

INSTRUCTIONS FOR THE FILING OF THE ANNUAL REPORT OF  
MAJOR AND NONMAJOR ELECTRIC UTILITIES

GENERAL INFORMATION

**I. Purpose:**

By authority conferred upon the Michigan Public Service Commission by 1909 PA 106, as amended, being MCL 460.556 et seq. and 1969 PA 306, as amended, being MCL 24.201 et seq., this form is a regulatory support requirement. It is designed to collect financial and operational information from public utilities, licensees and others subject to the jurisdiction of the Michigan Public Service Commission. This report is a nonconfidential public use form.

**II. Who Must Submit:**

Each major and nonmajor public utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees must submit this form.

NOTE: Major utilities means utilities that had, in each of the last three consecutive years, sales or transmission service that exceeded any one or more of the following:

- (a) one million megawatt-hours of total sales;
- (b) 100 megawatt-hours of sales for resale;
- (c) 500 megawatt-hours of gross interchange out; or
- (d) 500 megawatt-hours of wheeling for others (deliveries plus losses)

**III. What and Where to Submit:**

- (a) **Submit an original copy of this form to:**

Michigan Public Service Commission (Regulated Energy Division)  
Financial Analysis and Customer Choice Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

**Retain one copy of this report for your files. Also submit the electronic version of this record to Bill Stosik at the address below or to [bmstosi@michigan.gov](mailto:bmstosi@michigan.gov)**

- (b) Submit immediately upon publication, one (1) copy of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analyst, or industry association. Do not include monthly and quarterly reports. If reports to stockholders are not prepared, enter "NA" in column (c) on Page 4, the List of Schedules.) Mail these reports to:

Michigan Public Service Commission (Regulated Energy Division)  
Financial Analysis and Customer Choice Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

- (c) For the CPA certification, submit with the original submission, or within 30 days after the filing date for this form, a letter or report:

- (i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- (ii) Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority or a state or other political subdivision of the U.S. (See 18 CFR 41.10-41.12 for specific qualifications)

<u>Schedules</u>	<u>Reference Page</u>
Comparative Balance Sheet	110 - 113
Statement of Income	114 - 117
Statement of Retained Earnings	118 - 119
Statement of Cash Flows	120 - 121
Notes to Financial Statements	122 - 123

When accompanying this form, insert the letter or report immediately following the cover sheet. Use the following form for the letter or report unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under the date of \_\_\_\_\_ we have also reviewed schedules \_\_\_\_\_ of Form P-521 for the year filed with the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Michigan Public Service Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (d) Federal, state, and local governments and other authorized user may obtain additional blank copies to meet their requirements for a charge from:

Michigan Public Service Commission (Regulated Energy Division)  
Financial Analysis and Customer Choice Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

#### **IV. When to Submit**

Submit this report form on or before April 30 of the year following the year covered by this report.

#### **GENERAL INSTRUCTIONS**

- I.** Prepare this report in conformity with the Uniform System of Accounts (USOA). Interpret all accounting words and phrases in accordance with the USOA.
- II.** Enter in whole number (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required). The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances

at the end of the current reporting year, and use for statement of income accounts the current year's accounts.

- III.** Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "NONE" where it truly and completely states the fact.
- IV.** For any page(s) that is not applicable to respondent, either
- (a) Enter the words "NOT APPLICABLE" on the particular page(s), OR
  - (b) Omit the page(s) and enter "NA", "NONE", or "NOT APPLICABLE" in column (c) on the List of Schedules, pages 2, 3, 4 and 5.
- V.** Complete this report by means which result in a permanent record. Complete the original copy in permanent black ink or typewriter print, if practical. Additional copies must be clear and readable.
- VI.** Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (See VIII. below). The date of the resubmission must be reported in the header for all form pages, whether or not they are changed from the previous filing.
- VII.** Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ( ).
- VIII.** When making revisions, resubmit only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the resubmission the identification and Attestation page, page 1. Mail dated resubmissions to:
- Michigan Public Service Commission (Regulated Energy Division)  
Financial Analysis and Customer Choice Section  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909
- IX.** Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 x 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and page number supplemented.
- X.** Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- XI.** Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XII.** Respondents may submit computer printed schedules (reduced to 8 1/2 x 11 inch size) instead of the preprinted schedules if they are in substantially the same format.
- XIII.** A copy of the FERC Annual Report Form is acceptable to substitute for the same schedules of this report.

#### DEFINITIONS

- I.** Commission Authorization (Comm. Auth.) - The authorization of the Michigan Public Service Commission, or any other Commission. Name the Commission whose authorization was obtained and give the date of the authorization.
- II.** Respondent - The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

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, 2006
<b>LIST OF SCHEDULES (Electric Utility)</b>			
1. Enter in column (c) the terms "none", "not applicable", or "NA", as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable", or "NA"		2. The "M" prefix below denotes those pages where the information requested by the MPSC differs from that requested by FERC. Each of these pages also contains the "M" designation on the page itself.	
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
<p style="text-align: center;"><b>GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS</b></p> <p>General Information 101</p> <p>Control Over Respondent &amp; Other Associated Companies 102</p> <p>Corporations Controlled by Respondent 103</p> <p>Officers and Employees 104</p> <p>Directors M 105</p> <p>Security Holders and Voting Powers M 106-107</p> <p>Important Changes During the Year 108-109</p> <p>Comparative Balance Sheet M 110-113</p> <p>Statement of Income for the Year M 114-117</p> <p>Statement of Retained Earnings for the Year M 118-119</p> <p>Statement of Cash Flows M 120-121</p> <p>Notes to Financial Statements 122-123</p> <p style="text-align: center;"><b>BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)</b></p> <p>Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion M 200-201</p> <p>Nuclear Fuel Materials 202-203</p> <p>Electric Plant in Service M 204-211</p> <p>Electric Plant Leased to Others 213 NA</p> <p>Electric Plant Held for Future Use 214</p> <p>Construction Work in Progress - Electric M 216</p> <p>Accumulated Provision for Depreciation of Electric Utility Plant M 219</p> <p>Nonutility Property M 221</p> <p>Investment in Subsidiary Companies 224-225</p> <p>Materials and Supply 227</p> <p>Allowances 228-229</p> <p>Extraordinary Property Losses 230B NA</p> <p>Unrecovered Plant and Regulatory Study Costs 230B NA</p> <p>Other Regulatory Assets 232</p> <p>Miscellaneous Deferred Debits 233</p> <p>Accumulated Deferred Income Taxes (Account 190) M 234A-B</p> <p style="text-align: center;"><b>BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Credits)</b></p> <p>Capital Stock 250-251</p> <p>Capital Stock Subscribed, Capital Stock Liability for Conversion Premium on Capital Stock, and Installments Received on Capital Stock 252</p>			

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<b>LIST OF SCHEDULES (Electric Utility) (Continued)</b>			
Title of Schedule  (a)	Reference Page No.  (b)	Remarks  (c)	
<b>BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)</b>			
Other Paid-In Capital	253		
Discount on Capital Stock	254	NA	
Capital Stock Expense	254	NA	
Long-Term Debt	256-257		
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	M 262-263		
Distribution of Taxes Charged	M 262-263		
Accumulated Deferred Income Taxes - Accelerated Amortization Property	M 272-273		
Accumulated Deferred Income Taxes - Other Property	M 274-275		
Accumulated Deferred Income Taxes - Other	M 276A-B		
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Electric Operating Revenues	M 300-301		
Customer Choice Electric Operating Revenues	M 302-303		
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Customer Choice Sales of Electricity by Rate Schedules	M 305		
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Transmission of Electricity for Others	328-330		
Transmission of Electricity by Others	332		
Miscellaneous General Expenses - Electric	335		
Depreciation and Amortization of Electric Plant	M 336-337		
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<b>COMMON SECTION</b>			
Regulatory Commission Expenses	350-351		
Research, Development and Demonstration Activities	352-353		
Distribution of Salaries and Wages	354-355		
Common Utility Plant and Expenses	356	NA	
<b>ELECTRIC PLANT STATISTICAL DATA</b>			
Monthly Transmission System Peak Load	400	NA	
Electric Energy Account	401		
Monthly Peaks and Output	401		
Steam-Electric Generating Plant Statistics (Large Plants)	402-403		
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		

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<b>LIST OF SCHEDULES (Electric Utility) (Continued)</b>			
Title of Schedule (a)	Reference Page No. (b)	Remarks (c)	
<b>ELECTRIC PLANT STATISTICAL DATA (Continued)</b>			
Transmission Line Statistics	422-423		
Transmission Lines Added During Year	424-425		
Substations	426-427		
Electric Distribution Meters and Line Transformers	429		
Environmental Protection Facilities	430	NA	
Environmental Protection Expenses	431	NA	
Footnote Data	450		
Stockholders' Report	---		
<b>MPSC SCHEDULES</b>			
Reconciliation of Deferred Income Tax Expense	117A-B		
Operating Loss Carry Forward	117C	NA	
Plant Acquisition Adjustments and Accumulated Provision for Amortization of Plant Acquisition Adjustments	215		
Construction Work In Progress and Completed Construction Not Classified - Electric	216		
Construction Overheads - Electric	217		
General Description of Construction Overhead Procedure	218		
Accumulated Provision for Depreciation and Amortization of Nonutility Property	221		
Investments	222-223		
Notes & Accounts Receivable Summary for Balance Sheet	226A		
Accumulated Provision for Uncollectible Accounts - Credit	226A		
Receivables From Associated Companies	226B		
Production Fuel and Oil Stocks	227A-B		
Miscellaneous Current and Accrued Assets	230A		
Preliminary Survey and Investigation Charges	231A-B	NA	
Deferred Losses from Disposition of Utility Plant	235A-B	NA	
Unamortized Loss and Gain on Reacquired Debt	237A-B		
Securities Issued or Assumed and Securities Refunded or Retired During the Year	255		
Notes Payable	260A	NA	
Payables to Associated Companies	260B		
Investment Tax Credits Generated and Utilized	264-265		
Miscellaneous Current and Accrued Liabilities	268		
Customer Advances for Construction	268		
Deferred Gains from Disposition of Utility Plant	270A-B	NA	
Accumulated Deferred Income Taxes - Temporary	277	NA	
Gain or Loss on Disposition of Property	280A-B		
Income from Utility Plant Leased to Others	281	NA	
Particulars Concerning Certain Other Income Accounts	282		
Electric Operation and Maintenance Expenses (Nonmajor)	320N-324N	NA	
Number of Electric Department Employees	234N	NA	
Sales to Railroads & Railways and Interdepartmental Sales	331A		
Rent From Electric Property & Interdepartmental Rents	331A		
Sales of Water and Water Power	331B		
Misc Service Revenues & Other Electric Revenues	331B		
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Expenditures for Certain Civic, Political and Related Activities	341		

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<b>LIST OF SCHEDULES (Electric Utility) (Continued)</b>			
Title of Schedule (a)	Reference Page No (b)	Remarks (c)	
<b>MPSC SCHEDULES (Continued)</b>			
Extraordinary Items	342		
Charges for Outside Professional and Other Consultative Services	357		
Summary of Costs Billed to Associated Companies	358-359		
Summary of Costs Billed from Associated Companies	360-361		
Monthly Transmission System Peak Load	400	NA	
Changes Made or Scheduled to be Made in Generating Plant Capacities	412	NA	
Steam-Electric Generating Plants	413A-B		
Hydroelectric Generating Plants	414-415	NA	
Pumped Storage Generating Plants	416-418	NA	
Internal Combustion Engine and Gas Turbine Generating Plants	420-421	NA	

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<b>GENERAL INFORMATION</b>			
<p>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 account are kept, if different from that where the general corporate books are kept</p> <p>E. Kevin Bethel, Assistant Controller</p> <p>1 Riverside Plaza</p> <p>Columbus, OH 43215</p>			
<p>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 that fact and give the type of organization and date organized.</p> <p>Indiana - February 21, 1925</p>			
<p>3. If at any time during the year the property of respondent was held by a 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 when possession by receiver or trustee ceased</p> <p>None</p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which respondent operated</p> <p>Electric - Indiana</p> <p>Electric - Michigan</p>			
<p>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?</p> <p>(1) <input type="checkbox"/> Yes. Enter date when such independent accountant was initially engaged: _____</p> <p>(2) <input checked="" type="checkbox"/> No</p>			

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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, 2006
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<p align="center"><b>CONTROL OVER RESPONDENT &amp; OTHER ASSOCIATED COMPANIES</b></p> <p>1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at 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.</p> <p>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.</p> <p>American Electric Power Company, Inc. - Ownership of 100% of the respondent's common stock</p> <p>The following list of subsidiaries was extracted from Exhibit 21 of the company's Form 10-K as filed with the SEC</p> <p>Subsidiaries of American Electric Power Company, Inc., As of December 31, 2006</p> <p>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.</p> <p>American Electric Power Service Corporation  AEP C&amp;I Company, LLC  AEP Coal, Inc.  AEP Communications, Inc.  AEP Desert Sky LP, LLC  AEP Desert Sky LP II, LLC  AEP Generating Company  AEP Investments, Inc.  AEP Nonutility Funding LLC  AEP Power Marketing, Inc.  AEP Pro Serv, Inc.  AEP Resources, Inc.  AEP T&amp;D Services, LLC  AEP Transmission Holding Company, LLC  AEP Utilities, Inc.      AEP Credit, Inc.      AEP Texas Central Company          AEP Texas Central Transition Funding LLC          AEP Texas Central Transition Funding II LLC      AEP Texas North Company          AEP Texas North Generation Company LLC  CSW Energy, Inc.  CSW Energy Services, Inc.  CSW International, Inc.  Public Service Company of Oklahoma  Southwestern Electric Power Company      Dolet Hills Lignite Company, LLC      Southwestern Arkansas Utilities Corporation      SWEPCo Capital Trust I      The Arklaohama Corporation  AEP Utility Funding LLC  Appalachian Power Company      Cedar Coal Co.      Central Appalachian Coal Company      Central Coal Company</p>
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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, 2006
<b>CONTROL OVER RESPONDENT &amp; OTHER ASSOCIATED COMPANIES</b>			
<p> Southern Appalachian Coal Company  Columbus Southern Power Company  Colomet, Inc.  Conesville Coal Preparation Company  Ohio Valley Electric Corporation  Indiana-Kentucky Electric Corporation  Simco Inc  Franklin Real Estate Company  Indiana Michigan Power Company  Blackhawk Coal Company  Price River Coal Company  Kentucky Power Company  Kingsport Power Company  Mutual Energy L L C  Ohio Power Company  Cardinal Operating Company  Central Coal Company  Ohio Valley Electric Corporation  Indiana-Kentucky Electric Corporation  Power Tree Carbon Company, LLC  Wheeling Power Company </p>			

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<b>CORPORATIONS CONTROLLED BY RESPONDENT</b>					
<p>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.</p> <p>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.</p> <p>3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests</p> <p>1. See the Uniform of Accounts for a definition of control.</p> <p>2. Direct control is that which is exercised without interposition of an intermediary.</p> <p>3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.</p> <p>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.</p>					
Line	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock (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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<b>OFFICERS AND EMPLOYEES</b>					
<p>1. Report below the name, title and salary for the five executive officers</p> <p>2. Report in column (b) salaries and wages accrued during the year including deferred compensation</p> <p>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).</p> <p>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</p> <p>5. Upon request, the Company will provide the Commission with supplemental information on officers and other employees and salaries.</p>					
Line	Name and Title	Base Wages	Other Compensation	Type of Other Compensation	Total Compensation
	(a)	(b)	(c)	(d)	(e)
1	Michael G. Morris Chairman of the Board, President, & Chief Executive Officer of AEP & AEP Service Corporation	1,200,000	2,200,000 90,000 9,916,897 815,110	A B C D	14,222,007
2	Holly K. Koeppel Executive Vice President & Chief Financial Officer of the Company; Executive Vice President, Chief Financial Officer & Director of AEP Service Corporation	440,000	425,000 41,138 1,410,036 253,580	A B C D	2,569,754
3	Susan Tomasky Executive Vice President & former Chief Financial Officer of the Company; Executive Vice President & Director of AEP Service Corporation	500,000	460,000 48,825 2,043,675 427,898	A B C D	3,480,398
4	Carl L. English President-AEP Utilities of the Company; President-AEP Utilities & Director of AEP Service Corporation	500,000	520,000 48,825 1,613,224 107,053	A B C D	2,789,102
5	Robert P. Powers Executive Vice President of the Company; Executive Vice President-AEP Utilities East & Director of AEP Service Corporation	475,000	431,200 43,832 1,561,231 427,541	A B C D	2,938,804
6	Thomas M. Hagan Executive Vice President of the Company; Executive Vice President of AEP Utilities - West & Director of AEP Service Corporation	440,000	419,400 41,138 1,371,316 177,392	A B C D	2,449,246
7	John B. Keane Senior Vice President, General Counsel & Secretary of the Company; Senior Vice President, General Counsel & Director of AEP Service Corporation	400,000	375,000 9,900 869,098 89,710	A B C D	1,743,708
Compensation Type Codes:		A = Executive Incentive Compensation B = Incentive Plan (Matching Employer Contribution) C = Stock Plans D = Other Reimbursements			

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<b>DIRECTORS</b>			
<p>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.</p> <p>2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.</p>			
Name and Title of Director (a)	Principal Business Address (b)	# of Directors Meetings During Yr (c)	Fees During Yr (d)
Nicholas K. Akins - Vice President ***	Columbus, Ohio	4	200
Karl G. Boyd - Vice President	Fort Wayne, Indiana	0	0
Carl L. English - Vice President ***	Columbus, Ohio	12	600
Allen R. Glassburn	Fort Wayne, Indiana	0	0
JoAnn N. Grevenow	Fort Wayne, Indiana	0	0
Patrick C. Hale	Rockport, Indiana	0	0
Holly K. Koeppel - Vice President, Chief Financial Officer ***	Columbus, Ohio	12	600
Marc E. Lewis - Vice President	Fort Wayne, Indiana	0	0
Venita McCellon-Allen ***	Columbus, Ohio	8	400
Susanne M. Moorman Rowe	Fort Wayne, Indiana	0	0
<u>Footnote Data</u>  1  2  3  4  5			

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<b>DIRECTORS (cont'd)</b>			
Name and Title of Director (a)	Principal Business Address (b)	# of Directors Meetings During Yr (c)	Fees During Yr (d)
Michael G. Morris - Chairman of Board, Chief Executive Officer **	Columbus, Ohio	12	600
Helen J. Murray - President, Chief Operating Officer	Fort Wayne, Indiana	0	0
Robert P. Powers - Vice Chair. of Bd., Vice President ***	Columbus, Ohio	12	600
Marsha P. Ryan	Columbus, Ohio	0	0
Susan Tomasky - Vice President ***	Columbus, Ohio	12	600
<u>Footnote Data</u>  6  7  8  9  10			

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, 2006
<b>SECURITY HOLDERS AND VOTING POWERS</b>			
<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 in 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 votes 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 24, 2007</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 December 31, 2006
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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				
10					
11					
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# RESPONSE/NOTES TO INSTRUCTION #

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report 04/23/2007	Year/Period of Report End of 2006/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR			
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.</p> <p>8. State the estimated annual effect and nature of any important wage scale changes during the year.</p> <p>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.</p> <p>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 106, 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.</p> <p>11. (Reserved)</p> <p>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.</p> <p>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.</p> <p>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.</p>			
<p>PAGE 108 INTENTIONALLY LEFT BLANK SEE PAGE 109 FOR REQUIRED INFORMATION.</p>			

Name of Respondent	This Report is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report 2006/Q4
Indiana Michigan Power Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None

2. None

3. None

4. None

5. None

6. SEC File No. 70-10166 under the Public Utility Holding Company Act of 1935:

\$50,000,000 City of Rockport, Indiana Pollution Control Revenue Refunding Bonds (Indiana Michigan Power Company Project) Series 2006A, dated May 17, 2006 Due June 1, 2025.

\$400,000,000 6.05% Senior Notes, Series H, due 3/15/2037.

