

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

VERIFIED PETITION OF INDIANA MICHIGAN POWER )  
COMPANY (I&M), AN INDIANA CORPORATION, FOR )  
APPROVAL OF A CLEAN ENERGY SOLAR PILOT PROJECT )  
(CESPP); FOR DECLINATION OF JURISDICTION OR )  
ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY FOR CESPP; FOR APPROVAL OF )  
ACCOUNTING AND RATEMAKING, INCLUDING TIMELY )  
RECOVERY OF COSTS INCURRED DURING ) CAUSE NO. 44511  
CONSTRUCTION AND OPERATION OF CESPP THROUGH A )  
SOLAR POWER RIDER; FOR APPROVAL OF CESPP )  
DEPRECIATION PROPOSAL; FOR AUTHORITY TO DEFER )  
CESPP COSTS UNTIL SUCH COSTS ARE REFLECTED IN )  
THE SOLAR POWER RIDER OR OTHERWISE REFLECTED )  
IN I&M'S BASIC RATES AND CHARGES; AND FOR )  
APPROVAL OF A GREEN POWER RIDER. )

**INDUSTRIAL GROUP'S SUBMISSION OF DIRECT WORKPAPERS**

The I&M Industrial Group, by counsel, hereby submits its Direct Workpapers of Jeffrey Pollock.

Respectfully submitted,

LEWIS & KAPPES, P.C.

/s/ Jennifer W. Terry

Jennifer W. Terry, Atty No. 21145-53-A

**CERTIFICATE OF SERVICE**

The undersigned counsel hereby certifies that a copy of the foregoing document was served upon the following via electronic mail, this 19<sup>th</sup> day of September, 2014:

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/s/ Jennifer W. Terry  
Jennifer W. Terry

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**INDIANA MICHIGAN POWER COMPANY**  
**Illustration of IG's Proposed Cap on Cost Recovery**  
**Clean Energy Solar Pilot Project**  
**Indiana Retail Jurisdiction**  
**(Amounts in Thousands)**

<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Reference</u>
		(1)	(2)
1	Estimated Annual Revenue Requirement	\$3,468	Exhibit CMH-1
2	Less: Green Power Rider Revenues	<u>\$1,500</u>	Assumption
3	Net Revenue Requirement	\$1,968	Line 1 - Line 2
4	Indiana Retail Share of CESPP Generation (MWh)	17,188.58	64.65519% of Total Output
5	Net Cost (\$ per MWh)	\$114.47	Line 3 ÷ Line 4
6	Weighted Average Avoided Cost (\$/MWh)	\$100.00	Assumption
7	CESPP Generation Cost Recoverable	\$1,719	Lower of Line 5 or Line 6 x Line 4

