 1: Rates Approved in WV Public Service Commission Case No. 14-1151-E-D.

General Note:
AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet Q - True-up With Interest

Reconciliation Revenue Requirement For Year 2021 Available May 25, 2022		2021 Forecasted Revenue Requirement For Year 2021		True-up Adjustment - Over (Under) Recovery
$169,617,187	-	$153,943,486	=	($15,673,701)

Interest Rate on Amount of Refunds or Surcharges from 35.19a		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
			0.2770%				

An over or under collection will be recovered prorata over 2021, held for 2022 and returned prorate over 2023

Calculation of Interest					**Monthly**		
January	Year 2021	(1,306,142)	0.2770%	12	43,416		1,349,558
February	Year 2021	(1,306,142)	0.2770%	11	39,798		1,345,940
March	Year 2021	(1,306,142)	0.2770%	10	36,180		1,342,322
April	Year 2021	(1,306,142)	0.2770%	9	32,562		1,338,704
May	Year 2021	(1,306,142)	0.2770%	8	28,944		1,335,086
June	Year 2021	(1,306,142)	0.2770%	7	25,326		1,331,468
July	Year 2021	(1,306,142)	0.2770%	6	21,708		1,327,850
August	Year 2021	(1,306,142)	0.2770%	5	18,090		1,324,232
September	Year 2021	(1,306,142)	0.2770%	4	14,472		1,320,614
October	Year 2021	(1,306,142)	0.2770%	3	10,854		1,316,996
November	Year 2021	(1,306,142)	0.2770%	2	7,236		1,313,378
December	Year 2021	(1,306,142)	0.2770%	1	3,618		1,309,760
					282,205		**15,955,906**
					Annual		
January through December	Year 2022	15,955,906	0.2770%	12	530,374		**16,486,281**
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					**Monthly**		
January	Year 2023	(16,486,281)	0.2770%		45,667	(1,398,718)	15,133,229
February	Year 2023	(15,133,229)	0.2770%		41,919	(1,398,718)	13,776,430
March	Year 2023	(13,776,430)	0.2770%		38,161	(1,398,718)	12,415,872
April	Year 2023	(12,415,872)	0.2770%		34,392	(1,398,718)	11,051,546
May	Year 2023	(11,051,546)	0.2770%		30,613	(1,398,718)	9,683,440
June	Year 2023	(9,683,440)	0.2770%		26,823	(1,398,718)	8,311,545
July	Year 2023	(8,311,545)	0.2770%		23,023	(1,398,718)	6,935,849
August	Year 2023	(6,935,849)	0.2770%		19,212	(1,398,718)	5,556,343
September	Year 2023	(5,556,343)	0.2770%		15,391	(1,398,718)	4,173,016
October	Year 2023	(4,173,016)	0.2770%		11,559	(1,398,718)	2,785,856
November	Year 2023	(2,785,856)	0.2770%		7,717	(1,398,718)	1,394,855
December	Year 2023	(1,394,855)	0.2770%		3,864	(1,398,718)	0
					298,341		

True-Up Adjustment with Interest	16,784,622
Less Over (Under) Recovery	(15,673,701)
Total Interest	1,110,920

Note 1: The interest rate to be applied to the over recovery or under recovery amounts will be determined using the average monthly FERC interest rate (as determined pursuant to 18 C.F.R. Section 35.19a) for the twenty (20) months from the beginning of the rate year being trued-up through August 31 of the following year.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet Q - True-up With Interest

Reconciliation Revenue Requirement For Year 2021 Available May 25, 2022		2021 Forecasted Revenue Requirement For Year 2021		True-up Adjustment - Over (Under) Recovery
$6,034,830	-	$5,251,215	=	($783,615)