SEC File No. 35-27872, 70-10088 under the Public Utility Holding Company Act of 1935:

\$1,113,000 Letter of Credit issued by American Electric Power Company, Inc. on behalf of Indiana Michigan Power Company Co to benefit Travelers Insurance/DC Cook Workers Comp

7. None

8. Wage agreements for 2006 resulted in general increase of 3% for represented employees.

9. Please refer to the Notes to Financial Statements Pages 122-123.

10. None

11. (Reserved)

12. Not used.

Name of Respondent	This Report is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report 2006/Q4
Indiana Michigan Power Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

13. Coulter R. Boyle, III resigned as Vice President effective January 1, 2006
- Stephen P. Smith elected as Vice President effective April 26, 2006
- Nicholas K. Akins appointed Vice President, Director, and Committee Member effective September 1, 2006
- Holly Keller Koeppel resigned as Vice Chairman of the Board effective September 1, 2006
- Holly Keller Koeppel appointed as Chief Financial Officer effective September 1, 2006
- Venita McCellon-Allen resigned as Director effective September 1, 2006
- Robert P. Powers appointed as Vice Chairman of the Board effective September 1, 2006
- Helen J. Murray appointed Director, President, and Chief Operating Officer effective November 1, 2006
- Marsha P. Ryan resigned as Director, President, and Chief Operating Officer effective November 1, 2006
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 of Report December 31, 2006
<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)</b>				
Line	Title of Account (a)	Ref. Page No (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	5,351,916,241	5,727,647,519
3	Construction Work in Progress (107)	200-201	311,079,725	183,893,241
4	TOTAL Utility Plant (Enter total of lines 2 and 3)		<b>5,662,995,966</b>	<b>5,911,540,760</b>
5	(Less) Accum.Prov for Depr.Amort.Depl (108,111,115)	200-201	3,139,599,952	3,262,944,328
6	Net Utility Plant (Enter total of line 4 less 5)		<b>2,523,396,014</b>	<b>2,648,596,432</b>
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab (120.1)		54,287,115	15,834,455
8	Nuclear Fuel Materials & Assemblies - Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		213,614,073	255,694,249
10	Spent Nuclear Fuel (120.4)		109,214,604	117,514,678
11	Nuclear Fuel under Capital Leases (120.6)		0	0
12	Assemblies (120.5)	202-203	256,918,070	253,901,311
13	Net Nuclear Fuel (Enter total of line 7-11 less 12)		<b>120,197,722</b>	<b>135,142,071</b>
14	Net Utility Plant (Enter total of lines 6 and 13)		<b>2,643,593,736</b>	<b>2,783,738,503</b>
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground-Noncurrent (117)	---	0	0
17	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)	221	36,011,541	35,906,779
19	(Less) Accum.Prov. for Depr. and Amort. (122)	---	12,339,303	14,014,393
20	Investments in Associated Companies (123)	222-223	0	0
21	Investments in Subsidiary Companies (123.1)	224-225	45,506,910	45,774,770
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	22,083,537	23,289,824
24	Other Investments (124)		26,914,213	22,794,564
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		1,133,567,203	1,248,318,553
29	Special Funds (Non-Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		103,644,677	59,052,743
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	84,409
32	TOTAL Other Property and Investments (Total of lines 18 thru 21, 23 thru 31)		<b>1,355,388,778</b>	<b>1,421,207,249</b>
33	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-Major Only) (130)		0	0
35	Cash (131)	---	848,839	1,363,971
36	Special Deposits (132-134)	---	17,115,487	8,220,296
37	Working Fund (135)	---	5,000	5,000
38	Temporary Cash Investments (136)	222-223	0	0
39	Notes Receivable (141)	226A	8,949	0
40	Customer Accounts Receivable (142)	226A	45,656,264	67,816,145
41	Other Accounts Receivable (143)	226A	18,368,417	16,116,425
42	(Less) Accum.Prov. for Uncoll. Acct. - Credit (144)	226A	898,076	601,056
43	Notes Receivable from Assoc. Companies (145)	226B	0	0
44	Accounts Receivable from Assoc. Companies (146)	226B	127,981,706	106,443,995
45	Fuel Stock (151)	227	24,498,442	62,837,672
46	Fuel Stock Expenses Undistributed (152)	227	1,395,834	1,831,141
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	104,899,458	121,190,597
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	1,491,819	1,750,990
51	Nuclear Materials Held for Sale (157)	202-203, 207	0	0
52	Allowances (158.1 and 158.2)	228-229	35,417,101	30,301,271

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, 2006
<b>COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)</b>				
Line	Title of Account (a)	Ref. Page No (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
53	(Less) Noncurrent Portion of Allowances	---	22,083,537	23,289,824
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)	---	93,786,174	34,085,643
58	Advances for Gas (166-167)	---	0	0
59	Interest and Dividends Receivable (171)	---	0	0
60	Rents Receivable (172)	---	0	7,626
61	Accrued Utility Revenues (173)	---	(232,117)	2,206,082
62	Misc Current and Accrued Assets (174)		16,110	0
63	Derivative Instrument Assets (175)		181,138,580	122,817,916
64	(Less) LT Portion of Derivative Inst. Assets (175)		103,644,677	59,052,743
65	Derivative Instrument Assets - Hedges (176)		639,780	6,071,084
66	(Less) LT Portion of Derivative Inst. Assets - Hedges (176)		0	84,409
67	TOTAL Current and Accrued Assets (Enter total of lines 34 thru 66)		<b>526,409,553</b>	<b>500,037,822</b>
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)	---	13,412,616	16,073,972
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant & Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets	232	269,658,321	352,208,477
73	Prelim. Survey & Invest. Charges (Elec) (183)	231	0	0
74	Prelim. Survey & Invest. Charges (Gas) (183.1)	---	0	0
75	Other Prelim. Survey & Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)	---	0	0
77	Temporary Facilities (185)	---	0	0
78	Miscellaneous Deferred Debits (186)	233	30,096,867	32,439,026
79	Def. Losses from Disposition of Utility Plant (187)	235	0	0
80	Research, Devel. and Demonstration Expend (188)	352-353	0	0
81	Unamortized Loss on Reacquired Debt (189)	237	18,231,450	16,998,506
82	Accumulated Deferred Income Taxes (190)	234	604,241,526	649,221,139
83	Unrecovered Purchased Gas Costs (191)	---	0	0
84	TOTAL Deferred Debits (Enter total of lines 69 thru 83)		<b>935,640,780</b>	<b>1,066,941,120</b>
85	TOTAL Assets and Other Debits (Enter total of lines 14 thru 16, 32, 67, and 84)		<b>5,461,032,847</b>	<b>5,771,924,694</b>

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<b>COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)</b>				
Line	Title of Account (a)	Ref Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	<b>PROPRIETARY CAPITAL</b>			
2	Common Stock Issued (201)	250-251	56,583,866	56,583,866
3	Preferred Stock Issued (204)	250-251	8,083,600	8,082,400
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	4,317,982	4,317,965
7	Other Paid-In Capital (208-211)	253	856,972,572	856,972,914
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)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	301,239,553	381,773,371
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	4,655,636	4,923,495
13	(Less) Reacquired 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)	(3,569,130)	(12,815,431)
16	TOTAL Proprietary Capital (Enter total of lines 2 thru 15)		<b>1,228,284,079</b>	<b>1,299,838,580</b>
17	<b>LONG-TERM DEBT</b>			
18	Bonds (221)	256-257	0	0
19	(Less) Reacquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	1,447,274,002	1,559,083,410
22	Unamortized Premium on Long-Term Debt (225)	---	0	0
23	(Less) Unamortized Discount on Long-Term Debt - Debit (226)	---	2,334,512	3,948,573
24	TOTAL Long-Term Debt (Enter total lines 18 thru 23)		<b>1,444,939,490</b>	<b>1,555,134,837</b>
25	<b>OTHER NONCURRENT LIABILITIES</b>			
26	Obligations Under Capital Leases-Noncurrent (227)		38,645,630	27,073,295
27	Accumulated Prov. for Property Insurance (228.1)		0	0
28	Accumulated Prov. for Injuries and Damage (228.2)		71,731	93,204
29	Accumulated Prov. for Pensions and Benefits (228.3)		9,384,186	65,295,457
30	Accumulated Misc. Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		85,930,278	42,623,248
33	LT Portion of Derivative Instrument Liabilities - Hedges		228,243	17,786
34	Asset Retirement Obligations (230)		616,741,786	675,985,477
35	TOTAL Other Noncurrent Liabilities (Enter total of lines 26 thru 34)		<b>751,001,854</b>	<b>811,088,467</b>
36	<b>CURRENT AND ACCRUED LIABILITIES</b>			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		139,333,776	146,733,488
39	Notes Payable to Associated Companies (233)		116,125,141	114,623,110
40	Accounts Payable to Associated Companies (234)		60,317,653	65,449,526
41	Customer Deposits (235)		49,257,730	34,945,719
42	Taxes Accrued (236)	262-263	4,650,833	32,330,058
43	Interest Accrued (237)		14,008,745	13,948,587
44	Dividends Declared (238)		84,916	84,903
45	Matured Long-Term Debt (239)		0	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 December 31, 2006
<b>COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)</b>				
Line	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		3,105,812	3,002,321
48	Misc. Current and Accrued Liabilities (242)		92,018,732	95,172,459
49	Obligations Under Capital Leases -Current (243)		5,330,825	15,983,112
50	Derivative Instrument Liabilities (244)		154,500,462	94,120,890
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		85,930,278	42,623,248
52	Derivative Instrument Liabilities - Hedges (245)		2,689,628	603,218
53	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		228,243	17,786
54	TOTAL Current and Accrued Liabilities (Enter total of lines 37 thru 53)		<b>555,265,732</b>	<b>574,356,357</b>
55	<b>DEFERRED CREDITS</b>			
56	Customer Advances for Construction (252)		2,761,212	1,600,477
57	Accumulated Deferred Investment Tax Credits (255)	266-267	74,968,324	67,243,083
58	Deferred Gains from Disposition of Utility Plt. (256)	270	0	0
59	Other Deferred Credits (253)	269	89,057,146	80,800,505
60	Other Regulatory Liabilities	278	366,451,379	387,595,665
61	Unamortized Gain on Reacquired Debt (257)	237	30,386	28,675
62	Accum. Deferred Income Taxes-Accel. Amort. (281)		380,357	353,186
63	Accum. Deferred Income Taxes-Other Property (282)		473,985,697	469,985,198
64	Accum. Deferred Income Taxes-Other (283)	272-277	473,907,191	523,899,664
65	TOTAL Deferred Credits (Enter total of lines 56 thru 64)		<b>1,481,541,692</b>	<b>1,531,506,453</b>
66	TOTAL Liabilities and Other Credits (Enter total of lines 16 24, 35, 54 and 65)		<b>5,461,032,847</b>	<b>5,771,924,694</b>

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, 2006
<b>STATEMENT OF INCOME FOR THE YEAR</b>				
<p>1. Report amounts for accounts 412 and 413, Revenue and Expenses for Utility Plant Leased to Others, in another utility column (l,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 02 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals</p> <p>2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p> <p>3. Report data for lines 7,9, and 10 for Natural Gas companies using accounts 404.1,404.2, 404.3 407.1, and 407.2</p> <p>4. Use pages 122-123 for important notes regarding the statement of income or any account thereof</p> <p>5. 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 a material refund to the utility with respect to power or gas purchases. State for each year affected 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....</p>				
Line	Title of Account (a)	Ref Page No (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	<b>UTILITY OPERATING INCOME</b>			
2	Operating Revenues (400)	300-301	1,893,316,452	1,802,178,116
3	Operating Expenses			
4	Operation Expenses (401)	320-323	1,126,045,113	1,011,037,816
5	Maintenance Expenses (402)	320-323	190,866,036	202,909,370
6	Depreciation Expenses (403)	336-337	176,257,130	175,521,083
7	Depreciation Expenses for Asset Retirement Costs (403.1)		30,031,368	22,824,958
8	Amortization and Depl. of Utility Plant (404-405)	336-337	21,326,612	16,405,563
9	Amortization of Utility Plant Acq. Adj (406)	336-337	20,052	20,052
10	Amort. Of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
11	Amort. Of Conversion Expenses (407)			
12	Regulatory Debits		2,430,441	2,388,817
13	(Less) Regulatory Credits			
14	Taxes Other Than Income Taxes (408.1)	262-263	68,999,861	68,756,297
15	Income Taxes-Federal (409.1)	262-263	63,520,579	55,597,437
16	-Other (409.1)	262-263	7,331,681	10,072,960
17	Provision for Deferred Income Taxes (410.1)	234,272-276	154,493,472	149,866,145
18	(Less) Provision for Deferred Income Taxes-Cr (411.1)	234,272-276	140,258,887	123,813,982
19	Investment Tax Credit Adj.- Net (411.4)	266-267	(7,252,623)	(7,301,481)
20	(Less) Gains from Disp. of Utility Plant (411.7)	270A-B	87,342	61,065
21	Losses from Disposition of Utility Plant (411.6)	235A-B	17,910	29,157
22	(Less) Gains from Disposition of Allowances		13,713,518	11,429,050
23	Losses from Disposition of Allowances		0	24,343
24	Accretion Expense (411.10)		25,937,651	22,360,462
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		<b>1,705,965,536</b>	<b>1,595,208,882</b>
26	Net Utility Operating Income ( Enter Total of line 2 less 25) ( Carry forward to page 117, line 27)		<b>187,350,916</b>	<b>206,969,234</b>

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, 2006
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**STATEMENT OF INCOME FOR THE YEAR (Continued)**

...retain such revenues or recover amounts paid with respect to power and gas purchases.

6. 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.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on pages 122-123.

8. Enter on pages 122-123 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 approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior years. 10

If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on pages 122-123 or in a footnote.

ELECTIC UTILITY		GAS UTILITY		OTHER UTILITY		Line
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
1,893,316,452	1,802,178,116					2
						3
1,126,045,113	1,011,037,816					4
190,866,036	202,909,370					5
176,257,130	175,521,083					6
30,031,368	22,824,958					7
21,326,612	16,405,563					8
20,052	20,052					9
0	0					10
0	0					11
2,430,441	2,388,817					12
0	0					13
68,999,861	68,756,297					14
63,520,579	55,597,437					15
7,331,681	10,072,960					16
154,493,472	149,866,145					17
140,258,887	123,813,982					18
(7,252,623)	(7,301,481)					19
87,342	61,065					20
17,910	29,157					21
13,713,518	11,429,050					22
0	24,343					23
25,937,651	22,360,462					24
1,705,965,536	1,595,208,882	0	0	0	0	25
187,350,916	206,969,234	0	0	0	0	26

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, 2006
<b>STATEMENT OF INCOME FOR THE YEAR (Continued)</b>				
Line	Account (a)	(Ref ) Page No (b)	Current Year (c)	Previous Year (d)
27	Net Utility Operating Income (Carried forward from page 114)		<b>187,350,916</b>	<b>206,969,234</b>
28	OTHER INCOME AND DEDUCTIONS			
29	Other Income			
30	Nonutility Operating Income			
31	Revenues From Merchandising, Jobbing and Contract Work (415)	282		
32	(Less) Costs and Exp. Of Merchandising, Job. And Contract Work (416)	282	2,101	
33	Revenues From Nonutility Operations ( 417)	282	80,286,864	74,344,995
34	(Less) Expenses of Nonutility Operations (417.1)	282	73,173,527	67,357,835
35	Nonoperating Rental Income (418)	282	236,962	190,616
36	Equity in Earnings of Subsidiary Companies (418.1)	119,282	267,859	808,084
37	Interest and Dividend Income (419)	282	8,902,432	1,185,164
38	Allowance for Other Funds Used During Construction (419.1)	282	7,937,177	4,457,091
39	Miscellaneous Nonoperating Income (421)	282	142,414	5,086,213
40	Gain on Disposition of Property (421.1)	280	882,840	119,528
41	TOTAL Other Income (enter Total of lines 31 thru 40)		<b>25,480,920</b>	<b>18,833,856</b>
42	Other Income Deductions			
43	Loss on Disposition of Property (421.2)	280	147,801	481,815
44	Miscellaneous Amortization (425)	340		
45	Donations (426.1)		4,693,559	5,551,520
46	Life Insurance (426.2)			
47	Penalties (426.3)		83,651	79,967
48	Exp. For Certain Civic, Political & Related Activities (426.4)		530,301	619,266
49	Other Deductions (426.5)		9,928,414	9,632,108
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		<b>15,383,726</b>	<b>16,364,676</b>
51	Taxes Applicable to Other Income and Deductions			
52	Taxes Other Than Income Taxes (408.2)	262-263	4,833,282	4,902,156
53	Income Taxes - Federal (409.2)	262-263	(565,263)	(3,958,966)
54	Income Taxes - Other (409.2)	262-263	(541,904)	(42,852)
55	Provision for Deferred Income Taxes (410.2)	234,272-276	17,746,520	19,158,244
56	(Less) Provision for Deffered Income Taxes - Cr. (411.2)	234,272-276	18,309,205	18,029,529
57	Investment Tax Credit Adjustment - Net (411.5)	264-265	(472,618)	(396,910)
58	(Less) Investment Tax Credits (420)	264-265		
59	TOTAL Taxes on Other Income and Deductions (total of 52 thru 58)		<b>2,690,812</b>	<b>1,632,143</b>
60	Net Other Income and Deductions (total of lines 41,50 & 59)		<b>7,406,382</b>	<b>837,037</b>
61	INTEREST CHARGES			
62	Interest on Long-Term Debt (427)	257	68,988,722	58,615,089
63	Amort. Of Debt Disc. And Expense (428)	256-257	2,540,593	2,493,727
64	Amortizaiton of Loss on Reacquired Debt (428.1)		1,939,898	1,689,150
65	(Less) Amort. Of Premium on Debt-Credit (429)	256-257		
66	(Less) Amort. of Gain on Reacquired Debt-Credit (429.1)		1,712	1,712
67	Interest on Debt to Associated Companies (430)	257-340	3,821,867	3,510,364
68	Other Interest Expense (431)	340	3,932,302	3,747,493
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		7,465,239	4,351,864
70	Net Interest Charges (total of lines 62 thru 69)		<b>73,756,431</b>	<b>65,702,247</b>
71	Income Before Extraordinary Items (total lines 27,60,70)		<b>121,000,867</b>	<b>142,104,024</b>
72	EXTRAORDINARY ITEMS			
73	Extraordinary Income (434)	342	216,074	
74	(Less) Extraordinary Deductions (435)	342		
75	Net Extraordinary Items (total line 73 less line 74)		<b>216,074</b>	<b>0</b>
76	Income Taxes-Federal and Other (409.3)	262-263	75,626	
77	Extraordinary Items After Taxes (Enter Total of lines 75 less line 76)		<b>140,448</b>	<b>0</b>
78	Net Income (Enter Total of lines 71 and 77)		<b>121,141,315</b>	<b>142,104,024</b>

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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, 2006
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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	42,578,298	
3 Account 281	22,881	
4 Account 282	26,321,156	
5 Account 283	85,571,140	
6 Account 284		
7 Reconciling Adjustments	(3)	
8 TOTAL Account 410.1 (on pages 114-115 line 17)	<b>154,493,472</b>	
9 TOTAL Account 410.2 (on page 117 line 55)		
10 Credits to Account 411 from:		
11 Account 190	83,582,614	
12 Account 281	50,052	
13 Account 282	19,136,700	
14 Account 283	37,489,524	
15 Account 284		
16 Reconciling Adjustments	(3)	
17 TOTAL Account 411.1 ( on page 114-115 line 18)	<b>140,258,887</b>	<b>0</b>
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	(7,252,623)	
22 ITC Adjustments:		
23 Adjust last year's estimate to actual per filed return		
24 Other (specify)		
25 Net Reconciling Adjustments Account 411.4*	<b>(7,252,623)</b>	<b>0</b>
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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
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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.
	42,578,298	9,866,818	52,445,116	1
	22,881		22,881	2
	26,321,156	0	26,321,156	3
	85,571,140	7,879,702	93,450,842	4
				5
				6
	(3)	-		7
0	154,493,472			8
		17,746,520		9
	83,582,614	11,161,297	94,743,911	10
	50,052		50,052	11
	19,136,700	0	19,136,700	12
	37,489,524	7,147,908	44,637,432	13
				14
	(3)	-		15
0	140,258,887			16
		18,309,205		17
				18
	(7,252,623)		(7,252,623)	19
				20
				21
				22
				23
				24
0	(7,252,623)	0		25
		-472,618		26
		0		27