**CLEAN ENERGY SOLAR PILOT PROJECT**  
Estimated Hourly Profile

Hours	January	February	March	April	May	June	July	August	September	October	November	December	Total
0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
6	0.00%	0.00%	0.00%	0.03%	0.13%	0.09%	0.09%	0.04%	0.00%	0.00%	0.00%	0.00%	0.38%
7	0.00%	0.00%	0.08%	0.30%	0.38%	0.36%	0.32%	0.28%	0.17%	0.05%	0.00%	0.00%	1.95%
8	0.02%	0.11%	0.39%	0.62%	0.72%	0.71%	0.71%	0.61%	0.49%	0.38%	0.15%	0.02%	4.92%
9	0.30%	0.40%	0.68%	0.87%	1.06%	1.02%	1.08%	0.91%	0.77%	0.70%	0.36%	0.24%	8.38%
10	0.50%	0.65%	0.88%	1.12%	1.24%	1.29%	1.24%	1.21%	1.07%	0.91%	0.53%	0.38%	11.01%
11	0.63%	0.81%	1.09%	1.28%	1.39%	1.47%	1.45%	1.43%	1.21%	1.05%	0.60%	0.50%	12.91%
12	0.70%	0.87%	1.19%	1.20%	1.49%	1.58%	1.55%	1.46%	1.26%	1.07%	0.67%	0.54%	13.56%
13	0.71%	0.87%	1.17%	1.26%	1.54%	1.58%	1.48%	1.37%	1.23%	0.98%	0.67%	0.54%	13.39%
14	0.64%	0.80%	1.10%	1.20%	1.30%	1.47%	1.40%	1.27%	1.15%	0.83%	0.58%	0.43%	12.16%
15	0.50%	0.64%	0.91%	1.02%	1.06%	1.23%	1.23%	1.08%	0.94%	0.68%	0.41%	0.31%	10.00%
16	0.28%	0.40%	0.65%	0.73%	0.81%	0.94%	0.94%	0.84%	0.64%	0.40%	0.16%	0.11%	6.91%
17	0.02%	0.12%	0.32%	0.40%	0.48%	0.57%	0.56%	0.46%	0.28%	0.08%	0.00%	0.00%	3.30%
18	0.00%	0.00%	0.04%	0.10%	0.19%	0.22%	0.23%	0.16%	0.02%	0.00%	0.00%	0.00%	0.96%
19	0.00%	0.00%	0.00%	0.00%	0.02%	0.06%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%
20	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grand Total	4.29%	5.67%	8.50%	10.12%	11.81%	12.61%	12.34%	11.11%	9.25%	7.11%	4.12%	3.07%	100.00%

		January	February	March	April	May	June	July
Hours	Sum of E_Grid (MW)	Column Labels						
	Row Labels	1	2	3	4	5	6	7
	0	0	0	0	0	0	0	0
	1	0	0	0	0	0	0	0
	2	0	0	0	0	0	0	0
	3	0	0	0	0	0	0	0
	4	0	0	0	0	0	0	0
	5	0	0	0	0	0.03	0.92	0.06
	6	0	0	0	3.45	16.26	11.89	11.29
	7	0	0.28	10.49	37.31	47.84	45.64	40.55
	8	2.31	14.29	49.49	78.47	90.46	89.08	89.6
	9	37.88	50.91	85.84	109.3	134.4	128.93	135.94
	10	62.89	81.58	111.5	141.04	156.06	163.22	156.87
	11	79.27	102.31	137.28	161.65	175.97	185.94	182.5
	12	88.95	109.22	150.34	151.89	187.73	199.23	195.19
	13	89.55	109.88	147.09	158.52	194.75	199.68	187.21
	14	80.37	101	139.48	151.08	163.92	185.11	176.93
	15	62.82	80.55	115.19	129.14	133.45	155.72	155.03
	16	35.8	50.66	81.73	91.88	102.76	118.69	119.23
	17	2.13	15.15	40.08	50.92	60.98	72.31	70.75
	18	0	0.19	4.95	12.93	23.41	27.81	29.24
	19	0	0	0	0	2.34	7.79	7.55
	20	0	0	0	0	0	0	0
	21	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	
23	0	0	0	0	0	0	0	
	Grand Total	541.95	716.02	1073.5	1277.59	1490.38	1591.96	1557.93
		541.97	716.02	1073.46	1277.58	1490.36	1591.96	1557.94

August	September	October	November	December	
					Grand Total
8	9	10	11	12	
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	1.02
4.76	0.28	0	0	0	47.93
35.6	21.59	6.2	0.43	0	245.93
77.27	62.07	47.76	18.36	2.54	621.68
114.26	96.64	88.13	45.4	30.79	1058.43
152.19	135.68	114.33	66.46	48.6	1390.41
180.5	152.56	132.81	75.98	63.08	1629.88
183.84	158.84	134.9	84.22	67.91	1712.26
173.16	155.22	123.1	84.33	67.65	1690.15
160.09	145.65	104.51	72.68	53.8	1534.59
136.47	118.84	86.04	51.27	38.52	1263.05
105.98	81.3	50.37	20.03	14.09	872.51
58.62	35.95	9.96	0.34	0	417.2
19.62	3.15	0.01	0	0	121.32
0.48	0	0	0	0	18.16
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1402.81	1167.78	898.13	519.48	386.99	12624.53
1402.84	1167.77	898.12	519.50	386.98	12624.52