		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
Interest Rate on Amount of Refunds or Surcharge from 35.19a			0.2770%				
An over or under collection will be recovered prorata over 2021, held for 2022 and returned prorate over 2023							
Calculation of Interest					**Monthly**		
January	Year 2021	(65,301)	0.2770%	12	2,171		67,472
February	Year 2021	(65,301)	0.2770%	11	1,990		67,291
March	Year 2021	(65,301)	0.2770%	10	1,809		67,110
April	Year 2021	(65,301)	0.2770%	9	1,628		66,929
May	Year 2021	(65,301)	0.2770%	8	1,447		66,748
June	Year 2021	(65,301)	0.2770%	7	1,266		66,567
July	Year 2021	(65,301)	0.2770%	6	1,085		66,387
August	Year 2021	(65,301)	0.2770%	5	904		66,206
September	Year 2021	(65,301)	0.2770%	4	724		66,025
October	Year 2021	(65,301)	0.2770%	3	543		65,844
November	Year 2021	(65,301)	0.2770%	2	362		65,663
December	Year 2021	(65,301)	0.2770%	1	181		65,482
					14,109		**797,724**
					Annual		
January through December	Year 2022	797,724	0.2770%	12	26,516		**824,240**
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					**Monthly**		
January	Year 2023	(824,240)	0.2770%		2,283	(69,930)	756,594
February	Year 2023	(756,594)	0.2770%		2,096	(69,930)	688,760
March	Year 2023	(688,760)	0.2770%		1,908	(69,930)	620,738
April	Year 2023	(620,738)	0.2770%		1,719	(69,930)	552,528
May	Year 2023	(552,528)	0.2770%		1,531	(69,930)	484,129
June	Year 2023	(484,129)	0.2770%		1,341	(69,930)	415,540
July	Year 2023	(415,540)	0.2770%		1,151	(69,930)	346,762
August	Year 2023	(346,762)	0.2770%		961	(69,930)	277,792
September	Year 2023	(277,792)	0.2770%		769	(69,930)	208,632
October	Year 2023	(208,632)	0.2770%		578	(69,930)	139,280
November	Year 2023	(139,280)	0.2770%		386	(69,930)	69,737
December	Year 2023	(69,737)	0.2770%		193	(69,930)	0
					14,916		

True-Up Adjustment with Interest	839,156
Less Over (Under) Recovery	(783,615)
Total Interest	55,541

Note 1: The interest rate to be applied to the over recovery or under recovery amounts will be determined using the average monthly FERC interest rate (as determined pursuant to 18 C.F.R. Section 35.19a) for the twenty (20) months from the beginning of the rate year being trued-up through August 31 of the following

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet Q - True-up With Interest

Reconciliation Revenue Requirement For Year 2021 Available May 25, 2022		2021 Collections		True-up Adjustment - Over (Under) Recovery
$434,683	-	$633,146	=	$198,463

		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
Interest Rate on Amount of Refunds or Surcharges from 35.19a			0.2770%				

An over or under collection will be recovered prorata over 2021, held for 2022 and returned prorate over 2023

Calculation of Interest					**Monthly**		
January	Year 2021	16,539	0.2770%	12	(550)		(17,088)
February	Year 2021	16,539	0.2770%	11	(504)		(17,042)
March	Year 2021	16,539	0.2770%	10	(458)		(16,997)
April	Year 2021	16,539	0.2770%	9	(412)		(16,951)
May	Year 2021	16,539	0.2770%	8	(366)		(16,905)
June	Year 2021	16,539	0.2770%	7	(321)		(16,859)
July	Year 2021	16,539	0.2770%	6	(275)		(16,813)
August	Year 2021	16,539	0.2770%	5	(229)		(16,768)
September	Year 2021	16,539	0.2770%	4	(183)		(16,722)
October	Year 2021	16,539	0.2770%	3	(137)		(16,676)
November	Year 2021	16,539	0.2770%	2	(92)		(16,630)
December	Year 2021	16,539	0.2770%	1	(46)		(16,584)
					(3,573)		**(202,036)**
					Annual		
January through December	Year 2022	(202,036)	0.2770%	12	(6,716)		**(208,752)**
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					**Monthly**		
January	Year 2023	**208,752**	0.2770%		(578)	17,711	(191,619)
February	Year 2023	191,619	0.2770%		(531)	17,711	(174,439)
March	Year 2023	174,439	0.2770%		(483)	17,711	(157,212)
April	Year 2023	157,212	0.2770%		(435)	17,711	(139,936)
May	Year 2023	139,936	0.2770%		(388)	17,711	(122,613)
June	Year 2023	122,613	0.2770%		(340)	17,711	(105,242)
July	Year 2023	105,242	0.2770%		(292)	17,711	(87,823)
August	Year 2023	87,823	0.2770%		(243)	17,711	(70,355)
September	Year 2023	70,355	0.2770%		(195)	17,711	(52,839)
October	Year 2023	52,839	0.2770%		(146)	17,711	(35,275)
November	Year 2023	35,275	0.2770%		(98)	17,711	(17,662)
December	Year 2023	17,662	0.2770%		(49)	17,711	(0)
					(3,778)		

True-Up Adjustment with Interest	(212,529)
Less Over (Under) Recovery	198,463
Total Interest	(14,067)

Note 1: The interest rate to be applied to the over recovery or under recovery amounts will be determined using the average monthly FERC interest rate (as determined pursuant to 18 C.F.R. Section 35.19a) for the twenty (20) months from the beginning of the rate year being trued-up through August 31 of the following year.