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, 2006

### STATEMENT OF RETAINED EARNINGS FOR THE YEAR

- 1 Report all changes in appropriated retained earnings unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year
- 2 Each credit and debit during theyear should be identified as to the the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b)
- 3 State the purpose and amount for each reservation or appropriation of retained earnings
- 4 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
- 5 Show dividends for each class and series of capital stock
- 6 Show separately the state and federal income tax effect of items shown in account 439 (Adjustments to Retained Earnings)
- 7 Explain in a footnote the basis for determining the amount reseeded 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
- 8 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)	Amount (c)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)		
1	Balance-Beginning of Year		300,509,987
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit: Unrealized gain on securities		
5	Credit: Taxes related to unrealized gain on securities		
6	Credit: Minimum pension liability		
7	Credit: Taxes related to Minimum pension liability		
8	TOTAL Credits to Retained Earnings (439)		0
9	Debit:		0
10	Debit:		
11	Debit:		
12	Debit:		
13	TOTAL Debits to Retained Earnings (439)		0
14	Balance Transferred from Income (Account 433 Less Account 418.1)		120,873,456
15	Appropriations of Retained Earnings (Account 436)		
16	Excess Earnings on Hydro Licensed Projects	215.1	(304,971)
17			
18			
19			
20			
21	TOTAL Appropriations of Retained Earnings (Account 436)		(304,971)
22	Dividends Declared-Preferred Stock (Account 437)		
23	Preferred Stock Series 4-1/8%	238	(228,372)
24	Preferred Stock Series 4.12%	238	(45,547)
25	Preferred Stock Series 4.56%	238	(65,719)
26			
27			
28	TOTAL Dividends Declared-Preferred Stock (Account 437)		(339,638)

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<b>STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)</b>				
Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)	
29	Dividends Declared-Common Stock ( Account 438)			
30		238	(40,000,000)	
31				
32				
33				
34				
35	TOTAL Dividends Declared-Common Stock (Account 438)		(40,000,000)	
36	Transfers from Account 216.1 Unappropriated Undistributed Subsidiary Earnings			
37	Balance - End of the Year (Enter Total of lines 1 thru 36)		380,738,834	
<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>				
	State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.			
38				
39				
40				
41				
42				
43	TOTAL Appropriated Retained Earnings (Account 215)		0	
<b>APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215 1)</b>				
	State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.			
44	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)		1,034,537	
45	TOTAL Appropriated Retained Earnings (Account 215 & 215.1)		1,034,537	
46	TOTAL Retained Earnings (Accounts 215, 215.1 & 216)		381,773,371	
<b>UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216 1)</b>				
47	Balance-Beginning of Year (Debit or Credit)		4,655,636	
48	Equity in Earnings for Year (Credit) (Account 418.1)		267,859	
49	(Less) Dividends Received (Debit)			
50	Other Changes (Explain)			
51	Balance-End of Year (Enter Total of lines 47 thru 50)		4,923,495	

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<b>STATEMENT OF CASH FLOWS</b>			
1. If the notes to the cash flow statement in the respondent's annual stockholders report are applicable to this statement, such notes should be included on pages 122-123. Information about noncash investing and financing activities should be provided on pages 122-123 "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.		2 Under "Other" specify significant amounts and group others  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 on pages 122-123 the amounts of interest paid (net of amounts capitalized) and income taxes paid.	
Line No.	Description (See instructions for Explanation of Codes) (a)	Amounts (b)	
1	Net Cash Flow from Operating Activities: (enter outflows from company as negative #s)		
2	Net Income (Line 72 (c) on page 117)	121,141,315	
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	227,635,162	
5	Amortization of (Specify)		
6	Accretion of ARO	25,937,651	
7	Nuclear Fuel	50,312,512	
8	Regulatory Debits and Credits	2,430,441	
9	Deferred Income Taxes (Net)	13,671,900	
10	Investment Tax Credit Adjustment (Net)	(7,725,241)	
11	Net (Increase) Decrease in Receivables	1,334,125	
12	Net (Increase) Decrease in Inventory	(55,324,847)	
13	Net (Increase) Decrease in Allowances Inventory	5,115,830	
14	Net (Increase) Decrease in Payables and Accrued Expenses	65,229,963	
15	Net (Increase) Decrease in Other Regulatory Assets	19,518,187	
16	Net (Increase) Decrease in Other Regulatory Liabilities	(20,264,662)	
17	(Less) Allowance for Other Funds Used During Construction	7,937,177	
18	(Less) Undistributed Earnings from Subsidiary Companies	267,859	
19	Other: Energy Trading Contracts	(9,576,623)	
20	Misc Utility Plant	(15,587,322)	
21	Other Investments	270,203	
22	Special Deposits	8,970,075	
23	Prepayments	8,039,181	
24	Accrued Utility Revenues	(2,438,199)	
25	Misc Deferred Debits	(2,342,159)	
26	Other Assets	(1,491,875)	
27	Accumulated Other Comprehensive Income	(5,394,135)	
28	Other Long-Term Debt	11,809,407	
29	Accumulated Provision for Pensions and Benefits	(710)	
30	Customer Deposits	(14,312,011)	
31	Misc Current and Accrued Liabilities	3,127,492	
32	Other Deferred Credits	(8,256,641)	
33	Other Liabilities	1,180,166	
34			
35			
36	Net Cash Provided by ( Used in) Operating Activities (Total of lines 2 thru 35)	414,804,149	
37			
38	Cash Flows from Investment Activities:		
39	Construction and Acquisition of Plant (including land):		
40	Gross Additions to Utility Plant (less nuclear fuel)	(331,699,298)	
41	Gross Additions to Nuclear Fuel	(89,099,860)	
42	Gross Additions to Common Utility Plant		
43	Gross Additions to Nonutility Plant		
44	(Less) Allowance to Other Funds Used During Construction	(7,937,177)	
45	Other: Special Deposits	(74,884)	
46			
47			
48	Cash Outflows for Plant (Total of lines 26 thru 33)	(412,936,865)	
49			
50	Acquisition of Other Noncurrent Assets (d)		
51	Proceeds from Disposal of Noncurrent Assets (d)	4,905,812	
52			

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STATEMENT OF CASH FLOWS (Continued)		
Line No.	Description (See instructions for Explanation of Codes) (a)	Amount (b)
4.	Investing Activities	
	(a) Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of asset acquired with liabilities assumed on pages 122-123.	
	(b) Do not include on this statement the dollar amount of leases capitalized per USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on pages 122-123.	
5.	Codes used:	
	(a) Net proceeds or payments	
	(b) Bonds, debentures and other long-term debt	
	(c) Include commercial paper	
	(d) Identify separately such items as investments, fixed assets, intangibles, etc.	6.
	Enter on pages 122-123 clarifications and explanations.	
53	Investments in and Advances to Assoc. and Subsidiary Companies	
54	Contributions and Advances from Assoc. and Subsidiary Companies	
55	Disposition of Investments in ( and Advances to)	
56	Associated and Subsidiary Companies	
57		
58	Purchase of Investment Securities (a)	(691,956,585)
59	Proceeds from Sales of Investment Securities (a)	630,555,387
61	Loans Made or Purchased	
62	Collections on Loans	
63		
64	Net (Increase) Decrease in Receivables	
65	Net (Increase) Decrease in Inventory	
66	Net (Increase) Decrease in Allowances Held for Speculation	3,849,446
67	Net Increase (Decrease) in Payables and Accrued Expenses	
68	Other: Change in Other Cash Deposits, Net	
69		
70		
71	Net Cash Provided by (Used in) Investing Activities	
72	(Total of lines 34 thru 55)	(465,582,805)
73		
74	Cash Flows from Financing Activities:	
75	Proceeds from Issuance of:	
76	Long Term Debt (b)	450,000,000
77	Preferred Stock	
78	Common Stock	
79	Other: Deferred Issuance Expenses	(4,091,667)
80	Discount on Notes Issued	(2,272,000)
81		
82	Net Increase in Short-Term Debt (c)	
83	Other: Notes Payable/Receivable Associated Companies	
84		
85		
86	Cash Provided by Outside Sources (Total of lines 61 thru 69)	443,636,333
87		
88	Payments for Retirement of:	
89	Long Term Debt (b)	(350,000,000)
90	Preferred Stock	(876)
91	Common Stock	
92	Other: Premium on Retirement of Long Term Debt	(500,000)
93		
94	Net Decrease in Short-Term Debt (c)	
95	Other: Notes Payable/Receivable Associated Companies	(1,502,031)
96	Dividends on Preferred Stock	(339,638)
97	Dividends on Common Stock	(40,000,000)
98	Net Cash Provided by (Used in) Financing Activities	
99	(Total of lines 70 thru 81)	51,293,788
100		
101	Net Increase (Decrease) in Cash and Cash Equivalents	
102	(Total of lines 22, 57 and 83)	515,132
103		
104	Cash and Cash Equivalents at Beginning of Year	853,839
105		
106	Cash and Cash Equivalents at End of Year	1,368,971

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, Year)	Year of Report December 31, 2006	
<b>STATEMENT OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES</b>					
<p>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.</p> <p>2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges</p> <p>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.</p>					
Line No.	Item (a)	Unrealized Gains and Losses on Available for Sale Securities (b)	Minimum Pension Liability and adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year		(40,961,159)		
2	Preceding Qtr/Yr to Date Reclass from Acct 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value		40,860,001		
4	Total		40,860,001		
5	Balance of Account 219 at End of Preceding Year		(101,158)		
6	Balance of Account 219 at Beginning of Current Year		(101,158)		
7	Current Qtr/Yr to Date Reclass from Acct 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value		(3,751,008)		
9	Total		(3,751,008)		
10	Balance of Account 219 at End of Current Year		(3,852,166)		

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, Year)	Year of Report December 31, 2006
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**STATEMENT OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES (cont'd)**

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges (specify) (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (carried forward from Page 117 Line 72) (i)	Total Comprehensive Income (j)
1	(5,634,633)	1,558,224	(45,037,568)		
2	549,819	(2,429,517)	(1,879,698)		
3	2,493,206	(5,071)	43,348,136		
4	3,043,025	(2,434,588)	41,468,438	142,104,024	183,572,462
5	(2,591,608)	(876,364)	(3,569,130)		
6	(2,591,608)	(876,364)	(3,569,130)		
7	235,570	1,112,076	1,347,646		
8	(10,178,711)	3,335,772	(10,593,947)		
9	(9,943,141)	4,447,848	(9,246,301)	121,141,315	111,895,014
10	(12,534,749)	3,571,484	(12,815,431)		

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<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>			
<p>PAGE 122 INTENTIONALLY LEFT BLANK SEE PAGE 123 FOR REQUIRED INFORMATION.</p>			

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## **INDEX OF NOTES TO FINANCIAL STATEMENTS**

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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 or Parent	American Electric Power Company, Inc.
AEP Credit	AEP Credit, Inc., a subsidiary of AEP which factors accounts receivable and accrued utility revenues for affiliated electric utility companies.
AEP East companies	APCo, CSPCo, KPCo, OPCo and us.
AEPES	AEP Energy Services, Inc., a subsidiary of AEP Resources, Inc.
AEP System or the System	American Electric Power System, an integrated electric utility system, owned and operated by AEP's electric utility subsidiaries.
AEP System Power Pool or AEP Power Pool	Members are APCo, CSPCo, KPCo, OPCo and us. The Pool shares the generation, cost of generation and resultant wholesale off-system sales of the member companies.
AEPSC	American Electric Power Service Corporation, a service subsidiary providing management and professional services to AEP and its subsidiaries.
AEP West companies	PSO, SWEPCo, ICC and TNC.
AFUDC	Allowance for Funds Used During Construction.
ALJ	Administrative Law Judge.
AOCI	Accumulated Other Comprehensive Income.
APCo	Appalachian Power Company, an AEP electric utility subsidiary.
ARO	Asset Retirement Obligations.
CAA	Clean Air Act.
Cook Plant	Donald C. Cook Nuclear Plant, a two-unit, 2,110 MW nuclear plant owned by us.
CSPCo	Columbus Southern Power Company, an AEP electric utility subsidiary.
CSW	Central and South West Corporation, a subsidiary of AEP (Effective January 21, 2003, the legal name of Central and South West Corporation was changed to AEP Utilities, Inc.)
CSW Operating Agreement	Agreement, dated January 1, 1997, by and among PSO, SWEPCo, ICC and TNC governing generating capacity allocation. AEPSC acts as the agent.
DETM	Duke Energy Trading and Marketing L.L.C., a risk management counterparty.
DOE	United States Department of Energy.
EITF	Financial Accounting Standards Board's Emerging Issues Task Force.
ERCOT	Electric Reliability Council of Texas.
FASB	Financial Accounting Standards Board.
Federal EPA	United States Environmental Protection Agency.
FERC	Federal Energy Regulatory Commission.
FIN 47	FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations."
GAAP	Accounting Principles Generally Accepted in the United States of America.
IRS	Internal Revenue Service.

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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
IURC	Indiana Utility Regulatory Commission.
KGPCo	Kingsport Power Company, an AEP electric distribution 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 AEP Power Pool transactions to its members.
MPSC	Michigan Public Service Commission.
MTM	Mark-to-Market.
MW	Megawatt.
NO <sub>x</sub>	Nitrogen oxide.
NRC	Nuclear Regulatory Commission.
NSR	New Source Review.
OATI	Open Access Transmission Tariff.
OCC	Corporation Commission of the State of Oklahoma.
OPCo	Ohio Power Company, an AEP electric utility subsidiary.
OVEC	Ohio Valley Electric Corporation, which is 43.47% owned by AEP.
PJM	Pennsylvania – New Jersey – Maryland regional transmission organization.
PSO	Public Service Company of Oklahoma, an AEP electric utility subsidiary.
PUCT	Public Utility Commission of Texas.
PUHCA	Public Utility Holding Company Act.
Risk Management Contracts	Trading and nontrading derivatives, including those derivatives designated as cash flow and fair value hedges.
Rockport Plant	A generating plant, consisting of two 1,300 MW coal-fired generating units near Rockport, Indiana owned by AEGCo and us.
RTO	Regional Transmission Organization
SEC	United States Securities and Exchange Commission.
SECA	Seams Elimination Cost Allocation.
SFAS	Statement of Financial Accounting Standards issued by the Financial Accounting Standards Board.
SFAS 71	Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation."
SFAS 109	Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."
SFAS 133	Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities."

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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
SFAS 143	Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations."
SFAS 158	Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans."
SFAS 159	Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities."
SIA	System Integration Agreement.
SNF	Spent Nuclear Fuel.
SO <sub>2</sub>	Sulfur Dioxide.
SPP	Southwest Power Pool.
SWEPco	Southwestern Electric Power Company, an AEP electric utility subsidiary.
ICC	AEP Texas Central Company, an AEP electric utility subsidiary.
INC	AEP Texas North Company, an AEP electric utility subsidiary.
Utility Money Pool	AEP System's Utility Money Pool.
WPCo	Wheeling Power Company, an AEP electric distribution subsidiary.

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## 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ORGANIZATION

As a public utility, we engage in the generation and purchase of electric power, and the subsequent sale, transmission and distribution of that power to 582,000 retail customers at December 31, 2006 in our service territory in northern and eastern Indiana and a portion of southwestern Michigan. As a member of the AEP Power Pool, we share the revenues and the costs of the AEP Power Pool's sales to neighboring utilities and power marketers. We also sell power at wholesale to municipalities and electric cooperatives. Our River Transportation Division (RTD) provides barging services to affiliates and nonaffiliated companies.

The cost of the AEP Power Pool's generating capacity is allocated among its members based on relative peak demands and generating reserves through the payment of capacity charges and the receipt of capacity revenues. The capacity reserve relationship of the AEP Power Pool members changes as generating assets are added, retired or sold and relative peak demand changes. AEP Power Pool members are also compensated for the out-of-pocket costs of energy delivered to the AEP Power Pool and charged for energy received from the AEP Power Pool. The AEP Power Pool calculates each member's prior twelve-month peak demand relative to the sum of the peak demands of all members as a basis for sharing revenues and costs. The result of this calculation is the member load ratio (MLR), which determines each member's percentage share of revenues and costs.

Under unit power agreements, we purchase AEGCo's 50% share of the 2,600 MW Rockport Plant capacity unless it is sold to other utilities. AEGCo is an affiliate that is not a member of the AEP Power Pool. An agreement between AEGCo and KPCo provides for the sale of 390 MW of AEGCo's Rockport Plant capacity to KPCo through 2022. Therefore, we purchase 910 MW of AEGCo's 50% share of Rockport Plant capacity.

Prior to April 1, 2006, under the SIA, we shared revenues and expenses from the sales to neighboring utilities, power marketers and other power and gas risk management activities among AEP East companies and AEP West companies based on an allocation methodology established at the time of the AEP-CSW merger. Sharing in a calendar year was based upon the level of such activities experienced for the twelve months ended June 30, 2000, which immediately preceded the merger. This activity resulted in an AEP East companies' and AEP West companies' allocation of approximately 91% and 9%, respectively, for revenues and expenses. Allocation percentages in any given calendar year were also based upon the relative generating capacity of the AEP East companies and AEP West companies in the event the pre-merger activity level was exceeded. The capacity-based allocation mechanism was triggered in July 2005 and 2004, resulting in an allocation factor of approximately 70% and 30% for the AEP East companies and AEP West companies, respectively, for the remainder of each year.

Effective April 1, 2006, we base the allocation methodology of power and gas trading and marketing activities 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 the AEP East companies and trading and marketing activities originating in SPP and ERCOT generally accruing to the benefit of PSO and SWEPCo. Margins resulting from other transactions are allocated among the AEP East companies, PSO and SWEPCo in proportion to the marketing realization directly assigned to each zone for the current month plus the preceding eleven months. Management is unable to predict the ultimate effect on future results of operations and cash flows but expects an increase in margins accruing to the AEP East companies as a result of the SIA change. Our impact will also depend upon the level of future trading and marketing margins in PJM and MISO and sharing mechanisms with customers for off-system sales margins in certain areas of Michigan. The 2006 results of operations and cash flows reflect nine months of the SIA change.

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AEPSC conducts power, gas and coal risk management activities on our behalf. We share in the revenues and expenses associated with these risk management activities with the other AEP East companies, PSO and SWEPCo. Power and gas risk management activities are allocated based on the existing power pool agreement and the SIA. We share in coal risk management activities based on our proportion of coal burned by the AEP System. Risk management activities primarily involve the purchase and sale of electricity under physical forward contracts at fixed and variable prices and to a lesser extent gas and coal. The electricity, gas and coal contracts include physical transactions, over-the-counter options and financially-settled swaps and exchange-traded futures and options. We settle the majority of the physical forward contracts by entering into offsetting contracts.

To minimize the credit requirements and operating constraints when operating within PJM, the AEP East companies as well as KGPCo and WPCo, agreed to a netting of all payment obligations incurred by any of the AEP East companies against all balances due to the AEP East companies, and to hold PJM harmless from actions that any one or more AEP East companies may take with respect to PJM.

We are jointly and severally liable for activity conducted by AEPSC on behalf of the AEP East companies, PSO and SWEPCo related to power purchase and sale activity pursuant to the SIA.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Rates and Service Regulation*

We are regulated by the FERC under the 2005 Public Utility Holding Company Act (2005 PUHCA) and by the IURC and the MPSC. The IURC and the MPSC approve the rates we charge and regulate our services and operations for the generation and supply of power, a majority of transmission energy delivery services and distribution services. The FERC regulates certain, mostly affiliated, transactions under the 2005 PUHCA.

The FERC regulates wholesale power markets and wholesale power transactions. Our wholesale power transactions are generally market-based and are not cost-based regulated unless we negotiate and file a cost-based contract with the FERC. We have wholesale power supply contracts with various municipalities and cooperatives that are FERC regulated, cost-based contracts.

The FERC also regulates, on a cost basis, our wholesale transmission service and rates. The FERC has claimed jurisdiction over retail transmission rates when the retail rates are unbundled in connection with restructuring.

In addition, the FERC regulates the East and West Power Pools, Transmission Equalization Agreement, Transmission Coordination Agreement, System Interim Allowance Agreement, and SIA, all of which allocate shared system costs and revenues to the utility subsidiaries that are parties to the agreements, including us.

The IURC and the MPSC regulate all our retail public utility operations (generation, transmission and distribution operations) using cost-based regulated rates.