1.01  
47.93  
245.93  
621.7  
1058.42  
1390.42  
1629.85  
1712.26  
1690.14  
1534.62  
1263.04  
872.52  
417.19  
121.31  
18.16

		January	February	March	April	May	June	July
	Sum of E_Grid (MW)	Column Labels						
	Row Labels	1	2	3	4	5	6	7
	0	0	0	0	0	0	0	0
	1	0	0	0	0	0	0	0
	2	0	0	0	0	0	0	0
	3	0	0	0	0	0	0	0
	4	0	0	0	0	0	0	0
	5	0	0	0	0	0.02	0.5	0
	6	0	0	0	1.38	6.52	4.44	4.05
	7	0	0.28	3.53	14.04	19.4	17.65	15.05
	8	2.1	6.28	15.37	28.82	34.81	32.69	32.95
	9	11.61	22.92	31.09	42.09	50.54	45.37	51.12
	10	24.18	36.83	43.2	54.44	61.26	60.06	57.22
	11	34.38	47.84	53.63	58.77	66.79	67.91	63.9
	12	39.34	49.73	58.6	60.82	70.7	73.42	69.64
	13	37.32	50.46	57.99	61.05	68.46	73.7	71.11
	14	32.11	45.93	56.69	58.76	58.17	66.1	65.1
	15	21.5	35.31	47.68	51.13	48.92	56.2	57.22
	16	9.48	22.83	31.75	34.74	34.63	41.96	44.09
	17	1.13	7.18	14.05	19.36	21.36	25.66	25.1
	18	0	0.19	2.16	5.02	8.51	10.01	11.04
	19	0	0	0	0	0.91	2.52	2.59
	20	0	0	0	0	0	0	0
	21	0	0	0	0	0	0	0
	22	0	0	0	0	0	0	0
H ours	23	0	0	0	0	0	0	0
	Grand Total	213.14	325.78	415.77	490.44	551.01	578.18	570.18
		213.15	325.78	415.74	490.42	551	578.19	570.18

Source: Response to IG 3-6c, Attachment 3

August	September	October	November	December	
					Grand Total
8	9	10	11	12	
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0.52
1.9	0.28	0	0	0	18.57
12.5	7.3	3.2	0.43	0	93.38
27.42	21.46	18.05	8.23	2.48	230.65
40.92	39.01	36.34	19.86	13.12	404
56.84	53.44	47.59	30.3	23.36	548.73
66.93	61.24	55.29	36.97	32.72	646.37
68.23	65.35	56.27	37.69	33.69	683.48
67.4	65.63	53.01	38.01	33.58	677.73
60.95	60.31	46.62	34	31.6	616.32
51.3	49.13	33.58	23.91	20.67	496.57
41.15	31.12	18.18	9.29	6.36	325.57
22.4	13.39	4.03	0.34	0	154
7.17	1.37	0.01	0	0	45.48
0.17	0	0	0	0	6.19
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
525.25	469.03	372.17	239.02	197.59	4947.56
525.28	469.03	372.17	239.03	197.58	4947.56

0.52  
18.57  
93.38  
230.66  
403.99  
548.72  
646.37  
683.48  
677.72  
616.34  
496.55  
325.58  
154  
45.48  
6.19



