

MICHIGAN PUBLIC SERVICE COMMISSION

ANNUAL REPORT OF ELECTRIC UTILITIES (MAJOR AND NON-MAJOR)

This form is authorized by 1919 PA 419, as amended, being MCL 460.55 et seq.; and 1969 PA 306, as amended, being MCL 24.201 et seq. Filing of this form is mandatory. Failure to complete and submit this form will place you violation of state law.

Report submitted for year ending: December 31, 2016																				
Present name of respondent: Indiana Michigan Power Company																				
Address of principal place of business: 1 Riverside Plaza, Columbus, OH 43215-2373																				
Utility representative to whom inquires regarding this report may be directed: <table><tr><td>Name:</td><td>Jerri-Lynn Ruggiero</td><td>Title:</td><td>Manager of Regulated Accounting</td></tr><tr><td>Address:</td><td colspan="3">1 Riverside Plaza</td></tr><tr><td>City:</td><td>Columbus</td><td>State:</td><td>Ohio</td><td>Zip:</td><td>43215</td></tr><tr><td>Telephone, Including Area Code:</td><td colspan="5">(614) 716-2674</td></tr></table>	Name:	Jerri-Lynn Ruggiero	Title:	Manager of Regulated Accounting	Address:	1 Riverside Plaza			City:	Columbus	State:	Ohio	Zip:	43215	Telephone, Including Area Code:	(614) 716-2674				
Name:	Jerri-Lynn Ruggiero	Title:	Manager of Regulated Accounting																	
Address:	1 Riverside Plaza																			
City:	Columbus	State:	Ohio	Zip:	43215															
Telephone, Including Area Code:	(614) 716-2674																			
If the utility name has been changed during the past year: <table><tr><td>Prior Name:</td><td></td></tr><tr><td>Date of Change:</td><td></td></tr></table>	Prior Name:		Date of Change:																	
Prior Name:																				
Date of Change:																				
Two copies of the published annual report to stockholders: <table><tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>were forwarded to the Commission</td></tr><tr><td><input checked="" type="checkbox"/></td><td><input type="checkbox"/></td><td>will be forwarded to the Commission</td></tr><tr><td></td><td></td><td><u>on or about</u> April 30, 2017</td></tr></table>	<input type="checkbox"/>	<input type="checkbox"/>	were forwarded to the Commission	<input checked="" type="checkbox"/>	<input type="checkbox"/>	will be forwarded to the Commission			<u>on or about</u> April 30, 2017											
<input type="checkbox"/>	<input type="checkbox"/>	were forwarded to the Commission																		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	will be forwarded to the Commission																		
		<u>on or about</u> April 30, 2017																		
Annual reports to stockholders: <table><tr><td><input checked="" type="checkbox"/></td><td><input type="checkbox"/></td><td>are published</td></tr><tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td>are not published</td></tr></table>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	are published	<input type="checkbox"/>	<input type="checkbox"/>	are not published														
<input checked="" type="checkbox"/>	<input type="checkbox"/>	are published																		
<input type="checkbox"/>	<input type="checkbox"/>	are not published																		

FOR ASSISTANCE IN COMPLETION OF THIS FORM:

Contact the Michigan Public Service Commission (Heather Cantin) at (517) 284-8266 or cantinh@michigan.gov OR forward correspondence to:

Michigan Public Service Commission
Financial Analysis & Audit Division (Heather Cantin)
7109 W Saginaw Hwy
PO Box 30221
Lansing, MI 48909

MPSC FORM P-521

ANNUAL REPORT OF ELECTRIC UTILITIES, LICENSEES AND OTHERS (Major and Nonmajor)

IDENTIFICATION		
01 Exact Legal Name of Respondent Indiana Michigan Power Company	02 Year of Report December 31, 2016	
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Business Office at End of Year (Street, City, State, Zip) 1 Riverside Plaza, Columbus, OH 43215-2373		
05 Name of Contact Person Jerri-Lynn Ruggiero	06 Title of Contact Person Manager of Regulated Accounting	
07 Address of Contact Person (Street, City, State, Zip) 1 Riverside Plaza, Columbus, OH 43215-2373		
08 Telephone of Contact Person, Including Area Code: (614) 716-2674	09 This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr)
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 and including December 31 of the year of the report.		
01 Name F. Scott Travis	03 Signature	04 Date Signed (Mo, Da, Yr) April 25, 2017
02 Title Assistant Controller		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
Indiana Michigan Power Compa	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2016
LIST OF SCHEDULES (Electric Utility)			
1. Enter in column (c) the terms "none", "not applicable", or "NA", as		2. The "M" prefix below denotes those pages where	
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
General Information	101		
Control Over Respondent & Other Associated Companies	M 102		
Corporations Controlled by Respondent	103	FERC Form 1	
Officers and Employees	104		
Directors	M 105		
Security Holders and Voting Powers	M 106-107		
Important Changes During the Year	108-109	FERC Form 1	
Comparative Balance Sheet	110-113	FERC Form 1	
Statement of Income for the Year	114-117	FERC Form 1	
Reconciliation of Deferred Income Tax Expense	M 117A-117B		
Statement of Retained Earnings for the Year	118-119	FERC Form 1	
Statement of Cash Flows	120-121	FERC Form 1	
Notes to Financial Statements	122-123	FERC Form 1	
Statement of Accumulated Comprehensive Income	122A-122B	FERC Form 1	
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion	200-201	FERC Form 1	
Nuclear Fuel Materials	202-203	FERC Form 1	
Electric Plant in Service	M 204-211		
Electric Plant Leased to Others	213	NA	
Electric Plant Held for Future Use	214	FERC Form 1	
Plant Acquisition Adjustments	M 215		
Construction Work in Progress - Electric	M 216		
Construction Overheads	M 217-218		
Accumulated Provision for Depreciation of Electric Utility Plant	219	FERC Form 1	
Nonutility Property	M 221		
Investments	M 222-223		
Investment in Subsidiary Companies	224-225	FERC Form 1	
Notes and Accounts Receivable	M 226A/B		
Materials and Supply	227	FERC Form 1	
Production Fuel and Oil Stocks	M 227a/b		
Allowances	228 A/B-229 A/B	FERC Form 1	
Miscellaneous Current and Accrued Assets	M 230A		
Extraordinary Property Losses	230B	NA	
Unrecovered Plant and Regulatory Study Costs	230B	NA	
Transmission Service and Generation Interconnection Study	231	FERC Form 1	
Other Regulatory Assets	232	FERC Form 1	
Miscellaneous Deferred Debits	233	FERC Form 1	
Accumulated Deferred Income Taxes (Account 190)	M 234A-B		
Deferred Losses From Disposition of Plant (Account 187)	M 235	NA	
Unamortized Loss and Gain on Reacquired Debt	M 237		
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Credits)			
Capital Stock	250-251	FERC Form 1	
Capital Stock Subscribed, Capital Stock Liability for Conversion Premium on Capital Stock, and Installments Received on Capital Stock	252		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Indiana Michigan Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2016
LIST OF SCHEDULES (Electric Utility) (Continued)			
Title of Schedule	Reference Page No.	Remarks	
(a)	(b)	(c)	
BALANCE SHEET SUPPORTING SCHEDULES			
(Liabilities and Other Credits) (Continued)			
Other Paid-In Capital	253	FERC Form 1	
Discount on Capital Stock	254	NA	
Capital Stock Expense	254	NA	
Securities Issued and Redeemed During the Year	M 255		
Long-Term Debt	256-257	FERC Form 1	
Payable to Associated Companies	M 260B		
Reconciliation of Reported Net Income with Taxable Income for Federal Income Tax	M 261A-B		
Calculation of Federal Income Tax			
Taxes Accrued, Prepaid and Charged During Year	262-263	FERC Form 1	
Distribution of Taxes Charged			
Accumulated Deferred Investment Tax Credits	266-267	FERC Form 1	
Miscellaneous Current and Accrued Liabilities	M 268		
Other Deferred Credits	269	FERC Form 1	
Deferred Gains From Disposition of Plant	M 270	NA	
Accumulated Deferred Income Taxes - Accelerated Amortization Property	272-273	FERC Form 1	
Accumulated Deferred Income Taxes - Other Property	274-275	FERC Form 1	
Accumulated Deferred Income Taxes - Other	276A-B	FERC Form 1	
Other Regulatory Liabilities	278	FERC Form 1	
Gain or Loss on Disposition of Property	M 280		
Income From Utility Plant Leased	M 281	NA	
Particulars Concerning Certain Other Income Accounts	M 282		
INCOME ACCOUNT SUPPORTING SCHEDULES			
Electric Operating Revenues	M 300-301		
Customer Choice Electric Operating Revenues	M 302-303	NA	
Sales of Electricity by Rate Schedules	M 304		
Customer Choice Sales of Electricity by Rate Schedules	M 305	NA	
Sales for Resale	310-311	FERC Form 1	
Electric Operation and Maintenance Expenses	320-323		
Number of Electric Department Employees	323		
Purchased Power	326-327	FERC Form 1	
Transmission of Electricity for Others	328-330	FERC Form 1	
Miscellaneous Revenue	M 331		
Transmission of Electricity by Others	332	FERC Form 1	
Lease Rentals Charged	M 333		
Miscellaneous General Expenses - Electric	335	FERC Form 1	
Depreciation and Amortization of Electric Plant	336	FERC Form 1	
Depreciation and Amortization of Electric Plant	337	FERC Form 1	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	M 340		
Expenditures For Certain Civic, Political and Related Activities	M 341		
Extraordinary Items	M 342	NA	
COMMON SECTION			
Regulatory Commission Expenses	350-351	FERC Form 1	
Research, Development and Demonstration Activities	352-353	FERC Form 1	
Distribution of Salaries and Wages	354-355	FERC Form 1	
Common Utility Plant and Expenses	356	NA	
Charges for Outside Professional and Consultative Services	M 357		
ELECTRIC PLANT STATISTICAL DATA			
Monthly Transmission System Peak Load	400	NA	
Electric Energy Account	401a	FERC Form 1	
Monthly Peaks and Output	401b	FERC Form 1	
Steam-Electric Generating Plant Statistics (Large Plants)	402-403	FERC Form 1	
Hydroelectric Generating Plant Statistics (Large Plants)	406-407	NA	
Pumped Storage Generating Plant Statistics (Large Plants)	408-409	NA	
Generating Plant Statistics (Small Plants)	410-411	FERC Form 1	
Changes Made or Scheduled to be Made in Generating Plants	M 412		
Steam-Electric Generating Plant Statistics (Large Plants)	M 413A/B		

Name of Respondent Indiana Michigan Power Compa	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
Hydro Electric Generating Plants - Large	414-415	NA
Generating Plant Statistics - Pumped Storage	416-418	NA
Generating Plant Statistics - Internal Combustion Engine	420-421	NA
Transmission Line Statistics	422-423	FERC Form 1
Transmission Lines Added During Year	424-425	FERC Form 1
Substations	426-427	FERC Form 1
Affiliated Transactions	429	FERC Form 1
Electric Distribution Meters and Line Transformers	429a	
Environmental Protection Facilities	430	NA
Environmental Protection Expenses	431	NA
Renewable Energy Sources	M 432	
Footnote Data	450	
<p>As noted in column C, certain pages filed by Indiana Michigan Power Company are copies of the FERC Form 1. In such instances, the requirements of the FERC Form 1 meet or exceed those of the MPSC Form P-521.</p>		

Name of Respondent	This Report Is:	Date of Report	Year of Report
Indiana Michigan Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	12/31/16

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of accounts are kept, if different from that where the general corporate books are kept.

F. Scott Travis, Assistant Controller
1 Riverside Plaza
Columbus, Ohio 43215

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state the fact and give the type of organization and date organized.

Indiana - February 21, 1925

3. If at any time during the year the property of respondent was held by receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date which possession by receivership or trustee ceased.

None

4. State the classes of utility or other services furnished by respondent during the year in each State in which the respondent operated.

Electric - Indiana

Electric - Michigan

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

1. Yes..... Enter date when such independent accountant was initially engaged: _____

2. No

Name of Respondent	This Report Is:	Date of Report	Year of Report
Indiana Michigan Power Com	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	12/31/16

CONTROL OVER RESPONDENT & OTHER ASSOCIATED COMPANIES

1. If any corporation, business trust, or similar organization or combination of such organization jointly held control over respondent at the end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.
2. List any entities which respondent did not control either directly or indirectly and which did not control respondent, but which were associated companies at any time during the year.

American Electric Power Company, Inc. - Ownership of 100% of the respondent's common stock

The following list of subsidiaries was extracted from Exhibit 21 of the company's Form 10-K as filed with the SEC.

Subsidiaries of American Electric Power Company, Inc., As of December 31, 2016

Each company shown indented is owned by the company immediately above it. Subsidiaries not indented are directly owned by the American Electric Power Company, Inc.

- American Electric Power Service Corporation
- AEP Energy Supply LLC
 - AEP Generation Resources Inc.
- AEP Generating Company
- AEP Transmission Holding Company, LLC
 - AEP Transmission Company, LLC
- AEP Texas Inc.
 - AEP Texas Central Transition Funding II LLC
 - AEP Texas Central Transition Funding III LLC
 - AEP Texas North Generation Company LLC
- Appalachian Power Company
 - Appalachian Consumer Rate Relief Funding LLC
- Indiana Michigan Power Company
- Kentucky Power Company
- Kingsport Power Company
- Ohio Power Company
 - Ohio Phase-In-Recovery Funding LLC
- Ohio Valley Electric Corporation
 - Indiana-Kentucky Electric Corporation
- Public Service Company of Oklahoma
- Southwestern Electric Power Company
- Wheeling Power Company

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Price River Coal Company, Inc.	Coal Company - Inactive	100	
2	Blackhawk Coal Company, Inc.	Coal Company - Inactive	100	
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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/16
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OFFICERS AND EMPLOYEES

1. Report below the name, title, and salary for the five executive officers.
2. Report in column (b) salaries and wages accrued during the year including deferred compensation.
3. In column (c) report any other compensation provided, such as bonuses, car allowance, stock options and rights, savings contribution, etc., and explain in a footnote what the amounts represent. Provide type code for other compensation in column (d).
4. If a change was made during the year in the incumbent of any position, show the name and total remuneration of the previous incumbent and the date the change in incumbency occurred.
5. Upon request, the Company will provide the Commission with supplemental information on officers and other employees and salaries.

Line	Name and Title (a)	Base Wages (b)	Other Compensation (c)	Type of Other Compensation (d)	Total Compensation (e)
1	Nicholas K. Akins Chairman of the Board and Chief Executive Officer	1,325,077	3,000,000 89,704 6,720,027 337,932	A B C D	11,472,740
2	Brian X. Tierney Executive Vice President and Chief Financial Officer	730,800	990,000 82,227 1,895,038 144,374	A B C D	3,842,439
3	Rober P. Powers Vice Chairman	723,773	980,000 80,798 1,895,038 349,093	A B C D	4,028,702
4	David M. Feinberg Executive Vice President and General Counsel	615,358	730,000 63,548 1,126,919 97,066	A B C D	2,632,891
5	Lisa M. Barton Executive Vice President - Transmission	532,039	650,000 54,696 1,003,030 108,331	A B C D	2,348,096
1	Footnote Data				
2					
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4					
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Compensation Type Codes: A=Executive Incentive Compensation
B=Incentive Plan (Matching Employer Contribution)
C=Stock Plans
D=Other Reimbursements

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/16
DIRECTORS			
1. Report below any information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.			
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.			
Name and Title of Director (a)	Principal Business Address (b)	# of Directors Meetings During Yr (c)	Fees During Yr (d)
Nicholas K. Akins - Chief Executive Officer*** Chairman of the Board**	Columbus, Ohio	N/A	0
Mark C. McCullough - Vice President***	Columbus, Ohio	N/A	0
Carla E. Simpson	Fort Wayne, Indiana	N/A	0
Marc E. Lewis - Vice President External and Regulatory Affairs	Fort Wayne, Indiana	N/A	0
Robert P. Powers***	Columbus, Ohio	N/A	0
Brian X. Tierney - Vice President*** Chief Financial Officer	Columbus, Ohio	N/A	0
Lisa M. Barton - Vice President***	Columbus, Ohio	N/A	0
Paul Chodak, III - President Chief Operating Officer	Fort Wayne, Indiana	N/A	0
Thomas A. Kratt - Vice President Distribution Operations	Fort Wayne, Indiana	N/A	0
David A. Lucas - Vice President Finance	Fort Wayne, Indiana	N/A	0
Barry O. Wiard	Fort Wayne, Indiana	N/A	0
Nicholas M. Elkins	Fort Wayne, Indiana	N/A	0

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/16
SECURITY HOLDERS AND VOTING POWERS			
<p>1. (A) Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.</p> <p>1. (B) Give also the name and indicate the voting powers resulting from ownership of securities of the respondent of each officer and director not included in the list of 10 largest security holders.</p> <p>2. If any security other than stock carries voting rights, explain in a supplemental statement the circumstances whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.</p> <p>3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.</p> <p>4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.</p>			
<p>1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:</p> <p>Stock books do not close</p>			
<p>2. State the total number of votes cast at the latest general proxy meeting prior to the end of year for election of directors of the respondent and number of such notes cast by proxy:</p> <p style="text-align: center;">Total: 1,400,000</p> <p style="text-align: center;">By Proxy: 1,400,000</p>			
<p>3. Give the date and place of such meeting:</p> <p>April 26, 2016 in Columbus, Ohio</p>			

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/16
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SECURITY HOLDERS AND VOTING POWERS (Continued)

Line	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Number of votes as of (date):			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes all voting securities	1,400,000	1,400,000		
5	TOTAL number of security holders	1	1		
6	TOTAL votes of security holders listed below				
7	American Electric Power Company, Inc.	1,400,000	1,400,000		
8	1 Riverside Plaza				
9	Columbus, Ohio 43215				
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RESPONSE/NOTES TO INSTRUCTION

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2016/Q4</u>
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IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None
2. None
3. None
4. None
5. None
6. \$400,000,000 Senior Unsecured Notes issued on March 3, 2016 (Indiana Commission Authority, Cause No. 44679)

\$87,900,000 nuclear fuel capital lease (Indiana Commission Authority, Cause No. 44490)

\$86,700,000 nuclear fuel capital lease (Indiana Commission Authority, Cause No. 44679)

FERC Authority (Docket No. ES15-52-000) \$35,000 Letter of Credit issued by American Electric Power Company, Inc. on behalf of Indiana Michigan Power Company to benefit Travelers Insurance/DC Cook Workers Compensation
7. None
8. Cook Nuclear Plant Maintenance employees represented by IBEW #1392 were provided with a 2.5% general wage increase effective April 1, 2016

Cook Nuclear Plant Stores employees represented by IBEW #1392 were provided with a 2.5% general wage increase effective April 1, 2016

Cook Nuclear Plant RPEC employees represented by IBEW #1392 were provided with a 2.5% general wage increase effective April 1, 2016

River Transportation Division employees represented by USW #14811 were provided with a 2.5 % general wage increase effective April 1, 2016

Michiana Region employees represented by IBEW #1392 were provided with a 2.5% general wage increase effective November 1, 2016

Fort Wayne District employees represented by IBEW #1392 were provided with a 2.5% general wage increase effective November 1, 2016

Muncie District employees represented by IBEW #1392 were provided with a 2.5% general wage increase effective November 1, 2016

TFS T-Line employees represented by IBEW #1392 were provided with a 2.5% general wage

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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

increase effective November 1, 2016

Southern Maintenance Group employees represented by IBEW #1392 were provided with a 2.5% general wage increase effective November 1, 2016

Three River Area employees represented by IBEW #876 were provided with a 2.5% general wage increase effective November 1, 2016

9. Please refer to the Notes to Financial Statements Pages 122-123
10. None
11. (Reserved)
12. Not Used
13. Joel P. Gebbie elected as Vice President effective 1/1/2016
Shane Q. Lies elected as Site Vice President – Donald C. Cook Plant effective 1/1/2016
Mark W. Lloyd elected as Vice President – Engineering, Donald C. Cook Plant effective 1/1/2016
Lonni L. Dieck elected as Vice President effective 5/3/2016
Lonni L. Dieck elected as Treasurer effective 5/3/2016
Julia A. Sloat resigned as Vice President effective 5/2/2016
Julia A. Sloat resigned as Treasurer effective 5/2/2016
Nicholas M. Elkins elected as Director effective 12/17/2016
Paul Chodak III resigned as Director effective 12/31/2016
Barry O. Wiard resigned as Director effective 12/16/2016
Paul Chodak III resigned as President and COO effective 12/31/2016
Timothy K. Light resigned as Vice President effective 12/08/2016
14. Proprietary capital ratio exceeds 30%

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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	7,675,210,553	7,263,015,610
3	Construction Work in Progress (107)	200-201	654,208,671	519,800,994
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		8,329,419,224	7,782,816,604
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,953,225,228	2,982,974,498
6	Net Utility Plant (Enter Total of line 4 less 5)		5,376,193,996	4,799,842,106
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	78,454,251
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		1,493,621	1,632,918
10	Spent Nuclear Fuel (120.4)		684,727,053	630,223,891
11	Nuclear Fuel Under Capital Leases (120.6)		239,146,482	192,876,881
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	685,160,271	630,836,553
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		240,206,885	272,351,388
14	Net Utility Plant (Enter Total of lines 6 and 13)		5,616,400,881	5,072,193,494
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		28,155,997	31,724,436
19	(Less) Accum. Prov. for Depr. and Amort. (122)		14,949,362	15,382,623
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	18,676,961	25,382,691
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	28,479,047	0
24	Other Investments (124)		13,600,139	13,920,404
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		2,256,242,999	2,106,392,111
29	Special Funds (Non Major Only) (129)		19,045,518	22,683,989
30	Long-Term Portion of Derivative Assets (175)		-515	34,278
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		2,349,250,784	2,184,755,286
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		1,216,639	1,114,368
36	Special Deposits (132-134)		11,916,585	10,346,684
37	Working Fund (135)		4,200	4,200
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		60,062,477	43,785,828
41	Other Accounts Receivable (143)		715,426	2,652,048
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		8,335	46,298
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		48,270,212	65,978,234
45	Fuel Stock (151)	227	31,333,494	45,389,568
46	Fuel Stock Expenses Undistributed (152)	227	922,321	1,094,564
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	147,193,957	152,461,178
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	2,093,490	1,499,107
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	30,011,063	31,972,505

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2016/Q4
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		28,479,047	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		8,140,253	7,759,231
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		84,190	15,647
60	Rents Receivable (172)		85,370	83,794
61	Accrued Utility Revenues (173)		1,464,322	53,262
62	Miscellaneous Current and Accrued Assets (174)		27,104,369	32,564,196
63	Derivative Instrument Assets (175)		3,489,282	12,371,484
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		-515	34,278
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		345,620,783	409,065,322
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		10,012,590	7,164,746
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	703,726,641	566,419,752
73	Prelim. Survey and Investigation Charges (Electric) (183)		14,659,542	50,817,281
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	45,167,922	45,384,033
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		9,464,111	10,540,250
82	Accumulated Deferred Income Taxes (190)	234	914,977,833	839,414,145
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		1,698,008,639	1,519,740,207
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		10,009,281,087	9,185,754,309

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	56,583,866	56,583,866
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		4,234,635	4,234,635
7	Other Paid-In Capital (208-211)	253	976,661,804	976,661,804
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	1,137,197,580	1,015,636,062
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	-6,674,314	31,416
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-16,256,513	-16,739,231
16	Total Proprietary Capital (lines 2 through 15)		2,151,747,058	2,036,408,552
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	40,000,000	40,000,000
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	2,274,166,356	1,874,854,812
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		4,092,431	3,226,323
24	Total Long-Term Debt (lines 18 through 23)		2,230,073,925	1,831,628,489
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		151,577,694	114,862,276
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		135,954	79,620
29	Accumulated Provision for Pensions and Benefits (228.3)		41,388,308	38,068,576
30	Accumulated Miscellaneous Operating Provisions (228.4)		618,570	1,089,506
31	Accumulated Provision for Rate Refunds (229)		1,733,079	592,391
32	Long-Term Portion of Derivative Instrument Liabilities		784,272	1,580,586
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		1,258,078,633	1,253,837,709
35	Total Other Noncurrent Liabilities (lines 26 through 34)		1,454,316,510	1,410,110,664
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		179,023,029	200,982,541
39	Notes Payable to Associated Companies (233)		215,200,760	294,270,405
40	Accounts Payable to Associated Companies (234)		75,589,800	61,852,374
41	Customer Deposits (235)		34,318,118	35,674,491
42	Taxes Accrued (236)	262-263	40,500,980	39,280,346
43	Interest Accrued (237)		33,950,734	28,016,769
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		5,974,040	5,530,633
48	Miscellaneous Current and Accrued Liabilities (242)		126,803,593	128,525,146
49	Obligations Under Capital Leases-Current (243)		127,082,774	108,005,386
50	Derivative Instrument Liabilities (244)		1,070,724	7,913,919
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		784,272	1,580,586
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		838,730,280	908,471,424
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		0	0
57	Accumulated Deferred Investment Tax Credits (255)	266-267	38,781,415	35,008,741
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	41,454,521	51,506,836
60	Other Regulatory Liabilities (254)	278	813,464,188	712,181,437
61	Unamortized Gain on Reacquired Debt (257)		11,555	13,267
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	13,008,872	160,225
63	Accum. Deferred Income Taxes-Other Property (282)		1,306,253,605	1,222,740,355
64	Accum. Deferred Income Taxes-Other (283)		1,121,439,158	977,524,319
65	Total Deferred Credits (lines 56 through 64)		3,334,413,314	2,999,135,180
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		10,009,281,087	9,185,754,309

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	2,132,155,074	2,156,157,997		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	1,229,884,087	1,289,107,629		
5	Maintenance Expenses (402)	320-323	205,639,991	211,953,723		
6	Depreciation Expense (403)	336-337	165,679,453	159,918,487		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	1,483,959	9,902,817		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	24,246,045	28,066,214		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		304,310	478,335		
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	90,888,833	84,541,658		
15	Income Taxes - Federal (409.1)	262-263	-40,945,728	-1,850,604		
16	- Other (409.1)	262-263	3,464,156	8,167,450		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	538,797,120	516,209,157		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	432,951,579	425,592,220		
19	Investment Tax Credit Adj. - Net (411.4)	266	3,772,674	-3,313,845		
20	(Less) Gains from Disp. of Utility Plant (411.6)		251,809	302,382		
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)		577,807	232,774		
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		9,881,955	2,911,082		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		1,799,315,660	1,879,964,727		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		332,839,414	276,193,270		

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
2,132,155,074	2,156,157,997					2
						3
1,229,884,087	1,289,107,629					4
205,639,991	211,953,723					5
165,679,453	159,918,487					6
1,483,959	9,902,817					7
24,246,045	28,066,214					8
						9
						10
						11
304,310	478,335					12
						13
90,888,833	84,541,658					14
-40,945,728	-1,850,604					15
3,464,156	8,167,450					16
538,797,120	516,209,157					17
432,951,579	425,592,220					18
3,772,674	-3,313,845					19
251,809	302,382					20
						21
577,807	232,774					22
						23
9,881,955	2,911,082					24
1,799,315,660	1,879,964,727					25
332,839,414	276,193,270					26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		332,839,414	276,193,270		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)		76,220,301	82,016,749		
34	(Less) Expenses of Nonutility Operations (417.1)		68,528,355	75,217,342		
35	Nonoperating Rental Income (418)		-60,008	197,635		
36	Equity in Earnings of Subsidiary Companies (418.1)	119	-6,705,730	64,578		
37	Interest and Dividend Income (419)		1,049,300	1,275,548		
38	Allowance for Other Funds Used During Construction (419.1)		15,339,627	11,633,775		
39	Miscellaneous Nonoperating Income (421)		10,724,954	8,367,607		
40	Gain on Disposition of Property (421.1)		54,791	-171,595		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		28,094,880	28,166,955		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		167,852	26,532		
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		10,359,384	1,253,199		
46	Life Insurance (426.2)					
47	Penalties (426.3)		382,071	64,714		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		1,195,948	1,023,015		
49	Other Deductions (426.5)		7,783,231	2,702,035		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		19,888,486	5,069,495		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	3,923,513	3,816,379		
53	Income Taxes-Federal (409.2)	262-263	-3,832,888	-1,038,126		
54	Income Taxes-Other (409.2)	262-263	-39,912	536,024		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	19,511,776	22,853,148		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	16,679,207	19,876,953		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		2,883,282	6,290,472		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		5,323,112	16,806,988		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		90,712,806	79,376,715		
63	Amort. of Debt Disc. and Expense (428)		1,820,729	1,779,096		
64	Amortization of Loss on Reaquired Debt (428.1)		1,283,093	1,283,093		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)		1,712	1,712		
67	Interest on Debt to Assoc. Companies (430)		851,540	760,448		
68	Other Interest Expense (431)		10,791,475	9,966,629		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		7,151,193	5,002,041		
70	Net Interest Charges (Total of lines 62 thru 69)		98,306,738	88,162,228		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		239,855,788	204,838,030		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		239,855,788	204,838,030		

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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

1. Report on this page the charges to accounts 410, 411 and 420 reported in the contra accounts 190, 281, 282, 283 and 284. In the event the deferred income tax expenses reported on pages 114-117 do not directly reconcile with the amounts found on these pages, then provide the additional information requested in instruction #3, on a separate page.

2. The charges to the subaccounts of 410 and 411 found on pages 114-117 should agree with the subaccount totals reported on these pages.

Line No.	Electric Utility	Gas Utility
1 Debits to Account 410 from:		
2 Account 190	129,528,527	
3 Account 281	12,853,547	
4 Account 282	191,520,238	
5 Account 283	204,894,808	
6 Account 284		
7 Reconciling Adjustments		
8 TOTAL Account 410.1 (on pages 114-115 line 17)	538,797,120	0
9 TOTAL Account 410.2 (on page 117 line 55)		
10 Credits to Account 411 from:		
11 Account 190	189,243,538	
12 Account 281	4,900	
13 Account 282	123,959,587	
14 Account 283	119,743,554	
15 Account 284		
16 Reconciling Adjustments		
17 TOTAL Account 411.1 (on page 114-115 line 18)	432,951,579	0
18 TOTAL Account 411.2 (on page 117 line 56)		
19 Net ITC Adjustment:		
20 ITC Utilized for the Year DR		
21 ITC Amortized for the Year CR	3,772,674	
22 ITC Adjustments:		
23 Adjust last year's estimate to actual per filed return		
24 Other (specify)		
25 Net Reconciling Adjustments Account 411.4*	3,772,674	0
26 Net Reconciling Adjustments Account 411.5**		
27 Net Reconciling Adjustments Account 420***		

* on pages 114-15 line 19

** on page 117 line 57

*** on page 117 line 58

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RECONCILIATION OF DEFERRED INCOME TAX EXPENSE

3. (a) Provide a detailed reconciliation of the applicable deferred income tax expense subaccount(s) reported on pages 114-117 with the amount reported on these pages. (b) Identify all contra accounts (other than accounts 190 and 281-284). (c) Identify the company's regulatory authority to utilize contra accounts other than accounts 190 or 281-284 for the recording of deferred income tax expense(s).

Other Utility	Total Utility	Other Income	Total Company	Line No.
				1
	129,528,527	4,971,018	134,499,545	2
	12,853,547		12,853,547	3
	191,520,238	39,900	191,560,138	4
	204,894,808	14,500,858	219,395,666	5
				6
				7
0	538,797,120			8
		19,511,776		9
				10
	189,243,538	6,972,599	196,216,137	11
	4,900		4,900	12
	123,959,587	75,629	124,035,216	13
	119,743,554	9,630,979	129,374,533	14
				15
				16
0	432,951,579			17
		16,679,207		18
				19
				20
	3,772,674		3,772,674	21
				22
				23
				24
0	3,772,674	0		25
		0		26
		0		27

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		1,012,081,054	927,452,132
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		246,561,518	204,773,452
17	Appropriations of Retained Earnings (Acct. 436)			
18	Reclassification of Appropriate Retained Earnings-Amort Reserve Federal		-220,672	(144,530)
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)		-220,672	(144,530)
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	Dividends Delcared - Common Stock		-125,000,000	(120,000,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-125,000,000	(120,000,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		1,133,421,900	1,012,081,054
	APPROPRIATED RETAINED EARNINGS (Account 215)			

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)		3,775,680	3,555,008
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)		3,775,680	3,555,008
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		1,137,197,580	1,015,636,062
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)		31,416	(33,162)
50	Equity in Earnings for Year (Credit) (Account 418.1)		-6,705,730	64,578
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)		-6,674,314	31,416

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STATEMENT OF CASH FLOWS

- (1) Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
- (2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
- (3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
- (4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20, instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	239,855,788	204,838,030
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	191,409,457	197,887,518
5	Amortization of Regulatory Debits and Credits	304,310	478,335
6	Amortization of Nuclear Fuel	131,186,765	147,005,603
7	Accretion of Asset Retirement Obligations	9,881,955	2,911,082
8	Deferred Income Taxes (Net)	108,678,110	93,593,132
9	Investment Tax Credit Adjustment (Net)	3,772,674	-3,313,845
10	Net (Increase) Decrease in Receivables	2,025,429	15,492,519
11	Net (Increase) Decrease in Inventory	18,906,006	8,265,115
12	Net (Increase) Decrease in Allowances Inventory	1,961,442	3,385,937
13	Net Increase (Decrease) in Payables and Accrued Expenses	19,008,687	-10,625,668
14	Net (Increase) Decrease in Other Regulatory Assets	-68,368,993	32,624,964
15	Net Increase (Decrease) in Other Regulatory Liabilities	-8,701,999	-56,210,231
16	(Less) Allowance for Other Funds Used During Construction	15,339,627	11,633,775
17	(Less) Undistributed Earnings from Subsidiary Companies	-6,705,730	64,578
18	Other (provide details in footnote):	-142,298,015	-152,029,229
19	Mark-to-Market of Risk Management Contracts	2,039,007	14,569,681
20	Pension Contributions to Qualified Plant Trust	-12,741,000	-14,558,000
21	Disposition of Tanners Creek Plant Site	-93,458,698	
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	394,827,028	472,616,590
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-608,769,955	-469,156,646
27	Gross Additions to Nuclear Fuel	-131,929,038	-93,921,400
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant	-118,934	-295,306
30	(Less) Allowance for Other Funds Used During Construction	-15,339,627	-11,633,775
31	Other (provide details in footnote):		
32			
33	Acquired Assets	-240,332	-737,079
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-725,718,632	-552,476,656
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	5,172,283	4,048,794
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)	-2,999,972,429	-2,271,985,311
45	Proceeds from Sales of Investment Securities (a)	2,957,724,059	2,218,447,611

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation	-25,488	
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):	3,464,704	6,089,405
54	(Increase)/Decrease in Other Special Deposits	9,563	-42,983
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-759,345,940	-595,919,140
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	400,000,000	200,000,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65	Long Term Debt Issuance Costs	-5,208,743	-612,944
66	Net Increase in Short-Term Debt (c)		
67	Proceeds on Nuclear Fuel Sale/Leaseback	174,600,000	111,300,000
68	Proceeds on Capital Leaseback	683,177	571,645
69	Notes Payable to Associated Companies		151,768,984
70	Cash Provided by Outside Sources (Total 61 thru 69)	570,074,434	463,027,685
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-1,383,606	-219,626,157
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77	Notes Payable to Associated Companies	-79,069,645	
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-125,000,000	-120,000,000
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	364,621,183	123,401,528
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	102,271	98,978
87			
88	Cash and Cash Equivalents at Beginning of Period	1,118,568	1,019,590
89			
90	Cash and Cash Equivalents at End of period	1,220,839	1,118,568

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FOOTNOTE DATA			

Schedule Page: 120 Line No.: 18 Column: b

	<u>2016</u>	<u>2015</u>
Utility Plant, Net (Includes Purchases of Nuclear Fuel)	(190,541,004)	(177,410,262)
Property and Investments, Net	2,218,907	(1,208,884)
Margin Deposits	(1,579,463)	(4,508,244)
Prepayments	74,990	(2,603,923)
Accrued Utility Revenues, Net	(1,411,060)	449,913
Misc Current and Accrued Assets	7,713,687	(11,783,921)
Unamortized Debt Expense	988,900	1,211,926
Other Deferred Debits, Net	1,597,873	1,412,361
Other Comprehensive Income, Net	1,318,349	1,089,806
Unamortized Discount/Premium on LTD	505,891	483,937
Accumulated Provisions - Misc	(256,608)	1,203,143
Current and Accrued Liabilities, Net	(2,118,012)	(7,879,884)
Other Deferred Credits, Net	<u>39,189,535</u>	<u>47,514,803</u>
Total	(142,298,015)	(152,029,229)

Schedule Page: 120 Line No.: 37 Column: b

	<u>2016</u>	<u>2015</u>
Transfer of Assets to Transco	3,780,121	669,333
Transformer Sales - Affiliated Companies	638,604	769,544
Meter Sales - Affiliated Companies	598,125	375,230
Sale Boiler Feed Pump Rotor Assembly - Affiliated Co.	152,061	0
Sale/Leaseback of Operating Lease	3,372	0
Sale of West Memphis - Arkansas Land - Affiliated	0	960,646
Transformer Sales - Non Affiliated Company	0	524,830
Sale of 60 acres at former Breed Plant	0	304,000
Sale of house and 1.614 acres in Ft. Wayne, IN	0	268,145
Rotor Sale - Affiliated Company	<u>0</u>	<u>177,066</u>
Total	5,172,283	4,048,794

Schedule Page: 120 Line No.: 53 Column: b

	<u>2016</u>	<u>2015</u>
DOE Settlement	1,711,872	4,426,241
CIAC Proceeds	<u>1,752,832</u>	<u>1,663,164</u>
Total	3,464,704	6,089,405

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STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
4. Report data on a year-to-date basis.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				48,195
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				43,659
3	Preceding Quarter/Year to Date Changes in Fair Value				(3,512,961)
4	Total (lines 2 and 3)				(3,469,302)
5	Balance of Account 219 at End of Preceding Quarter/Year				(3,421,107)
6	Balance of Account 219 at Beginning of Current Year				(3,421,107)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				31,958
8	Current Quarter/Year to Date Changes in Fair Value				(867,589)
9	Total (lines 7 and 8)				(835,631)
10	Balance of Account 219 at End of Current Quarter/Year				(4,256,738)

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1	(14,407,930)		(14,359,735)		
2	1,089,806		1,133,465		
3			(3,512,961)		
4	1,089,806		(2,379,496)	204,838,030	202,458,534
5	(13,318,124)		(16,739,231)		
6	(13,318,124)		(16,739,231)		
7	1,318,349		1,350,307		
8			(867,589)		
9	1,318,349		482,718	239,855,788	240,338,506
10	(11,999,775)		(16,256,513)		

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of 2016/Q4
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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

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SEE PAGE 123 FOR REQUIRED INFORMATION.

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GLOSSARY OF TERMS FOR NOTES

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Term	Meaning
AEGCo	AEP Generating Company, an AEP electric utility subsidiary.
AEP	American Electric Power Company, Inc., an investor-owned electric public utility holding company which includes American Electric Power Company, Inc. (Parent) and majority owned subsidiaries and affiliates.
AEP Credit	AEP Credit, Inc., a subsidiary of AEP which securitizes accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP East Companies	APCo, I&M, KPCo and OPCo.
AEP System	American Electric Power System, an electric system, owned and operated by AEP subsidiaries.
AEPEP	AEP Energy Partners, Inc., a subsidiary of AEP dedicated to wholesale marketing and trading, hedging activities, asset management and commercial and industrial sales in the deregulated Ohio and Texas market.
AEPSC	American Electric Power Service Corporation, an AEP service subsidiary providing management and professional services to AEP and its subsidiaries.
AFUDC	Allowance for Funds Used During Construction.
AGR	AEP Generation Resources Inc., a competitive AEP subsidiary.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
ARO	Asset Retirement Obligation.
ASU	Accounting Standards Update.
Cook Plant	Donald C. Cook Nuclear Plant, a two-unit, 2,191 MW nuclear plant owned by I&M.
CWIP	Construction Work in Progress.
DCC Fuel	DCC Fuel VI LLC, DCC Fuel VII, DCC Fuel VIII, DCC Fuel IX and DCC X, entities formed for the purpose of acquiring, owning and leasing nuclear fuel to I&M.
EIS	Energy Insurance Services, Inc., a nonaffiliated captive insurance company.
ESP	Electric Security Plans, a PUCO requirement for electric utilities to adjust their rates by filing with the PUCO.
FAC	Fuel Adjustment Clause.
FASB	Financial Accounting Standards Board.
Federal EPA	United States Environmental Protection Agency.
FERC	Federal Energy Regulatory Commission.

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GLOSSARY OF TERMS FOR NOTES (Continued)

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Term	Meaning
FGD	Flue Gas Desulfurization or scrubbers.
FTR	Financial Transmission Right, a financial instrument that entitles the holder to receive compensation for certain congestion-related transmission charges that arise when the power grid is congested resulting in differences in locational prices.
GAAP	Accounting Principles Generally Accepted in the United States of America.
I&M	Indiana Michigan Power Company, an AEP electric utility subsidiary.
Interconnection Agreement	An agreement by and among APCo, I&M, KPCo and OPCo, which defined the sharing of costs and benefits associated with their respective generation plants. This agreement was terminated January 1, 2014.
IRS	Internal Revenue Service.
IURC	Indiana Utility Regulatory Commission.
KGPCo	Kingsport Power Company, an AEP electric utility subsidiary.
KPCo	Kentucky Power Company, an AEP electric utility subsidiary.
kV	Kilovolt.
KWh	Kilowatthour.
MISO	Midwest Independent Transmission System Operator.
MLR	Member load ratio, the method used to allocate transactions among members of the Interconnection Agreement.
MMBtu	Million British Thermal Units.
MPSC	Michigan Public Service Commission.
MTM	Mark-to-Market.
MW	Megawatt.
MWh	Megawatthour.
NO _x	Nitrogen oxide.
NSR	New Source Review.
OATT	Open Access Transmission Tariff.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.
OPEB	Other Postretirement Benefit Plans.
Operating Agreement	Agreement, dated January 1, 1997, as amended, by and among PSO and SWEPCo governing generating capacity allocation, energy pricing, and revenues and costs of third party sales. AEPSC acts as the agent.
OTC	Over the counter.

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GLOSSARY OF TERMS FOR NOTES (Continued)

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Term	Meaning
OVEC Parent	Ohio Valley Electric Corporation, which is 43.47% owned by AEP. American Electric Power Company, Inc., the equity owner of AEP subsidiaries within the AEP consolidation.
PCA	Power Coordination Agreement among APCo, I&M, KPCo and WPCo.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PPA	Purchase Power and Sale Agreement.
PSO	Public Service Company of Oklahoma, an AEP electric utility subsidiary.
PUCO	Public Utilities Commission of Ohio.
Risk Management Contracts	Trading and nontrading derivatives, including those derivatives designated as cash flow and fair value hedges.
Rockport Plant	A generation plant, consisting of two 1,310 MW coal-fired generating units near Rockport, Indiana. AEGCo and I&M jointly-own Unit 1. In 1989, AEGCo and I&M entered into a sale-and-leaseback transaction with Wilmington Trust Company, an unrelated, unconsolidated trustee for Rockport Plant, Unit 2.
RTO	Regional Transmission Organization, responsible for moving electricity over large interstate areas.
SIA	System Integration Agreement, effective June 15, 2000, as amended, provides contractual basis for coordinated planning, operation and maintenance of the power supply sources of the combined AEP.
SNF	Spent Nuclear Fuel.
SO ₂	Sulfur dioxide.
SPP	Southwest Power Pool regional transmission organization.
SSO	Standard service offer.
SWEPCo	Southwestern Electric Power Company, an AEP electric utility subsidiary.
Utility Money Pool	Centralized funding mechanism AEP uses to meet the short-term cash requirements of certain utility subsidiaries.
WPCo	Wheeling Power Company, an AEP electric utility subsidiary.

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

As a public utility, I&M engages in the generation and purchase of electric power, and the subsequent sale, transmission and distribution of that power to 592,000 retail customers in its service territory in northern and eastern Indiana and southwestern Michigan. I&M sells power at wholesale to municipalities and electric cooperatives. I&M's River Transportation Division provides barging services to affiliates and nonaffiliated companies. I&M shares off-system sales margins with its customers.

Effective January 2014, the FERC approved a PCA among APCo, I&M and KPCo with AEPSC as the agent to coordinate the participants' respective power supply resources. Effective May 2015, the PCA was revised and approved by the FERC to include WPCo. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. Further, the Restated and Amended PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.

Also effective January 2014, the FERC approved a Bridge Agreement among AGR, APCo, I&M, KPCo and OPCo with AEPSC as the agent. The Bridge Agreement is an interim arrangement to: (a) address the treatment of purchases and sales made by AEPSC on behalf of member companies that extend beyond termination of the Interconnection Agreement and (b) address how member companies would fulfill their existing obligations under the PJM Reliability Assurance Agreement through the 2014/2015 PJM planning year. Under the Bridge Agreement, AGR committed to meet capacity obligations of member companies through the PJM Planning year that ended May 31, 2015.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo and WPCo. Effective January 2014, and revised in May 2015, power and natural gas risk management activities are allocated based on the member companies' respective equity positions. Risk management activities primarily include power and natural gas physical transactions, financially-settled swaps and exchange-traded futures. AEPSC settles the majority of the physical forward contracts by entering into offsetting contracts. I&M shared in the revenues and expenses associated with these risk management activities with the member companies.

AEGCo holds a 50% interest in each of the Rockport Plant units and is entitled to 50% of the capacity and associated energy from each unit. Under unit power agreements approved by the FERC, I&M and KPCo purchase approximately 920 MWs and 390 MWs, respectively, of the output from AEGCo's 50% share of the Rockport Plant.

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Under the SIA, AEPSC allocates physical and financial revenues and expenses from transactions with neighboring utilities, power marketers and other power and natural gas risk management activities based upon the location of such activity, with margins resulting from trading and marketing activities originating in PJM and MISO generally accruing to the benefit of APCo, I&M, KPCo and WPCo and trading and marketing activities originating in SPP generally accruing to the benefit of PSO and SWEPCo. Margins resulting from other transactions are allocated among APCo, I&M, KPCo, PSO, SWEPCo and WPCo based upon the common shareholder's equity of these companies.

To minimize the credit requirements and operating constraints when operating within PJM, participating AEP companies, including I&M, agreed to a netting of certain payment obligations incurred by the participating AEP companies against certain balances due to such AEP companies and to hold PJM harmless from actions that any one or more AEP companies may take with respect to PJM.

I&M is jointly and severally liable for activity conducted by AEPSC on behalf of AEP companies related to power purchase and sale activity.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rates and Service Regulation

I&M's rates are regulated by the FERC, the IURC and the MPSC. The FERC also regulates I&M's affiliated transactions, including AEPSC intercompany service billings which are generally at cost, under the 2005 Public Utility Holding Company Act and the Federal Power Act. The FERC also has jurisdiction over the issuances and acquisitions of securities of the public utility subsidiaries, the acquisition or sale of certain utility assets and mergers with another electric utility or holding company. For non-power goods and services, the FERC requires a nonregulated affiliate to bill an affiliated public utility company at no more than market while a public utility must bill the higher of cost or market to a nonregulated affiliate. The state regulatory commissions also regulate certain intercompany transactions under various orders and affiliate statutes. Both the FERC and state regulatory commissions are permitted to review and audit the relevant books and records of companies within a public utility holding company system.

The FERC regulates wholesale power markets and wholesale power transactions. I&M's wholesale power transactions are generally market-based. Wholesale power transactions are cost-based regulated when a cost-based contract is negotiated and filed with the FERC or the FERC determines that I&M has "market power" in the region where the transaction occurs. Wholesale power supply contracts have been entered into with various municipalities and cooperatives that are FERC-regulated, cost-based contracts. These contracts are generally formula rate mechanisms, which are trued up to actual costs annually.

The IURC and the MPSC regulate all of the retail distribution operations and rates of I&M's retail public utility subsidiaries on a cost basis. They also regulate the retail generation/power supply operations and rates

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The FERC also regulates I&M's wholesale transmission operations and rates. Retail transmission rates are based upon the FERC OATT rate when retail rates are unbundled in connection with restructuring. Retail transmission rates are based on formula rates included in the PJM OATT that are cost-based and are unbundled in Michigan for I&M.

In addition, the FERC regulates the SIA, the Operating Agreement, the Transmission Agreement and the Transmission Coordination Agreement, all of which allocate shared system costs and revenues among the utility subsidiaries that are parties to each agreement.

Basis of Accounting

I&M's accounting is subject to the requirements of the IURC, the MPSC and the FERC. The financial statements have been prepared in accordance with the Uniform System of Accounts prescribed by the FERC. The principal differences from accounting principles generally accepted in the United States of America (GAAP) include:

- Accounting for subsidiaries on an equity basis.
- The classification of deferred fuel as noncurrent rather than current.
- The classification of interest on deferred fuel as Interest and Dividends Receivable rather than deferred fuel.
- The requirement to report deferred tax assets and liabilities separately rather than as a single amount.
- The classification of accrued taxes as a single amount rather than as assets and liabilities.
- The exclusion of current maturities of long-term debt from current liabilities.
- The classification of accrued non-ARO asset removal costs as accumulated depreciation rather than regulatory liabilities.
- The classification of capital lease payments as operating activities instead of financing activities.
- The classification of gains/losses from disposition of allowances as utility operating expenses rather than as operating revenues.
- The classification of PJM hourly activity for physical transactions as purchases and sales instead of net sales.
- The classification of tax assets related to the accounting guidance for "Uncertainty in Income Taxes" as a reduction to current liabilities rather than a tax benefit.
- The classification of noncurrent tax liabilities related to the accounting guidance for "Uncertainty in Income Taxes" as a current liability rather than a noncurrent liability.
- The classification of an accrued provision for potential refund as other noncurrent liability rather than a current liability.
- The classification of regulatory assets and liabilities related to the accounting guidance for "Accounting for Income Taxes" as separate assets and liabilities rather than as a single amount.
- The presentation of capital leased assets and their associated accumulated amortization as a single amount instead of as separate amounts.
- The classification of factored accounts receivable expense as a nonoperating expense instead of as an operating expense.

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- The presentation of over/under fuel recovery in revenue rather than as a component operating expense.
- The classification of certain nonoperating revenues as miscellaneous nonoperating income instead of as operating revenue.
- The classification of certain nonoperating expenses as miscellaneous nonoperating expense instead of as operating expense.
- The separate classification of income tax expense for operating and nonoperating activities instead of as a single income tax expense.
- The classification of DCC Fuel as a capital lease rather than consolidating in accordance with the accounting guidance for "Variable Interest Entities."
- The classification of coal procurement sales as a reduction of fuel expense rather than as revenue.
- The classification of unamortized loss on reacquired debt in deferred debits rather than in regulatory assets.
- The classification of accumulated deferred investment tax credits in deferred credits rather than in regulatory liabilities and deferred investment tax credits.
- The classification of certain other assets and liabilities as current instead of noncurrent.
- The classification of certain other assets and liabilities as noncurrent instead of current.
- The classification of debt issuance costs as noncurrent assets instead of noncurrent liabilities.
- The classification of unrecovered plant costs as accumulated depreciation instead of regulatory assets.
- The classification of change in emission allowances held for speculation as investing activities instead of operating activities.

Accounting for the Effects of Cost-Based Regulation

I&M's financial statements reflect the actions of regulators that result in the recognition of certain revenues and expenses in different time periods than enterprises that are not rate-regulated. In accordance with accounting guidance for "Regulated Operations," regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) are recorded to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates include, but are not limited to, inventory valuation, allowance for doubtful accounts, long-lived asset impairment, unbilled electricity revenue, valuation of long-term energy contracts, the effects of regulation, long-lived asset recovery, storm costs, the effects of contingencies and certain assumptions made in accounting for pension and postretirement benefits. The estimates and assumptions used are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could ultimately differ from those estimates.

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Cash and Cash Equivalents

Cash and Cash Equivalents on the statements of cash flows include Cash, Working Fund and Temporary Cash Investments on the balance sheets with original maturities of three months or less.

Supplementary Information

For the Years Ended December 31,	<u>2016</u>	<u>2015</u>
	(in millions)	
Cash was Paid (Received) for:		
Interest (Net of Capitalized Amounts)	\$ 80.7	\$ 82.4
Income Taxes (Net of Refunds)	(38.9)	21.2
Noncash Acquisitions Under Capital Leases	192.8	114.3
As of December 31,		
Construction Expenditures Included in Current and Accrued Liabilities	106.2	95.8
Acquisition of Nuclear Fuel Included in Current and Accrued Liabilities	2.1	37.9
Expected Reimbursement for Capital Cost of SNF Dry Cask Storage	0.7	2.2

Special Deposits

Special Deposits include funds held by trustees primarily for margin deposits for risk management activities.

Inventory

Fossil fuel, materials and supplies inventories are carried at average cost.

Accounts Receivable

Customer accounts receivable primarily include receivables from wholesale and retail energy customers, receivables from energy contract counterparties related to risk management activities and customer receivables primarily related to other revenue-generating activities.

Revenue is recognized from electric power sales when power is delivered to customers. To the extent that deliveries have occurred but a bill has not been issued, I&M accrues and recognizes, as Accrued Utility Revenues on the balance sheets, an estimate of the revenues for energy delivered since the last billing.

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AEP Credit factors accounts receivable on a daily basis, excluding receivables from risk management activities, through purchase agreements with I&M. AEP Credit has a receivables securitization agreement with bank conduits. Under the securitization agreement, AEP Credit receives financing from bank conduits for the interest in the billed and unbilled receivables AEP Credit acquires from affiliated utility subsidiaries. See "Securitized Accounts Receivable – AEP Credit" section of Note 14 for additional information.

Allowance for Uncollectible Accounts

Generally, AEP Credit records bad debt expense based upon a 12-month rolling average of bad debt write-offs in proportion to gross accounts receivable purchased from I&M. For customer accounts receivables relating to risk management activities, accounts receivables are reviewed for bad debt reserves at a specific counterparty level basis. For miscellaneous accounts receivable, bad debt expense is recorded for all amounts outstanding 180 days or greater at 100%, unless specifically identified. Miscellaneous accounts receivable items open less than 180 days may be reserved using specific identification for bad debt reserves.

Concentrations of Credit Risk and Significant Customers

I&M does not have any significant customers that comprise 10% or more of its operating revenues for the year ended December 31, 2016.

I&M monitors credit levels and the financial condition of its customers on a continuing basis to minimize credit risk. The regulatory commissions allow recovery in rates for a reasonable level of bad debt costs. Management believes adequate provisions for credit loss have been made in the accompanying financial statements.

Emission Allowances

I&M records emission allowances at cost, including the annual SO₂ and NO_x emission allowance entitlements received at no cost from the Federal EPA. The purchases and sales of allowances are reported in the Operating Activities section of the statements of cash flows. Allowances are consumed in the production of energy and are recorded in Operation Expenses at average cost on the statements of income.

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Property, Plant and Equipment

Electric utility property, plant and equipment for rate-regulated operations are stated at original cost. Additions, major replacements and betterments are added to the plant accounts. Under the group composite method of depreciation, continuous interim routine replacements of items such as boiler tubes, pumps, motors, etc. result in original cost retirements, less salvage, being charged to accumulated depreciation. The group composite method of depreciation assumes that on average, asset components are retired at the end of their useful lives and thus there is no gain or loss. The equipment in each primary electric plant account is identified as a separate group. The depreciation rates that are established take into account the past history of interim capital replacements and the amount of removal cost incurred and salvage received. These rates and the related lives are subject to periodic review. Removal costs are charged to accumulated depreciation.

The costs of labor, materials and overhead incurred to operate and maintain plant and equipment are included in operating expenses.

Long-lived assets are required to be tested for impairment when it is determined that the carrying value of the assets may no longer be recoverable or when the assets meet criteria under the accounting guidance for "Impairment or Disposal of Long-Lived Assets." When it becomes probable that an asset in service or an asset under construction will be abandoned and regulatory cost recovery has been disallowed, the cost of that asset shall be removed from plant-in-service or CWIP and charged to expense.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, as opposed to a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and are used as the basis for the measurement, if available. In the absence of quoted prices for identical or similar assets in active markets, fair value is estimated using various internal and external valuation methods including cash flow analysis and appraisals.

Investment in Subsidiary Companies

I&M has two wholly-owned subsidiaries, Blackhawk Coal Company and Price River Coal Company, that were formerly engaged in coal-mining operations. Blackhawk Coal Company currently leases and subleases portions of its Utah coal rights and land to nonaffiliated companies. Price River Coal Company which owns no land or mineral rights is inactive. Investment in the net assets of the two wholly-owned subsidiaries is carried at cost plus equity in their undistributed earnings since acquisition.

Allowance for Funds Used During Construction

AFUDC represents the estimated cost of borrowed and equity funds used to finance construction projects that is capitalized and recovered through depreciation over the service life of regulated electric utility plant.

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Valuation of Nonderivative Financial Instruments

The book values of Cash, Special Deposits, Working Fund, Notes Receivable from Associated Companies, Notes Payable to Associated Companies, accounts receivable, and accounts payable approximate fair value because of the short-term maturity of these instruments. The book value of the pre-April 1983 spent nuclear fuel disposal liability approximates the best estimate of its fair value.

Fair Value Measurements of Assets and Liabilities

The accounting guidance for "Fair Value Measurements and Disclosures" establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability. The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with established risk management policies as approved by the Finance Committee of AEP's Board of Directors. AEPSC's market risk oversight staff independently monitors risk policies, procedures and risk levels and provides members of the Commercial Operations Risk Committee (Regulated Risk Committee) various reports regarding compliance with policies, limits and procedures. The Regulated Risk Committee consists of AEPSC's Vice Chairman, Chief Financial Officer, Executive Vice President of Generation, Senior Vice President of Commercial Operations and Chief Risk Officer.

For commercial activities, exchange traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange traded contracts where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are nonbinding in nature but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations. If the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Illiquid transactions, complex structured transactions, FTRs and counterparty credit risk may require nonmarket based inputs. Some of these inputs may be internally developed or extrapolated and utilized to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The main driver of contracts being classified as Level 3 is the inability to substantiate energy price curves in the market. A portion of the Level 3 instruments have been economically hedged which limits potential earnings volatility.

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AEP utilizes its trustee's external pricing service to estimate the fair value of the underlying investments held in the benefit plan and nuclear trusts. AEP's investment managers review and validate the prices utilized by the trustee to determine fair value. AEP's management performs its own valuation testing to verify the fair values of the securities. AEP receives audit reports of the trustee's operating controls and valuation processes. The trustee uses multiple pricing vendors for the assets held in the trusts.

Assets in the benefits and nuclear trusts are classified using the following methods. Equities are classified as Level 1 holdings if they are actively traded on exchanges. Items classified as Level 1 are investments in money market funds, fixed income and equity mutual funds and domestic equity securities. They are valued based on observable inputs, primarily unadjusted quoted prices in active markets for identical assets. Items classified as Level 2 are primarily investments in individual fixed income securities and cash equivalent funds. Fixed income securities generally do not trade on exchanges and do not have an official closing price but their valuation inputs are based on observable market data. Pricing vendors calculate bond valuations using financial models and matrices. The models use observable inputs including yields on benchmark securities, quotes by securities brokers, rating agency actions, discounts or premiums on securities compared to par prices, changes in yields for U.S. Treasury securities, corporate actions by bond issuers, prepayment schedules and histories, economic events and, for certain securities, adjustments to yields to reflect changes in the rate of inflation. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments. Benefit plan assets included in Level 3 are primarily real estate, infrastructure and private equity investments that are valued using methods requiring judgment including appraisals. The fair value of real estate and infrastructure investments is measured using market capitalization rates, recent sales of comparable investments and independent third-party appraisals. The fair value of private equity investments is measured using cost and purchase multiples, operating results, discounted future cash flows and market based comparable data. Depending on the specific situation, one or multiple approaches are used to determine the valuation of a real estate, infrastructure or private equity investment.

Deferred Fuel Costs

The cost of fuel and related emission allowances and emission control chemicals/consumables is charged to expense when the fuel is burned or the allowance or consumable is utilized. The cost of fuel also includes the cost of nuclear fuel burned which is computed primarily on the units-of-production method. Fuel cost over-recoveries (the excess of fuel-related revenues over applicable fuel costs incurred) are generally deferred as regulatory liabilities and under-recoveries (the excess of applicable fuel costs incurred over fuel-related revenues) are generally deferred as regulatory assets. These deferrals are amortized when refunded or when billed to customers in later months with the state regulatory commissions' review and approval. The amount of an over-recovery or under-recovery can also be affected by actions of the state regulatory commissions. On a routine basis, state regulatory commissions review and/or audit I&M's fuel procurement policies and practices, the fuel cost calculations and FAC deferrals. FAC deferrals are adjusted when costs are no longer probable of recovery or when refunds of fuel reserves are probable.

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Changes in fuel costs, including purchased power in Indiana and Michigan for I&M are reflected in rates in a timely manner generally through the FAC. The FAC generally includes some sharing of off-system sales margins. A portion of margins from off-system sales are given to customers through the FAC and other rate mechanisms in Indiana and Michigan.

Revenue Recognition

Regulatory Accounting

I&M's financial statements reflect the actions of regulators that can result in the recognition of revenues and expenses in different time periods than enterprises that are not rate-regulated. Regulatory assets (deferred expenses) and regulatory liabilities (deferred revenue reductions or refunds) are recorded to reflect the economic effects of regulation in the same accounting period by matching expenses with their recovery through regulated revenues and by matching income with its passage to customers in cost-based regulated rates.

When regulatory assets are probable of recovery through regulated rates, assets are recorded on the balance sheets. Regulatory assets are tested for probability of recovery at each balance sheet date or whenever new events occur. Examples of new events include the issuance of a regulatory commission order or passage of new legislation. If it is determined that recovery of a regulatory asset is no longer probable, the regulatory asset is written off as a charge against income.

Electricity Supply and Delivery Activities

I&M recognizes revenues from retail and wholesale electricity sales and electricity transmission and distribution delivery services. I&M recognizes the revenues on the statements of income upon delivery of the energy to the customer and include unbilled as well as billed amounts. Wholesale transmission revenue is based on FERC approved formula rate filings made for each calendar year using estimated costs. The annual rate filing is compared to actual costs with an over- or under-recovery being trued-up with interest and refunded or recovered in a future year's rates.