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In 2005, we were subject to regulation by the SEC under the Public Utility Holding Company Act of 1935 (1935 PUHCA). The Energy Policy Act of 2005 repealed the 1935 PUHCA effective February 8, 2006 and replaced it with the 2005 PUHCA. With the repeal of the 1935 PUHCA, the SEC no longer has jurisdiction over the activities of registered holding companies, their respective service corporations and their intercompany transactions, which it regulated predominantly at cost. Jurisdiction over holding company-related activities has been transferred to the FERC. Regulation and required reporting under the 2005 PUHCA have been reduced compared to the 1935 PUHCA. However, the FERC has jurisdiction over the issuances and acquisitions of securities of the public utility subsidiaries, the acquisition or sale of certain utility assets, mergers with another electric utility or holding company, inter-company transactions, accounting and AEPSC inter-company service billings which are generally at cost. The inter-company sale of non-power goods and non-AEPSC services to affiliates cannot exceed market under the 2005 PUHCA.

Both the FERC and state regulatory commissions are permitted to review and audit the books and records of any company within a public utility holding company system.

### ***Basis of Accounting***

Our 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 GAAP include accounting for subsidiaries on the equity basis, the classification of cumulative effect of adoption of SFAS 123 (revised 2004) "Share-Based Payments" as an extraordinary item, the exclusion of current maturities of long-term debt from current liabilities, 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 classification of accrued asset removal costs as accumulated depreciation instead of as liabilities, the classification of prepaid pension benefits as current assets instead of noncurrent assets, the classification of adoption of SFAS 158 as a component of Other Comprehensive Income instead of an adjustment to AOCI, the reporting of provision for obsolete inventory as a current liability rather than as a reduction to inventory, the classification of PJM hourly activity for physical transactions as purchases and sales instead of as net sales, the classification of the under-recovery of fuel as a noncurrent asset rather than as a current asset, the classification of interest payable related to fuel recovery costs as Interest Accrued instead of as a net current asset, certain rate phase-in plans in the FERC jurisdiction which do not comply with SFAS 92, "Regulated Enterprises – Accounting for Phase-in Plans," the classification of capital lease payments as operating activities instead of financing activities, the classification of change in emission allowances held for speculation as investing activities instead of operating activities and the classification of certain other assets and liabilities as current instead of noncurrent.

### ***Accounting for the Effects of Cost-Based Regulation***

As a cost-based rate-regulated electric public utility company, our financial statements reflect the actions of regulators that result in the recognition of revenues and expenses in different time periods than enterprises that are not rate-regulated. In accordance with SFAS 71, regulatory assets (deferred expenses) and regulatory liabilities (future revenue reductions or refunds) are recorded to reflect the economic effects of regulation by matching expenses with their recovery through regulated revenues and income with its passage to customers through the reduction of regulated revenues.

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### ***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, 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.

### ***Property, Plant and Equipment***

Electric utility property, plant and equipment are stated at original purchase cost. Additions, major replacements and betterments are added to the plant accounts. Retirements from the plant accounts and associated removal costs, net of salvage, are charged to accumulated depreciation. The costs of labor, materials and overhead incurred to operate and maintain the plants 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 the criteria under SFAS 144, "Accounting for the Impairment or Disposal of Long-lived Assets." Equity investments are required to be tested for impairment when it is determined there may be an other than temporary loss in value.

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.

### ***Allowance for Funds Used During Construction (AFUDC)***

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.

### ***Valuation of Nonderivative Financial Instruments***

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

### ***Cash and Cash Equivalents***

Cash and Cash Equivalents on the Statement of Cash Flows include Cash and Working Fund on the Comparative Balance Sheet with original maturities of three months or less.

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### ***Special Deposits***

Special Deposits include funds held by trustees primarily to secure the payments of customers and 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 or delivery when power is delivered to customers. To the extent that deliveries have occurred but a bill has not been issued, we accrue and recognize, as Accrued Utility Revenues, an estimate of the revenues for energy delivered since the last billing.

AEP Credit factors a portion of our accounts receivable.

### ***Deferred Fuel Costs***

The cost of fuel, related chemical and emission allowance consumables are charged to expense when burned or utilized. Where applicable under governing state regulatory commission retail rate orders, fuel cost over-recoveries (the excess of fuel revenues billed to customers over fuel costs incurred) are deferred as regulatory liabilities and under-recoveries (the excess of fuel costs incurred over fuel revenues billed to customers) are deferred as regulatory assets. These deferrals are amortized when refunded or billed to customers in later months with the regulator's review and approval. The amount of an over-recovery or under-recovery can also be affected by actions of regulators. On a routine basis, state regulatory commissions audit fuel cost calculations. When a fuel cost disallowance becomes probable, we adjust our deferrals and record provisions for estimated refunds to recognize these probable outcomes.

All or a portion of profits from off-system sales are shared with customers through fuel clauses in some areas of Michigan. In Indiana, where fuel clauses have been capped, frozen or suspended for a period of years, fuel costs impact earnings. The Indiana fuel clause suspension ends June 30, 2007.

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## ***Revenue Recognition***

### ***Regulatory Accounting***

Our 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 to be recovered in the future) and regulatory liabilities (deferred future revenue reductions or refunds) are recorded to reflect the economic effects of regulation by matching expenses with their recovery through regulated revenues in the same accounting period and by matching income with its passage to customers in cost-based regulated rates. Regulatory liabilities or regulatory assets are also recorded for unrealized MTM gains and losses that occur due to changes in the fair value of physical and financial contracts that are derivatives and that are subject to the regulated ratemaking process when realized.

When regulatory assets are probable of recovery through regulated rates, we record them as assets on the balance sheet. We test for probability of recovery whenever new events occur, for example, 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, we write off that regulatory asset as a charge against earnings. A write-off of regulatory assets also reduces future cash flows since there may be no recovery through regulated rates.

### ***Traditional Electricity Supply and Delivery Activities***

We recognize revenues from retail and wholesale electricity supply sales and electricity transmission and distribution delivery services. We recognize the revenues in the financial statements upon delivery of the energy to the customer and include unbilled as well as billed amounts. In general, we record expenses upon receipt of purchased electricity and when expenses are incurred. The unrealized MTM amounts are deferred as regulatory assets (for losses) and regulatory liabilities (for gains).

### ***Energy Marketing and Risk Management Activities***

We engage in wholesale electricity, coal and emission allowances marketing and risk management activities focused on wholesale markets where the AEP System owns assets. Our activities include the purchase and sale of energy under forward contracts at fixed and variable prices and the buying and selling of financial energy contracts which include exchange traded futures and options, and over-the-counter options and swaps.

We recognize revenues and expenses from wholesale marketing and risk management transactions that are not derivatives upon delivery of the commodity. We use MTM accounting for wholesale marketing and risk management transactions that are derivatives unless the derivative is designated in a qualifying cash flow or fair value hedge relationship, or as a normal purchase or sale. The realized gains and losses on wholesale marketing and risk management transactions that are accounted for using MTM are recorded on a net basis in either Operating Revenues or Miscellaneous Nonoperating Income on our Statement of Income depending upon the location of the transaction. The unrealized MTM amounts are deferred as Other Regulatory Assets (for losses) and Other Regulatory Liabilities (for gains).

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Certain wholesale marketing and risk management transactions are designated as hedges of future cash flows as a result of forecasted transactions, a future cash flow (cash flow hedge) or a hedge of a recognized asset, liability or firm commitment (fair value hedge). The gains or losses on derivatives designated as fair value hedges are recognized in Revenues in the financial statements in the period of change together with the offsetting losses or gains on the hedged item attributable to the risks being hedged. For derivatives designated as cash flow hedges, the effective portion of the derivative's gain or loss is initially reported as a component of Accumulated Other Comprehensive Income (Loss) and, depending upon the specific nature of the risk being hedged, subsequently reclassified into revenues or fuel expenses in the financial statements when the forecasted transaction is realized and affects earnings. We defer the ineffective portion as regulatory assets (for losses) and regulatory liabilities (for gains) (see "Fair Value Hedging Strategies" and "Cash Flow Hedging Strategies" sections of Note 10).

### ***Levelization of Nuclear Refueling Outage Costs***

In order to match costs with nuclear refueling cycles, we defer incremental operation and maintenance costs associated with periodic refueling outages at Cook Plant and amortize 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. We adjust the amortization amount as necessary to ensure full amortization of all deferred costs by the end of the refueling cycle.

### ***Maintenance***

We expense maintenance costs as incurred. If it becomes probable that we will recover specifically-incurred costs through future rates, a regulatory asset is established to match the expensing of those maintenance costs with their recovery in cost-based regulated revenues.

### ***Income Taxes and Investment Tax Credits***

We use 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 are accounted for under the flow-through method except where regulatory commissions have reflected investment tax credits in the rate-making process on a deferral basis. Investment tax credits that have been deferred are amortized over the life of the plant investment.

### ***Excise Taxes***

We, as agents for some state and local governments, collect from customers certain excise taxes levied by those state or local governments on customers. We do not record these taxes as revenue or expense.

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### ***Debt and Preferred Stock***

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 is refinanced, the reacquisition costs 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.

Where reflected in rates, redemption premiums paid to reacquire preferred stock are included in paid-in capital and amortized to retained earnings commensurate with their recovery in rates. The excess of par value over costs of preferred stock reacquired is credited to paid-in capital and reclassified to retained earnings upon the redemption of the entire preferred stock series.

### ***Emission Allowances***

We record emission allowances at cost, including the annual SO<sub>2</sub> and NO<sub>x</sub> emission allowance entitlements received at no cost from the Federal EPA. We follow the inventory model for all allowances. Allowances expected to be consumed within one year are reported in Allowances. Allowances with expected consumption beyond one year are included in Noncurrent Portion of Allowances. These allowances are consumed in the production of energy and are recorded in Operation Expense at an average cost. Allowances held for speculation are included in Other Investments. Gains or losses on sale of emission allowances held speculatively are recorded in Miscellaneous Nonoperating Income and Other Deductions, respectively. The purchases and sales of allowances are reported in the Operating Activities section of the Statement of Cash Flows except speculative allowance transactions which are reported in Investing Activities.

### ***Nuclear Trust Funds***

Nuclear decommissioning and spent nuclear fuel trust funds represent funds that regulatory commissions allow us 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).
- Maximum percentage invested in a specific type of investment.
- Prohibition of investment in obligations of the applicable company or its affiliates.
- Withdrawals permitted only for payment of decommissioning costs and trust expenses.

We maintain trust funds for each regulatory jurisdiction, which are managed by external investment managers who must comply with the guidelines and rules of the applicable regulatory authorities. The trust assets are invested in order to optimize the net of tax earnings of the trust giving consideration to liquidity, risk, diversification, and other prudent investment objectives.

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We record securities held in trust funds for decommissioning nuclear facilities and for the disposal of spent nuclear fuel in Other Special Funds. We record these securities at market value. We classify securities in the trust funds as available-for-sale due to their long-term purpose. Upon the issuance of FSP 115-1 and 124-1 "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments," We consider all nuclear decommissioning trust fund and spent nuclear fuel trust fund investments in unrealized loss positions to be other-than-temporary impairments as we do not make specific investment decisions regarding assets held in trusts. Thus, effective in 2006, the other-than-temporary impairments are considered realized losses and will reduce the cost basis of the securities which will affect any future unrealized gain or realized gains or losses. Amounts prior to 2006 were not restated as the other-than-temporary impairments do not affect earnings or AOCI. We record unrealized gains and losses 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 spent nuclear fuel disposal trust funds in accordance with their treatment in rates. See Note 8 for additional discussion of nuclear matters

### ***Investment in Subsidiary Companies***

We have 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 our two wholly-owned subsidiaries are carried at cost plus equity in their undistributed earnings since acquisition.

### ***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. Comprehensive income (loss) has two components: net income (loss) and other comprehensive income (loss).

### ***Reclassifications***

Certain prior period financial statement items have been reclassified to conform to current period presentation. These revisions had no impact on our previously reported income.

On the 2005 Statement of Income, we reclassified regulatory credits related to regulatory asset cost deferral on ARO from Regulatory Credits to Accretion Expense in the amount of \$25,008,000.

## **2. NEW ACCOUNTING PRONOUNCEMENTS**

Upon issuance of exposure drafts or final pronouncements, we thoroughly review the new accounting literature to determine its relevance, if any, to our business. The following represents a summary of new final pronouncements that we have determined relate to our operations.

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***SFAS 123 (revised 2004) "Share-Based Payment" (SFAS 123R)***

The FASB issued SFAS 123R, requiring entities to recognize compensation expense in an amount equal to the fair value of share-based payments granted to employees. The statement eliminates the alternative to use the intrinsic value method of accounting.

In 2005, the SEC issued Staff Accounting Bulletin No. 107, "Share-Based Payment" (SAB 107), which conveys the SEC staff's views on the interaction between SFAS 123R and certain SEC rules and regulations. SAB 107 also provides the SEC staff's views regarding the valuation of share-based payment arrangements for public companies. Also, the FASB issued FASB Staff Positions (FSP) that provided additional implementation guidance. We applied the principles of SAB 107 and the applicable FSPs in conjunction with our adoption of SFAS 123R in 2006. We adopted SFAS 123R using the modified prospective method. The adoption resulted in an insignificant cumulative effect of accounting change of \$216,000 (\$140,000 net of tax) that is recorded as an extraordinary item on our 2006 statement of income.

***SFAS 154 "Accounting Changes and Error Corrections" (SFAS 154)***

In 2005, the FASB issued SFAS 154. The statement applies to all voluntary changes in accounting principle and changes resulting from adoption of a new accounting pronouncement that do not specify transition requirements. It requires retrospective application to prior periods' financial statements for changes in accounting principle unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. It also requires that retrospective application of a change in accounting principle should be recognized in the period of the accounting change. Indirect effects of a change in accounting principle should be recognized in the period of the accounting change. SFAS 154 was effective for accounting changes and corrections of errors after January 1, 2006 and is applied as necessary.

***SFAS 157 "Fair Value Measurements" (SFAS 157)***

In September 2006, the FASB issued SFAS 157, enhancing existing guidance for fair value measurement of assets and liabilities and instruments measured at fair value that are classified in shareholders' equity. The statement defines fair value, establishes a fair value measurement framework and expands fair value disclosures. It emphasizes that fair value is market-based with the highest measurement hierarchy being market prices in active markets. The standard requires fair value measurements be disclosed by hierarchy level and an entity include its own credit standing in the measurement of its liabilities and modifies the transaction price presumption.

SFAS 157 is effective for interim and annual periods in fiscal years beginning after November 15, 2007. Management expects that the adoption of this standard will impact MTM valuations of certain contracts, but is unable to quantify the effect. Although the statement is applied prospectively upon adoption, the effect of certain transactions is applied retrospectively as of the beginning of the fiscal year of application, with a cumulative effect adjustment to the appropriate balance sheet items. We will adopt SFAS 157 effective January 1, 2008.

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***SFAS 158 "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" (SFAS 158)***

In September 2006, the FASB issued SFAS 158, amending previous standards. It requires employers to fully recognize the obligations associated with defined benefit pension plans and other postretirement employee benefit (OPEB) plans, which include retiree healthcare, in their balance sheets. Previous standards required an employer to disclose the complete funded status of its plan only in the notes to the financial statements and provided that an employer delay recognition of certain changes in plan assets and obligations that affected the costs of providing benefits resulting in an asset or liability that often differed from the plan's funded status. SFAS 158 requires a defined benefit pension or OPEB plan sponsor to (a) recognize in its statement of financial position an asset for a plan's overfunded status or a liability for the plan's underfunded status, (b) measure the plan's assets and obligations that determine its funded status as of the end of the employer's fiscal year (with limited exceptions), and (c) recognize, as a component of other comprehensive income, the changes in the funded status of the plan that arise during the year but are not recognized as a component of net periodic benefit cost pursuant to previous standards. It also requires an employer to disclose additional information on how delayed recognition of certain changes in the funded status of a defined benefit or OPEB plan affects net periodic benefit costs for the next fiscal year.

The effect of SFAS 158 is to adjust pretax AOCI at the end of each year, for both underfunded deferred benefit and overfunded pension and OPEB plans, to an amount 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 and deferred gains result in an AOCI equity addition. The year-end AOCI measure is volatile based on fluctuating investment returns and discount rates. Favorable changes include higher returns that increase plan assets and higher discount rates that reduce the discounted benefit obligation.

We adopted SFAS 158 as of December 31, 2006. We recorded a SFAS 71 regulatory asset for qualifying SFAS 158 costs of our regulated operations that for ratemaking purposes will be deferred for future recovery. The following table shows the incremental effect of this standard on our financial statements versus prior accounting requirements including the additional minimum pension liability provisions of SFAS 87, "Employers' Accounting for Pensions," which were replaced by SFAS 158 as follows:

	Before Application of SFAS 158	Incremental Effect (in thousands)	After Application of SFAS 158
Prepaid Benefit Costs	\$ 78,533	\$ (51,661)	\$ 26,872
Current Accrued Benefit Liability	-	(26)	(26)
Noncurrent Accrued Benefit Liability	(292)	(55,912)	(56,204)
Regulatory Assets	-	101,673	101,673
Deferred Income Taxes	124	1,950	2,074
Additional Minimum Liability	(400)	400	N/A
Intangible Asset	45	(45)	N/A
Net of Tax AOCI Equity Reduction	231	3,621	3,852
<b>Total</b>	<b>\$ 78,241</b>	<b>\$ -</b>	<b>\$ 78,241</b>

N/A = Not Applicable

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***SFAS 159 "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159)***

In February 2007, the FASB issued SFAS 159, permitting entities to choose to measure many financial instruments and certain other items at fair value. The standard also establishes presentation and disclosure requirements designed to facilitate comparison between entities that choose different measurement attributes for similar types of assets and liabilities.

SFAS 159 is effective for annual periods in fiscal years beginning after November 15, 2007. If the fair value option is elected, the effect of the first remeasurement to fair value is reported as a cumulative effect adjustment to the opening balance of retained earnings. In the event we elect the fair value option promulgated by this standard, the valuations of certain assets and liabilities may be impacted. The statement is applied prospectively upon adoption. We will adopt SFAS 159 effective January 1, 2008.

***FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" (FIN 48)***

In July 2006, the FASB issued FIN 48. It clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements by prescribing a recognition threshold (whether a tax position is more likely than not to be sustained) without which, the benefit of that position is not recognized in the financial statements. It requires a measurement determination for recognized tax positions based on the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

FIN 48 requires that the cumulative effect of applying this interpretation be reported and disclosed as an adjustment to the opening balance of retained earnings for that fiscal year and presented separately. FIN 48 is effective for fiscal years beginning after December 15, 2006. Although management is in the process of evaluating the impact of FIN 48, management estimates the effect of this interpretation on our financial statements will be an unfavorable adjustment to retained earnings of less than \$1 million.

***EITF Issue 04-13 "Accounting for Purchases and Sales of Inventory with the Same Counterparty"***

This issue focuses on two inventory exchange issues. Purchases or sales of inventory transactions with the same counterparty should be combined under Accounting Principles Board Opinion No. 29, "Accounting for Nonmonetary Transactions" if they were entered in contemplation of one another. Nonmonetary exchanges of inventory within the same line of business should be valued at fair value if an entity exchanges finished goods for raw materials or work in progress within the same line of business and if fair value can be determined and the transaction has commercial substance. All other nonmonetary exchanges within the same line of business should be valued at the carrying amount of the inventory transferred. We implemented this issue beginning April 1, 2006 without a material impact on our financial statements.

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***EITF Issue 06-3 "How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation)" (EITF 06-3)***

In June 2006, the EITF reached a consensus on the income statement presentation of various types of taxes. The scope of this issue includes any tax assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer and may include, but is not limited to, sales, use, value added, and some excise taxes. The presentation of taxes within the scope of this issue on either a gross (included in revenues and costs) or a net (excluded from revenues) basis is an accounting policy decision that should be disclosed. The EITF's decision on gross/net presentation requires that any such taxes reported on a gross basis be disclosed on an aggregate basis in interim and annual financial statements, for each period for which an income statement is presented, if those amounts are significant.

As disclosed in Note 1, we act as an agent for some state and local governments and collect from customers certain excise taxes levied by those state or local governments on our customers. Our policy is to present these taxes on a net basis. We do not recognize these taxes as revenues or expenses. Therefore, this issue did not impact the financial statements.