		January	February	March	April	May	June	July
	Sum of E_Grid (MW)	Column Labels						
	Row Labels	1	2	3	4	5	6	7
	0	0	0	0	0	0	0	0
	1	0	0	0	0	0	0	0
	2	0	0	0	0	0	0	0
	3	0	0	0	0	0	0	0
	4	0	0	0	0	0	0	0
	5	0	0	0	0	0.01	0.42	0.06
	6	0	0	0	2.07	9.74	7.45	7.24
	7	0	0	6.96	23.27	28.44	27.99	25.5
	8	0.21	8.01	34.12	49.65	55.65	56.39	56.65
	9	26.27	27.99	54.75	67.21	83.86	83.56	84.82
	10	38.71	44.75	68.3	86.6	94.8	103.16	99.65
	11	44.89	54.47	83.65	102.88	109.18	118.03	118.6
	12	49.61	59.49	91.74	91.07	117.03	125.81	125.55
	13	52.23	59.42	89.1	97.47	126.29	125.98	116.1
	14	48.26	55.07	82.79	92.32	105.75	119.01	111.83
	15	41.32	45.24	67.51	78.01	84.53	99.52	97.81
	16	26.32	27.83	49.98	57.14	68.13	76.73	75.14
	17	1	7.97	26.03	31.56	39.62	46.65	45.65
	18	0	0	2.79	7.91	14.9	17.8	18.2
	19	0	0	0	0	1.43	5.27	4.96
	20	0	0	0	0	0	0	0
	21	0	0	0	0	0	0	0
	22	0	0	0	0	0	0	0
H ours	23	0	0	0	0	0	0	0
	Grand Total	328.81	390.24	657.73	787.15	939.37	1013.78	987.75
		328.82	390.24	657.72	787.16	939.36	1013.77	987.76

Source: Response to IG 3-6c, Attachment 5

August	September	October	November	December	
8	9	10	11	12	Grand Total
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0.5
2.86	0	0	0	0	29.36
23.1	14.29	3	0	0	152.55
49.85	40.61	29.71	10.13	0.06	391.03
73.34	57.63	51.79	25.54	17.67	654.43
95.35	82.24	66.74	36.16	25.24	841.68
113.57	91.32	77.52	39.01	30.36	983.51
115.61	93.49	78.63	46.53	34.22	1028.78
105.76	89.59	70.09	46.32	34.07	1012.42
99.14	85.34	57.89	38.68	22.2	918.27
85.17	69.71	52.46	27.36	17.85	766.48
64.83	50.18	32.19	10.74	7.73	546.94
36.22	22.56	5.93	0	0	263.2
12.45	1.78	0	0	0	75.84
0.31	0	0	0	0	11.97
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
877.56	698.75	525.96	280.46	189.4	7676.97
877.56	698.74	525.95	280.47	189.4	7676.96

0.49  
29.36  
152.55  
391.04  
654.43  
841.7  
983.48  
1028.78  
1012.42  
918.28  
766.49  
546.94  
263.19  
75.83  
11.97

**INDIANA MICHIGAN POWER COMPANY**  
**Sales of Renewable Energy Under Voluntary Tariffs**  
**During Calendar Year 2013 For the Top 10 Utilities By Volume**

<u>Line</u>	<u>Utility</u>	<u>Green Program Sales (MWh)</u>	<u>Total Sales (MWh)</u>	<u>Penetration Rate</u>
		(1)	(2)	(3)
1	Portland General Electric	1,049,981	21,226,863	4.9%
2	Austin Energy	863,956	13,180,530	6.6%
3	PacifiCorp	634,092	65,869,008	1.0%
4	Sacramento Municipal Utility District	423,724	13,372,736	3.2%
5	Xcel Energy (CO,MI,MN,NM,WI)	388,157	105,779,867	0.4%
6	Puget Sound Energy	380,155	26,265,216	1.4%
7	Connecticut Light & Power/ United Illuminating	273,658	28,722,372	1.0%
8	CPS Energy	205,713	30,004,467	0.7%
9	Tennessee Valley Authority*	199,067	161,755,657	0.1%
10	Oklahoma Gas & Electric Company	189,462	28,578,159	0.7%
11	Average Penetration Rate			2.0%

Source: (1) US Department of Energy - Energy Efficiency and Renewable Energy  
<http://apps3.eere.energy.gov/greenpower/markets/pricing.shtml?page=3>.