Most of the power produced at the generation plants is sold to PJM. I&M also purchases power from PJM to supply power to customers. These power sales and purchases are reported on a gross basis as revenues and Operation Expenses on the statements of income.

Physical energy purchases arising from non-derivative contracts are accounted for on a gross basis in Operation Expenses on the statements of income. Energy purchases arising from non-trading derivative contracts are recorded based on the transaction's facts and circumstances. Purchases under non-trading derivatives used to serve accrual based obligations are recorded in Operation Expenses on the statements of income. All other non-trading derivative purchases are recorded net in revenues.

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In general, I&M records expenses when purchased electricity is received and when expenses are incurred. I&M defers unrealized MTM amounts as regulatory assets (for losses) and regulatory liabilities (for gains).

Energy Marketing and Risk Management Activities

I&M engages in power, capacity and, to a lesser extent, natural gas marketing as a major power producer and participant in electricity and natural gas markets. I&M also engages in power, capacity, coal, natural gas and, to a lesser extent, heating oil, gasoline and other commodity risk management activities focused on markets where the AEP System owns assets and adjacent markets. These activities include the purchase-and-sale of energy under forward contracts at fixed and variable prices. These contracts include physical transactions, exchange-traded futures, and to a lesser extent, OTC swaps and options. Certain energy marketing and risk management transactions are with RTOs.

I&M recognizes revenues and expenses from marketing and risk management transactions that are not derivatives upon delivery of the commodity. I&M uses MTM accounting for marketing and risk management transactions that are derivatives unless the derivative is designated in a qualifying cash flow hedge relationship or elected normal under the normal purchase normal sale election. I&M includes realized gains and losses on marketing and risk management transactions in revenues or expense based on the transaction's facts and circumstances. The unrealized MTM amounts and some realized gains and losses are deferred as regulatory assets (for losses) and regulatory liabilities (for gains).

Certain qualifying marketing and risk management derivatives transactions are designated as hedges of variability in future cash flows as a result of forecasted transactions (cash flow hedge). I&M initially records the effective portion of the cash flow hedge's gain or loss as a component of AOCI. When the forecasted transaction is realized and affects net income, I&M subsequently reclassifies the gain or loss on the hedge from AOCI into revenues or expenses within the same financial statement line item as the forecasted transaction on their statements of income. I&M defers the ineffective portion as regulatory assets (for losses) and regulatory liabilities (for gains). See "Accounting for Cash Flow Hedging Strategies" section of Note 10.

Levelization of Nuclear Refueling Outage Costs

In accordance with regulatory orders, I&M defers incremental operation and maintenance costs associated with periodic refueling outages at its Cook Plant and amortizes the costs over the period beginning with the month following the start of each unit's refueling outage and lasting until the end of the month in which the same unit's next scheduled refueling outage begins.

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Maintenance

I&M expenses maintenance costs as incurred. If it becomes probable that I&M will recover specifically-incurred costs through future rates, a regulatory asset is established to match the expensing of those maintenance costs with its recovery in cost-based regulated revenues. I&M defers costs above the level included in base rates and amortizes those deferrals commensurate with recovery through rate riders.

Income Taxes and Investment Tax Credits

I&M uses the liability method of accounting for income taxes. Under the liability method, deferred income taxes are provided for all temporary differences between the book and tax basis of assets and liabilities which will result in a future tax consequence.

When the flow-through method of accounting for temporary differences is reflected in regulated revenues (that is, when deferred taxes are not included in the cost of service for determining regulated rates for electricity), deferred income taxes are recorded and related regulatory assets and liabilities are established to match the regulated revenues and tax expense.

Investment tax credits (ITC) are accounted for under the flow-through method, except where regulatory commissions reflected ITC in the rate-making process. In the third quarter of 2016, AEP and subsidiaries changed accounting for the recognition of ITC and elected to apply the preferred deferral methodology.

Deferred ITC is amortized to income tax expense over the life of the asset. Amortization of deferred ITC begins when the asset is placed into service, except where regulatory commissions reflected ITC in the rate-making process, then amortization begins when the cash tax benefit is recognized.

I&M accounts for uncertain tax positions in accordance with the accounting guidance for "Income Taxes." I&M classifies interest expense or income related to uncertain tax positions as interest expense or income as appropriate and classifies penalties as Penalties.

Excise Taxes

As an agent for some state and local governments, I&M collects from customers certain excise taxes levied by those state or local governments on customers. I&M does not record these taxes as revenue or expense.

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Debt

Gains and losses from the reacquisition of debt used to finance regulated electric utility plants are deferred and amortized over the remaining term of the reacquired debt in accordance with their rate-making treatment unless the debt is refinanced. If the reacquired debt associated with the regulated business is refinanced, the reacquisition costs attributable to the portions of the business that are subject to cost-based regulatory accounting are generally deferred and amortized over the term of the replacement debt consistent with its recovery in rates.

Debt discount or premium and debt issuance expenses are deferred and amortized generally utilizing the straight-line method over the term of the related debt. The straight-line method approximates the effective interest method and is consistent with the treatment in rates for regulated operations.

Pension and OPEB Plans

AEP sponsors a qualified pension plan and two unfunded nonqualified pension plans. Substantially all AEP employees are covered by the qualified plan or both the qualified and a nonqualified pension plan. AEP also sponsors OPEB plans to provide health and life insurance benefits for retired employees. I&M is allocated a proportionate share of benefit costs and account for their participation in these plans as multiple-employer plans. See Note 8 - Benefit Plans for additional information including significant accounting policies associated with the plans.

Investments Held in Trust for Future Liabilities

AEP has several trust funds with significant investments intended to provide for future payments of pension and OPEB benefits, nuclear decommissioning and spent nuclear fuel disposal. All of the trust funds' investments are diversified and managed in compliance with all laws and regulations. The investment strategy for the trust funds is to use a diversified portfolio of investments to achieve an acceptable rate of return while managing the investment risk of the assets relative to the associated liabilities. To minimize investment risk, the trust funds are broadly diversified among classes of assets, investment strategies and investment managers. Management regularly reviews the actual asset allocations and periodically rebalances the investments to targeted allocations when appropriate. Investment policies and guidelines allow investment managers in approved strategies to use financial derivatives to obtain or manage market exposures and to hedge assets and liabilities. The investments are reported at fair value under the "Fair Value Measurements and Disclosures" accounting guidance.

Benefit Plans

All benefit plan assets are invested in accordance with each plan's investment policy. The investment policy outlines the investment objectives, strategies and target asset allocations by plan.

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The investment philosophies for AEP's benefit plans support the allocation of assets to minimize risks and optimize net returns. Strategies used include:

- Maintaining a long-term investment horizon.
- Diversifying assets to help control volatility of returns at acceptable levels.
- Managing fees, transaction costs and tax liabilities to maximize investment earnings.
- Using active management of investments where appropriate risk/return opportunities exist.
- Keeping portfolio structure style-neutral to limit volatility compared to applicable benchmarks.
- Using alternative asset classes such as real estate and private equity to maximize return and provide additional portfolio diversification.

The objective of the investment policy for the pension fund is to maintain the funded status of the plan while providing for growth in the plan assets to offset the growth in the plan liabilities. The current target asset allocations are as follows:

<u>Pension Plan Assets</u>	<u>Target</u>
Equity	25%
Fixed Income	59%
Other Investments	15%
Cash and Cash Equivalents	1%
<u>OPEB Plans Assets</u>	<u>Target</u>
Equity	65%
Fixed Income	33%
Cash and Cash Equivalents	2%

The investment policy for each benefit plan contains various investment limitations. The investment policies establish concentration limits for securities and prohibit the purchase of securities issued by AEP (with the exception of proportionate and immaterial holdings of AEP securities in passive index strategies). However, the investment policies do not preclude the benefit trust funds from receiving contributions in the form of AEP securities, provided that the AEP securities acquired by each plan may not exceed the limitations imposed by law.

For equity investments, the concentration limits are as follows:

- No security in excess of 5% of all equities.
- Cash equivalents must be less than 10% of an investment manager's equity portfolio.
- No individual stock may be more than 10% and 7% for pension and OPEB investments, respectively, of each manager's equity portfolio.
- No investment in excess of 5% of an outstanding class of any company.
- No securities may be bought or sold on margin or other use of leverage.

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For fixed income investments, each investment manager's portfolio is compared to investment grade, diversified long and intermediate benchmark indices.

A portion of the pension assets is invested in real estate funds to provide diversification, add return and hedge against inflation. Real estate properties are illiquid, difficult to value and not actively traded. The pension plan uses external real estate investment managers to invest in commingled funds that hold real estate properties. To mitigate investment risk in the real estate portfolio, commingled real estate funds are used to ensure that holdings are diversified by region, property type and risk classification. Real estate holdings include core, value-added and development risk classifications and some investments in Real Estate Investment Trusts, which are publicly traded real estate securities.

A portion of the pension assets is invested in private equity. Private equity investments add return and provide diversification and typically require a long-term time horizon to evaluate investment performance. Private equity is classified as an alternative investment because it is illiquid, difficult to value and not actively traded. The pension plan uses limited partnerships and commingled funds to invest across the private equity investment spectrum. The private equity holdings are with multiple general partners who help monitor the investments and provide investment selection expertise. The holdings are currently comprised of venture capital, buyout and hybrid debt and equity investment instruments. Commingled private equity funds are used to enhance the holdings' diversity.

AEP participates in a securities lending program with BNY Mellon to provide incremental income on idle assets and to provide income to offset custody fees and other administrative expenses. AEP lends securities to borrowers approved by BNY Mellon in exchange for collateral. All loans are collateralized by at least 102% of the loaned asset's market value and the collateral is invested. The difference between the rebate owed to the borrower and the collateral rate of return determines the earnings on the loaned security. The securities lending program's objective is providing modest incremental income with a limited increase in risk.

Trust owned life insurance (TOLI) underwritten by The Prudential Insurance Company is held in the OPEB plan trusts. The strategy for holding life insurance contracts in the taxable Voluntary Employees' Beneficiary Association trust is to minimize taxes paid on the asset growth in the trust. Earnings on plan assets are tax-deferred within the TOLI contract and can be tax-free if held until claims are paid. Life insurance proceeds remain in the trust and are used to fund future retiree medical benefit liabilities. With consideration to other investments held in the trust, the cash value of the TOLI contracts is invested in two diversified funds. A portion is invested in a commingled fund with underlying investments in stocks that are actively traded on major international equity exchanges. The other portion of the TOLI cash value is invested in a diversified, commingled fixed income fund with underlying investments in government bonds, corporate bonds and asset-backed securities.

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Cash and cash equivalents are held in each trust to provide liquidity and meet short-term cash needs. Cash equivalent funds are used to provide diversification and preserve principal. The underlying holdings in the cash funds are investment grade money market instruments including commercial paper, certificates of deposit, treasury bills and other types of investment grade short-term debt securities. The cash funds are valued each business day and provide daily liquidity.

Nuclear Trust Funds

Nuclear decommissioning and spent nuclear fuel trust funds represent funds that regulatory commissions allow I&M to collect through rates to fund future decommissioning and spent nuclear fuel disposal liabilities. By rules or orders, the IURC, the MPSC and the FERC established investment limitations and general risk management guidelines. In general, limitations include:

- Acceptable investments (rated investment grade or above when purchased).
- Maximum percentage invested in a specific type of investment.
- Prohibition of investment in obligations of AEP, I&M or their affiliates.
- Withdrawals permitted only for payment of decommissioning costs and trust expenses.

I&M maintains trust funds for each regulatory jurisdiction. Regulatory approval is required to withdraw decommissioning funds. These funds are managed by external investment managers who must comply with the guidelines and rules of the applicable regulatory authorities. The trust assets are invested to optimize the net of tax earnings of the trust giving consideration to liquidity, risk, diversification and other prudent investment objectives.

I&M records securities held in these trust funds in Other Special Funds on its balance sheets. I&M records these securities at fair value. I&M classifies securities in the trust funds as available-for-sale due to their long-term purpose. Other-than-temporary impairments for investments in both debt and equity securities are considered realized losses as a result of securities being managed by an external investment management firm. The external investment management firm makes specific investment decisions regarding the debt and equity investments held in these trusts and generally intends to sell debt securities in an unrealized loss position as part of a tax optimization strategy. Impairments reduce the cost basis of the securities which will affect any future unrealized gain or realized gain or loss due to the adjusted cost of investment. I&M records unrealized gains and other-than-temporary impairments from securities in these trust funds as adjustments to the regulatory liability account for the nuclear decommissioning trust funds and to regulatory assets or liabilities for the SNF disposal trust funds in accordance with their treatment in rates. Consequently, changes in fair value of trust assets do not affect earnings or AOCI. See the "Nuclear Contingencies" section of Note 6 for additional discussion of nuclear matters. See "Fair Value Measurements of Trust Assets for Decommissioning and SNF Disposal" section of Note 11 for disclosure of the fair value of assets within the trusts.

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Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity (net assets) of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners.

Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2016 through February 27, 2017, the date that AEP's Form 10-K was issued, and has updated such evaluation for disclosure purposes through April 18, 2017. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

2. NEW ACCOUNTING PRONOUNCEMENTS

Upon issuance of final pronouncements, management reviews the new accounting literature to determine its relevance, if any, to I&M's business. The following final pronouncements will impact the financial statements.

ASU 2014-09 "Revenue from Contracts with Customers" (ASU 2014-09)

In May 2014, the FASB issued ASU 2014-09 clarifying the method used to determine the timing and requirements for revenue recognition on the statements of income. Under the new standard, an entity must identify the performance obligations in a contract, determine the transaction price and allocate the price to specific performance obligations to recognize the revenue when the obligation is completed. The amendments in this update also require disclosure of sufficient information to allow users to understand the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts.

The FASB deferred implementation of ASU 2014-09 under the terms in ASU 2015-14, "Revenue from Contracts with Customers (Topic: 606): Deferral of the Effective Date." The new accounting guidance is effective for interim and annual periods beginning after December 15, 2017 with early adoption permitted.

Management continues to analyze the impact of the new revenue standard and related ASUs. During 2016, initial revenue contract assessments were completed. Material revenue streams were identified within the AEP System and representative contract/transaction types were sampled. Performance obligations identified within each material revenue stream were evaluated to determine whether the obligations were satisfied at a point in time or over time. Contracts determined to be satisfied over time generally qualified for the invoicing practical expedient since the invoiced amounts reasonably represented the value to customers of performance obligations fulfilled to date. Based upon the completed assessments, management does not expect a material impact to the timing of revenue recognized or net income and plans to elect the modified retrospective transition approach upon adoption. Management also continues to monitor unresolved industry implementation issues, including items related to collectability and alternative revenue programs, and will analyze the related impacts to revenue recognition. Management plans to adopt ASU 2014-09 effective January 1, 2018.

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ASU 2015-11 “Simplifying the Measurement of Inventory” (ASU 2015-11)

In July 2015, the FASB issued ASU 2015-11 simplifying the guidance on the subsequent measurement of inventory, excluding inventory measured using last-in, first-out or the retail inventory method. Under the new standard, inventory should be at the lower of cost and net realizable value. The new accounting guidance is effective for interim and annual periods beginning after December 15, 2016 with early adoption permitted. Management adopted ASU 2015-11 prospectively, effective January 1, 2017. There was no impact on results of operations, financial position or cash flows at adoption.

ASU 2016-01 “Recognition and Measurement of Financial Assets and Financial Liabilities” (ASU 2016-01)

In January 2016, the FASB issued ASU 2016-01 enhancing the reporting model for financial instruments. Under the new standard, equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are required to be measured at fair value with changes in fair value recognized in net income. The new standard also amends disclosure requirements and requires separate presentation of financial assets and liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or the accompanying notes to the financial statements. The amendments also clarify that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity’s other deferred tax assets.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2017 with early adoption permitted. The amendments will be applied by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. Management is analyzing the impact of this new standard and, at this time, cannot estimate the impact of adoption on net income. Management plans to adopt ASU 2016-01 effective January 1, 2018.

ASU 2016-02 “Accounting for Leases” (ASU 2016-02)

In February 2016, the FASB issued ASU 2016-02 increasing the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the new standard, an entity must recognize an asset and liability for operating leases on the balance sheets. Additionally, a capital lease will be known as a finance lease going forward. Leases with lease terms of 12 months or longer will be subject to the new requirements. Fundamentally, the criteria used to determine lease classification will remain the same, but will be more subjective under the new standard.

The new accounting guidance is effective for annual periods beginning after December 15, 2018 with early adoption permitted. The guidance will be applied by means of a modified retrospective approach. The modified retrospective approach will require lessees and lessors to recognize and measure leases at the beginning of the earliest period presented.

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Management continues to analyze the impact of the new lease standard. During 2016, initial lease contract assessments were completed. The AEP System lease population was identified and representative lease contracts were sampled. Based upon the completed assessments, management prepared a system gap analysis to outline new disclosure compliance requirements compared to current system capabilities. Lease system options are currently being evaluated. Management plans to elect certain of the following practical expedients upon adoption:

Practical Expedient	Description
Overall Expedients (for leases commenced prior to adoption date and must be adopted as a package)	Do not need to reassess whether any expired or existing contracts are/or contain leases, do not need to reassess the lease classification for any expired or existing leases and do not need to reassess initial direct costs for any existing leases.
Lease and Non-lease Components (elect by class of underlying asset)	Elect as an accounting policy to not separate non-lease components from lease components and instead account for each lease and associated non-lease component as a single lease component.
Short-term Lease (elect by class of underlying asset)	Elect as an accounting policy to not apply the recognition requirements to short-term leases.
Lease term	Elect to use hindsight to determine the lease term.

Management expects the new standard to impact financial position, but not results of operations or cash flows. Management also continues to monitor unresolved industry implementation issues, including items related to renewables and PPAs, pole attachments, easements and right-of-ways, and will analyze the related impacts to lease accounting. Management plans to adopt ASU 2016-02 effective January 1, 2019.

ASU 2016-09 "Compensation – Stock Compensation" (ASU 2016-09)

In March 2016, the FASB issued ASU 2016-09 simplifying the accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities and classification on the statements of cash flows. Under the new standard, all excess tax benefits and tax deficiencies (including tax benefits of dividends on share-based payment awards) should be recognized as income tax expense or benefit on the statements of income. Under current GAAP, excess tax benefits are recognized in additional paid-in capital while tax deficiencies are recognized either as an offset to accumulated excess tax benefits, if any, or on the statements of income.

The new accounting guidance is effective for annual periods beginning after December 15, 2016. Early adoption is permitted in any interim or annual period. Certain provisions require retrospective/modified retrospective transition while others are to be applied prospectively. Management adopted ASU 2016-09 effective January 1, 2017. There was no impact on results of operations, financial position or cash flows at adoption.

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ASU 2016-13 "Measurement of Credit Losses on Financial Instruments" (ASU 2016-13)

In June 2016, the FASB issued ASU 2016-13 requiring an allowance to be recorded for all expected credit losses for financial assets. The allowance for credit losses is based on historical information, current conditions and reasonable and supportable forecasts. The new standard also makes revisions to the other than temporary impairment model for available-for-sale debt securities. Disclosures of credit quality indicators in relation to the amortized cost of financing receivables are further disaggregated by year of origination.

The new accounting guidance is effective for interim and annual periods beginning after December 15, 2019 with early adoption permitted for interim and annual periods beginning after December 15, 2018. The amendments will be applied through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. Management is analyzing the impact of this new standard and, at this time, cannot estimate the impact of adoption on net income. Management plans to adopt ASU 2016-13 effective January 1, 2020.

ASU 2016-18 "Restricted Cash" (ASU 2016-18)

In November 2016, the FASB issued ASU 2016-18 clarifying the treatment of restricted cash on the statements of cash flows. Under the new standard, amounts considered restricted cash will be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts on the statements of cash flows.

The new accounting guidance is effective for annual periods beginning after December 15, 2017. Early adoption is permitted in any interim or annual period. The guidance will be applied by means of a retrospective approach. Management is analyzing the impact of the new standard. Management plans to adopt ASU 2016-18 effective for the 2017 Annual Report.

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3. COMPREHENSIVE INCOME

Presentation of Comprehensive Income

The following tables provide the components of changes in AOCI and details of reclassifications from AOCI for the years ended December 31, 2016 and 2015. The amortization of pension and OPEB AOCI components are included in the computation of net periodic pension and OPEB costs. See Note 8 for additional details.

**Changes in Accumulated Other Comprehensive Income (Loss) by Component
For the Year Ended December 31, 2016**

	Cash Flow Hedges		Pension and OPEB		Total
	Commodity	Interest Rate	Amortization of Deferred Costs	Changes In Funded Status	
	(in millions)				
Balance in AOCI as of December 31, 2015	\$ —	\$ (13.3)	\$ 5.1	\$ (8.5)	\$ (16.7)
Change in Fair Value Recognized in AOCI	—	—	—	(0.8)	(0.8)
Amount of (Gain) Loss Reclassified from AOCI					
Interest on Long-Term Debt	—	2.0	—	—	2.0
Amortization of Prior Service Cost (Credit)	—	—	(0.8)	—	(0.8)
Amortization of Actuarial (Gains)/Losses	—	—	0.8	—	0.8
Reclassifications from AOCI, before Income Tax (Expense) Credit	—	2.0	—	—	2.0
Income Tax (Expense) Credit	—	0.7	—	—	0.7
Reclassifications from AOCI, Net of Income Tax (Expense) Credit	—	1.3	—	—	1.3
Net Current Period Other Comprehensive Income (Loss)	—	1.3	—	(0.8)	0.5
Balance in AOCI as of December 31, 2016	\$ —	\$ (12.0)	\$ 5.1	\$ (9.3)	\$ (16.2)

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**Changes in Accumulated Other Comprehensive Income (Loss) by Component
For the Year Ended December 31, 2015**

	Cash Flow Hedges		Pension and OPEB		Total
	Commodity	Interest Rate	Amortization of Deferred Costs	Changes In Funded Status	
	(in millions)				
Balance in AOCI as of December 31, 2014	\$ —	\$ (14.4)	\$ 5.1	\$ (5.0)	\$ (14.3)
Change in Fair Value Recognized in AOCI	—	—	—	(3.5)	(3.5)
Amount of (Gain) Loss Reclassified from AOCI					
Interest on Long-Term Debt	—	1.7	—	—	1.7
Amortization of Prior Service Cost (Credit)	—	—	(0.9)	—	(0.9)
Amortization of Actuarial (Gains)/Losses	—	—	0.9	—	0.9
Reclassifications from AOCI, before Income Tax (Expense) Credit	—	1.7	—	—	1.7
Income Tax (Expense) Credit	—	0.6	—	—	0.6
Reclassifications from AOCI, Net of Income Tax (Expense) Credit	—	1.1	—	—	1.1
Net Current Period Other Comprehensive Income (Loss)	—	1.1	—	(3.5)	(2.4)
Balance in AOCI as of December 31, 2015	\$ —	\$ (13.3)	\$ 5.1	\$ (8.5)	\$ (16.7)

4. RATE MATTERS

I&M is involved in rate and regulatory proceedings at the FERC, the IURC and the MPSC. Rate matters can have a material impact on net income, cash flows and possibly financial condition. I&M's recent significant rate orders and pending rate filings are addressed in this note.

Indiana Amended PJM Settlement Agreement

In November 2016, the IURC issued an order that approved an amended settlement agreement between I&M and certain intervenors. This agreement amends a previously approved 2014 settlement agreement that addresses the recovery of 43.5% of certain transmission expenses through the Indiana PJM rider through 2017.

The amended agreement allows I&M to recover 100% of the Indiana jurisdictional share of these transmission expenses not recovered through base rates through the Indiana PJM rider, subject to a \$109 million cap for the period January 2017 through June 2018. Beginning July 2018, I&M will be allowed to recover 100% of the Indiana jurisdictional share of these transmission expenses through the Indiana PJM rider, without a cap, until the issue is addressed by the IURC in a future proceeding, subject to the condition that I&M files a base rate case on or before January 2018. The amended agreement also provides for deferral of incremental vegetation management expenses over the period January 2017 through June 2018. Any vegetation management expenses deferred would reduce the cap for the transmission expenses described above. As part of the amended settlement, I&M agreed that it will not file a base rate case before July 2017 and will not implement new base rates prior to July 2018.

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Rockport Plant, Unit 2 Selective Catalytic Reduction (SCR)

In October 2016, I&M filed an application with the IURC for approval of a Certificate of Public Convenience and Necessity (CPCN) to install SCR technology at Rockport Plant, Unit 2 by December 2019. The equipment will allow I&M to reduce emissions of NO_x from Rockport Plant, Unit 2 in order for I&M to continue to operate that unit under current environmental requirements. The estimated cost of the SCR project is \$274 million, excluding AFUDC, to be shared equally between I&M and AEGCo. The filing included a request for authorization for I&M to defer its Indiana jurisdictional ownership share of costs including investment carrying costs at a weighted average cost of capital (WACC), depreciation over a 10-year life and other related expenses. I&M proposed recovery of these costs using the existing Clean Coal Technology Rider. The AEGCo ownership share of the proposed SCR project will be billable under the Rockport Unit Power Agreement to affiliates, including I&M, with I&M's share recoverable in its base rates. In February 2017, the Indiana Office of Utility Consumer Counselor (OUCC) and other parties filed testimony with the IURC. The OUCC recommended approval of the CPCN but also stated that any decision regarding recovery of any under-depreciated plant due to retirement should be fully investigated in a base rate case, not in a tracker or other abbreviated proceeding. The other parties recommended either denial of the CPCN or approval of the CPCN with conditions including a cap on the amount of SCR costs allowed to be recovered in the rider and limitations on other costs related to legal issues involving the Rockport lease. A hearing at the IURC was held in March 2017.

PJM Transmission Rates

In June 2016, PJM transmission owners, including the AEP East Companies, and various state commissions filed a settlement agreement with the FERC to resolve outstanding issues related to cost responsibility for charges to transmission customers for certain transmission facilities that operate at or above 500 kV. In July 2016, certain parties filed comments at the FERC contesting the settlement agreement. Upon final FERC approval, PJM would implement a transmission enhancement charge adjustment through the PJM OATT, billable through 2025. Management expects that any refunds received would generally be returned to retail customers through existing state rider mechanisms.

FERC Transmission Complaint and Proposed Modifications to Transmission Rates

In October 2016, several parties filed a joint complaint with the FERC claiming that the base return on common equity used by various AEP affiliates in calculating formula transmission rates under the PJM OATT is excessive and should be reduced from 10.99% to 8.32%, effective upon the date of the complaint. In November 2016, AEP affiliates filed an application with the FERC to modify the FERC formula transmission rate calculation, including adjustments for certain tax issues and a shift from historical to estimated expenses with a proposed effective date of January 1, 2017. The rates will be implemented based upon the date provided in the pending FERC order, subject to refund. Management believes its financial statements adequately address the impact of the complaint and the proposed modifications to AEP's transmission rates in PJM. If the FERC orders revenue reductions as a result of the complaint, including refunds from the date of the complaint filing, it could reduce future net income and cash flows and impact financial condition.

5. EFFECTS OF REGULATION

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Regulatory assets and liabilities are comprised of the following items:

Regulatory Assets:	December 31,		Remaining Recovery Period
	2016	2015	
	(in millions)		
Regulatory assets pending final regulatory approval:			
<u>Regulatory Assets Currently Earning a Return</u>			
Plant Retirement Costs - Materials and Supplies	\$ —	\$ 11.6	
<u>Regulatory Assets Currently Not Earning a Return</u>			
Cook Uprate Project	36.3	—	
Cook Plant Turbine	12.8	9.7	
Deferred Cook Plant Life Cycle Management Project Costs - Michigan	8.1	4.2	
Rockport Plant Dry Sorbent Injection System - Indiana	6.6	2.8	
Plant Retirement Costs - Asset Retirement Obligation Costs - Indiana	—	27.1	
Stranded Costs on Abandoned Plants	—	3.9	
Other Regulatory Assets Pending Final Regulatory Approval	0.9	—	
Total Regulatory Assets Pending Final Regulatory Approval	<u>64.7</u>	<u>59.3</u>	
Regulatory assets approved for recovery:			
<u>Regulatory Assets Currently Earning a Return</u>			
Under-recovered Fuel Costs	12.9	7.2	1 year
Cook Plant, Unit 2 Baffle Bolts - Indiana	6.3	6.6	22 years
RTO Formation/Integration Costs	1.2	1.5	3 years
Other Regulatory Assets Approved for Recovery	1.3	1.0	various
<u>Regulatory Assets Currently Not Earning a Return</u>			
Income Tax Assets (a)	326.0	268.4	32 years
Pension and OPEB Funded Status	141.9	126.4	12 years
Cook Plant Nuclear Refueling Outage Levelization	75.2	26.8	3 years
Off-system Sales Margin Sharing - Indiana	24.3	6.8	2 years
Under-recovered Fuel Costs	13.1	4.1	1 year
Postemployment Benefits	11.4	10.7	5 years
Medicare Subsidy	8.2	9.2	8 years
Litigation Settlement - Indiana	7.6	8.6	9 years
River Transportation Division Expenses	3.7	—	1 year
Peak Demand Reduction/Energy Efficiency	3.6	10.6	2 years
	1.2		
Unamortized Loss on Reacquired Debt		1.4	6 years
Capacity Costs - Indiana	0.4	7.5	1 year
Unrealized Loss on Forward Commitments	0.1	3.2	2 years
PJM Expense - Indiana	—	4.1	
Storm Related Costs - Indiana	—	1.8	
Other Regulatory Assets Approved for Recovery	0.6	1.2	various
Total Regulatory Assets Approved for Recovery	<u>639.0</u>	<u>507.1</u>	
Total FERC Account 182.3 Regulatory Assets	<u>\$ 703.7</u>	<u>\$ 566.4</u>	

(a) Includes \$74 million and \$69 million as of December 31, 2016 and 2015, respectively, expected to be recovered in formula rates.

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Regulatory Liabilities:	December 31,		Remaining
	2016	2015	Refund
	(in millions)		Period
Regulatory liabilities approved for payment:			
<u>Regulatory Liabilities Currently Not Paying a Return</u>			
Excess Nuclear Decommissioning Funding	\$ 731.2	\$ 636.5	(a)
Spent Nuclear Fuel	44.2	43.4	(a)
Income Tax Liabilities	23.3	21.6	32 years
Deferred Cook Plant Life Cycle Management Project Costs - Indiana	4.6	—	3 years
PJM Expense - Indiana	4.2	—	2 years
Unrealized Gain on Forward Commitments	2.4	7.1	2 years
Rockport Plant Dry Sorbent Injection	1.7	0.4	2 years
Storm Related Costs - Indiana	1.2	—	1 year
River Transportation Division Expenses	—	1.9	
Other Regulatory Liabilities Approved for Payment	0.7	1.3	various
Total Regulatory Liabilities Approved for Payment	<u>813.5</u>	<u>712.2</u>	
Total FERC 254 Account Regulatory Liabilities	<u>\$ 813.5</u>	<u>\$ 712.2</u>	

(a) Relieved when plant is decommissioned.

6. COMMITMENTS, GUARANTEES AND CONTINGENCIES

I&M is subject to certain claims and legal actions arising in the ordinary course of business. In addition, I&M's business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation cannot be predicted. Management accrues contingent liabilities only when management concludes that it is both probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. When management determines that it is not probable, but rather reasonably possible that a liability has been incurred at the date of the financial statements, management discloses such contingencies and the possible loss or range of loss if such estimate can be made. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the maximum possible loss exposure. Circumstances change over time and actual results may vary significantly from estimates.

For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial statements.

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COMMITMENTS

Construction and Commitments

I&M has substantial construction commitments to support its operations and environmental investments. In managing the overall construction program and in the normal course of business, I&M contractually commits to third-party construction vendors for certain material purchases and other construction services. Fuel, materials, supplies, services and property, plant and equipment are also purchased under contract as part of the normal course of business. Certain supply contracts contain penalty provisions for early termination.

In accordance with the accounting guidance for "Commitments", the following table summarizes I&M's actual contractual commitments as of December 31, 2016:

Contractual Commitments	Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years	Total
	(in millions)				
Fuel Purchase Contracts (a)	\$ 292.7	\$ 277.8	\$ 221.9	\$ 266.1	\$ 1,058.5
Energy and Capacity Purchase Contracts	118.5	247.7	249.5	497.5	1,113.2
Total	\$ 411.2	\$ 525.5	\$ 471.4	\$ 763.6	\$ 2,171.7

(a) Represents contractual commitments to purchase coal, natural gas, uranium and other consumables as fuel for electric generation along with related transportation of the fuel.

GUARANTEES

Liabilities for guarantees are recorded in accordance with the accounting guidance for "Guarantees." There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third parties unless specified below.

Letters of Credit

Standby letters of credit are entered into with third parties. These letters of credit are issued in the ordinary course of business and cover items such as natural gas and electricity risk management contracts, construction contracts, insurance programs, security deposits and debt service reserves.

I&M has \$77 million of variable rate Pollution Control Bonds supported by bilateral letters of credit for \$78 million with a maturity of March 2017.

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Indemnifications and Other Guarantees

Contracts

I&M enters into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. As of December 31, 2016, there were no material liabilities recorded for any indemnifications.

I&M is jointly and severally liable for activity conducted by AEPSC on behalf of AEP companies related to power purchase and sale activity.

Lease Obligations

I&M leases certain equipment under master lease agreements. See "Master Lease Agreements" and "Railcar Lease" sections of Note 13 for disclosure of lease residual value guarantees.

ENVIRONMENTAL CONTINGENCIES

The Comprehensive Environmental Response Compensation and Liability Act (Superfund) and State Remediation

By-products from the generation of electricity include materials such as ash, slag, sludge, low-level radioactive waste and SNF. Coal combustion by-products, which constitute the overwhelming percentage of these materials, are typically treated and deposited in captive disposal facilities or are beneficially utilized. In addition, the generation plants and transmission and distribution facilities have used asbestos, polychlorinated biphenyls and other hazardous and nonhazardous materials. I&M currently incurs costs to dispose of these substances safely.

Superfund addresses clean-up of hazardous substances that are released to the environment. The Federal EPA administers the clean-up programs. Several states enacted similar laws. There are two sites for which I&M received information requests which could lead to PRP designation. I&M has also been named potentially liable at two sites under state law including the site discussed in the next paragraph. In those instances where a PRP or defendant has been named, disposal or recycling activities were in accordance with the then-applicable laws and regulations. Superfund does not recognize compliance as a defense, but imposes strict liability on parties who fall within its broad statutory categories. Liability has been resolved for a number of sites with no significant effect on net income.

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In 2008, I&M received a letter from the Michigan Department of Environmental Quality (MDEQ) concerning conditions at a site under state law and requesting I&M take voluntary action necessary to prevent and/or mitigate public harm. I&M started remediation work in accordance with a plan approved by MDEQ. In 2014, I&M recorded an accrual for remediation at certain additional sites in Michigan. As a result of receiving approval of completed remediation work from the MDEQ in March 2015, I&M's accrual was reduced. As of December 31, 2016, I&M's accrual for all of these sites is \$7 million. As the remediation work is completed, I&M's cost may change as new information becomes available concerning either the level of contamination at the sites or changes in the scope of remediation. Management cannot predict the amount of additional cost, if any.

Management evaluates the potential liability for each Superfund site separately, but several general statements can be made about potential future liability. Allegations that materials were disposed at a particular site are often unsubstantiated and the quantity of materials deposited at a site can be small and often nonhazardous. Although Superfund liability has been interpreted by the courts as joint and several, typically many parties are named as PRPs for each site and several of the parties are financially sound enterprises. At present, management's estimates do not anticipate material cleanup costs for identified Superfund sites, except the sites discussed above.

NUCLEAR CONTINGENCIES

I&M owns and operates the two-unit 2,191 MW Cook Plant under licenses granted by the Nuclear Regulatory Commission (NRC). I&M has a significant future financial commitment to dispose of SNF and to safely decommission and decontaminate the plant. The licenses to operate the two nuclear units at the Cook Plant expire in 2034 and 2037. The operation of a nuclear facility also involves special risks, potential liabilities and specific regulatory and safety requirements. By agreement, I&M is partially liable, together with all other electric utility companies that own nuclear generation units, for a nuclear power plant incident at any nuclear plant in the U.S. Should a nuclear incident occur at any nuclear power plant in the U.S., the resultant liability could be substantial.

Decommissioning and Low Level Waste Accumulation Disposal

The cost to decommission a nuclear plant is affected by NRC regulations and the SNF disposal program. Decommissioning costs are accrued over the service life of the Cook Plant. The most recent decommissioning cost study was performed in 2015. According to that study, the estimated cost of decommissioning and disposal of low-level radioactive waste is \$1.6 billion in 2015 nondiscounted dollars, with additional ongoing costs of \$5 million per year for post decommissioning storage of SNF and an eventual cost of \$57 million for the subsequent decommissioning of the spent fuel storage facility, also in 2015 nondiscounted dollars. I&M recovers estimated decommissioning costs for the Cook Plant in its rates. The amounts recovered in rates were \$9 million and \$9 million for the years ended December 31, 2016 and 2015, respectively. Decommissioning costs recovered from customers are deposited in external trusts.

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As of December 31, 2016 and 2015, the total decommissioning trust fund balance was \$1.9 billion and \$1.8 billion, respectively. Trust fund earnings increase the fund assets and decrease the amount remaining to be recovered from ratepayers. The decommissioning costs (including interest, unrealized gains and losses and expenses of the trust funds) increase or decrease the recorded liability.

I&M continues to work with regulators and customers to recover the remaining estimated costs of decommissioning the Cook Plant. However, future net income and cash flows would be reduced and financial condition could be impacted if the cost of SNF disposal and decommissioning continues to increase and cannot be recovered.

SNF Disposal

The federal government is responsible for permanent SNF disposal and assesses fees to nuclear plant owners for SNF disposal. A fee of one mill per KWh for fuel consumed after April 6, 1983 at the Cook Plant was collected from customers and remitted to the Department of Energy (DOE) through May 14, 2014. In May 2014, pursuant to court order from the U.S Court of Appeals for the District of Columbia Circuit, the DOE adjusted the fee to zero. As of December 31, 2016 and 2015, fees and related interest of \$266 million and \$266 million, respectively, for fuel consumed prior to April 7, 1983 have been recorded as Other Long-term Debt and funds collected from customers along with related earnings totaling \$311 million and \$309 million, respectively, to pay the fee are recorded as part of Other Special Funds on the balance sheets. I&M has not paid the government the pre-April 1983 fees due to continued delays and uncertainties related to the federal disposal program.

In 2011, I&M signed a settlement agreement with the federal government which permits I&M to make annual filings to recover certain SNF storage costs incurred as a result of the government's delays in accepting SNF for permanent storage. Under the settlement agreement, I&M received \$6 million and \$13 million in 2016 and 2015, respectively, to recover costs and will be eligible to receive additional payment of annual claims for allowed costs that are incurred through December 31, 2016. In February 2017, the settlement agreement was extended through December 31, 2019. The proceeds reduced costs for dry cask storage. As of December 31, 2016, I&M has deferred \$22 million in Miscellaneous Current and Accrued Assets and \$5 million in Miscellaneous Deferred Debits on the balance sheet of dry cask storage and related operation and maintenance costs for recovery under this agreement.

See "Fair Value Measurements of Trust Assets for Decommissioning and SNF Disposal" section of Note 11 for disclosure of the fair value of assets within the trusts.

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Nuclear Insurance

I&M carries insurance coverage in the amount of \$3 billion for a nuclear incident at the Cook Plant for decontamination, stabilization and extraordinary incidents caused by premature decommissioning. Insurance coverage for a nonnuclear property incident at the Cook Plant is \$1.5 billion. Additional insurance provides coverage for a weekly indemnity payment resulting from an insured accidental outage. I&M utilizes industry mutual insurers for the placement of this insurance coverage. Coverage from these industry mutual insurance programs require a contingent financial obligation of up to \$50 million for I&M, which is assessable if the insurer's financial resources would be inadequate to pay for industry losses.

The Price-Anderson Act, extended through December 31, 2025, establishes insurance protection for public nuclear liability arising from a nuclear incident at \$13.4 billion and applies to any incident at a licensed reactor in the U.S. Commercially available insurance, which must be carried for each licensed reactor, provides \$375 million of coverage. In the event of a nuclear incident at any nuclear plant in the U.S., the remainder of the liability would be provided by a deferred premium assessment of \$127 million on each licensed reactor in the U.S. payable in annual installments of \$19 million. As a result, I&M could be assessed \$255 million per nuclear incident payable in annual installments of \$38 million. The number of incidents for which payments could be required is not limited.

In the event of an incident of a catastrophic nature, I&M was initially covered for public nuclear liability for the first \$375 million through commercially available insurance. Beginning in January 2017, the coverage increases to \$450 million. The next level of liability coverage of up to \$13 billion would be covered by claim premium assessments made under the Price-Anderson Act. In the event nuclear losses or liabilities are underinsured or exceed accumulated funds, I&M would seek recovery of those amounts from customers through rate increase. If recovery from customers is not possible, it could reduce future net income and cash flows and impact financial condition.

OPERATIONAL CONTINGENCIES

Insurance and Potential Losses

I&M maintains insurance coverage normal and customary for electric utilities, subject to various deductibles. I&M also maintains property and casualty insurance that may cover certain physical damage or third-party injuries caused by cyber security incidents. Insurance coverage includes all risks of physical loss or damage to nonnuclear assets, subject to insurance policy conditions and exclusions. Covered property generally includes power plants, substations, facilities and inventories. Excluded property generally includes transmission and distribution lines, poles and towers. The insurance programs also generally provide coverage against loss arising from certain claims made by third parties and are in excess of retentions absorbed by I&M. Coverage is generally provided by a combination of the protected cell of EIS and/or various industry mutual and/or commercial insurance carriers.

See "Nuclear Contingencies" section of this footnote for a discussion of I&M's nuclear exposures and related insurance.

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Some potential losses or liabilities may not be insurable or the amount of insurance carried may not be sufficient to meet potential losses and liabilities, including, but not limited to, liabilities relating to a cyber security incident or damage to the Cook Plant and costs of replacement power in the event of an incident at the Cook Plant. Future losses or liabilities, if they occur, which are not completely insured, unless recovered from customers, could reduce future net income and cash flows and impact financial condition.

Rockport Plant Litigation

In July 2013, the Wilmington Trust Company filed a complaint in U.S. District Court for the Southern District of New York against AEGCo and I&M alleging that it will be unlawfully burdened by the terms of the modified NSR consent decree after the Rockport Plant, Unit 2 lease expiration in December 2022. The terms of the consent decree allow the installation of environmental emission control equipment, repowering or retirement of the unit. The plaintiffs further allege that the defendants' actions constitute breach of the lease and participation agreement. The plaintiffs seek a judgment declaring that the defendants breached the lease, must satisfy obligations related to installation of emission control equipment and indemnify the plaintiffs. The New York court granted a motion to transfer this case to the U.S. District Court for the Southern District of Ohio. In October 2013, a motion to dismiss the case was filed on behalf of AEGCo and I&M. In January 2015, the court issued an opinion and order granting the motion in part and denying the motion in part. The court dismissed certain of the plaintiffs' claims, including the dismissal without prejudice of plaintiffs' claims seeking compensatory damages. Several claims remained, including the claim for breach of the participation agreement and a claim alleging breach of an implied covenant of good faith and fair dealing. In June 2015, AEGCo and I&M filed a motion for partial judgment on the claims seeking dismissal of the breach of participation agreement claim as well as any claim for indemnification of costs associated with this case. The plaintiffs subsequently filed an amended complaint to add another claim under the lease and also filed a motion for partial summary judgment. In November 2015, AEGCo and I&M filed a motion to strike the plaintiffs' motion for partial judgment and filed a motion to dismiss the case for failure to state a claim. In March 2016, the court entered an opinion and order in favor of AEGCo and I&M, dismissing certain of the plaintiffs' claims for breach of contract and dismissing claims for breach of implied covenant of good faith and fair dealing, and further dismissing plaintiffs' claim for indemnification of costs. By the same order, the court permitted plaintiffs to move forward with their claim that AEGCo and I&M failed to exercise prudent utility practices in the maintenance and operation of Rockport Plant, Unit 2. In April 2016, the plaintiffs filed a notice of voluntary dismissal of all remaining claims with prejudice and the court subsequently entered a final judgment. In May 2016, plaintiffs filed an appeal in the U.S. Court of Appeals for the Sixth Circuit on whether AEGCo and I&M are in breach of certain contract provisions that plaintiffs allege operate to protect the plaintiffs' residual interests in the unit and whether the trial court erred in dismissing plaintiffs' claims that AEGCo and I&M breached the covenant of good faith and fair dealing. In April 2017, the U.S. Court of Appeals for the Sixth Circuit issued an opinion reversing the district court's decisions which had dismissed certain of plaintiffs' claims for breach of contract. The U.S. Court of Appeals for the Sixth Circuit determined that the district court erred in holding that the modification to the consent decree was permitted under the terms of the lease agreement and remanded the case to the district court to enter summary judgment in plaintiffs' favor consistent with that ruling. AEGCo and I&M intend to file a petition for rehearing with the U.S. Court of Appeals for the Sixth Circuit. Management is unable to determine a range of potential losses that are reasonably possible of occurring.

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7. DISPOSITION

Tanners Creek Plant

In October 2016, I&M sold its retired Tanners Creek Plant site including its associated AROs to a nonaffiliated party. I&M paid \$92 million and the nonaffiliated party took ownership of the Tanners Creek plant site assets and assumed responsibility for environmental liabilities and AROs, including ash pond closure, asbestos abatement and decommissioning and demolition. I&M did not record a gain or loss related to this sale and will address recovery of Tanners Creek deferred costs in future rate proceedings. If any of the costs associated with Tanners Creek are not recoverable, it could reduce future net income and impact financial condition.

8. BENEFIT PLANS

For a discussion of investment strategy, investment limitations, target asset allocations and the classification of investments within the fair value hierarchy see “Fair Value Measurements of Assets and Liabilities” and “Investments Held in Trust for Future Liabilities” sections of Note 1.

I&M participates in an AEP sponsored qualified pension plan and an unfunded nonqualified pension plan. Substantially all AEP employees are covered by the qualified plan or both the qualified and a nonqualified pension plan. I&M also participates in OPEB plans sponsored by AEP to provide health and life insurance benefits for retired employees.

I&M recognizes the funded status associated with defined benefit pension and OPEB plans on the balance sheets. Disclosures about the plans are required by the “Compensation – Retirement Benefits” accounting guidance. I&M recognizes an asset for a plan’s overfunded status or a liability for a plan’s underfunded status, and recognizes, as a component of other comprehensive income, the changes in the funded status of the plan that arise during the year that are not recognized as a component of net periodic benefit cost. I&M records a regulatory asset instead of other comprehensive income for qualifying benefit costs of regulated operations that for ratemaking purposes are deferred for future recovery. The cumulative funded status adjustment is equal to the remaining unrecognized deferrals for unamortized actuarial losses or gains, prior service costs and transition obligations, such that remaining deferred costs result in an AOCI equity reduction or regulatory asset and deferred gains result in an AOCI equity addition or regulatory liability.

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Actuarial Assumptions for Benefit Obligations

The weighted-average assumptions used in the measurement of I&M's benefit obligations are shown in the following table:

Assumptions	Pension Plans		Other Postretirement Benefit Plans	
	2016	2015	2016	2015
Discount Rate	4.05%	4.30 %	4.10 %	4.30 %
Rate of Compensation Increase	4.80% (a)	4.75 % (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

A duration-based method is used to determine the discount rate for the plans. A hypothetical portfolio of high quality corporate bonds is constructed with cash flows matching the benefit plan liability. The composite yield on the hypothetical bond portfolio is used as the discount rate for the plan.

For 2016, the rate of compensation increase assumed varies with the age of the employee, ranging from 3.5% per year to 12% per year, with the average increase shown in the table above.

Actuarial Assumptions for Net Periodic Benefit Costs

The weighted-average assumptions used in the measurement of I&M's benefit costs are shown in the following table:

Assumptions	Pension Plans		Other Postretirement Benefit Plans	
	2016	2015	2016	2015
Discount Rate	4.30%	4.00%	4.30%	4.00%
Expected Return on Plan Assets	6.00%	6.00%	7.00%	6.75%
Rate of Compensation Increase	4.80% (a)	4.80% (a)	NA	NA

(a) Rates are for base pay only. In addition, an amount is added to reflect target incentive compensation for exempt employees and overtime and incentive pay for nonexempt employees.

NA Not applicable.

The expected return on plan assets was determined by evaluating historical returns, the current investment climate (yield on fixed income securities and other recent investment market indicators), rate of inflation, third party forecasts and current prospects for economic growth.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The health care trend rate assumptions used for OPEB plans measurement purposes are shown below:

<u>Health Care Trend Rates</u>	January 1,	
	<u>2016</u>	<u>2015</u>
Initial	7.00%	6.25%
Ultimate	5.00%	5.00%
Year Ultimate Reached	2024	2020

Assumed health care cost trend rates have a significant effect on the amounts reported for the OPEB health care plans. A 1% change in assumed health care cost trend rates would have the following effects:

	<u>1% Increase</u>	<u>1% Decrease</u>
	(in millions)	
Effect on Total Service and Interest Cost Components of Net Periodic Postretirement Health Care Benefit Cost	\$ 0.3	\$ (0.2)
Effect on the Health Care Component of the Accumulated Postretirement Benefit Obligation	5.6	(4.9)

Significant Concentrations of Risk within Plan Assets

In addition to establishing the target asset allocation of plan assets, the investment policy also places restrictions on securities to limit significant concentrations within plan assets. The investment policy establishes guidelines that govern maximum market exposure, security restrictions, prohibited asset classes, prohibited types of transactions, minimum credit quality, average portfolio credit quality, portfolio duration and concentration limits. The guidelines were established to mitigate the risk of loss due to significant concentrations in any investment. Management monitors the plans to control security diversification and ensure compliance with the investment policy. As of December 31, 2016, the assets were invested in compliance with all investment limits. See "Investments Held in Trust for Future Liabilities" section of Note 1 for limit details.

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Benefit Plan Obligations, Plan Assets and Funded Status

The following table provides a reconciliation of the changes in the plans' benefit obligations, fair value of plan assets and funded status. The benefit obligation for the defined benefit pension and OPEB plans are the projected benefit obligation and the accumulated benefit obligation, respectively.

	Pension Plans		Other Postretirement Benefit Plans	
	2016	2015	2016	2015
(in millions)				
Change in Benefit Obligation				
Benefit Obligation as of January 1,	\$ 591.5	\$ 617.9	\$ 166.3	\$ 161.7
Service Cost	12.2	12.9	1.5	1.6
Interest Cost	25.3	24.5	7.0	6.4
Actuarial (Gain) Loss	20.1	(28.4)	3.8	7.6
Benefit Payments	(37.5)	(35.4)	(15.7)	(15.1)
Participant Contributions	—	—	4.6	4.0
Medicare Subsidy	—	—	0.1	0.1
Benefit Obligation as of December 31,	\$ 611.6	\$ 591.5	\$ 167.6	\$ 166.3
Change in Fair Value of Plan Assets				
Fair Value of Plan Assets as of January 1,	\$ 570.0	\$ 591.7	\$ 189.0	\$ 202.4
Actual Gain (Loss) on Plan Assets	40.6	(0.9)	8.7	(2.3)
Company Contributions	13.0	14.6	—	—
Participant Contributions	—	—	4.6	4.0
Benefit Payments	(37.5)	(35.4)	(15.7)	(15.1)
Fair Value of Plan Assets as of December 31,	\$ 586.1	\$ 570.0	\$ 186.6	\$ 189.0
Funded (Underfunded) Status as of December 31,	\$ (25.5)	\$ (21.5)	\$ 19.0	\$ 22.7

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Amounts Recognized on the Balance Sheets

	Pension Plans		Other Postretirement Benefit Plans	
	December 31,			
	2016	2015	2016	2015
	(in millions)			
Special Funds – Prepaid Benefit Costs	\$ —	\$ —	\$ 19.0	\$ 22.7
Accumulated Provision for Pension and Benefits – Long-term Benefit Liability	(25.5)	(21.5)	—	—
Funded (Underfunded) Status	\$ (25.5)	\$ (21.5)	\$ 19.0	\$ 22.7

Amounts Included in AOCI and Regulatory Assets

Components	Pension Plans		Other Postretirement Benefit Plans	
	December 31,			
	2016	2015	2016	2015
	(in millions)			
Net Actuarial Loss	\$ 133.2	\$ 130.0	\$ 81.3	\$ 77.1
Prior Service Cost (Credit)	0.2	0.3	(66.3)	(75.7)
Recorded as				
Regulatory Assets	\$ 128.2	\$ 125.3	\$ 13.7	\$ 1.1
Deferred Income Taxes	1.8	1.8	0.5	0.1
Net of Tax AOCI	3.4	3.2	0.8	0.2

Components of the change in amounts included in AOCI and regulatory assets are as follows:

Components	Pension Plans		Other Postretirement Benefit Plans	
	December 31,			
	2016	2015	2016	2015
	(in millions)			
Actuarial Loss During the Year	\$ 13.2	\$ 5.0	\$ 7.9	\$ 22.4
Amortization of Actuarial Loss	(10.0)	(12.6)	(3.7)	(2.0)
Amortization of Prior Service Credit (Cost)	(0.1)	(0.2)	9.4	9.4
Change for the Year Ended December 31,	\$ 3.1	\$ (7.8)	\$ 13.6	\$ 29.8

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Pension and Other Postretirement Benefits Plans' Assets

The fair value tables within Pension and Other Postretirement Benefits Plans' Assets present the classification of assets for AEP within the fair value hierarchy. All Level 1, 2, 3 and Other amounts can be allocated to I&M using the percentages in the table below:

Pension Plan		Other Postretirement Benefit Plans	
December 31,			
2016	2015	2016	2015
12.1%	12.0%	12.1%	12.0%

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The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2016:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 354.7	\$ —	\$ —	\$ —	\$ 354.7	7.3 %
International	439.2	—	—	—	439.2	9.1 %
Options	—	20.0	—	—	20.0	0.4 %
Real Estate Investment Trusts	3.1	—	—	—	3.1	0.1 %
Common Collective Trusts (c)	—	14.0	—	400.5	414.5	8.6 %
Subtotal – Equities	797.0	34.0	—	400.5	1,231.5	25.5 %
Fixed Income:						
Common Collective Trust – Debt (c)	—	—	—	32.3	32.3	0.7 %
United States Government and Agency Securities (c)	—	423.3	—	17.7	441.0	9.1 %
Corporate Debt (c)	—	1,932.2	—	10.0	1,942.2	40.2 %
Foreign Debt (c)	—	373.7	—	12.1	385.8	8.0 %
State and Local Government	—	11.5	—	—	11.5	0.2 %
Other – Asset Backed (c)	—	5.4	—	7.4	12.8	0.3 %
Subtotal – Fixed Income	—	2,746.1	—	79.5	2,825.6	58.5 %
Infrastructure	—	—	57.6	—	57.6	1.2 %
Real Estate	—	—	254.9	—	254.9	5.3 %
Alternative Investments	—	—	411.1	—	411.1	8.5 %
Securities Lending	—	161.6	—	—	161.6	3.4 %
Securities Lending Collateral (a)	—	—	—	(163.3)	(163.3)	(3.4)%
Cash and Cash Equivalents (c)	—	—	—	29.7	29.7	0.6 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	18.6	18.6	0.4 %
Total	\$ 797.0	\$ 2,941.7	\$ 723.6	\$ 365.0	\$ 4,827.3	100.0 %

- (a) Amounts in “Other” column primarily represent an obligation to repay collateral received as part of the Securities Lending Program.
- (b) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table sets forth a reconciliation of changes in the fair value of AEP's assets classified as Level 3 in the fair value hierarchy for the pension assets:

	Foreign Debt	Infrastructure	Real Estate	Alternative Investments	Total Level 3
	(in millions)				
Balance as of January 1, 2016	\$ 0.1	\$ 42.0	\$ 253.7	\$ 378.7	\$ 674.5
Actual Return on Plan Assets					
Relating to Assets Still Held as of the Reporting Date	—	5.9	5.3	13.7	24.9
Relating to Assets Sold During the Period	—	0.9	23.2	21.1	45.2
Purchases and Sales	(0.1)	8.8	(27.3)	(2.4)	(21.0)
Transfers into Level 3	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—
Balance as of December 31, 2016	<u>\$ —</u>	<u>\$ 57.6</u>	<u>\$ 254.9</u>	<u>\$ 411.1</u>	<u>\$ 723.6</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2016:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 517.1	\$ —	\$ —	\$ —	\$ 517.1	33.5 %
International	435.5	—	—	—	435.5	28.2 %
Options	—	15.2	—	—	15.2	1.0 %
Common Collective Trusts (b)	—	10.9	—	20.5	31.4	2.0 %
Subtotal – Equities	952.6	26.1	—	20.5	999.2	64.7 %
Fixed Income:						
Common Collective Trust – Debt (b)	—	—	—	93.7	93.7	6.0 %
United States Government and Agency Securities	—	64.7	—	—	64.7	4.2 %
Corporate Debt	—	121.6	—	—	121.6	7.9 %
Foreign Debt	—	18.6	—	—	18.6	1.2 %
State and Local Government	—	3.0	—	—	3.0	0.2 %
Other – Asset Backed	—	5.9	—	—	5.9	0.4 %
Subtotal – Fixed Income	—	213.8	—	93.7	307.5	19.9 %
Trust Owned Life Insurance:						
International Equities (b)	—	—	—	110.1	110.1	7.1 %
United States Bonds (b)	—	—	—	97.4	97.4	6.3 %
Subtotal – Trust Owned Life Insurance	—	—	—	207.5	207.5	13.4 %
Cash and Cash Equivalents	24.0	10.5	—	—	34.5	2.2 %
Other – Pending Transactions and Accrued Income (a)	—	—	—	(2.8)	(2.8)	(0.2)%
Total	\$ 976.6	\$ 250.4	\$ —	\$ 318.9	\$ 1,545.9	100.0 %

- (a) Amounts in “Other” column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (b) Amounts in “Other” column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

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NOTES TO FINANCIAL STATEMENTS (Continued)

The following table presents the classification of pension plan assets for AEP within the fair value hierarchy as of December 31, 2015:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 315.7	\$ —	\$ —	\$ —	\$ 315.7	6.6 %
International	402.3	—	—	—	402.3	8.4 %
Options	—	15.6	—	—	15.6	0.3 %
Real Estate Investment Trusts	4.0	—	—	—	4.0	0.1 %
Common Collective Trusts (c)	—	16.1	—	369.7	385.8	8.1 %
Subtotal – Equities	722.0	31.7	—	369.7	1,123.4	23.5 %
Fixed Income:						
Common Collective Trust – Debt (c)	—	—	—	34.2	34.2	0.7 %
United States Government and Agency Securities (c)	—	397.8	—	24.1	421.9	8.9 %
Corporate Debt (c)	—	1,964.2	—	19.0	1,983.2	41.6 %
Foreign Debt (c)	—	405.4	0.1	16.0	421.5	8.8 %
State and Local Government	—	12.8	—	—	12.8	0.3 %
Other – Asset Backed (c)	—	15.8	—	7.6	23.4	0.5 %
Subtotal – Fixed Income	—	2,796.0	0.1	100.9	2,897.0	60.8 %
Infrastructure	—	—	42.0	—	42.0	0.9 %
Real Estate	—	—	253.7	—	253.7	5.3 %
Alternative Investments	—	—	378.7	—	378.7	8.0 %
Securities Lending	—	263.0	—	—	263.0	5.5 %
Securities Lending Collateral (a)	—	—	—	(264.7)	(264.7)	(5.5)%
Cash and Cash Equivalents (c)	—	1.2	—	47.4	48.6	1.0 %
Other – Pending Transactions and Accrued Income (b)	—	—	—	25.9	25.9	0.5 %
Total	\$ 722.0	\$ 3,091.9	\$ 674.5	\$ 279.2	\$ 4,767.6	100.0 %

- (a) Amounts in "Other" column primarily represent an obligation to repay collateral received as part of the Securities Lending Program.
- (b) Amounts in "Other" column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (c) Amounts in "Other" column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table sets forth a reconciliation of changes in the fair value of AEP's assets classified as Level 3 in the fair value hierarchy for the pension assets:

	Foreign Debt	Infrastructure	Real Estate	Alternative Investments	Total Level 3
	(in millions)				
Balance as of January 1, 2015	\$ 0.1	\$ 12.5	\$ 235.8	\$ 378.9	\$ 627.3
Actual Return on Plan Assets					
Relating to Assets Still Held as of the Reporting Date	—	(3.6)	12.5	(25.9)	(17.0)
Relating to Assets Sold During the Period	—	0.3	23.8	37.6	61.7
Purchases and Sales	—	32.8	(18.4)	(11.9)	2.5
Transfers into Level 3	—	—	—	—	—
Transfers out of Level 3	—	—	—	—	—
Balance as of December 31, 2015	<u>\$ 0.1</u>	<u>\$ 42.0</u>	<u>\$ 253.7</u>	<u>\$ 378.7</u>	<u>\$ 674.5</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table presents the classification of OPEB plan assets for AEP within the fair value hierarchy as of December 31, 2015:

Asset Class	Level 1	Level 2	Level 3	Other	Total	Year End Allocation
	(in millions)					
Equities:						
Domestic	\$ 465.1	\$ —	\$ —	\$ —	\$ 465.1	29.5%
International	484.3	—	—	—	484.3	30.7%
Options	—	15.6	—	—	15.6	1.0%
Common Collective Trusts (b)	—	12.6	—	19.0	31.6	2.0%
Subtotal – Equities	949.4	28.2	—	19.0	996.6	63.2%
Fixed Income:						
Common Collective Trust – Debt (b)	—	—	—	100.9	100.9	6.4%
United States Government and Agency Securities	—	58.4	—	—	58.4	3.7%
Corporate Debt	—	117.7	—	—	117.7	7.4%
Foreign Debt	—	20.7	—	—	20.7	1.3%
State and Local Government	—	4.2	—	—	4.2	0.3%
Other – Asset Backed	—	8.4	—	—	8.4	0.5%
Subtotal – Fixed Income	—	209.4	—	100.9	310.3	19.6%
Trust Owned Life Insurance:						
International Equities (b)	—	—	—	28.3	28.3	1.8%
United States Bonds (b)	—	—	—	184.3	184.3	11.7%
Subtotal – Trust Owned Life Insurance	—	—	—	212.6	212.6	13.5%
Cash and Cash Equivalents	44.9	7.2	—	—	52.1	3.3%
Other – Pending Transactions and Accrued Income (a)	—	—	—	5.8	5.8	0.4%
Total	\$ 994.3	\$ 244.8	\$ —	\$ 338.3	\$ 1,577.4	100.0%

- (a) Amounts in "Other" column primarily represent accrued interest, dividend receivables and transactions pending settlement.
- (b) Amounts in "Other" column represent investments for which fair value is measured using net asset value per share in accordance with ASU 2015-07, Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), which was retrospectively applied to prior periods.