***Future Accounting Changes***

The FASB's standard-setting process is ongoing and until new standards have been finalized and issued by FASB, we cannot determine the impact on the reporting of our operations and financial position that may result from any such future changes. The FASB is currently working on several projects including business combinations, revenue recognition, liabilities and equity, derivatives disclosures, leases, insurance, subsequent events and related tax impacts. We also expect to see more FASB projects as a result of its desire to converge International Accounting Standards with GAAP. The ultimate pronouncements resulting from these and future projects could have an impact on future results of operations and financial position.

**3. RATE MATTERS**

We are involved in rate and regulatory proceedings at the FERC and the IURC. This note is a discussion of pending rate matters, including industry restructuring and customer choice related proceedings, that could materially impact results of operations and cash flows.

***Indiana Depreciation Study Filing***

In December 2005, we filed a petition with the IURC seeking authorization to revise our book depreciation rates applicable to electric utility plant in service effective January 1, 2006. An order issued by the IURC in October 2006 did not dispute our revised depreciation accounting rates but, nevertheless, denied our request to revise book depreciation rates between base rate cases. In November 2006, we filed with the IURC a petition for reconsideration of the October order as well as a notice of appeal to the Indiana Court of Appeals. In January 2007, the IURC denied our petition for reconsideration.

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In February 2007, we withdrew our appeal of the IURC order and filed a new request with the IURC for approval of the revised book depreciation rates effective January 1, 2007. The filing included a settlement agreement entered into with the Indiana Office of the Utility Consumer Counselor that would provide direct benefits to our customers if new depreciation rates are approved by the IURC. The direct benefits would include a \$5 million credit in fuel costs and an approximate \$8 million smart metering pilot program. In addition, if the agreement is approved, we would initiate a general rate proceeding on or before July 1, 2007 and initiate two studies, one to investigate a general smart metering program and the other to study the market viability of demand side management programs. Based on the depreciation study included in the filing, we recommended a decrease in pretax annual depreciation expense of approximately \$69 million on an Indiana jurisdictional basis reflecting an NRC-approved 20-year extension of the Cook Plant licenses for Units 1 and 2 and an extension of the service life of the Tanners Creek coal-fired generating units. This petition was not a request for a change in customers' electric service rates. As proposed the book depreciation reduction would increase earnings but would not impact cash flows until rates are revised. We requested expeditious review and approval of our filing, but management cannot predict the outcome of the request.

### ***Michigan Restructuring***

Customer choice commenced for our Michigan customers on January 1, 2002. Effective on that date, the rates on Michigan customers' bills for retail electric service were unbundled to allow customers the opportunity to evaluate the cost of generation service for comparison with other offers. Our total base rates in Michigan remain unchanged and reflect cost of service. As of December 31, 2006, none of our customers elected to change suppliers and no alternative electric suppliers are registered to compete in our Michigan service territory. As a result, management concluded that as of December 31, 2006, the requirements to apply SFAS 71 continue to be met since our rates for generation in Michigan continue to be cost-based regulated.

### **FERC Rate Matters**

#### ***RTO Formation/Integration Costs***

In 2005, the FERC approved the amortization of deferred RTO formation/integration costs not billed by PJM over 15 years and deferred PJM-billed integration costs over 10 years. Our deferred unamortized RTO and PJM formation/integration costs were as follows:

December 31, 2006		December 31, 2005	
PJM-Billed Integration Costs	Non-PJM Billed Formation/ Integration Costs	PJM-Billed Integration Costs	Non-PJM Billed Formation/ Integration Costs
(in millions)			
\$ 2.9	\$ 3.4	\$ 3.2	\$ 3.7

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In a December 2005 order, the FERC approved the inclusion of a separate rate in the PJM AEP zone OATT to recover the amortization of deferred RTO formation/integration costs and related carrying costs not billed by PJM in monthly charges from November 1, 2005 through May 31, 2020. The rate, the result of a settlement, will be adjusted each year to collect \$2 million on an annualized basis for 175 months. The AEP East companies will be responsible for paying the majority of the amortized costs assigned by the FERC to the AEP East zone since their internal load is approximately 85% of the transmission load in the AEP zone. As a result, the AEP East companies will need to recover the 85% through their retail rates.

In May 2006, the FERC approved a settlement that provides for recovery over a ten-year period of the deferred PJM-billed integration costs, including related carrying charges, of AEP, Commonwealth Edison Company (ComEd) and The Dayton Power and Light Company from all present zones of the PJM region, except the Virginia Electric & Power Company (VEPCo) zone. The net result of the settlement is that the AEP East companies will recover approximately 50% of the deferred PJM-billed integration costs from third parties, and will need to recover the remaining 50% through retail rates.

In Indiana, we are subject to a rate cap until June 30, 2007 and precluded from recovering our share of the deferred RTO costs until that date or until we file for a rate increase. We have not filed for recovery in Michigan. If the IURC or the MPSC disallow recovery of any portion of the billed amortization of deferred RTO formation/integration costs, it could adversely impact future results of operations and cash flows. In the event of a disallowance, we would appeal that decision to the appropriate state or federal courts.

### ***Transmission Rate Proceedings at the FERC***

#### **SECA Revenue Subject to Refund**

The AEP East companies eliminated through-and-out transmission service (T&O) revenues in accordance with FERC orders, and collected SECA rates to mitigate the loss of T&O revenues from December 1, 2004 through March 31, 2006, when SECA rates expired. Intervenor objected to the SECA rates, raising various issues. As a result, the FERC set SECA rate issues for hearing and ordered that the SECA rate revenues be collected, subject to refund or surcharge. The AEP East companies paid SECA rates to other utilities at considerably lesser amounts than collected. If a refund is ordered, the AEP East companies would also receive refunds related to the SECA rates they paid to third parties. We recognized SECA revenues of \$8.1 million and \$30.4 million for the years ended December 31, 2006 and 2005, respectively. Our 2006 revenues are through March 31, 2006, when SECA rates expired, and excludes all provisions for refund.

Approximately \$19 million of the AEP East companies' total SECA revenues billed by PJM were never collected. The AEP East companies filed a motion with the FERC to force payment of these SECA billings.

In August 2006, the ALJ issued an initial decision, finding that the rate design for the recovery of SECA charges was flawed and that a large portion of the "lost revenues" reflected in the SECA rates was not recoverable. The ALJ found that the SECA rates charged were unfair, unjust and discriminatory and that new compliance filings and refunds should be made. The ALJ also found that the unpaid SECA rates must be paid in the recommended reduced amount.

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Since the implementation of SECA rates in December 2004, the AEP East companies recorded approximately \$220 million of gross SECA revenues, subject to refund. The AEP East companies reached settlements with certain customers related to approximately \$70 million of such revenues. The unsettled gross SECA revenues total approximately \$150 million. If the ALJ's initial decision is upheld in its entirety, it would disallow \$126 million of the AEP East companies' unsettled gross SECA revenues. It would also provide insignificant refunds of SECA rates paid by the AEP East companies. Based on the completed settlements and before the issuance of the ALJ's initial decision, the AEP East companies initially provided a reserve for \$22 million in net refunds.

AEP, together with Exelon and DP&L, filed an extensive post hearing brief and reply brief noting exceptions to the ALJ's initial decision and asking the FERC to reverse the decision in large part. Management believes that the FERC should reject the initial decision because it is contrary to prior related FERC decisions, which are presently subject to rehearing. Furthermore, management believes the ALJ's findings on key issues are largely without merit. However, the initial decision is adversely impacting settlement negotiations. As a consequence, the AEP East companies recorded an additional \$15 million reserve in December 2006. Our net refund provision was \$6.4 million and \$0.6 million for the years ended December 31, 2006 and 2005, respectively.

Although management believes it has meritorious arguments, they cannot predict the ultimate outcome of any future FERC proceedings or court appeals. If the FERC adopts the ALJ's decision, it will have an adverse effect on future results of operations and cash flows.

*The FERC PJM Regional Transmission Rate Proceeding*

At AEP's urging, the FERC instituted an investigation of PJM's zonal rate regime, indicating that the present rate regime may need to be replaced through establishment of regional rates that would compensate AEP and other transmission owners for the regional transmission facilities they provide to PJM, which provides service for the benefit of customers throughout PJM. In September 2005, AEP and a nonaffiliated utility (Allegheny Power or AP) jointly filed a regional transmission rate design proposal with the FERC. This filing proposes and supports a new PJM rate regime generally referred to as Highway/Byway.

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Parties to the regional rate proceeding proposed the following rate regimes:

- AEP/AP proposed a Highway/Byway rate design in which:
  - The cost of all transmission facilities in the PJM region operated at 345 kV or higher would be included in a "Highway" rate that all load serving entities (LSEs) would pay based on peak demand. The AEP/AP proposal would produce about \$125 million in additional revenues per year for the AEP East companies from users in other zones of PJM.
  - The cost of transmission facilities operating at lower voltages would be collected in the zones where those costs are presently charged under PJM's existing rate design.
- Two other utilities, Baltimore Gas & Electric Company (BG&E) and Old Dominion Electric Cooperative (ODEC), proposed a Highway/Byway rate that includes transmission facilities above 200 kV, which would produce lower revenues for the AEP East companies than the AEP/AP proposal.
- In a competing Highway/Byway proposal, a group of LSEs proposed rates that would include existing 500 kV and higher voltage facilities and new facilities above 200 kV in the Highway rate, which would produce considerably lower revenues for the AEP East companies than the AEP/AP proposal.
- In January 2006, the FERC staff issued testimony and exhibits supporting a PJM-wide flat rate or "Postage Stamp" type of rate design that would include all transmission facilities, which would produce higher transmission revenues for the AEP East companies than the AEP/AP proposal.

All of these proposals were challenged by a majority of other transmission owners in the PJM region, who favor continuation of the existing PJM rate design. Hearings were held in April 2006 and the ALJ issued an initial decision in July 2006. The ALJ found the existing PJM zonal rate design to be unjust and determined that it should be replaced. The ALJ found that the Highway/Byway rates proposed by AEP/AP and BG&E/ODEC and the Postage Stamp rate proposed by the FERC staff to be just and reasonable alternatives and recommended that the FERC staff's Postage Stamp rate proposal be adopted. The ALJ also found that the effective date of the rate change should be April 1, 2006 to coincide with SECA rate elimination. Because the Postage Stamp rate was found to produce greater cost shifts than other proposals, the judge also recommended that the design be phased-in. Without a phase-in, the Postage Stamp method would produce more revenue for the AEP East companies than the AEP/AP proposal. The phase-in of Postage Stamp rates would delay the full impact of that result until about 2012.

AEP filed briefs noting exceptions to the initial decision and replies to the exceptions of other parties. AEP argued that a phase-in should not be required. Nevertheless, AEP argued that if the FERC adopts the Postage Stamp rate and a phase-in plan, the revenue collections curtailed by the phase-in should be deferred and paid later with interest. A FERC decision is likely before mid-2007.

To recover these lost T&O and SECA rates, most of the AEP East companies sought to increase their retail rates. In Indiana, we are precluded by a rate cap from raising our rates until July 1, 2007. In Michigan, we have not filed to seek recovery of the lost transmission revenues.

The other AEP East companies presently recover from retail customers approximately 85% of the total reduction in transmission revenues of \$128 million a year.

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Once approved by the FERC, the favorable impacts of the new regional PJM rate design will flow directly to wholesale customers. In Indiana and Michigan, the additional transmission revenues can be expected to reduce retail rates in future base rate proceedings.

Management is unable to predict whether the FERC will approve either the ALJ's decision or another regional rate design. Management believes that the AEP/AP proposal or the Postage Stamp proposal combined with the retail rate recovery discussed above would be an effective replacement for the eliminated T&O and SECA rates. Future results of operations, cash flows and financial condition would be adversely affected if the approved FERC transmission rates are not sufficient to replace the lost T&O/SECA revenues. The resultant increase in our unrecovered transmission costs are not recovered in retail rates in Indiana and Michigan.

#### *AEP East Transmission Revenue Requirement and Rates*

In December 2005, the FERC approved an uncontested settlement which allowed increases in our wholesale transmission OATT rates in three steps: first, beginning retroactively on November 1, 2005, second, beginning on April 1, 2006 when the SECA revenues were eliminated and third, beginning on August 1, 2006 when the new Wyoming-Jacksons Ferry 765 kV line went into service. Our wholesale transmission revenues increased by \$4.4 million in 2006 due to this rate increase. Management estimates that this rate increase will increase our wholesale transmission revenues by \$7 million in 2007.

#### *Allocation Agreement between AEP East companies and AEP West companies*

The SIA provides, among other things, for the methodology of sharing trading and marketing margins between the AEP East companies and AEP West companies. In March 2006, the FERC approved the proposed methodology effective April 1, 2006 and beyond. The approved allocation methodology for the AEP East companies and AEP West companies is based upon the location of the specific trading and marketing activity, with margins resulting from trading and marketing activities originating in PJM and MISO generally accruing to the benefit of the AEP East companies and trading and marketing activities originating in SPP and ERCOT generally accruing to the benefit of PSO and SWEPCo. Previously, the SIA allocation provided for a different method of sharing all margins between both the AEP East companies and the AEP West companies, which effectively allowed the AEP West companies to share in PJM and MISO regional margins in the East. The impact on future results of operations and cash flows will depend upon the level of future margins by region and the status of expanded net energy fuel clause recovery mechanisms and related off-system sales sharing mechanisms by state.

#### *Allocation of Off-system Sales Margins*

In 2002, ICC and INC filed with the PUCT seeking to reconcile fuel costs and to establish deferred fuel balances. The PUCT issued final orders in each of these proceedings that resulted in significant disallowances, including an assertion that the allocation of off-system sales margins between AEP East companies and AEP West companies was inconsistent with the FERC-approved SIA and that the AEP West companies should have been allocated greater margins.

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The United States District Court for the Western District of Texas issued orders preempting the PUCT from reallocating off-system sales margins between the AEP East companies and AEP West companies. The federal court ruled that the FERC has sole jurisdiction over that allocation. The PUCT appealed the ruling to the United States Court of Appeals. In TNC's case, the Court of Appeals affirmed the District Court's decision. ICC awaits a ruling in its appeal. If the PUCT is unsuccessful on appeal, it could file a complaint at the FERC to address the allocation issue. We are unable to predict if the Federal District Court's decision will be upheld or whether the PUCT will file a complaint at the FERC.

In a review of PSO's 2001 fuel and purchased power practices, parties alleged the same misallocations as in the Texas case. The OCC expanded the scope of the proceeding to include the off-system sales margin issue for the year 2002. In July 2005, the OCC staff and two intervenors filed testimony in which they quantified the alleged improperly allocated off-system sales margins between AEP East companies and AEP West companies. Their overall recommendations would result in a significant increase in off-system sales margins allocated to PSO through December 2004.

In 2004, an Oklahoma ALJ found that the OCC lacks authority to examine whether we deviated from the FERC-approved allocation methodology and held that any such complaints should be addressed at the FERC. The OCC has not ruled on appeals by intervenors of the ALJ's finding.

If the position taken by the federal court in Texas applies to PSO's case, the OCC would be preempted from disallowing fuel recoveries for alleged improper allocations of off-system sales margins between AEP East companies and AEP West companies due to lack of jurisdiction. The OCC or another party may file a complaint at the FERC alleging the allocation of off-system sales margins is improper which could result in an adverse effect on future results of operations and cash flows for the AEP East companies. To date, there has been no claim asserted at the FERC that AEP deviated from the approved allocation methodologies. Management is unable to predict the ultimate effect, if any, of these fuel clause proceedings and any future FERC proceedings on results of operations, cash flows and financial condition.

#### **4. EFFECTS OF REGULATION**

##### ***Regulatory Assets and Liabilities***

Our financial statements are prepared in accordance with the provisions of SFAS 71, as discussed in the "Accounting for the Effects of Cost-Based Regulation" section of Note 1.

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Regulatory assets and liabilities are comprised of the following items at December 31:

	2006	2005	Notes
	(in thousands)		
<b>Regulatory Assets:</b>			
SFAS 109 Regulatory Asset	\$ 159,893	\$ 175,673	(a) (f)
SFAS 158 Regulatory Asset (Notes 2 and 7)	101,673	-	(a)
Cook Nuclear Plant Refueling Outage Levelization	46,864	22,971	(a) (e)
Other	43,778	71,014	(b) (f)
<b>Total FERC Account 182.3 Regulatory Assets</b>	<b>\$ 352,208</b>	<b>\$ 269,658</b>	
<b>Unamortized Loss on Recquired Debt (c)</b>	<b>\$ 16,999</b>	<b>\$ 18,231</b>	
<b>Regulatory Liabilities:</b>			
SFAS 109 Regulatory Liability	\$ 48,858	\$ 56,930	(a) (f)
Excess ARO for Nuclear Decommissioning (Note 8)	322,746	271,318	(d)
Other	69,341	82,770	(b) (f)
<b>Total FERC Account 254 Regulatory Liabilities</b>	<b>\$ 440,945</b>	<b>\$ 411,018</b>	
<b>Deferred Investment Tax Credits (c)</b>	<b>\$ 67,324</b>	<b>\$ 75,077</b>	(a) (g)

(a) Amount does not earn a return.  
(b) Amounts are both earning and not earning a return  
(c) Recorded in an account other than regulatory asset or liability on the balance sheet  
(d) This is the cumulative difference in the amount provided through rates and the amount as measured by applying SFAS 143. This amount earns a return, which accrues monthly, and will be paid when the nuclear plant is decommissioned.  
(e) Amortized over the period beginning with the commencement of an outage and ending with the beginning of the next outage.  
(f) Recovery/refund period - various periods.  
(g) Recovery/refund period - up to 16 years.

### ***Merger with CSW***

On June 15, 2000, AEP merged with CSW so that CSW became a wholly-owned subsidiary of AEP. Our key provisions of Merger Rate Agreements beginning in the third quarter of 2000 were rate reductions of \$67 million over 8 years for the Indiana jurisdiction and customer billing credits of approximately \$14 million over 8 years for the Michigan jurisdiction.

## **5. COMMITMENTS, GUARANTEES AND CONTINGENCIES**

We are subject to certain claims and legal actions arising in our ordinary course of business. In addition, our 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. For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material adverse effect on the financial statements.

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### ***Potential Losses and Insurance***

We maintain insurance coverage normal and customary for electric utilities, subject to various deductibles. 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 third parties and are in excess of retentions absorbed by us. Coverage is generally provided by a combination of a South Carolina domiciled insurance company together with and/or in addition to various industry mutual and commercial insurance carriers and various Lloyds of London syndicates.

See Note 8 for a discussion of nuclear exposures and related insurance.

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 damage to the Cook Plant and costs of replacement power in the event of a nuclear incident at the Cook Plant. Future losses or liabilities, if they occur, which are not completely insured, unless recovered from customers, could have a material adverse effect on results of operations, cash flows and financial condition.

## **COMMITMENTS**

### ***Construction and Commitments***

We have substantial construction commitments to support our operations and environmental investments. Our estimated construction expenditures for 2007 are \$252 million. Estimated construction expenditures are subject to periodic review and modification and may vary based on the ongoing effects of regulatory constraints, environmental regulations, business opportunities, market volatility, economic trends, weather, legal reviews and the ability to access capital.

We entered into long-term contracts to acquire fuel for electric generation. Our longest fuel contract extends to 2014. The contracts provide for periodic price adjustments and contain various clauses that would release us from our obligations under certain conditions.

We purchase materials, supplies, services and property, plant and equipment under contract as part of our normal course of business. Certain supply contracts contain penalty provisions for early termination. Management does not expect to incur penalty payments under these provisions that would materially affect results of operations, cash flows or financial condition.

## **GUARANTEES**

There are certain immaterial liabilities recorded for guarantees in accordance with FASB Interpretation No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third parties.

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### ***Letters of Credit***

We have entered into standby letters of credit (LOC) with third parties. LOC covers items such as insurance programs, security deposits, debt service reserves and credit enhancements for issued bonds. We issued the LOC in our ordinary course of business. At December 31, 2006, the maximum future payments of our LOC include \$1 million with a maturity of March 2007.

### ***Indemnifications and Other Guarantees***

#### **Contracts**

We enter 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. There are no material liabilities recorded for any indemnifications.