(2) SNL Financial, Total Sales of Electricity.  
 \* FERC Form 714

(3) Column (1) ÷ Column 2.

**INDIANA MICHIGAN POWER COMPANY**  
**Estimated Revenues Under a Revised Green Energy Rider**  
**Including Both Wind and Solar RECs**

Line	Assume Green Energy Rider Sales Penetration Rate of:	I&M Indiana Green Energy Sales (kWh) (1)	Revenues Based on Price Premium of (in ¢ per kWh)			
			<u>0.50¢</u> (2)	<u>1.00¢</u> (3)	<u>1.50¢</u> (4)	<u>2.00¢</u> (5)
1	0.50%	60,899,564	\$304,498	\$608,996	\$913,493	\$1,217,991
2	1.00%	121,799,128	\$608,996	\$1,217,991	\$1,826,987	\$2,435,983
3	1.50%	182,698,692	\$913,493	\$1,826,987	\$2,740,480	\$3,653,974
4	2.00%	243,598,256	\$1,217,991	\$2,435,983	\$3,653,974	\$4,871,965

**INDIANA MICHIGAN POWER COMPANY**  
**State of Indiana**  
**Clean Energy Solar Pilot Project**  
**Estimated Rate Impact - Production Demand All**

<u>Line</u>	<u>Class</u>	<u>Forecast Billing Energy*</u>	<u>Test Year CP/kWh Ratio*</u>	<u>CP Demand Allocation Factor</u>	<u>Total Costs Allocated on Demand</u>
		(1)	(2)	(3)	(4)
1	RS	4,421,672,342	0.0217031%	959,640	\$1,539,136
2	GS	2,638,302,705	0.0177478%	468,241	\$750,996
3	LGS	1,594,749,768	0.0158215%	252,313	\$404,677
4	LGS-LM-TOD	6,083,387	0.0158215%	962	\$1,544
5	IP	3,227,907,848	0.0138377%	446,668	\$716,397
6	MS	38,164,975	0.0170721%	6,516	\$10,450
7	WSS	140,741,094	0.0130395%	18,352	\$29,434
8	IS	1,343,470	0.0156199%	210	\$337
9	EHG	9,679,895	0.0199788%	1,934	\$3,102
10	OL	40,148,915	0.0074606%	2,995	\$4,804
11	SL	<u>61,118,425</u>	<u>0.0068205%</u>	<u>4,169</u>	<u>\$6,686</u>
12	Total	12,179,912,824		2,162,000	\$3,467,562

Annual RR  
From Exh CMH-1

\* Source - Exhibit NAH-2 from Cause No. 44422 - Capacity Settlement Rider (Calendar Year 2014 foreca

[Cause No. 44422 petition-page 33 of pdf.](#)

TY CP / kWh ratio was determined in Cause No. 44075 - IMPC's last rate case -- TYE 3/2011  
This ratio is also used in allocating the PJM Cost Rider and Off-System Sales Margin Rider,

location

<u>Rate \$/kWh</u>	<u>Forecast Billing Demand*</u>	<u>Rate \$/kW</u>	<u>Revenue Verification</u>
(5)	(6)	(7)	(8)
\$0.000348			\$1,539,136
\$0.000285			\$750,996
\$0.000254	4,128,654	\$0.098	\$404,677
\$0.000254			\$1,544
\$0.000222	7,162,689	\$0.100	\$716,397
\$0.000274			\$10,450
\$0.000209			\$29,434
\$0.000251			\$337
\$0.000320			\$3,102
\$0.000120			\$4,804
\$0.000109			\$6,686
			<u>\$3,467,562</u>

st)

per SNL

INDIANA MICHIGAN POWER COMPANY  
ESTIMATED RATE IMPACT  
CLEAN ENERGY SOLAR PILOT PROJECT

(DOLLARS IN THOUSANDS)