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Determination of Pension Expense

The determination of pension expense or income is based on a market-related valuation of assets which reduces year-to-year volatility. This market-related valuation recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return.

The accumulated benefit obligation for the pension plans is as follows:

<u>Accumulated Benefit Obligation</u>	<u>Underfunded Pension Plans</u>	
	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
	<u>(in millions)</u>	
Qualified Pension Plan	\$ 588.5	\$ 571.3
Nonqualified Pension Plans	0.3	0.4
Total	<u>\$ 588.8</u>	<u>\$ 571.7</u>

For the underfunded pension plans that had an accumulated benefit obligation in excess of plan assets, the projected benefit obligation, accumulated benefit obligation and fair value of plan assets of these plans were as follows:

	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
	<u>(in millions)</u>	
Projected Benefit Obligation	<u>\$ 611.6</u>	<u>\$ 591.5</u>
Accumulated Benefit Obligation	\$ 588.8	\$ 571.7
Fair Value of Plan Assets	586.1	570.0
Underfunded Accumulated Benefit Obligation	<u>\$ (2.7)</u>	<u>\$ (1.7)</u>

Estimated Future Benefit Payments and Contributions

I&M expects contributions and payments for the pension plans of \$14 million during 2017. For the pension plans, this amount includes the payment of unfunded nonqualified benefits plus contributions to the qualified trust fund of at least the minimum amount required by the Employee Retirement Income Security Act. For the qualified pension plan, I&M may also make additional discretionary contributions to maintain the funded status of the plan.

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The table below reflects the total benefits expected to be paid from the plan or from I&M's assets. The payments include the participants' contributions to the plan for their share of the cost. Future benefit payments are dependent on the number of employees retiring, whether the retiring employees elect to receive pension benefits as annuities or as lump sum distributions, future integration of the benefit plans with changes to Medicare and other legislation, future levels of interest rates and variances in actuarial results. The estimated payments for the pension benefits and OPEB are as follows:

	<u>Estimated Payments</u>	
	<u>Pension Plans</u>	<u>Other Postretirement Benefit Plans</u>
	(in millions)	
2017	\$ 35.7	\$ 16.6
2018	35.9	16.7
2019	38.6	16.8
2020	38.7	16.9
2021	40.2	17.2
Years 2022 to 2026, in Total	216.5	87.6

Components of Net Periodic Benefit Cost

The following table provides the components of net periodic benefit cost (credit) for the plans:

	<u>Pension Plans</u>		<u>Other Postretirement Benefit Plans</u>	
	Years Ended December 31,			
	2016	2015	2016	2015
	(in millions)			
Service Cost	\$ 12.2	\$ 12.9	\$ 1.5	\$ 1.6
Interest Cost	25.3	24.5	7.0	6.4
Expected Return on Plan Assets	(33.6)	(32.6)	(12.9)	(13.2)
Amortization of Prior Service Cost (Credit)	0.1	0.2	(9.4)	(9.4)
Amortization of Net Actuarial Loss	10.0	12.6	3.7	2.0
Net Periodic Benefit Cost (Credit)	<u>14.0</u>	<u>17.6</u>	<u>(10.1)</u>	<u>(12.6)</u>
Capitalized Portion	(3.3)	(4.0)	2.4	2.9
Net Periodic Benefit Cost (Credit) Recognized in Expense	<u>\$ 10.7</u>	<u>\$ 13.6</u>	<u>\$ (7.7)</u>	<u>\$ (9.7)</u>

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Estimated amounts expected to be amortized to net periodic benefit costs (credits) and the impact on the balance sheet during 2017 are shown in the following table:

<u>Components</u>	<u>Pension Plans</u>	<u>Other Postretirement Benefit Plans</u>
	(in millions)	
Net Actuarial Loss	\$ 10.0	\$ 4.1
Prior Service Cost (Credit)	0.2	(9.4)
Total Estimated 2017 Amortization	\$ 10.2	\$ (5.3)
<u>Expected to be Recorded as</u>		
Regulatory Asset	\$ 9.6	\$ (4.8)
Deferred Income Taxes	0.2	(0.2)
Net of Tax AOCI	0.4	(0.3)
Total	\$ 10.2	\$ (5.3)

American Electric Power System Retirement Savings Plan

I&M participates in an AEP sponsored defined contribution retirement savings plan, the American Electric Power System Retirement Savings Plan, for substantially all employees. This qualified plan offers participants an opportunity to contribute a portion of their pay, includes features under Section 401(k) of the Internal Revenue Code and provides for company matching contributions. The matching contributions to the plan are 100% of the first 1% of eligible employee contributions and 70% of the next 5% of contributions. The cost for matching contributions to the retirement savings plans for the years ended December 31, 2016 and 2015 was \$11 million and \$11 million, respectively.

9. BUSINESS SEGMENTS

I&M has one reportable segment, an electricity generation, transmission and distribution business. I&M's other activities are insignificant.

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10. DERIVATIVES AND HEDGING

OBJECTIVES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS

AEPSC is agent for and transacts on behalf of I&M.

I&M is exposed to certain market risks as a major power producer and participant in the electricity, capacity, natural gas, coal and emission allowance markets. These risks include commodity price risks which may be subject to capacity risk, interest rate risk, credit risk and foreign currency exchange risk. These risks represent the risk of loss that may impact I&M due to changes in the underlying market prices or rates. Management utilizes derivative instruments to manage these risks.

STRATEGIES FOR UTILIZATION OF DERIVATIVE INSTRUMENTS TO ACHIEVE OBJECTIVES

Risk Management Strategies

The strategy surrounding the use of derivative instruments primarily focuses on managing risk exposures, future cash flows and creating value utilizing both economic and formal hedging strategies. The risk management strategies also include the use of derivative instruments for trading purposes which focus on seizing market opportunities to create value driven by expected changes in the market prices of the commodities. To accomplish these objectives, I&M primarily employs risk management contracts including physical and financial forward purchase-and-sale contracts and, to a lesser extent, OTC swaps and options. Not all risk management contracts meet the definition of a derivative under the accounting guidance for "Derivatives and Hedging." Derivative risk management contracts elected normal under the normal purchases and normal sales scope exception are not subject to the requirements of this accounting guidance.

I&M utilizes power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other commodity contracts to manage the risk associated with the energy business. I&M utilizes interest rate derivative contracts in order to manage the interest rate exposure associated with the commodity portfolio. For disclosure purposes, such risks are grouped as "Commodity," as these risks are related to energy risk management activities. I&M also utilizes derivative contracts to manage interest rate risk associated with debt financing. For disclosure purposes, these risks are grouped as "Interest Rate." The amount of risk taken is determined by the Commercial Operations and Finance groups in accordance with established risk management policies as approved by the Finance Committee of the Board of Directors.

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The following table represents the gross notional volume of outstanding derivative contracts:

Notional Volume of Derivative Instruments

Primary Risk Exposure	Volume		Unit of Measure
	2016	2015	
	December 31, (in millions)		
Commodity:			
Power	19.9	22.8	MWhs
Coal	0.5	1.6	Tons
Natural Gas	—	0.2	MMBtus
Heating Oil and Gasoline	0.7	0.7	Gallons
Interest Rate	\$ 0.1	\$ 1.6	USD

Cash Flow Hedging Strategies

I&M utilizes cash flow hedges on certain derivative transactions for the purchase and sale of power (“Commodity”) in order to manage the variable price risk related to forecasted purchases and sales. Management monitors the potential impacts of commodity price changes and, where appropriate, enters into derivative transactions to protect profit margins for a portion of future electricity sales and purchases. I&M does not hedge all commodity price risk.

I&M utilizes a variety of interest rate derivative transactions in order to manage interest rate risk exposure. I&M also utilizes interest rate derivative contracts to manage interest rate exposure related to future borrowings of fixed-rate debt. I&M does not hedge all interest rate exposure.

At times, I&M is exposed to foreign currency exchange rate risks primarily when some fixed assets are purchased from foreign suppliers. In accordance with AEP’s risk management policy, I&M may utilize foreign currency derivative transactions to protect against the risk of increased cash outflows resulting from a foreign currency’s appreciation against the dollar. I&M does not hedge all foreign currency exposure.

ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND THE IMPACT ON THE FINANCIAL STATEMENTS

The accounting guidance for “Derivatives and Hedging” requires recognition of all qualifying derivative instruments as either assets or liabilities on the balance sheets at fair value. The fair values of derivative instruments accounted for using MTM accounting or hedge accounting are based on exchange prices and broker quotes. If a quoted market price is not available, the estimate of fair value is based on the best information available including valuation models that estimate future energy prices based on existing market and broker quotes, supply and demand market data and assumptions. In order to determine the relevant fair values of the derivative instruments, I&M applies valuation adjustments for discounting, liquidity and credit quality.

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Credit risk is the risk that a counterparty will fail to perform on the contract or fail to pay amounts due. Liquidity risk represents the risk that imperfections in the market will cause the price to vary from estimated fair value based upon prevailing market supply and demand conditions. Since energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value risk management contracts. Unforeseen events may cause reasonable price curves to differ from actual price curves throughout a contract's term and at the time a contract settles. Consequently, there could be significant adverse or favorable effects on future net income and cash flows if market prices are not consistent with management's estimates of current market consensus for forward prices in the current period. This is particularly true for longer term contracts. Cash flows may vary based on market conditions, margin requirements and the timing of settlement of risk management contracts.

According to the accounting guidance for "Derivatives and Hedging," I&M reflects the fair values of derivative instruments subject to netting agreements with the same counterparty net of related cash collateral. For certain risk management contracts, I&M is required to post or receive cash collateral based on third party contractual agreements and risk profiles. For the December 31, 2016 and 2015 balance sheets, I&M netted cash collateral received from third parties against short-term and long-term risk management assets and cash collateral paid to third parties against short-term and long-term risk management liabilities as follows:

December 31,			
2016		2015	
Cash Collateral Received Netted Against Risk Management Assets	Cash Collateral Paid Netted Against Risk Management Liabilities	Cash Collateral Received Netted Against Risk Management Assets	Cash Collateral Paid Netted Against Risk Management Liabilities
\$ 0.3	\$ 0.4	\$ —	\$ 0.6

(in millions)

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The following tables represent the gross fair value of derivative activity on the balance sheets:

**Fair Value of Derivative Instruments
December 31, 2016**

Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
(in millions)			
Derivative Instrument Assets	\$ 16.0	\$ (12.5)	\$ 3.5
Long-term Portion of Derivative Instrument Assets	1.1	(1.1)	—
Derivative Instrument Liabilities	13.7	(12.6)	1.1
Long-term Portion of Derivative Instrument Liabilities	1.9	(1.1)	0.8

**Fair Value of Derivative Instruments
December 31, 2015**

Balance Sheet Location	Risk Management Contracts – Commodity (a)	Gross Amounts Offset in the Statement of Financial Position (b)	Net Amounts of Assets/Liabilities Presented in the Statement of Financial Position (c)
(in millions)			
Derivative Instrument Assets	\$ 23.4	\$ (11.1)	\$ 12.3
Long-term Portion of Derivative Instrument Assets	0.6	(0.6)	—
Derivative Instrument Liabilities	19.6	(11.7)	7.9
Long-term Portion of Derivative Instrument Liabilities	2.6	(1.0)	1.6

- (a) Derivative instruments within these categories are reported gross. These instruments are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for "Derivatives and Hedging."
- (b) Amounts include counterparty netting of risk management and hedging contracts and associated cash collateral in accordance with the accounting guidance for "Derivatives and Hedging."
- (c) There are no derivative contracts subject to a master netting arrangement or similar agreement which are not offset in the statement of financial position.

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The table below presents the activity of derivative risk management contracts:

**Amount of Gain (Loss) Recognized on
Risk Management Contracts**

Location of Gain (Loss)	Years Ended December 31,	
	2016	2015
	(in millions)	
Operating Revenues	\$ 9.9	\$ 11.5
Operation Expenses	0.1	(0.4)
Regulatory Assets (a)	3.1	(2.7)
Regulatory Liabilities (a)	13.9	7.5
Total Gain on Risk Management Contracts	\$ 27.0	\$ 15.9

(a) Represents realized and unrealized gains and losses subject to regulatory accounting treatment.

Certain qualifying derivative instruments have been designated as normal purchase or normal sale contracts, as provided in the accounting guidance for "Derivatives and Hedging." Derivative contracts that have been designated as normal purchases or normal sales under that accounting guidance are not subject to MTM accounting treatment and are recognized on the statements of income on an accrual basis.

The accounting for the changes in the fair value of a derivative instrument depends on whether it qualifies for and has been designated as part of a hedging relationship and further, on the type of hedging relationship. Depending on the exposure, management designates a hedging instrument as a fair value hedge or a cash flow hedge.

For contracts that have not been designated as part of a hedging relationship, the accounting for changes in fair value depends on whether the derivative instrument is held for trading purposes. Unrealized and realized gains and losses on derivative instruments held for trading purposes are included in revenues on a net basis on the statements of income. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are included in revenues or expenses on the statements of income depending on the relevant facts and circumstances. Certain derivatives that economically hedge future commodity risk are recorded in the same expense line item on the statements of income as that of the associated risk. However, unrealized and some realized gains and losses for both trading and non-trading derivative instruments are recorded as regulatory assets (for losses) or regulatory liabilities (for gains) in accordance with the accounting guidance for "Regulated Operations."

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In connection with OPCo's June 2012 - May 2015 ESP, the PUCO ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning in June 2015, see Note 4 - Rate Matters. These auctions resulted in a range of products, including 12-month, 24-month, and 36-month periods. The delivery period for each contract is scheduled to start on the first day of June of each year, immediately following the auction. Certain affiliated entities participated in the auction process and were awarded tranches of OPCo's SSO load. Certain underlying contracts are derivatives subject to the accounting guidance for "Derivatives and Hedging" and are accounted for using MTM accounting, unless the contract has been designated as a normal purchase or normal sale.

Accounting for Cash Flow Hedging Strategies

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), I&M initially reports the effective portion of the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income on the balance sheets until the period the hedged item affects Net Income. I&M's hedge ineffectiveness is recorded as a regulatory asset (for losses) or a regulatory liability (for gains).

Realized gains and losses on derivative contracts for the purchase and sale of power designated as cash flow hedges are included in Operating Revenues or Operation Expenses on the statements of income or in regulatory assets or regulatory liabilities on the balance sheets, depending on the specific nature of the risk being hedged. During 2016 and 2015, I&M did not apply cash flow hedging to outstanding power derivatives.

I&M reclassifies gains and losses on interest rate derivative hedges related to debt financings from Accumulated Other Comprehensive Income on the balance sheets into Interest on Long-Term Debt on the statements of income in those periods in which hedged interest payments occur. During 2016 and 2015, I&M did not apply cash flow hedging to outstanding interest rate derivatives.

During 2016 and 2015, hedge ineffectiveness was immaterial or nonexistent for all of the hedge strategies disclosed above.

For details on effective cash flow hedges included in Accumulated Other Comprehensive Income on the balance sheets and the reasons for changes in cash flow hedges, see Note 3.

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Cash flow hedges included in Accumulated Other Comprehensive Income on the balance sheets were:

Impact of Cash Flow Hedges on the Balance Sheets

December 31, 2016		December 31, 2015	
Interest Rate and Foreign Currency			
AOCI Gain (Loss) Net of Tax	Expected to be Reclassified to Net Income During the Next Twelve Months	AOCI Gain (Loss) Net of Tax	Expected to be Reclassified to Net Income During the Next Twelve Months
(in millions)			
\$ (12.0)	\$ (1.3)	\$ (13.3)	\$ (1.3)

The actual amounts reclassified from Accumulated Other Comprehensive Income to Net Income can differ from the estimate above due to market price changes.

Credit Risk

Management limits credit risk in wholesale marketing and trading activities by assessing the creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their creditworthiness on an ongoing basis. Management uses Moody's, Standard and Poor's and current market-based qualitative and quantitative data as well as financial statements to assess the financial health of counterparties on an ongoing basis.

Master agreements are typically used to facilitate the netting of cash flows associated with a single counterparty and may include collateral requirements. Collateral requirements in the form of cash, letters of credit and parental/affiliate guarantees may be obtained as security from counterparties in order to mitigate credit risk. A counterparty is required to post cash or letters of credit in the event exposure exceeds the established threshold. The threshold represents an unsecured credit limit which may be supported by a parental/affiliate guaranty, as determined in accordance with AEP's credit policy. In addition, master agreements allow for termination and liquidation of all positions in the event of a failure or inability to post collateral.

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Collateral Triggering Events

Credit Downgrade Triggers

Under the tariffs of the RTOs and Independent System Operators (ISOs) and a limited number of derivative and non-derivative contracts primarily related to competitive retail auction loads, additional amounts of collateral are required if certain credit ratings decline below a specified rating threshold. The amount of collateral required fluctuates based on market prices and total exposure. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these collateral triggering items in contracts. I&M has not experienced a downgrade below a specified rating threshold that would require the posting of additional collateral. There is no exposure relating to derivative contracts, however, there is exposure relating to RTOs, ISOs and non-derivative contracts. The following table represents the exposure if credit ratings were to decline below a specified rating threshold:

December 31, 2016		December 31, 2015	
Amount of Collateral That Would Have Been Required to Post Attributable to RTOs and ISOs	Amount of Collateral Attributable to Other Contracts	Amount of Collateral That Would Have Been Required to Post Attributable to RTOs and ISOs	Amount of Collateral Attributable to Other Contracts
\$ 0.6	\$ —	\$ 3.3	\$ 0.1

(in millions)

Cross-Default Triggers

In addition, a majority of I&M's non-exchange traded commodity contracts contain cross-default provisions that, if triggered, would permit the counterparty to declare a default and require settlement of the outstanding payable. These cross-default provisions could be triggered if there was a non-performance event by Parent or the obligor under outstanding debt or a third party obligation that is \$50 million or greater. On an ongoing basis, AEP's risk management organization assesses the appropriateness of these cross-default provisions in the contracts. The following table represents: (a) the fair value of these derivative liabilities subject to cross-default provisions prior to consideration of contractual netting arrangements, (b) the amount that the exposure has been reduced by cash collateral posted and (c) if a cross-default provision would have been triggered, the settlement amount that would be required after considering contractual netting arrangements:

	Liabilities for Contracts with Cross Default Provisions Prior to Contractual Netting Arrangements	Amount of Cash Collateral Posted	Additional Settlement Liability if Cross Default Provision is Triggered
December 31, 2016	\$ 0.1	\$ —	\$ —
December 31, 2015	2.5	—	2.5

(in millions)

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11. FAIR VALUE MEASUREMENTS

Fair Value Measurements of Long-term Debt

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities classified as Level 2 measurement inputs. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange.

The book values and fair values of Long-term Debt are summarized in the following table:

December 31,			
2016		2015	
Book Value	Fair Value	Book Value	Fair Value
(in millions)			
\$ 2,230.1	\$ 2,410.3	\$ 1,831.6	\$ 2,018.1

Fair Value Measurements of Trust Assets for Decommissioning and SNF Disposal

Securities held in trust funds for decommissioning nuclear facilities and for the disposal of SNF are recorded at fair value. See "Nuclear Trust Funds" section of Note 1.

The following is a summary of nuclear trust fund investments:

	December 31,					
	2016			2015		
	Fair Value	Gross Unrealized Gains	Other-Than Temporary Impairments	Fair Value	Gross Unrealized Gains	Other-Than Temporary Impairments
(in millions)						
Cash and Cash Equivalents	\$ 18.7	\$ —	\$ —	\$ 168.3	\$ —	\$ —
Fixed Income Securities:						
United States Government	785.4	27.1	(5.5)	731.1	35.9	(2.6)
Corporate Debt	60.9	2.3	(1.4)	57.9	3.2	(1.1)
State and Local Government	121.1	0.4	(0.7)	22.2	1.1	(0.3)
Subtotal Fixed Income Securities	967.4	29.8	(7.6)	811.2	40.2	(4.0)
Equity Securities – Domestic	1,270.1	677.9	(79.6)	1,126.9	571.6	(79.3)
Spent Nuclear Fuel and Decommissioning Trusts	\$ 2,256.2	\$ 707.7	\$ (87.2)	\$ 2,106.4	\$ 611.8	\$ (83.3)

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The following table provides the securities activity within the decommissioning and SNF trusts:

	Years Ended December 31,	
	2016	2015
	(in millions)	
Proceeds from Investment Sales	\$ 2,957.7	\$ 2,218.4
Purchases of Investments	3,000.0	2,272.0
Gross Realized Gains on Investment Sales	46.1	69.1
Gross Realized Losses on Investment Sales	24.4	53.0

The base cost of fixed income securities was \$938 million and \$771 million as of December 31, 2016 and 2015, respectively. The base cost of equity securities was \$592 million and \$555 million as of December 31, 2016 and 2015, respectively.

The fair value of fixed income securities held in the nuclear trust funds, summarized by contractual maturities, as of December 31, 2016 was as follows:

	Fair Value of Fixed Income Securities
	(in millions)
Within 1 year	\$ 229.5
1 year – 5 years	335.3
5 years – 10 years	204.6
After 10 years	198.0
Total	\$ 967.4

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Fair Value Measurements of Financial Assets and Liabilities

For a discussion of fair value accounting and the classification of assets and liabilities within the fair value hierarchy, see the "Fair Value Measurements of Assets and Liabilities" section of Note 1.

The following tables set forth, by level within the fair value hierarchy, I&M's financial assets and liabilities that were accounted for at fair value on a recurring basis. As required by the accounting guidance for "Fair Value Measurements and Disclosures," financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management's valuation techniques.

**Assets and Liabilities Measured at Fair Value on a Recurring Basis
December 31, 2016**

Assets:	Level 1	Level 2	Level 3	Other	Total
	(in millions)				
Derivative Instrument Assets					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 12.8	\$ 3.0	\$ (12.3)	\$ 3.5
Other Special Funds					
Cash and Cash Equivalents (c)	7.3	—	—	11.4	18.7
Fixed Income Securities:					
United States Government	—	785.4	—	—	785.4
Corporate Debt	—	60.9	—	—	60.9
State and Local Government	—	121.1	—	—	121.1
Subtotal Fixed Income Securities	—	967.4	—	—	967.4
Equity Securities – Domestic (d)	1,270.1	—	—	—	1,270.1
Total Other Special Funds	1,277.4	967.4	—	11.4	2,256.2
Total Assets	\$ 1,277.4	\$ 980.2	\$ 3.0	\$ (0.9)	\$ 2,259.7
Liabilities:					
Derivative Instrument Liabilities					
Risk Management Commodity Contracts (a) (b)	\$ —	\$ 13.3	\$ 0.2	\$ (12.4)	\$ 1.1

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**Assets and Liabilities Measured at Fair Value on a Recurring Basis
December 31, 2015**

Assets:	Level 1	Level 2	Level 3	Other	Total
	(in millions)				
Derivative Instrument Liabilities					
Risk Management Commodity Contracts (a) (b)	\$ 0.1	\$ 17.0	\$ 6.3	\$ (11.1)	\$ 12.3
Other Special Funds					
Cash and Cash Equivalents (c)	160.5	—	—	7.8	168.3
Fixed Income Securities:					
United States Government	—	731.1	—	—	731.1
Corporate Debt	—	57.9	—	—	57.9
State and Local Government	—	22.2	—	—	22.2
Subtotal Fixed Income Securities	—	811.2	—	—	811.2
Equity Securities – Domestic (d)	1,126.9	—	—	—	1,126.9
Total Other Special Funds	1,287.4	811.2	—	7.8	2,106.4
Total Assets	\$ 1,287.5	\$ 828.2	\$ 6.3	\$ (3.3)	\$ 2,118.7
Liabilities:					
Derivative Instrument Liabilities					
Risk Management Commodity Contracts (a) (b)	\$ 0.1	\$ 17.5	\$ 2.0	\$ (11.7)	\$ 7.9

- (a) Amounts in "Other" column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for "Derivatives and Hedging."
- (b) Substantially comprised of power contracts.
- (c) Amounts in "Other" column primarily represent accrued interest receivables from financial institutions. Level 1 amounts primarily represent investments in money market funds.
- (d) Amounts represent publicly traded equity securities and equity-based mutual funds.

There were no transfers between Level 1 and Level 2 during the years ended December 31, 2016 and 2015.

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The following tables set forth a reconciliation of changes in the fair value of net trading derivatives classified as Level 3 in the fair value hierarchy:

<u>Year Ended December 31, 2016</u>	<u>Net Risk Management Assets (Liabilities)</u> (in millions)
Balance as of December 31, 2015	\$ 4.3
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	7.1
Settlements	(11.1)
Transfers out of Level 3 (c)	0.1
Changes in Fair Value Allocated to Regulated Jurisdictions (d)	2.4
Balance as of December 31, 2016	<u>\$ 2.8</u>

<u>Year Ended December 31, 2015</u>	<u>Net Risk Management Assets (Liabilities)</u> (in millions)
Balance as of December 31, 2014	\$ 14.7
Realized Gain (Loss) Included in Net Income (or Changes in Net Assets) (a) (b)	0.2
Settlements	(14.2)
Transfers out of Level 3 (c)	0.8
Changes in Fair Value Allocated to Regulated Jurisdictions (d)	2.8
Balance as of December 31, 2015	<u>\$ 4.3</u>

- (a) Included in revenues on the statements of income.
- (b) Represents the change in fair value between the beginning of the reporting period and the settlement of the risk management commodity contract.
- (c) Transfers are recognized based on their value at the beginning of the reporting period that the transfer occurred.
- (d) Relates to the net gains (losses) of those contracts that are not reflected on the statements of income. These net gains (losses) are recorded as regulatory assets/liabilities.

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The following tables quantify the significant unobservable inputs used in developing the fair value of Level 3 positions:

**Significant Unobservable Inputs
December 31, 2016**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average
	Assets	Liabilities			Low	High	
	(in millions)						
Energy Contracts \$	0.3	\$ 0.2	Discounted Cash Flow	Forward Market Price	\$ 19.68	\$ 48.55	\$ 36.34
FTRs	2.7	—	Discounted Cash Flow	Forward Market Price	(7.90)	8.91	1.32
Total	\$ 3.0	\$ 0.2					

**Significant Unobservable Inputs
December 31, 2015**

	Fair Value		Valuation Technique	Significant Unobservable Input (a)	Input/Range		Weighted Average
	Assets	Liabilities			Low	High	
	(in millions)						
Energy Contracts \$	6.0	\$ 0.2	Discounted Cash Flow	Forward Market Price	\$ 12.61	\$ 47.24	\$ 32.38
FTRs	0.3	1.8	Discounted Cash Flow	Forward Market Price	(6.96)	8.43	1.34
Total	\$ 6.3	\$ 2.0					

(a) Represents market prices in dollars per MWh.

The following table provides sensitivity of fair value measurements to increases (decreases) in significant unobservable inputs related to Energy Contracts and FTRs as of December 31, 2016 and 2015:

Sensitivity of Fair Value Measurements

Significant Unobservable Input	Position	Change in Input	Impact on Fair Value Measurement
Forward Market Price	Buy	Increase (Decrease)	Higher (Lower)
Forward Market Price	Sell	Increase (Decrease)	Lower (Higher)

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12. INCOME TAXES

Income Tax Expense

The details of income tax expense as reported are as follows:

	Years Ended December 31,	
	2016	2015
	(in millions)	
Charged (Credited) to Operating Expenses, Net:		
Current	\$ (37.5)	\$ 6.3
Deferred	105.8	90.6
Deferred Investment Tax Credits	3.8	(3.3)
Total	<u>72.1</u>	<u>93.6</u>
Charged (Credited) to Nonoperating Income, Net:		
Current	(3.9)	(0.5)
Deferred	2.9	3.0
Total	<u>(1.0)</u>	<u>2.5</u>
Income Tax Expense	<u>\$ 71.1</u>	<u>\$ 96.1</u>

The following is a reconciliation of the difference between the amount of federal income taxes computed by multiplying book income before income taxes by the federal statutory tax rate and the amount of income taxes reported:

	Years Ended December 31,	
	2016	2015
	(in millions)	
Net Income	\$ 239.9	\$ 204.8
Income Tax Expense	71.1	96.1
Pretax Income	<u>\$ 311.0</u>	<u>\$ 300.9</u>
Income Taxes on Pretax Income at Statutory Rate (35%)	\$ 108.8	\$ 105.3
Increase (Decrease) in Income Taxes Resulting from the Following Items:		
Depreciation	6.7	9.5
Investment Tax Credits, Net	(4.7)	(3.3)
State and Local Income Taxes, Net	2.3	5.8
Removal Costs	(21.2)	(12.6)
AFUDC	(7.3)	(6.2)
Other	(13.5)	(2.4)
Income Tax Expense	<u>\$ 71.1</u>	<u>\$ 96.1</u>
Effective Income Tax Rate	22.9%	31.9%

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Net Deferred Tax Liability

The following table shows elements of the net deferred tax liability and significant temporary differences:

	December 31,	
	2016	2015
	(in millions)	
Deferred Tax Assets	\$ 915.0	\$ 839.4
Deferred Tax Liabilities	(2,440.7)	(2,200.4)
Net Deferred Tax Liabilities	\$ (1,525.7)	\$ (1,361.0)
Property Related Temporary Differences	\$ (579.2)	\$ (522.6)
Amounts Due from Customers for Future Federal Income Taxes	(50.4)	(42.7)
Deferred State Income Taxes	(158.8)	(124.9)
Deferred Income Taxes on Other Comprehensive Loss	8.7	9.0
Accrued Nuclear Decommissioning	(666.8)	(614.6)
Regulatory Assets	(81.0)	(70.2)
All Other, Net	1.8	5.0
Net Deferred Tax Liabilities	\$ (1,525.7)	\$ (1,361.0)

AEP System Tax Allocation Agreement

I&M joins in the filing of a consolidated federal income tax return. The allocation of the AEP System's current consolidated federal income tax to the AEP System companies allocates the benefit of current tax losses to the AEP System companies giving rise to such losses in determining their current tax expense. The consolidated net operating loss of the AEP System is allocated to each company in the consolidated group with taxable losses. The tax benefit of the Parent is allocated to its subsidiaries with taxable income. With the exception of the allocation of the consolidated AEP System net operating loss and the loss of the Parent, the method of allocation reflects a separate return result for each company in the consolidated group.

Federal and State Income Tax Audit Status

I&M and other AEP subsidiaries are no longer subject to U.S. federal examination for years before 2011. The IRS examination of years 2011, 2012 and 2013 started in April 2014. AEP and subsidiaries received a Revenue Agents Report in April 2016, completing the 2011 through 2013 audit cycle indicating an agreed upon audit. The 2011 through 2013 audit was submitted to the Congressional Joint Committee on Taxation for approval. The Joint Committee referred the audit back to the IRS exam team for further consideration. Although the outcome of tax audits is uncertain, in management's opinion, adequate provisions for federal income taxes have been made for potential liabilities resulting from such matters. In addition, I&M accrues interest on these uncertain tax positions. Management is not aware of any issues for open tax years that upon final resolution are expected to materially impact net income.

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I&M and other AEP subsidiaries file income tax returns in various state, local and foreign jurisdictions. These taxing authorities routinely examine their tax returns. I&M and other AEP subsidiaries are currently under examination in several state and local jurisdictions. However, it is possible that previously filed tax returns have positions that may be challenged by these tax authorities. Management believes that adequate provisions for income taxes have been made for potential liabilities resulting from such challenges and that the ultimate resolution of these audits will not materially impact net income. I&M is no longer subject to state, local or non-U.S. income tax examinations by tax authorities for years before 2009.

Net Income Tax Operating Loss Carryforward

In 2016, I&M recognized federal net income tax operating losses of \$20 million primarily due to bonus depreciation. As of December 31, 2016, I&M has \$7 million of unrealized federal net operating loss carryforward tax benefits. Management anticipates future taxable income will be sufficient to realize the remaining net income tax operating loss tax benefits before the federal carryforward expires after 2036.

Tax Credit Carryforward

Federal income tax net operating losses sustained in 2012, 2011 and 2009 along with lower federal income in 2010 resulted in unused federal income tax credits. As of December 31, 2016 and 2015, I&M had federal tax credit carryforwards of \$9 million and \$4 million, respectively of which \$9 million will expire in the year 2036.

I&M anticipates future federal taxable income will be sufficient to realize the tax benefits of the federal tax credits before they expire unused.

Uncertain Tax Positions

I&M recognized interest accruals related to uncertain tax positions in interest income or expense as applicable and penalties in Penalties in accordance with the accounting guidance for "Income Taxes."

The following table shows amounts reported for interest expense:

	Years Ended December 31,	
	2016	2015
	(in millions)	
Interest Expense	\$ 0.2	\$ 0.2

The amounts accrued for payment of interest and penalties as of December 31, 2016 and 2015 were \$949 thousand and \$644 thousand, respectively.

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The reconciliations of the beginning and ending amount of unrecognized tax benefits is as follows:

	2016	2015
	(in millions)	
Balance as of January 1,	\$ 2.5	\$ 2.3
Increase – Tax Positions Taken During a Prior Period	1.7	0.2
Decrease – Tax Positions Taken During a Prior Period	(0.4)	—
Increase – Tax Positions Taken During the Current Year	—	—
Decrease – Tax Positions Taken During the Current Year	—	—
Decrease – Settlements with Taxing Authorities	—	—
Decrease – Lapse of the Applicable Statute of Limitations	—	—
Balance as of December 31,	<u>\$ 3.8</u>	<u>\$ 2.5</u>

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate is \$3 million and \$2 million for 2016 and 2015, respectively. Management believes that there will be no significant net increase or decrease in unrecognized benefits within 12 months of the reporting date.

Federal Tax Legislation

The Protecting Americans from Tax Hikes Act of 2015 (PATH) included an extension of the 50% bonus depreciation for three years through 2017, phasing down to 40% in 2018 and 30% in 2019. PATH also provided for the extension of research and development, employment and several energy tax credits for 2015. PATH also includes provisions to extend the wind energy production tax credit through 2016 with a three-year phase-out (2017-2019), and to extend the 30% temporary solar investment tax credit for three years through 2019 and with a two-year phase-out (2020-2021). PATH also provided for a permanent extension of the Research and Development tax credit. The enacted provisions did not materially impact I&M's net income or financial condition but will have a favorable impact on future cash flows.

State Tax Legislation

Legislation was passed by the state of Indiana in May 2011 enacting a phased reduction in corporate income tax rate from 8.5% to 6.5%. The 8.5% Indiana corporate income tax rate will be reduced 0.5% each year beginning after June 30, 2012, with the final reduction occurring in years beginning after June 30, 2015. Additional legislation was passed by the state of Indiana reducing the corporate income tax rate from 6.5% in 2016 to 4.9% beginning after June 30, 2016 with the final reduction occurring in years beginning after June 30, 2021. The legislation did not materially impact I&M's net income, cash flows or financial condition.

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13. LEASES

Leases of property, plant and equipment are for remaining periods up to 15 years and require payments of related property taxes, maintenance and operating costs. The majority of the leases have purchase or renewal options and will be renewed or replaced by other leases.

Lease rentals for both operating and capital leases are generally charged to Operation Expenses and Maintenance Expenses in accordance with rate-making treatment for regulated operations. The components of rental costs are as follows:

	Years Ended December 31,	
	2016	2015
	(in millions)	
Net Lease Expense on Operating Leases	\$ 90.5	\$ 88.3
Amortization of Capital Leases	136.1	150.3
Interest on Capital Leases	6.3	5.3
Total Lease Rental Costs	\$ 232.9	\$ 243.9

The following table shows the property, plant and equipment under capital leases and related obligations recorded on I&M's balance sheets.

	December 31,	
	2016	2015
	(in millions)	
Property, Plant and Equipment Under Capital Leases		
Production	\$ 26.4	\$ 14.5
Other Property, Plant and Equipment	277.6	228.1
Total Property, Plant and Equipment	304.0	242.6
Accumulated Amortization	25.3	19.7
Net Property, Plant and Equipment Under Capital Leases	\$ 278.7	\$ 222.9
Obligations Under Capital Leases:		
Noncurrent	\$ 151.6	\$ 114.9
Current	127.1	108.0
Total Obligations Under Capital Leases	\$ 278.7	\$ 222.9

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Future minimum lease payments consisted of the following as of December 31, 2016:

	Capital Leases	Noncancelable Operating Leases
	(in millions)	
2017	\$ 149.3	\$ 91.9
2018	78.8	90.6
2019	48.4	89.4
2020	16.0	86.0
2021	5.0	81.6
Later Years	27.6	94.6
Total Future Minimum Lease Payments	325.1	\$ 534.1
Less Estimated Interest Element	46.4	
Estimated Present Value of Future Minimum Lease Payments	\$ 278.7	

Master Lease Agreements

I&M leases certain equipment under master lease agreements. Under the lease agreements, the lessor is guaranteed a residual value up to a stated percentage of either the unamortized balance or the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, I&M is committed to pay the difference between the actual fair value and the residual value guarantee. Historically, at the end of the lease term the fair value has been in excess of the unamortized balance. As of December 31, 2016, the maximum potential loss by I&M for these lease agreements assuming the fair value of the equipment is zero at the end of the lease term is \$3 million.

Rockport Lease

AEGCo and I&M entered into a sale-and-leaseback transaction in 1989 with Wilmington Trust Company (Owner Trustee), an unrelated, unconsolidated trustee for Rockport Plant, Unit 2 (the Plant). The Owner Trustee was capitalized with equity from six owner participants with no relationship to AEP or any of its subsidiaries and debt from a syndicate of banks and securities in a private placement to certain institutional investors.

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The gain from the sale was deferred and is being amortized over the term of the lease, which expires in 2022. The Owner Trustee owns the Plant and leases it equally to AEGCo and I&M. The lease is accounted for as an operating lease with the payment obligations included in the future minimum lease payments schedule earlier in this note. The lease term is for 33 years with potential renewal options. At the end of the lease term, AEGCo and I&M have the option to renew the lease or the Owner Trustee can sell the Plant. AEP, AEGCo and I&M have no ownership interest in the Owner Trustee and do not guarantee its debt. I&M's future minimum lease payments for this sale-and-leaseback transaction as of December 31, 2016 are as follows:

	Future Minimum Lease Payments	
	(in millions)	
2017	\$	73.9
2018		73.9
2019		73.9
2020		73.9
2021		73.9
Later Years		73.6
Total Future Minimum Lease Payments	\$	443.1

Railcar Lease

In June 2003, AEP Transportation LLC (AEP Transportation), a subsidiary of AEP, entered into an agreement with BTM Capital Corporation, as lessor, to lease 875 coal-transporting aluminum railcars. The lease is accounted for as an operating lease. In January 2008, AEP Transportation assigned the remaining 848 railcars under the original lease agreement to I&M (390 railcars) and SWEPCo (458 railcars). The assignment is accounted for as an operating lease. The initial lease term was five years with three consecutive five-year renewal periods for a maximum lease term of twenty years. I&M intends to renew the lease for the full lease term of twenty years via the renewal options. I&M's future minimum lease obligation is \$9 million for the remaining railcars as of December 31, 2016. The obligation is included in the future minimum lease payments schedule earlier in this note.

Under the lease agreement, the lessor is guaranteed that the sale proceeds under a return-and-sale option will equal at least a lessee obligation amount specified in the lease, which declines from 83% of the projected fair value of the equipment under the current five-year lease term to 77% at the end of the 20-year term. I&M assumed the guarantee under the return-and-sale option. I&M's maximum potential loss related to the guarantee is \$8 million as of December 31, 2016, assuming the fair value of the equipment is zero at the end of the current five-year lease term. However, management believes that the fair value would produce a sufficient sales price to avoid any loss.

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Nuclear Fuel Lease

In November 2011, I&M entered into a sale-and-leaseback transaction for \$110 million with DCC Fuel IV LLC (DCC IV) to lease nuclear fuel for the Cook Plant. DCC IV is a single-lessee leasing arrangement with one asset and was formed for the sole purpose of acquiring, owning and leasing nuclear fuel to I&M. The lease has a variable rate for \$65 million and a fixed rate of 2.12% for \$45 million. The lease is a capital lease with a term of 54 months. I&M makes payments on the lease quarterly in February, May, August and November. I&M made the final payment in April 2016.

In April 2012, I&M entered into a sale-and-leaseback transaction for \$110 million with DCC Fuel V LLC (DCC V). DCC V is a single-lessee leasing arrangement with one asset and was formed for the sole purpose of acquiring, owning and leasing nuclear fuel to I&M. The lease has a variable rate and is a capital lease with a term of 54 months. Management chose to terminate the lease early. I&M made the final payment in April 2015.

In May 2013, I&M entered into a sale-and-leaseback transaction for \$101 million with DCC Fuel VI LLC (DCC VI). DCC VI is a single-lessee leasing arrangement with one asset and was formed for the sole purpose of acquiring, owning and leasing nuclear fuel to I&M. The lease has a variable rate and is a capital lease with a term of 53 months. I&M makes payments on the lease quarterly in February, May, August and November. Payments began in August 2013.

In October 2014, I&M entered into a sale-and-leaseback transaction for \$106 million with DCC Fuel VII LLC (DCC VII). DCC VII is a single-lessee leasing arrangement with one asset and was formed for the sole purpose of acquiring, owning and leasing nuclear fuel to I&M. The lease has a variable rate and is a capital lease with a term of 54 months. I&M makes payments on the lease quarterly in January, April, July and October. Payments began in January 2015.

In April 2015, I&M entered into a sale-and-leaseback transaction for \$111 million with DCC Fuel VIII LLC (DCC VIII). DCC VIII is a single-lessee leasing arrangement with one asset and was formed for the sole purpose of acquiring, owning and leasing nuclear fuel to I&M. The lease has a variable rate and is a capital lease with a term of 54 months. I&M makes payments on the lease monthly. Payments began in May 2015.

In April 2016, I&M entered into a sale-and-leaseback transaction for \$88 million with DCC Fuel IX LLC (DCC IX). DCC IX is a single-lessee leasing arrangement with one asset and was formed for the sole purpose of acquiring, owning and leasing nuclear fuel to I&M. The lease has a variable rate and is a capital lease with a term of 54 months. I&M makes payments on the lease quarterly in January, April, July and October. Payments began in July 2016.

In December 2016, I&M entered into a sale-and-leaseback transaction for \$87 million with DCC Fuel X LLC (DCC X). DCC X is a single-lessee leasing arrangement with one asset and was formed for the sole purpose of acquiring, owning and leasing nuclear fuel to I&M. The lease has a variable rate and is a capital lease with a term of 52 months. I&M makes payments on the lease monthly. Payments began in January 2017.

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In November 2013, I&M entered into a sale-and-leaseback transaction with IMP 11-2013, a nonaffiliated Ohio trust, to lease nuclear fuel for I&M's Cook Plant. In November 2013, I&M sold a portion of its unamortized nuclear fuel inventory to the trust for \$110 million. The lease has a variable rate based on one month LIBOR and is accounted for as a capital lease with lease terms up to 54 months. The future minimum lease payments for the sale-and-leaseback transaction as of December 31, 2016 are as follows, based on estimated fuel burn:

	Future Minimum Lease Payments	
	(in millions)	
2017	\$	5.8
2018		2.4
Total Future Minimum Lease Payments	\$	8.2

14. FINANCING ACTIVITIES

Long-term Debt

The following table details long-term debt outstanding:

Type of Debt	Maturity	Weighted Average Interest Rate as of December 31, 2016	Interest Rate Ranges as of December 31,		Outstanding as of December 31,	
			2016	2015	2016	2015
Senior Unsecured Notes	2019-2046 2018-2025	5.49%	3.20%-7.00%	3.20%-7.00%	\$ 1,525.0	\$ 1,125.0
Pollution Control Bonds (a)	(b)	2.04%	0.74%-4.625%	0.01%-4.625%	227.0	227.0
Spent Nuclear Fuel Obligation (c)					266.3	265.6
Other Long-term Debt	2018-2025	2.43%	2.15%-6.00%	1.81%-6.00%	215.9	217.2
Unamortized Discount, Net					(4.1)	(3.2)
Total Long-term Debt					\$ 2,230.1	\$ 1,831.6

- (a) For certain series of pollution control bonds, interest rates are subject to periodic adjustment. Certain series may be purchased on demand at periodic interest adjustment dates. Letters of credit from banks and insurance policies support certain series.
- (b) Certain pollution control bonds are subject to redemption earlier than the maturity date. Consequently, these bonds have been classified for maturity purposes based on the mandatory redemption date.
- (c) Spent nuclear fuel obligation consists of a liability along with accrued interest for disposal of spent nuclear fuel (see "SNF Disposal" section of Note 6).

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Long-term debt outstanding as of December 31, 2016 is payable as follows:

	(in millions)
2017	\$ 78.4
2018	301.6
2019	476.7
2020	1.8
2021	2.0
After 2021	1,373.7
Principal Amount	2,234.2
Unamortized Discount, Net	(4.1)
Total Long-term Debt	\$ 2,230.1

As of December 31, 2016, trustees held, on behalf of I&M, \$40 million of reacquired Pollution Control Bonds.

Dividend Restrictions

I&M pays dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of I&M to transfer funds to Parent in the form of dividends.

All of the dividends declared by I&M that provide transmission or local distribution services are subject to a Federal Power Act restriction that prohibits the payment of dividends out of capital accounts without regulatory approval; payment of dividends is allowed out of retained earnings only. Additionally, the Federal Power Act creates a reserve on earnings attributable to hydroelectric generation plants. Because of their ownership of such plants, this reserve applies to I&M.

I&M has credit agreements that contain covenants that limit their debt to capitalization ratio to 67.5%. The payment of cash dividends indirectly results in an increase in the percentage of I&M's debt to total capitalization. The method for calculating outstanding debt and capitalization is contractually defined in the credit agreements.

As of December 31, 2016, the maximum amount of restricted net assets of I&M that may not be distributed to the Parent in the form of a loan, advance or dividend was \$1.3 billion.

As of December 31, 2016, the Federal Power Act restriction does not limit the ability of I&M to pay dividends out of retained earnings. However, the credit agreement covenant restrictions can limit the ability of I&M to pay dividends out of retained earnings. As of December 31, 2016, the amount of any such restrictions was \$289 million.

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Corporate Borrowing Program – AEP System

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP's subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP's utility subsidiaries. The AEP System Utility Money Pool operates in accordance with the terms and conditions of the AEP System Utility Money Pool agreement filed with the FERC. The amounts of outstanding borrowings from the Utility Money Pool as of December 31, 2016 and 2015 are included in Notes Payable to Associate Companies on I&M's balance sheets. The Utility Money Pool participants' money pool activity and their corresponding authorized borrowing limits are described in the following table:

Years Ended December 31,	Maximum Borrowings from the Utility Money Pool	Maximum Loans to the Utility Money Pool	Average Borrowings from the Utility Money Pool	Average Loans to the Utility Money Pool	Borrowings from the Utility Money Pool as of December 31,	Authorized Short-term Borrowing Limit
(in millions)						
2016	\$ 369.1	\$ 85.3	\$ 129.9	\$ 36.8	\$ 215.2	\$ 500
2015	297.3	—	152.6	—	294.3	500

Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool were as follows:

Years Ended December 31,	Maximum Interest Rates for Funds Borrowed from the Utility Money Pool	Minimum Interest Rates for Funds Borrowed from the Utility Money Pool	Maximum Interest Rates for Funds Loaned to the Utility Money Pool	Minimum Interest Rates for Funds Loaned to the Utility Money Pool	Average Interest Rate for Funds Borrowed from the Utility Money Pool	Average Interest Rate for Funds Loaned to the Utility Money Pool
2016	1.02%	0.69%	0.90%	0.72%	0.80%	0.76%
2015	0.87%	0.37%	—%	—%	0.49%	—%

Interest expense related to short-term borrowing activities with the Utility Money Pool is included in Interest on Debt to Associated Companies on the statement of income. I&M incurred interest expense for borrowings from the Utility Money Pool of \$852 thousand and \$760 thousand for the years ended December 31, 2016 and 2015, respectively.

Interest income related to short-term lending activities with the Utility Money Pool is included in Interest and Dividend Income on the statement of income. I&M earned interest income for amounts advanced to the Utility Money Pool of \$60 thousand and \$9 thousand for the years ended December 31, 2016 and 2015, respectively.

Credit Facilities

For a discussion of credit facilities, see "Letters of Credit" section of Note 6.

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Securitized Accounts Receivables – AEP Credit

Under this sale of receivables arrangement, I&M sells, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit and is charged a fee based on AEP Credit’s financing costs, administrative costs and uncollectible accounts experience for I&M’s receivables. I&M manages and services its customer accounts receivable, which are sold to AEP Credit. AEP Credit securitizes the eligible receivables for I&M and retains the remainder.

AEP Credit’s receivables securitization agreement provides a commitment of \$750 million from bank conduits to purchase receivables and expires in June 2018.

The amount of accounts receivable and accrued unbilled revenues under the sale of receivables agreement as of December 31, 2016 and 2015 was \$137 million and \$135 million, respectively.

The fees paid to AEP Credit for customer accounts receivable sold were \$7 million and \$8 million for the years ended December 31, 2016 and 2015, respectively.

I&M’s proceeds on the sale of receivables to AEP Credit were \$1.6 billion and \$1.6 billion for the years ended December 31, 2016 and 2015, respectively.

15. RELATED PARTY TRANSACTIONS

For other related party transactions, also see “AEP System Tax Allocation Agreement” section of Note 12 in addition to “Corporate Borrowing Program – AEP System” and “Sale of Receivables – AEP Credit” sections of Note 14.

Interconnection Agreement

In accordance with management’s December 2010 announcement and October 2012 filing with the FERC, the Interconnection Agreement was terminated effective January 1, 2014. The AEP System Interim Allowance Agreement which provided for, among other things, the transfer of SO₂ emission allowances associated with transactions under the Interconnection Agreement was also terminated.

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APCo, I&M, KPCo, OPCo and AEPSC were parties to the Interconnection Agreement which defined the sharing of costs and benefits associated with the respective generation plants. This sharing was based upon each AEP utility subsidiary's MLR and was calculated monthly on the basis of each AEP utility subsidiary's maximum peak demand in relation to the sum of the maximum peak demands of all four AEP utility subsidiaries during the preceding 12 months.

Effective January 1, 2014, the FERC approved the following agreements.

- A PCA among APCo, I&M and KPCo with AEPSC as the agent to coordinate the participants' respective power supply resources. Effective May 2015, the PCA was revised and approved by the FERC to include WPCo. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. Further, the Restated and Amended PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.
- A Bridge Agreement among AGR, APCo, I&M, KPCo and OPCo with AEPSC as agent. The Bridge Agreement is an interim arrangement to: (a) address the treatment of purchases and sales made by AEPSC on behalf of member companies that extend beyond termination of the Interconnection Agreement and (b) address how member companies would fulfill their existing obligations under the PJM Reliability Assurance Agreement through the 2014/2015 PJM planning year. Under the Bridge Agreement, AGR committed to use its capacity to help meet the PJM capacity obligations of member companies through the PJM planning year that ended May 31, 2015.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo, PSO, SWEPCo and WPCo. Effective January 1, 2014 and revised in May 2015, power and natural gas risk management activities for APCo, I&M, KPCo and WPCo are allocated based on the four member companies' respective equity positions, while power and natural gas risk management activities for PSO and SWEPCo are allocated based on the Operating Agreement.

Operating Agreement

PSO, SWEPCo and AEPSC are parties to the Operating Agreement which was approved by the FERC. The Operating Agreement requires PSO and SWEPCo to maintain adequate annual planning reserve margins and requires that capacity in excess of the required margins be made available for sale to other operating companies as capacity commitments. In January 2014, the FERC approved a modification of the Operating Agreement to address changes resulting from an anticipated March 2014 SPP power market change. Subsequently and in March 2014, SPP changed from an energy imbalance service market to a fully integrated power market.

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System Integration Agreement (SIA)

Under the SIA, AEPSC allocates physical and financial revenues and expenses from transactions with neighboring utilities, power marketers and other power and natural gas risk management activities based upon the location of such activity. Margins resulting from trading and marketing activities originating in PJM and MISO generally accrue to the benefit of APCo, I&M, KPCo and WPCo, while trading and marketing activities originating in SPP generally accrue to the benefit of PSO and SWEPCo. Margins resulting from other transactions are allocated among APCo, I&M, KPCo, PSO, SWEPCo and WPCo based upon the equity positions of these companies.

Affiliated Revenues and Purchases

The following table shows the revenues derived from direct sales to affiliates, net transmission agreement sales and other revenues:

<u>Related Party Revenues</u>	Years Ended December 31,	
	2016	2015
	(in millions)	
Auction Sales to OPCo (a)	\$ 12.0	\$ 17.1
Transmission Agreement and Transmission Coordination Agreement Sales	12.2	8.4
Other Revenues	2.0	1.9

(a) Refer to the Ohio Auction section below for further information regarding these amounts.

The following table shows the purchased power expenses incurred for purchases from affiliates:

<u>Related Party Purchases</u>	Years Ended December 31,	
	2016	2015
	(in millions)	
Direct Purchases from AEGCo	\$ 228.6	\$ 232.1

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NOTES TO FINANCIAL STATEMENTS (Continued)			

System Transmission Integration Agreement (STIA)

AEP's STIA provided for the integration and coordination of the planning, operation and maintenance of transmission facilities. Since the FERC approved the cancellation of the STIA effective June 1, 2014, the coordinated planning, operation and maintenance of transmission facilities are the responsibility of the RTOs and the STIA is no longer necessary. Similar to the SIA, the STIA functioned as an umbrella agreement in addition to the Transmission Agreement (TA) and the Transmission Coordination Agreement (TCA). The TA and TCA are both still active. The STIA contained two service schedules that governed:

- The allocation of transmission costs and revenues.
- The allocation of third-party transmission costs and revenues and AEP System dispatch costs.

APCo, I&M, KGPCo, KPCo, OPCo and WPCo are parties to the TA, effective November 2010, which defines how transmission costs through PJM OATT are allocated among the AEP East Companies, KGPCo and WPCo on a 12-month average coincident peak basis. I&M's net charges for the years ended December 31, 2016 and 2015 related to the TA were \$53 million and \$38 million, respectively. The charges were recorded in Operation Expenses.

PSO, SWEPCo and AEPSC are parties to the TCA, dated January 1, 1997, by and among PSO, SWEPCo and AEPSC, in connection with the operation of the transmission assets of the two AEP utility subsidiaries. The TCA has been approved by the FERC and establishes a coordinating committee, which is charged with overseeing the coordinated planning of the transmission facilities of the parties to the agreement. This includes the performance of transmission planning studies, the interaction of such companies with independent system operators (ISO) and other regional bodies interested in transmission planning and compliance with the terms of the OATT filed with the FERC and the rules of the FERC relating to such a tariff.

Ohio Auctions

In connection with OPCo's June 2012 - May 2015 ESP, the PUCO ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning in June 2015. AEP Energy, AEPEP, APCo, KPCo, I&M and WPCo participate in the auction process and have been awarded tranches of OPCo's SSO load. Refer to the Affiliated Revenues and Purchases section above for amounts related to these transactions. See Note 10 - Derivatives and Hedging for further information.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Indiana Michigan Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Unit Power Agreements (UPA)

UPA between AEGCo and I&M

A UPA between AEGCo and I&M (the I&M Power Agreement) provides for the sale by AEGCo to I&M of all the power (and the energy associated therewith) available to AEGCo at the Rockport Plant unless it is sold to another utility. Subsequently, I&M assigns 30% of the power to KPCo. See the “UPA between AEGCo and KPCo” section below. I&M is obligated, whether or not power is available from AEGCo, to pay as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M) net of amounts received by AEGCo from any other sources, sufficient to enable AEGCo to pay all its operating and other expenses, including a rate of return on the common equity of AEGCo as approved by the FERC. The I&M Power Agreement will continue in effect until the expiration of the lease term of Unit 2 of the Rockport Plant unless extended in specified circumstances.

UPA between AEGCo and KPCo

Pursuant to an assignment between I&M and KPCo and a UPA between KPCo and AEGCo, AEGCo sells KPCo 30% of the power (and the energy associated therewith) available to AEGCo from both units of the Rockport Plant. KPCo pays to AEGCo in consideration for the right to receive such power the same amounts which I&M would have paid AEGCo under the terms of the I&M Power Agreement for such entitlement. The KPCo UPA ends in December 2022.

Cook Coal Terminal

Cook Coal Terminal, which is owned by AEGCo, performs coal transloading and storage services at cost for I&M. I&M recorded costs from AEGCo of \$13 million and \$16 million for transloading services in Fuel Stock on the balance sheet for the years ended December 31, 2016 and 2015, respectively.

Cook Coal Terminal also performs railcar maintenance services at cost for I&M. AEGCo billed I&M \$2 million and \$2 million for the years ended December 31, 2016 and 2015, respectively, for railcar maintenance services. I&M recorded the cost of the railcar maintenance services in Fuel Stock on the balance sheets.

I&M Barging, Urea Transloading and Other Services

I&M provides barging, urea transloading and other transportation services to affiliates. Urea is a chemical used to control NO_x emissions at certain generation plants in the AEP System. I&M recorded revenues from barging, transloading and other services of \$62 million and \$79 million for the years ended December 31, 2016 and 2015, respectively, in Revenues from Nonutility Operations on the statements of income.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Services Provided by AEP River Operations LLC

AEP River Operations LLC provided services for barge towing, chartering and general and administrative expenses to I&M. In October 2015, AEP signed a Purchase and Sale Agreement to sell AEP River Operations LLC to a nonaffiliated party. The sale closed in November 2015. For the year ended December 31, 2015, I&M recorded expenses of \$19 million for these activities.

Central Machine Shop

APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. APCo defers the cost of performing these services on the balance sheet and then transfers the cost to the affiliate for reimbursement. I&M recorded billings from APCo of \$3 million and \$3 million as capital or maintenance expenses depending on the nature of the services received for the years ended December 31, 2016 and 2015, respectively. These billings are recoverable from customers.

Affiliate Railcar Agreement

APCo, I&M, PSO, and SWEPCo have an agreement providing for the use of each other's leased or owned railcars when available. The agreement specifies that the company using the railcar will be billed, at cost, by the company furnishing the railcar. I&M recorded these costs or reimbursements as costs or reduction of costs, respectively, in Fuel Stock on the balance sheets and such costs are recoverable from customers. The following table shows the net effect of the railcar agreement on the balance sheets:

	<u>Years Ended December 31,</u>	<u>PSO</u>	<u>SWEPCo</u>
		(in millions)	
Payment of Costs:			
	2016	\$ 0.3	\$ 0.8
	2015	0.4	1.2
Reimbursement of Costs:			
	2016	0.3	0.9
	2015	0.6	1.8

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

OVEC

AEP and several nonaffiliated utility companies jointly own OVEC. As of December 31, 2016, the ownership and investment in OVEC were as follows:

Company	December 31, 2016	
	Ownership	Investment (in millions)
Parent	39.17%	\$ 4.0
OPCo	4.30%	0.4
Total	43.47%	\$ 4.4

OVEC’s owners, along with APCo and I&M, are members to an intercompany power agreement. Participants of this agreement are entitled to receive and obligated to pay for all OVEC generating capacity, approximately 2,400 MWs, in proportion to their respective power participation ratios. The aggregate power participation ratio of certain AEP utility subsidiaries, including APCo, I&M and OPCo, is 43.47%. The proceeds from the sale of power by OVEC are designed to be sufficient for OVEC to meet its operating expenses and fixed costs, including outstanding indebtedness, and provide a return on capital. The intercompany power agreement ends in June 2040.

AEP and other nonaffiliated owners authorized environmental investments related to their ownership interests. OVEC financed capital expenditures in connection with the engineering and construction of FGD projects and the associated waste disposal landfills at its two generation plants. These environmental projects were funded through debt issuances. As of December 31, 2016, OVEC’s outstanding indebtedness is approximately \$1.5 billion. AEP utility subsidiaries are responsible for their 43.47% share of OVEC’s outstanding debt. Principal and interest payments related to OVEC’s outstanding indebtedness are disclosed in accordance with the accounting guidance for “Commitments.” See the “Commitments” section of Note 6.

Purchased Power from OVEC

I&M paid \$44 million and \$44 million for power purchased from OVEC for the years ended December 31, 2016 and 2015, respectively. The amounts shown above are recoverable from customers and are included in Operation Expenses on the statement of income.

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Sales and Purchases of Property

I&M had affiliated sales and purchases of electric property amounting to \$100 thousand or more, sales and purchases of meters and transformers, and sales and purchases of transmission property. There were no gains or losses recorded on the transactions. The following table shows the sales and purchases, recorded at net book value:

	Years Ended December 31,	
	2016	2015
	(in millions)	
Sales	\$ 5.2	\$ 3.0
Purchases	2.7	8.1

The amounts above are recorded in Utility Plant on the balance sheets.

Intercompany Billings

I&M and other AEP subsidiaries perform certain utility services for each other when necessary or practical. The costs of these services are billed on a direct-charge basis, whenever possible, or on reasonable basis of proration for services that benefit multiple companies. The billings for services are made at cost and include no compensation for the use of equity capital.

AEPSC

AEPSC provides certain managerial and professional services to AEP's subsidiaries. The costs of the services are based on a direct charge or on a prorated basis and billed to the AEP subsidiary companies at AEPSC's cost. AEPSC and its billings are subject to regulation by the FERC. I&M's total billings from AEPSC were \$148 million and \$140 million for the years ended December 31, 2016 and 2015, respectively.