We, along with the other AEP East companies, PSO and SWEPCo are jointly and severally liable for activity conducted by AEPSC on behalf of the AEP East companies, PSO and SWEPCo related to power purchase and sale activity conducted pursuant to the SIA.

#### **Master Operating Lease**

We lease certain equipment under a master operating lease. Under the lease agreement, the lessor is guaranteed to receive up to 87% of the unamortized balance of the equipment at the end of the lease term. If the fair market value of the leased equipment is below the unamortized balance at the end of the lease term, we committed to pay the difference between the fair market value and the unamortized balance, with the total guarantee not to exceed 87% of the unamortized balance. At December 31, 2006, our maximum potential loss for these lease agreements assuming the fair market value of the equipment is zero at the end of the lease term is \$5 million.

### **CONTINGENCIES**

#### ***Federal EPA Complaint and Notice of Violation***

The Federal EPA, certain special interest groups and a number of states allege that we, along with APCo, CSPCo, OPCo and other nonaffiliated utilities including the Tennessee Valley Authority, Alabama Power Company, Cincinnati Gas & Electric Company, Ohio Edison Company, Southern Indiana Gas & Electric Company, Illinois Power Company, Tampa Electric Company, Virginia Electric Power Company and Duke Energy, modified certain units at coal-fired generating plants in violation of the NSR requirements of the CAA. The Federal EPA filed its complaints against the AEP subsidiaries in U.S. District Court for the Southern District of Ohio. The alleged modifications occurred at our generating units over a twenty-year period. A bench trial on the liability issues was held during July 2005. In June 2006, the judge stayed the liability decision pending the issuance of a decision by the U.S. Supreme Court in the Duke Energy case. A bench trial on remedy issues, if necessary, is scheduled to begin four months after the U.S. Supreme Court decision is issued.

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Under the CAA, if a plant undertakes a major modification that results in an emissions increase, permitting requirements might be triggered and the plant may be required to install additional pollution control technology. This requirement does not apply to activities such as routine maintenance, replacement of degraded equipment or failed components or other repairs needed for the reliable, safe and efficient operation of the plant. The CAA authorizes civil penalties of up to \$27,500 (\$32,500 after March 15, 2004) per day per violation at each generating unit. In 2001, the District Court ruled claims for civil penalties based on activities that occurred more than five years before the filing date of the complaints cannot be imposed. There is no time limit on claims for injunctive relief.

Courts have reached different conclusions regarding whether the activities at issue in these cases are routine maintenance, repair, or replacement, and therefore are excluded from NSR. Similarly, courts have reached different results regarding whether the activities at issue increased emissions from the power plants. Appeals on these and other issues were filed in certain appellate courts, including a petition to appeal to the U.S. Supreme Court that was granted in one case. The Federal EPA issued a final rule that would exclude activities similar to those challenged in these cases from NSR as "routine replacements." In March 2006, the Court of Appeals for the District of Columbia Circuit issued a decision vacating the rule. The Court denied the Federal EPA's request for rehearing, and the Federal EPA and other parties filed a petition for review by the U.S. Supreme Court. The Federal EPA also proposed a rule that would define "emissions increases" in a way that most of the challenged activities would be excluded from NSR.

On April 2, 2007, the U.S. Supreme Court reversed the Fourth Circuit Court of Appeals' decision that had supported the statutory construction argument of Duke Energy in its NSR proceeding. In a unanimous decision, the Court ruled that the Federal EPA was not obligated to define "major modification" in two different CAA provisions in the same way. The Court also found that the Fourth Circuit's interpretation of "major modification" as applying only to projects that increased hourly emission rates amounted to an invalidation of the relevant Federal EPA regulations, which under the CAA can only be challenged in the Court of Appeals within 60 days of the Federal EPA rulemaking. The U.S. Supreme Court did acknowledge, however, that Duke Energy may argue on remand that the Federal EPA has been inconsistent in its interpretations of the CAA and the regulations and may not retroactively change 20 years of accepted practice.

In addition to providing guidance on certain of the merits of the NSR proceedings brought against APCo, CSPCo, OPCo and us in U.S. District Court for the Southern District of Ohio, the Court's issuance of a ruling in the Duke Energy case will likely have a direct impact on the timing of the NSR proceeding brought against us. First, the court in the case for which a trial on liability issues has been conducted is likely to complete its consideration of the issues and render a liability decision. Second, the bench trial on remedy issues, if necessary, is likely to be scheduled to begin in four months.

Management is unable to estimate the loss or range of loss related to any contingent liability, if any, we might have for civil penalties under the CAA proceedings. Management is also unable to predict the timing of resolution of these matters due to the number of alleged violations and the significant number of issues yet to be determined by the Court. If we do not prevail, management believes we can recover any capital and operating costs of additional pollution control equipment that may be required through regulated rates and market prices for electricity. If we are unable to recover such costs or if material penalties are imposed, it would adversely affect future results of operations, cash flows and possibly financial condition.

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### ***Carbon Dioxide (CO<sub>2</sub>) Public Nuisance Claims***

In 2004, eight states and the City of New York filed an action in federal district court for the Southern District of New York against AEP, AEPSC, Cinergy Corp, Xcel Energy, Southern Company and Tennessee Valley Authority. The Natural Resources Defense Council, on behalf of three special interest groups, filed a similar complaint against the same defendants. The actions allege that CO<sub>2</sub> emissions from the defendants' power plants constitute a public nuisance under federal common law due to impacts of global warming, and sought injunctive relief in the form of specific emission reduction commitments from the defendants. The defendants' motion to dismiss the lawsuits was granted in September 2005. The dismissal was appealed to the Second Circuit Court of Appeals. Briefing and oral argument have concluded. Management believes the actions are without merit and intends to defend against the claims.

### ***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, our generating plants and transmission and distribution facilities have used asbestos, polychlorinated biphenyls (PCBs) and other hazardous and nonhazardous materials. We currently incur costs to safely dispose of these substances.

Superfund addresses clean-up of hazardous substances at disposal sites. The Federal EPA administers the clean-up programs. Several states have enacted similar laws. At December 31, 2006, we are named a Potentially Responsible Party (PRP) for two sites by the Federal EPA. There is one additional site for which we have received an information request which could lead to PRP designation. We have also been named potentially liable at one site under state law. In those instances where we have been named a PRP or defendant, 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 results of operations.

We evaluate the potential liability for each Superfund site separately, but several general statements can be made regarding their potential future liability. Disposal of materials at a particular site is often unsubstantiated and the quantity of materials deposited at a site was 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. Therefore, present estimates do not anticipate material cleanup costs for identified sites for which we have been declared PRPs. If significant cleanup costs were attributed to us in the future under Superfund, results of operations, cash flows and possibly financial condition would be adversely affected unless the costs can be included in electricity prices.

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### ***FERC Long-term Contracts***

In 2002, the FERC held a hearing related to a complaint filed by Nevada Power Company and Sierra Pacific Power Company (the Nevada utilities). The complaint sought to break long-term contracts entered during the 2000 and 2001 California energy price spike which the customers alleged were "high-priced." The complaint alleged that AEP subsidiaries sold power at unjust and unreasonable prices. In December 2002, a FERC ALJ ruled in AEP's favor and dismissed the complaint filed by the Nevada utilities. In 2001, the Nevada utilities filed complaints asserting that the prices for power supplied under those contracts should be lowered because the market for power was allegedly dysfunctional at the time such contracts were executed. The ALJ rejected the complaint, held that the markets for future delivery were not dysfunctional, and that the Nevada utilities failed to demonstrate that the public interest required that changes be made to the contracts. In June 2003, the FERC issued an order affirming the ALJ's decision. In December 2006, the U.S. Court of Appeals for the Ninth Circuit reversed the FERC order and remanded the case to the FERC for further proceedings. Management is unable to predict the outcome of these proceedings or their impact on future results of operations and cash flows. Claims have been asserted against certain companies that sold power to AEP subsidiaries, which were resold to the Nevada utilities, seeking to recover a portion of any amounts that may be owed to the Nevada utilities.

### **6. COMPANY-WIDE STAFFING AND BUDGET REVIEW**

We recorded severance benefits expense of \$4.7 million in 2005 (primarily in Operation Expenses) resulting from a company-wide staffing and budget review, including the allocation of severance benefits expense associated with AEPSC employees. Remaining accruals as of December 31, 2005 were settled by June 30, 2006. Payments and accrual adjustments recorded during 2006 were immaterial.

### **7. BENEFIT PLANS**

We participate in AEP sponsored qualified pension plans and nonqualified pension plans. A substantial majority of employees are covered by either one qualified plan or both a qualified and a nonqualified pension plan. In addition, we participate in other postretirement benefit plans sponsored by AEP to provide medical and life insurance benefits for retired employees.

In December 2006, we implemented SFAS 158. The effect of this standard on our financial statements was a pretax AOCI adjustment of \$107,599,000 that was offset by a SFAS 71 regulatory asset of \$101,673,000 and a deferred income tax asset of \$2,074,000 resulting in a net of tax AOCI equity reduction of \$3,852,000.

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The following tables provide a reconciliation of the changes in the AEP plans' projected benefit obligations and fair value of assets over the two-year period ending at the plan's measurement date of December 31, 2006, and their funded status as of December 31 for each year:

**Projected Pension Obligations, Plan Assets, Funded Status as of December 31, 2006 and 2005**

	Pension Plans		Other Postretirement Benefit Plans	
	2006	2005	2006	2005
	(in millions)			
<b>Change in Projected Benefit Obligation</b>				
Projected Obligation at January 1	\$ 4,347	\$ 4,108	\$ 1,831	\$ 2,100
Service Cost	97	93	39	42
Interest Cost	231	228	102	107
Participant Contributions	-	-	21	20
Actuarial (Gain) Loss	(293)	191	(55)	(320)
Plan Amendments	2	-	-	-
Benefit Payments	(276)	(273)	(112)	(118)
Medicare Subsidy Accrued	-	-	(8)	-
<b>Projected Obligation at December 31</b>	<b>\$ 4,108</b>	<b>\$ 4,347</b>	<b>\$ 1,818</b>	<b>\$ 1,831</b>
<b>Change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets at January 1	\$ 4,143	\$ 3,555	\$ 1,172	\$ 1,093
Actual Return on Plan Assets	470	224	127	70
Company Contributions	9	637	94	107
Participant Contributions	-	-	21	20
Benefit Payments	(276)	(273)	(112)	(118)
<b>Fair Value of Plan Assets at December 31</b>	<b>\$ 4,346</b>	<b>\$ 4,143</b>	<b>\$ 1,302</b>	<b>\$ 1,172</b>
<b>Funded Status</b>				
Funded Status at December 31	\$ 238	\$ (204)	\$ (516)	\$ (659)
Unrecognized Net Transition Obligation	-	-	-	152
Unrecognized Prior Service Cost (Benefit)	-	(9)	-	5
Unrecognized Net Actuarial Loss	-	1,266	-	471
<b>Net Asset (Liability) Recognized</b>	<b>\$ 238</b>	<b>\$ 1,053</b>	<b>\$ (516)</b>	<b>\$ (31)</b>

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**Amounts Recognized on AEP's Balance Sheets as of December 31, 2006 and 2005**

	Pension Plans		Other Postretirement Benefit Plans	
	2006	2005	2006	2005
	(in millions)			
Employee Benefits and Pension Assets – Prepaid Benefit Costs	\$ 320	\$ 1,099	\$ -	\$ -
Other Current Liabilities – Accrued Short-term Benefit Liability	(8)	-	(5)	-
Employee Benefits and Pension Obligations – Accrued Long-term Benefit Liability	(74)	(46)	(511)	(31)
Funded Status	238		(516)	
Regulatory Assets	582	N/A	293	N/A
Deferred Income Taxes	60	10	66	N/A
Additional Minimum Liability	N/A	(35)	N/A	N/A
Intangible Asset	N/A	6	N/A	N/A
Accumulated Other Comprehensive Income (Loss), Net of tax	112	19	123	N/A
<b>Total</b>	<b>\$ 992</b>	<b>\$ 1,053</b>	<b>\$ (34)</b>	<b>\$ (31)</b>

N/A = Not Applicable

**SFAS 158 Amounts Recognized in AEP's Accumulated Other Comprehensive Income (AOCI) as of December 31, 2006**

Components	Pension Plans		Other Postretirement Benefit Plans	
	(in millions)			
Net Actuarial Loss	\$	759	\$	354
Prior Service Cost (Credit)		(5)		4
Transition Obligation		-		124
<b>Pretax AOCI</b>	<b>\$</b>	<b>754</b>	<b>\$</b>	<b>482</b>
<b>Recorded as</b>				
Regulatory Assets	\$	582	\$	293
Deferred Income Taxes		60		66
Net of tax AOCI		112		123
<b>Pretax AOCI</b>	<b>\$</b>	<b>754</b>	<b>\$</b>	<b>482</b>

We recorded a SFAS 71 regulatory asset for qualifying SFAS 158 costs of regulated operations that for ratemaking purposes will be deferred for future recovery.

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### ***Pension and Other Postretirement Plans' Assets***

The asset allocations for AEP's pension plans at the end of 2006 and 2005, and the target allocation for 2007, by asset category, are as follows:

<b>Asset Category</b>	<b>Target Allocation</b>	<b>Percentage of Plan Assets at Year End</b>	
	<b>2007</b>	<b>2006</b>	<b>2005</b>
		<b>(in percentage)</b>	
Equity Securities	65	63	62
Real Estate	5	6	4
Debt Securities	28	26	25
Cash and Cash Equivalents	2	5	9
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

The asset allocations for AEP's other postretirement benefit plans at the end of 2006 and 2005, and target allocation for 2007, by asset category, are as follows:

<b>Asset Category</b>	<b>Target Allocation</b>	<b>Percentage of Plan Assets at Year End</b>	
	<b>2007</b>	<b>2006</b>	<b>2005</b>
		<b>(in percentage)</b>	
Equity Securities	65	66	68
Debt Securities	33	32	30
Other	2	2	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

AEP's investment strategy for the employee benefit trust funds is to use a diversified portfolio of investments to preserve the capital of the funds and to maximize the investment earnings in excess of inflation within acceptable levels of risk. To minimize risk, our employee benefit trust funds are broadly diversified among classes of assets, investment strategies and investment managers. Management regularly reviews the actual asset allocation and periodically rebalances the investments to our targeted allocation when considered appropriate. The plans' 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. Investment policies for the plans prohibit investment in AEP securities, with the exception of proportionate and immaterial holdings of AEP securities in passive index strategies. Because of the \$320 million contribution at the end of 2005 the actual pension asset allocation was different from the target allocation at the end of the year. The asset portfolio was rebalanced to the target allocation in January 2006.

The value of AEP's pension plans' assets increased to \$4.3 billion at December 31, 2006 from \$4.1 billion at December 31, 2005. The qualified plans paid \$267 million in benefits to plan participants during 2006 (nonqualified plans paid \$9 million in benefits). The value of AEP's Postretirement Plans' assets increased to \$1.3 billion in December 31, 2006 from \$1.2 billion at December 31, 2005. The Postretirement Plans paid \$112 million in benefits to plan participants during 2006.

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AEP bases the determination of pension expense or income 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 based on the market-related value of assets. Since the market-related value of assets recognizes gains or losses over a five-year period, the future value of assets will be impacted as previously deferred gains or losses are recorded.

***AEP's Accumulated Benefit Obligation***

	2006	2005
	(in millions)	
Qualified Pension Plans	\$ 3,861	\$ 4,053
Nonqualified Pension Plans	78	81
<b>Total</b>	<b>\$ 3,939</b>	<b>\$ 4,134</b>

For AEP's 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 at December 31, 2006 and 2005 were as follows:

	<b>Underfunded Pension Plans</b>	
	<b>As of December 31,</b>	
	<b>2006</b>	<b>2005</b>
	(in millions)	
<b>Projected Benefit Obligation</b>	<b>\$ 82</b>	<b>\$ 84</b>
Accumulated Benefit Obligation	\$ 78	\$ 81
Fair Value of Plan Assets	-	-
<b>Accumulated Benefit Obligation Exceeds the Fair Value of Plan Assets</b>	<b>\$ 78</b>	<b>\$ 81</b>

AEP made a contribution of \$626 million in 2005 to meet the goal of fully funding all qualified pension plans by the end of 2005.

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### ***Actuarial Assumptions for Benefit Obligations***

The weighted-average assumptions as of December 31, used in the measurement of AEP's benefit obligations are shown in the following tables:

	<b>Pension Plans</b>		<b>Other Postretirement Benefit Plans</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>(in percentages)</b>			
Discount Rate	5.75	5.50	5.85	5.65
Rate of Compensation Increase	5.90 (a)	5.90 (a)	N/A	N/A

(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

N/A = Not Applicable

To determine a discount rate, AEP uses a duration-based method by constructing a hypothetical portfolio of high quality corporate bonds similar to those included in the Moody's AA bond index with a duration matching the benefit plan liability. The composite yield on the hypothetical bond portfolio is used as the discount rate for the plan.

For 2006, the rate of compensation increase assumed varies with the age of the employee, ranging from 5.0% per year to 11.5% per year, with an average increase of 5.9%.

### ***Estimated Future Benefit Payments and Contributions***

Information about AEP's 2007 expected cash flows for the pension (qualified and nonqualified) and other postretirement benefit plans is as follows:

<b>Employer Contributions</b>	<b>Pension Plans</b>	<b>Other Postretirement Benefit Plans</b>
	<b>(in millions)</b>	
Required Contributions (a)	\$ 8	N/A
Additional Discretionary Contributions	-	\$ 82

(a) Contribution required to meet minimum funding requirement per the U.S. Department of Labor and to fund nonqualified benefit payments.

N/A = Not Applicable

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The contribution to the pension plans is based on the minimum amount required by the U.S. Department of Labor and the amount to fund nonqualified benefit payments, plus the additional discretionary contributions to fully fund the qualified pension plans. The contribution to the other postretirement benefit plans' trust is generally based on the amount of the other postretirement benefit plans' periodic benefit cost for accounting purposes and is provided for in agreements with state regulatory authorities.

The table below reflects the total benefits expected to be paid from the plan or from the employer's assets, including both the employer's share of the benefit cost and the participants' share of the cost, which is funded by participant contributions to the plan. Medicare subsidy receipts are shown in the year of the corresponding benefit payments, even though actual cash receipts are expected early in the following year. 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 AEP's pension and other postretirement benefits are as follows:

	<u>Pension Plans</u>	<u>Other Postretirement Benefit Plans</u>	
	<u>Pension Payments</u>	<u>Benefit Payments</u>	<u>Medicare Subsidy Receipts</u>
		(in millions)	
2007	\$ 345	\$ 113	\$ (9)
2008	354	121	(10)
2009	361	130	(11)
2010	366	139	(11)
2011	367	149	(12)
<b>Years 2012 to 2016, in Total</b>	<b>1,821</b>	<b>839</b>	<b>(77)</b>

### *Components of Net Periodic Benefit Cost*

The following table provides the components of AEP's net periodic benefit cost for the plans for fiscal years 2006 and 2005:

	<u>Pension Plans</u>		<u>Other Postretirement Benefit Plans</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	(in millions)			
Service Cost	\$ 97	\$ 93	\$ 39	\$ 42
Interest Cost	231	228	102	107
Expected Return on Plan Assets	(335)	(314)	(94)	(92)
Amortization of Transition Obligation	-	-	27	27
Amortization of Prior Service Cost (Credit)	(1)	(1)	-	-
Amortization of Net Actuarial Loss	79	55	22	25
<b>Net Periodic Benefit Cost</b>	<b>71</b>	<b>61</b>	<b>96</b>	<b>109</b>
Capitalized Portion	(21)	(17)	(27)	(33)
<b>Net Periodic Benefit Cost Recognized as Expense</b>	<b>\$ 50</b>	<b>\$ 44</b>	<b>\$ 69</b>	<b>\$ 76</b>

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Estimated amounts expected to be amortized to net periodic benefit costs from AEP's pretax accumulated other comprehensive income during 2007 are shown in the following table:

	Pension Plans	Other Postretirement Benefit Plans
	(in millions)	
Net Actuarial Loss	\$ 52	\$ 15
Prior Service Cost (Credit)	(1)	-
Transition Obligation	-	27
<b>Total Estimated 2007 Pretax AOCI Amortization</b>	<b>\$ 51</b>	<b>\$ 42</b>

### *Net Benefit Cost*

Our net periodic benefit cost for the Pension Plans for fiscal years 2006 and 2005 were \$9,326,000 and \$9,467,000, respectively. Our net periodic benefit cost for the Other Postretirement Benefits Plans for fiscal years 2006 and 2005 were \$11,171,000 and \$12,878,000, respectively.