LINE	ITEM	INDIANA MICHIGAN POWER		
1	TOTAL CAPITAL INVESTMENT SOLAR (\$000) - UPDATED	\$	38,099	
2	WEIGHTED AVERAGE COST OF CAPITAL CAUSE NO. 44075		9.35%	
3	REVENUES FOR CARRYING COSTS	\$	3,473	
4	ALLOCATED INVESTMENT FROM LINE 1	\$	38,099	
5	RECOVERY PERIOD - 20 YEARS		<u>20</u>	
6	ANNUAL DEPRECIATION - CAPITAL INVESTMENT	\$	1,905	
7	ANNUAL INCREMENTAL O&M & SOLAR FORECASTING	\$	236	
8	PROPERTY TAXES	\$	400	
9	NET IMPACT OF ITC AMORTIZATION	\$	(733)	
10	CREDIT FROM GREEN POWER RIDER**		<u>0</u>	
11	REVENUE REQUIREMENT BEFORE UTILITY RECEIPTS & IURC FEES	\$	5,281	
12	UTILITY RECEIPTS TAX AND IURC FEES	\$	<u>82</u>	
13	TOTAL ANNUAL REVENUE REQUIREMENT	\$	5,363	26,585 \$0.202
14	INDIANA JURIS DEMAND ALLOC FACTOR		<u>64.65519%</u>	
15	INDIANA ANNUAL RETAIL REVENUE REQUIREMENT	\$	<u>3,468</u>	
16	TOTAL ANNUAL INDIANA RETAIL REVENUES CAUSE NO 44075	\$	<u>1,160,068</u>	
17	APPROXIMATE OVERALL % INCREASE IN RATES		<u>0.3%</u>	

\*Estimated Revenue Requirement excludes recovery of the costs deferred prior to the implementation of the Rider.

\*\*Currently in this example this estimate includes zero for ease of calculation. As Customers sign up for this Rider, the Credit will flow through Solar Power Rider.

Indiana Michigan Power Company  
Rate of Return Summary  
12-Month Period Ended 3/31/14

Line No.	(a) Description	(b) Total Company Capitalization \$	(c) Percent of Total	(d) % Cost Rate	(e) % Weighted Average Cost Rate	Tax Gross-Up Factor	Carrying Cost Rate %
1							
2	Long Term Debt	1,597,959,380	34.44%	5.67%	1.95%	1.0000	1.95%
3	Common Equity	1,984,709,532	42.77%	10.20%	4.36%	1.6587	7.24%
4	Customer Deposits	31,083,002	0.67%	6.00%	0.04%	1.0000	0.04%
5	Acc. Def. FIT	984,601,255	21.22%	0.00%	0.00%	1.6587	0.00%
6	Acc. Def. JDITC	<u>41,980,339</u>	<u>0.90%</u>	8.18%	<u>0.07%</u>	1.6587	<u>0.12%</u>
7							
8	Total	<u>4,640,333,508</u>	100.00%		<u>6.43%</u>		<u>9.35%</u>
9							
10							
11							
12	<u>Cost of Investor Supplied Capital</u>						
13	Long Term Debt	1,597,959,380	44.60%	5.67%	2.53%	1.0000	2.53%
14	Common Equity	<u>1,984,709,532</u>	<u>55.40%</u>	10.20%	<u>5.65%</u>	1.6587	9.37%
15	Total	<u>3,582,668,912</u>	100.00%		8.18%		<u>11.90%</u>

Computation of Gross Revenue Conversion Factor

	Tax Rates	% of Incremental Gross Revenues
Income Before Income Taxes		100.0000%
Less: Indiana Utility Receipts Tax		
Public Utility Assessment Fee (IURC)		0.0000%
Base Subject to State Income Taxes		100.0000%
Less: State Income Taxes	7.2500%	7.2500%
Income Before Federal Income Taxes		92.7500%
Less: Federal Income Taxes	35.0000%	32.4625%
Operating Income Percentage		<u>60.2875%</u>
Gross Revenue Conversion Factor		<u>1.6587</u>

Note: ROE Source = Cause No. 44075