16. PROPERTY, PLANT AND EQUIPMENT

Depreciation

I&M provides for depreciation of Utility Plant on a straight-line basis over the estimated useful lives of property, generally using composite rates by functional class. The following table provides annual composite depreciation rates by functional class:

<u>Year</u>	<u>Nuclear</u>	<u>Steam</u>	<u>Hydro</u>	<u>Transmission</u>	<u>Distribution</u>	<u>General</u>
	(in percentages)					
2016	1.9	3.9	2.7	1.7	2.8	8.6
2015	2.0	3.9	2.7	1.7	2.8	4.0

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The composite depreciation rate generally includes a component for non-asset retirement obligation (non-ARO) removal costs, which is credited to accumulated depreciation. Actual removal costs incurred are charged to accumulated depreciation.

Asset Retirement Obligations

I&M records ARO in accordance with the accounting guidance for "Asset Retirement and Environmental Obligations" for legal obligations for asbestos removal and for the retirement of certain ash disposal facilities, closure and monitoring of underground carbon storage facilities at Mountaineer Plant, wind farms and certain coal mining facilities. I&M records ARO for the decommissioning of the Cook Plant. I&M has identified, but not recognized, ARO liabilities related to electric transmission and distribution assets as a result of certain easements on property on which assets are owned. Generally, such easements are perpetual and require only the retirement and removal of assets upon the cessation of the property's use. The retirement obligation is not estimable for such easements since I&M plans to use their facilities indefinitely. The retirement obligation would only be recognized if and when I&M abandons or ceases the use of specific easements, which is not expected.

As of December 31, 2016 and 2015, I&M's ARO liability for nuclear decommissioning of the Cook Plant was \$1.24 billion and \$1.18 billion, respectively. These liabilities are reflected in Asset Retirement Obligations on I&M's balance sheets. As of December 31, 2016 and 2015, the fair value of I&M's assets that are legally restricted for purposes of settling decommissioning liabilities totaled \$1.95 billion and \$1.80 billion, respectively.

I&M recorded an increase in asset retirement obligations in the second quarter of 2015, primarily related to the final Coal Combustion Residual Rule, which was published in the Federal Register in April 2015. The Federal EPA now regulates the disposal and beneficial re-use of coal combustion residuals (CCR), including fly ash and bottom ash generated at coal-fired electric generating units and also FGD gypsum generated at some coal-fired plants. The Federal EPA regulates CCR as a non-hazardous solid waste and established minimum federal solid waste management standards. Noncash increases related to the CCR Rule are recorded as Utility Plant. The following is a reconciliation of the 2016 and 2015 aggregate carrying amounts of ARO:

Year	ARO at January 1,	Accretion Expense	Liabilities Settled	Revisions in Cash Flow Estimates	ARO at December 31,
	(in millions)				
2016	\$ 1,253.8	\$ 55.6	\$ (62.6)	\$ 11.3	1,258.1
2015	1,342.5	64.3	(5.7)	(147.3)	1,253.8

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Jointly-owned Electric Facilities

I&M, has electric facilities that are jointly-owned with an affiliated company. Using its own financing, I&M is obligated to pay its share of the costs of these jointly-owned facilities in the same proportion as its ownership interest. I&M's proportionate share of the operating costs associated with these facilities is included in its statements of income and the investments and accumulated depreciation are reflected in its balance sheets under Utility Plant as follows:

Facility	Fuel Type	Percent of Ownership	I&M's Share as of December 31, 2016		
			Utility Plant in Service	Construction Work in Progress	Accumulated Depreciation
(in millions)					
Rockport Generating Plant (a)(b)(c)	Coal	50.0%	\$ 936.1	\$ 125.8	\$ 535.1

Facility	Fuel Type	Percent of Ownership	I&M's Share as of December 31, 2015		
			Utility Plant in Service	Construction Work in Progress	Accumulated Depreciation
(in millions)					
Rockport Generating Plant (a)(b)(c)	Coal	50.0%	\$ 926.7	\$ 58.5	\$ 512.4

- (a) Operated by I&M.
- (b) Amounts include I&M's 50% ownership of both Unit 1 and capital additions for Unit 2. Unit 2 is subject to an operating lease with a non-affiliated company. See the "Rockport Lease" section of Note 13.
- (c) AEGCo owns 50% of Unit 1 with I&M and 50% of capital additions for Unit 2.

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

17. FERC ORDER NO. 784-A

On July 18, 2013, the FERC issued Order No. 784 that revised certain aspects of the accounting and reporting requirements under the Uniform System of Accounts related to energy storage accounts. Due to software limitations, the newly adopted and revised schedules in the FERC forms that would contain the energy storage accounts are not available to filers of the forms for use as of the effective date. Utilities with energy storage assets must use the existing schedules in the FERC Forms to report energy storage assets pending availability of the new and revised schedules. FERC directed filers to submit the requested energy storage information as part of pages 122-123.

The following table presents I&M's energy storage operations for small plants for the years ended December 31, 2016 and 2015, as required by FERC Order No. 784:

Project Name	Functional Classification	Project Location	Project Costs		Operation Expenses		Maintenance Expenses		
			Account	Amount	Account	Amount	Account	Amount (a)	
(dollars in millions)									
<u>Year Ended December 31, 2016</u>									
East Busco Station	Distribution	Churubusco, IN	363	\$ 5.5	562	\$ -	592	\$ -	
<u>Year Ended December 31, 2015</u>									
East Busco Station	Distribution	Churubusco, IN	363	\$ 5.5	562	\$ -	592	\$ -	

(a) This amount would have been recorded in Account 592.2 in accordance with FERC Order No. 784.

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	7,159,696,640	7,159,696,640
4	Property Under Capital Leases	38,475,408	38,475,408
5	Plant Purchased or Sold		
6	Completed Construction not Classified	471,396,935	471,396,935
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	7,669,568,983	7,669,568,983
9	Leased to Others		
10	Held for Future Use	5,641,570	5,641,570
11	Construction Work in Progress	654,208,671	654,208,671
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	8,329,419,224	8,329,419,224
14	Accum Prov for Depr, Amort, & Depl	2,953,225,228	2,953,225,228
15	Net Utility Plant (13 less 14)	5,376,193,996	5,376,193,996
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	2,853,527,336	2,853,527,336
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	99,693,424	99,693,424
22	Total In Service (18 thru 21)	2,953,220,760	2,953,220,760
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation	4,468	4,468
29	Amortization		
30	Total Held for Future Use (28 & 29)	4,468	4,468
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	2,953,225,228	2,953,225,228

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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.					
2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.					
Line No.	Description of Item (a)	Balance Beginning of Year (b)	Changes during Year		
			Additions (c)		
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)				
2	Fabrication				
3	Nuclear Materials	77,876,350			91,166,432
4	Allowance for Funds Used during Construction	577,901			4,951,700
5	(Other Overhead Construction Costs, provide details in footnote)				
6	SUBTOTAL (Total 2 thru 5)	78,454,251			
7	Nuclear Fuel Materials and Assemblies				
8	In Stock (120.2)				
9	In Reactor (120.3)	1,632,918			285,547,383
10	SUBTOTAL (Total 8 & 9)	1,632,918			
11	Spent Nuclear Fuel (120.4)	630,223,891			110,086,680
12	Nuclear Fuel Under Capital Leases (120.6)	192,876,881			174,600,000
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)	630,836,553			
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)	272,351,388			
15	Estimated net Salvage Value of Nuclear Materials in line 9				
16	Estimated net Salvage Value of Nuclear Materials in line 11				
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing				
18	Nuclear Materials held for Sale (157)				
19	Uranium				
20	Plutonium				
21	Other (provide details in footnote):				
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)				

Name of Respondent Indiana Michigan Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
Changes during Year				Balance	Line
Amortization (d)	Other Reductions (Explain in a footnote) (e)			End of Year (f)	No.
					1
					2
		172,623,420		-3,580,638	3
		1,948,963		3,580,638	4
					5
					6
					7
					8
		285,686,680		1,493,621	9
				1,493,621	10
		55,583,518		684,727,053	11
128,330,399				239,146,482	12
-109,907,236		55,583,518		685,160,271	13
				240,206,885	14
					15
					16
					17
					18
					19
					20
					21
					22

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FOOTNOTE DATA			

Schedule Page: 202 Line No.: 3 Column: e
Placed nuclear fuel into reactor

Schedule Page: 202 Line No.: 4 Column: e
Placed nuclear fuel into reactor

Schedule Page: 202 Line No.: 9 Column: e
Nuclear fuel removed from reactor and placed into spent fuel pool - \$111,086,680

Reclassification of nuclear fuel from owned to leased due to sale/leaseback with third party - \$174,600,000

Schedule Page: 202 Line No.: 11 Column: e
Retirement of spent fuel

Schedule Page: 202 Line No.: 12 Column: b
Includes 2015 costs in connection with nuclear leases:
Finance charges - \$2,568,674 (previously reported as \$193,229)

Schedule Page: 202 Line No.: 12 Column: c
Reclassification of \$174,600,000 of nuclear fuel from owned to leased due to sale/leaseback with third party

Schedule Page: 202 Line No.: 12 Column: f
Includes 2016 costs in connection with nuclear leases:
Finance charges - \$2,864,054

Schedule Page: 202 Line No.: 13 Column: e
Retirement of nuclear fuel

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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)

1. Report below the original cost of plant in service in the same detail as in the current depreciation order.
2. In addition to Account 101, Electric Plant in service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.
5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and

include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d), including the

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	301 Organization	117,426	0
3	302 Franchises and Consents	19,866,098	0
4	303 Miscellaneous Intangible Plant	60,296,453	30,103,770
5	TOTAL Intangible Plant	80,279,977	30,103,770
6	2. PRODUCTION PLANT		
7	Steam Production Plant		
8	310.1 Land	7,161,148	0
9	310.2 Land Rights	222,069	0
10	311 Structures and Improvements	104,340,426	281,116
11	312 Boiler Plant Equipment	618,852,110	10,382,599
12	313 Engines and Engine-Driven Generators	0	0
13	314 Turbogenerator Units	107,599,001	1,934,463
14	315 Accessory Electric Equipment	61,467,941	1,231,687
15	316 Miscellaneous Power Plant Equipment	22,271,342	342,042
16	317 Asset Retirement Costs for Steam Production	5,473,534	181,038
17	TOTAL Steam Production Plant	927,387,571	14,352,945
18	Nuclear Production Plant		
19	320.1 Land	1,879,588	0
20	320.2 Land Rights	0	0
21	321 Structures and Improvements	384,893,637	22,735,046
22	322 Reactor Plant Equipment	1,385,942,939	132,067,720
23	323 Turbogenerator Units	491,856,339	9,749,725
24	324 Accessory Electric Equipment	228,667,886	18,821,942

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)

reversals of the prior year's tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

6. Show in column (f) reclassification or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f)

to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and, if substantial in amount, submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
0	0	0	117,426	301	2
0	0	0	19,866,098	302	3
4,233,022	0	232,995	86,400,196	303	4
4,233,022	0	232,995	106,383,720		5
					6
					7
0	2,346	0	7,163,494	310.1	8
0	(2,346)	0	219,723	310.2	9
53,743	0	0	104,567,799	311	10
3,194,014	0	0	626,040,695	312	11
0	0	0	0	313	12
1,595,472	0	0	107,937,992	314	13
36,695	0	17,640	62,680,573	315	14
60,759	0	0	22,552,625	316	15
0	0	0	5,654,572	317	16
4,940,683	0	17,640	936,817,473		17
					18
0	0	0	1,879,588	320.1	19
0	0	0	0	320.2	20
2,032,031	0	0	405,596,652	321	21
32,192,473	0	0	1,485,818,186	322	22
5,459,414	0	0	496,146,650	323	23
2,546,014	0	0	244,943,814	324	24

Name of Respondent		This Report Is:	Date of Report	Year of Report
Indiana Michigan Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2016
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Addition (c)	
25	325 Miscellaneous Power Plant Equipment	220,926,203	9,153,943	
26	326 Asset Retirement Costs for Nuclear Production	124,635,649	11,044,951	
27	TOTAL Nuclear Production Plant	2,838,802,241	203,573,327	
28	Hydraulic Production Plant			
29	330.1 Land	510,116	0	
30	330.2 Land Rights	196,186	0	
31	331 Structures and Improvements	3,712,383	43,544	
32	332 Reservoirs, Dams and Waterways	21,933,368	248,568	
33	333 Water Wheels, Turbines and Generators	16,281,109	335,005	
34	334 Accessory Electric Equipment	5,293,262	46,620	
35	335 Miscellaneous Power Plant Equipment	2,528,426	41,467	
36	336 Roads, Railroads and Bridges	853	0	
37	337 Asset Retirement Costs for Hydraulic Production	242,144	76,376	
38	TOTAL Hydraulic Production Plant	50,697,847	791,580	
39	Other Production Plant			
40	340.1 Land	0	0	
41	340.2 Land Rights	0	0	
42	341 Structures and Improvements	0	734,271	
43	342 Fuel Holders, Products and Accessories	0	0	
44	343 Prime Movers	0	0	
45	344 Generators	5,206,932	30,139,730	
46	345 Accessory Electric Equipment	0	269,039	
47	346 Miscellaneous Power Plant Equipment	0	555,930	
48	347 Asset Retirement Costs for Other Production	0	0	
49	TOTAL Other Production Plant	5,206,932	31,698,970	
50	TOTAL Production Plant	3,822,094,591	250,416,822	
51	3. TRANSMISSION PLANT			
52	350.1 Land	9,576,078	1,113,786	
53	350.2 Land Rights	56,132,298	2,834,701	
54	352 Structures and Improvements	21,661,222	2,510,463	
55	353 Station Equipment	673,988,712	52,067,874	
56	354 Towers and Fixtures	235,644,299	(155,113)	
57	355 Poles and Fixtures	146,859,917	18,230,586	
58	356 Overhead Conductors and Devices	254,299,365	7,240,356	
59	357 Underground Conduit	2,312,344	0	
60	358 Underground Conductors and Devices	5,851,876	200,758	

Name of Respondent		This Report Is:		Date of Report	Year of Report	
Indiana Michigan Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr)	December 31, 2016	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)						
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)			Line No.
1,603,143	0	691,771	229,168,774	325		25
0	0	0	135,680,600	326		26
43,833,075	0	691,771	2,999,234,264			27
						28
0	0	0	510,116	330.1		29
0	0	0	196,186	330.2		30
434	0	0	3,755,493	331		31
0	0	0	22,181,936	332		32
214,982	0	0	16,401,132	333		33
13,844	0	0	5,326,038	334		34
0	0	0	2,569,893	335		35
0	0	0	853	336		36
0	0	0	318,520	337		37
229,260	0	0	51,260,167			38
						39
0	0	181,743	181,743	340.1		40
0	0	0	0	340.2		41
0	0	0	734,271	341		42
0	0	0	0	342		43
0	0	0	0	343		44
0	0	0	35,346,662	344		45
0	0	0	269,039	345		46
0	0	0	555,930	346		47
0	0	0	0	347		48
0	0	181,743	37,087,645			49
49,003,018	0	891,154	4,024,399,549			50
						51
134	(23,142)	74	10,666,662	350.1		52
0	23,142	15,184	59,005,325	350.2		53
145,063	0	(18,575)	24,008,047	352		54
10,418,235	0	(2,109,418)	713,528,933	353		55
2,160,784	0	0	233,328,402	354		56
2,011,116	0	0	163,079,387	355		57
1,253,781	0	0	260,285,940	356		58
0	0	0	2,312,344	357		59
42,087	0	0	6,010,547	358		60

Name of Respondent		This Report Is:	Date of Report	Year of Report
Indiana Michigan Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2016
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
61	359 Roads and Trails	347,293	0	
62	359.1 Asset Retirement Costs for Transmission Plant	0	0	
63	TOTAL Transmission Plant	1,406,673,404	84,043,411	
64	4. DISTRIBUTION PLANT			
65	360.1 Land	8,013,784	40,400	
66	360.2 Land Rights	12,957,415	496,841	
67	361 Structures and Improvements	12,888,808	1,887,279	
68	362 Station Equipment	225,720,110	18,257,773	
69	363 Storage Battery Equipment	5,488,901	0	
70	364 Poles, Towers and Fixtures	244,743,570	16,400,410	
71	365 Overhead Conductors and Devices	393,763,008	25,445,351	
72	366 Underground Conduit	74,425,135	12,335,992	
73	367 Underground Conductors and Devices	209,410,191	20,301,124	
74	368 Line Transformers	296,961,879	13,960,554	
75	368.1 Capacitors	0	0	
76	369 Services	167,710,028	5,715,282	
77	370 Meters	93,117,578	3,476,627	
78	371 Installations on Customers' Premises	25,435,551	1,410,193	
79	372 Leased Property on Customers' Premises	0	0	
80	373 Street Lighting and Signal Systems	19,926,761	888,784	
81	374 Asset Retirement Costs for Distribution Plant	0	0	
82	TOTAL Distribution Plant	1,790,562,719	120,616,610	
83	5. GENERAL PLANT			
84	389.1 Land	2,811,658	0	
85	389.2 Lands Rights	178,388	0	
86	390 Structures and Improvements	49,029,960	1,527,540	
87	391 Office Furniture and Equipment	7,905,207	18,321	
88	391.1 Computers / Computer Related Equipment	0	0	
89	392 Transportation Equipment	0	0	
90	393 Stores Equipment	129,277	14,206	
91	394 Tools, Shop and Garage Equipment	13,139,777	443,401	
92	395 Laboratory Equipment	301,923	80,905	
93	396 Power Operated Equipment	544,766	0	
94	397 Communication Equipment	46,552,379	1,828,267	
95	398 Miscellaneous Equipment	9,048,885	1,177,745	
96	SUBTOTAL	129,642,220	5,090,385	

Name of Respondent		This Report Is:		Date of Report	Year of Report	
Indiana Michigan Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo, Da, Yr)	December 31, 2016	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)						
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)			Line No.
0	0	0	347,293	359		61
0	0	0	0	359.1		62
16,031,200	0	(2,112,735)	1,472,572,880			63
						64
0	(315,960)	(149,934)	7,588,290	360.1		65
0	315,960	0	13,770,216	360.2		66
32,235	0	67,325	14,811,177	361		67
1,084,966	0	2,033,532	244,926,449	362		68
0	0	0	5,488,901	363		69
1,790,103	0	0	259,353,877	364		70
2,240,785	0	0	416,967,574	365		71
44,810	0	0	86,716,317	366		72
1,380,820	0	0	228,330,495	367		73
4,043,863	0	0	306,878,570	368		74
0	0	0	0	368.1		75
1,097,126	0	0	172,328,184	369		76
1,536,757	0	0	95,057,448	370		77
495,563	0	0	26,350,181	371		78
0	0	0	0	372		79
253,173	0	0	20,562,372	373		80
0	0	0	0	374		81
14,000,201	0	1,950,923	1,899,130,051			82
						83
0	0	(28,597)	2,783,061	389.1		84
0	0	0	178,388	389.2		85
518,001	0	298,537	50,338,036	390		86
5,012	0	(924,767)	6,993,749	391		87
0	0	0	0	391.1		88
0	0	0	0	392		89
11,565	0	0	131,918	393		90
377,305	0	9,497	13,215,370	394		91
(13,031)	0	0	395,859	395		92
1,051	0	0	543,715	396		93
4,723,738	0	0	43,656,908	397		94
29,180	0	0	10,197,450	398		95
5,652,821	0	(645,330)	128,434,454			96

Name of Respondent Indiana Michigan Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
97	399 Other Tangible Property	0	0	
98	399.1 Asset Retirement Costs for General Plant	172,921	0	
99	TOTAL General Plant	129,815,141	5,090,385	
100	TOTAL (Accounts 101 and 106)	7,229,425,832	490,270,998	
101				
102	102 Electric Plant Purchased	0	0	
103	(Less) 102 Electric Plant Sold	0	0	
104	103 Experimental Plant Unclassified	0	0	
105	TOTAL Electric Plant in Service <i>(Total of lines 94 thru 98)</i>	7,229,425,832	490,270,998	

Name of Respondent Indiana Michigan Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
0	0	0	0	399	97
0	0	0	172,921	399.1	98
5,652,821	0	(645,330)	128,607,375		99
88,920,262	0	317,007	7,631,093,575		100
					101
0	0	0	0	102	102
0	0	0	0		103
0	0	0	0	103	104
88,920,262	0	317,007	7,631,093,575		105

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2016	Year of Report December 31, 2016
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FOOTNOTE DATA

Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)
207	54-55	g	The investment and related accumulated depreciation in Generation Step-Up Units (GSUs) in plant accounts 352-353 included in I&M's generation formula rates are identified by a query of the plant accounting system.

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Name of Respondent
Indiana Michigan Power Company

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
/ /

Year/Period of Report
End of 2016/Q4

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2				
3	Breed Plant Site & Railroad South (0110)	09/01/75		4,196,642
4				
5	Rockport Generating Plant Unit 1 (0111)	11/01/84		1,034,109
6				
7				
8				
9				
10				
11				
12	Items under \$250,000			404,896
13				
14				
15				
16				
17				
18				
19				
20				
21	Other Property:			
22				
23	Items Under \$250,000			5,923
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
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42				
43				
44				
45				
46				
47	Total			5,641,570

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 214 Line No.: 46 Column: d

The generation assets in Electric Plant Held for Future use included in I&M's generation formula rates are identified by a query of the plant accounting system.

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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**PLANT ACQUISITION ADJUSTMENTS AND ACCUMULATED PROVISION FOR AMORTIZATION
OF PLANT ACQUISITION ADJUSTMENTS (Accounts 114 & 115)**

- | | |
|---|---|
| <p>1. Report the particulars called for concerning acquisition adjustments.</p> <p>2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below.</p> <p>3. Explain each debit and credit during the year, give reference to any Commission orders or other authorizations concerning such amounts, and show contra account debited or credited.</p> <p>4. For acquisition adjustments arising during the year,</p> | <p>state the name of the company from which the property was acquired, date of transaction, and date journal entries clearing Account 102, Plant Purchased or Sold, were filed with the Commission.</p> <p>5. In the blank space at the bottom of the schedule, explain the plan of disposition of any acquisition adjustments not currently being amortized.</p> <p>6. Give date Commission authorized use of Account 115.</p> |
|---|---|

Line No.	Description (a)	Balance Beginning of Year (b)	Debits (c)	CREDITS		Balance End of Year (f)
				Contra Acct. (d)	Amount (e)	
1	Account 114					
2	None					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15	Account 115					
16	None					
17						
18						
19						
20						

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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**CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION
NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)**

1. Report below descriptions and balances at end of year of projects in process of construction and completed construction not classified for projects actually in service. For any substantial amounts of completed construction not classified for plant actually in service explain the circumstances which have prevented final classification of such amounts to prescribed primary accounts for plant in service.

2. The information specified by this schedule for Account 106, Completed Construction

Not Classified-Electric, shall be furnished even though this account is included in the schedule, Electric Plant in Service, pages 204-211, according to a tentative classification by primary accounts.

3. Show items relating to "research and development" projects last under a caption Research and Development (See Account 107, Uniform System of Accounts).

4. Minor projects may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Electric (Account 107) (b)	Completed Construction Not Classified-Electric (Account 106) (c)	Estimated Additional Cost of Project (d)
1	Pettit Ave Stn 69kV Conversion	1,849,312		997,734
2	New Melita Dist/Network Stn	4,293,689		10,082,119
3	IM/IN/Network Assess/Rehab	2,978,464		12,504,136
4	IM/IN NETWORK PRIMARY REHAB SB	1,316,403		1,253,245
5	IMPCo Distr Pre Eng Parent	5,017,086		0
6	IM/IN/Webster Sta Purchase	1,557,214		0
7	IM/IN/Network Monitor Design	6,476,818		7,664,853
8	IM/IN/Volt/VAR Opt Dist Line	3,657,530		0
9	U1 Steam Generator WL Controls	8,386,102		6,330,884
10	U2 SG Water Level Controls	12,730,645		3,235,154
11	U2 RPS ESFAS	8,995,463		18,170,540
12	U1 RPS ESFAS	9,043,881		17,722,063
13	U2 Feedwater Htrs HP	8,269,308		36,254,509
14	U1 MSR FW Htr Drains Digital	1,882,412		5,284,431
15	U2 RMS System	10,195,831		6,355,573
16	U1 RMS System	11,246,414		5,646,643
17	Cyber Attacks Process LAN	5,047,217		6,729,154
18	TSC and North Access Project	26,916,417		23,936,435
19	U2 Reactor Cavity Lift System	1,497,134		1,562,866
20	EPU/LCM Mods	1,787,486		0
21	Rplc EP1 and EP2 Transformers	1,687,308		5,826,856
22	U2 HDP Discharge Valves Rplmnt	3,729,415		9,012,236
23	U2 MSR FW Heater Digital Cnt	4,365,335		5,469,540
24	U1 RVI Aging Mgmt Inspections	2,289,356		5,698,541
25	U2 RVI Aging Mgmt Inspections	4,665,486		7,064,948
26	U1 Blowdown Recovery CPI	4,286,992		10,844,284
27	U2 LP and HP Turbine	190,976,841		11,719,820
28	Unit 1 Spec 200	6,965,910		18,670,840
29	Unit 2 Spec 200	6,900,911		18,829,897
30	Dry Cask Load Campaign #2	-4,290,546		0
31	U1 Reactor Cntls & Inst Upgrd	5,847,787		3,323,063
32	U2 Reactor Cntls & Inst Upgrd	8,669,747		681,480
33	Loss of Phase on Offsite Power	1,165,571		9,296,406
34	U1 CRGT Split Pin Replacement	2,491,582		6,834,795
35	TOTAL	654,208,671	471,396,935	1,189,278,906

Name of Respondent Indiana Michigan Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2016	Year of Report December 31, 2016
CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)				
1. Report below descriptions and balances at end of year of projects in process of construction and completed construction not classified for projects actually in service. For any substantial amounts of completed construction not classified for plant actually in service explain the circumstances which have prevented final classification of such amounts to prescribed primary accounts for plant in service.		Not Classified-Electric, shall be furnished even though this account is included in the schedule, Electric Plant in Service, pages 204-211, according to a tentative classification by primary accounts.		
2. The information specified by this schedule for Account 106, Completed Construction		3. Show items relating to "research and development" projects last under a caption Research and Development (See Account 107, Uniform System of Accounts). 4. Minor projects may be grouped.		
Line No.	Description of Project (a)	Construction Work in Progress-Electric (Account 107) (b)	Completed Construction Not Classified-Electric (Account 106) (c)	Estimated Additional Cost of Project (d)
1	U1 DCS Control Room Computers	2,378,523		557,137
2	U2 DCS Control Room Computers	1,737,269		742,110
3	Fukushima - Flood Hazards Eval	2,982,607		0
4	U1 Baffle-Former Bolt Rplcmnt	3,689,999		46,918,372
5	U2 MSR Crsovr Piping Rplcmnt	4,443,657		267,793
6	U2 Main Generator Bushings	1,509,895		0
7	RK U0 FGD Landfill	5,142,672		158,650
8	RKP05CIIM Horiz RH ReplaceU1	2,965,535		0
9	RK15CIU1 LP TurbRtr and BldCar	9,519,762		4,011,268
10	Rockport U1 SCR	101,915,045		29,742,913
11	RK I&M U2 SCR	1,018,831		134,813,290
12	Transmission Asset Health/IN,M	1,401,465.10		0
13	T/IM/Telecom Upgrades	1,043,654		0
14	D/IM/Telecom Upgrades-IN	2,538,624		0
15	NERC Physical Security - IM	2,099,711		0
16	T/IM/TranscoAssetRenewl&Refurb	1,035,246		0
17	Trans station Renew-Refurb I&M	10,186,498		0
18	Trans Line Renew-RefurbI&M	1,112,122		0
19	Dist Station Renew-Refu I&M IN	2,464,136		0
20	I&M Dist. IN Telecom Moderniza	1,065,662		0
21	T/IMPC/FWCityImprovements	12,457,752		6,125,125
22	D/IM/Distribution Work	1,679,802		472,850
23	D/IM/IM Distribution Work	1,225,507		4,249,589
24	T/IM/Transmission Work	2,597,010		1,724,624
25	T/IM/Transmission Work	2,088,754		2,647,246
26	D/IM/Distribution Work	2,572,646		10,995,752
27	I&M Distribution Work	9,251,775		5,167,627
28	T/IM/Transmission Work	1,828,736		732,882
29	T/IM/Transmission Work	1,437,898		0
30	D/IM/Distribution Work	8,085,329		12,687,559
31	T/IM/Transmission Work	6,412,723		1,441,648
32	T/IM/Transmission Work	1,426,778		0
33	T/IM/Transmission Work	2,258,997		16,883
34	D/IM/Distribution Work	2,572,513		10,042
35	TOTAL	654,208,671	471,396,935	1,189,278,906

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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**CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION
NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)**

1. Report below descriptions and balances at end of year of projects in process of construction and completed construction not classified for projects actually in service. For any substantial amounts of completed construction not classified for plant actually in service explain the circumstances which have prevented final classification of such amounts to prescribed primary accounts for plant in service.

2. The information specified by this schedule for Account 106, Completed Construction

Not Classified-Electric, shall be furnished even though this account is included in the schedule, Electric Plant in Service, pages 204-211, according to a tentative classification by primary accounts.

3. Show items relating to "research and development" projects last under a caption Research and Development (See Account 107, Uniform System of Accounts).

4. Minor projects may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress-Electric (Account 107) (b)	Completed Construction Not Classified-Electric (Account 106) (c)	Estimated Additional Cost of Project (d)
1	WS-CI-IMPCo-G PPB	3,225,345		0
2	RP-CI-IMPCo-G NMIB	9,933,135		0
3	ET-CI-IMPCo-T ASSET IMP	6,710,058		0
4	Ed-Ci-Impco-D Ast Imp	4,707,650		0
5	Ed-Ci-Impco-D Cust Serv	1,491,267		0
6	SS-CI-IMPCo-D GEN PLT	1,638,445		0
7	ET-CI-I&M-T Drvn D Asset Imp	1,614,364		0
8	Other Minor Projects under \$1,000,000	35,844,753		648,792,501
9				
10				
11				
12				
13				
14				
15				
16	Completed Construction Not Classified		471,396,935	
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35	TOTAL	654,208,671	471,396,935	1,189,278,906

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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CONSTRUCTION OVERHEADS - ELECTRIC

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.

2. On page 218 furnish information concerning construction overheads.

3. A respondent should not report "none" to this page if no overhead apportionments are made, but rather

should explain on page 218 the accounting procedures employed and the amounts of engineering, supervision and administrative costs, etc., which are directly charged to construction.

4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)
1	Fossil/Hydro Construction Overheads	4,116,897
2		
3	Nuclear Construction Overheads	15,915,398
4		
5	Transmission Construction Overheads	8,718,681
6		
7	Distribution Construction Overheads	22,478,959
8		
9		
10		
11		
12		
13		
14		
15		
16		
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38		
39	TOTAL	51,229,935

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/16
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, if those differ from the overall rate of return authorized by the Michigan Public Service Commission.

1. The company has certain administrative, supervisory and engineering personnel whose costs cannot, without undue burden and refinement, be classified directly to projects. Construction overheads are used to allocate these indirect costs to individual projects of this kind. The construction overhead rate calculated is applied to applicable capital work order charges.

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	2,903,364,359	2,903,376,052	-11,693	
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	166,138,360	166,138,283	77	
4	(403.1) Depreciation Expense for Asset Retirement Costs	1,483,959	1,483,959		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	96,758	96,758		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	167,719,077	167,719,000	77	
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	84,390,808	84,390,808		
13	Cost of Removal	64,682,182	64,682,182		
14	Salvage (Credit)	8,561,052	8,561,052		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	140,511,938	140,511,938		
16	Other Debit or Cr. Items (Describe, details in footnote):	-77,039,694	-77,055,778	16,084	
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	2,853,531,804	2,853,527,336	4,468	

Section B. Balances at End of Year According to Functional Classification

20	Steam Production	225,955,940	225,955,940		
21	Nuclear Production	1,431,233,164	1,431,233,164		
22	Hydraulic Production-Conventional	30,308,606	30,308,606		
23	Hydraulic Production-Pumped Storage				
24	Other Production	647,157	647,157		
25	Transmission	550,438,566	550,434,098	4,468	
26	Distribution	585,424,046	585,424,046		
27	Regional Transmission and Market Operation				
28	General	29,524,325	29,524,325		
29	TOTAL (Enter Total of lines 20 thru 28)	2,853,531,804	2,853,527,336	4,468	

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FOOTNOTE DATA			

Schedule Page: 219 Line No.: 8 Column: c

Amortize Indiana jurisdictional portion of regulatory asset for Ash Pond ARO's per IURC Order in Cause No. 43306	\$ -6,677
Indiana jurisdictional share of depreciation expense for Rockport DSI for Cause No. 44331	1,387,907
Indiana LCM rider to record over/under recovery of depreciation per Cause No. 44182 LCM 1	-105,639
Amortize Indiana jurisdictional portion of LCM deferred balances per IURC Cause No. 44182 LCM 1	-1,922,631
DSI over/under for Federal Mandate Rider effective Jan 2015 per IURC Order in Cause 44331	323,981
Indiana DSM over/under recovery for Cause No. 43827 DSM 3	-18,755
Michigan deferred depreciation expense for EECO per MPSC Order in Case No. U-17353	27,757
Michigan jurisdictional share of deferred depreciation expense for Cook Plant LCM 1 per Case No. U-17026	615,730
MI Def Clean Energy Solar Pilot Project	-258,533
Amortize net over recovery DSI costs	-275,958
IN Def Clean Energy solar Pilot Project per Indiana Order Cause No. 44511	-70,205
IN def Depr Exp for post in service CESPP per IURC Order in Cause No. 44511	103,211
ARO depreciation expense in account 1080013	296,570
Total	\$ 96,758

Schedule Page: 219 Line No.: 13 Column: c

Includes \$28,917,036 of removal cost in retirement work in progress (RWIP).

Schedule Page: 219 Line No.: 14 Column: c

Includes (\$2,109,010) of salvage charges in retirement work in progress (RWIP).

Schedule Page: 219 Line No.: 16 Column: c

ARO Reserve in account 1080013	\$ -1,787,289
Record gain on sale of Tanners Creek Plant land and closure of ARO liabilities	-75,282,575
Transfers between Accounts	30,170
Total	\$ -77,039,694

Schedule Page: 219 Line No.: 21 Column: b

The portion of ARO related accumulated depreciation excluded from the ratebase in I&M's generation formula rates is identified by a query of the plant accounting system.

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NONUTILITY PROPERTY (Account 121)

- | | |
|---|---|
| <p>1. Give a brief description and state the location of nonutility property included in Account 121.</p> <p>2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company.</p> <p>3. Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.</p> | <p>4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property.</p> <p>5. Minor items (5% of the Balance at the End of the Year for Account 121 or \$100,000, whichever is less) may be grouped by (1) previously devoted to public service, or (2) other nonutility property.</p> |
|---|---|

Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1	Water Transportation Facilities,	24,575,864	(1,366,135)	23,209,729
2	Headquartered at St. Louis, MO			
3				
4	Office Building Leasehold Improvements	1,651,973	(1,651,973)	0
5	One Summit Square, Fort Wayne, IN			
6				
7	Land, purchased in connection with Jefferson	164,576	0	164,576
8	West 765kv Corridor, Jefferson County, IN			
9				
10	Land, Prosperity East 138kv Corridor, Madison	102,956	0	102,956
11	County, IN			
12				
13	Land near Tanners Creek Plant, Lawrenceburg, IN	4,603,640	(550,331)	4,053,309
14				
15	Land for Fuson Substation, Delaware County, IN	102,430	0	102,430
16				
17	Minor Items - Previously devoted to public service	8,174	0	8,174
18				
19	Minor Items - Other non-utility property	514,823	0	514,823
20				
	TOTAL	31,724,436	(3,568,439)	28,155,997

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY (Account 122)

Report below the information called for concerning depreciation and amortization of nonutility property.

Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	15,382,623
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	968,334
4	(418) Nonoperating Rental Income	34,296
5	Other Accounts (Specify):	
6	Accounts 227 and 243	868,491
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	1,871,121
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	(2,541,277)
10	Cost of Removal	0
11	Salvage (Credit)	531,863
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	(2,009,414)
13	Non Utility Retirement Work in Progress	(313)
14	Other Debit or Credit Items (Describe):	
15	Reclassification from/to Other Accounts	(294,655)
16	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	14,949,362

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INVESTMENTS (Accounts 123, 124, 136)

1. Report below the investments in Accounts 123, *Investments in Associated Companies*, 124, *Other Investment*, and 136, *Temporary Cash Investments*.
 2. Provide a subheading for each account and list thereunder the information called for:

in Account 124, *Other Investments*), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, *Temporary Cash Investments*, also may be grouped by classes.

(a) Investment in securities - List and describe each security owned, giving name of user, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included

(b) Investment Advances-Report separately for each person or company the amounts of loans or investment advances which are properly includable in Account 123. Advances subject to current repayment should be included in Accounts 145 and 146. With respect to each advance, show whether the advance is a note or an open account. Each note should be

Line No.	Description of Investment (a)	Book Cost at Beginning of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (b)		Purchases or Additions During Year (c)
		Original	Book Value	
1	Account 123 - Investment in Associated Companies	(see pp. 224-225)		
2				
3	Account 124 - Other Investments			
4				
5	Franklin Real Estate and Indiana Franklin - Land Purchase Contracts			
6	-Michigan		554,658	0
7	-Other States		8,361,074	969
8				
9	Fiber Optic Agreements wih AEP Communications, Kentucky Data Link, Inc.and Citynet Fiber Network, Inc.		4,236,247	0
10				
11				
12	Shell Building Loan		15,000	0
13				
14	Ripley Land Purchase		745,386	0
15				
16	Other Miscellaneous Investments		8,039	0
17				
18	Speculative Allowance		0	25,488
19				
20	Total Account 124		13,920,404	26,457
21				
22				
23	Account 136 Temporary Cash Investments		0	0
24				
25				
26				
27				
28				
29				
30	Grand Total		13,920,404	26,457

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INVESTMENTS (Accounts 123, 124, 136) (Cont'd)

listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees. Exclude amounts reported on page 229.

3. For any securities, notes or accounts that were pledged, designate with an asterisk such securities, notes, or accounts and in a footnote state the name of pledgee and purpose of the pledge.

4. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of

authorization, and case or docket number.

5. Report in column (g) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includible in column (g).

Sales or Other Dispositions During Year (d)	Principal Amount or No. of Shares at End of Year (e)	Book Cost at End of Year (If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (f)		Revenues for Year (g)	Gain on Loss from Investment Disposed of (h)	Line No.
		Original Cost	Book Value			
						1
						2
						3
						4
0			554,658			5
(96,014)			8,266,029			6
						7
(250,708)			3,985,539			8
						9
0			15,000			10
						11
0			745,386			12
						13
0			8,039			14
						15
0			25,488			16
						17
(346,722)			13,600,139			18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
(346,722)	0	0	13,600,139	0	0	30

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
 2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
 (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
 (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
 3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Blackhawk Coal Company, Inc.	09-01-80		
2	Common Stock			25,324,000
3	Cash Capital Contribution			
4	Equity in Earnings			31,416
5	Investment in Subsidiary AOCI			
6	Subtotal			25,355,416
7				
8	Price River Coal Company, Inc.	12-01-65		
9	Common Stock			27,275
10	Subtotal			27,275
11				
12				
13				
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41				
42	Total Cost of Account 123.1 \$	0	TOTAL	25,382,691

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues form investments, including such revenues form securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
		25,324,000		2
				3
-6,705,730		-6,674,314		4
				5
-6,705,730		18,649,686		6
				7
				8
		27,275		9
		27,275		10
				11
				12
				13
				14
				15
				16
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				41
-6,705,730		18,676,961		42

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NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET

Show separately by footnote the total amount of notes and accounts receivable from directors, officers, and		employees included in Notes Receivable (Account 141) and Other Accounts Receivable (Account 143).	
Line No.	Accounts (a)	Balance Beginning of Year (b)	Balance End of Year (c)
1	Notes Receivable (Account 141)	0	0
2	Customer Accounts Receivable (Account 142)	43,785,828	60,062,477
3	Other Accounts Receivable (Account 143) (Disclose any capital stock subscriptions received)	2,652,048	715,426
4	TOTAL	46,437,876	60,777,903
5	Less: Accumulated Provision for Uncollectible Cr. (Account 144) Accounts-	46,298	8,335
6	TOTAL, Less Accumulated Provision for Uncollectible Accounts	46,391,578	60,769,568
7			
8	Account 143 includes employee receivables of \$518,371 at		
9	12/31/16 and \$575,761 at 12/31/2015 related to a 2001 biweekly		
10	payroll conversion that will be collected when the employees leave		
11	the company.		
12			
13			
14			

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNT-CR. (Account 144)

- Report below the information called for concerning this accumulated provision.
- Explain any important adjustments of subaccounts.
- Entries with respect to officers and employees shall not include items for utility services.

Line No.	Item (a)	Utility Customers (b)	Merchandise Jobbing and Contract Work (c)	Officers and Employees (d)	Other (e)	Total (f)
1	Balance beginning of year		46,298			46,298
2	Prov. For uncollectibles for current year		(11,629)			(11,629)
3	Account written off (less)		(26,334)			(26,334)
4	Coll. Of accounts written off					
5	Adjustments (explain):					
6	Balance end of year		8,335			8,335
7						
8						
9						
10						
11						

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RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)

- | | |
|---|---|
| <p>1. Report particulars of notes and accounts receivable from associated companies* at end of year.</p> <p>2. Provide separate headings and totals for Accounts 145, Notes Receivable from Associated Companies, and 146, Accounts Receivable from Associated Companies, in addition to a total for the combined accounts.</p> <p>3. For notes receivable, list each note separately and state purpose for which received. Show also in column (a) date of note, date of maturity and interest rate.</p> | <p>4. If any note was received in satisfaction of an open account, state the period covered by such open account.</p> <p>5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held at any time during the year.</p> <p>6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account.</p> |
|---|---|

* NOTE: "Associated companies" means companies or persons that, directly or indirectly, through one or more intermediaries, control, or are controlled by, or are under common control with, the account company. This includes related parties.

"Control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers or stockholders, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means.

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	Account 145					
2	AEP Utility Funding LLC	0	775,572,651	775,572,651	(0)	60,464
3						
4	Account 146					
5	AEP Generating Company	31,319,970	383,538,440	393,132,179	21,726,231	
6	AEP Memco	3,854	6,584	10,438	0	
7	AEP Pro Serv	0	18,110	15,582	2,528	
8	AEP Service Corporation	3,347,390	1,004,517,159	1,003,333,980	4,530,569	
9	AEP System Pool (AEPSC)	19,034,136	568,674,789	574,101,372	13,607,553	
10	AEP Texas Central	3,651	2,399,353	2,218,556	184,448	
11	AEP Texas North	5,726	716,021	554,520	167,227	
12	AEP Utilities, Inc.	960,952	158,996,368	159,957,319	1	
13	AEP Utility Funding LLC	0	1,816	1,816	0	
14	American Electric Power Co	(372)	475,173,375	475,173,001	2	
15	Appalachian Power Co	3,003,142	46,099,176	45,694,137	3,408,181	
16	Blackhawk Coal Company	0	31,668	31,668	0	
17	Cardinal Operating	1,190	63,847	57,455	7,582	
18	Cook Coal Terminal	435,769	57,230	480,262	12,737	
19	CSW Energy, Inc.	0	2,532	2,443	89	
20	Kentucky Power Co	1,049,718	11,329,748	11,513,630	865,836	
21	Kingsport Power Co	177	22,230	20,972	1,435	
22	Ohio Power Co	4,143,089	58,969,345	62,805,872	306,562	
23	Public Service Co of OK	40,484	1,818,646	1,611,347	247,783	
24	SW Electric Power Co	103,784	4,773,806	4,430,054	447,536	
25						

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RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	Wheeling Power Co	626	48,368	48,145	849	
2	AEP Energy Services	0	86,743	86,743	0	
3	AEP Wind Holding Co	0	2,273	2,245	28	
4	AEP I&M Transmission	1,283,977	29,572,032	29,832,718	1,023,291	
5	AEP Transmission	1,225,429	74,119,781	73,634,497	1,710,713	
6	AEP Credit Inc.	0	1,816	1,816	0	
7	AEP C&I Company LLC	6	2,137	2,060	83	
8	AEP Investments	4,595	26,350	30,945	0	
9	AEP T&D Services	4,703	157,284	161,987	0	
10	AEP Energy, Inc.	0	1,021	1,021	0	
11	AEP Enterprises	0	102	61	41	
12	Dolet Hills Lignite Co, LLC	0	2,887	2,337	550	
13	AEP Onsite Partners	0	223	150	73	
14	Various Transmission	6,227	11,685,247	11,673,216	18,258	
15	AEP Energy Partners	14	2,105	2,101	18	
16	AEP Nonutility Funding	0	1,816	1,816	0	
17	Desert Sky Wind Farm	(3)	3		0	
18	Solar LLC	0	1,282	1,282	0	
19	Public Liability	0	17	17	0	
20	United Sciences Testing	0	7,544	7,536	8	
21					0	
22					0	
23					0	
24					0	
25	TOTAL	65,978,234	2,832,929,274	2,850,637,296	48,270,212	60,464

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	45,389,568	31,333,494	Electric
2	Fuel Stock Expenses Undistributed (Account 152)	1,094,564	922,321	Electric
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	72,307,407	68,270,908	Electric
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	76,630,210	77,035,451	Electric
8	Transmission Plant (Estimated)	2,421,160	913,624	Electric
9	Distribution Plant (Estimated)	766,928	725,790	Electric
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)	335,473	248,184	Electric
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	152,461,178	147,193,957	Electric
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)	1,499,107	2,093,490	River Transport
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)			
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	200,444,417	181,543,262	

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 227 Line No.: 10 Column: b

Ending 2015 balance of \$766,928 was moved to the Distribution Plant line. This was a more accurate description of these charges.

Schedule Page: 227 Line No.: 11 Column: b

Assigned to - Other includes Customer Account, Administrative and General Expenses.

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2016	Year of Report December 31, 2016
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PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)

- | | |
|---|---|
| <p>1. Report below the information called for concerning production fuel and oil stock.</p> <p>2. Show quantities in tons of 2000 lb. Barrels (42 gals.) or Mcf., whichever unit of quantity is applicable.</p> <p>3. Each kind of coal or oil should be shown separately.</p> <p>4. If the respondent obtained any of its fuel from its own coal mines or oil or gas lands or leases or from</p> | <p>affiliated companies, a statement should be submitted showing the quantity of such fuel so obtained, the quantity used and quantity on hand, and cost of the fuel classified as to the nature of the costs and expenses incurred with appropriate adjustment for the inventories at beginning and end of year.</p> |
|---|---|

Line No.	Item (a)	Total Cost (b)	KINDS OF FUEL AND OIL	
			Quantity (Coal Tons) (c)	Cost (Coal) (d)
1	On hand beginning of year	45,389,568	1,081,963	44,072,124
2	Received during year	131,160,307	2,932,924	129,898,580
3	TOTAL	176,549,875	4,014,887	173,970,704
4	Used during year (specify department)			
5	Electric Generation	147,022,485	3,325,601	145,467,364
6	Storage Pile Adjustment	(1,806,104)	(36,394)	(1,806,104)
7				
8				
9				
10				
11				
12				
13				
14				
15	Sold or transferred			
16	TOTAL DISPOSED OF	145,216,381	3,289,207	143,661,260
17	BALANCE END OF YEAR	31,333,494	725,680	30,309,444

Name of Respondent Indiana Michigan Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)		Year of Report December 31, 2016	
PRODUCTION FUEL AND OIL STOCKS (Included in Account 151 (Continued))							
KINDS OF FUEL AND OIL (Continued)							
Quantity (Oil Bbls) (e)	Cost (Oil) (f)	Quantity (g)	Cost (h)	Quantity (i)	Cost (j)	Line No.	
15,047	1,317,444					1	
22,048	1,261,727					2	
37,095	2,579,171					3	
						4	
21,917	1,555,121					5	
						6	
						7	
						8	
						9	
						10	
						11	
						12	
						13	
						14	
						15	
21,917	1,555,121					16	
15,178	1,024,050					17	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year		2017	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	402,170.00	31,972,505	80,899.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	1,490.00		27,394.00	
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	41,588.00	1,961,442		
19	Other:				
20					
21	Cost of Sales/Transfers:				
22	Consent Decree Surrender			54,076.00	
23	Southern Illinois Power	2,500.00			
24					
25					
26					
27					
28	Total	2,500.00		54,076.00	
29	Balance-End of Year	359,572.00	30,011,063	54,217.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)		13,750		
34	Gains		13,750		
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year	357.00		357.00	
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales	357.00			
40	Balance-End of Year			357.00	
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)		74		
45	Gains		74		
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transfers of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2018		2019		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
80,899.00		80,899.00		2,106,695.00		2,751,562.00	31,972,505	1
								2
								3
27,394.00				81,376.00		137,654.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
						41,588.00	1,961,442	18
								19
								20
								21
						54,076.00		22
						2,500.00		23
								24
								25
								26
						56,576.00		27
108,293.00		80,899.00		2,188,071.00		2,791,052.00	30,011,063	28
								29
								30
								31
								32
							13,750	33
							13,750	34
								35
357.00		357.00		56,199.00		57,627.00		36
				714.00		714.00		37
								38
				357.00		714.00		39
357.00		357.00		56,556.00		57,627.00		40
								41
								42
								43
						23		97
						23		97
								46

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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Allowances (Accounts 158.1 and 158.2)

- Report below the particulars (details) called for concerning allowances.
- Report all acquisitions of allowances at cost.
- Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
- Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
- Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year		2017	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	29,398.00			
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	617.00		18,113.00	
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	16,189.00			
19	Other:				
20					
21	Cost of Sales/Transfers:				
22	Associated Electric Coop	5,000.00			
23	Brownsville Public Util	122.00			
24	Luminant Energy Co.	1,500.00			
25	Monongahela Power	1,000.00			
26	TES Flier City Station LP	300.00			
27	Other	1,600.00			
28	Total	9,522.00			
29	Balance-End of Year	4,304.00		18,113.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)		563,960		
34	Gains		563,960		
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferrors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2018		2019		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
							29,398.00	1
								2
								3
18,365.00							37,095.00	4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
							16,189.00	18
								19
								20
								21
							5,000.00	22
							122.00	23
							1,500.00	24
							1,000.00	25
							300.00	26
							1,600.00	27
							9,522.00	28
18,365.00							40,782.00	29
								30
								31
								32
							563,960	33
							563,960	34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
Indiana Michigan Power Company			
FOOTNOTE DATA			

Schedule Page: 229 Line No.: 27 Column: b

Cost of Sales / Transfer: Other

	Number	Amount
Duke Energy LLC	300	-
Fathom Energy LLC	250	-
Koch Supply and Trading	500	-
Monongahela Power	500	-
Southern Illinois Power Coop	<u>50</u>	<u>-</u>
Total	1,600	-

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
MISCELLANEOUS CURRENT AND ACCRUED ASSETS (Account 174)			
1. Give description and amount of other current and accrued assets as of the end of year. 2. Minor items may be grouped by classes, showing number of items in each class.			
Line No.	Item (a)	Balance End of Year (b)	
1	Department of Energy Spent Nuclear Fuel Canister Reimbursement	27,104,369	
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25	TOTAL		

Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	Transmission Studies				
2	PJM #AA2-106	7,833	186	7,780	186
3	PJM #AA2-116	2,796	186	2,926	186
4	PJM #AA2-148	7,387	186	7,387	186
5	PJM #AB1-006	3,429	186	3,429	186
6	PJM #AB1-065	1,554	186	1,554	186
7	PJM #AB1-080	2,613	186	3,133	186
8	PJM #AB1-087	4,297	186	4,142	186
9	PJM #AB1-088	2,174	186	2,174	186
10	PJM #AB2-028	972	186	972	186
11	IMPA - Delivery Point Studies			10,500	186
12	PJM #AC1-059	206	186	206	186
13	PJM #AC1-072	388	186	387	186
14	PJM #AC1-141	302	186		
15	PJM #AC1-152	78	186	78	186
16	PJM #T131			17,170	186
17	PJM #V3-007	245	186	1,384	186
18	PJM #V3-008	944	186	1,390	186
19	PJM #V3-009	670	186	1,376	186
20	PJM #AA1-063			1,794	186
21	Generation Studies				
22	Watervliet Solar Integration	9,144	107		
23	Olive Solar Integration	1,824	107		
24	Twin Branch Solar Integration	4,588	107		
25	Deer Creek Solar Integration	8,602	107		
26	Rockport Unit 1 Integration	106	500	98,166	500
27	South Bend Solar Integration	40,000	183		
28	Cook Unit 2 Integration	107	107	100,365	107
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

- Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
- For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter /Year Account Charged (d)	Written off During the Period Amount (e)	
1	SFAS 112 Post Employment Benefits	10,705,511	1,469,651	228	750,182	11,424,980
2						
3	Cook Plant Refueling Levelization	26,779,093	105,222,836	various	56,798,775	75,203,154
4						
5	Unamortized Loss on Reacquired Debt	1,448,673		428	206,954	1,241,719
6	Amort 1/1995 - 12/2022					
7						
8	Unrealized Loss on Forward Commitments	3,238,652	1,670,765	various	10,688,189	-5,778,772
9						
10	Netting of Trading Activities Related to Unrealized		14,120,252	various	8,210,560	5,909,692
11	Gains/Losses on Forward Commitments Between					
12	Regulated Assets/Liabilities					
13						
14	Asset Retirement Obligations	472,497		407,920	111,812	360,685
15	Amort 3/2009 - 3/2020					
16	Per IURC Cause Order #43306					
17						
18	Indiana Rate Case expenses	51,790	600,384	928	51,790	600,384
19	Amort 3/2013 - 2/2016					
20	Per IURC Cause Order #44075					
21						
22	Michigan Rate Case Expenses		63,524			63,524
23						
24	Deferred RTO Equity Carrying Charges	(195,216)	48,804			-146,412
25	Amort 1/2005 - 12/2019					
26						
27	BridgeCo Transmission Org Funding	539,063		407	119,564	419,499
28	Amort 1/2005 - 12/2019					
29	FERC Docket No. AC04-101-000					
30						
31	Other PJM Integration	501,730		407	111,284	390,446
32	Amort 1/2005 - 12/2019					
33	FERC Docket No. AC04-101-000					
34						
35	Carrying Charges - RTO Startup Costs	346,075		407	76,760	269,315
36	Amort 1/2005 - 12/2019					
37	FERC Docket No. AC04-101-000 and EL05-74-000					
38						
39	Alliance RTO Deferred Expense	309,577		407	68,664	240,913
40	Amort 1/2005 - 12/2019					
41	FERC Docket No. AC04-101-000					
42						
43						

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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OTHER REGULATORY ASSETS (Account 182.3)

- Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
- For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter /Year Account Charged (d)	Written off During the Period Amount (e)	
1	SFAS 158 Employer Accounting for Defined Benefit Pension & Other Postretirement Plans	126,407,248	28,431,076	various	12,935,196	141,903,128
2						
3						
4	DSM Energy Optimization Program - Michigan	1,385,560	421,405	various	735,708	1,071,257
5	Under-recovered costs					
6						
7	OSS Margin Sharing	6,808,068	17,780,734	447	272,089	24,316,713
8						
9	SFAS 109 Deferred FIT	143,681,589	84,166,386	various	60,412,085	167,435,890
10						
11	SFAS 109 Deferred SIT	124,749,199	35,684,648	283	1,921,906	158,511,941
12						
13	City of Fort Wayne Settlement	8,553,237		588	914,591	7,638,646
14	Amortization 3/13 - 4/25					
15	Per IURC Cause Order #44075					
16						
17	Cook Turbine Replacement - Michigan	3,404,683	1,190,288	421	282,161	4,312,810
18	Per MPSC Case U-16801					
19						
20	Cook Turbine Replacement CC _Indiana	6,336,083	3,454,072	421	1,348,372	8,441,783
21	Per IURC Cause Order #44075					
22						
23	Cook Unit 2 Baffle Bolts	6,648,586		530	299,936	6,348,650
24	Amort 3/2013 - 2/2038					
25	Per IURC Cause Order #44075					
26						
27	Capacity Settlement - IN Portion	7,471,586	106,454	447	7,162,405	415,635
28	Per IURC Cause Order #44075					
29						
30	Michigan Renewable Energy Surcharge	822,359	1,836,385	various	1,325,604	1,333,140
31						
32	Cook Life Cycle Management Program - Michigan	4,176,190	5,745,896	various	1,782,498	8,139,588
33	Per MPSC Case U-17026					
34						
35	SFAS 106 Medicare Subsidy	9,181,213		various	1,020,135	8,161,078
36	Amort 1/2013 - 12/2024					
37						
38	Distribution Storm Expense	1,762,304	1,039,904	593	2,802,208	
39	Per IURC Cause Order #44075					
40						
41	Tanners Creek Abandon Plant Stranded Costs	3,896,939		various	3,896,939	
42						
43	Unrecovered Fuel Costs - Michigan	7,209,552	9,237,567	various	3,481,169	12,965,950

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter /Year Account Charged (d)	Written off During the Period Amount (e)	
1						
2	Unrecovered PJM Expenses	4,054,841		555	4,054,841	
3						
4	Rockport DSI Project - Indiana	2,807,287	4,264,521	various	504,250	6,567,558
5	20% Non Federal Mandate Rider Portion					
6	Per IURC Cause Order #44331					
7						
8	Indiana DSM Program	9,333,336	4,555,486	various	11,140,888	2,747,934
9	Per IURC Cause Order #43287					
10						
11	Cook Life Cycle Management	117,825	11,932,215	various	12,050,040	
12	Indiana Portion					
13	Per IURC Cause Order #44182					
14						
15	Under Recovered Fuel Costs - Indiana	4,092,570	23,267,114	various	14,307,852	13,051,832
16						
17	Tanners Creek ARO for Asbestos and Ash Pond	27,079,133		various	27,079,133	
18						
19	Tanners Creek Materials and Supplies	11,644,257		various	11,644,257	
20						
21	Enhanced post-9/11 Cook Plant Security Costs	15,563	73	524	15,636	
22	Per MPSC Case U-16180					
23						
24	River Transportation Selling Price Variance		9,673,321	254	5,976,175	3,697,146
25						
26	PJM Annual Transmission Revenue Requirement	583,099	4,705	456	583,099	4,705
27	for Network Transmission Service					
28						
29	Cook Uprate Project		36,263,041			36,263,041
30						
31	Michigan Electric Vehicle Supply Equipment		52,343			52,343
32	Per MPSC Case U-16496					
33						
34	Clean Energy Solar Pilot Project - Indiana		661,898	various	515,152	146,746
35	Per IURC Cause Order #44511					
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL :	566,419,752	402,965,748		265,658,859	703,726,641

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Property Taxes	42,197,627	65,694,720	408	67,162,128	40,730,219
2						
3	Property Taxes - Capital Leases	141,503	665,001	408	751,582	54,922
4						
5	Agency Fees, Factored Accts Rec	2,695,667	32,718,552	various	32,659,031	2,755,188
6						
7	River Transport Division	-1,490,931	173,837,744	various	171,989,428	357,385
8						
9	Deferred Rate Case expense	4,532		928	4,532	
10						
11	Unamortized Credit Line Fees	769,924	610,322	431	411,312	968,934
12	Amortized thru June 2021					
13						
14	Defd Non-taxable Leased Assets	629,472	346,564	various	877,736	98,300
15						
16	Transmission Joint Venture					
17						
18	Minor Items	1,029	145,861	various	144,555	2,335
19						
20						
21						
22						
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46						
47	Misc. Work in Progress	435,210				200,639
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	45,384,033				45,167,922

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Name of Respondent Indiana Michigan Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
ACCUMULATED DEFERRED INCOME TAXES (Account 190)				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes.		2. At Other (Specify), include deferrals relating to other income and deductions.		
Line No.	Account Subdivision (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Electric			
2	Accrued ARO Expense - SFAS 143	438,843,198	21,527,960	23,012,283
3	Reg Liability - SFAS 143 - ARO	222,761,727	27,381,553	60,533,994
4	Capitalized Cook Costs	4,725,000	0	0
5	Capitalized Interest Expense	41,024,943	2,237,473	7,637,951
6	SFAS 158	44,242,537	4,134,904	9,558,462
7	Other (see pp. 234.1A-234.1B)	14,530,004	74,246,637	88,500,847
8	TOTAL (Account 190) (Enter total of lines 2 thru 7)	766,127,409	129,528,527	189,243,537
9	Gas			
10				
11				
12				
13				
14				
15	Other	0		
16	TOTAL Gas (Enter total of lines 10 thru 15)	0	0	0
17	Other (Specify)	73,286,736	0	1
18	TOTAL (Account 190) (Enter total of lines 8, 16 & 17)	839,414,145	129,528,527	189,243,538
19	Classification of Total:			
20	Federal Income Tax	839,564,797	129,528,527	189,243,538
21	State Income Tax	(150,652)		
22	Local Income Tax			
NOTES				
<i>In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.</i>				
Line 17 Other - Detail		Balance at Beginning of Year	Balance at End of Year	
Non-Utility 190.2 Federal		3,480,552	5,664,034	
Non-Utility 190.2 State		(150,652)	(332,553)	
SFAS 133		7,171,299	6,461,419	
SFAS 87		1,842,135	2,292,090	
SFAS 109		60,943,402	75,050,424	
Total		73,286,736	89,135,414	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)

3. If more space is needed, use separate pages as required. and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed other Other.