### *Actuarial Assumptions for Net Periodic Benefit Costs*

The weighted-average assumptions as of January 1, used in the measurement of AEP's benefit costs are shown in the following tables:

	Pension Plans		Other Postretirement Benefit Plans	
	2006	2005	2006	2005
	(in percentages)			
Discount Rate	5.50	5.50	5.65	5.80
Expected Return on Plan Assets	8.50	8.75	8.00	8.37
Rate of Compensation Increase	5.90	3.70	N/A	N/A

N/A = Not Applicable

The expected return on plan assets for 2006 was determined by evaluating historical returns, the current investment climate (yield on fixed income securities and other recent investment market indicators), rate of inflation, and current prospects for economic growth.

The health care trend rate assumptions as of January 1, used for other postretirement benefit plans measurement purposes are shown below:

Health Care Trend Rates	2006	2005
Initial	8.0 %	9.0 %
Ultimate	5.0 %	5.0 %
Year Ultimate Reached	2009	2009

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Assumed health care cost trend rates have a significant effect on the amounts reported for the other postretirement benefit health care plans. A 1% change in assumed health care cost trend rates would have the following effects on AEP's amounts:

	<u>1% Increase</u>	<u>1% Decrease</u>
	<u>(in millions)</u>	
Effect on Total Service and Interest Cost		
Components of Net Periodic Postretirement		
Health Care Benefit Cost	\$ 19	\$ (16)
Effect on the Health Care Component of the		
Accumulated Postretirement Benefit Obligation	193	(161)

### **Retirement Savings Plan**

We participate in an AEP sponsored defined contribution retirement savings plans for substantially all employees who are not members of the United Mine Workers of America (UMWA). These plans offer participants an opportunity to contribute a portion of their pay, include features under Section 401(k) of the Internal Revenue Code and provide for company matching contributions. The matching contributions to the plan are 75% of the first 6% of eligible compensation contributed by the employee. Our contributions to the retirement savings plans for fiscal years 2006 and 2005 were \$8,764,000 and \$7,892,000, respectively.

### **8. NUCLEAR**

We own and operate the two-unit 2,110 MW Cook Plant under licenses granted by the NRC. A significant future financial commitment to safely dispose of SNF and to decommission and decontaminate the plant results from our ownership. Decommissioning costs are accrued over the service life of the Cook 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. Should a nuclear incident occur at any nuclear power plant in the U.S., the resultant liability could be substantial. By agreement, we are partially liable together with all other electric utility companies that own nuclear generating units for a nuclear power plant incident at any nuclear plant in the U.S.

#### ***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 estimated cost of decommissioning and disposal of low-level radioactive waste for the Cook Plant ranges from \$733 million to \$1.3 billion in 2006 nondiscounted dollars. The wide range is caused by variables in assumptions. We recover estimated Cook Plant decommissioning costs in our rates. The amount recovered in rates for decommissioning the Cook Plant was \$30 million in 2006 and \$27 million in 2005. Decommissioning costs recovered from customers are deposited in external trusts.

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We deposited an additional \$4 million in 2006 and 2005 in our decommissioning trust for Cook Plant under funding provisions approved by regulatory commissions. At December 31, 2006, the total decommissioning trust fund balance for the Cook Plant was \$974 million. Trust fund earnings increase the fund assets and decrease the amount remaining to be recovered from ratepayers. Decommissioning costs for the Cook Plant including interest, unrealized gains and losses and expenses of the trust funds increase or decrease the recorded liability.

We continue to work with regulators and customers to recover the remaining estimated costs of decommissioning the Cook Plant. However, future results of operations, cash flows and possibly financial condition would be adversely affected if the cost of SNF disposal and decommissioning continues to increase and cannot be recovered.

### ***SNF Disposal***

Federal law provides for government responsibility 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 is being collected from customers and remitted to the U.S. Treasury. At December 31, 2006, fees and related interest of \$247 million for fuel consumed prior to April 7, 1983 at the Cook Plant have been recorded as Long-term Debt and funds collected from customers towards payment of the pre-April 1983 fee and related earnings of \$274 million are recorded as Other Special Funds. We have not paid the government the Cook Plant related pre-April 1983 fees due to continued delays and uncertainties related to the federal disposal program.

### ***Trust Assets for Decommissioning and SNF Disposal***

We record securities held in trust funds for decommissioning nuclear facilities and for the disposal of spent nuclear fuel at market value. We classify securities in the trust funds as available-for-sale due to their long-term purpose. As discussed in the "Nuclear Trust Funds" section of Note 1, we record unrealized gains and losses 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 spent nuclear fuel disposal trust funds in accordance with their treatment in rates. The gains, losses or other-than-temporary impairments shown below did not affect earnings or AOCI. The trust assets are recorded by jurisdiction and may not be used for another jurisdictions' liabilities. Regulatory approval is required to withdraw decommissioning funds.

The following is a summary of nuclear trust fund investments at December 31:

	2006			2005		
	Estimated Fair Value	Gross Unrealized Gains	Other-Than- Temporary Impairments	Estimated Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
	(in millions)					
Cash	\$ 24	\$ -	\$ -	\$ 21	\$ -	\$ -
Debt Securities	750	18	(8)	691	7	(7)
Equity Securities	474	192	(4)	422	148	(3)
<b>Spent Nuclear Fuel and Decommissioning Trusts</b>	<b>\$ 1,248</b>	<b>\$ 210</b>	<b>\$ (12)</b>	<b>\$ 1,134</b>	<b>\$ 155</b>	<b>\$ (10)</b>

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Proceeds from sales of our nuclear trust fund investments were \$631 million and \$557 million in 2006 and 2005, respectively. Purchases of our nuclear trust fund investments were \$692 million and \$607 million in 2006 and 2005, respectively.

Gross realized gains from the sales of our nuclear trust fund investments were \$7 million and \$4 million in 2006 and 2005, respectively. Gross realized losses including other-than-temporary impairments in 2006 from the sales of nuclear trust fund investments were \$7 million and \$16 million in 2006 and 2005, respectively.

The fair value of debt securities, summarized by contractual maturities, at December 31, 2006 is as follows:

	<b>Fair Value of Debt Securities (in millions)</b>
Within 1 year	\$ 50
1 year – 5 years	188
5 years – 10 years	215
After 10 years	297
<b>Total</b>	<b>\$ 750</b>

### ***Nuclear Incident Liability***

We carry insurance coverage for property damage, decommissioning and decontamination at the Cook Plant in the amount of \$1.8 billion. We purchase \$1 billion of excess coverage for property damage, decommissioning and decontamination. Additional insurance provides coverage for extra costs resulting from a prolonged accidental outage. We utilize an industry mutual insurer for the placement of this insurance coverage. Our participation in this mutual insurer requires a contingent financial obligation of up to \$38 million which is assessable if the insurer's financial resources would be inadequate to pay for losses.

The Price-Anderson Act, extended through December 31, 2025, establishes insurance protection for public liability arising from a nuclear incident at \$10.8 billion and covers any incident at a licensed reactor in the U.S. Commercially available insurance, which must be carried for each licensed reactor, provides \$300 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 \$101 million on each licensed reactor in the U.S. payable in annual installments of \$15 million. As a result, we could be assessed \$202 million per nuclear incident payable in annual installments of \$30 million. The number of incidents for which payments could be required is not limited. Under an industry-wide program insuring workers at nuclear facilities, we are also obligated for assessments of up to \$6 million for potential claims until December 31, 2007.

In the event of an incident of a catastrophic nature, we are initially covered for the first \$300 million through commercially available insurance. The next level of liability coverage of up to \$10.8 billion would be covered by claims made under the Price-Anderson Act. If the liability were in excess of amounts recoverable from insurance and under the Price-Anderson Act, we would seek to recover those amounts from customers through rate increases. In the event nuclear losses or liabilities are underinsured or exceed accumulated funds and recovery from customers is not possible, results of operations, cash flows and financial condition could be adversely affected.

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## 9. BUSINESS SEGMENTS

We have one reportable segment, an electricity generation, transmission and distribution business. Our other activities are insignificant.

## 10. DERIVATIVES, HEDGING AND FINANCIAL INSTRUMENTS

### DERIVATIVES AND HEDGING

SFAS 133 requires recognition of all qualifying derivative instruments as either assets or liabilities in the statement of financial position 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 and supply and demand market data and assumptions. The fair values determined are reduced by the appropriate valuation adjustments for items such as discounting, liquidity and credit quality. Credit risk is the risk that the counterparty to the contract will fail to perform or fail to pay amounts due. Liquidity risk represents the influence that imperfections in marketplace transparency may cause pricing to be less than or more than what the price should be based purely on supply and demand. Because energy markets are imperfect and volatile, there are inherent risks related to the underlying assumptions in models used to fair value open long-term risk management contracts. Unforeseen events can and will cause reasonable price curves to differ from actual prices throughout a contract's term and at the time a contract settles. Therefore, there could be significant adverse or favorable effects on future results of operations and cash flows if market prices are not consistent with our approach at estimating current market consensus for forward prices in the current period. This is particularly true for long-term contracts.

Our 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. Certain qualifying derivative instruments have been designated as normal purchases or normal sales contracts, as provided in SFAS 133. Derivative contracts that have been designated as normal purchases or normal sales under SFAS 133 are not subject to MTM accounting treatment and are recognized on the accrual or settlement basis.

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 reported on a net basis. Unrealized and realized gains and losses on derivative instruments not held for trading purposes are reported gross as revenues or expenses on the statements of income depending on the relevant facts and circumstances.

Depending on the exposure, we designate a hedging instrument as a fair value hedge or cash flow hedge. For fair value hedges (i.e. hedging the exposure to changes in the fair value of an asset, liability or an identified portion thereof that is attributable to a particular risk), we recognize the gain or loss on the derivative instrument as well as the offsetting loss or gain on the hedged item associated with the hedged risk in earnings. For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), we initially report the effective portion of the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income (Loss) until the period the hedged item affects earnings. The remaining gain or loss on the derivative instrument in excess of the cumulative change in the present value of future cash flows of the hedged item, if any, is recorded as a regulatory asset (for losses) or a regulatory liability (for gains).

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### ***Fair Value Hedging Strategies***

We enter into interest rate derivative transactions in order to manage interest rate risk exposure. These interest rate derivative transactions effectively modify exposure to interest rate risk by converting a portion of our fixed-rate debt to a floating rate. We record gains or losses on swaps that qualify for fair value hedge accounting treatment, as well as offsetting changes in the fair value of the debt being hedged, in Interest Charges on the statements of income. During 2006 and 2005, we did not recognize hedge ineffectiveness related to these derivative transactions.

### ***Cash Flow Hedging Strategies***

We enter into interest rate derivative transactions in order to manage interest rate risk exposure. We enter into forward starting interest rate swap or treasury lock contracts to manage interest rate exposure related to anticipated borrowings of fixed-rate debt. The anticipated debt offerings have a high probability of occurrence because the proceeds will be used to fund existing debt maturities as well as fund projected capital expenditures. We reclassify gains and losses on the hedges from Accumulated Other Comprehensive Income (Loss) into Interest Expense in those periods in which the interest payments being hedged occur. During 2006 and 2005, we reclassified immaterial amounts into earnings due to hedge ineffectiveness.

We enter into, and designate as cash flow hedges, certain derivative transactions for the purchase and sale of electricity and natural gas in order to manage the variable price risk related to the forecasted purchase and sale of these commodities. We closely monitor the potential impacts of commodity price changes and, where appropriate, enter into derivative transactions to protect margins for a portion of future electricity sales and fuel purchases. Realized gains and losses on these derivatives designated as cash flow hedges are included in revenues or fuel expense, depending on the specific nature of the risk being hedged. We do not hedge all variable price risk exposure related to energy commodities. During 2006 and 2005, we recognized immaterial amounts in earnings related to hedge ineffectiveness.

Our approximate net loss (gain) from cash flow hedges in Accumulated Other Comprehensive Income (Loss) at December 31, 2006 that are expected to be reclassified to net income in the next twelve months as the items being hedged settle are \$2,521,000. The actual amounts reclassified from AOCI to net income can differ as a result of market price changes. The maximum term for which the exposure to the variability of future cash flows is being hedged is twenty-four months.

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The following table represents our activity in Accumulated Other Comprehensive Income (Loss) for derivative contracts that qualify as cash flow hedges for the years 2005 and 2006:

	(in thousands)
<b>Balance at December 31, 2004</b>	\$ (4,076)
Effective portion of changes in fair value	2,489
Reclasses from AOCI to net income	(1,880)
<b>Balance at December 31, 2005</b>	(3,467)
Effective portion of changes in fair value	(6,576)
Impact Due to Changes in SIA (a)	(267)
Reclasses from AOCI to net income	1,348
<b>Balance at December 31, 2006</b>	<u>\$ (8,962)</u>

(a) See "Allocation Agreement between AEP East companies and AEP West companies" section of Note 3

## FINANCIAL INSTRUMENTS

The fair values of long-term debt are based on quoted market prices for the same or similar issues and the current interest rates offered for instruments with similar maturities. 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 our significant financial instruments at December 31, 2006 and 2005 are summarized in the following tables.

	2006		2005	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
	(in thousands)			
Long-term Debt	\$ 1,555,135	\$ 1,549,985	\$ 1,444,940	\$ 1,456,000

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## 12. INCOME TAXES

The details of our income taxes before extraordinary items as reported are as follows:

	Year Ended December 31,	
	2006	2005
	(in thousands)	
Charged (Credited) to Operating Expenses (net):		
Current	\$ 70,852	\$ 65,670
Deferred	14,235	25,064
Deferred Investment Tax Credits	(7,280)	(7,328)
<b>Total</b>	<u>77,807</u>	<u>83,406</u>
Charged (Credited) to Nonoperating Income (net):		
Current	(1,107)	(4,002)
Deferred	(563)	1,129
Deferred Investment Tax Credits	(472)	(397)
<b>Total</b>	<u>(2,142)</u>	<u>(3,270)</u>
<b>Total Income Tax as Reported</b>	<u>\$ 75,665</u>	<u>\$ 80,136</u>

Shown below 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 rate and the amount of income taxes reported.

	Year Ended December 31,	
	2006	2005
	(in thousands)	
Net Income	\$ 121,168	\$ 144,450
Extraordinary Item	(140)	-
Income Taxes	75,665	80,136
<b>Pretax Income</b>	<u>\$ 196,693</u>	<u>\$ 224,586</u>
Income Tax on Pretax Income at Statutory Rate (35%)	\$ 68,843	\$ 78,605
Increase (Decrease) in Income Tax resulting from the following items:		
Depreciation	20,834	19,492
Nuclear Fuel Disposal Costs	(5,538)	(3,413)
Allowance for Funds Used During Construction	(5,149)	(3,819)
Rockport Plant Unit 2 Investment Tax Credit	397	397
Removal Costs	(5,968)	(5,476)
Investment Tax Credits	(7,752)	(7,725)
State and Local Income Taxes	4,440	6,585
Other	5,558	(4,510)
<b>Total Income Taxes as Reported</b>	<u>\$ 75,665</u>	<u>\$ 80,136</u>
<b>Effective Income Tax Rate</b>	38.5%	35.7%

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The following tables show the elements of our net deferred tax liability and the significant temporary differences:

	December 31,	
	2006	2005
	(in thousands)	
Deferred Tax Assets	\$ 649,221	\$ 604,241
Deferred Tax Liabilities	(994,238)	(948,273)
<b>Net Deferred Tax Liabilities</b>	<b>\$ (345,017)</b>	<b>\$ (344,032)</b>
Property Related Temporary Differences	\$ (7,989)	\$ (48,839)
Amounts Due From Customers For		
Future Federal Income Taxes	(23,938)	(28,714)
Deferred State Income Taxes	(42,329)	(36,352)
Deferred Income Taxes on Other		
Comprehensive Loss	6,901	1,922
Net Deferred Gain on Sale and		
Leaseback-Rockport Plant Unit 2	20,670	21,303
Accrued Nuclear Decommissioning		
Expense	(246,533)	(214,126)
Deferred Fuel and Purchased Power	(146)	(1,200)
Accrued Pensions	(25,272)	(28,328)
Nuclear Fuel	(16,403)	(8,040)
All Other, Net	(9,978)	(1,658)
<b>Net Deferred Tax Liabilities</b>	<b>\$ (345,017)</b>	<b>\$ (344,032)</b>

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

The IRS and other taxing authorities routinely examine our tax returns. Management believes that we filed tax returns with positions that may be challenged by these tax authorities. We settled with the IRS all issues from the audits of our consolidated federal income tax returns for years prior to 1997. Management has reached a negotiated settlement of all outstanding proposed IRS adjustments for years 1997 through 1999 and anticipates payment for the agreed adjustments to occur during 2007. Returns for the years 2000 through 2003 are presently being audited by the IRS.

Although the outcome of tax audits is uncertain, in management's opinion, adequate provisions for income taxes have been made for potential liabilities resulting from such matters. In addition, we accrue interest on these uncertain tax positions. Management is not aware of any issues for open tax years that upon final resolution are expected to have a material adverse effect on results of operations.

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In 2005, the Energy Tax Incentives Act of 2005 was signed into law. This act created a limited amount of tax credits for the building of Integrated Gasification Combined Cycle (IGCC) plants. The credit is 20% of the eligible property in the construction of new plant or 20% of the total cost of repowering of an existing plant using IGCC technology. In the case of a newly constructed IGCC, eligible property is defined as the components necessary for the gasification of coal, including any coal handling and gas separation equipment. AEP announced plans to construct two new IGCC plants that may be eligible for the allocation of these credits. AEP filed applications for the Mountaineer and Great Bend projects with the DOE and the IRS. Both projects were certified by the DOE and qualified by the IRS. However, neither project was awarded credits during this round of credit awards. AEP will continue to pursue credits for the next round of credits in 2009.

The Energy Tax Incentives Act of 2005 also changed the tax depreciation life for transmission assets from 20 years to 15 years. This act also allows for the accelerated amortization of atmospheric pollution control equipment placed in service after April 11, 2005 and installed on plants placed in service on or after January 1, 1976. This provision allows for tax amortization of the equipment over eighty-four months in lieu of taking a depreciation deduction over 20 years. This act also allows for the transfer ("poured-over") of funds held in nonqualifying nuclear decommissioning trusts into qualified nuclear decommissioning trusts. The tax deduction may be claimed, as the nonqualified funds are poured-over; the funds are poured-over during the remaining life of the plant. The earnings on funds held in a qualified nuclear decommissioning fund are taxed at a 20% federal rate as opposed to a 35% federal tax rate for nonqualified funds. The tax law changes discussed in this paragraph have not materially affected results of operations, cash flows, or financial condition.

After Hurricanes Katrina, Rita and Wilma in 2005, a series of tax acts were placed into law to aid in the recovery of the Gulf coast region. The Katrina Emergency Tax Relief Act of 2005 (enacted September 23, 2005) and the Gulf Opportunity Zone Act of 2005 (enacted December 21, 2005) contained a number of provisions to aid businesses and individuals impacted by these hurricanes. The application of these tax acts has not materially affected our results of operations, cash flows, or financial condition.

On June 30, 2005, the Governor of Ohio signed Ohio House Bill 66 into law enacting sweeping tax changes impacting all companies doing business in Ohio. Most of the significant tax changes will be phased in over a five-year period, while some of the less significant changes became fully effective July 1, 2005. Changes to the Ohio franchise tax, nonutility property taxes, and the new commercial activity tax are subject to phase-in. The Ohio franchise tax will fully phase-out over a five-year period beginning with a 20% reduction in state franchise tax for taxable income accrued during 2005. In 2005, we reversed deferred state income tax liabilities of \$5,195,000 that are not expected to reverse during the phase-out. The reversal reduced the regulatory asset associated with the deferred state income tax liabilities.

The Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA 2005) was passed May 17, 2006. The majority of the provisions in TIPRA 2005 were directed toward individual income tax relief including the extension of reduced tax rates for dividends and capital gains through 2010. Management believes the application of this act will not materially affect our results of operations, cash flows, or financial condition.