4. In the space provided below, identify by amount

Changes During Year		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
						440,327,521	2
						255,914,168	3
						4,725,000	4
						46,425,421	5
						49,666,095	6
						28,784,214	7
0	0		0		0	825,842,419	8
							9
							10
							11
							12
							13
							14
						0	15
0	0		0		0	0	16
4,791,018	6,972,599	Various	20,669,574	Various	6,822,478	89,135,414	17
4,791,018	6,972,599		20,669,574		6,822,478	914,977,833	18
							19
4,243,060	6,606,542		20,669,574		6,822,478	915,310,386	20
547,958	366,057					(332,553)	21
							22

NOTES (Continued)

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account Subdivision (a)	Balance at Beginning of Year (b)	Changes During Year	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1				
2	Contributions and Advances for Construction	5,147,593	416,502	123,042
3	Provisions for Loss Trading Credit Risk	33,582	36,740	4,608
4	Property Tax Deferrals	(2,128,669)	5,115,105	10,127,387
5	Federal and State Mitigation Programs	1,331,672	97,880	
6	Pre 04/83 Nuclear Fuel Cost	15,206,700	282,483	13,212
7	Nuclear Decommissioning	(440,754)		
8	IRS Settlements	(9,314,732)	1,226,191	27,687
9	Deferred Gain Sale of Rockport Unit 2	8,737,302	1,297,351	37,068
10	Amortization of Step Up ITC Rockport Unit 2	2,783,532	397,583	
11	Accrued Vacation Pay	4,917,532	835,879	1,684,641
12	Accrued Severance Benefits	1,029,658	938,589	95,944
13	Accrued Incentive Plans	14,285,452	14,063,163	13,126,987
14	Book Provision for Uncollectible Debt	16,205	36,083	22,796
15	Mark to Market Gain/Loss	568,452	5,811,015	5,488,985
16	Capitalized Software Tax	28,468	22,830	35
17	Revenue Refunds	1,125,342	560,680	2,005,110
18	SFAS 112 Post Employment Benefits	2,077,077	36,189	445,205
19	Accrued Income Tax and Interest	157,111	102,054	198,929
20	Accrued Pension Expense	(32,639,737)	3,268,162	3,989,560
21	SFAS 106 Post Retirement Benefits	(8,811,283)	2,665,951	256,676
22	Accrued SIT	(201,015)		
23	Outage Insurance Proceeds	(1,820,000)	367,069	2,187,069
24	NOL-Deferred Tax Asset/AMT Credit Deferred	815,480	31,343,271	43,748,178
25	Accrued Environmental Liability	2,457,278	1,565,664	
26	Other Miscellaneous	9,167,758	3,760,203	4,917,728
27	Total Other	14,530,004	74,246,637	88,500,847
28				
29				
30				
31				

NOTES

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2016	Year of Report December 31, 2016
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ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)

3. If more space is needed, use separate pages as required. and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed other Other.

4. In the space provided below, identify by amount

Changes During Year		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	DEBITS		CREDITS			
		Acct. No. (g)	Amount (h)	Acct. No. (i)	Amount (j)		
							1
						4,854,133	2
						1,450	3
						2,883,613	4
						1,233,792	5
						14,937,429	6
						(440,754)	7
						(10,513,236)	8
						7,477,019	9
						2,385,949	10
						5,766,294	11
						187,013	12
						13,349,276	13
						2,918	14
						246,422	15
						5,673	16
						2,569,772	17
						2,486,093	18
						253,986	19
						(31,918,339)	20
						(11,220,558)	21
						(201,015)	22
						0	23
						13,220,387	24
						891,614	25
						10,325,283	26
						28,784,214	27
							28
							29
							30
							31

NOTES (Continued)

Name of Respondent		This Report Is:	Date of Report	Year of Report
Indiana Michigan Power Company		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2016
UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257)				
1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars of gain and loss on reacquisition applicable to each class and series of long-term debt, including maturity date. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.		2. In column (c) show the principal amount of bonds or other long-term debt reacquired. 3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform System of Accounts.		
Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Princ. Amt. Of Debt Reacquired (c)	Net Gain or Net Loss (d)
1	7.2% Series First Mortgage Bonds. Due 2/2024.	4/2004	30,000,000	(1,270,107)
2	No Replacement Debt Issued - Amort thru 2/1/2024			
3				
4	7.5% Series First Mortgage Bonds. Due 3/2024.	4/2004	25,000,000	(1,097,914)
5	No Replacement Debt Issued - Amort thru 3/1/2024			
6				
7	8-3/4% Series First Mortgage Bonds due 2/2017	3/1994	100,000,000	(756,219)
8	This debt was replaced by the following issuances:			
9	6.55% FMB due 3/2004 (Replaced by 6.875% SUN)			
10	7.50% FMB due 3/2024 (Redeemed 4/2004, no replacement			
11	debt was issued.)			
12	No Replacement Debt Issued - Amort thru 2/1/2017			
13				
14	7.0% Pollution Control Revenue Bonds	11/2003	25,000,000	(925,152)
15	Lawrenceburg, IN Series Due 4/2015			
16	Replaced by 2.625% Lawrenceburg Bonds Due 10/2019			
17	Loss being amortized over life of replacement debt			
18				
19	5.9% Pollution Control Revenue Bonds, due 11/2021	11/2004	52,000,000	(1,449,838)
20	City of Lawrenceburg, Indiana. (Replaced by VAR%			
21	Lawrenceburg, IN Bonds due 11/2021.)			
22				
23				
24	9-1/4% Pollution Control Revenue Bonds, due 8/2014	8/1995	50,000,000	(2,677,532)
25	City of Rockport, Indiana.			
26	Replaced by 6.55% Rockport Bonds due 6/2025			
27	Replaced 5/06 by VAR% Rockport Bonds Due 6/2025,			
28	with \$500,000 premium paid for early redemption			
29				
30	VAR% Pollution Control Revenue Bonds, due 8/2014	8/1995	50,000,000	(785,290)
31	City of Rockport, Indiana.			
32	Replaced by VAR% Rockport Bonds due 6/2025			
33				
34	9.00% Pref Stock Subject to Mandatory Redemption	4/1993	40,000,000	(896,000)
35	8.60% Pref Stock Subject to Mandatory Redemption	12/1993	40,000,000	(864,000)
36	8.68% Pref Stock Subject to Mandatory Redemption	1/1994	30,000,000	(540,000)
37	7.76% Pref Stock Subject to Mandatory Redemption	3/1994	35,000,000	(798,000)
38	6.875% Pref Stock Subject to Mandatory Redemption	1/2005	15,750,000	(861,392)
39	5.90% Pref Stock Subject to Mandatory Redemption	1/2005	13,200,000	
40	6.25% Pref Stock Subject to Mandatory Redemption	1/2005	19,250,000	
41	6.30% Pref Stock Subject to Mandatory Redemption	1/2005	13,245,000	
42	(Balance transferred from FERC Acct 210 to 189)			
43				
44	7.6% Pollution Control Revenue Bonds	11/2003	40,000,000	(1,209,363)
45	Rockport, IN Series Due 03/2016			
46	Replaced by 2.625% Rockport IN Bonds Due 04/2025			
47	Loss being amortized over life of replacement debt			

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257) (Continued)

4. Show loss amounts in red or by enclosure in parentheses.
5. Explain any debits and credits other than amortization debited to Account 428.1,

Amortization of Loss on Reacquired Debt or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Balance Beginning of Year (e)	Debits During Year (f)	Credits During Year (g)	Balance End of Year (h)	Line No.
681,458		84,304	597,154	1
				2
				3
964,840		118,143	846,697	4
				5
				6
35,748		32,999	2,749	7
				8
				9
				10
				11
				12
				13
216,832		57,822	159,010	14
				15
				16
				17
				18
497,494		85,285	412,209	19
				20
				21
				22
				23
1,327,022		140,923	1,186,099	24
				25
				26
				27
				28
				29
247,181		26,249	220,932	30
				31
				32
				33
214,983		30,712	184,271	34
				35
				36
				37
				38
				39
				40
				41
				42
				43
520,308		56,249	464,059	44
				45
				46
				47

Name of Respondent	This Report Is:	Date of Report	Year of Report
Indiana Michigan Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2016

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars of gain and loss on reacquisition applicable to each class and series of long-term debt, including maturity date. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.

2. In column (c) show the principal amount of bonds or other long-term debt reacquired.

3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 16 of the Uniform System of Accounts.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Princ. Amt. Of Debt Reacquired (c)	Net Gain or Net Loss (d)
1	VAR % Pollution Control Revenue Bonds, due 10/2019	5/2008	25,000,000	(323,600)
2	Series F Lawrenceburg			
3	Remarketed as Series I VAR%			(134,515)
4				
5				
6	VAR % Pollution Control Revenue Bonds, due 11/2021	5/2008	52,000,000	(1,013,352)
7	Series G Lawrenceburg			
8	Remarketed as Series H VAR%			(261,800)
9				
10	Early Redemption of \$150M Series D Senior Unsecured Note	10/2010	150,000,000	(6,651,901)
11	Original Maturity Date of December 31, 2032			
12	Redeemed October 15, 2010			
13				
14				
15				
16				
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29				
30				
31				
32				
33				
34				
35				
36	SUBTOTAL Unamortized Losses			
37				
38	7.35% Series First Mortgage Bonds. Due 7/2023.	6/2001	5,000,000	38,090
39	Partially reacquired and not refunded.			
40	Gain being amortized over life of retired debt.			
41				
42	SUBTOTAL Unamortized Gains			
43				
44	TOTAL			
45				
46				
47				
48				
49				
50				

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257) (Continued)

4. Show loss amounts in red or by enclosure in parentheses. Amortization of Loss on Reacquired Debt or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

5. Explain any debits and credits other than amortization debited to Account 428.1.

Balance Beginning of Year (e)	Debits During Year (f)	Credits During Year (g)	Balance End of Year (h)	Line No.
107,073		28,553	78,520	1
				2
60,074		15,672	44,402	3
				4
				5
440,587		75,529	365,058	6
				7
144,299		24,737	119,562	8
				9
5,082,351		298,962	4,783,389	10
				11
				12
				13
				14
				15
				16
				17
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				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
10,540,250	0	1,076,139	9,464,111	36
				37
(13,267)	1,712	-	(11,555)	38
				39
				40
				41
(13,267)	1,712	-	(11,555)	42
				43
10,526,983	1,712	1,076,139	9,452,566	44
				45
				46
				47
				48
				49
				50

Name of Respondent
Indiana Michigan Power Company

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
/ /

Year/Period of Report
End of 2016/Q4

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock	2,500,000		
2	TOTAL Common Stock	2,500,000		
3				
4	Preferred Stock - None			
5				
6				
7				
8				
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42				

CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.

Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
1,400,000	56,583,866					1
1,400,000	56,583,866					2
						3
						4
						5
						6
						7
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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK AND INSTALLMENTS RECEIVED ON CAPITAL STOCK
(Accounts 202 & 205, 203 & 206, 207, 212)

- | | |
|---|---|
| <p>1. Show for each of the above accounts the amounts applying to each class and series of capital stock.</p> <p>2. For Account 202, <i>Common Stock Subscribed</i>, and Account 205, <i>Preferred Stock Subscribed</i>, show the subscription price and the balance due on each class at the end of year.</p> <p>3. Describe in a footnote the agreement and transactions under which a conversion liability existed</p> | <p>under Account 203, <i>Common Stock Liability for Conversion</i>, or Account 206, <i>Preferred Stock Liability for Conversion</i>, at the end of the year.</p> <p>4. For Premium on Account 207, <i>Capital Stock</i>, designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.</p> |
|---|---|

Line No.	Name of Account & Description of Item (a)	Number of Shares (b)	Amount (c)
1	Account 202 - Common Stock Subscribed		
2	None		
3			
4	Account 203 - Common Stock Liability for Conversion		
5	None		
6			
7	Account 205 - Preferred Stock Subscribed		
8	None		
9			
10	Account 206 - Preferred Stock Liability for Conversion		
11	None		
12			
13	Account 207 - Capital Stock		
14	Premium on Common Stock	1,400,000	4,234,635
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
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38			
39			
40	TOTAL	1,400,000	4,234,635

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Donations received from stockholders (Account 208)	
2	Contributed by parent company prior to 2012	972,666,991
3		
4	Subtotal Account 208	972,666,991
5		
6	Gain on reacquired capital stock (Account 210)	
7	Balance on all series	120,555
8		
9		
10	Subtotal Account 210	120,555
11		
12	Miscellaneous paid-in capital (Account 211)	
13	Amounts recorded in connection with:	
14	Merger of Indiana Service Corporation with respondent in 1948 as	
15	subsequently adjusted on December 31, 1948	1,002,503
16		
17	Acquisition of Citizen's Heat, Light and Power Company by	
18	respondent in 1954	10,687
19		
20	Merger of Michigan Power Company with respondent in 1992.	2,861,068
21	Subtotal Account 211	3,874,258
22		
23		
24		
25		
26		
27		
28		
29		
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31		
32		
33		
34		
35		
36		
37		
38		
39		
40	TOTAL	976,661,804

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/16
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**SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED
DURING THE YEAR**

1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 16 of the Uniform System of Accounts, give references to the commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discounts, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

1. Securities refunded or retired during 2016

<u>Series</u>	<u>Due Date</u>	<u>Principal Amount</u>	<u>Date Retired</u>
None			

2. Securities issued during 2016

<u>Series</u>	<u>Due Date</u>	<u>Principal Amount</u>	<u>Date Issued</u>
Series 5 - 4.55% Fixed	03/15/2046	400,000,000	03/03/2016

3. Securities remarketed during 2016

<u>Series</u>	<u>Due Date</u>	<u>Principal Amount</u>	<u>Date Remarketed</u>
None			

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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 222 - Reacquired Pollution Control Revenue Bonds		
2	Reacquired Rockport Series D Pollution Control Bonds		17,500
3	SUBTOTAL - Account 222-Reacq PCRBs		17,500
4			
5	Account 223 - Advances From Associated Companies		
6	SUBTOTAL - Account 223-Advances From Assoc Co		
7			
8	Account 224 - Other Long Term Debt		
9	Spent Nuclear Fuel Disposal Costs Prior		
10	To April 7, 1983 - Basic Fee Assessment & Interest		
11			
12	Pollution Control Revenue Bonds		
13	Lawrenceburg, IN		
14	Series I - Weekly Auction Rate	25,000,000	178,919
15			
16	Series H - Weekly Auction Rate	52,000,000	331,889
17	Rockport, IN		
18	Series D - 5.25% Fixed Rate	40,000,000	1,157,720
19			
20	Series 2002 A - 4.625% Fixed Rate	50,000,000	296,785
21			325,000 D
22			136,351 D
23			444,593
24			74,250
25			74,250
26			74,250
27	Series 2009 A - 1.75% Fixed Rate	50,000,000	353,976
28	per IURC Order #43445, approved 4/9/08		249,469
29	Bonds subj to mand tender for purchase (puttable) on 6/1/18		
30			
31	Series 2009 B - 1.75% Fixed Rate	50,000,000	353,976
32	per IURC Order #43445, approved 4/9/08		249,469
33	TOTAL	2,018,802,388	25,334,383

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
04/04/2013	04/01/2025			-40,000,000	-162,745	2
				-40,000,000	-162,745	3
						4
						5
						6
						7
						8
						9
				266,268,210		10
						11
						12
						13
5/22/2008	10/1/2019	5/22/2008	10/1/2019	25,000,000	104,024	14
						15
5/20/2008	11/1/2021	5/20/2008	11/1/2021	52,000,000	216,812	16
						17
4/25/2008	4/1/2025	4/25/2008	4/1/2025	40,000,000	162,708	18
						19
8/1/1985	6/1/2025	8/1/1985	6/1/2025	50,000,000	2,312,500	20
						21
						22
6/1/2007	6/1/2025	6/1/2007	6/1/2025			23
		6/1/2014	5/31/2015			24
		6/1/2015	5/31/2016			25
		6/1/2016	5/31/2017			26
3/26/2009	6/1/2025	4/1/2009	5/31/2014	50,000,000	875,000	27
		6/1/2014	5/31/2018			28
						29
						30
3/26/2009	6/1/2025	4/1/2009	5/31/2014	50,000,000	875,000	31
		6/1/2014	5/31/2018			32
				2,234,166,356	90,712,806	33

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Bonds subj to mand tender for purchase (puttable) on 6/1/18		
2			
3	Senior Unsecured Notes		
4	Series K - 4.55% Fixed Rate	400,000,000	4,036,755
5	Per IURC Authority Cause #44679		1,372,000 D
6			
7	Series H - 6.05% Fixed Rate	400,000,000	3,815,383
8			2,272,000 D
9			
10	Amortization of Cash Flow Hedges on 6.05% SUN		
11			
12	Series I - 7.00% Fixed Rate	475,000,000	3,333,197
13			3,201,500 D
14			
15	Series J - 3.20% Fixed Rate	250,000,000	1,969,707
16			402,500 D
17	Amortization of Interest Rate Swap on 3.20% SUN		
18			
19	Fort Wayne Settlement	26,802,388	
20			
21	Multiple Draw Term Loan		
22	Variable Rate	200,000,000	612,944
23	SUBTOTAL - Acct 224 - Other Long Term Debt	2,018,802,388	25,316,883
24			
25			
26			
27			
28			
29			
30			
31			
32			
33	TOTAL	2,018,802,388	25,334,383

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
03/03/2016	03/15/2046	03/03/2016	03/15/2046	400,000,000	15,065,556	4
						5
						6
11/14/2006	3/15/2037	11/14/2006	3/15/2037	400,000,000	24,200,000	7
						8
						9
		11/14/2006	2/28/2037		421,740	10
						11
1/15/2009	3/15/2019	1/1/2009	2/28/2019	475,000,000	33,250,000	12
						13
						14
3/18/2013	3/15/2023	3/18/2013	3/15/2023	250,000,000	8,000,000	15
						16
		3/18/2013	3/15/2023		1,606,489	17
						18
3/1/2010	2/28/2025	3/1/2010	2/28/2025	15,898,146		19
						20
5/14/2015	5/14/2018	6/1/2015	5/14/2018	200,000,000	3,785,722	21
						22
				2,274,166,356	90,875,551	23
						24
						25
						26
						27
						28
						29
						30
						31
						32
				2,234,166,356	90,712,806	33

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 10 Column: h

The Federal government is responsible for permanent spent nuclear fuel disposal and assess fees to nuclear plant owners for spent nuclear fuel disposal. I&M has not paid the government the pre-April 1983 fees due to continued delays and uncertainties related to the federal disposal program and has recorded this future payment as long term debt.

Schedule Page: 256 Line No.: 14 Column: a

The \$25 million City of Lawrenceburg Series I PCRB was issued 5/22/2008 & has a maturity date of 10/1/2019. It bears a weekly floating interest rate. This is a variable rate demand note that is puttable on demand.

Schedule Page: 256 Line No.: 16 Column: a

The \$52 million City of Lawrenceburg Series H PCRB was issued 5/20/2008 & has a maturity date of 11/1/2021. It bears a weekly floating interest rate. This is a variable rate demand note that is puttable on demand.

Schedule Page: 256 Line No.: 20 Column: a

On June 3, 2002, the \$50 million Series 1985A Pollution Control Bonds were re-marketed as \$50 million Series 2002A Pollution Control Bonds due June 1, 2025, at a 4.9% fixed interest rate. This did not redeem the note itself but changed the method of interest calculation, the timing of the interest payments and the maturity date of the debt. These bonds were again re-marketed in June 2007 at a 4.625% fixed interest rate. There were \$444,593 in issuance expenses incurred in this re-offering and no related discount. These, plus the Issuance expenses still remaining from the Series 1985A Pollution Control Bonds, will be amortized through the June 2025 maturity date of the new Series, since no further mandatory redemption is scheduled.

An insurance policy is renewed in June of each year that guarantees the principal if Indiana Michigan Power was to default on this note. This policy cost \$74,250, and covers the period of June - May and is fully amortized over that policy period.

Schedule Page: 256 Line No.: 27 Column: a

The \$50 million 6.25% City of Rockport Series 2009A PCRB was issued 3/26/2009 with a maturity date of 6/1/2025 and a mandatory tender date of 6/2/2014. On the 6/2/2014 put date, the PCRB was converted to 1.75% with a mandatory tender date of 6/1/2018. Issuance expenses totaling \$249,469 will be amortized through the 6/1/2018 put date.

Schedule Page: 256 Line No.: 27 Column: e

Subject to mandatory tender for purchase (puttable) on 6/1/2018.

Schedule Page: 256 Line No.: 31 Column: a

The \$50 million 6.25% City of Rockport Series 2009B PCRB was issued 3/26/2009 with a maturity date of 6/1/2025 and a mandatory tender date of 6/2/2014. On the 6/2/2014 put date, the PCRB was converted to 1.75% with a mandatory tender date of 6/1/2018. Issuance expenses totaling \$249,469 will be amortized through the 6/1/2018 put date.

Schedule Page: 256 Line No.: 31 Column: e

Subject to mandatory tender for purchase (puttable) on 6/1/2018.

Schedule Page: 256.1 Line No.: 3 Column: a

The \$400M 4.55% fixed rate Series K Senior Unsecured Note was issued 3/3/2016 with a maturity date of 3/15/2046. Issuance expense and discount expense will be amortized through March 2046.

Schedule Page: 256.1 Line No.: 19 Column: a

On August 10, 2011, the Indiana Utility Regulatory Commission issued a Final Order in Cause No. 43980 approving an agreement between Indiana Michigan Power Company and the City of Fort Wayne, Indiana to settle all disputes and other matters between them relating to the 1974 Lease Agreement pursuant to which I&M leased certain electric property from the city. The agreement required I&M to purchase the leased property and settle certain claims asserted by the City of Fort Wayne. Pursuant to the agreement, I&M paid the city \$5 million within thirty days of the effective date of the final order. Further, the agreement provided that I&M pay the city a total of \$34.2 million, including interest, over 15 years (March 2010 to February 2025), and that the City of Fort Wayne recognize I&M as the exclusive electricity provider in the Fort Wayne area. Interest on this liability is recorded in account 431.

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 256.1 Line No.: 21 Column: a

The \$200 million multiple draw term loan was issued on May 14, 2015. The interest rate is variable and the maturity date is May 14, 2018. The initial draw took place on May 14, 2015 for \$100 million with a subsequent draw on December 1, 2015 for \$100 million.

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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)

1. Report particulars of notes and accounts payable to associated companies at end of year.
2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to total for the combined accounts.
3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.
4. Include in column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.
5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

**See definition on page 226B*

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	Account 233					
2	AEP Utility Funding LLC	294,270,405	7,755,091,257	7,676,021,612	215,200,760	851,540
3	SUBTOTAL - Account 233	294,270,405	7,755,091,257	7,676,021,612	215,200,760	851,540
4	Account 234					
5	AEP I&M Transmission Company	36,880	15,906,198	15,877,900	8,582	
6	AEP Genera AEP Pro Se AEP Pro AEP Pr	17,162,453	325,790,811	331,495,065	22,866,707	
7						
8	AEP Energy AEP System AEP Sys AEP Sy	6,486	64,820	68,548	10,214	
9	AEP Energy Inc.	0	601	601	0	
10	AEP Onsite Partners	0	89	89	0	
11	AEP Service AEP Texas AEP Tex AEP Te	16,568,071	244,941,078	252,562,433	24,189,426	
12	AEP System AEP Texas AEP Tex AEP Te	23,499,301	829,903,260	830,319,320	23,915,361	
13	AEP Texas AEP Utilitie AEP Utili AEP Ut	2,205	1,137,584	1,331,945	196,566	
14	AEP Texas AEP Utility AEP Utili AEP Ut	365	556,089	722,909	167,185	
15	AEP T&D S American E America America	0	700	700	0	
16	AEP Utilities Appalachi Appalact Appalac	0	189,784	189,784	0	
17	AEP Utility F Appalachi Appalact Appalac	8,507	29,856	39,561	18,212	
18	American EI Cardinal Op Cardinal Cardina	0	691,966,674	692,111,566	144,892	
19	Appalachian Columbus E Columb Columbus	944,732	18,545,783	18,612,296	1,011,245	
20	Blackhawk Coal Company	6,176	60,522	58,488	4,142	
21	Cardinal Operating Company	0	7,605	7,605	0	
22	CSW Energy, Inc.	0	3	3	0	
23	Cook Coal Terminal	3,020,032	35,683,533	34,656,768	1,993,267	
24	Dolet Hills Lignite Co.	0	10	10	0	
25	Electric Transmission TX	0	16,772	16,772	0	
26	Franklin Real Estate Company	0	21,949	21,949	0	
27	Indiana Franklin Realty, Inc	0	190,995	190,995	0	
28	Kentucky Power Co	7,981	822,084	896,803	82,700	
29	Kingsport Power Co	10,696	15,925	5,549	320	
30	Ohio Power Co	425,965	31,564,974	31,305,083	166,074	
31	Public Service Co of OK	30,898	2,598,951	2,823,482	255,429	
32	Southwestern Electric Power Co	97,269	3,681,880	4,119,508	534,897	
33	United Sciences Testing, Inc	0	74,160	74,160	0	
34	Wheeling Power Co	14	215,366	215,352	0	
35	AEP Transmission Companies - Various	24,343	863,886	864,124	24,581	
36	SUBTOTAL - Account 234	61,852,374	2,204,851,942	2,218,589,368	75,589,800	0
37	TOTAL	356,122,779	9,959,943,199	9,894,610,980	290,790,560	851,540

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2016	Year of Report December 31, 2016
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES			
<p>1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p>			
Line No.		TOTAL AMOUNT	
1	Utility net operating income (page 114 line 26)	332,839,414	
2	Allocations:		
3	Net Other Income and Deductions	5,323,112	
4	Interest Charges	98,306,738	
5	Net income for the year (page 117 line 78)	239,855,788	
6	Allocation of Net income for the year (see footnote)		
7	Add: Federal income tax expenses		
8			
9	Total pre-tax income		
10			
11	Add: Taxable income not reported on books:		
12			
13			
14			
15	Add: Deductions recorded on books not deducted from return		
16			
17			
18			
19	Subtract: Income recorded on books not included in return:		
20			
21			
22			
23	Subtract: Deductions on return not charged against book income:		
24			
25			
26	Federal taxable income for the year	(205,099,495)	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (Continued)

3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2
4. A substitute page, designed to meet a particular need of a company, may be used as long as data is consistent and meets the requirements of the above instructions.

Utility	Other	Line No.
332,839,414		1
		2
5,323,112		3
98,306,738		4
		5
		6
		7
		8
		9
		10
		11
		12
		13
		14
		15
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		17
		18
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		20
		21
		22
		23
		24
		25
(205,099,495)		26

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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FOOTNOTE DATA

Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)	
261A	6			In (000's)
			Net Income for the year page 117	239,856
			Federal Income Taxes	87,490
			State and Local Income Taxes	3,606
			PreTax Book Income	310,952
			Increase (Decrease) in Taxable Income resulting from:	
			Allowance for Funds Used During Construction and Interest Capitalized	(668)
			Amortization of Deferred Book Gain - Rockport Unit 1 Sale	(3,707)
			Book Accruals and Deferrals	(44,338)
			Book/Tax Unit Property Adj	(51,176)
			Deferred Fuel Cost	(11,967)
			Emission Allowances Net	1,936
			Equity in Earnings Subsidiary Companies	6,706
			Excess Tax vs Book Depreciation	(274,600)
			Mark to Market	3,342
			Nuclear Book Deferred Cost	(48,424)
			Nuclear Decommissioning Costs	(148,311)
			Nuclear Fuel Adjustments	(22,673)
			Nuclear Fuel Disposal Costs	(7,815)
			Property Tax	3,514
			Removal Costs	(59,678)
			Relocation Costs	(1,044)
			Revenue Refunds	1,162
			SFAS 143 - ARO	141,955
			Tax Accruals/Tax Deferrals	(4,935)
			Other (Net)	3,346
			Federal Tax Net Income - Estimated Current Year Taxable Income (Separate Return Basis)	(206,423)
			Current State Income Taxes	(1,323)
			Federal Taxable Income	(205,100)
			Computation Tax*	
			Federal Income Tax on Current Year Taxable Income (Separate Return Basis) at Statutory Rate of 35%	(71,785)
			Adjustment due to System Consolidation	-
			Estimated Taxes Currently Payable	(71,785)
			Tax Credit C/F	5,328
			NOL Reclass	7,079
			Solar Investment Tax Credit	(6,480)
			FIN48 Perm Items	(627)
			Non-FIN48 Perm Items	(5,809)
			Adjustment of Prior Years Accruals(Net)	29,517
			Estimated Current Year Federal Income Taxes (Net)	(44,779)
			<p>(a) The Company joins in the filing of a consolidated Federal income tax return with its affiliated companies in the AEP system. The allocation of the AEP System's consolidated Federal income tax to the System companies allocates the benefit of current tax losses to the System companies giving rise to them in determining their current tax expense. The tax loss of the System parent company, American Electric Power Company, Inc., is allocated to its subsidiaries with taxable income. With the exception of the loss of the parent company, the method of allocation approximates a separate return result for each company in the consolidating group.</p>	
			<p>INSTRUCTION 2. * The tax computation above represents an estimate of the Company's allocated portion of the System consolidated Federal income tax. The computation of actual 2016 System Federal income taxes will not be available until the consolidated Federal income tax return is completed and filed by September 2017. The actual allocation of the System consolidated Federal income tax to the members of the consolidated group will not be available until after the Consolidated Federal Income Tax is filed.</p>	

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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FEDERAL:					
2	INCOME	-36,523,801		-38,342,465	-44,521,257	-7,184
3	FED INCOME TAX FIN48			-627,172		
4	FIT IRS AUDIT	2,060,184		-5,808,979		
5	FICA - 2016	3,503,100		18,645,561	18,813,476	
6	UNEMPLOYMENT - 2016	45,646		114,557	107,468	
7	EXCISE TAX - 2015	255,580		6,509	262,089	
8	EXCISE TAX - 2016			848,976	653,699	
9	SUBTOTAL Federal	-30,659,291		-25,163,013	-24,684,525	-7,184
10						
11	STATE OF INDIANA:					
12	INCOME 2008			-1,561,261		1,561,261
13	INCOME 2015	-1,726,677		4,337,371	1,294,663	-1,316,031
14	INCOME 2016			-1,794,227	2,545,537	
15	UNEMPLOYMENT IN - 2016	38,214		120,283	129,738	
16	UTIL RECEIPTS TAX - 2015			2,266	2,266	
17	UTIL RECEIPTS TAX - 2016			18,307,000	18,307,000	
18						
19	INDIANA LICENSE TAX					
20	SALES & USE TAX - 2015	496,718		8,117	504,835	
21	SALES & USE TAX - 2016			4,831,322	4,210,553	
22						
23	PUBLI SERV COMM-2015		316,901	633,802	316,901	
24	PUBLI SERV COMM-2016			727,418	1,091,127	
25						
26	REAL & PERS PROP-2014			-292	-292	
27	REAL & PERS PROP-2015	17,235,906		9,798	17,245,704	
28	REAL & PERS PROP-2016			18,918,687	166,155	
29						
30	PERS PROP LEASED-2015	462,465		60,383	522,848	
31	PERS PROP LEASED-2016			522,925		
32						
33	REAL PROP LEASED-2016			223,660	223,660	
34						
35	SUBTOTAL Indiana	16,506,626	316,901	45,347,252	46,560,695	245,230
36						
37						
38						
39						
40	STATE OF KENTUCKY:					
41	TOTAL	39,280,346	928,910	64,965,826	64,176,354	305,183

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
-30,352,193		-34,509,577			-3,832,888	2
-627,172		-627,172				3
-3,748,795		-5,808,979				4
3,335,185		12,215,458			6,430,103	5
52,735		79,987			34,570	6
		171			6,338	7
195,277		9,144			839,832	8
-31,144,963		-28,640,968			3,477,955	9
						10
						11
		-1,561,261				12
		4,196,308			141,063	13
-4,339,764		-1,670,690			-123,537	14
28,759		75,340			44,943	15
		2,266				16
		18,307,000				17
						18
						19
					8,117	20
620,769		-109			4,831,431	21
						22
		633,802				23
	363,709	727,418				24
						25
		-292				26
		2,918,177			-2,908,379	27
18,752,532		18,468,197			450,490	28
						29
		137,458			-77,075	30
522,925		522,925				31
						32
					223,660	33
						34
15,585,221	363,709	42,756,539			2,590,713	35
						36
						37
						38
						39
						40
40,500,980	1,054,889	53,407,261			11,558,565	41

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1						
2	KY INCOME 2015	-261,062		40,860	-220,202	
3	KY INCOME 2016			12,820	220,202	
4	Subtotal Kentucky	-261,062		53,680		
5	STATE OF MICHIGAN:					
6	MI INCOME 2015	55,886		410,125	529,537	63,526
7	MI INCOME 2016			207,072	963,666	
8	MI SBT					
9	MI CITIES	-1,261				
10	UNEMPLOYMENT - 2016	155,681		424,298	375,075	
11	PUBL SERV COMM'S-2015		100,262	412,580	312,318	
12	PUBL SERV COMM'S-2016			193,986	295,174	
13	USE TAX-2015	61,352	68,831	4,138	-3,341	
14	USE TAX - 2016			1,605,868	1,524,832	
15	SALES TAX - 2015		442,916		-442,916	
16	SALES TAX - 2016				462,101	
17						
18	REAL & PERS PROP-2012					
19	REAL & PERS PROP-2014	10,997,979		-642,354	10,355,625	
20	REAL & PERS PROP-2015	39,296,968		-955,990	27,629,276	
21	REAL & PERS PROP-2016			40,710,926		
22						
23	PERS PROP LEASED-2014	17,109		-8,635	8,474	
24	PERS PROP LEASED-2015	64,428		-2,984	37,586	
25	PERS PROP LEASED-2016			54,922		
26						
27	REAL PROP LEASED-2013					
28	REAL PROP LEASED-2014	55,805		-25,065	30,740	
29	REAL PROP LEASED-2015			211,000	170,709	
30						
31	SUBTOTAL Michigan	50,703,947	612,009	42,599,887	42,248,856	63,526
32						
33	DE License Tax					
34	SUBTOTAL DELAWARE					
35						
36						
37						
38						
39						
40						
41	TOTAL	39,280,346	928,910	64,965,826	64,176,354	305,183

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
		11,307			29,553	2
-207,382		14,609			-1,789	3
-207,382		25,916			27,764	4
						5
		404,140			5,985	6
-756,594		230,627			-23,555	7
						8
-1,261						9
204,904		392,319			31,979	10
		412,580				11
	101,188	193,986				12
		8,930			-4,792	13
208,927	127,891	99,356			1,506,512	14
						15
	462,101					16
						17
		7,005			-7,005	18
		23,098			-665,452	19
10,711,702		35,517,991			-36,473,981	20
40,710,926					40,710,926	21
						22
		-8,635				23
23,858		61,444			-64,428	24
54,922					54,922	25
						26
						27
		-25,065				28
40,291		211,000				29
						30
51,197,675	691,180	37,528,776			5,071,111	31
						32
						33
						34
						35
						36
						37
						38
						39
						40
40,500,980	1,054,889	53,407,261			11,558,565	41

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
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Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1						
2						
3	STATE OF WEST VIRGINIA:					
4	LICENSE TAX					
5	WEST VA INC TAX-2009	-413,012			-413,012	
6	WEST VA INC TAX-2015	-812,070		158,349	-653,721	
7	WEST VA INC TAX-2016			-969,202	696,981	
8						
9						
10						
11	REAL & PERS PROP-2014					
12	REAL & PERS PROP-2015	14,219		2,596	16,815	
13	REAL & PERS PROP-2016			15,985		
14						
15	WV USE TAX - 2015	2,856			2,856	
16	WV USE TAX - 2016			12,122	11,155	
17	WV EXCISE TAX - 2015	43,092		714	43,806	
18	WV EXCISE TAX - 2016			118,158	95,569	
19	WV EXCISE TAX - Provision	10,700				
20	UNEMPLOYMENT - 2016	58,095		44,662	45,794	
21	SUBTOTAL West Virginia	-1,096,120		-616,616	-153,757	
22						
23	STATE OF OHIO:					
24	OHIO FRANCH TAX - 2008					
25	OHIO INCOME TAX					
26	OHIO CAT TAX - 2015	32,700		-18,350	14,350	
27	OHIO CAT TAX - 2016			116,952	89,352	
28	OHIO CAT TAX - Audit			-241,114	-241,114	
29	State Unemployment 2016			81		
30	SUBTOTAL Ohio	32,700		-142,431	-137,412	
31	STATE OF ILLINOIS:					
32	IL INCOME TAX - 2006			16,574		-16,574
33	IL INCOME TAX - 2012			-33,447		33,447
34	IL INCOME TAX - 2015	-82,922		-200,616	-84,705	198,833
35	IL INCOME TAX - 2016			40,180	88,000	-275,325
36	SUBTOTAL Illinois	-82,922		-177,309	3,295	-59,619
37	STATE OF LOUISIANA:					
38	LA Franchise Tax					
39						
40	SUBTOTAL Louisiana					
41	TOTAL	39,280,346	928,910	64,965,826	64,176,354	305,183

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
						2
						3
						4
						5
		162,959			-4,610	6
-1,666,183		-965,539			-3,663	7
						8
						9
						10
		3,402			-3,402	11
		3,306			-710	12
15,985					15,985	13
						14
						15
967					12,122	16
					714	17
22,589					118,158	18
10,700						19
56,963		-8,271			52,933	20
-1,558,979		-804,143			187,527	21
						22
						23
						24
						25
		-18,350				26
27,600		116,952				27
		-200,362			-40,752	28
81		81				29
27,681		-101,679			-40,752	30
						31
		16,574				32
		-33,447				33
		-182,608			-18,008	34
-323,145		82,225			-42,045	35
-323,145		-117,256			-60,053	36
						37
						38
						39
						40
40,500,980	1,054,889	53,407,261			11,558,565	41

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1						
2	STATE OF PA:					
3	PA Gross Receipts Audit	239,325				
4						
5	SUBTOTAL Pennsylvania	239,325				
6						
7	RAILCAR PROP TAX:					
8	Misc States - 2015	32,757		17,220	49,977	
9	Misc States - 2016			42,207	42,207	
10	SUBTOTAL Railcar Prop Tax	32,757		59,427	92,184	
11						
12	STATE OF MISSOURI					
13	UNEMPLOYMENT - 2016	-56,960				
14	MO INCOME TAX - 2015	-1,961		1,114	-847	
15	MO INCOME TAX - 2016			-387	847	
16	MO FRANCHISE					
17	SUBTOTAL Missouri	-58,921		727		
18						
19	MISC RTD PROP TX-2015	1,166,521		-868,979		
20	MISC RTD PROP TX-2016			1,113,498		
21						
22	STATE INCOME TAX FIN-48	2,234,871		2,758,920	246,256	585,166
23						
24	MICHIGAN LICENSE TAX			75	75	
25	VARIOUS LICENSE TAX			708	687	-21
26						
27	VARIOUS FRANCHISE TAX					
28						
29	SIT LONG TERM	521,915				-521,915
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	39,280,346	928,910	64,965,826	64,176,354	305,183

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
						2
239,325						3
						4
239,325						5
						6
						7
		340			16,880	8
					42,207	9
		340			59,087	10
						11
						12
-56,960						13
		1,300			-186	14
-1,234		-382			-5	15
						16
-58,194		918			-191	17
						18
297,542					-868,979	19
1,113,498					1,113,498	20
						21
5,332,701		2,758,035			885	22
						23
		75				24
		708				25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
40,500,980	1,054,889	53,407,261			11,558,565	41

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 2 Column: f

(\$7,184) - Fuel Tax Credit

Schedule Page: 262 Line No.: 12 Column: f

\$1,561,261 - Reclass Indiana State Income Tax

Schedule Page: 262 Line No.: 13 Column: f

(\$1,561,261) - Reclass Indiana State Income Tax

\$245,230 - 2015 Indiana State Return Penalty

Schedule Page: 262.1 Line No.: 6 Column: f

\$63,526 - 2015 Michigan State Return Penalty

Schedule Page: 262.1 Line No.: 15 Column: a

Consists of a prepayment for sales tax only; a collect & remit tax. Beginning in 2009, included for purpose of reporting all prepaid tax activity.

Schedule Page: 262.1 Line No.: 16 Column: a

Consists of a prepayment for sales tax only; a collect & remit tax. Beginning in 2009, included for purpose of reporting all prepaid tax activity.

Schedule Page: 262.2 Line No.: 32 Column: f

(\$16,574) - Reclass Illinois State Income Tax

Schedule Page: 262.2 Line No.: 33 Column: f

\$33,447 - Reclass Illinois State Income Tax

Schedule Page: 262.2 Line No.: 34 Column: f

\$198,833 - Reclass Illinois State Income Tax

Schedule Page: 262.2 Line No.: 35 Column: f

(\$198,833) - Reclass Illinois State Income Tax

(\$76,492) - FIN48 Reclass - Illinois Amended Return

Schedule Page: 262.3 Line No.: 22 Column: f

\$521,915 - FIN48 State Reclass

\$76,492 - FIN48 Reclass - Illinois Amended Return

(\$13,241) - Illinois Amended Return Refund

Schedule Page: 262.3 Line No.: 25 Column: f

(\$21) - Intercompany Transfer License Tax

Schedule Page: 262.3 Line No.: 29 Column: f

(\$521,915) - FIN48 State Reclass

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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	33,565,741			4114	4,723,560	
6	Solar ITC 30%	1,443,000	4114	8,496,234			
7							
8	TOTAL	35,008,741		8,496,234		4,723,560	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
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48							

Name of Respondent
Indiana Michigan Power Company

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
/ /

Year/Period of Report
End of 2016/Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
			4
28,842,181			5
9,939,234			6
			7
38,781,415			8
			9
			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25
			26
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			46
			47
			48

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 266 Line No.: 8 Column: i

Remaining amortization period is 20 years.

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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)			
1. Give description and amount of other current and accrued liabilities as of the end of year. 2. Minor items may be grouped by classes, showing number of items in each class.			
Line No.	Item (a)	Balance End of Year (b)	
1	Accrued Incentive Plans	41,667,019	
2	Accrued Vacation, Holiday, and Other Non-Productive	23,768,315	
3	Accrued Payroll	8,151,228	
4	Payroll Deductions	646,309	
5	Miscellaneous Employee Benefits (2 Items)	2,746,303	
6	Accrued Workers Compensation	403,737	
7	Accrued Lease/Rents	26,031,465	
8	Accrued Revenue Refunds	3,731,332	
9	Control Cash Disbursements	12,795,106	
10	Accrued Civil Penalties	1,472,214	
11	Miscellaneous Current & Accrued Liabilities (6 Items)	431,686	
12	Environmental Accruals	4,433,346	
13	Severance Accruals	525,533	
14			
15			
16			
17			
18			
19			
20	TOTAL	126,803,593	
CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)			
Line No.	List Advances by department (a)	Balance End of Year (b)	
21	None		
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39	TOTAL		

OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Defd Gain-Sale of Rockport Unit 2	25,697,933	507	3,706,716		21,991,217
2	Amtz Period 12/1989-12/2022					
3						
4	Pole Attachment Rentals	594,864	454	1,694,163	1,665,585	566,286
5						
6	IPP-System Upgrade Credits	3,096,940			107,531	3,204,471
7						
8	Defd Gain-Fiber Optics Agrmt	4,236,247	411.6	250,708		3,985,539
9	In Kind Service-Amrtz thru 2025					
10						
11	Deferred Revenues-Verizon	343,936	451	47,438		296,498
12	Amortized thru March 2023					
13						
14	Deferred Revenues-KDL	60,966	451	9,348		51,618
15	Amortized thru Dec 2022					
16						
17	Customer Advance Receipts	7,284,584	142	7,284,584	5,780,310	5,780,310
18						
19	Federal Mitigation Deferral (NSR)	2,052,907				2,052,907
20						
21	SEMCO Agreement - MGP Sites	6,796,791	242	4,460,576		2,336,215
22						
23	Contract Settlement reserves	251,446	various	93,738,719	93,830,035	342,762
24						
25	Minor Items	1,090,222	various	1,789,845	1,546,321	846,698
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	51,506,836		112,982,097	102,929,782	41,454,521

ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.
 2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities	160,225	12,853,547	4,900
5	Other (provide details in footnote):			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)	160,225	12,853,547	4,900
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other (provide details in footnote):			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of 8, 15 and 16)	160,225	12,853,547	4,900
18	Classification of TOTAL			
19	Federal Income Tax	160,225	12,853,547	4,900
20	State Income Tax			
21	Local Income Tax			

NOTES

Name of Respondent
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(Mo, Da, Yr)
/ /

Year/Period of Report
End of 2016/Q4

ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
						13,008,872	4
							5
							6
							7
						13,008,872	8
							9
							10
							11
							12
							13
							14
							15
							16
						13,008,872	17
							18
						13,008,872	19
							20
							21

NOTES (Continued)

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	1,132,574,522	191,520,238	123,959,587
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	1,132,574,522	191,520,238	123,959,587
6	Non-Utility	887,799		
7	SFAS 109/FIN 48	89,278,034		
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	1,222,740,355	191,520,238	123,959,587
10	Classification of TOTAL			
11	Federal Income Tax	1,222,740,355	191,520,238	123,959,587
12	State Income Tax			
13	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
						1,200,135,173	2
							3
							4
						1,200,135,173	5
39,900	75,629					852,070	6
		Various	26,014,630	Various	42,002,958	105,266,362	7
							8
39,900	75,629		26,014,630		42,002,958	1,306,253,605	9
							10
39,900	75,629		26,014,630		42,002,958	1,306,253,605	11
							12
							13

NOTES (Continued)

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	SFAS 158	44,242,537	9,558,462	4,134,904
4	Reg Asset - SFAS 143 - ARO	629,574,019	68,837,233	16,967,408
5	Deferred Cook O&M Restart Cost	9,372,680	28,095,482	11,147,061
6	Nuclear Fuel	10,889,571	52,907,494	46,126,346
7	Mark To Market	1,906,560	3,626,351	5,076,887
8	Other	61,831,070	41,869,786	36,290,948
9	TOTAL Electric (Total of lines 3 thru 8)	757,816,437	204,894,808	119,743,554
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18	Other	219,707,882		
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	977,524,319	204,894,808	119,743,554
20	Classification of TOTAL			
21	Federal Income Tax	852,775,120	204,894,808	119,743,554
22	State Income Tax	124,749,199		
23	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
						49,666,095	1
						681,443,844	2
						26,321,101	3
						17,670,719	4
						456,024	5
10,162,645	6,645,077					70,927,476	6
10,162,645	6,645,077					846,485,259	7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
4,338,213	2,985,902	Various	23,738,804	Various	77,632,510	274,953,899	18
14,500,858	9,630,979		23,738,804		77,632,510	1,121,439,158	19
							20
14,500,858	9,630,979		21,816,898		41,947,862	962,927,217	21
			1,921,906		35,684,648	158,511,941	22
							23

NOTES (Continued)

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 276 Line No.: 18 Column: b

	Balance at Beginning of Year	Balance at End of Year
NON-UTILITY	1,241,706	2,594,016
SFAS 133	0	0
SFAS 109	<u>218,466,176</u>	<u>272,359,883</u>
 Total Line 18	 219,707,882	 274,953,899

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Unrealized Gain on Forward Commitments	7,055,962	456	21,231,795	10,712,839	-3,462,994
2						
3	Netting of Trading Activities Related to		182	8,210,560	14,120,252	5,909,692
4	Unrealized Gains/Losses on Forward Commitments					
5	Between Regulated Assets/Liabilities					
6						
7	Asset Retirement Oblig-Excess Provision SFAS 143	636,462,075	228	80,877,764	175,599,025	731,183,336
8						
9	SNF Trust Funds - Pre 4/83	43,373,787	various	3,519,462	4,368,384	44,222,709
10						
11	Gains on Foreign Currency Derivatives	90,472	403	11,309		79,163
12	Amortz 1/2009 - 12/2023					
13						
14	Demand Side Management - Michigan	600,905	908,421	1,554,931	954,026	
15						
16	SFAS 109 Deferred FIT	21,629,978	various	3,303,718	5,045,749	23,372,009
17						
18	Over Recovered Environmental Compliance Tracker	683,987	182,509	598,139	329,785	415,633
19	Per IURC Cause No. 43992					
20						
21	River Transportation Selling Price Variance	1,930,694	182	2,384,029	453,335	
22						
23	DSI Federal Mandate Rider - Indiana	353,577	various	1,906,904	3,241,350	1,688,023
24	Per IURC Cause No. 44331					
25						
26	Cook Life Cycle Management - Indiana		various	5,525,047	9,949,824	4,424,777
27	Per IURC Cause No. 44182					
28						
29	Indiana Clean Coal Technology Rider		44x,421,431	229,835	530,339	300,504
30	Per IURC Cause No. 44523					
31						
32	Distribution Storm Expense		593	2,576,424	3,727,549	1,151,125
33	Per IURC Cause No. 44075					
34						
35	Over Recovered PJM Expenses		447	2,799,026	6,979,237	4,180,211
36						
37						
38						
39						
40						
41	TOTAL	712,181,437		134,728,943	236,011,694	813,464,188

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2)

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type: Leased, Held for Future Use, or Nonutility.
2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped with the number of such transactions disclosed in column (a).
3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See account 102, Utility Plant Purchased or Sold.)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of property:				
2					
3	Sale of Utility Property				
4	One (1) property with original cost	134		2,466	
5	less than \$100,000				
6					
7					
8	Sale of Non-Utility Property				
9	Fifteen (15) properties each with	45,896		52,325	
10	original cost less than \$100,000				
11					
12					
13					
14					
15					
16					
17	Total Gain	46,030		54,791	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Continued)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
18	Loss on disposition of property:				
19					
20	Sale of Utility Property				
21					
22					
23					
24	Sale of Non-Utility Property				
25	Thirty (30) properties each with original	1,106,410			167,852
26	cost less than \$100,000				
27					
28					
29					
30					
31					
32					
33					
34	Total Loss	1,106,410			167,852

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS

1. Report in this schedule the information specified in the instructions below for the respective other income accounts. Provide a conspicuous subheading for each account and show a total for the account. Additional columns may be added for any account if deemed necessary.

2. Merchandising, Jobbing and Contract Work (Accounts 415 and 416) - Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the bases of any allocations of expenses between utility and merchandising, jobbing and contract work activities.

3. Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the operation. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.

4. Nonoperating Rental Income (Account 418) - For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective

date and expiration date of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income, before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.

5. Equity in earnings of subsidiary companies (Account 418.1) - Report the utility's equity in the earnings or losses of each subsidiary company for the year.

6. Interest and Dividend Income (Account 419) - Report interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived. Income derived from investments, Accounts 123, 124 and 136 may be shown in total. Income from sinking and other funds should be identified with the related special funds. Show also expenses included in Account 419 as required by the Uniform System of Accounts.

7. Miscellaneous Nonoperating Income (Account 421) - Give the nature and source of each miscellaneous nonoperating income, and expense and the amount for the year. Minor items may be grouped by classes.

Line No.	Item (a)	Amount (b)
1	Accounts 415 & 416 - Other Income - Merchandising,	
2	Jobbing, and Contract Work	
3	- Income	0
4	- Costs and Expenses	0
5	Total Accounts 415 & 416	0
6		
7	Account 417 - Nonutility Operations	
8	Water Transportation	
9	-Revenues	76,220,301
10	-Expenses - Operation	(61,036,157)
11	-Maintenance	(6,503,574)
12	-Depreciation, Depletion, and Amortization	(988,624)
13	-Other	0
14	Total Account 417	7,691,946
15		
16	Account 418 - Nonoperating Rental Income	
17	-Rent Revenue	109,637
18	-Expense	(169,645)
19	-Other	0
20	Total Account 418	(60,008)
21		
22	Account 418.1 - Equity in Earnings of Subsidiary Companies	(6,705,730)
23		
24	Account 419 - Interest and Dividend Income	
25	- Communications Leases	580,051
26	- Margin Interest	5,808
27	- Dedicated Sales	383,259
28		

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS

Line No.	Item (a)	Amount (b)
1	- Other	104,445
2	- Income Taxes	(84,726)
3	- Associated Companies	60,463
4		
5		
6	Total Account 419	1,049,300
7		
8		
9	Account 419.1 - Allowance for Funds Used During Construction	15,339,627
10		
11	Account 421 - Miscellaneous Nonoperating Income	
12		
13		
14	- Michigan Energy Optimization Carry Charge	65,546
15	- Indiana Demand Side Management	29,372
16	- Indiana Turbine Replacement Carrying Charge	2,105,700
17	- Michigan Turbine Replacement Carrying Charge	460,529
18	- Regional Transmission Organization Carrying Charges	118,372
19	- Timber Royalties	504,389
20	- Rents	34,409
21	- Indiana Life Cycle Management Carry Charge	2,994,097
22	- Indiana Rockport Dry Sorbent Injection	1,157,063
23	- Michigan Life Cycle Management Carry Charge	2,909,263
24	- Indiana Clean Coal Technology	109,547
25	- Indiana Solar	150,495
26	- Michigan Renewable Energy Purchase Agreement	39,791
27	- Other	46,381
28		
29	Total Account 421	10,724,954
30		
31	Account 421.1 - Gain on Disposition of Property	54,791
32		
33	Account 421.2 - Loss on Disposition of Property	(167,852)
34		
35		
36		
37		
38		
39		
40	Total Other Income	27,927,028
41		
42		
43		
44		
45		

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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ELECTRIC OPERATING REVENUES (Account 400)

- Report below operating revenues for each prescribed account.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from pervious year (columns (c), (e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	Sales of Electricity		
2	(440) Residential Sales	131,007,190	124,620,250
3	(442) Commercial and Industrial Sales		
4	Small (or Commercial)	81,105,306	76,950,136
5	Large (or Industrial)	69,467,201	67,472,665
6	(444) Public Street and Highway Lighting	1,272,154	1,323,586
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	(449) Other Sales		
11			
12	TOTAL Sales to Ultimate Consumers	282,851,851	270,366,637
13			
14	(447) Sales for Resale	47,001,985	47,072,728
15	TOTAL Sales of Electricity	329,853,836	317,439,365
16			
17	(Less) (449.1) Provision for Rate Refunds	172,523	0
18	TOTAL Revenue Net of Provision for Refunds	329,681,313	317,439,365
19	Other Operating Revenues		
20	(450) Forfeited discounts	683,462	709,582
21	(451) Miscellaneous Service Revenues	870,265	914,093
22	(453) Sales of Water and Water Power		
23	(454) Rent from Electric Property	1,029,222	1,082,175
24	(455) Interdepartmental Rents		
25	(456) Other Electric Revenues	4,552,366	6,285,284
26			
27			
28			
29			
30	TOTAL Other Operating Revenues	7,135,315	8,991,134
31			
32	TOTAL Electric Operating Revenues	336,816,628	326,430,499

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/16
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ELECTRIC OPERATING REVENUES (Account 400) (Continued)

4. Commercial and Industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in footnote.)
5. See Page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.
6. For line 2, 4, 5, and 6, see page 304 for amounts relating to unbilled revenue by account.
7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number or Previous Year (g)	
1,185,775	1,168,829	109,017	108,947	1 2 3
827,997	805,694	17,586	17,564	4
831,287	840,547	941	953	5
10,773	10,891	343	343	6 7 8 9 10 11
2,855,832	2,825,961	127,887	127,807	12 13
622,808	610,271	5	5	14
3,478,640 **	3,436,232	127,892	127,812	15 16 17
3,478,640	3,436,232	127,892	127,812	18

* Include \$1,764,180 unbilled revenues.

** Includes 14,395 MWH relating to unbilled revenues.

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/16
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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customers, average KWh per customer, and average revenue per KWh, excluding data for Sales for Resale, which is reported on pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," page 301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause, state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule (a)	MWh Sold (b)	Revenue (c)	Avg. No. of Customers (d)	KWh of Sales per Customer (e)	Revenue per KWh Sold (f)
1	440 Residential Sales					
2	RESIDENTIAL SERVICE	1,073,596	116,933,505	102,000	10,525	0.1089
3	RESIDENTIAL SERVICE TOD	78,446	7,819,349	4,798	16,350	0.0997
4	RESIDENTIAL OFF PEAK ENERGY	13,381	1,158,681	602	22,228	0.0866
5	RESIDENTIAL SVC OPT SENIOR	9,224	849,106	1,617	5,704	0.0921
6	OUTDOOR LIGHTING	3,783	707,607			0.1870
7	UNBILLED	7,345	935,086			0.1273
8	UNRECOVERED FUEL		2,603,856			
9	Total Residential Sales	1,185,775	131,007,190	109,017	10,877	0.1105
10						
11	442 Commercial Sales					
12	SMALL GENERAL SERVICE	81,027	10,806,869	12,814	6,323	0.1334
13	SMALL GENERAL SERVICE TOD	471	59,615	60	7,850	0.1266
14	MEDIUM GENERAL SERVICE	385,895	38,522,554	3,344	115,399	0.0998
15	MEDIUM GENERAL SERVICE TOD	10,633	939,676	188	56,559	0.0884
16	LARGE GENERAL SERVICE	160,291	13,281,630	123	1,303,179	0.0829
17	LARGE POWER	106,741	7,943,202	4	26,685,250	0.0744
18	ELECTRIC HEATING GENERAL	3,419	351,997	52	65,750	0.1030
19	ELECTRIC HEATING SCHOOLS	5,503	450,174	15	366,867	0.0818
20	MUNICIPAL & SCHOOL SERVICE	25,846	2,360,644	173	149,399	0.0913
21	IRRIGATION SERVICE	10,470	1,066,894	569	18,401	0.1019
22	WATER & SEWAGE SERVICE	27,069	2,133,424	242	111,855	0.0788
23	STREETLIGHTING SERVICE	18	1,944	2	9,000	0.1080
24	OUTDOOR LIGHTING	6,112	966,891			0.1582
25	UNBILLED	4,502	562,812			0.1250
26	UNRECOVERED FUEL		1,656,980			
27	Total Commercial Sales	827,997	81,105,306	17,586	47,083	0.0980
28						
29						
30						
31						
32						
33						
34						
35						
36						

Name of Respondent	This Report Is:	Date of Report	Year of Report
Indiana Michigan Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	12/31/16

CUSTOMER CHOICE SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, avg number of customers, average KWh per customer, and average revenue per KWh, excluding data for Sales for Resale, which is reported on pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," page 301. If the sales under any rate schedule are classified in more than one revenue account, list the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate Schedule	MWh Sold	Revenue	Avg. No. of Customers	KWh of Sales per Customer	Revenue per KWh Sold
	(a)	(b)	(c)	(d)	(e)	(f)
1	442 Industrial Sales					
2	SMALL GENERAL SERVICE	3,014	381,021	384	7,849	0.1264
3	MEDIUM GENERAL SERVICE	181,485	17,575,142	493	368,124	0.0968
4	MEDIUM GENERAL SERVICE TOD	113	9,343	2	56,500	0.0827
5	LARGE GENERAL SERVICE	47,863	3,997,092	13	3,681,769	0.0835
6	LARGE POWER	596,100	45,535,674	46	12,958,696	0.0764
7	ELECTRIC HEATING GENERAL	340	36,843	3	113,333	0.1084
8	OUTDOOR LIGHTING	832	120,627			0.1450
9	UNBILLED	2,545	264,816			0.1041
10	ESTIMATED	(1,005)	(62,769)			0.0625
11	UNRECOVERED FUEL		1,609,412			
12	Total Industrial Sales	831,287	69,467,201	941	883,408	0.0836
13						
14	444 Public Street & Highway Light					
15	SMALL GENERAL SERVICE	373	73,263	164	2,274	0.1964
16	MEDIUM GENERAL SERVICE	70	7,495	2	35,000	0.1071
17	SL CUST OWNED SYS	523	38,821	7	74,714	0.0742
18	SL CUST OWNED SYS METERED	464	31,850	28	16,571	0.0686
19	MUNICIPAL & SCHOOL	58	6,697	2	29,000	0.1155
20	ENERGY CONSERV LIGHTING	5,105	600,489	93	54,892	0.1176
21	STREETLIGHTING SERVICE	4,072	469,507	47	86,638	0.1153
22	OUTDOOR LIGHTING	105	16,430			0.1565
23	UNBILLED	3	1,466			0.4887
24	UNRECOVERED FUEL		26,136			
25	Total Public Street & Highway Light	10,773	1,272,154	343	31,408	0.1181
26						
27	Fuel Clause (see footnote)					
28						
29						
30						
31						
32						
33						
34						
35	Total Billed	2,841,437	281,087,671	127,887	22,218	0.0989
36	Total Unbilled Rev. (See Instr. 6)	14,395	1,764,180			0.1226
37	TOTAL	2,855,832	282,851,851	127,887	22,218	0.0990

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) December 31, 2016	Year of Report December 31, 2016
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FOOTNOTE DATA

Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)
305.0	27	a	<p>440 Residential Sales</p> <p>RESIDENTIAL SERVICE 9,544,126</p> <p>RESIDENTIAL SERVICE TOD 697,208</p> <p>OUTDOOR LIGHTING 33,595</p> <p>RESIDENTIAL OFF PEAK ENERGY STORAGE 118,960</p> <p>RESIDENTIAL SVC OPT SENIOR CITIZEN 82,004</p> <p>RESIDENTIAL TOTAL 10,475,893</p> <p>442 Commercial Sales</p> <p>SMALL GENERAL SERVICE 720,653</p> <p>SMALL GENERAL SERVICE TOD 4,189</p> <p>MEDIUM GENERAL SERVICE 3,431,045</p> <p>MEDIUM GENERAL SERVICE TOD 94,496</p> <p>LARGE GENERAL SERVICE 1,425,055</p> <p>LARGE POWER 948,931</p> <p>ELECTRIC HEATING GENERAL 30,395</p> <p>ELECTRIC HEATING SCHOOLS 48,925</p> <p>MUNICIPAL & SCHOOL SERVICE 229,789</p> <p>IRRIGATION SERVICE 93,302</p> <p>WATER & SEWAGE SERVICE 240,640</p> <p>OUTDOOR AND STREET LIGHTING 54,430</p> <p>COMMERCIAL TOTAL 7,321,850</p> <p>442 Industrial Sales</p> <p>SMALL GENERAL SERVICE 26,786</p> <p>MEDIUM GENERAL SERVICE 1,614,116</p> <p>MEDIUM GENERAL SERVICE TOD 1,003</p> <p>LARGE GENERAL SERVICE 424,558</p> <p>LARGE POWER 5,297,204</p> <p>ELECTRIC HEATING GENERAL 3,024</p> <p>OUTDOOR AND STREET LIGHTING 7,393</p> <p>INDUSTRIAL TOTAL 7,374,084</p> <p>444 Public Street & Highway Light</p> <p>SMALL GENERAL SERVICE 3,320</p> <p>MEDIUM GENERAL SERVICE 624</p> <p>SL CUST OWNED SYS 4,652</p> <p>SL CUST OWNED SYS METERED 4,123</p> <p>MUNICIPAL & SCHOOL SERVICE 519</p> <p>OUTDOOR AND STREET LIGHTING 37,125</p> <p>ENERGY CONSERVE LIGHTING 45,380</p> <p>PUBLIC STREET & HIGHWAY LIGHT TOTAL 95,743</p> <p>GRAND TOTAL 25,267,570</p>

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SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	CITY OF AUBURN	RQ	Note 1			
2	CITY OF BLUFFTON	RQ	Note 1			
3	CITY OF DOWAGIAC, MI	RQ	Note 1			
4	CITY OF GARRETT	RQ	Note 1			
5	CITY OF MISHAWAKA	RQ	Note 1			
6	CITY OF NILES	RQ	Note 1			
7	CITY OF SOUTH HAVEN	RQ	Note 1			
8	CITY OF STURGIS	RQ	Note 1			
9	INDIANA MUNICIPAL POWER AGENCY	RQ	Note 1			
10	NORTHEASTERN RURAL ELECTRIC	RQ	Note 1			
11	PJM TRANSMISSION FOR RQ	RQ	Various			
12	TOWN OF AVILA	RQ	Note 1			
13	TOWN OF NEW CARLISLE	RQ	Note 1			
14	TOWN OF WARREN	RQ	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

SALES FOR RESALE (Account 447) (Continued)

- OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
- AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
447,109	20,713,383	11,260,833		31,974,216	1
321,213	14,326,233	8,080,327		22,406,560	2
71,284	3,548,513	1,854,169		5,402,682	3
91,711	4,538,562	2,445,235		6,983,797	4
618,967	30,887,410	15,677,527		46,564,937	5
131,340	6,515,308	3,326,737		9,842,045	6
149,548	7,163,564	3,738,093		10,901,657	7
225,423	10,729,756	5,690,216		16,419,972	8
1,640,031	64,249,788	39,927,771		104,177,559	9
	2,669,155			2,669,155	10
			-37,203,582	-37,203,582	11
35,730	1,799,009	899,720		2,698,729	12
12,477	643,882	345,294		989,176	13
18,762	965,364	519,973		1,485,337	14
5,049,971	230,773,420	128,594,900	-37,203,582	322,164,738	
4,921,822	-7,036,391	166,566,323	0	159,529,932	
9,971,793	223,737,029	295,161,223	-37,203,582	481,694,670	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SALES FOR RESALE (Account 447)

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	VILLAGE OF PAW PAW	RQ	Note 1			
2	WABASH VALLEY POWER ASSN INC.	RQ	Note 1			
3	ADVAN PROMOTIONS INC.	OS	Note 1			
4	AMEREN CILCO	OS	Note 1			
5	AMEREN ILLINOIS COMPANY	OS	Note 1			
6	AMERICAN MUNICIPAL POWER - OHIO	OS	Note 1			
7	B.P. ENERGY COMPANY	OS	Note 1			
8	CALIFORNIA POWER EXCHANGE	OS	Note 1			
9	CAROLINA POWER & LIGHT	OS	Note 1			
10	CITIGROUP ENERGY INC.	OS	Note 1			
11	CITY OF BANGOR, WISCONSIN	OS	Note 1			
12	CITY OF BARRON, WISCONSIN	OS	Note 1			
13	CITY OF BLOOMER, WISCONSIN	OS	Note 1			
14	CITY OF CORNELL, WISCONSIN	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

SALES FOR RESALE (Account 447) (Continued)

- OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
- AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
45,214	2,300,420	1,322,294		3,622,714	1
1,241,162	59,723,073	33,506,711		93,229,784	2
		-3,062		-3,062	3
		-5,979		-5,979	4
10,536		429,224		429,224	5
25,463		1,580,490		1,580,490	6
		-456,671		-456,671	7
		-1,774		-1,774	8
		28		28	9
		-1,576,096		-1,576,096	10
5,709		368,060		368,060	11
17,267		1,073,542		1,073,542	12
11,482		720,363		720,363	13
2,726		172,665		172,665	14
5,049,971	230,773,420	128,594,900	-37,203,582	322,164,738	
4,921,822	-7,036,391	166,566,323	0	159,529,932	
9,971,793	223,737,029	295,161,223	-37,203,582	481,694,670	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	CITY OF MEDFORD	OS	Note 1			
2	CITY OF RICE LAKE UTILITIES	OS	Note 1			
3	CITY OF SPOONER, WISCONSIN	OS	Note 1			
4	CITY OF WAKEFIELD, WISCONSIN	OS	Note 1			
5	CITY OF WESTERVILLE	OS	Note 1			
6	COMMONWEALTH EDISON COMPANY	OS	Note 1			
7	DAIRYLAND POWER COOPERATIVE	OS	Note 1			
8	DP&L POWER SERVICES	OS	Note 1			
9	DUKE ENERGY OHIO, INC	OS	Note 1			
10	DUQUESNE LIGHT COMPANY	OS	Note 1			
11	EDF TRADING NORTH AMERICA LLC	OS	Note 1			
12	EXELON GENERATION - POWER TEAM	OS	Note 1			
13	MERCURIA ENERGY AMERICA, INC.	OS	Note 1			
14	MIDWEST ISO	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

SALES FOR RESALE (Account 447) (Continued)

- OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
- AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
26,741		1,691,373		1,691,373	1
34,551		2,206,960		2,206,960	2
6,610		418,406		418,406	3
2,755		167,832		167,832	4
100,530		6,718,291		6,718,291	5
304,295		9,640,658		9,640,658	6
		-554		-554	7
25,232		1,302,024		1,302,024	8
109,846		5,979,341		5,979,341	9
404,591		19,888,818		19,888,818	10
	164			164	11
		-71,385		-71,385	12
		-1,149,444		-1,149,444	13
-131,958		-4,617,035		-4,617,035	14
5,049,971	230,773,420	128,594,900	-37,203,582	322,164,738	
4,921,822	-7,036,391	166,566,323	0	159,529,932	
9,971,793	223,737,029	295,161,223	-37,203,582	481,694,670	

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	MIZUHO SECURITIES USA INC	OS	Note 1			
2	MORGAN STANLEY CAPT.	OS	Note 1			
3	NEXTERA ENERGY POWER MKTG LLC	OS	Note 1			
4	OHIO POWER COMPANY (AUCTION)	OS	Note 1			
5	OVER/UNDER CAPACITY TRACKER	OS	Note 1			
6	OVER/UNDER QSS TRACKER	OS	Note 1			
7	OVER/UNDER PJM EXP TRACKER	OS	Note 1			
8	PJM INTERCONNECTION	OS	Note 1			
9	RBC CAPITAL MARKET, LLC	OS	Note 1			
10	TIMBER CANYON	OS	Note 1			
11	TOWN OF HAGERSTOWN, INDIANA	OS	Note 1			
12	TVA BULK POWER TRADING	OS	Note 1			
13	UBS AG, LONDON BRANCH	OS	Note 1			
14	VILLAGE OF CADOTT, WISCONSIN	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

SALES FOR RESALE (Account 447) (Continued)

- OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
- AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last-line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
		794,383		794,383	1
		590,346		590,346	2
	19,396			19,396	3
220,727		11,992,379		11,992,379	4
	-7,055,951			-7,055,951	5
		17,508,644		17,508,644	6
		-4,180,212		-4,180,212	7
3,754,569		87,488,254		87,488,254	8
		7,636,316		7,636,316	9
		-3,062		-3,062	10
4,721		313,835		313,835	11
-20,748		-404,796		-404,796	12
		-346		-346	13
2,907		186,921		186,921	14
5,049,971	230,773,420	128,594,900	-37,203,582	322,164,738	
4,921,822	-7,036,391	166,566,323	0	159,529,932	
9,971,793	223,737,029	295,161,223	-37,203,582	481,694,670	

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	VILLAGE OF TREMPPEALEAU, WISCONSIN	OS	Note 1			
2	WPPI ENERGY	OS	Note 1			
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
3,270		213,024		213,024	1
		-45,438		-45,438	2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
5,049,971	230,773,420	128,594,900	-37,203,582	322,164,738	
4,921,822	-7,036,391	166,566,323	0	159,529,932	
9,971,793	223,737,029	295,161,223	-37,203,582	481,694,670	

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: c

FERC Electric Tariff, First Revised Volume No. 5.

Schedule Page: 310 Line No.: 1 Column: k

Margins for Off System Sales (OSS) reported in I&M's generation formula rates are included in the total revenue amount. The margins are specifically identified in the ledger as a subset of the accounts that make up these OSS revenues.

Schedule Page: 310 Line No.: 11 Column: a

PJM transmission expenses related to wholesale customers.

Schedule Page: 310 Line No.: 11 Column: j

Amount represents transmission services and related charges.

Schedule Page: 310.3 Line No.: 4 Column: a

An affiliated company.

Schedule Page: 310.3 Line No.: 4 Column: c

The PUCO (Public Utilities Commission Ohio) ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning June 2015. APCo, KPCo, I&M and WPCo participated in the auction process and were awarded tranches of OPCo's SSO load.

Schedule Page: 310.3 Line No.: 5 Column: a

Per the IURC's order in Cause No. 44075 dated February 13, 2013, I&M tracks the level of capacity equalization settlement receipts or purchases compared to the level in basic rates.

Schedule Page: 310.3 Line No.: 6 Column: a

Per the IURC's order in Cause No. 44075 dated February 13, 2013, I&M shares off system sales margins above or below the level embedded in base rates down to \$0.

Schedule Page: 310.3 Line No.: 7 Column: a

Per the IURC's order in Cause No. 43306 dated March 4, 2009, I&M tracks the level of certain costs and revenues related to I&M's membership in PJM compared to the level in base rates.

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Name of Respondent	This Report Is:	Date of Report	Year of Report
Indiana Michigan Power Company	(1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	12/31/16

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not deprived from previously reported figures, explain in footnotes.

Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	4,574,709	5,846,839
5	(501) Fuel	152,641,822	193,953,638
6	(502) Steam Expenses	18,049,586	14,487,543
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred - CR.		
9	(505) Electric Expenses	1,501,927	1,604,613
10	(506) Miscellaneous Steam Power Expenses	3,683,257	5,440,002
11	(507) Rents	70,150,198	70,147,251
12	Allowances	1,693,088	4,231,838
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	252,294,587	295,711,724
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	2,426,052	2,955,430
16	(511) Maintenance of Structures	1,804,745	3,965,210
17	(512) Maintenance of Boiler Plant	6,313,331	15,829,210
18	(513) Maintenance of Electric Plant	1,550,329	4,469,268
19	(514) Maintenance of Miscellaneous Steam Plant	1,082,728	1,998,951
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	13,177,185	29,218,069
21	TOTAL Power Production Expenses-Steam Power (Total of lines 13 & 20)	265,471,772	324,929,793
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering	22,645,947	23,203,961
25	(518) Fuel	130,947,058	146,871,236
26	(519) Coolants and Water	7,094,337	8,070,754
27	(520) Steam Expenses	12,182,949	14,313,007
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred - CR		
30	(523) Electric Expenses	3,806,924	4,239,737
31	(524) Miscellaneous Nuclear Power Expenses	75,590,108	81,330,671
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)	252,267,323	278,029,366
34	Maintenance		
35	(528) Maintenance Supervision and Engineering	10,794,683	12,850,793
36	(529) Maintenance of Structures	4,584,924	5,644,343
37	(530) Maintenance of Reactor Plant Equipment	82,456,480	65,932,278
38	(531) Maintenance of Electric Plant	15,423,728	24,577,532
39	(532) Maintenance of Miscellaneous Nuclear Plant	17,579,319	17,971,165
40	TOTAL Maintenance (Enter Total of Lines 35 thru 39)	130,839,134	126,976,111
41	TOTAL Power Production Expenses-Nuclear Power (Total of lines 33 & 40)	383,106,457	405,005,477
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering	464,520	530,127
45	(536) Water for Power		14,009
46	(537) Hydraulic Expenses	132,551	139,620
47	(538) Electric Expenses	1,362	
48	(539) Miscellaneous Hydraulic Power Generation Expenses	1,169,113	1,040,829
49	(540) Rents	1,098	(409)
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	1,768,644	1,724,176

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/16
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)

If the amount for previous year is not deprived from previously reported figures, explain in footnotes.

Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering	199,078	135,044
54	(542) Maintenance of Structures	527,961	572,304
55	(543) Maintenance of Reservoirs, Dams, and Waterways	503,011	481,319
56	(544) Maintenance of Electric Plant	551,845	552,904
57	(545) Maintenance of Miscellaneous Hydraulic Plant	32,691	40,237
58	TOTAL Maintenance (Total of Lines 53 thru 57)	1,814,586	1,781,808
59	TOTAL Pwr. Production Expenses-Hydraulic Pwr.(Total of lines 50 & 58)	3,583,230	3,505,984
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	38,510	65,524
63	(547) Fuel		
64	(548) Generation Expenses	7	
65	(549) Miscellaneous Other Power Generation Expenses	129,613	2,158
66	(550) Rents		
67	TOTAL Operation (Total of Lines 62 thru 66)	168,130	67,682
68	Maintenance		
69	(551) Maintenance Supervision and Engineering		
70	(552) Maintenance of Structures		
71	(553) Maintenance of Generating and Electric Plant	(38)	(1,129)
72	(554) Maintenance of Miscellaneous Other Power Generation Plant		
73	TOTAL Maintenance (Total of Lines 69 thru 72)	(38)	(1,129)
74	TOTAL Power Production Expenses-Other Power (Total of Lines 67 & 73)	168,092	66,553
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	454,568,469	463,005,453
77	(556) System Control and Load Dispatching	2,209,276	2,126,361
78	(557) Other Expenses	4,328,792	3,781,813
79	Total Other Power Supply Expenses (Total of Lines 76 thru 78)	461,106,537	468,913,627
80	Total Pwr. Production Expenses (Total of lines 21, 41, 59, 74 & 79)	1,113,436,088	1,202,421,434
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	5,260,791	4,820,717
84	(561) Load Dispatching	7,582,320	7,790,723
85	(562) Station Expenses	655,393	615,742
86	(563) Overhead Lines Expenses	374,444	369,334
87	(564) Underground Lines Expenses		(21)
88	(565) Transmission of Electricity by Others	67,583,508	52,713,633
89	(566) Miscellaneous Transmission Expenses	4,299,540	5,377,969
90	(567) Rents	20,486	20,196
91	TOTAL Operation (Total of Lines 83 thru 90)	85,776,482	71,708,293
92	Maintenance		
93	(568) Maintenance Supervision and Engineering	123,033	69,930
94	(569) Maintenance of Structures	1,487,442	1,281,130
95	(570) Maintenance of Station Equipment	3,030,065	3,221,090
96	(571) Maintenance of Overhead Lines	7,495,953	9,826,867
97	(572) Maintenance of Underground Lines	126	579
98	(573) Maintenance of Miscellaneous Transmission Plant	405,222	1,022,415
99	TOTAL Maintenance (Total of Lines 93 thru 98)	12,541,841	15,422,011
100	TOTAL Transmission Expenses (Total of Lines 91 & 99)	98,318,323	87,130,304
101	3. REGIONAL MARKET EXPENSES		
102	Operation		
103	(575) Market Facilitation, Monitoring and Compliance Services	4,006,728	3,857,543

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/16
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)

If the amount for previous year is not deprived from previously reported figures, explain in footnotes.

Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)
104	3. DISTRIBUTION EXPENSES		
105	(580) Operation and Supervision	2,355,961	2,932,496
106	(581) Load Dispatching	1,213,588	1,224,405
107	(582) Station Expenses	798,600	762,216
108	(583) Overhead Line Expenses	3,577,692	473,769
109	(584) Underground Line Expenses	2,159,910	2,130,366
110	(585) Street Lighting and Signal System Expenses	98,367	113,206
111	(586) Meter Expenses	2,374,856	1,661,704
112	(587) Customer Installations Expenses	544,396	457,388
113	(588) Miscellaneous Expenses	15,622,481	16,174,829
114	(589) Rents	1,624,528	1,644,250
115	TOTAL Operation (Total of Lines 103 thru 113)	30,370,379	27,574,629
116	Maintenance		
117	(590) Maintenance Supervision and Engineering	99,991	77,902
118	(591) Maintenance of Structures	88,979	50,737
119	(592) Maintenance of Station Equipment	1,759,347	1,779,124
120	(593) Maintenance of Overhead Lines	31,047,350	23,717,131
121	(594) Maintenance of Underground Lines	3,065,858	2,004,815
122	(595) Maintenance of Line Transformers	129,373	181,181
123	(596) Maintenance of Street Lighting and Signal Systems	280,976	519,467
124	(597) Maintenance of Meters	231,192	232,089
125	(598) Maintenance of Miscellaneous Distribution Plant	597,416	546,257
126	TOTAL Maintenance (Total of Lines 116 thru 124)	37,300,482	29,108,703
127	TOTAL Distribution Expenses (Total of Lines 114 & 125)	67,670,861	56,683,332
128	4. CUSTOMER ACCOUNTS EXPENSES		
129	Operation		
130	(901) Supervision	1,134,950	1,099,587
131	(902) Meter Reading Expenses	834,957	825,233
132	(903) Customer Records and Collection Expenses	13,361,331	13,636,926
133	(904) Uncollectible Accounts	14,875	(226,864)
134	(905) Miscellaneous Customer Accounts Expenses	52,992	48,478
135	TOTAL Customer Accounts Expenses (Total of Lines 129 thru 133)	15,399,105	15,383,360
136	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
137	Operation		
138	(907) Supervision	857,822	720,886
139	(908) Customer Assistance Expenses	21,056,488	18,580,114
140	(909) Informational and Instructional Expenses	7,100	511,216
141	(910) Miscellaneous Customer Service and Informational Expenses	7,712	6,379
142	TOTAL Customer Service and Informational Exp. (Total of Lines 137 thru 140)	21,929,122	19,818,595
143	6. SALES EXPENSE		
144	Operation		
145	(911) Supervision	385	1,372
146	(912) Demonstrating and Selling Expenses	63,686	192,271
147	(913) Advertising Expenses	1,540	120,000
148	(916) Miscellaneous Sales Expenses		
149	Total Sales Expenses (Total of Lines 144 thru 147)	65,611	313,643
150	7. ADMINISTRATIVE AND GENERAL EXPENSES		
151	Operation		
152	(920) Administrative and General Salaries	34,496,971	33,964,345
153	(921) Office Supplies and Expenses	3,726,306	3,954,258
154	(Less) (922) Administrative Expenses Transferred - CR	3,599,256	3,744,331

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)

If the amount for previous year is not deprived from previously reported figures, explain in footnotes.

Line No.	Account (a)	Amt. For Current Year (b)	Amt. For Previous Year (c)
154	7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)		
155	(923) Outside Services Employed	8,646,691	10,649,810
156	(924) Property Insurance	3,652,909	4,627,466
157	(925) Injuries and Damages	6,056,072	6,006,414
158	(926) Employee Pensions and Benefits	27,427,503	28,377,608
159	(927) Franchise Requirements		
160	(928) Regulatory Commission Expenses	14,161,551	13,157,209
161	(929) Duplicate Charges - CR.	762,039	638,787
162	(930.1) General Advertising Expenses	490,058	112,736
163	(930.2) Miscellaneous General Expenses	4,693,733	3,772,682
164	(931) Rents	5,740,940	5,765,581
165	TOTAL Operation (Total of Lines 151 thru 164)	104,731,439	106,004,991
166	Maintenance		
167	(935) Maintenance of General Plant	9,966,801	9,448,150
168	TOTAL Administrative and General Expenses (Total of Lines 165 & 167)	114,698,240	115,453,141
169	TOTAL Electric Operation and Maintenance Expenses (Enter total of lines 80, 100, 126, 134, 141, 148, and 168)	1,435,524,078	1,501,061,352

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES

1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.

2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.

3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.

	12/31/2016	12/31/2015
1. Payroll Period Ended (Date)	12/31/2016	12/31/2015
2. Total Regular Full-Time Employees	2,460	2,476
3. Total Part-Time and Temporary Employees	10	7
4. Total Employees	2,470	2,483

Name of Respondent Indiana Michigan Power Company	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
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FOOTNOTE DATA

Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)
320	5	b	The portion of account 501 that is excluded from the fuel costs in I&M's generation formula rate is identified by a query of the general ledger.
320	25	b	The portion of account 518 that is excluded from the nuclear fuel costs in I&M's generation formula rate is identified by a query of the general ledger.
320	31	b	The portion of account 524 representing ARO expenses that are excluded from non-fuel generation O&M in I&M's generation formula rate is identified by a query of the general ledger. The nuclear decommissioning expense allowed in the formula is an amount approved by the Indian Utility Regulatory Commission.
320	85	b	Generation Step-Up Units' (GSU's) O&M expenses included in I&M's generation formula rates are the ratio of GSU balances to all investment for plant accounts 352 and 353 multiplied by the balance in O&M accounts 562, 569, and 570.
320	94	b	Allocated maintenance expenses for joint use computer hardware, computer software and communication equipment are determined by using various factors, which include number of remote terminal units, number of radios, number of employees and other factors assigned to each function.
320	156	b	The insurance expenses for generation included in I&M's generation formula rate are identified by a query from the general ledger.

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PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	AEP GENERATING COMPANY	RQ	AEG 1			
2	CITY OF WINCHESTER, IN	OS				
3	CMS MARKETING SVCS AND TRADING	OS				
4	EDF TRADING NORTH AMERICA LLC	OS				
5	FOWLER RIDGE II WIND FARM LLC	OS				
6	FOWLER RIDGE WIND FARM LLC	OS				
7	FRENCH PAPER	OS				
8	FT. WAYNE ELECTRIC JATC	OS				
9	HEADWATERS WIND FARM LLC	OS				
10	JP MORGAN VENTURES ENERGY CORP	OS				
11	MIZUHO SECURITIES USA INC	OS				
12	OVEC POWER SCHEDULING	OS				
13	OVER/UNDER PJM EXP TRACKER	OS				
14	PJM INTERCONNECTION	OS				
	Total					

PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
4,045,257			121,723,956	106,804,133		228,528,089	1
				99,778		99,778	2
			42,232			42,232	3
			-37,754			-37,754	4
131,394				11,311,661		11,311,661	5
233,221				15,013,090		15,013,090	6
1,741				51,024		51,024	7
1				32		32	8
670,521				28,341,438		28,341,438	9
			5,172			5,172	10
				36,000		36,000	11
743,027			22,876,117	21,143,535		44,019,652	12
				4,054,840		4,054,840	13
2,808,404			166,436	107,191,218		107,357,654	14
8,961,708			144,776,159	309,792,310		454,568,469	

**PURCHASED POWER (Account 555)
(Including power exchanges)**

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	RANDOLPH SCHOOLS	OS				
2	WILDCAT WIND FARM	OS				
3	WILLIAM E RICHTER	OS				
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Total					

PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
				42,376		42,376	1
328,140				15,703,084		15,703,084	2
2				101		101	3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
8,961,708			144,776,159	309,792,310		454,568,469	

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 1 Column: a

Affiliated Company

Schedule Page: 326 Line No.: 13 Column: a

Per the IURC's Order in Cause No. 43306 on March 4, 2009, I&M tracks the recovery of certain costs and revenues related to I&M's membership in PJM compared to the level in base rates.

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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	PJM Network Integ Trans Rev Whlsl	Various	Various	FNO
2	PJM Network Integ Trans Serv	Various	Various	FNO
3	PJM Trans Enhancement Rev	Various	Various	FNO
4	PJM Trans Enhancement Rev Whlsle	Various	Various	FNO
5	PJM Trans Enhancement Rev - Affil	Various	Various	FNO
6	PJM Trans Enhancement Cost - Affil	Various	Various	FNO
7	PJM Network Integ Rev - Affil	Various	Various	FNS
8	PJM Point to Point Trans Serv	Various	Various	LFP
9	PJM Trans Owner Admin Revenue	Various	Various	OLF
10	PJM Trans Owner Serv Rev Whlsle	Various	Various	OLF
11	PJM Power Factor Credits Rev Whlsle	Various	Various	OS
12	PJM Trans Distribution & Meter	Various	Various	OS
13	RTO Formation Costs Recovery	Various	Various	OS
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	TOTAL			

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
PJM OATT	Various	Various				1
PJM OATT	Various	Various				2
PJM OATT	Various	Various				3
PJM OATT	Various	Various				4
PJM OATT	Various	Various				5
PJM OATT	Various	Various				6
PJM OATT	Various	Various				7
PJM OATT	Various	Various				8
PJM OATT	Various	Various				9
PJM OATT	Various	Various				10
PJM OATT	Various	Various				11
PJM OATT	Various	Various				12
PJM OATT	Various	Various				13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			0	0	0	

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
5,941,670			5,941,670	1
14,977,244			14,977,244	2
4,511,571			4,511,571	3
111,865			111,865	4
2,318,282			2,318,282	5
-2,073,159			-2,073,159	6
11,944,305			11,944,305	7
1,435,982			1,435,982	8
	272,730		272,730	9
	93,922		93,922	10
		132,090	132,090	11
		512,181	512,181	12
5,507			5,507	13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
39,173,267	366,652	644,271	40,184,190	

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 328 Line No.: 1 Column: e

Effective October 1, 2004, the administration of the transmission tariff was turned over to PJM. PJM does not provide any detail except for the total revenue by the major classes listed. OATT (Open Access Transmission Tariff) 3rd revised Volume No. 6.

Schedule Page: 328 Line No.: 11 Column: m

Per Proforma ILDSA (Interconnection and Local Delivery Service Agreement) AEP Tariff 3rd Revised Volume No. 6.

Schedule Page: 328 Line No.: 12 Column: m

Per Proforma ILDSA AEP Tariff 3rd Revised Volume No. 6.

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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SALES TO RAILROADS AND RAILWAYS AND INTERDEPARTMENTAL SALES (Accounts 446, 448)

- | | |
|---|---|
| <p>1. Report particulars concerning sales included in Accounts 446 and 448.</p> <p>2. For Sales to Railroads and Railways, Account 446, give name of railroad or railway in addition to other required information. If contract covers several points of delivery and small amounts of electricity are delivered at</p> | <p>each point, such sales may be grouped.</p> <p>3. For Interdepartmental Sales, Account 448, give name of other department and basis of charge to other department in addition to other required information.</p> <p>4. Designate associated companies.</p> <p>5. Provide subheading and total for each account.</p> |
|---|---|

Line No.	Item (a)	Point of Delivery (b)	Kilowatt-hours (c)	Revenue (d)	Revenue per kwh (in cents) (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					

RENT FROM ELECTRICITY PROPERTY AND INTERDEPARTMENTAL RENTS (Accounts 454, 455)

- | | |
|---|---|
| <p>1. Report particulars concerning rents received included in Accounts 454 and 455.</p> <p>2. Minor rents may be grouped by classes.</p> <p>3. If rents are included which were arrived at under an arrangement for apportioning expenses of a joint facility, whereby the amount included in this account</p> | <p>represents profit or return on property, depreciation and taxes, give particulars and the basis of apportionment of such charges to Accounts 454 and 455.</p> <p>4. Designate is lessee is an associated company.</p> <p>5. Provide a subheading and total for each account.</p> |
|---|---|

Line No.	Name of Lessee or Department (a)	Description of Property (b)	Amount of Revenue for Year (c)
16	Account 454 - Rents from Electric Property - Michigan		
17	Miscellaneous Lessees	Pole Contact Rental	909,859
18	American Electric Power Service Corporation**	Benton Harbor Service Center	9,077
19	Miscellaneous Lessees	Agriculture, Commercial, Residential	110,286
20			
21	Total Account 454		1,029,222
22			
23			
24	Account 455		
25	None		
26			
27	**Affiliated Entity		
28			
29			

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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SALES OF WATER AND WATER POWER (Account 453)

1. Report below the information called for concerning revenues derived during the year from sales to others of water or water power.
2. In column (c) show the name of the power development of the respondent supplying the water or waer power sold.
3. Designate associated companies.

Line No.	Name of Purchaser (a)	Purpose for Which Water Was Used (b)	Power Plant Development Supplying Water or Water Power (c)	Amount of Revenue for Year (e)
1	None			
2				
3				
4				
5				
6				
7				
8				
9				
10	TOTAL			

MISCELLANEOUS SERVICE REVENUES AND OTHER ELECTRIC REVENUES (Accounts 451, 456)

1. Report particulars concerning miscellaneous service revenues and other electric revenues derived from electric utility operations during year. Report separately in this schedule the total revenues from operation of fish and wildlife and recreation facilities, regardless of whether such facilities are operated by company or by contract concessionaires. Provide a subheading and total for each account. For Account 456, list first revenues realized through Research and Development ventures, see Account 456.
2. Designate associated companies.
3. Minor items may be grouped by classes.

Line No.	Name of Company and Description of Service (a)	Amount of Revenue for Year (b)
11	Account 451 - Miscellaneous Service Revenues - Michigan	
12	Other	870,264
13		
14	Account 456 - Other Electric Revenues - Michigan	
15		
16	Associated Business Development	234,765
17	Michigan Energy Optimization	246,754
18	PJM/RTO Cost Recovery Items	4,070,848
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30	TOTAL	5,422,631

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	PJM Enhancements	OS					23,541,592	23,541,592
2	PJM NITS	OS					43,736,377	43,736,377
3	PJM-Trans Owner	OS					305,332	305,332
4	Other	OS					207	207
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL						67,583,508	67,583,508

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 1 Column: b

Transmission Enhancement Charges and Credits (PJM OATT Schedule 12)

Schedule Page: 332 Line No.: 2 Column: b

Network Integration Transmission Service Charges - NITS (PJM OATT Schedule H)

Schedule Page: 332 Line No.: 3 Column: b

Transmission Owner Service (PJM OATT Tariff Sixth Revised Volume No. 1)

Schedule Page: 332 Line No.: 4 Column: b

Midwest Independent Transmission System Operator (MISO) Membership/Participant Dues.

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/2016
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LEASE RENTALS CHARGED

- | | |
|---|--|
| <p>1. For purposes of this schedule a "lease" is defined as a contract or other agreement by which one party (lessor conveys an intangible right or land or other tangible property and equipment to another lessee) for a specified period of one year or more for rent.</p> <p>2. Report below, for leases with annual charges of \$25,000 or more, but less than \$250,000, the data called for in columns a, b (description only), f, g, and j.</p> <p>3. For leases having annual charges of \$250,000 or more, report the data called for in all the columns below.</p> <p>4. The annual charges referred to in instruction 1 and 2 include the basic lease payment and other payments to or in behalf of the lessor such as taxes, depreciation, assumed interest or dividends</p> | <p>on the lesser Securities, cost of property replacements ** and other expenditures with respect to leased property except the expenses paid by lessee are to be itemized in column f below.</p> <p>5. Leases of construction equipment in connection with construction work in progress are not required to be reported herein. Continuous, master or open-end leases for EDP or office equipment, automobile fleets and other equipment that is short-lived and replaced under terms of the lease or for pole rentals shall report only the data called for in columns a, b (description only), f, g and j, unless the lessee has the option to purchase the property.</p> <p>6. In column a report the name of the</p> |
|---|--|

A. LEASE RENTAL CHARGED TO ELECTRIC OPERATING EXPENSES

Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Rental (R) (c)
Wells Fargo Equipment Finance (Formerly GE Capital Commercial Inc)	Office Furniture and Equipment and Transportation Equipment (2) (Leases 4425,4426,4427)	
Huntington Bank	Office Furniture and Equipment and Transportation Equipment (2) (Leases 4196, 4228, 4565)	
Citizens Asset Finance (Formerly RBS Asset Finance)	Office Furniture and Equipment and Transportation Equipment (2) (Leases 4200, 4224, 4320)	
Banc of America Leasing	Office Furniture and Equipment and Transportation Equipment (2) (Leases 4773, 4774)	

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/2016
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LEASE RENTALS CHARGED (Continued)

lessor. List lessors that are associated companies * (describing association) first, followed by non-associated lessors. * See definition on page 226 (B)

7. In column (b) for each leasing arrangement, report in order, classified by generating station, transmission line, distribution system, large substation, or other operating unit or system, followed by any other leasing arrangements not covered under the preceding classifications:

Description of the property, whether the lease is a sale and leaseback, whether leasee has option to purchase and conditions of purchase, whether lease is cancellable by either party and the cancellation conditions, state the tax treatment used and the accounting treatment of the lease payments (levelized charges to expense or other treatment), the basis of any charges apportioned between the lessor and lessee, and the responsibility of the respondent for operation and maintenance expenses and replacement of property.

The above information is to be reported with initiation of the lease and thereafter when changed or every five years, which ever occurs first.

8. Report in column (d), as of the date of the current lease term, the original cost of the property leased, estimate if not known, or the fair market value of the property if greater than the original cost and indicate as shown. If the leased property is part of a large unit, such as part of a building, indicate without associating any cost or value with it.

9. Report in column (k) below the estimated remaining annual charges under the current term of the lease. Do not apply a present value to the estimate. Assume that cancellable leases will not be cancelled when estimating the remaining charges.

A. LEASE RENTAL CHARGED TO ELECTRIC OPERATING EXPENSES (Continued)

Original Cost (O) or Fair Market Value (D) of Property (d)	Expense to be Paid By Lessee Itemize (e)	Amount of Rent - Current Term				Account Charged (j)	Remaining Annual Charges Under Lease Est. If Not Known (k)
		Current Year		Accumulated To Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
		-				506	
		15,671				588	
		8,457				931	
		89,234				501	
		89,847				506	
		-				514	
		1,262,869				524	
		4,295				566	
		9,593				580	
		180,761				588	
		518,113				931	
		21,451				935	
		181,595				501	
		84,281				524	
		201,539				931	
		2,484				506	
		27,396				524	
		3,700				588	
		31,234				931	

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/2016
A. LEASE RENTAL CHARGED TO ELECTRIC OPERATING EXPENSES (Continued)			
Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Rental (R) (c)	
Blue Jay Associates	<p>Fort Wayne General Service Center BLDG225 (1) LPM1853 Date of Lease: 5-1-71</p> <ol style="list-style-type: none"> 1. This is a sale and leaseback 2. Lessee has option to purchase under varying conditions depending on the status of the premises 3. Lease may be cancelled by either party in event of change of status of the premises 4. Respondent is responsible for all operation and maintenance expenses. 	04/30/2021	
SS Properties Associates	<p>Muncie Service Building BLDG218 LPM1863 (1) Date of Lease: 5-26-72</p> <ol style="list-style-type: none"> 1. This is a sale and leaseback 2. Lessee has option to purchase under varying conditions depending on the status of the premises 3. Lease may be cancelled by either party in event of change of status of the premises 4. Respondent is responsible for all operation and maintenance expenses. 	12/31/2017	

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/2016
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A. LEASE RENTAL CHARGED TO ELECTRIC OPERATING EXPENSES (Continued)

Original Cost (O) or Fair Market Value (D) of Property (d)	Expense to be Paid By Lessee Itemize (e)	Amount of Rent - Current Term				Account Charged (j)	Remaining Annual Charges Under Lease Est. If Not Known (k)
		Current Year		Accumulated To Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
	Real Estate taxes, assessments, maintenance, alterations, replacements and additions, insurance, and utilities.	86,352				931	
	Real Estate taxes, assessments, maintenance, alterations, replacements and additions, insurance, and utilities.	73,750				931	

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/2016
A. LEASE RENTAL CHARGED TO ELECTRIC OPERATING EXPENSES (Continued)			
Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Rental (R) (c)	
Slater Associates	South Bend Service Building BLDG235 Ls# 558 (1) LPM2389 Date of Lease: 10-1-79 1. This is a sale and leaseback 2. Lessee has option to purchase under varying conditions depending on the status of the premises 3. Lease may be cancelled by either party in event of change of status of the premises 4. Respondent is responsible for all operation and maintenance expenses.	12/31/2024	
One Summit II LLC	Indiana Michigan Power Center - BLDG227 - LPM10722 Replaced LPM2688 - effective 10/1/2014	10/31/2031	
West Ohio II, LLC	State President Office - Indiana, LPM2448 Date of Lease: 1/17/2000 1. This is not a sale and leaseback 2. Lease does not have an option to purchase 3. Lease may be cancelled under certain conditions	02/28/2019	
U.S. Bank Trust N.A.	Rockport Generating Plant Unit 2 Date of Lease: 12/7/89 1. This is a sale and leaseback 2. No purchase option 3. Lease may be cancelled under certain conditions 4. Respondent is responsible for all operation and maintenance expenses.	12/07/22 (P)	

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/2016
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A. LEASE RENTAL CHARGED TO ELECTRIC OPERATING EXPENSES (Continued)

Original Cost (O) or Fair Market Value (D) of Property (d)	Expense to be Paid By Lessee Itemize (e)	Amount of Rent - Current Term				Account Charged (j)	Remaining Annual Charges Under Lease Est. If Not Known (k)
		Current Year		Accumulated To Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
5,225,000	Real Estate taxes, assessments, maintenance, alterations, replacements and additions, insurance, and utilities.	0 92,784 0 440,824 0 0 7,228 480,000		0 185,727 0 1,070,539 0 0 14,488 960,000		184 408 567 588 589 921 924 931	3,840,000
11,000,000	Real Estate taxes, assessments, maintenance, alterations, replacements and additions, insurance, and utilities. Maintenance, alterations, replacements, additions and insurance	0 351,788 28,894 3,622,270 57,175		134,840 836,592 59,378 8,787,862		408 588 924 931 931	15,902,075
850,000,000	All expenses necessary to operate, maintain, preserve and keep the leased property in good working order. Also responsible for taxes and insurance.	73,853,988		1,997,413,548	28,654,952	507	443,123,928

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/2016
A. LEASE RENTAL CHARGED TO ELECTRIC OPERATING EXPENSES (Continued)			
Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Rental (R) (c)	
Benton Associates	Benton Harbor Service Building BLDG237 LPM1864 (1) Date of Lease: 7-15-72 (formerly St Joe Serv Ctr) 1. This is a sale and leaseback 2. Lessee has option to purchase under varying conditions depending on the status of the premises 3. Lease may be cancelled by either party in event of change of status of the premises 4. Respondent is responsible for all operation and maintenance expenses.	12/31/2022	
American Tower, LP	Milan Telecom Site - (9124)		
American Tower, LP	Butler Telecom - (9125)		
Capital Tower LLC	Lansing Office LPM9010	01/31/2019	
<p>NOTES:</p> <p>(1) Apportionment based on percentage of floor space occupied. (2) Apportionment based on percentage of equipment usage. (3) Charged directly to operating expense of barging operation. Tax treatment: Treated as lease, rental payments are deducted for federal income tax purposes. Accounting treatment: Leasing rentals distributed to benefiting accounts as incurred based on accrual method.</p>			

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/2016	Year of Report 12/31/2016
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A. LEASE RENTAL CHARGED TO ELECTRIC OPERATING EXPENSES (Continued)

Original Cost (O) or Fair Market Value (D) of Property (d)	Expense to be Paid By Lessee Itemize (e)	Amount of Rent - Current Term				Account Charged (j)	Remaining Annual Charges Under Lease Est. If Not Known (k)
		Current Year		Accumulated To Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
		90,000				408 588 924 931	
		43,223				935	
		48,020				935	
		0				588	
		0				924	
		32,132				931	
	Total Section A	82,039,946					

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/2016
B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.)			
Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Rental (R) (c)	
Wells Fargo Equipment Finance (Formerly GE Capital Commercial Inc)	Office Furniture and Equipment and Transportation Equipment (2) (Leases 4425,4426,4427)		
Huntington Bank	Office Furniture and Equipment and Transportation Equipment (2) (Leases 4196, 4228, 4565)		
Citizens Asset Finance (Formerly RBS Operating Co)	Transportation Equipment (Leases 4200, 4224, 4320)		
Bank of America Leasing	Office Furniture and Equipment and Transportation Equipment (2) (Leases 4773, 4774)		
BTMU Capital	Railcar Lease formally with AEP Transportation Wilmington Trust as Security Trustee (Lease 4084)	06/30/2023	
Wilmington Trust Co.	Railcars Trust 2004-A (Lease 3616)	12/15/2024	
U.S. Bank Trust N.A.	Railcars Trust 91-5 (Lease 4490) - Renewal of 00736	12/31/2016	
Progress Rail formerly US Bank	Railcars Trust 91-3 (Lease 4906) - Renewal of 00735 formerly leases 4461/4462	09/30/2016	

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/2016
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B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.) (Continued)

Original Cost (O) or Fair Market Value (D) of Property (d)	Expense to be Paid By Lessee Itemize (e)	Amount of Rent - Current Term				Account Charged (j)	Remaining Annual Charges Under Lease Est. If Not Known (k)
		Current Year		Accumulated To Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
		17,821				107	
		-868,491				122	
		278,423				152	
		1,131,828				184	
		915,995				417	
		345,283				107	
		41,249				121	
		-27,171				122	
		5,132				152	
		276,330				163	
		7,384				184	
		8,530				417	
		131,392				107	
		1,145				121	
		-761				122	
		147,171				152	
		5,999				163	
		2,975,629				184	
		105,426				417	
		18,653				107	
		5,463				121	
		-527				122	
		903,017				184	
		6,648				417	
		1,312,590				186	31,005,910
		15,700				242	
		94,320				253	
12,271,945		1,809,505		20,941,402		186	22,895,962
		0				253	
18,966,753		953,341				186	79,109
		0				253	
4,379,951		882,360				186	177,742
		0				253	

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report 12/31/2016
B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.)			
Name of Lessor (a)	Basic Details of Lease (b)	Terminal Dates of Lease, Primary (P) or Rental (R) (c)	
Citizens Asset Finance	Water Transportation Equipment (Lease 4991)	06/30/2023	
Citizens Asset Finance	Water Transportation Equipment (Lease 4992)	12/31/2022	
Citizens Asset Finance	Water Transportation Equipment (Lease 5048)	10/31/2025	
Fifth Third Bank	Water Transportation Equipment (Lease 4993)	02/28/2021	
Manufacturers and Traders Trust Co	Water Transportation Equipment (Lease 4990)	10/31/2019	
PNC Equipment Financing	Water Transportation Equipment (Lease 4995)	07/31/2020	
RBS Asset Finance Master Owner Trust	Water Transportation Equipment (Lease 4951)	01/31/2021	
Regions Equipment Finance Corp	Water Transportation Equipment (Lease 4949)	12/31/2030	
Sun Trust Equipment	Water Transportation Equipment (Lease 4950)	12/31/2030	
Wells Fargo Equipment Finance	Water Transportation Equipment (Leases 4988, 4989)	03/31/2019	
US Bank	Water Transportation Equipment (Lease 4994)	07/1/2017	
Delta Marine	Water Transportation Equipment	12/31/2016	
Mitchland LLC (formerly Rashid Bros)	Water Transportation Equipment	07/31/2018	
Consolidation Coal Company	Water Transportation Equipment	08/31/2017	

Name of Respondent INDIANA MICHIGAN POWER COMPANY - MICHIGAN		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)		Year of Report 12/31/2016	
B. OTHER LEASE RENTALS CHARGED (Such as to Deferred Debits, etc.) (Continued)							
Original Cost (O) or Fair Market Value (D) of Property (d)	Expense to be Paid By Lessee Itemize (e)	Amount of Rent - Current Term				Account Charged (j)	Remaining Annual Charges Under Lease Est. If Not Known (k)
		Current Year		Accumulated To Date			
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
		293,752				417	
		2,154,118				417	
		1,034,000				417	
		2,080,800				417	
		1,113,285				417	
		1,108,100				417	
		882,643				417	
		1,328,256				417	
		929,234				417	
		1,083,234				417	
		25,894				417	
		71,370				417	
		18,221				417	
		42,000				417	
	Total Section B	23,662,291					

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	3,501,404
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...exprn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	
6	Associated Business Development	745,736
7	American Electric Power Service Corp Billings	307,773
8	Corporate Money Pool Allocations	41,296
9	Corporate Legal and Financing	92,201
10	Coporate Contributions and Memberships	135,142
11	Intercompany Billings	-133,981
12	Minor Items	4,162
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
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46	TOTAL	4,693,733

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			15,348,475		15,348,475
2	Steam Production Plant	28,246,588	101,161	8,152,481		36,500,230
3	Nuclear Production Plant	54,763,853	1,372,277			56,136,130
4	Hydraulic Production Plant-Conventional	1,342,651	9,350			1,352,001
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	872,668				872,668
7	Transmission Plant	24,099,170				24,099,170
8	Distribution Plant	52,594,046				52,594,046
9	Regional Transmission and Market Operation					
10	General Plant	3,760,477	1,171	745,089		4,506,737
11	Common Plant-Electric					
12	TOTAL	165,679,453	1,483,959	24,246,045		191,409,457

B. Basis for Amortization Charges

Section A, Line 1, Column D represents amortization of franchises over the life of the franchise totaling \$610,352 and amortization of capitalized software development cost over a 5 year life totaling \$14,738,123.
Section A, Line 2, Column D represents amortization of Rockport Unit 2 Leasehold Improvements over the life of Rockport Unit 2 Lease.
Section A, Line 10, Column D represents amortization of leasehold improvements over the lives of the related assets.

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	STEAM						
13	311 - Rockport U1	94,653	60.00	10.00	2.40		
14	311 - Rockport U2	4,059		2.00	2.96		
15	311 - Rkpt DSI U1	2,907		18.00	7.17		
16	311 - Rkpt DSI U2	503		2.00	7.76		
17	312 - Rockport ACI	11,818		6.00	3.33		
18	312 - Rockport U1	401,864	60.00	10.00	3.25		
19	312 - Rockport U2	18,694		2.00	3.16		
20	312 - Rkpt DSI U1	46,593		18.00	7.23		
21	312 - Rkpt DSI U1 - Pre	24,807	60.00	10.00	3.25		
22	312 - Rkpt DSI U2	51,248		2.00	7.83		
23	314 - Rockport U1	92,599	60.00	10.00	3.10		
24	314 - Rockport U2	867		2.00	3.30		
25	315 - Rockport U1	57,986	60.00	10.00	2.18		
26	315 - Rockport U2	2,084		2.00	3.16		
27	316 - Rockport U1	15,422	60.00	10.00	2.60		
28	316 - Rockport U2	6,784		2.00	2.92		
29	TOTAL STEAM	832,888					
30							
31	NUCLEAR						
32	321 - Cook U1	78,167		1.00	1.00		
33	321 - Cook U2	326,103		1.00	1.29		
34	322 - Cook U1	647,087		1.00	1.84		
35	322 - Cook U2	806,716		2.00	1.71		
36	323 - Cook U1	268,660		2.00	2.48		
37	323 - Cook U2	225,026		2.00	1.62		
38	324 - Cook U1	102,953			1.28		
39	324 - Cook U2	141,415			1.48		
40	325 - Cook U1	33,951		-1.00	2.62		
41	325 - Cook U2	194,688		-1.00	1.85		
42	TOTAL NUCLEAR	2,824,766					
43							
44	HYDRO						
45	331 - Berrien Springs	525		25.00	3.03		
46	331 - Buchanan	570		25.00	2.16		
47	331 - Constantine	302		25.00	3.07		
48	331 - Crew Service Cent	417		25.00	1.66		
49	331 - Elkhart	863		25.00	3.13		
50	331 - Mottville	497		25.00	2.71		

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	331 - Twin Branch	539		25.00	2.37		
13	332 - Berrien Springs	5,109		25.00	2.53		
14	332 - Buchanan	4,512		25.00	2.35		
15	332 - Constantine	990		25.00	2.74		
16	332 - Elkhart	4,067		25.00	2.84		
17	332 - Mottville	2,182		25.00	2.18		
18	332 - Twin Branch	5,073		25.00	1.91		
19	333 - Berrien Springs	7,174		25.00	3.15		
20	333 - Buchanan	1,296		25.00	2.42		
21	333 - Constantine	743		25.00	3.01		
22	333 - Elkhart	607		25.00	2.29		
23	333 - Mottville	596		25.00	2.45		
24	333 - Twin Branch	5,991		25.00	2.87		
25	334 - Berrien Springs	1,213		25.00	2.90		
26	334 - Buchanan	1,024		25.00	2.79		
27	334 - Constantine	378		25.00	3.90		
28	334 - Elkhart	461		25.00	2.56		
29	334 - Mottville	615		25.00	3.02		
30	334 - Twin Branch	1,636		25.00	2.73		
31	335 - Berrien Springs	790		25.00	3.27		
32	335 - Buchanan	265		25.00	3.22		
33	335 - Constantine	257		25.00	5.28		
34	335 - Crew Service Cent	127		25.00	1.62		
35	335 - Elkhart	184		25.00	4.86		
36	335 - Mottville	383		25.00	3.93		
37	335 - Twin Branch	540		25.00	3.39		
38	336 - Mottville	1		25.00	1.66		
39	TOTAL HYDRO	49,927					
40							
41	OTHER GENERATION						
42	341	726			5.00		
43	344	35,066			5.00		
44	345	269			5.00		
45	346	549			5.00		
46	TOTAL OTHER	36,610					
47							
48	TRANSMISSION						
49	350 (Rights)	56,321	65.00		1.23	R5	
50	352	21,705	75.00	10.00	1.30	R4	

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	352 - City Lights Acq	19			5.26		
13	353	695,792	50.00	-10.00	1.68	R1	
14	353 - City Lights Acq	294			5.37		
15	354	233,907	59.00	20.00	1.54	R5	
16	355	160,730	57.00	44.00	2.42	R1	
17	356	260,287	65.00	13.00	1.50	R3	
18	357	1,594	50.00		1.50	L5	
19	357 - City Lights Acq	719			5.33		
20	358	5,755	60.00	7.00	1.52	R3	
21	358 - City Lights Acq	234			5.31		
22	359	347	65.00		1.48	R5	
23	TOTAL TRANSMISSION	1,437,704					
24							
25	DISTRIBUTION						
26	360 (Rights) - IN	8,781	65.00		1.43	R5	
27	360 (Rights) - MI	4,989	65.00		1.47	R5	
28	361 - IN	10,820	70.00	12.00	1.48	R2	
29	361 - MI	3,175	70.00	12.00	1.53	R2	
30	361 - City Lights Acq	312					
31	362 - IN	195,887	50.00	1.00	1.94	L0	
32	362 - MI	43,856	50.00	1.00	1.97	L0	
33	362 - City Lights Acq	2,433					
34	363 - IN	5,489	15.00		6.48	SQ	
35	364 - IN	194,799	38.00	63.00	3.98	R0.5	
36	364 - MI	62,481	38.00	63.00	4.11	R0.5	
37	364 - City Lights Acq	534					
38	365 - IN	304,797	40.00	5.00	2.51	R0.5	
39	365 - MI	111,138	40.00	5.00	2.56	R0.5	
40	365 - City Lights Acq	488					
41	366 - IN	71,796	55.00		1.70	R2.5	
42	366 - MI	9,564	55.00		1.75	R2.5	
43	366 - City Lights Acq	2,218					
44	367 - IN	191,076	40.00		2.30	R2	
45	367 - MI	34,115	40.00		2.38	R2	
46	367 - City Lights Acq	1,342					
47	368 - IN	260,434	30.00	3.00	3.05	R1.5	
48	368 - MI	45,774	30.00	3.00	3.21	R1.5	
49	368 - City Lights Acq	66					
50	369 - IN	139,880	45.00	17.00	2.42	R0.5	

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	369 - MI	29,421	45.00	17.00	2.50	R0.5	
13	369 - City Lights Acq	2,392					
14	370 - IN	74,963	25.00	22.00	4.00	S5	
15	370 - MI	16,209	25.00	22.00	4.37	S5	
16	370.16	3,715			10.00		
17	371 - IN	18,339	16.00	20.00	6.78	L0	
18	371 - MI	7,874	16.00	20.00	7.08	L0	
19	371 - City Lights Acq	9					
20	373 - IN	15,719	25.00	7.00	3.63	R0.5	
21	373 - MI	4,812	25.00	7.00	3.90	R0.5	
22	TOTAL DISTRIBUTION	1,879,697					
23							
24	GENERAL PLANT						
25	390	39,038	45.00	-14.00	1.93	S1.5	
26	391	6,994	22.00	-7.00	4.30	SQ	
27	393	132	14.00		7.21	SQ	
28	394	12,613	16.00		6.32	SQ	
29	395	396	20.00	-1.00	5.04	SQ	
30	396	544	25.00		4.03	SQ	
31	397	43,451	27.00	-14.00	3.24	SQ	
32	397.16	335	10.00		10.00		
33	398	10,190	30.00	-12.00	2.95	SQ	
34	TOTAL GENERAL PLANT	113,693					
35							
36	DEPRECIABLE SUM	7,175,285					
37							
38							
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Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 336 Line No.: 7 Column: b

Generation Step-Up Units (GSU's) depreciation expenses included in I&M's generation formula rates are a subset of transmission depreciation and identified by a query of the plant accounting system.

Schedule Page: 336.3 Line No.: 36 Column: b

The depreciable plant base is the November 30, 2016 total company depreciable plant.

City Light Acq distribution accounts represent the Fort Wayne City Light Acquisition depreciated over 15 years (until February 2025) per agreement filed with the Indiana Utility Regulatory Commission on June 6, 2011 Cause No. 43980.

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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS
AND INTEREST CHARGES ACCOUNTS**

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) *Miscellaneous Amortization* (Account 425)-Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) *Miscellaneous Income Deductions*-- Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related

Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be grouped by classes within the above accounts.

(c) *Interest on Debt to Associated Companies* (Account 430) -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) *Other Interest Expense* (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	425 MISCELLANEOUS AMORTIZATION	
2	None	0
3		
4	426 Other Income Deductions	
5		
6	426.1 DONATIONS	
7	AEP Foundation	8,822,249
8	Community Chest	790,374
9	Service Organization	461,119
10	School, Colleges, and Universities	107,750
11	Other minor items.	177,892
12		
13	Subtotal 426.1 Items	10,359,384
14		
15	426.3 PENALTIES	
16	Indiana Department of Revenue	245,230
17	NERC	72,396
18	Michigan Department of Revenue	59,952
19	Other minor items.	4,493
20		
21	Subtotal 426.3 Items	382,071
22		
23	426.4 EXPENDITURES FOR CERTAIN CIVIC, POLITICAL, AND RELATED ACTIVITY	
24	AEP Service Corporation Expenses	819,077
25	Business and Meeting Expenses	131,335
26	Legislative and Lobbying Services	114,522
27	Labor Overheads	64,952
28	Nuclear Energy Institute	32,285
29	Other minor items	23,427
30	Nuclear Waste Strategy	10,350
31		
32	Subtotal 426.4 Items	1,195,948
33		
34		
35		

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**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS
AND INTEREST CHARGES ACCOUNTS**

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) *Miscellaneous Amortization (Account 425)*—Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) *Miscellaneous Income Deductions*— Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related

Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be grouped by classes within the above accounts.

(c) *Interest on Debt to Associated Companies (Account 430)* -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) *Other Interest Expense (Account 431)* -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	426.5 OTHER DEDUCTIONS	
2	Factored Customer Accounts Receivable Expense	7,098,974
3	AEP Service Corporation Expenses	447,497
4	PJM Proceeding Litigation Expenses	100,000
5	Other minor items	78,273
6	Blackhawk Coal Shutdown Costs	58,487
7		
8	Subtotal 426.5 Items	7,783,231
9		
10	TOTAL ACCOUNT 426	19,720,634
11		
12	430 MONEY POOL INTEREST	
13	Money Pool Interest	851,540
14		
15	431 OTHER INTEREST EXPENSE	
16	Indiana Life Cycle Management Carrying Charges	4,975,803
17	Interest on Customer Deposits	1,844,053
18	Lines of Credit	1,605,160
19	Fort Wayne Settlement	999,727
20	Indiana Dry Sorbent Injection Carrying Charges	400,194
21	Indiana Clean Coal Technology Carrying Charges	295,357
22	Interest related to FIN-48 tax adjustments	195,216
23	Fuel Recovery	147,147
24	IPP Projects	107,532
25	Indiana Solar Carrying Charges	94,491
26	Issuance Expenses	59,157
27	Indiana Demand Side Management Carrying Charges	43,041
28	Michigan Energy Optimization Carrying Charges	12,453
29	Other minor items	12,144
30		
31	TOTAL ACCOUNT 431	10,791,475

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES
(Account 426.4)

1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances); approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials which are accounted for as Other Income Deductions, Expenditures for Certain Civic, Political and Related Activities, Account 426.4.

2. Advertising expenditures in this Account shall be classified according to subheadings, as follows:
(a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customer's bills; (d) inserts in

reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.

3. Expenditures within the definition of paragraph (1), other than advertising shall be reported according to captions or descriptions clearly indicating the nature and purpose of the activity.

4. If respondent has not incurred any expenditures contemplated by the instruction of Account 426.4, so state.

5. Minor amount may be grouped by classes if the number of items so grouped is shown.

NOTE: The classification of expenses as nonoperating and their inclusion in this amount is for accounting purposes. It does not preclude Commission consideration of proof to the contrary for ratemaking or other purposes.

Line No.	Item (a)	Amount (b)
1	Lobbying Expenses - Company Employees	\$ 96,794
2	Lobbying Expenses - Third Party	42,000
3		
4		
5		
6		
7		
8		
9		
10	Total Acct 426.4	138,794
11		
12		
13		
14		
15		
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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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EXTRAORDINARY ITEMS (Accounts 434 and 435)

- | | |
|--|--|
| <p>1. Give below a brief description of each item included in Accounts 434, Extraordinary Income and 435, Extraordinary Deductions.</p> <p>2. List date of Commission approval for extraordinary treatment of any item which amounts to less than 5%</p> | <p>on income. (See General Instruction 7 of the Uniform System of Accounts).</p> <p>3. Income tax effects relating to each extraordinary item should be listed in Column (c).</p> <p>4. For additional space use an additional page.</p> |
|--|--|

Line No.	Description of Items (a)	Gross Amount (b)	Related Income Taxes (c)
1	Extraordinary Income (Account 434):		
2	None		
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19	Total Extraordinary Income	0	0
20	Extraordinary Deductions (Account 435):		
21	None		
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			
39	Total Extraordinary Deductions	0	0
40	Net Extraordinary Items	0	0

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REGULATORY COMMISSION EXPENSES

- Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
- Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Nuclear Regulatory Commission				
2	- Inspection and Licensing Fees	2,788,814		2,788,814	
3	- Annual Fees	9,625,000		9,625,000	
4					
5					
6	Hydro License Fee		33,858	33,858	
7					
8	Indiana Rate Case		51,790	51,790	51,790
9	amortz 3/2013-2/2016				
10	per IURC Order #44075				
11					
12	Current Indiana Rate Case		1,335,138	1,335,138	
13					
14	Current Michigan Rate Case		96,700	96,700	
15					
16	FERC Filing-Behalf of PJM East Reg Companies		8,860	8,860	
17					
18	Depreciation Rate Update Filing		68,605	68,605	
19					
20	Integrated Resource Plan Filing		97,652	97,652	
21					
22	FERC 205/206 Filings		23,248	23,248	
23					
24	Minor Items < \$25,000		31,886	31,886	
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL	12,413,814	1,747,737	14,161,551	51,790

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				Line No.
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	
Department (f)	Account No. (g)	Amount (h)					
							1
	928	2,788,814					2
	928	9,625,000					3
							4
							5
	928	33,858					6
							7
				928	51,790		8
							9
							10
							11
	928	1,335,138	600,384			600,384	12
							13
	928	96,700	63,524			63,524	14
							15
	928	8,860					16
							17
	928	68,605					18
							19
	928	97,652					20
							21
	928	23,248					22
							23
	928	31,886					24
							25
							26
							27
							28
							29
							30
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							45
		14,109,761	663,908		51,790	663,908	46

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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

- A. Electric R, D & D Performed Internally:**
- (1) Generation
 - a. hydroelectric
 - i. Recreation fish and wildlife
 - ii Other hydroelectric
 - b. Fossil-fuel steam
 - c. Internal combustion or gas turbine
 - d. Nuclear
 - e. Unconventional generation
 - f. Siting and heat rejection
 - (2) Transmission
- a. Overhead**
b. Underground
- (3) Distribution
 - (4) Regional Transmission and Market Operation
 - (5) Environment (other than equipment)
 - (6) Other (Classify and include items in excess of \$50,000.)
 - (7) Total Cost Incurred
- B. Electric, R, D & D Performed Externally:**
- (1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	A(1)b: Generation: Fossil Fuel Steam	4 items < \$50,000
2		1 item <\$50,000
3	A(1)d: Generation: Nuclear	1 item <\$50,000
4	A(1)e: Generation: Unconventional	1 item <\$50,000
5		2 items <\$50,000
6	A(2): Transmission	3 items <\$50,000
7	A(3): Distribution	1 item <\$50,000
8	A(5): Environment (other than equipment)	Industrial Advisory Committee - Southern Co.
9		2 items <\$50,000
10	A(6): Other	2 items <\$50,000
11		2 items <\$50,000
12		2 items <\$50,000
13		3 items <\$50,000
14	A(6)f: Other: Metering	1 item <\$50,000
15	A(6)g: Research-General	1 item <\$50,000
16		1 item <\$50,000
17	A(7) TOTAL COSTS INCURRED INTERNALLY	
18	B: Electric R&D External	
19		1 item <\$50,000
20		1 item <\$50,000
21		3 items <\$50,000
22		4 items <\$50,000
23	B(1): Research Support to Electric Research	EPRI Environmental Science
24		EPRI Research Portfolio
25		EPRI Research Portfolio
26		EPRI Research Portfolio
27		EPRI Nuclear Annual Research
28		12 items <\$50,000
29		3 item <\$50,000
30		12 items <\$50,000
31		4 items <\$50,000
32	(B4): Steam Power	4 items <\$50,000
33	B(5) TOTAL COSTS INCURRED EXTERNALLY	
34		
35		
36		
37		
38		

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
 - (3) Research Support to Nuclear Power Groups
 - (4) Research Support to Others (Classify)
 - (5) Total Cost Incurred
3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)
5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."
7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
65,599		506	65,599		1
6,171		524	6,171		2
2,795		524	2,795		3
367		506	367		4
3,027		588	3,027		5
23,731		566	23,731		6
4,920		588	4,920		7
70,254		506	70,254		8
660		506	660		9
4,915		506	4,915		10
7,449		524	7,449		11
4,077		566	4,077		12
7,824		588	7,824		13
573		588	573		14
122		566	122		15
197		588	197		16
202,681			202,681		17
					18
	2,435	506	2,435		19
	7,774	524	7,774		20
	12,068	566	12,068		21
	46,258	588	46,258		22
	350,551	506	350,551		23
	93,111	506	93,111		24
	162,322	566	162,322		25
	12,906	588	12,906		26
	1,493,201	524	1,493,201		27
	13,635	506	13,635		28
	37,950	524	37,950		29
	13,035	566	13,035		30
	20,445	588	20,445		31
	3,065	506	3,065		32
	2,268,756		2,268,756		33
					34
					35
					36
					37

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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminating and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	181,298,351	8,298,649	189,597,000
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	42,335,155	1,937,826	44,272,981
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	42,335,155	1,937,826	44,272,981
72	Plant Removal (By Utility Departments)			
73	Electric Plant	6,932,482	317,324	7,249,806
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	6,932,482	317,324	7,249,806
77	Other Accounts (Specify, provide details in footnote):			
78	120 - Nuclr Fuel in Proc of Refinement	400,793		400,793
79	121 - Nonutility Property	1,079		1,079
80	152 - Fuel Stock Undistributed	2,701,443		2,701,443
81	163 - Stores Expense Undistributed	7,704,465	-7,704,465	
82	183 - Prelim Survey	84,914	-84,914	
83	184 - Clearing Accounts	2,764,420	-2,764,420	
84	185 - ODD Temporary Facilities	87,745		87,745
85	186 - Misc Deferred Debits	608,407		608,407
86	188 - Research & Development	-598		-598
87	228 - RAD Waste Accrual	28,443		28,443
88	242 - Misc Current & Accrual Liab	-707		-707
89	417 - Misc Exp	28,297,749		28,297,749
90	426 - Political Activities	68,943		68,943
91				
92				
93				
94				
95	TOTAL Other Accounts	42,747,096	-10,553,799	32,193,297
96	TOTAL SALARIES AND WAGES	273,313,084		273,313,084

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FOOTNOTE DATA			

Schedule Page: 354 Line No.: 28 Column: b

The labor charges from AEP Service Corporation included in the development of the I&M generation formula rate payroll allocator are derived from a query of the general ledger.

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COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report December 31, 2016
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES			
<p>1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. (These services include rate, management, construction, engineering research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation, partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$50,000, including payments for legislative services, except those which should be reported in Account</p>		<p>426.4, Expenditures for Certain Civic, Political and Related Activities.) (a) Name and address of person or organization rendering services. (b) description of services received during year and project or case to which services relate. (c) basis of charges, (d) total charges for the year, detailing utility department and account charged.</p> <p>2. For any services which are of a continuing nature, give the date and term of contract and date of Commission authorization, if contract received Commission approval.</p> <p>3. Designate with an asterisk associated companies.</p>	
<p>1 a. American Electric Power Service Corporation - * (Associated Company) 1 Riverside Plaza Columbus, Ohio 43215-2373</p> <p>b. American Electric Power Service Corporation renders management and advisory services to American Electric Power Company, Inc. (Parent) and its subsidiary companies. Such services furnished include, but are not limited to: administrative, planning & engineering, financial and accounting management, legal, fuel & material procurement, pension & employee benefits administration, and other technical services.</p> <p>c. The services are provided on a non-profit basis. Under a work order system, costs are identified and billed directly to the company benefiting from the service rendered to the extent practical. Other costs that cannot be directly attributed to particular companies are collected on work orders which are allocated to the companies based on the appropriate factor.</p> <p>2. Date of Contract - June 15,2000 (supercedes contract dated January 1, 1980) Term of Contract - Indeterminate AEPSC activities are authorized by the FERC under the Public Utility Holding Company Act of 2005 Date of SEC Authorization - June 14, 2000</p>			
Total charges for the year and Utility Department and account charged		ACCOUNT	AMOUNT
Electric	Construction Work in Progress	107	46,741,240
	Retirement Work in Progress	108	524,402
	Nuclr Fuel in Proc of Refinmnt	120	59,765
	Nonutility Property	121	216,208
	Depr & Amort of Nonutil Prop	122	313
	Other Investments	124	453
	Fuel Stock Undistributed	152	1,644,061
	Clearing Accounts	163	4,014,604
	Regulatory Assets	182.3	(38)
	Preliminary Survey & Investig. Charges	183	45,895
	Misc Deferred Debits	186	154,725
	Deferred Debits-R&D	188	967,614
	Current & Accrued Liabilities	242	3,579
	Non-Utility Operations Revenue	417	1,617,264
	Non-Operating Rental Income	418	4,997
	Misc Non-Operating Revenues	421	7,611
	Other Income Deductions	426	1,374,172
Electric	Account 401	Operating Expense	
		500	6,102,844
		501	133,412
		502	76,083
		506	110,153
		508	112
		517	55,697
		520	733
		524	1,135,402
		535	464,253
		537	80,386
		538	1,362
		539	693,475
		546	38,510
		547	(69)
		549	83,530
		555	(7)
		556	2,207,188
		557	4,143,840
		560	4,531,289
		561	1,922,517

Name of Respondent	This Report Is:	Date of Report	Year of Report	
Indiana Michigan Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2016	
Electric	Account 401	Operating Expense (contd.)	562	12,697
			563	49,883
			566	2,374,532
			567	129
			580	980,980
			581	9,990
			582	11,694
			583	132
			584	18,931
			586	329,515
			588	1,455,875
			598	5,891
			901	106,735
			902	192,484
			903	8,639,567
			904	7
			905	30,777
			907	166,204
			908	96,036
			910	7,548
			912	125,875
			913	1,540
			920	30,503,818
			921	2,157,343
			923	5,310,253
			925	51,623
			926	117,649
			928	1,421,696
			930	656,135
			931	375,660
Electric	Account 401	Total Operating Expense		76,991,892
Electric	Account 402	Maintenance Expense	510	623,181
			511	53,958
			512	67,860
			513	108,650
			514	20,174
			528	208,457
			530	2,184,926
			531	161,744
			532	9,301
			540	1,098
			541	74,104
			542	39,694
			543	46,042
			544	79,467
			545	17,715
			548	7
			553	(38)
			568	61,749
			569	1,111,047
			570	445,561
			571	68,957
			572	126
			573	94,437
			590	10,795
			591	13,193
			592	116,379
			593	105,642
			594	111
			595	131
			597	607
			935	5,969,164
Electric	Account 402	Total Maintenance Expense		11,694,241
		Total O&M		88,686,133
		Total AEP Service Corp charges		\$ 146,064,295

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Indiana Michigan Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	December 31, 2016	
Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
ABB INC 5480 CLOVERLEAF PARKWAY #1 CLEVELAND, OH 44125	system software development	Invoice Cost	107	5,141,705
ADM ASSOCIATES INC 3239 RAMOS CIRCLE SACRAMENTO, CA 95827	environmental consulting services	Invoice Cost	908	620,355
ADVANCED INDUSTRIAL MACHINING 2946 S. 13TH STREET TERE HAUTE, IN 47802	maintenance services	Invoice Cost	107, 108, 593	192,417
AE SOLUTIONS 1200 WOODRUFF RD., STE A21 GREENVILLE, SC	solar energy services	Invoice Cost	107	68,867
AERIAL SOLUTIONS INC 7074 RAMSEY FORD ROAD TABOR CITY, NC 28463	tree trimming services	Invoice Cost	571	174,486
AEROTEK INC 7301 PARKWAY DRIVE HANOVER, MD 21076	equipment & maintenance services	Invoice Cost	107, 108, 163, 186, 580, 588, 930, 935	467,715
AGT SERVICES 24 SAM STRATTON ROAD AMSTERDAM, NY 12010	turbine generator repair services	Invoice Cost	108	392,619
ALDRIDGE ELECTRIC INC. 844 E. ROCKLAND AVENUE LIBERTYVILLE, IL 60048	power & utility services	Invoice Cost	186	7,381,453
ALL CITIES OCCUPATIONAL & ENV 3333 S STATE ST ST. JOSEPH, MI 49085	employee testing services	Invoice Cost	524	62,262
ALSTOM POWER INC 2800 WATERFORD LAKE DR MIDLOTHIAN, VA 23112	inspection & measurement services	Invoice Cost	107, 513	7,449,495
AMEC FOSTER WHEELER ENVIRONMENT 1008 FISH HATCHERY ROAD MADISON, WI 53715	environmental consulting services	Invoice Cost	107, 512	96,904
AMERICAN SERVICE GROUP INC. 105 WESTPARK DRIVE, SUITE 200 BRENTWOOD, TN 37027	managed healthcare services	Invoice Cost	511, 512	75,045
APPLIED ENERGY GROUP 1377 MOTOR PKWY STE 401 ISLANDIA, NY 11749	consulting services	Invoice Cost	908	245,821
ARC AMERICAN INC. 66540 STATE ROAD 19 1 WAKARUSA, IN 46573	contracting services	Invoice Cost	186, 593	470,246
AREA WIDE PROTECTIVE 826 OVERHOLT ROAD KENT, OH 44240	traffic control services	Invoice Cost	107, 185, 186, 560, 583, 584, 593, 594, 596	1,553,804
AREVA INC. 7207 IBM DR. CHARLOTTE, NC 28262	nuclear energy services	Invoice Cost	107, 530, 531, 532	1,329,592
ARNT ASPHALT SEALING INC. 1240 S CRYSTAL AVENUE BENTON HARBOR, MI 49022	asphalt maintenance services	Invoice Cost	108, 529, 532	102,720

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Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
ASPLUNDH CONSTRUCTION CORP 950 TAYLOR STATION ROAD. COLUMBUS, OH 43230	construction contracting services	Invoice Cost	107, 108, 185, 186, 580, 588, 593, 594	14,886,321
ASPLUNDH TREE EXPERT 950 TAYLOR STATION ROAD. COLUMBUS, OH 43230	tree trimming services	Invoice Cost	107, 186, 571, 593	16,085,557
ATC ENGINEERING SERVICES OF OHIO 11121 CANAL ROAD CINCINNATI, OH 45241	fly ash landfill engineering services	Invoice Cost	107	379,599
ATLANTIC PLANT MAINTENANCE INC. 3225 PASADENA BLVD. PASADENA, TX 77503	plant maintenance services	Invoice Cost	107, 530, 531, 532	166,461
BARNHART CRANE & RIGGING CO. 5068 FORT HENRY DRIVE KINGSPORT, TN 37663	power commerce services	Invoice Cost	107, 108	116,613
BC EXCAVATING LTD. 10654 STARNER ROAD ROCKBRIDGE, OH 43149	construction services	Invoice Cost	107	104,075
BCP TECHNICAL SERVICES INC. 401 WHITNEY AVE, STE 402 GRETN, LA 70056	engineering services	Invoice Cost	530, 532	104,030
BENTLEY NEVADA INC. 1631 BENTLY PKWY S. MINDEN, NV 89423	electrical machinery services	Invoice Cost	107	184,347
BETTER ENTERPRISE SOLUTIONS CO. 14508 MADISON AEW. LAKEWOOD, OH 44107	business consulting services	Invoice Cost	506	61,784
BHI ENERGY - POWER SERVICES LLC 97 LIBBEY INDUSTRIAL PARKWAY WEYMOUTH, MA 02189	power generation services	Invoice Cost	107, 108, 520, 530, 531	632,816
BLACK & VEATCH LTD 11401 LAMAR AVENUE OVERLAND PARK, KS 66211	engineering services	Invoice Cost	107	10,427,197
BLANKENBERGER BROTHERS INC. 11700 WATER TANK ROAD CYNTHIANA, IN 47612	excavation & site preparation	Invoice Cost	501	155,355
BNP PARIBAS CAPSTAR PARTNERS 1703 WEST FIFTH STREET AUSTIN, TX 78703	investing services	Invoice Cost	506	50,000
BOSE PUBLIC AFFAIRS 1600 FIRST INDIANA PLAZA INDIANAPOLIS, IN 46204	legislative services	Invoice Cost	426	66,400
BOWEN ENGINEERING CORPORATION 8802 NORTH MERIDIAN STREET INDIANAPOLIS, IN 46260	construction services	Invoice Cost	107	1,001,827
BOWLIN ENERGY LLC 12200 CHANDLER DRIVE WALTON, KY 41094	consulting services	Invoice Cost	186	145,935
BROWN SERVICES CO LLC P.O. BOX 64 WHEELERSBURG, OH 45694	occupational safety services	Invoice Cost	107, 108, 186, 512	853,008

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Indiana Michigan Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31, 2016	
Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
BURNS & MCDONNELL 1431 OPUS PLACE DOWNERS GROVE, IL 60515	engineering services	Invoice Cost	107, 108	538,200
CANBERRA INDUSTRIES INC. 107 UNION VALLEY ROAD OAK RIDGE, TN 37830	radiation monitoring services	Invoice Cost	530	50,000
CARDNO INC. 6605 STEGER ROAD MONEE, IL 60449	environmental consulting services	Invoice Cost	107, 108, 537, 542	114,984
CB&I STONE & WEBSTER CONSTRUCTION 245 SUMMIT STREET BOSTON, MA 02210	construction services	Invoice Cost	107, 108, 163, 183, 520, 524, 529, 530, 531, 532	6,031,634
CBI SERVICES INC. 14105 SOUTH ROUTE 59 PLAINFIELD, IL 60544	engineering services	Invoice Cost	107, 108, 517, 524, 529, 530, 531, 532	21,285,201
CE POWER SOLUTIONS LLC 4500 W. MITCHELL AVE. CINCINNATI, OH 45232	engineering services	Invoice Cost	108	105,082
CG POWER SOLUTIONS USE INC. 403 NEW KARNER ROAD ALBANY, NY 12205	electrical energy services	Invoice Cost	107	65,813
CHAIN ELECTRIC COMPANY INC. 13081/2 W. PINE STREET HATTIESBURG, MS 39403	electrical services	Invoice Cost	512	61,492
CIANBRO CORPORATION 101 CIANBRO SQUARE PITTSFIELD, ME 04967	engineering consulting services	Invoice Cost	107	271,667
CITY PLUMBING & HEATING CO. 407 STATE STREET SAINT JOSEPH, MI 49085	plumbing services	Invoice Cost	107, 529	146,586
CLEAN HARBORS ENVIRONMENTAL 581 MILLIKEN DRIVE HEBRON, OH 43025	environmental consulting services	Invoice Cost	108, 570, 592	92,025
CLEARRESULT CONSULTING INC 4301 WESTBANK DRIVE AUSTIN, TX 78746	energy management services	Invoice Cost	908	817,842
COMMONWEALTH ASSOCIATES INC 2700 W ARGYLE JACKSON, MI 49204	electrical engineering & design services	Invoice Cost	107, 108	2,494,564
COMMUNICATION COUNSEL OF AMERICA 17400 DALLAS PKWY STE 200 DALLAS, TX 75287	consulting services	Invoice Cost	928	57,744
CONTRACT LAND STAFF INC. 1997 S. MAIN STREET BLACKSBURG, VA 24060	staffing services	Invoice Cost	107	240,092
CRANE NUCLEAR INC 2825 COBB INTERNATIONAL BLVD. KENNESAW, GA 30152	valve solution services	Invoice Cost	107, 108, 520, 530, 531, 532	2,318,877
CULY CONSTRUCTION & EXCAVATING 5 INDUSTRIAL PARK DRIVE WINCHESTER IN 47394	drainage construction services	Invoice Cost	107, 108, 570, 935	1,350,486

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Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
CUSTER OFFICE ENVIRONMENTS 5737 E CORK ST. KALAMAZOO, MI 49004	office equipment	Invoice Cost	107, 524	62,399
DAVEY RESOURCE GROUP 3728 FISHCREEK ROAD STOW, OH 44224	tree trimming services	Invoice Cost	107, 571, 593	420,856
DAVIES CONSULTING LLC 3935 WISCONSIN AVE. CHEVY CHASE, MD 20815	management consulting services	Invoice Cost	107, 580, 588	222,551
DAVIS H ELLIOT COMPANY INC 673 BLUE SKY PARKWAY LEXINGTON, KY 40509	storm response services	Invoice Cost	186	643,505
DAY & ZIMMERMAN NPS INC 1827 FREEDOM RD LANCASTER, PA 17601	nuclear engineering support	Invoice Cost	107, 529, 530, 531, 532	70,920
DETROIT EDISON CO. 1 ENERGY PLZ. DETROIT, MI 48226	energy utility services	Invoice Cost	107, 108, 530, 531, 532	109,671
DIEBOLD INC. 1809 OBRIEN ROAD COLUMBUS, OH 43228	security services	Invoice Cost	107	133,392
DIGIOIA, GRAY & ASSOCIATES 570 BEATTY ROAD MONROEVILLE, PA 15148	engineering services	Invoice Cost	560	149,857
DISCOVER READY LLC 1 EXCHANGE PLAZA FLOOR 6 NEW YORK, NY 10008	business consulting services	Invoice Cost	923	128,350
DLZ INDUSTRIAL LLC 316 TECH DRIVE CHESTERTON, IN 46304	construction services	Invoice Cost	107, 108, 588	538,571
DUE NORTH AVIATION LLC 3380 OLD COLUMBUS RD NW CARROLL, OH 43112	commercial helicopter services	Invoice Cost	107, 563, 571	293,794
E&T TREE SERVICE 125 MOUNT AUBURN STREET DUNKIRK, IN 47336	landscaping & tree removal services	Invoice Cost	186, 562, 582, 588	150,869
EASI LLC 1551 EAST LINCOLN AVENUE #105 MADISON HEIGHTS, MI 48071	employment services	Invoice Cost	107, 108, 186, 560, 563, 566, 571	2,501,958
EASTHAM & ASSOCIATES 3992 STATE ROUTE 7 CHESAPEAKE, OH 45619	surveying services	Invoice Cost	108, 511, 921	599,823
EATON CORPORATION 811 GREEN CREST DRIVE WESTERVILLE, OH 43081	management services	Invoice Cost	107	1,138,948
EC SOLUTIONS SERVICES LLC 8644 EAST THOMAS ROAD MESA, AZ 85215	construction services	Invoice Cost	107, 108	968,740
ECSL 181 MONTOUR RUN ROAD CORAPOLIS, PA 15108	marketing services	Invoice Cost	107, 108	3,166,356

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Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (cont'd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
EDISON ELECTRIC INSTITUTE 605 MELROSE STREET ALEXANDRIA, VA 22302	trade organization fees	Invoice Cost	506	72,080
EDKO LLC 908 S. 11TH STREET BROKEN ARROW, OK 74012	perimeter security services	Invoice Cost	107, 593	1,756,568
ELECTRIC POWER SYSTEMS INC. 3305 ARCTIC BLVD. ANCHORAGE, AK 99503	construction services	Invoice Cost	107, 108, 592	955,824
ELECTRICAL CONSULTANTS INC 3521 GABEL ROAD BILLINGS, MT 59102	planning services	Invoice Cost	107	1,207,113
ELEMENTAL ANALYSIS INC. 201 CAPSTONE DR. LEXINGTON, KY 40511	elemental analysis services	Invoice Cost	107, 183	65,260
ENERFAB ELECTRICAL INC. 4955 SPRING GROVE AVENUE CINCINNATI, OH 45232	electrical services	Invoice Cost	107	114,010
ENERFAB INC 4955 SPRING GROVE CINCINNATI, OH 45232	fabrication & installation services	Invoice Cost	107	1,924,990
ENERGY NORTHWEST 76 N. POWER PLANT LOOP RICHLAND, WA 99354	public utility services	Invoice Cost	107, 108, 930, 935	87,119
ENGINEERING PLANNING & MGMT 959 CONCORD STREET FRAMINGHAM, MA 01701	fire protection services	Invoice Cost	107, 517, 524	149,001
ENGINEERING VISION INC 5812 INDUSTRIAL ROAD FORT WAYNE, IN 46825	engineering & surveying services	Invoice Cost	107	86,024
ENGINEERING MANAGEMENT SPECIALISTS 303 SWANSON DRIVE LAWRENCEVILLE, GA 30043	environmental cleanup services	Invoice Cost	108, 186	153,721
ENVIRONMENTAL PROTECTION SERVICES 50 W. TOWN STREET COLUMBUS, OH 43215	transformer services	Invoice Cost	108	111,085
ENVIRONMENTAL REMEDIATION SERVICES 2852 RAND ROAD INDIANAPOLIS, IN 46241	remediation services	Invoice Cost	186, 570, 580, 588	78,929
FERGUSON ADVERTISING 803 S CALHOUN STREET FORT WAYNE, IN 46802	advertising services	Invoice Cost	908	337,473
FILSINGER ENERGY PARTNERS INC. 25 S ELM ST DENVER, CO 80246	consulting services	Invoice Cost	928	254,045
FIRST SOLAR ELECTRIC LLC 11757 KATY FREEWAY HOUSTON, TX 77079	solar energy solutions services	Invoice Cost	107	17,427,862
FISHEL COMPANY 1810 ARLINGTON LANE COLUMBUS, OH 43260	utility construction services	Invoice Cost	107	91,024

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Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
FLORIDA TRANSFORMER INC. 4509 STATE HUGHWAY 83 DEFUNIAK SPRINGS, FL 32433	transformer services	Invoice Cost	107, 108, 570	183,465
FLOWSERVE 5215 N. O'CONNOR BLVD. IRVING, TX 75039	consulting services	Invoice Cost	107, 108	108,121
FOERTSCH CONSTRUCTION COMPANY 12724 N. STATE ROAD 245 LAMAR, IN 47550	construction services	Invoice Cost	151, 512	173,573
FRHAM SAFETY PRODUCTS INC. 318 HILL AVENUE NASHVILLE, TN 37210	safety services	Invoice Cost	107, 108, 524, 530	418,794
FURMANITE AMERICA INC. 170 LOT PAVEMENT ROAD PARKERBURG, WV 26101	testing & heat treatment services	Invoice Cost	107, 530, 531, 532	114,542
G & L CORPORATION 3101 BROOKLYN AVE FORT WAYNE, IN 46809	equipment moving services	Invoice Cost	107, 108, 186, 592	631,762
G&T SERVICES INC. 1630 SUMMIT STREET NEW HAVENS, IN 46774	maintenance services	Invoice Cost	186, 582, 582, 930	117,175
G4S SECURE SOLUTIONS (USA) INC 4200 WACKENHUT DR PALM BEACH GARDENS, FL 33410	security services	Invoice Cost	107, 184, 501, 506 923	125,973
GAYLOR INC 5750 CASTLE CREEK PKWY N DRIVE INDIANAPOLIS, IN 46250	electrical contracting services	Invoice Cost	107, 108, 570	3,775,363
GE GRID SOLUTIONS LLC 4200 WILDWOOD PARKWAY ATLANTA, GA 30339	grid consulting services	Invoice Cost	107	3,399,295
GENERAL ELECTRIC CO. various US locations	electrical services	Invoice Cost	107, 530, m531	114,320
GEOFORCE UTILITY TECHNOLOGIES 1202 NORTH INGLESIDE FARM ROAD IRON STATION, NC 28080	utility consulting services	Invoice Cost	583	1,182,473
GIBBCO INC. 617 SHEPHERD DRIVE CINCINNATI, OH 45215	pole inspection services	Invoice Cost	186, 511	405,098
GOTH & SONS EXCAVATING INC. 5611 WEST COUNTY ROAD 500 NORTH MUNCIE, IN 47304	construction services	Invoice Cost	186	77,519
GRAY COMPANY INC. 205 ESTERN AVENUE FAIRBAULT, MN 55021	business consulting services	Invoice Cost	571, 588, 592, 593	194,205
GRAYCOR INDUSTRIAL CONSTRUCTION 13040 CAPITAL STREET OAK PARK, MI 48237	construction services	Invoice Cost	107	59,189,247
GREAT LAKES CLEANING INC. 216 COURT STREET ST. JOSEPH, MI 49085	cleaning services	Invoice Cost	524	497,007
GRIBBINS INSULATION COMPANY 1400 E. COLUMBIA STREET EVANSVILLE, IN 47711	insulation contracting services	Invoice Cost	107, 108, 512	339,835

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Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
GUS COMMERCIAL DIVERS LLC 12839 INDUSTRIAL PARK DRIVE GRANDGER, IN 46530	underwater construction services	Invoice Cost	107, 108, 543, 544	191,068
HALEY & ALDRICH DESIGN & CONSTRUCTION 655 METRO PLACE SOUTH DUBLIN, OH 43017	construction services	Invoice Cost	107, 580	188,076
HAVERFIELD INTERNATIONAL INC 1750 EMMITSBURG ROAD GETTYBURG, PA 17325	aerial inventory inspections	Invoice Cost	107, 108, 571	866,983
HIGH VOLTAGE MAINTENANCE CORP. 8760 ORIONPLACE COLUMBUS, OH 43240	engineering services	Invoice Cost	107, 108	254,337
HOLTEC INTERNATIONAL 1001 NORTH US HIGHWAY 1 JUPITER, FL 33477	nuclear & engineering services	Invoice Cost	107, 520	1,480,688
HONEYWELL INTERNATIONAL INC 101 COLUMBIA ROAD MORRISTOWN, NJ 07962	industrial & security system supplies	Invoice Cost	588, 908	472,343
IDEAL CONCEPTS INC. 5830 W GULF TO LAKE HWY. CRYSTAL RIVER, FL 34429	marketing services	Invoice Cost	908	99,448
IJUS LLC 690 TAYLOR ROAD COLUMBUS, OH 43230	engineering services	Invoice Cost	186, 588	336,485
IMPERIAL POWER SERVICES INC. 7500 W. IMPERIAL DRIVE BRIDGEVIEW, IL 60455	construction services	Invoice Cost	107	617,747
INDUSTRIAL CONTRACTORS INC 1001 BUCHANAN ROAD EVANSVILLE, IN 47720	equipment repairs	Invoice Cost	107, 108, 152, 501, 506, 511, 512, 513, 514	4,560,353
INOVATEUS SOLAR LLC 19890 STATE LINE ROAD SOUTH BEND, IN 46637	solar solution services	Invoice Cost	107	813,965
INSERV INC 1604 RUPEL ST SOUTH BEND, IN 46628	building maintenance services	Invoice Cost	107, 108, 186, 580, 588	72,052
INTEGRA GROUP INC. 16 TRIANGLE PARK DRIVE CINCINNATI, OH 45246	consulting services	Invoice Cost	417	56,122
INTEGRITY TREE SERVICES LLC 2300 SANFORD AVE SW GRANDVILLE, MI 49418	tree trimming services	Invoice Cost	107, 571	907,856
INTERNATIONAL QUALITY CONSULTATION 106 FREEPORT ROAD BUTLER, PA 16002	inspection services	Invoice Cost	107, 520	88,489
INVENSYS SYSTEMS INC. 3200 HANOVER ROAD JOHNSON CITY, TN 37604	automation technology services	Invoice Cost	107	87,651
J J WHITE INC. 5500 BINGHAM ST. PHILADELPHIA, PA 19120	mechanical contracting services	Invoice Cost	163, 524, 529, 531, 532	84,724

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Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
JF ELECTRIC INC. 5816 REDBUD LANE EDWARDSVILLE, IL 62025	electrical services	Invoice Cost	186	619,631
KEITH FIRE EXTINGUISHER SERVICE 601 S HIGH ST RISING SUN, IN 47040	fire extinguisher inspection	Invoice Cost	514	80,289
KENRICH GROUP LLC 1250 CONNECTICUT AVE NW WASHINGTON, DC 20036	legal services (liability claims)	Invoice Cost	923	76,188
KENT POWER INC 90 SPRING STREET KENT CITY, MI 49330	power line relocation	Invoice Cost	107, 108, 186, 592	2,185,263
KEY PERSONNEL 9717 EAST 42ND STREET TULSA, OK 74146	staffing services	Invoice Cost	107, 580	82,831
KIRAN CONSULTANTS INC. 1401 BRANDING AVENUE DOWNERS GROVE, IL 60515	consulting services	Invoice Cost	517, 532	164,480
KLIPPERS LAWCARE SERVICES 57519 O'KEEFE ROAD CASSOPOLIS, MI 49031	landscape services	Invoice Cost	935	60,265
KLUMP, THOMAS 15299 FREDERICK RD IOWA, LA 70647	consulting services	Invoice Cost	511	101,758
KOKOSING INDUSTRIAL INC. 868 MCKINLEY AVENUE COLUMBUS, OH 43222	construction services	Invoice Cost	107, 108, 571	2,595,158
KONECRANES NUCLEAR EQUIPMENT 1800 COMMERCE ROAD SPRINGFIELD, OH 45504	equipment rental services	Invoice Cost	520, 529	76,668
KWEST GROUP LLC 7680 FISHEL DRIVE N. DUBLIN, OH 43016	excavation & site preparation	Invoice Cost	107, 108	311,195
LANDSCAPE SOLUTIONS GROUP INC. 29950 COUNTY ROAD 20 ELKHART, IN 46517	snow removal services	Invoice Cost	107, 108, 186, 562, 563, 582, 588, 593, 594, 935	129,578
LAPORTE CONSTRUCTION 4999 N US HIGHWAY 35 LA PORTE, IN 46350	construction services	Invoice Cost	107, 108, 542	134,167
LEWIS & KAPPES PC 1 AMERICAN SQUARE INDIANAPOLIS, IN 46282	staffing services	Invoice Cost	921	75,000
LEWIS TREE SERVICE INC. 1500 BROMMER STREET SANTA CRUZ, CA 95062	tree trimming services	Invoice Cost	107, 571, 593	611,029
LEWIS-GOETZ & CO INC. 3499 CHSTNUT ALLEY BELLAIRE, OH 43906	construction services	Invoice Cost	107, 108, 512	123,962
LOCKHEED MARTIN UTILITY SERVICES INC various US locations	engineering services	Invoice Cost	908	1,803,552
M J ELECTRIC INC. 1190 ERIE COURT CROWN POINT, IN 46307	electrical contracting services	Invoice Cost	107, 108	4,083,154

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Indiana Michigan Power Company			December 31, 2016	
Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
MAGALLISTER MACHINERY CO INC. 7515 EAST 30TH STREET INDIANAPOLIS, IN 46219	equipment rental services	Invoice Cost	107, 108, 186, 570	98,584
MANPOWER various US locations	temporary staffing services	Invoice Cost	107, 152, 163, 506, 514, 588, 930, 935	244,583
MARINE SOLUTIONS INC. 10 COUNTY LINE ROAD BRANCHBURG, NJ 08876	commercial diving services	Invoice Cost	513, 543	280,282
MARTIN ENGINEERING CO. 1 MARTIN PLACE NEPONSET, IL 61345	conveyor belt cleaner services	Invoice Cost	512	67,333
MASTER-LEE ENERGY SERVICES 534 BEDFORD ROAD MORRIS, IL 60450	engineering services	Invoice Cost	530	102,407
MCMANN ELECTRIC, INC. 1454 3RD STREET OSCEOLA, IN 46561	electrical services	Invoice Cost	107, 524, 529, 531, 532	150,281
MEAD & WHITE ELECTRIC INC 9695 RED ARROW HIGHWAY BRIDGMAN, MI 49106	electrical construction services	Invoice Cost	107, 524, 542, 543, 544, 545	146,352
METRO CONSULTING ASSOCIATES LLC 45345 FIVE MILE ROAD PLYMOUTH, MI 48170	business consulting services	Invoice Cost	107	339,371
MICHIANA LAND SERVICES INC 505 PLEASANT ST ST JOSEPH, MI 49085	land right of way services	Invoice Cost	107, 108	933,879
MILLER BROTHERS CONSTRUCTION INC. 225 THOMPSON ROAD ANDERSON, SC 29624	site preparation services	Invoice Cost	107, 501	3,885,044
MIRON CONSTRUCTIONS CO INC. 1471 MCMAHON ROAD NEENAH, WI 54956	construction services	Invoice Cost	530	177,750
MOFFITT REHAB SERVICES INC 200 PARK ROAD HAWESVILLE, KY 42348	excavation & site preparation	Invoice Cost	501	1,079,401
MOSTARDI PLATT 888 NORTH INDUSTRIAL DRIVE ELMHURST, IL 60126	environmental consulting	Invoice Cost	107, 506	253,688
MOTOR CITY ELECTRIC UTILITIES COMPANY 9440 GRINNELL STREET DETROIT, MI 48213	energy utility services	Invoice Cost	186	63,389
MPW ENVIRONMENTAL SERVICES 9711 LANCASTER RD SE HEBRON, OH 43025	plant equipment maintenance & cleanlr	Invoice Cost	107, 501, 511, 512, 513	719,426
MS CONSULTANTS INC. 123 W. PROSPECT AVENUE CLEVELAND, OH 44115	consulting services	Invoice Cost	107, 108, 186	213,054
MYERS LE COMPANY 2415 W THOMPSON ROAD INDIANAPOLIS, IN 46217	electrical contracting services	Invoice Cost	107, 108	781,201
NELSON TREE SERVICE INC 3300 OFFICE PARK DRIVE DAYTON, OH 45439	tree trimming services	Invoice Cost	107, 186, 571, 593	4,082,680

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Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
NESCO SALES & RENTALS 3112 E. STATE ROAD 124 BLUFFTON, IN 46714	plant equipment maintenance	Invoice Cost	107, 108, 568, 571	385,902
NEW RIVER ELECTRICAL CORP 15 CLOVERDALE PLACE CLOVERDALE, VA 24077	storm restoration services	Invoice Cost	107, 108, 186	641,518
NEW SPIN 360 LLC 755 RESEARCH PARK OKLAHOMA CITY, OK 73104	marketing services	Invoice Cost	107	187,103
NEWKIRK ELECTRIC ASSOCIATES 1875 ROBERTS STREET MUSKEGON, MI 49442	electrical construction services	Invoice Cost	107, 108, 531, 570, 571, 930	3,790,894
NEXUS PARTNERS USA LLC. 400 SKOKIE BLVD. NORTHBROOK, IL 60062	consulting services	Invoice Cost	107, 930	65,715
NORTH AMERICAN SUBSTATION 455 DOUGLAS AVENUE ALTAMONTE SPRINGS, FL 32714	repairs & maintenance services	Invoice Cost	107	102,200
NURSING CORPS 500 LURAY DRIVE WINTERSVILLE, OH 43953	industry medical services	Invoice Cost	107, 186	229,988
OHIO LUMEX CO INC. 9263 RAVENNA ROAD TWINSBURG, OH 44087	stack monitor services	Invoice Cost	107	75,701
ORC UTILITY & INFRASTRUCTURE 1201 PEACHTREE STREET ATLANTA, GA 30361	land & utility services	Invoice Cost	107	194,875
OSMOSE UTILITIES SERVICES INC. 980 ELLICOTT STREET BUFFALO, NY 14209	energy utility services	Invoice Cost	593, 594	343,921
PAR ELECTRICAL CONTRACTORS INC 4770 N BELLEVIEW AVENUE KANSAS CITY, MO 64116	emergency response services	Invoice Cost	107, 108	1,301,225
PARKLINE INC 4224 SCOTTSDALE ROAD ST JOSEPH, MI 49085	prefabricated metal building	Invoice Cost	107	86,468
PCI GLOBAL INSULATION 4450 BELDON VILLAGE STREET NW #106 CANTON, OH 44718	insulation supply services	Invoice Cost	107, 512,	60,839
PEMBERTON-DAVIS ELECTRIC INC. 916 E. MCKINLEY AVENUE MISHAWAKA, IN 46545	electrical services	Invoice Cost	107, 108, 935	80,460
POOLED EQUIPMENT INVENTORY CO 3988 LORNA ROAD BIRMINGHAM, AL 35202	electrical equipment sales	Invoice Cost	163	133,326
POWER ENGINEERS 3940 GLENBROOK DRIVE HAILEY, ID 83333	engineering consulting services	Invoice Cost	107, 108, 186	3,660,916
POWER GRID ENGINEERING LLC. 3950 CULLIGAN AVENUE INDIANAPOLIS, IN 46218	engineering services	Invoice Cost	107, 108	52,660

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Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
POWER SURVEY LLC. 25 CMPUS DRIVE KEARNY, NJ 07032	grid health services	Invoice Cost	594	60,000
PRECISION PIPING & MECHANICAL 576 PEACH TREE DRIVE PRINCETON, IN 47670	plumbing & mechanical services	Invoice Cost	107, 512	235,532
PREMIER POWER MAINTENANCE CORP. 6525 GUION ROAD INDIANAPOLIS, IN 46268	electrical engineering services	Invoice Cost	107, 108	457,034
PREMIER TRUCK RENTAL LLC 1955 LANCASTER STREET BLUFFTON, IN 46714	equipment rental services	Invoice Cost	107, 108, 568, 571, 588	99,959
PROGRESS PUMP & TURBINE SERVICES 918 KENNEDY AVENUE SCHERERVILLE, IN 46375	pump & turbine services	Invoice Cost	107, 530, 531	86,724
PULVERIZER SERVICES, INC 200 PARK LOOP CALHOUN, KY 42327	plant equipment rebuilding services	Invoice Cost	107, 108, 512	204,454
QUALITY NUCLEAR SERVICES INC. 507 NORTH 4TH STREET DARDANELLE, AR 72834	nuclear services	Invoice Cost	107, 108, 120	481,305
R2 ENERGY SERVICES LLC. 121 SOUTH BROADWAY AVENUE TYER, TX 75702	land & field services	Invoice Cost	921	176,752
REPUBLIC SERVICES INC. various US locations	research services	Invoice Cost	107, 530	97,186
RESOURCE ACTION PROGRAMS 976 UNITED CIRCLE SPARKS, NV 89431	consulting services	Invoice Cost	908	133,769
REV1 POWER SERVICES INC. 26615 KEITH STREET SPRING, TX 77373	air quality services	Invoice Cost	107	232,910
RILEY POWER INC. 10200 MALLARD CREED ROAD CHARLOTTE, NC 28262	electrical services	Invoice Cost	107	216,603
ROBERT HENRY CORPORATION 404 SOUTH FRANCES STREET SOUTH BEND, IN 46624	construction services	Invoice Cost	107, 186, 593, 594, 596	5,121,820
S & C ELECTRIC CO. 1338 HUNDRED OAKS DRIVE CHARLOTTE, NC 28217	electrical services	Invoice Cost	107, 592	121,305
SAFE POWER PARTNERS LLC 7915 SOUTH EMERSON AVENUE INDIANAPOLIS, IN 46237	safety consulting services	Invoice Cost	152, 501, 506	1,135,170
SAFER SYSTEMS LLC. 4165 E. THOUSAND OAKS BLVD, THOUSAND OAKS, CA 91362	safety consulting services	Invoice Cost	107	130,419
SAFETY MANAGEMENT GROUP OF INDIANA 6500 TECHNOLOGY CENTER DRIVE INDIANAPOLIS, IN 46278	safety consulting services	Invoice Cost	107, 108, 186, 512, 543	150,844
SARGENT & LUNDY LLC 55 E MONROE ST CHICAGO, IL 60603	nuclear engineering services	Invoice Cost	107, 928	572,764

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Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
SARGENT ELECTRIC COMPANY 2767 LIBERTY AVENUE PITTSBURGH, PA 15222	electrical services	Invoice Cost	107, 108	592,638
SCHINDLER ELEVATOR CORP. 230 BILMAR DRIVE PITTSBURGH, PA 15205	elevator repair & inspection services	Invoice Cost	529, 530, 532	83,064
SCHWEITZER ENGINEERING LABORATORY 2350 NE HOPKINS COURT PULLMAN, WA 99163	engineering services	Invoice Cost	107	113,588
SECURITAS ELECTRONIC SECURITY 3 PARKWAY CTR. PITTSBURGH, PA 15220	security services	Invoice Cost	107	499,130
SELINSKY FORCE LLC. 4016 23RD STREET SW CANTON, OH 44706	equipment rental services	Invoice Cost	107, 108	103,641
SERVICE ELECTRIC COMPANY 1631 EAST 25TH STREET CHATTANOOGA, TN 37404	power line services	Invoice Cost	107, 108, 186	2,253,266
SHERMCO INDUSTRIES INC. 2425 E. PIONEER DRIVE IRVING, TX 75061	renewable energy services	Invoice Cost	107, 108	131,583
SPX TRANSFORMER SOLUTIONS INC. 400 SOUTH PRAIRE AVENUE WAUKESHA, WI 53186	transformer services	Invoice Cost	107	238,978
STERLETT CONSTRUCTION CO 34 BOOTH FIELD ROAD OWENSBORO, KY 42301	steel erection services	Invoice Cost	506, 514	107,353
STERLING ENGINEERING SOLUTIONS 111 GOODWIN AVENUE SALEM, VA 24153	electrical engineering services	Invoice Cost	107, 108	118,572
SUN TECHNICAL SERVICES INC 6490 S MCCARRAN BLVD RENO, NV 89509	engineering services	Invoice Cost	107, 108, 163, 183, 186, 500, 506, 510, 512, 513, 517, 520, 524, 528, 529, 530, 531, 532	3,548,724
SUNBELT RENTALS INC. 1275 WEST MOUND STREET COLUMBUS, OH 43223	equipment rental services	Invoice Cost	107, 108, 512	63,792
SUNPRO INC. 7640 WHIPPLE AVENUE NORTH CANTON, OH 44720	environmental consulting services	Invoice Cost	108, 186, 530, 570, 588	62,658
SYSTEMS CONTROL 3201 EAST INDUSTRIAL DRIVE IRON MOUNTAIN, MI 49801	substation control services	Invoice Cost	107	1,059,983
T & D SOLUTIONS, LTD. 6411 MASONIC DRIVE ALEXANDRIA, LA 71301	safety consulting services	Invoice Cost	107, 108	553,611
TCI OF ALABAMA LLC. 101 PARKWAY EAST PELL CITY, AL 35125	disposal services	Invoice Cost	107, 108	129,893
T-E INC. 8620 BLUFFTON ROAD FORT WAYNE, IN 46809	asphalt paving services	Invoice Cost	107, 108, 184, 593	56,983

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Indiana Michigan Power Company			December 31, 2016	
Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
TECHSERV CONSULTING & TRAINING 1207B STATE HWY 64 WEST TYLER, TX 75704	business consulting services	Invoice Cost	107, 108, 511, 562, 571, 592	959,744
TEKSYSTEMS 3850 N. CAUSEWAY NLVD. METAIRE, LA 70002	IT services	Invoice Cost	107	84,593
TENDRIL NETWORKS INC. 2580 55TH STREET BOULDER, CO 80301	business consulting services	Invoice Cost	588, 908	960,228
TERRA CONTRACTING SERVICES LLC. 5100 WEST MICHIGAN AVENUE KALAMAZOO, MI 49006	environmental consulting services	Invoice Cost	107, 108, 186, 580, 588	111,370
TERRACON CONSULTANTS INC 790 MORRISON ROAD COLUMBUS, OH 43230	environmental consulting services	Invoice Cost	107, 560	611,746
THAYER POWER & COMMUNICATION LINE 7400 MARKET ROAD FAIRVIEW, PA 16415	power engineering services	Invoice Cost	186	196,889
TOWNSEND TREE 101 S. MAIN STREET PARKER CITY, IN 47368	tree trimming services	Invoice Cost	107, 186, 571, 593	1,481,052
TRC ENVIRONMENTAL CORPORATION 12011 MEADOWGREEN STREET HOUSTON, TX 77076	environmental consulting services	Invoice Cost	107	101,555
TRI STATE FENCE CO INC. 2495 LAMAR AVENUE MEMPHIS, TN 38114	fencing services	Invoice Cost	511	55,124
TURNER, SHANNON L. 304 VIRGINIA AVENUE CLARKSVILLE, VA 23927	consulting services	Invoice Cost	107, 108	81,692
UNDERWATER CONSTRUCTION CORP 110 PLAINS RD ESSEX, CT 06426	underwater construction services	Invoice Cost	107, 108, 519, 530, 531, 532, 539, 542	1,150,744
UNITED CONSTRUCTION CO INC 1340 OLD ROSEMAR ROAD PARKERSBURG, WV 26104	construction contracting services	Invoice Cost	107, 186, 500, 501, 511	4,802,064
UNITED CONVEYOR SUPPLY CO 2025 N 15TH AVENUE MELROSE PARK, IL 60180	fabricated metal product services	Invoice Cost	107	198,130
UNITED RENTALS 100 FIRST STAMFORD PLACE STAMFORD, CT 06902	equipment rental services	Invoice Cost	107, 506, 511, 512, 512, 513, 514	86,707
URS CORPORATION 277 W. NATIONWIDE BLVD COLUMBUS, OH 43215	engineering services	Invoice Cost	107, 183	321,676
US TRACKWORKS LLC 1165 A42ND AVENUE WAYLAND, MI 49348	railroad construction services	Invoice Cost	529	50,200
USIC LOCATING SERVICES INC. various US locations	power line construction services	Invoice Cost	107, 584	1,560,148

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Charges for Outside Professional & Other Consulting Services - Payments of \$50,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
VARO ENGINEERS INC 2751 TULLER PARKWAY, SUITE 100 DUBLIN, OH 43017	engineering services	Invoice Cost	107, 108	642,205
VAUGHN INDUSTRIES 1201 E. FINDLAY STREET CAREY, OH 43316	substation electrical work services	Invoice Cost	107, 108, 592	5,510,381
WELLER & ASSOCIATES 1395 W 5TH AVENUE COLUMBUS, OH 43212	consulting services	Invoice Cost	107	54,029
WESTINGHOUSE ELECTRIC CO 4350 NORTHERN PIKE MONROEVILLE, PA 15146	nuclear support services	Invoice Cost	107, 108	1,082,662
WHAYNE SUPPLY CO 1400 CECIL AVENUE LOUISVILLE, KY 40211	equipment repair services	Invoice Cost	107, 108, 501, 512, 513, 514	707,170
WIGHTMAN & ASSOCIATES, INC 110 E. WAYNE STREET FORT WAYNE, IN 46801	topographic surveying services	Invoice Cost	107, 108	559,335
WILLIAMS CREEK CONSULTING INC. 247 E. LIVINGSTON AVE. COLUMBUS, OH 43215	business consulting services	Invoice Cost	107, 570, 571	174,934
WILLIAMS CREEK MANAGEMENT CORP. 4620 s. COUNTY ROAD 600 E. PLAINFIELD, IN 46168	business consulting services	Invoice Cost	566, 571	62,275
WORLEYPARSONS GROUP INC 2675 MORGANTOWN ROAD READING, PA 19607	engineering services	Invoice Cost	107	2,530,710
WRIGHT TREE SERVICE INC 139 6TH STREET DESMOINES, IA 50306	tree trimming services	Invoice Cost	107, 108, 186, 570, 571, 582, 593, 930	7,826,470

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ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	18,407,620
3	Steam	5,778,942	23	Requirements Sales for Resale (See instruction 4, page 311.)	5,049,971
4	Nuclear	15,359,858	24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	4,921,822
5	Hydro-Conventional	108,726	25	Energy Furnished Without Charge	45
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	
7	Other	7,855	27	Total Energy Losses	1,837,631
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	30,217,089
9	Net Generation (Enter Total of lines 3 through 8)	21,255,381			
10	Purchases	8,961,708			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	30,217,089			

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MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	2,688,909	470,805	3,702	13	1900
30	February	2,436,296	454,784	3,605	11	800
31	March	2,197,262	113,885	3,428	3	800
32	April	2,098,931	189,770	3,229	5	900
33	May	2,761,878	817,055	3,740	31	1700
34	June	2,746,619	610,819	4,281	20	1400
35	July	2,852,752	497,068	4,480	12	1500
36	August	3,018,102	557,799	4,547	11	1600
37	September	2,539,793	493,483	4,359	6	1700
38	October	2,156,042	282,922	3,164	18	1200
39	November	2,138,626	236,585	3,288	23	1100
40	December	2,581,879	369,061	3,795	15	800
41	TOTAL	30,217,089	5,094,036			

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: ROCKPORT UNIT 1 I&M (b)	Plant Name: ROCKPORT UNIT 2 I&M (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Steam	Steam
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional	Conventional
3	Year Originally Constructed	1984	1989
4	Year Last Unit was Installed	1984	1989
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	660.00	650.00
6	Net Peak Demand on Plant - MW (60 minutes)	665	657
7	Plant Hours Connected to Load	6040	7336
8	Net Continuous Plant Capability (Megawatts)	0	0
9	When Not Limited by Condenser Water	660	650
10	When Limited by Condenser Water	658	650
11	Average Number of Employees	0	0
12	Net Generation, Exclusive of Plant Use - KWh	2630855000	3148087000
13	Cost of Plant: Land and Land Rights	6446541	67447
14	Structures and Improvements	95505796	7122326
15	Equipment Costs	640947698	178204461
16	Asset Retirement Costs	2726705	2927867
17	Total Cost	745626740	188322101
18	Cost per KW of Installed Capacity (line 17/5) Including	1129.7375	289.7263
19	Production Expenses: Oper, Supv, & Engr	2184276	1894884
20	Fuel	70056648	82519031
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	8397415	9651433
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	792222	709612
26	Misc Steam (or Nuclear) Power Expenses	1746613	1651340
27	Rents	-5	70147245
28	Allowances	846544	846544
29	Maintenance Supervision and Engineering	1181912	1176042
30	Maintenance of Structures	572757	172224
31	Maintenance of Boiler (or reactor) Plant	3806687	2512623
32	Maintenance of Electric Plant	917930	604470
33	Maintenance of Misc Steam (or Nuclear) Plant	622462	459035
34	Total Production Expenses	91125461	172344483
35	Expenses per Net KWh	0.0346	0.0547
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)		
38	Quantity (Units) of Fuel Burned	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.000
44	Average BTU per KWh Net Generation	0.000	0.000

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: <i>ROCKPORT TOTAL I&M</i> (d)			Plant Name: <i>ROCKPORT TOTAL PLANT</i> (e)			Plant Name: <i>Donald C Cook Plant</i> (f)			Line No.
	Steam			Steam			Nuclear		1
	Conventional			Conventional			Conventional		2
	1984			1984			1975		3
	1989			1989			1978		4
	1310.00			2620.00			2285.00		5
	1316			2631			2238		6
	7886			7886			8784		7
	0			0			0		8
	1310			2620			2278		9
	1308			2615			2153		10
	0			244			1177		11
	5778942000			11557884000			15359858000		12
	6513988			13029939			1879588		13
	102628122			207004601			405596653		14
	819152159			1630713495			2456077423		15
	5654572			11291062			135680600		16
	933948841			1862039097			2999234264		17
	712.9380			710.7019			1312.5752		18
	4079160			8227302			22645844		19
	152575679			305153011			130947058		20
	0			0			7094337		21
	18048848			36141963			12182604		22
	0			0			0		23
	0			0			0		24
	1501834			3003678			3806924		25
	3397953			6306768			75589293		26
	70147240			138430267			0		27
	1693088			1693088			0		28
	2357954			4572303			10792429		29
	744981			1489978			4584924		30
	6319310			12638746			82454844		31
	1522400			3044831			15421215		32
	1081497			2163020			17579262		33
	263469944			522864955			383098734		34
	0.0456			0.0452			0.0249		35
Coal	Oil		Coal	Oil		Nuclear			36
Tons	Barrels		Tons	Barrels					37
3289208	21917	0	6578415	43834	0	0	0	0	38
8844	136976	0	8844	136976	0	0	0	0	39
45.719	57.226	0.000	45.719	57.226	0.000	0.000	0.000	0.000	40
45.914	70.954	0.000	45.917	70.954	0.000	0.000	0.000	0.000	41
2.596	12.333	0.000	2.596	12.333	0.000	0.798	0.000	0.000	42
0.026	0.000	0.000	0.026	0.000	0.000	0.009	0.000	0.000	43
10200.000	0.000	0.000	10200.000	0.000	0.000	10684.000	0.000	0.000	44

Name of Respondent Indiana Michigan Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 403 Line No.: -1 Column: e

The Rockport Plant is a two unit coal fired generating facility. Unit 1 is jointly owned and Unit 2 is jointly leased by the Respondent and AEP Generating Company. Column (b) represents Respondent's 50% share of Unit 1 and column (c) represents Respondent's 50% share of Unit 2. Column (d) represents Respondent's total share of Rockport Plant and column (e) represents Total Rockport owned and leased by Respondent and AEP Generating Company.

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GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	Hydro electric					
2	Berrien Springs	1908	7.20	6.3	36,075	14,991,461
3	Buchanan	1919	4.10	2.7	17,256	7,759,808
4	Constantine	1921	1.20	1.1	5,439	3,015,156
5	Elkhart	1913	3.44	3.1	14,867	6,630,570
6	Motville	1923	1.68	1.2	5,923	4,361,006
7	Twin Branch	1904	4.80	4.1	29,166	13,957,750
8						
9						
10						
11	Solar electric					
12	Deer Creek	2015	2.50	3.3	3,343	6,136,933
13	Olive	2016	5.00	5.4	2,518	12,061,042
14	Twin Branch	2016	2.60	2.6	1,388	6,953,323
15	Watervliet	2016	4.60	7.3	606	11,936,347
16						
17						
18						
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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
2,082,147	497,489		279,497			2
1,892,636	280,437		220,138			3
2,512,630	144,221		98,009			4
1,927,491	273,436		745,047			5
2,595,837	150,900		202,051			6
2,907,865	422,161		269,844			7
						8
						9
						10
						11
2,454,773	92,269		-15			12
2,412,208	7,521		-12			13
2,674,355	63,273		-8			14
2,594,858	5,067		-3			15
						16
						17
						18
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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 12/31/16	Year of Report 12/31/16
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CHANGES MADE OR SCHEDULED TO BE MADE IN GENERATING PLANT CAPACITIES
Give below the information called for concerning changes in electric generating plant capacities during the year.

A. Generating Plants or Units Dismantled, Remove from Service, Sold, or Leased to Others During Year

1. State in column (b) whether dismantled, removed from service, sold, or leased to another. Plants removed from service include those not maintained for regular or emergency service.

2. In column (f), give date dismantled, removed from service, sold, or leased to another. Designate complete plants as such.

Line No.	Name of Plant (a)	Disposition (b)	Installed Capacity (in megawatts)			Date (f)	If Sold or Leased, Give Name and Address of Purchaser or Lessee (g)
			Hydro (c)	Steam (d)	(Other) (e)		
1	None						
2							
3							
4							
5							
6							
7							

B. Generating Units Scheduled for or Undergoing Major Modifications

Line No.	Name of Plant (a)	Character of Modification (b)	Installed Plant Capacity After Modification (in MW) (c)	Estimated Dates of Construction	
				Start (d)	Completion (e)
8	Cook Plant Unit 2	Full shaftline replacement of main turbines	1,255	Oct-16	Jan-17
9					
10					
11					
12					
13					
14					

C. New Generating Plants Scheduled for or Under Construction

Line No.	Plant Name & Location (a)	TYPE (Hydro, pumped storage, steam, internal comb., gas-turbine, nuclear, wind, solar, biomass, etc.) (b)	Installed Capacity (in megawatts)		Estimated Dates of Construction	
			Initial (c)	Ultimate (d)	Start (e)	Completion (f)
15						
16	Twin Branch	Solar Photovoltaic	2.6	2.6	Mar-16	Sep-16
17	Watervaliet	Solar Photovoltaic	4.6	4.6	Mar-16	Sep-16
18	Olive	Solar Photovoltaic	5.0	5.0	Jul-16	Dec-16
19						
20						
21						

D. New Units in Existing Plants Scheduled for or Under Construction

Line No.	Plant Name & Location (a)	TYPE (Hydro, pumped storage, steam, internal comb., gas-turbine, nuclear, wind, solar, biomass, etc.) (b)	Unit (c)	Size of Unit (in megawatts) (d)	Estimated Dates of Construction	
					Start (e)	Completion (f)
22	None					
23						
24						
25						
26						
27						
28						

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STEAM ELECTRIC GENERATING PLANTS

- | | |
|--|---|
| <p>1. Include on this page steam-electric plants of 25,000 Kw (name plate rating) or more of installed capacity.</p> <p>2. Report the information called for concerning generating plants and equipment at year end. Show unit type Installation, boiler, and turbine-generator on same line.</p> <p>3. Exclude plant, the book cost of which is located in Account 121, <i>Nonutility Property</i>.</p> <p>4. Designate any generating plant or portion thereof for which the respondent is not the sole owner. If such property is leased from another company give name of lessor, date and term of lease, and annual rent. For any generating plant, other than a leased plant or portion thereof for which the respondent is not the sole</p> | <p>owner but which the respondent operates or share in the of, furnish a succinct statement explaining the arrangement and giving details as to such matters as percent ownership by respondent, name of co-owner, basis of sharing output, expenses or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.</p> <p>5. Designate any generating plant or portion thereof leased to another company and give name of lessee, date and term of lease and annual rent, and how determined. Specify whether lessee is an associated company.</p> <p>6. Designate any plant or equipment owned, not</p> |
|--|---|

Line No.	Name of Plant (a)	Location of Plant (b)	BOILERS (Include both ratings for the boiler and the turbine-generator or dual-rated installations)				
			Number and Year Installed (c)	Kind of Fuel And Method of Firing (d)	Rated Pressure (In psig) (e)	Rated Steam Temp. (Indicate reheat boilers as 1050/1000) (f)	Rated Max. Continuous M lbs. Steam per Hour (g)
1	Donald C. Cook Plant	Bridgman, MI	1 - 1975	Nuclear	2485	600	15,600
2			2 - 1978	Nuclear	2485	600	14,740
3	Rockport Plant*	Rockport, IN	1 - 1984	Pulv. Coal	3650	1000/1000	9,775
4			2 - 1989	Pulv. Coal	3650	1000/1000	9,775
5							
6							
7							
8							
9							
10							
11							
12							
13	* Figures shown are the totals for the plant which is shared one-half by respondent and one-half by AEP Generating Company (an associated company). Both companies are subsidiaries of American Electric Power Company.						
14	Operating expenses are shared on the basis of ownership percentage. Unit 1 is owned 50% by each and						
15	Unit 2 is leased 50% by each from a consortium of financial institutions.						
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Name of Respondent	This Report Is:	Date of Report	Year of Report
Indiana Michigan Power Company	(1) <input type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr)	12/31/16

STEAM ELECTRIC GENERATING PLANTS (cont'd)

operated, and not leased to another company. If such plant or equipment was not operated within the past year, explain whether it has been retired in the books of account or what disposition of the plant or equipment

and its book cost are contemplated.
7. Report gas-turbines operated in a combined cycle with a conventional steam unit with its associated steam unit.

Turbine-Generators													Line No.
<i>(Report cross-compound turbine generator units on two lines-H.P. section and I.P. section. Designate units with shaft connected boiler feed pumps. Give capacity rating of pumps in terms of full load requirements.)</i>													
Year Installed	TURBINES				GENERATORS								
	<i>Include both ratings for boiler and turbine-generator of dual-rated installations</i>				NAME PLATE Rating in Kw		Hydrogen Pressure		Power Factor	Voltage (in MV) <i>(If other than 3 phase, 60 cycle indicate other characteristic)</i>	Plant Capacity Maximum Generator Name Plate Rating <i>(Should agree with column (n))</i>		
	Max. Rating Mega-Watt	Type <i>(Indicate tandem-compound (TC); cross compound (CC) single casing (SC); lopping unit (T); and non-condensing (NC) Show back pressures)</i>	Steam Pressure at Throttle psig.	RPM	At Minimum Hydrogen Pressure	At Max. Hydrogen Pressure <i>(Include both ratings for the boiler and the turbine-generator of dual-rated installations)</i>	<i>(Designate air cooled generators)</i>						
(h)	(i)	(j)	(k)	(l)	(m)	(n)	Min.	Max.	(q)	(r)	(s)		
1975	1149	TC	728	1,800	771,840	1,152,000	30	75	0.90	26	1,152,000	1	
1978	1162	TC	785	1,800	933,850	1,133,333	40	60	0.85	26	1,133,333	2	
											2,285,333	3	
												4	
												5	
												6	
1984	650	CC	600	3,600	600,000	650,000	45	65	0.90	26	1,300,000	7	
1984	650	CC	3,650	3,600	600,000	650,000	45	65	0.90	26		8	
1989	650	CC	600	3,600	600,000	650,000	45	65	0.90	26	1,300,000	9	
1989	650	CC	3,650	3,600	600,000	650,000	45	65	0.90	26		10	
											2,600,000	11	
												12	
												13	
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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	STATE OF INDIANA							
2	6128 DUMONT	JEFFERSON	765.00	765.00	3	202.76		1
3	6128 DUMONT	JEFFERSON	765.00	765.00	3	0.24		
4	6136 DUMONT	WILTON CENTER	765.00	765.00	3	63.00		1
5	6141 DUMONT	MARYSVILLE	765.00	765.00	3	104.00		1
6	6215 D.C. COOK	DUMONT	765.00	765.00	3	20.00		1
7	6223 ROCKPORT	JEFFERSON	765.00	765.00	3	111.00		1
8	6224 ROCKPORT	SULLIVAN	765.00	765.00	3	97.00		1
9	6226 JEFFERSON	WEST	765.00	765.00				
10	6236 HANGING ROCK	JEFFERSON	765.00	765.00	3	1.00		1
11	0675 TANNERS CREEK	SORENSEN	345.00	345.00	3	136.00		2
12	0676 SORENSON	EAST LIMA	345.00	345.00	3	29.68		1
13	0676 SORENSON	EAST LIMA	345.00	345.00	1	0.27		1
14	0677 BREED	DEQUINE EAST	345.00	345.00	3	187.78		2
15	0677 BREED	DEQUINE EAST	345.00	345.00	1	0.23		1
16	0677 BREED	DEQUINE EAST	345.00	345.00	1	0.07		2
17	0678 DEQUINE	OLIVE	345.00	345.00	3	0.45		
18	0679 SORENSON	OLIVE	345.00	345.00	3	78.00		2
19	0680 OLIVE	GOODINGS GROVE	345.00	345.00	3	41.00		2
20	0683 DESOTO	JCT TOWER (MAR. CO)	345.00	345.00	3	53.00	6.00	1
21	0684 TANNERS CREEK	JUNCTION TOWER	345.00	345.00	3	80.00		1
22	0685 HANNA	JUNCTION TOWER	345.00	345.00	3	5.63		
23	0687 TANNERS CREEK	MIAMI FORT	345.00	345.00	3			2
24	0688 EUGENE	SIDNEY	345.00	345.00	1	0.20		1
25	0689 SORENSON-OLIVE	TWIN BRANCH	345.00	345.00	3	11.00		2
26	0690 BREED	CIPSCO	345.00	345.00	3	0.94		1
27	0690 BREED	CIPSCO	345.00	345.00	3	0.02		1
28	0691 BREED	PETERSBURG	345.00	345.00	3	0.70		1
29	0691 BREED	PETERSBURG	345.00	345.00	1	0.15		1
30	6118 ROBISON PARK	SORENSON-EAST LIMA	345.00	345.00	3	23.00		1
31	6119 COOK	OLIVE	345.00	345.00	3	4.00		2
32	6122 DUMONT	OLIVE	345.00	345.00	3	15.00		2
33	6123 DUMONT	TWIN BRANCH	345.00	345.00	3	17.00		2
34	6125 ROBISON PARK	EAST	345.00	345.00				
35	6133 DUMONT	BABCOCK	345.00	345.00	3	9.00		1
36					TOTAL	3,927.09	124.00	227

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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
4-954 MCM								2
4-954 MCM								3
4-954 MCM								4
4-954 MCM								5
4-954 MCM								6
4-1351 MCM								7
4-1351 MCM								8
								9
4-1351 MCM								10
1275 MCM								11
1275 MCM								12
2-954 MCM								13
1414 MCM								14
2-1351.5 MCM								15
2-2303 MCM								16
2303 ACSR 54/37								17
1414 MCM								18
1414 MCM								19
2-954 MCM								20
2-954 MCM								21
2-954 MCM								22
2-954 MCM								23
1414 MCM								24
1563 MCM								25
2-1024 MCM								26
2-1351.5 MCM								27
2-954 MCM								28
2-1351.5 MCM								29
1414 MCM								30
2-954 MCM								31
2-954 MCM								32
2-954 MCM								33
								34
2-954 MCM								35
	66,547,906	658,568,293	725,116,199	374,444	7,496,079		7,870,523	36

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	6145 TWIN BRANCH	COOK-ROB PARK JCT	345.00	345.00	3	6.00		2
2	6147 COOK	ROBISON PARK	345.00	345.00	3	67.73		2
3	6147 COOK	ROBISON PARK	345.00	345.00	1	0.17		
4	6148 JACKSON ROAD	SORENSEN-OLIVE	345.00	345.00	3	4.00		2
5	6213 COOK-ROB-PARK JCT	ARGENTA	345.00	345.00	3	2.00		2
6	6237 JACKSON ROAD	WEST	345.00	345.00				
7	6240 TWIN BRANCH	SUBSTATION CORRIDOR	345.00	345.00				
8	6256 BREED	SULLIVAN	345.00	345.00	3	0.48		2
9	6256 BREED	SULLIVAN	345.00	345.00	3	0.75		1
10	6256 BREED	SULLIVAN	345.00	345.00	1	0.29		1
11	6259 COLLINGWOOD	SOUTH BUTLER	345.00	345.00	1	12.00		1
12	6232 GODMAN TAP		34.00	138.00				
13	0602 TWIN BRANCH	RIVERSIDE	138.00	138.00	3	6.00		2
14	0603 TWIN BRANCH	SOUTH BEND	138.00	138.00	3	5.00		1
15	0604 TWIN BRANCH	ROBISON PARK	138.00	138.00	3	65.00		2
16	0605 SOUTH BEND	MICHIGAN CITY	138.00	138.00	3			1
17	0606 ROBISON PARK	HAVILAND	138.00	138.00	3	19.61		2
18	0606 ROBISON PARK	HAVILAND	138.00	138.00	1	0.05		
19	0607 ROBISON PARK	DEER CREEK	138.00	138.00	3	37.87		2
20	0607 ROBISON PARK	DEER CREEK	138.00	138.00	1	0.20		2
21	0608 DEER CREEK	KOKOMO	138.00	138.00	3	1.73		1
22	0608 DEER CREEK	KOKOMO	138.00	138.00	3	5.96		1
23	0609 CONCORD TAP		138.00	138.00	3	4.00		2
24	0613 TWIN BRANCH	JACKSON ROAD	138.00	138.00	3	8.00		2
25	0614 LINCOLN TAP		138.00	138.00	3	4.00		2
26	0615 TWIN BRANCH	ROBISON PARK	138.00	138.00	3	65.83		1
27	0616 DEER CREEK	DELAWARE	138.00	138.00	3	24.15		2
28	0617 DELAWARE	MADISON	138.00	138.00	3	18.81		2
29	0618 DELAWARE	COLLEGE CORNER	138.00	138.00	3,4	56.05		2
30	0618 DELAWARE	COLLEGE CORNER	138.00	138.00	4	1.69		2
31	0618 DELAWARE	COLLEGE CORNER	138.00	138.00	1	0.17		2
32	0618 DELAWARE	COLLEGE CORNER	138.00	138.00	1	0.08		
33	0725 DELAWARE	TRENTON	138.00	138.00	3,4			
34	0619 MADISON	NEW CASTLE	138.00	138.00	3	6.00	1.00	1
35	0620 TANNERS CREEK	MADISON	138.00	138.00	3	82.00		2
36					TOTAL	3,927.09	124.00	227

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
2-954 MCM								1
2-954 MCM								2
2-954 MCM								3
2303 MCM								4
2-954 MCM								5
								6
								7
1351.5 MCM								8
1351.5 MCM								9
1351.5 MCM								10
2-954 MCM								11
								12
397.5 MCM								13
397.5 MCM								14
397.5 MCM								15
397.5 MCM								16
397.5 MCM								17
1233.6 KCM								18
397.5 MCM								19
397.5 MCM								20
336.4 KCM								21
636 KCM								22
397.5 MCM								23
447 MCM								24
397.5 MCM								25
477 MCM								26
397.5 MCM								27
397.5 MCM								28
397.5 MCM								29
397.5 MCM								30
397.5 MCM								31
795 KCM								32
397.5 MCM								33
795 MCM								34
636 MCM								35
	66,547,906	658,568,293	725,116,199	374,444	7,496,079		7,870,523	36

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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
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- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	0622 JACKSON ROAD	OLIVE	138.00	138.00	3	16.94	1.00	1
2	0623 MADISON	PENDLETON	138.00	138.00	2	5.00		1
3	0624 DRAGOON TAP		138.00	138.00	3	2.00		1
4	0625 TANNERS CREEK	COLLEGE CORNER	138.00	138.00	3	40.00		2
5	0626 COLLEGE CORNER	RANDOLPH	138.00	138.00	2	34.81		1
6	0626 COLLEGE CORNER	RANDOLPH	138.00	138.00	1	0.85		1
7	0626 COLLEGE CORNER	RANDOLPH	138.00	138.00	2	3.34		
8	0627 RANDOLPH	JAY	138.00	138.00	2	23.69		1
9	0627 RANDOLPH	JAY	138.00	138.00	1	0.32		
10	0628 MCKINLEY TAP		138.00	138.00	3	1.00		2
11	0629 JAY	LINCOLN	138.00	138.00	2	46.18		1
12	0629 JAY	LINCOLN	138.00	138.00	3	3.11		1
13	0630 NEW CARLISLE	MAPLE	138.00	138.00	2	1.00		1
14	6104 SORENSON	TWIN BRANCH	138.00	138.00	3	61.17		1
15	6104 SORENSON	TWIN BRANCH	138.00	138.00	1	0.31		1
16	6104 SORENSON	TWIN BRANCH	138.00	138.00	1	3.32		1
17	0632 SORENSON	DEVILS HOLLOW	138.00	138.00	3			
18	0634 DEER CREEK	MULLIN	138.00	138.00	2	15.00		1
19	0635 PENDLETON	MULLIN	138.00	138.00	2	14.57		1
20	0635 PENDLETON	MULLIN	138.00	138.00	3	0.40		1
21	0635 PENDLETON	MULLIN	138.00	138.00	1	0.63		1
22	0636 DEER CREEK	FISHER BODY	138.00	138.00	3	5.04		2
23	0637 TWIN BRANCH	EAST ELKHART	138.00	138.00	3	17.00	1.00	2
24	0638 GRANT	FISHER BODY	138.00	138.00	3		1.00	1
25	0639 ROBISON PARK	AUBURN	138.00	138.00	1			1
26	0641 DESOTO	MEDFORD	138.00	138.00	3	7.00		2
27	0642 OLIVE	HICKORY CREEK	138.00	138.00	3	2.99	2.00	1
28	0645 COREY TAP		138.00	138.00	2	4.00		1
29	0646 OLIVE	NEW CARLISLE	138.00	138.00	3	2.00		1
30	0647 OLIVE	SOUTH BEND	138.00	138.00	3	1.00	16.00	1
31	0648 MEDFORD TAP		138.00	138.00	3	8.00		2
32	0723 SPY RUN STATION		138.00	138.00	4			1
33	6101 WESTINGHOUSE TAP		138.00	138.00	3	2.00		2
34	6102 MILAN TAP		138.00	138.00	3	6.00		2
35	6103 MILAN	GOODRICH	138.00	138.00	3	1.00		2
36					TOTAL	3,927.09	124.00	227

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TRANSMISSION LINE STATISTICS (Continued)

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Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
556.5 MCM								1
477 MCM								2
795 MCM								3
636 MCM								4
556.5 MCM								5
556.5 MCM								6
556.5 MCM								7
556.5 MCM								8
556.5 MCM								9
300 MCM CU								10
556.5 MCM								11
1033.5 KCM								12
397.5 MCM								13
447 MCM								14
556.5 MCM								15
556.5 MCM								16
556.5 MCM								17
556.5 MCM								18
556.5 MCM								19
556.5 MCM								20
556.5 MCM								21
397.5 MCM								22
556.5 MCM								23
397.5 MCM								24
556.5 MCM								25
556.5 MCM								26
556.5 MCM								27
477 MCM								28
556.5 MCM								29
556.5 MCM								30
556.5 MCM								31
3.5IN OD								32
556.5 MCM								33
397.5 MCM								34
397.5 MCM								35
	66,547,906	658,568,293	725,116,199	374,444	7,496,079		7,870,523	36

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TRANSMISSION LINE STATISTICS

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Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	6105 DESOTO	JAY	138.00	138.00	2	10.31		1
2	6105 DESOTO	JAY	138.00	138.00	3	2.25		1
3	6106 DESOTO	DEER CREEK-DELAWARE	138.00	138.00	3	7.52		2
4	6106 DESOTO	DEER CREEK-DELAWARE	138.00	138.00	1	0.48		
5	6107 DARDEN TAP		138.00	138.00	2	1.00		1
6	6109 ROBISON PARK	RICHLAND	138.00	138.00	2	13.76		1
7	6109 ROBISON PARK	RICHLAND	138.00	138.00	1	0.05		
8	6109 ROBISON PARK	RICHLAND	138.00	138.00	3	4.49		
9	6110 WESTINGHOUSE	23RD STREET	138.00	138.00	3			2
10	6111 KANKAKEE	WEST SIDE	138.00	138.00	1	2.00		1
11	6113 INDUSTRIAL PARK		138.00	138.00	3	3.00		2
12	6114 OLIVE	MICHIGAN CITY	138.00	138.00	3	2.00	1.00	1
13	6115 HUMMEL CREEK	VAN BUREN	138.00	138.00	3	6.00		2
14	6130 HUMMEL CREEK	TOWER 70, GREENTOWN	138.00	138.00				
15	6116 SOUTH ELWOOD TAP		138.00	138.00	1	3.00		1
16	6117 PENDLETON	FALL CREEK	138.00	138.00	3	10.00		2
17	6121 ROBISON PARK	LINCOLN	138.00	138.00	3	7.84		1
18	6121 ROBISON PARK	LINCOLN	138.00	138.00	1	0.02		
19	6126 CONCORD	EAST ELKHART	138.00	138.00	3	11.00		1
20	6129 GREENTOWN-GRANT	HUMMEL CREEK	138.00	138.00	3	21.00		1
21	6131 INDUSTRIAL PARK	MC KINLEY	138.00	138.00	1	5.00		1
22	6132 CROSS STREET TAP	JUNCTION TOWER #88	138.00	138.00	1	4.00		1
23	6134 LINCOLN	ANTHONY	138.00	138.00	1	3.00		1
24	6135 WAYNE DALE TAP		138.00	138.00	3			2
25	6138 JACKSON ROAD	SOUTH SIDE	138.00	138.00	1	2.00		1
26	6142 ALBION	KENDALLVILLE	138.00	138.00	1	10.00		1
27	6150 SOUTHSIDE	SOUTH BEND	138.00	138.00	1	6.07		1
28	6219 DELCO BATTERY TAP		138.00	138.00	1	1.00		2
29	6220 FALL CREEK	MADISON-NEW CASTLE	138.00	138.00	3	1.00		2
30	6225 INDUSTRIAL PARK	SPY RUN	138.00	138.00	1	4.00		1
31	6266 WALLEN		138.00	138.00	1	0.22		1
32	6234 CABOT TAP/CR 4	EAST ELKHART	138.00	138.00	1	0.13		1
33	6238 SORENSON	MCKINLEY TOWER	138.00	138.00	3	3.04		2
34	6238 SORENSON	MCKINLEY TOWER	138.00	138.00	1	0.09		2
35	6241 KENDALLVILLE TAP	CITY OF AUBURN #5	138.00	138.00	1,2	14.00		1
36					TOTAL	3,927.09	124.00	227

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TRANSMISSION LINE STATISTICS (Continued)

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2-556.5 MCM								1
2-556.5 MCM								2
636 MCM								3
636 MCM								4
336.4 MCM								5
636 MCM								6
1233.6 KCM								7
636 MCM								8
556.5 MCM								9
636 MCM								10
745 MCM								11
636 MCM								12
795 MCM								13
								14
556.5 MCM								15
795 MCM								16
795 MCM								17
1233.6 KCM								18
795 MCM								19
795 MCM								20
795 MCM								21
795 MCM								22
795 MCM								23
795 MCM								24
795 MCM								25
795 MCM								26
795 MCM								27
795 MCM AA								28
795 MCM								29
1033 MCM								30
1033.5 KCM								31
556.5 MCM								32
795 MCM								33
795 MCM								34
795 MCM								35
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4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	6242 AUBURN	CITY OF AUBURN #5	138.00	138.00	1	2.00		1
2	6245 LAPORTE JCT	LIQUID CARBONICS	138.00	138.00	1	4.76		1
3	6245 LAPORTE JCT	LIQUID CARBONICS	138.00	138.00	1	0.23		
4	6246 LAPORTE JCT	AIRCO	138.00	138.00	1	0.72		1
5	6248 ELCONA TAP	CONC-DUN-E-ELK	138.00	138.00	1	2.00		1
6	6249 ALLEN	LINCOLN	138.00	138.00	3	5.00		2
7	6250 ALLEN	ADAMS/HILLCREST	138.00	138.00	3	5.00		2
8	6251 OLIVE	EDISON	138.00	138.00	3	1.00		2
9	6253 TRIER RD TAP		138.00	138.00	1			1
10	6258 KENZIE CREEK	TWIN BRANCH	138.00	138.00	3			2
11	6260 WILMINGTON TAP		138.00	138.00	1	1.00	9.00	1
12	6229 DUNLAP NORTH TAP		34.00	138.00	1	2.00		2
13	6140 INDIANA-PURDUE		34.00	138.00	1			2
14	6217 HILLCREST	KINNERK	69.00	138.00	1	3.92		1
15	6217 HILLCREST	KINNERK	69.00	138.00	2	0.03		1
16	6252 KENDALLVILLE	BIXLER	138.00	138.00	1	2.00		1
17	6254 ALLEN/LINCOLN	ALLEN/HILLCREST	138.00	138.00				
18	6271 INDALEX TAP/CR 4	EAST ELKHART	138.00	138.00	1	1.09		
19	6267 STUDEBAKER	WEST SIDE	138.00	138.00	1	2.57		1
20	6270 JONES CREEK	HOGAN	138.00	138.00		5.62		
21	6273 DAWKINS SWITCH	HERBERT MONROE (WVPA)	138.00	138.00	1	0.50		1
22								
23	LINES<132 KV	SYSTEM	69.00		Various	885.50	72.00	1
24								
25	STATE OF MICHIGAN							
26	6216 D.C. COOK	DUMONT	765.00	765.00	3	16.00		1
27	6120 COOK	PALISADES	345.00	345.00	3	41.78		2
28	6120 COOK	PALISADES	345.00	345.00	1	0.23		
29	6120 COOK	PALISADES	345.00	345.00	1	0.21		
30	6143 D.C. COOK	OLIVE-PALISADES	345.00	345.00	3	5.00		2
31	6144 TWIN BRANCH	COOK-ROB PARK JCT	345.00	345.00	3			2
32	6151 COOK	OLIVE	345.00	345.00				
33	6152 COOK	ROBISON PARK	345.00	345.00				
34	6146 D.C. COOK	ROBISON PARK	345.00	345.00	3	37.00		2
35	6146 D.C. COOK	ROBISON PARK	345.00	345.00	3	0.09		
36					TOTAL	3,927.09	124.00	227

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
795 MCM								1
795 MCM								2
1033.5 KCM								3
795 MCM								4
795 MCM								5
1033 MCM								6
1033 MCM								7
795 MCM								8
795 MCM								9
1033 MCM								10
2-954 MCM								11
795 MCM								12
1033 MCM								13
795 MCM								14
795 MCM								15
795 MCM								16
								17
								18
954 MCM								19
								20
4/0								21
								22
VARIOUS								23
								24
								25
4-954 MCM								26
2-954 MCM								27
2-954 MCM								28
2-1158.4 KCM								29
2-954 MCM								30
2-954 MCM								31
								32
								33
2-954 MCM								34
954 KCM								35
	66,547,906	658,568,293	725,116,199	374,444	7,496,079		7,870,523	36

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS

- Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
- Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
- Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	6214 COOK-ROB PARK	ARGENTA	345.00	345.00	3	28.78		2
2	6214 COOK-ROB PARK	ARGENTA	345.00	345.00	1	0.22		2
3	6221 D.C. COOK	OLIVE-PALISADES	345.00	345.00	3	5.00		2
4	6263 BARODA TAP		138.00	138.00				
5	0601 TWIN BRANCH	RIVERSIDE	138.00	138.00	3	33.00		2
6	0610 AUTO SPECIALTIES		138.00	138.00				
7	0621 TWIN BRANCH - R	HICKORY CREEK	138.00	138.00	3	5.00		2
8	0644 RIVERSIDE	HARTFORD	138.00	138.00	2	14.22		1
9	0644 RIVERSIDE	HARTFORD	138.00	138.00	3	2.11		
10	0649 COREY TAP		138.00	138.00	2	13.00		1
11	6108 RIVERSIDE	OLIVE-HICKORY CREEK	138.00	138.00	1	6.00		1
12	6124 BENTON HARBOR	RIVERSIDE-HARTFORD	138.00	138.00	3	1.00		2
13	6137 EDGEWATER TAP		138.00	138.00	1	0.76		1
14	6139 BENTON HARBOR	TWIN BRANCH-R SIDE	138.00	138.00	3	6.00		2
15	6149 HARTFORD	COREY	138.00	138.00	1	38.70		1
16	6149 HARTFORD	COREY	138.00	138.00	1	0.05		
17	6218 MOTTVILLE TAP		138.00	138.00	1	1.00		1
18	6255 KENZIE CREEK	VALLEY	138.00	138.00	1	20.00		1
19	6257 KENZIE CREEK	T B/R'SIDE/HICK CR	138.00	138.00	3			
20	6261 FLATBUSH TAP		138.00	138.00		1.00		1
21	6262 WEST ST TAP		138.00	138.00		1.00		2
22	6700 GM HYDRAMATIC		138.00	138.00	3	2.00		2
23	6227 NICKERSON	TOWER #13A	138.00	138.00				
24	0643 OLIVE	HICKORY CREEK	138.00	138.00	3	22.80	2.00	1
25	6268 SAUK TRAIL		138.00	138.00	1	1.60		
26								
27	LESS THAN 132 KV LINES		69.00		Various	411.92	12.00	
28								
29	Line cost and expense are	not available by individual						
30	transmission line.	Total shown in column j-p						
31								
32								
33								
34								
35								
36					TOTAL	3,927.09	124.00	227

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
2-954 MCM								1
2-954 MCM								2
2-954 MCM								3
								4
397.5 MCM								5
								6
397.5 MCM								7
397.5 MCM								8
397.5 MCM								9
477 MCM								10
636 MCM								11
795 MCM								12
556.5 MCM								13
795 MCM								14
795 MCM								15
795 MCM								16
795 AA								17
1033 MCM								18
795 MCM								19
								20
								21
795 MCM								22
								23
556.5 MCM								24
1033.5KCM								25
								26
VARIOUS								27
								28
	66,547,906	658,568,293	725,116,199	374,444	7,496,079		7,870,523	29
								30
								31
								32
								33
								34
								35
	66,547,906	658,568,293	725,116,199	374,444	7,496,079		7,870,523	36

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TRANSMISSION LINES ADDED DURING YEAR

- Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
- Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	NO LINES ADDED						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
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16							
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28							
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35							
36							
37							
38							
39							
40							
41							
42							
43							
44	TOTAL						

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2016/Q4</u>
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TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
									1
									2
									3
									4
									5
									6
									7
									8
									9
									10
									11
									12
									13
									14
									15
									16
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	ADAMS (IM) - IN	T	138.00	69.00	34.00
2	ADAMS (IM) - IN	T	138.00	13.00	
3	ALBANY (IM) - IN	D	34.50	13.00	
4	ALBION - IN	T	138.00	69.00	12.00
5	ALBION - IN	T	69.00	12.00	
6	ALBION - IN	T	138.00		
7	ALBION - IN	T	69.00		
8	ALEXANDRIA - IN	D	34.50		
9	ALEXANDRIA - IN	D	34.50	4.00	
10	ALEXANDRIA - IN	D	34.50	13.00	
11	ALLEN (IM) - IN	T	345.00	137.50	13.80
12	ALMENA - MI	T	69.00	34.00	
13	ALMENA - MI	T	69.00	34.50	
14	ALMENA - MI	T	69.00	12.00	
15	AM GENERAL #1 - IN	D	34.50	4.00	
16	ANACONDA - IN	D	34.50	4.00	
17	ANCHOR HOCKING (IM) - IN	D	69.00	13.09	
18	ANCHOR HOCKING (IM) - IN	D	69.00	2.40	
19	ANTHONY - IN	T	138.00	34.00	
20	ANTHONY - IN	T	34.50	12.00	
21	ANTIVILLE - IN	D	69.00	12.00	
22	ARMSTRONG CORK - IN	D	69.00	4.00	
23	ARNOLD HOGAN - IN	T	138.00	34.00	
24	ARNOLD HOGAN - IN	T	138.00	13.09	
25	ARNOLD HOGAN - IN	T	34.50		
26	AUBURN - IN	T	138.00		
27	AUBURN - IN	T	138.00	70.50	36.20
28	BANGOR - MI	D	69.00	12.00	
29	BARLEY - IN	D	34.50	13.00	
30	BARODA - MI	D	138.00	13.09	
31	BEECH ROAD - IN	D	138.00	13.09	
32	BELLAIRE (IM) - IN	D	34.50	4.00	
33	BELLAIRE (IM) - IN	D	34.50		
34	BENTON HARBOR - MI	T	345.00	137.50	13.80
35	BENTON HARBOR - MI	T	345.00	137.50	13.14
36	BENTON HARBOR WATERWORKS - MI	D	34.50	13.00	
37	BERNE - IN	D	69.00		
38	BERNE - IN	D	69.00	12.00	
39	BERRIEN SP HYDR STAT - MI	T	34.50	12.00	
40	BERRIEN SP HYDR STAT - MI	T	34.50	13.00	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
115	1					1
13	1					2
9	1					3
90	1					4
8	1					5
			STATCAP	1	53	6
			STATCAP	1	14	7
			STATCAP	1	7	8
6	1					9
22	1					10
450	1					11
22	1					12
30	1					13
7	1					14
7	2					15
4	1					16
20	1					17
14	2					18
112	1					19
29	2					20
4	1					21
20	2					22
30	1					23
22	1					24
			STATCAP	2	29	25
			STATCAP	2	106	26
130	1					27
6	1					28
2	1					29
20	1					30
20	1					31
7	1					32
			STATCAP	1	10	33
450	1					34
224		1				35
1	3					36
			STATCAP	1	16	37
20	1					38
5	1					39
5	1					40

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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
- Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	BETHEL - IN	D	34.50	13.00	
2	BIG RUN - IN	T	69.00	0.48	
3	BIXLER - IN	D	138.00	13.09	
4	BLAINE STREET - IN	D	34.50	13.00	
5	BLOOMINGDALE (MBH) - MI	D	34.50	7.20	
6	BLUFF POINT - IN	T	138.00	69.50	13.09
7	BLUFF POINT - IN	T	69.00	13.00	
8	BLUFF POINT - IN	T	69.00		
9	BLUFFTON (IM) - IN	T	69.00		
10	BOHN ALUMINUM - IN	D	69.00	4.00	
11	BOSMAN - IN	D	34.50	13.00	
12	BRIDGMAN - MI	D	69.00	12.00	
13	BRIDGMAN - MI	D	69.00		
14	BUCHANAN HYDRO STA - MI	T	69.00	34.00	
15	BUCHANAN HYDRO STA - MI	T	69.00	12.00	
16	BUCHANAN SOUTH - MI	D	69.00	12.00	
17	BUTLER (IM) - IN	D	69.00	13.00	
18	BUTLER (IM) - IN	D	69.00		
19	CALVERT - IN	D	138.00	13.09	
20	CAMERON - MI	D	69.00	34.00	
21	CAPITAL AVENUE - IN	T	138.00	69.00	34.50
22	CAPITAL AVENUE - IN	T	138.00	13.09	
23	CARROLL - IN	D	34.50	13.00	
24	CASAD - IN	D	34.50	4.80	
25	CHARLES - IN	D	34.50	13.00	
26	CHURUBUSCO - IN	D	34.50	13.00	
27	CHURUBUSCO - IN	D	34.50		
28	CLEVELAND - IN	D	138.00	13.09	
29	CLIPPER - IN	D	69.00	13.09	
30	COLBY - MI	T	138.00	69.00	34.50
31	COLBY - MI	T	69.00	34.50	
32	COLBY - MI	T	138.00	13.09	
33	COLBY - MI	T	34.50		
34	COLFAX - IN	D	34.50	12.00	
35	COLOMA Y - MI	T	69.00		
36	COLONY BAY - IN	D	69.00	12.00	
37	COLONY BAY - IN	D	69.00	13.00	
38	COLUMBIA(IM) - IN	T	138.00	69.00	34.00
39	CONANT - IN	D	34.50	12.00	
40	CONCORD - IN	T	138.00	13.09	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
11	1					1
3	1					2
20	1					3
29	2					4
2	3					5
60	1					6
6	1					7
			STATCAP	1	16	8
			STATCAP	1	16	9
5	1					10
9	1					11
19	2					12
			STATCAP	1	14	13
20	1					14
8	1					15
22	1					16
20	1					17
			STATCAP	2	30	18
20	1					19
8	1					20
130	1					21
12	1					22
2	3					23
1	2					24
2	1					25
11	1					26
			STATCAP	1	5	27
20	1					28
6	1					29
75	1					30
20	1					31
8	1					32
			STATCAP	1	12	33
22	1					34
			STATCAP	1	14	35
20	1					36
22	1					37
50	1					38
22	1					39
22	1					40

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	CONCORD - IN	T	138.00	34.00	
2	CONCORD - IN	T	138.00	13.09	
3	CONCORD - IN	T	138.00		
4	CONCORD - IN	T	34.50		
5	COREY - MI	T	69.00		
6	COREY - MI	T	138.00	69.00	34.50
7	COUNTRYSIDE - IN	D	138.00	12.47	
8	COUNTY LINE (IM) - IN	D	138.00	13.09	
9	COUNTY ROAD 4 - IN	D	138.00	13.09	
10	COVERT - MI	D	69.00	13.00	
11	CROSS STREET - IN	D	138.00	13.09	
12	CRYSTAL - MI	D	138.00	13.09	
13	DALEVILLE - IN	D	138.00	13.09	
14	DARDEN ROAD - IN	D	138.00	13.09	
15	DC COOK 345 - MI	T	12.00	0.24	
16	DC COOK 69/12 - MI	T	69.00	13.00	
17	DC COOK 69/12 - MI	T	69.00		
18	DC COOK 765 - MI	T	765.00	345.00	34.00
19	DECATUR (FTW) - IN	T	69.00	34.00	
20	DECATUR (FTW) - IN	T	69.00	4.00	
21	DECATUR (FTW) - IN	T	69.00	13.00	
22	DECATUR (FTW) - IN	T	69.00		
23	DEER CREEK - IN	T	138.00		
24	DEER CREEK - IN	T	34.50		
25	DEER CREEK - IN	T	138.00	13.09	
26	DEER CREEK - IN	T	138.00	34.50	
27	DEER CREEK - IN	T	138.00	69.00	34.00
28	DEER CREEK - IN	T	34.50	13.09	
29	DELAWARE (IM) - IN	T	138.00	34.00	
30	DELAWARE (IM) - IN	T	138.00		
31	DELAWARE (IM) - IN	T	34.50		
32	DERBY - MI	T	138.00	69.00	34.50
33	DESOTO - IN	T	345.00	138.00	34.50
34	DIEBOLD ROAD - IN	D	69.00	13.00	
35	DOOVILLE - IN	D	138.00	13.09	
36	DRAGOON - IN	T	138.00	69.00	34.00
37	DRAGOON - IN	T	34.50		
38	DREWRY'S - IN	D	34.50	12.00	
39	DREWRY'S - IN	D	34.50	13.09	
40	DUMONT - IN	T	765.00	345.00	17.00

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
50	1					1
22	1					2
			STATCAP	1	53	3
			STATCAP	1	14	4
			STATCAP	1	14	5
130	1					6
20	1					7
20	1					8
20	1					9
9	1					10
20	1					11
22	1					12
20	1					13
42	2					14
	2					15
7	2					16
			STATCAP	1		17
500		1				18
20	1					19
5	1					20
20	1					21
			STATCAP	1	13	22
			STATCAP	1	58	23
			STATCAP	2	30	24
20	1					25
75	1					26
90	1					27
4	1					28
125	2					29
			STATCAP	1	53	30
			STATCAP	1		31
75	1					32
675	1					33
20	1					34
12	1					35
84	1					36
			STATCAP	1	12	37
8	1					38
8	1					39
1500	3					40

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	DUMONT - IN	T	765.00	345.00	34.50
2	DUMONT - IN	T	765.00		
3	DUNLAP - IN	T	34.50		
4	DUNLAP - IN	T	138.00	13.09	
5	DUNLAP - IN	T	138.00	69.00	34.00
6	DUNLAP - IN	T	138.00	13.09	
7	EAST ELKHART - IN	T	138.00	69.00	34.00
8	EAST ELKHART - IN	T	345.00	137.50	13.80
9	EAST ELKHART - IN	T	34.50	7.20	
10	EAST SIDE (IM) - IN	D	138.00	13.09	
11	EAST WATERVLIET - MI	D	138.00	13.09	
12	EAU CLAIRE - MI	D	34.50	13.00	
13	EGE - IN	D	138.00	34.50	13.00
14	EIGHTH STREET (IM) - MI	D	34.50	4.00	
15	ELCONA - IN	D	138.00	13.09	
16	ELKHART HYDRO STAT - IN	T	34.50	13.00	
17	ELKHART HYDRO STAT - IN	T	34.50		
18	ELLISON ROAD - IN	T	138.00	13.09	
19	ELMRIDGE - IN	D	34.50	13.00	
20	ELWOOD (IM) - IN	D	34.50	13.00	
21	ELWOOD (IM) - IN	D	34.50		
22	FAIRMOUNT - IN	D	34.50	7.20	
23	FARMLAND - IN	D	69.00	13.09	
24	FERGUSON - IN	D	69.00	13.00	
25	FISHER BODY - IN	D	138.00	13.80	
26	FLORENCE ROAD - MI	D	69.00	12.00	
27	FLORENCE ROAD - MI	D	69.00		
28	FULTON (IM) - IN	D	34.50	13.00	
29	GAS CITY - IN	D	34.50	13.00	
30	GAS CITY - IN	D	34.50		
31	GASTON - IN	D	138.00	13.09	
32	GATEWAY (IM) - IN	T	69.00	34.00	
33	GATEWAY (IM) - IN	T	69.00		
34	GERMAN - IN	D	138.00	13.09	
35	GLENBROOK - IN	D	34.50	13.00	
36	GRABILL - IN	D	138.00	13.09	
37	GRANGER - IN	D	138.00	12.47	
38	GRANGER - IN	D	138.00	13.09	
39	GRANT - IN	T	138.00	34.50	
40	GRANT - IN	T	138.00	13.09	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
1000	2					1
			REACTOR	2	200	2
			STATCAP	1	14	3
20	1					4
130	1					5
20	1					6
84	1					7
450	1					8
1		1				9
37	2					10
20	1					11
4	1					12
8	1					13
9	1					14
22	1					15
8	1					16
			STATCAP	1	14	17
20	1					18
9	1					19
19	2					20
			STATCAP	1	5	21
11	1					22
20	1					23
20	1					24
100	2					25
20	1					26
			STATCAP	1	10	27
20	1					28
20	1					29
			STATCAP	1	10	30
20	1					31
20	1					32
			STATCAP	1	13	33
47	2					34
40	2					35
20	1					36
20	1					37
20	1					38
30	1					39
	1					40

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	GRAVEL PIT - IN	D	34.50	12.00	
2	GREENLEAF - IN	D	34.50	13.09	
3	GREENTOWN - IN	T	765.00		
4	HACIENDA - IN	D	138.00	12.47	
5	HACIENDA - IN	D	138.00	13.09	
6	HADLEY - IN	D	69.00	13.00	
7	HAGAR - MI	D	69.00	12.00	
8	HAMILTON - IN	D	69.00	13.00	
9	HARLAN - IN	D	69.00	13.00	
10	HARLAN - IN	D	69.00	13.09	
11	HARPER - IN	D	138.00	13.09	
12	HARRISON STREET - IN	D	34.50	4.00	
13	HARTFORD - MI	T	138.00	69.00	34.00
14	HARTFORD - MI	T	69.00	12.00	
15	HARTFORD CITY - IN	T	69.00	34.00	
16	HARTFORD CITY - IN	T	69.00	13.00	
17	HARTFORD CITY - IN	T	69.00		
18	HARVEST PARK - IN	D	34.50	13.00	
19	HAWTHORNE - MI	D	69.00	12.00	
20	HAYMOND - IN	D	34.50	13.00	
21	HICKORY CREEK - MI	T	138.00	34.50	
22	HICKORY CREEK - MI	T	138.00	69.00	34.50
23	HICKORY CREEK - MI	T	34.50	12.00	
24	HILLCREST - IN	T	138.00	69.00	34.00
25	HILLCREST - IN	T	138.00	13.09	
26	HILLCREST - IN	T	138.00		
27	HUMMEL CREEK - IN	T	138.00	13.09	
28	HUMMEL CREEK - IN	T	138.00	69.00	34.00
29	ILLINOIS ROAD - IN	T	138.00	69.00	13.00
30	ILLINOIS ROAD - IN	T	138.00	13.09	
31	INDIAN LAKE - MI	D	34.50	13.00	
32	INDUSTRIAL PARK - IN	T	138.00	13.09	
33	INDUSTRIAL PARK - IN	T	34.50	13.00	
34	INDUSTRIAL PARK - IN	T	138.00	69.00	34.00
35	INDUSTRIAL PARK - IN	T	138.00		
36	IRELAND ROAD - IN	D	138.00	13.09	
37	IU PURDUE - IN	D	13.80	4.00	
38	IU PURDUE - IN	D	34.50	12.00	
39	IU PURDUE - IN	D	34.50	13.00	
40	JACKSON ROAD - IN	T	138.00	34.00	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

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Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
5	1					1
20	1					2
			REACTOR	3	300	3
25	1					4
20	1					5
40	2					6
11	1					7
11	1					8
5	1					9
13	1					10
20	1					11
4	1					12
129	1					13
11	1					14
20	1					15
20	1					16
			STATCAP	1	16	17
20	1					18
22	1					19
24	2					20
60	2					21
75	1					22
31	2					23
84	1					24
42	2					25
			STATCAP	1	53	26
20	1					27
75	1					28
84	1					29
20	1					30
2	1					31
22	1					32
22	1					33
75	1					34
			STATCAP	1	50	35
20	1					36
5	1					37
22	1					38
20	1					39
30	1					40

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

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2. Substations which serve only one industrial or street railway customer should not be listed below.
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4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	JACKSON ROAD - IN	T	345.00	138.00	34.00
2	JACKSON ROAD - IN	T	138.00	13.09	
3	JAY (IM) - IN	T	138.00	13.09	
4	JAY (IM) - IN	T	138.00	69.00	34.00
5	JAY (IM) - IN	T	138.00		
6	JEFFERSON (IM) - IN	T	138.00		
7	JEFFERSON (IM) - IN	T	765.00		
8	JOBES - IN	D	34.50	4.00	
9	JONES CREEK - IN	D	138.00	12.47	
10	KANKAKEE - IN	T	138.00	13.09	
11	KENDALLVILLE - IN	T	69.00	12.00	
12	KENDALLVILLE - IN	T	69.00	13.00	
13	KENDALLVILLE - IN	T	138.00	69.00	13.00
14	KENDALLVILLE - IN	T	138.00		
15	KENZIE CREEK - MI	T	345.00	137.50	13.80
16	KINGSLAND - IN	D	69.00	13.00	
17	KLINE - IN	T	138.00	34.00	
18	KLINE - IN	T	34.50		
19	LAKE STREET - MI	T	69.00	34.00	
20	LAKE STREET - MI	T	69.00		
21	LAKESIDE (MBH) - MI	D	69.00	12.00	
22	LAKESIDE (MBH) - MI	D	69.00	13.09	
23	LANGLEY (IM) - MI	D	34.50	13.00	
24	LANTERN PARK - IN	D	138.00	13.09	
25	LAPAZ - IN	D	34.50	13.00	
26	LAPORTE JUNCTION - IN	T	138.00	69.00	34.00
27	LIGONIER - IN	D	138.00	13.09	
28	LINCOLN - IN	T	138.00	34.00	11.00
29	LINCOLN - IN	T	138.00	36.20	
30	LINCOLN - IN	T	138.00	70.50	36.20
31	LINCOLN - IN	T	138.00	13.09	
32	LINCOLN - IN	T	138.00		
33	LINWOOD (IM) - IN	D	138.00	13.09	
34	LOBDELL - IN	D	69.00	0.48	
35	LUSHER AVENUE - IN	D	34.50	12.00	
36	LYDICK - IN	D	34.50	13.09	
37	LYNN - IN	D	69.00	13.00	
38	MADISON (IM) - IN	T	138.00	35.00	
39	MADISON (IM) - IN	T	34.50	13.09	
40	MAGLEY - IN	T	69.00	13.00	

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
672	1					1
32	2					2
9	1					3
115	1					4
			STATCAP	1	58	5
			REACTOR	1	20	6
			REACTOR	10	850	7
9	1					8
20	1					9
22	1					10
11	1					11
8	1					12
75	1					13
			STATCAP	1	43	14
450	1					15
5	1					16
100	1					17
			STATCAP	1	14	18
40	1					19
			STATCAP	1	14	20
	1					21
9	1					22
17	2					23
20	1					24
5	1					25
84	1					26
29	2					27
49	3					28
75	1					29
200	1					30
20	1					31
			STATCAP	1	53	32
11	1					33
3	1					34
20	1					35
20	1					36
7	1					37
60	1					38
5	1					39
9	1					40

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	MAGLEY - IN	T	138.00	69.00	13.00
2	MAIN STREET - MI	T	138.00	34.00	
3	MAIN STREET - MI	T	138.00	13.09	
4	MAIN STREET - MI	T	34.50	4.00	
5	MARCELLUS - MI	D	34.50	13.00	
6	MARION ETHANOL - IN	D	34.50	4.00	
7	MARION PLANT - IN	D	34.50	4.00	
8	MARION PLANT - IN	D	34.50	13.00	
9	MARION PLANT - IN	D	34.50		
10	MAYFIELD - IN	D	138.00	13.09	
11	MCCLURE - IN	D	34.50	4.00	
12	MCGALLIARD ROAD - IN	D	34.50	13.00	
13	MCKINLEY - IN	T	138.00	34.00	
14	MCKINLEY - IN	T	138.00	69.00	34.00
15	MCKINLEY - IN	T	138.00	13.09	
16	MCKINLEY - IN	T	138.00		
17	MCKINLEY - IN	T	69.00		
18	MEADOW LAKE SW - IN	T	345.00		
19	MEADOWBROOK - IN	T	34.50		
20	MEADOWBROOK - IN	T	138.00	35.00	
21	MEDFORD - IN	T	138.00	69.00	34.00
22	MEDFORD - IN	T	34.50		
23	MIDDLEBURY - IN	D	34.50	0.48	
24	MIER - IN	D	138.00	13.09	
25	MILLER AVENUE - IN	D	34.50	4.00	
26	MISSISSINEWA - IN	D	138.00	13.09	
27	MOCK AVENUE - IN	D	34.50	4.00	
28	MODOC - IN	T	138.00	69.00	13.00
29	MODOC - IN	T	69.00	13.00	
30	MONROE (IM) - IN	D	69.00	13.00	
31	MONTPELIER - IN	D	69.00	13.00	
32	MOORE PARK - MI	T	138.00	69.00	34.50
33	MOORE PARK - MI	T	138.00	13.09	
34	MOORE PARK - MI	T	69.00		
35	MOTTVILLE - MI	T	69.00	12.00	
36	MULLIN - IN	T	138.00	34.00	
37	MULLIN - IN	T	34.50		
38	MURCH - MI	D	69.00	12.00	
39	MURCH - MI	D	69.00		
40	MURRAY - IN	D	69.00	13.00	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
90	1					1
30	1					2
22	1					3
8	1					4
4	1					5
11	1					6
6	1					7
22	1					8
			STATCAP	1		9
20	1					10
8	1					11
29	2					12
112	1					13
84	1					14
40	2					15
			STATCAP	1	86	16
			STATCAP	1	22	17
			STATCAP	2		18
			STATCAP	2	29	19
100	1					20
75	1					21
			STATCAP	1	15	22
3	1					23
11	1					24
8	1					25
12	1					26
4	1					27
60	1					28
5	1					29
8	1					30
22	1					31
90	1					32
20	1					33
			STATCAP	1	16	34
3	1					35
30	1					36
			STATCAP	1	10	37
20	1					38
			STATCAP	1	13	39
5	1					40

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	NEW BUFFALO - MI	D	69.00	12.00	
2	NEW CARLISLE - IN	T	138.00	34.50	
3	NEW CARLISLE - IN	T	34.50	13.00	
4	NICHOLSVILLE - MI	D	34.50	13.00	
5	NICKERSON - MI	D	138.00	13.09	
6	NILES - MI	T	69.00	34.00	
7	NILES - MI	T	69.00	13.09	
8	NILES - MI	T	69.00		
9	NOBLE - IN	D	69.00	13.00	
10	NORTH KENDALLVILLE - IN	D	69.00	12.00	
11	NORTH PORTLAND - IN	D	69.00	13.00	
12	NORTHLAND - IN	D	138.00	13.09	
13	NORTHWEST ELKHART - IN	D	34.50	12.00	
14	NORTHWEST ELKHART - IN	D	34.50	13.00	
15	NORTHWEST ELKHART - IN	D	34.50		
16	OHIO OIL - IN	D	34.50	2.40	
17	OHIO OIL - IN	D	34.50	13.00	
18	OLIVE - IN	T	138.00	69.00	34.00
19	OLIVE - IN	T	345.00	138.00	34.50
20	OLIVE - IN	T	138.00	13.09	
21	ORONOKO - MI	D	34.50	12.00	
22	OSOLO - IN	T	138.00	13.09	
23	OSOLO - IN	T	138.00	69.00	34.00
24	OSOLO - IN	T	34.50		
25	OSSIAN - IN	D	69.00	13.00	
26	PARKWAY - IN	D	34.50	13.00	
27	PARNELL - IN	D	34.50	13.00	
28	PARNELL - IN	D	34.50	13.09	
29	PEACOCK - IN	D	34.50	13.00	
30	PEARL STREET - MI	D	34.50	12.00	
31	PENDLETON - IN	T	138.00	35.00	
32	PENDLETON - IN	T	34.50		
33	PENNVILLE - IN	D	138.00	34.00	13.00
34	PETTIT AVENUE - IN	D	34.50	13.00	
35	PHILIPS - IN	D	69.00	0.48	
36	PIGEON RIVER - MI	D	69.00	12.00	
37	PINE ROAD - IN	D	138.00	13.09	
38	PIPE CREEK - IN	D	138.00	12.00	
39	PLEASANT - IN	D	69.00	13.00	
40	PLEASANT - IN	D	69.00		

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
31	2					1
30	1					2
8	1					3
2	1					4
20	1					5
45	1					6
20	1					7
			STATCAP	1	14	8
11	1					9
22	1					10
20	1					11
32	2					12
11	1					13
20	1					14
			STATCAP	1	14	15
6	6					16
6	1					17
27	1					18
675	1					19
9	1					20
8	1					21
20	1					22
75	1					23
			STATCAP	1	14	24
20	1					25
5	1					26
20	1					27
20	1					28
5	1					29
17	2					30
125	2					31
			STATCAP	2	26	32
8	1					33
20	1					34
3	1					35
20	1					36
20	1					37
20	1					38
5	1					39
			STATCAP	1	13	40

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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	POE - IN	D	34.50		
2	POE - IN	D	34.50	13.00	
3	POKAGON(MBH) - MI	T	138.00	69.00	13.00
4	POKAGON(MBH) - MI	T	69.00	13.00	
5	POKAGON(MBH) - MI	T	69.00		
6	PORTLAND (IM) - IN	D	69.00	13.00	
7	PRICE - IN	D	69.00	13.09	
8	QUINN - IN	D	34.50	13.09	
9	RANDOLPH - IN	T	138.00	69.00	13.00
10	RANDOLPH - IN	T	34.50	12.00	
11	RANDOLPH - IN	T	138.00	13.09	
12	RANDOLPH - IN	T	69.00		
13	REED - IN	D	138.00	13.09	
14	RICKERMAN ROAD - MI	D	138.00	13.09	
15	RIVERSIDE (IM) - MI	T	138.00	69.00	34.00
16	RIVERSIDE (IM) - MI	T	138.00	13.09	
17	RIVERSIDE (IM) - MI	T	138.00		
18	ROBISON PARK - IN	T	138.00	13.09	
19	ROBISON PARK - IN	T	138.00	70.50	36.20
20	ROBISON PARK - IN	T	138.00	13.09	
21	ROBISON PARK - IN	T	138.00		
22	ROCKPORT - IN	T	138.00		
23	ROCKPORT - IN	T	765.00		
24	ROCKPORT - IN	T	34.50	13.00	
25	ROSE HILL - IN	D	138.00	13.00	
26	ROYERTON - IN	D	138.00	13.09	
27	SATURN - IN	T	138.00	13.09	
28	SAUK TRAIL - MI	D	138.00	13.09	
29	SCHOOLCRAFT - MI	D	69.00	13.00	
30	SCOTTTDALE - MI	D	34.50	13.00	
31	SCOTTTDALE - MI	D	34.50	13.09	
32	SELMA PARKER - IN	T	138.00	13.09	
33	SHARON ROAD - IN	D	34.50	13.00	
34	SILVER LAKE - IN	D	34.50	12.00	
35	SISTER LAKES - MI	D	34.50	12.00	
36	SODUS - MI	D	138.00	13.09	
37	SORENSEN - IN	T	138.00	13.09	
38	SORENSEN - IN	T	345.00	138.00	34.00
39	SORENSEN - IN	T	345.00	138.00	34.50
40	SOUTH BEND - IN	T	138.00	34.00	

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

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Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
			STATCAP	1	5	1
5	1					2
115	1					3
5	1					4
			STATCAP	1	14	5
17	2					6
20	1					7
9	1					8
56	1					9
4	1					10
22	1					11
			STATCAP	1	14	12
22	1					13
8	1					14
134	2					15
20	1					16
			STATCAP	1	53	17
25	1					18
90	1					19
20	1					20
			STATCAP	1	86	21
			REACTOR	2	40	22
			REACTOR	4	200	23
2	2					24
8	1					25
11	1					26
13	1					27
20	1					28
22	1					29
11	1					30
9	1					31
	1					32
2	3					33
20	1					34
15	2					35
11	1					36
9	1					37
1347	2					38
675	1					39
150	2					40

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SUBSTATIONS

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2. Substations which serve only one industrial or street railway customer should not be listed below.
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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	SOUTH BEND - IN	T	138.00	69.00	34.00
2	SOUTH BEND - IN	T	138.00	13.09	
3	SOUTH BEND - IN	T	138.00		
4	SOUTH BERNE - IN	D	69.00	12.00	
5	SOUTH DECATUR - IN	D	69.00	13.00	
6	SOUTH DECATUR - IN	D	69.00	13.09	
7	SOUTH ELWOOD - IN	T	138.00	34.00	
8	SOUTH ELWOOD - IN	T	138.00	13.09	
9	SOUTH HAVEN - MI	T	69.00		
10	SOUTH SIDE (MARION) - IN	D	34.50	13.09	
11	SOUTH SIDE (SOUTH BEND) - IN	D	138.00	13.09	
12	SOUTH SUMMITVILLE - IN	T	34.50	13.09	
13	SOYA - IN	D	34.50	4.00	
14	SPRING STREET - IN	D	34.50	12.00	
15	SPRING STREET - IN	D	34.50	13.00	
16	SPRINGVILLE - IN	D	69.00	13.00	
17	SPY RUN 34 - IN	D	34.50	12.00	
18	SPY RUN SF6 - IN	T	138.00	13.09	
19	SPY RUN SF6 - IN	T	138.00	34.00	
20	ST MARYS COLLEGE - IN	D	34.50	4.33	
21	ST. JOE - IN	D	69.00	13.09	
22	STATE STREET - IN	D	138.00	13.09	
23	STEVENSVILLE - MI	D	69.00	13.00	
24	STEVENSVILLE - MI	D	69.00	13.09	
25	STONE LAKE - MI	D	69.00	12.00	
26	STONE LAKE - MI	D	69.00	13.00	
27	STUBEY ROAD - MI	D	69.00	12.00	
28	STUBEY ROAD - MI	D	69.00		
29	STUDEBAKER - IN	D	138.00	13.09	
30	STUDEBAKER - IN	D	138.00	13.80	
31	SULLIVAN (IM) - IN	T	765.00	345.00	34.00
32	SULLIVAN (IM) - IN	T	765.00	345.00	34.50
33	SULLIVAN (IM) - IN	T	138.00		
34	SULLIVAN (IM) - IN	T	765.00		
35	SUMMIT - IN	D	138.00	13.09	
36	SWANSON - IN	D	69.00	34.00	
37	SWANSON - IN	D	69.00		
38	THOMAS ROAD - IN	D	69.00	13.09	
39	THREE M - IN	D	69.00	4.00	
40	THREE OAKS - MI	D	69.00	12.00	

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Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
130	1					1
20	1					2
			STATCAP	1	53	3
12	1					4
20	1					5
20	1					6
30	1					7
20	1					8
			STATCAP	1	10	9
20	1					10
20	1					11
20	1					12
11	1					13
12	1					14
8	1					15
9	1					16
20	1					17
22	1					18
200	2					19
8	1					20
20	1					21
22	1					22
8	1					23
13	1					24
9	1					25
7	1					26
11	1					27
			STATCAP	1	14	28
20	1					29
36	2					30
3000	6					31
500	1					32
			REACTOR	1	20	33
			REACTOR	4	200	34
40	2					35
45	2					36
			STATCAP	1	14	37
20	1					38
13	1					39
6	1					40

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SUBSTATIONS

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	THREE RIVERS (FTW) - IN	D	34.50	13.00	
2	THREE RIVERS (FTW) - IN	D	34.50	14.40	
3	THREE RIVERS (MBH) - MI	D	69.00	12.00	
4	TILLMAN - IN	T	138.00	36.20	
5	TILLMAN - IN	T	138.00	13.09	
6	TILLOTSON - IN	D	34.50	13.00	
7	TORRINGTON - IN	D	34.50	4.00	
8	TRIER - IN	D	138.00	13.09	
9	TRI-LAKES - IN	D	69.00	13.00	
10	TWENTY FIRST STREET - IN	D	34.50	13.00	
11	TWENTY THIRD STREET (IM) - IN	T	138.00	69.00	34.00
12	TWENTY THIRD STREET (IM) - IN	T	34.50		
13	TWIN BRANCH 138KV - IN	T	345.00	137.50	13.20
14	TWIN BRANCH 138KV - IN	T	345.00	138.00	34.50
15	TWIN BRANCH 138KV - IN	T	138.00	13.09	
16	TWIN BRANCH 34KV - IN	T	34.50		
17	TWIN BRANCH 34KV - IN	T	34.50	13.00	
18	UNIVERSAL TOOL - IN	D	69.00	0.48	
19	UP RIVER DAM - IN	D	13.80	4.00	
20	UP RIVER DAM - IN	D	34.50	4.00	
21	UPLAND - IN	D	69.00	13.20	
22	UTICA (IM) - IN	D	34.50	13.09	
23	VALLEY - MI	T	138.00	69.00	34.00
24	VALLEY - MI	T	138.00		
25	VALLEY - MI	T	34.50		
26	VAN BUREN - IN	T	138.00	69.00	13.00
27	VICKSBURG - MI	D	69.00	12.00	
28	VICKSBURG - MI	D	69.00	13.09	
29	WABASH AVENUE - IN	D	69.00	13.09	
30	WALLEN - IN	T	138.00	69.00	34.00
31	WALLEN - IN	T	138.00	13.09	
32	WARREN - IN	D	69.00	12.00	
33	WATER POLLUTION - IN	D	34.50	4.00	
34	WAYNE TRACE - IN	D	138.00	13.09	
35	WAYNE DALE - IN	D	138.00	12.47	
36	WAYNE DALE - IN	D	138.00	13.09	
37	WEBSTER - IN	D	34.50	12.00	
38	WEBSTER - IN	D	34.50	14.00	
39	WES-DEL - IN	D	138.00	13.09	
40	WEST END - IN	D	34.50	4.00	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
10	2					1
22	2					2
22	1					3
18	1					4
	1					5
20	1					6
9	1					7
20	1					8
4	1					9
19	2					10
213	2					11
			STATCAP	2	29	12
450	1					13
675	1					14
20	1					15
			STATCAP	1	14	16
3	1					17
1	1					18
2	3					19
2	3					20
20	1					21
42	2					22
75	1					23
			STATCAP	1	44	24
			STATCAP	1	7	25
56	1					26
9	1					27
20	1					28
20	1					29
54	1					30
20	2					31
7	1					32
11	2					33
22	1					34
20	1					35
22	1					36
20	1					37
19	4					38
22	1					39
8	1					40

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVA except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	WEST END - IN	D	34.50	13.00	
2	WEST SIDE - IN	T	138.00	69.00	34.00
3	WEST SIDE - IN	T	138.00	13.09	
4	WEST SIDE - IN	T	34.50		
5	WEST STREET - MI	D	138.00	13.09	
6	WHEELER STREET - MI	D	69.00	13.00	
7	WHITAKER - IN	D	34.50	12.00	
8	WHITLEY SW - IN	T	34.50		
9	WINCHESTER (IM) - IN	T	69.00		
10	WINCHESTER (IM) - IN	T	69.00	34.00	
11	WINCHESTER (IM) - IN	T	69.00	13.00	
12	WOLF LAKE - IN	D	69.00	13.00	
13	WOLVERINE - MI	D	69.00	13.00	2.40
14	WOODBURN - IN	D	69.00	13.00	
15	WOODS ROAD - IN	D	138.00	12.00	
16					
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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
9	2					1
84	1					2
42	2					3
			STATCAP	1	12	4
20	1					5
8	1					6
20	1					7
			STATCAP	1	5	8
			STATCAP	2	22	9
17	1					10
26	2					11
8	1					12
5	1					13
11	1					14
10	1					15
						16
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TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2	Administrative and General Expenses - Operation	AEPSC	various	7,068,237
3	AEPSC Support Services	AEPSC	417	1,617,263
4	Assets and Other Debits - Utility Plant	OPCO	107,108	277,728
5	Audit Services	AEPSC	920,923	2,173,792
6	Central Machine Shop	APCO	various	2,917,989
7	Civil and Political Activities	AEPSC	426	1,363,900
8	Administrative and General Expenses - Maintenance	AEPSC	935	5,969,165
9	Coal Transloading	AEG	151	12,773,976
10	Construction Services	AEPSC	107,108,120	47,861,294
11	Corporate Accounting	AEPSC	920,923	3,709,883
12	Corporate Communications	AEPSC	920,923	948,331
13	Corporate Planning and Budgeting	AEPSC	920,923	1,819,802
14	Corporate Safety and Health	AEPSC	920,923	600,202
15	Customer Accounts Expense	AEPSC	901-905	8,969,570
16	Customer Service and Informational Expense	AEPSC	907,908,910	269,788
17	Distribution Expense - Maintenance	AEPSC	590-598	252,749
18	Distribution Expense - Maintenance	OPCO	592-598	710,255
19	Distribution Expense - Operation	AEPSC	580-584,586,588	3,078,724
20	Non-power Goods or Services Provided for Affiliate			
21	Assets and Other Debits - Current and Accrued	AEG	163	400,690
22	Assets and Other Debits - Utility Plant	IMTCO	107,108	6,276,130
23	Assets and Other Debits - Utility Plant	OPCO	107,108	427,852
24	Barging	AEG	417	14,775,539
25	Barging	APCO	417	36,896,034
26	Barging	KPCO	417	5,253,685
27	Barging	AGR	417	340,533
28	Building and Property Leases	AEPSC	454	1,141,012
29	Fleet and Vehicle Charges	AEPSC	various	441,420
30	Fuel Carbon Activation	AEG	154,502	6,446,303
31	Fuel Consumed Handling	AEG	152,501	5,695,304
32	Materials and Supplies	APCO	154	1,127,931
33	Materials and Supplies	IMTCO	154	3,563,080
34	Materials and Supplies	OHTCO	154	458,113
35	Materials and Supplies	OPCO	154	2,877,419
36	Other Operating Revenues	APCO	456	346,994
37	Power Production - Steam Generation Maintenance	AEG	510-514	1,501,187
38	Power Production - Steam Generation Operation	AEG	500,506	4,806,077
39	Rail Car Lease	PSO	151	273,430
40	Rail Car Lease	SWEPCO	151	933,594
41	Services for Rockport	AEG	various	98,457,851
42	Sodium Bicarbonate Activation	AEG	502	7,457,021

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TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

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Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2	Distribution Expense - Operation	OPCO	various	393,095
3	Environmental Services	AEPSC	920,923	438,700
4	Fuel and Storeroom Services	AEPSC	152,163	5,658,666
5	Human Resources	AEPSC	920,923	2,085,644
6	Hydraulic Power Generation - Maintenance	AEPSC	541-545	257,023
7	Hydraulic Power Generation - Operation	AEPSC	535,537-540	1,240,574
8	Informational Technology	AEPSC	920,923	6,651,297
9	Legal GC/Administration	AEPSC	920,923	766,777
10	Materials and Supplies	APCO	various	839,768
11	Materials and Supplies	OPCO	various	1,602,632
12	Materials and Supplies	PSO	107,154,935	477,804
13	Nuclear Power Generation - Maintenance	AEPSC	528,530-532	2,564,433
14	Nuclear Power Generation - Operation	AEPSC	517,520,524	1,413,542
15	Other Income and Deductions - Other Income	APCO	417	5,977,207
16	Other Power Supply Expenses	AEPSC	555-557	6,351,021
17	Rail Car Lease	PSO	186	279,585
18	Rail Car Lease	SWEPCO	186	824,527
19	Rail Car Maintenance	AEG	151	1,734,854
20	Non-power Goods or Services Provided for Affiliate			
21	Barging	WPCO	417	4,839,475
22	Transmission Expense - Maintenance	IMTCO	568-571,573	1,259,834
23	Transmission Expense - Operation	IMTCO	560,562,563,566	783,282
24	Use of Jointly Owned Facility	IMTCO	454	840,500
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TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

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3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2	Real Estate and Workplace Services	AEPSC	920,923	3,374,134
3	Research and Other Services	AEPSC	182,183,186,188	1,168,233
4	Risk and Strategic Initiatives	AEPSC	920,923	1,023,896
5	Security and Aviation	AEPSC	920,923	826,789
6	Steam Power Generation - Maintenance	AEPSC	510-514	873,823
7	Steam Power Generation - Operation	AEPSC	various	6,824,892
8	Treasury and Investor Relations	AEPSC	920,923	796,289
9	Utility Operations	AEPSC	920,923	3,015,845
10	Transmission Expense - Maintenance	AEPSC	568-573	1,782,341
11	Transmission Expense - Operation	AEPSC	various	9,199,114
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20	Non-power Goods or Services Provided for Affiliate			
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FOOTNOTE DATA			

Schedule Page: 429 Line No.: 2 Column: c

920, 921, 922, 923, 925, 926, 928, 930, 931

Schedule Page: 429 Line No.: 5 Column: b

Certain managerial and professional services provided by AEPSC are allocated among multiple affiliates. The costs of the services are billed on a direct-charge basis, whenever possible. Costs incurred to perform services that benefit more than one company are allocated to the benefiting companies using one of 80 FERC accepted allocation factors. The allocation factors used to bill for services performed by AEPSC are based upon formulae that consider factors such as number of customers, number of employees, number of transmission miles, number of invoices and other factors. The data upon which these formulae are based is updated monthly, quarterly, semi-annually or annually, depending on the particular factor and its volatility. The billings for service are made at cost and include no compensation for a return on investment.

Schedule Page: 429 Line No.: 6 Column: c

107, 108, 163, 506, 510, 512, 513, 524, 530, 531, 544

Schedule Page: 429 Line No.: 29 Column: c

Costs related to AEP's fleet vehicles are allocated in the same manner as the labor of each department utilizing the vehicles. To the extent a department provides service to another affiliate company, an applicable share of their fleet costs are also assigned to that affiliate company.

Schedule Page: 429 Line No.: 41 Column: c

The Rockport Plant is owned 50% by I&M and 50% by AEG. I&M is the operator of the plant and most charges originate on I&M's general ledger. A joint books process then allocates 50% of those charges to AEG.

Schedule Page: 429.1 Line No.: 2 Column: c

580, 583, 584, 586, 587, 588, 589

Schedule Page: 429.1 Line No.: 10 Column: c

107, 108, 154, 512, 513, 530, 531, 570, 592, 594

Schedule Page: 429.1 Line No.: 11 Column: c

107, 108, 154, 163, 513, 524, 570, 571, 573, 586, 588, 591, 595, 901, 935

Schedule Page: 429.2 Line No.: 7 Column: c

500, 501, 502, 506, 508

Schedule Page: 429.2 Line No.: 11 Column: c

560, 561, 562, 563, 566, 567