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The President signed the Pension Protection Act of 2006 (PPA 2006) into law on August 17, 2006. This law is directed toward strengthening qualified retirement plans and adding new restrictions on charitable contributions. Specifically, PPA 2006 concentrates on the funding of defined benefit plans and the health of the Pension Benefit Guaranty Corporation. PPA 2006 imposes new minimum funding rules for multiemployer plans as well as increasing the deduction limitation for contributions to multiemployer defined benefit plans. Due to the significant funding of AEP's pension plans in 2005, the Act will not materially affect our results of operations, cash flows, or financial condition.

On December 20, 2006, the Tax Relief and Health Care Act of 2006 (TRHCA 2006) was signed into law. The primary purpose of the bill was to extend expiring tax provisions for individuals and business taxpayers and provide increased tax flexibility around medical benefits. In addition to extending the lower capital gains and dividend tax rates for individuals, TRHCA 2006 extended the research credit and for 2007 provides a new alternative formula for determining the research credit. The application of TRHCA 2006 is not expected to materially affect our results of operations, cash flows or financial condition.

## 12. LEASES

Leases of property, plant and equipment are for periods up to 35 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 in accordance with rate-making treatment. The components of rental costs are as follows:

	Year Ended December 31,	
	2006	2005
	(in thousands)	
Net Lease Expense on Operating Leases	\$ 97,750	\$ 93,993
Amortization of Capital Leases	6,533	6,681
Interest on Capital Leases	2,807	2,442
<b>Total Lease Rental Costs</b>	<b>\$ 107,090</b>	<b>\$ 103,116</b>

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The following table shows property, plant and equipment under capital leases and related obligations recorded on the balance sheet.

	December 31,	
	2006	2005
<b>Property, Plant and Equipment Under Capital Leases:</b>	(in thousands)	
Production	\$ 18,480	\$ 18,964
Distribution	14,589	14,589
Other	40,227	38,568
Total Property, Plant and Equipment	73,296	72,121
Accumulated Amortization	30,240	28,145
<b>Net Property, Plant and Equipment Under Capital Leases</b>	<b>\$ 43,056</b>	<b>\$ 43,976</b>
<b>Obligations Under Capital Leases:</b>		
Noncurrent	\$ 27,073	\$ 38,645
Current	15,983	5,331
<b>Total Obligations Under Capital Leases</b>	<b>\$ 43,056</b>	<b>\$ 43,976</b>

Future minimum lease payments consisted of the following at December 31, 2006:

	Capital Leases	Noncancelable Operating Leases
	(in thousands)	
2007	\$ 17,135	\$ 98,894
2008	7,416	98,311
2009	5,687	96,614
2010	2,819	93,040
2011	1,875	91,809
Later Years	19,205	873,750
Total Future Minimum Lease Payments	54,137	\$ 1,352,418
Less Estimated Interest Element	11,081	
<b>Estimated Present Value of Future Minimum Lease Payments</b>	<b>\$ 43,056</b>	

### **Rockport Lease**

We, along with AEGCo, 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 to AEGCo and us. 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, we, along with AEGCo, have the option to renew the lease or the Owner Trustee can sell the Plant. No AEP affiliate has an ownership interest in the Owner Trustee and they do not guarantee its debt. The future minimum lease payments for this sale and leaseback transaction for us as of December 31, 2006 are as follows:

	(in millions)
2007	\$ 74
2008	74
2009	74
2010	74
2011	74
Later Years	812
<b>Total Future Minimum Lease Payments</b>	<b>\$ 1,182</b>

### 13. FINANCING ACTIVITIES

#### *Preferred Stock*

Par Value	Authorized Shares	Shares Outstanding at December 31, 2006	Call Price at December 31, 2006 (a)	Series	Redemption	December 31, 2006 2005 (in thousands)	
\$ 25	11,200,000	-	\$ -	-	-	\$ -	\$ -
100	(b)	55,357	106.125	4 125%	Any time	5,535	5,537
100	(b)	14,412	102.00	4 56%	Any time	1,441	1,441
100	(b)	11,055	102.728	4 12%	Any time	1,106	1,106

- (a) The cumulative preferred stock is callable at the price indicated plus accrued dividends.  
(b) We have 2,250,000 authorized \$100 par value per share shares in total

Number of Shares Redeemed for the Year Ended December 31,		
Series	2006	2005
4 125%	12	-
5 90%	-	132,000
6 25%	-	192,500
6.30%	-	132,450
6 875%	-	157,500

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### Long-term Debt

There are certain limitations on establishing liens against our assets under indentures. None of our long-term debt obligations have been guaranteed or secured by AEP or any of its affiliates.

The following details long-term debt outstanding as of December 31, 2006 and 2005:

Type of Debt	Maturity	Interest Rates at		December 31,	
		December 31,		December 31,	
		2006	2005	2006	2005
(in thousands)					
Pollution Control Bonds, City of Sullivan, Series D (a)	2009	3.70%	3.229%	\$ 45,000	\$ 45,000
Pollution Control Bonds, City of Lawrenceburg, Series F (a)	2019	-	2.625%	-	25,000
Pollution Control Bonds, City of Lawrenceburg, Series F (a)	2019	3.55%	-	25,000	-
Pollution Control Bonds, City of Lawrenceburg, Series G (a)	2021	3.50%	3.20%	52,000	52,000
Pollution Control Bonds, City of Rockport, Series C (a)	2025	-	2.625%	-	40,000
Pollution Control Bonds, City of Rockport, Series C (a)	2025	3.74%	-	40,000	-
Pollution Control Bonds, City of Rockport, Series B (a)	2025	3.60%	3.20%	50,000	50,000
Pollution Control Bonds, City of Rockport, Series 2002A (a) (b)	2025	4.90%	4.90%	50,000	50,000
Pollution Control Bonds, City of Rockport, Series 1995A (a)	2025	-	6.55%	-	50,000
Pollution Control Bonds, City of Rockport, Series 2006A (a)	2025	3.90%	-	50,000	-
Unamortized Discount				(695)	(733)
<b>Total Pollution Control Bonds</b>				<u>311,305</u>	<u>311,267</u>
Senior Unsecured Notes, Series C	2006	-	6.125%	-	300,000
Senior Unsecured Notes, Series A	2008	6.45%	6.45%	50,000	50,000
Senior Unsecured Notes, Series E	2012	6.375%	6.375%	100,000	100,000
Senior Unsecured Notes, Series F	2014	5.05%	5.05%	175,000	175,000
Senior Unsecured Notes, Series G	2015	5.65%	5.65%	125,000	125,000
Senior Unsecured Notes, Series D	2032	6.00%	6.00%	150,000	150,000
Senior Unsecured Notes, Series H	2037	6.05%	-	400,000	-
MTM of Fair Value Hedge				-	(530)
Unamortized Discount				(3,254)	(1,602)
<b>Total Senior Unsecured Notes</b>				<u>996,746</u>	<u>897,868</u>
Spent Nuclear Fuel Liability (c)				<u>247,084</u>	<u>235,805</u>
<b>Total Long-term Debt</b>				<u>\$ 1,555,135</u>	<u>\$ 1,444,940</u>

- (a) Under the terms of the pollution control bonds, we are required to pay amounts sufficient to enable the payment of interest on and the principal of (at stated maturities and upon mandatory redemptions) related pollution control revenue bonds issued to finance the construction of pollution control facilities at certain plants. For certain series of pollution control bonds, interest rates are subject to periodic adjustment. Interest payments range from monthly to semi-annually.
- (b) The pollution control bonds for City of Rockport, Series 2002A maturing in 2025 provides for bonds to be tendered in 2007. Therefore, these pollution control bonds have been classified for payment in 2007.
- (c) Pursuant to the Nuclear Waste Policy Act of 1982, as a nuclear licensee, we have an obligation with the United States Department of Energy for spent nuclear fuel disposal. The obligation includes a one-time fee for nuclear fuel consumed prior to April 7, 1983. Trust fund assets of \$274 million and \$264 million related to this obligation are included in Other Special Funds at December 31, 2006 and 2005, respectively.

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At December 31, 2006 future annual long-term debt payments are as follows:

	(in thousands)
2007	\$ 50,000
2008	50,000
2009	45,000
2010	-
2011	-
Later Years	1,414,084
Total Principal Amount	1,559,084
Unamortized Discount	(3,949)
<b>Total</b>	<b>\$ 1,555,135</b>

#### ***Dividend Restrictions***

Under the Federal Power Act, we can only pay dividends out of retained or current earnings unless we obtain prior FERC approval.

#### ***Lines of Credit – AEP System***

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of its subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds the utility subsidiaries. The AEP System corporate borrowing program operates in accordance with the terms and conditions approved in a regulatory order. The amount of outstanding borrowings from the Utility Money Pool as of December 31, 2006 and 2005 are included in Notes Payable to Associated Companies on our balance sheets. Our activity in the Utility Money Pool and corresponding authorized limits for the years ended December 31, 2006 and 2005 are described in the following tables:

Year Ended December 31,	Maximum Borrowings from Utility Money Pool	Maximum Loans to Utility Money Pool	Average Borrowings from Utility Money Pool	Average Loans to Utility Money Pool	Borrowings from Utility Money Pool as of December 31,	Authorized Short-Term Borrowing Limit
(in thousands)						
2006	\$ 150,582	\$ 298,427	\$ 86,049	\$ 268,875	\$ 114,623	\$ 500,000
2005	223,898	-	103,041	-	116,125	500,000

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Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool for the years ended December 31, 2006 and 2005 were as follows:

Year 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
	(in percentage)					
2006	5.41	3.61	4.29	3.32	4.79	3.84
2005	4.49	1.63	-	-	3.41	-

Interest expense related to the Utility Money Pool is included in Interest Charges. We incurred interest expense for amounts borrowed from the Utility Money Pool of \$3,805,000 and \$3,532,000 for the years ended December 31, 2006 and 2005, respectively.

Interest income related to the Utility Money Pool is included in Interest and Dividend Income. Our interest income earned from amounts advanced to the Utility Money Pool was \$889,000 and \$0 for the years ended December 31, 2006 and 2005, respectively.

#### ***Sale of Receivables – AEP Credit***

AEP Credit has a sale of receivables agreement (expires on August 24, 2007) with banks and commercial paper conduits. AEP intends to extend or replace the sale of receivables agreement. The sale of receivables agreement provides commitments of \$600 million to purchase receivables from AEP Credit. Under the sale of receivables agreement, AEP Credit sells an interest in the receivables it acquires to the commercial paper conduits and banks and receives cash.

AEP Credit purchases our accounts receivable through purchase agreements. Under the arrangement, we sell, without recourse, certain of our customer accounts receivable and accrued unbilled revenue balances to AEP Credit and are charged a fee based on AEP Credit financing costs, our uncollectible accounts experience receivables and administrative costs.

Our factored accounts receivable and accrued unbilled revenues were \$94.5 million and \$102.7 million as of December 31, 2006 and 2005, respectively.

We paid fees to AEP Credit for factoring customer accounts receivable of \$9.2 million and \$7.4 million for the years ended December 31, 2006 and 2005, respectively.

#### **14. RELATED PARTY TRANSACTIONS**

For other related party transactions, also see “Lines of Credit – AEP System” and “Sale of Receivables-AEP Credit” sections of Note 13.

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## AEP System Power Pool

We, along with APCo, CSPCo, KPCo and OPCo, are parties to the Interconnection Agreement, dated July 6, 1951, as amended (the Interconnection Agreement), defining how we share the costs and benefits associated with our generating plants. This sharing is based upon each company's "member-load-ratio," which is calculated monthly on the basis of each company's maximum peak demand in relation to the sum of the maximum peak demands of all five companies during the preceding 12 months. In addition, since 1995, we, along with APCo, CSPCo, KPCo and OPCo, have been parties to the AEP System Interim Allowance Agreement, which provides, among other things, for the transfer of SO<sub>2</sub> allowances associated with the transactions under the Interconnection Agreement.

Power, gas and risk management activities are conducted by the AEP Power Pool and profits/losses are shared among the parties under the System Integration Agreement. Risk management activities involve the purchase and sale of electricity and gas under physical forward contracts at fixed and variable prices. In addition, the risk management of electricity, and to a lesser extent gas contracts, includes exchange traded futures and options and over-the-counter options and swaps. The majority of these transactions represent physical forward contracts in the AEP System's traditional marketing area and are typically settled by entering into offsetting contracts. In addition, the AEP Power Pool enters into transactions for the purchase and sale of electricity and gas options, futures and swaps, and for the forward purchase and sale of electricity outside of the AEP System's traditional marketing area.

## CSW Operating Agreement

PSO, SWEPCo, ICC, INC and AEPSC are parties to a Restated and Amended Operating Agreement originally dated as of January 1, 1997 (CSW Operating Agreement), which has been approved by the FERC. The CSW Operating Agreement requires the AEP West companies to maintain adequate annual planning reserve margins and requires the operating companies that have capacity in excess of the required margins to make such capacity available for sale to other operating companies as capacity commitments.

## System Integration Agreement

AEP's System Integration Agreement, which has been approved by the FERC, provides for the integration and coordination of AEP's East companies and West companies zones. This includes joint dispatch of generation within the AEP System, and the distribution, between the two zones, of costs and benefits associated with the transfers of power between the two zones (including sales to third parties and risk management and trading activities). It is designed to function as an umbrella agreement in addition to the Interconnection Agreement and the CSW Operating Agreement, each of which controls the distribution of costs and benefits within a zone.

In November 2005, AEP filed with the FERC a proposed amendment to the System Integration Agreement to change the method of allocating profits from off-system electricity sales between the East and West zones. The proposed method causes such profits to be allocated generally on the basis of the zone in which the underlying transactions occur or originate. The filing was made in accordance with a provision of the agreement that called for a re-evaluation of the allocation method effective January 1, 2006 and was approved as filed effective April 1, 2006.

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Power generated by or allocated or provided under the Interconnection Agreement or CSW Operating Agreement is primarily sold to customers at rates approved by the public utility commission in the jurisdiction of sale.

Under both the Interconnection Agreement and CSW Operating Agreement, power generated that is not needed to serve the AEP System's native load is sold in the wholesale market by AEPSC on behalf of the generating subsidiary.

### Affiliated Revenues and Purchases

The following table shows our revenues derived from sales to the pools, direct sales to affiliates, natural gas contracts with AEPES, and other revenues for the years ended December 31, 2006 and 2005:

	2006	2005
<u>Related Party Revenues</u>	<u>(in thousands)</u>	
Sales to East System Pool	\$ 285,048	\$ 314,677
Direct Sales to AEP West Companies	12,538	14,988
Natural Gas Contracts with AEPES	(9,296)	33,461
Other	2,743	2,896

The following table shows our purchased power expense incurred from purchases from the pools and affiliates for the years ended December 31, 2006 and 2005:

	2006	2005
<u>Related Party Purchases</u>	<u>(in thousands)</u>	
Purchases from East System Pool	\$ 126,345	\$ 116,735
Direct Purchases from AEP East Companies	216,723	189,382
Direct Purchases from AEP West Companies	88	-

### AEP System Transmission Pool

AEP's System Transmission Integration Agreement provides for the integration and coordination of the planning, operation and maintenance of the transmission facilities of AEP's East companies and AEP West companies zones. Similar to the System Integration Agreement, the System Transmission Integration Agreement functions as an umbrella agreement in addition to the Transmission Equalization Agreement (TEA) and the Transmission Coordination Agreement (TCA). The System Transmission Integration Agreement contains two service schedules that govern:

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

The Transmission Integration Agreement anticipates that additional service schedules may be added as circumstances warrant.

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We, along with APCo, CSPCo, KPCo and OPCo, are parties to the TEA, dated April 1, 1984, as amended, defining how we share the costs associated with our relative ownership of the extra-high-voltage transmission system (facilities rated 345 kV and above) and certain facilities operated at lower voltages (138 kV and above). Like the Interconnection Agreement, this sharing is based upon each company's MLR. Our net credits under the parties to the TEA during the years ended December 31, 2006 and 2005 were \$37,300,000 and \$47,000,000, respectively, and recorded in Operation Expenses.

PSO, SWEPCo, ICC, INC and AEPSC are parties to the ICA, originally dated January 1, 1997. The ICA 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 AEP West companies.

### **Natural Gas Contracts with DETM**

Effective October 31, 2003, AEPES assigned to AEPSC, as agent for the AEP East companies, approximately \$97 million (negative value) associated with its natural gas contracts with DETM. The assignment was executed in order to consolidate DETM positions within AEP. In the future, PSO and SWEPCo may also be allocated a portion of the DETM assignment based on the SIA methodology of sharing trading and marketing margins between the AEP East companies and PSO and SWEPCo. Concurrently, in order to ensure that there would be no financial impact to the AEP East companies, PSO or SWEPCo as a result of the assignment, AEPES and AEPSC entered into agreements requiring AEPES to reimburse AEPSC for any related cash settlements and all income related to the assigned contracts. Our risk management liabilities related to DETM at December 31 2006 and 2005 were \$7,517,000 and \$7,294,000, respectively.

### **Fuel Agreement between OPCo and AEPES**

OPCo and National Power Cooperative, Inc (NPC) have an agreement whereby OPCo operates a 500 MW gas plant owned by NPC (Mone Plant). AEPES entered into a fuel management agreement with those two parties to manage and procure fuel for the Mone Plant. The gas purchased by AEPES and used in generation is first sold to OPCo then allocated to the AEP East companies, who purchased 100% of the available generating capacity from the plant through May 2006. The agreement was renewed and extends through May 2007. Our related purchases of gas managed by AEPES were \$1,065,000 and \$2,255,000 for the years ended December 31, 2006 and 2005, respectively. These purchases are reflected in Operation Expenses.

### **Unit Power Agreements**

A unit power agreement between AEGCo and us (the Power Agreement) provides for the sale by AEGCo to us of all the power (and the energy associated therewith) available to AEGCo at the Rockport Plant unless it is sold to another utility. We are 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 we take) for such amounts, as when added to amounts received by AEGCo from any other sources, will be at least 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 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.

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Pursuant to an assignment between KPCo and us, and a unit power agreement 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 has agreed to pay to AEGCo in consideration for the right to receive such power the same amounts which we would have paid AEGCo under the terms of the Power Agreement for such entitlement. The KPCo unit power agreement ends in December 2022. See Affiliated Revenues and Purchases section of this note.

### **Jointly-Owned Electric Utility Plant**

We, along with AEGCo, jointly own one generating unit and jointly lease the other generating unit of the Rockport Plant. The costs of operating this facility are equally apportioned between AEGCo and us since we each have a 50% interest. Our share of costs is included in the appropriate expense accounts on the income statements. Our investment in these plants is included in Utility Plant on our balance sheets.

### **Cook Coal Terminal**

In 2006 and 2005, Cook Coal Terminal, a division of OPCo, performed coal transloading services at cost for us. Costs for our transloading services were \$15,869,000 and \$13,653,000 for the years ended December 31, 2006 and 2005, respectively. We recorded the cost of the transloading services in Fuel Stock.

In 2006 and 2005, Cook Coal Terminal also performed railcar maintenance services at cost for us. The costs of our railcar maintenance services were \$2,491,000 and \$2,816,000 for the years ended December 31, 2006 and 2005, respectively.

### **SWEPCo Railcar Facility**

SWEPCo operates a railcar maintenance facility in Alliance, Nebraska. The facility performs maintenance on our railcars. SWEPCo billed \$1,224,000 and \$453,000 for railcar services provided to us in 2006 and 2005, respectively. Our costs are recorded in Fuel Stock on our balance sheets.

### **Barging and Other Services**

We provide barging and other transportation services to affiliates. We recorded revenues from barging services of \$47.9 million in 2006 and \$43.1 million in 2005 as Revenues From Nonutility Operations.

### **Services Provided by MEMCO**

AEP MEMCO LLC (MEMCO) provides services for barge towing and general and administrative expenses to us. For the years ended December 31, 2006 and 2005, we recorded costs of \$16.0 million and \$14.1 million, respectively.

### **Central Machine Shop**

APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. We reimbursed APCo for costs of \$1,826,000 and \$3,620,000 for the years ended December 31, 2006 and 2005, respectively.

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### Affiliate Railcar Agreement

We have an agreement providing for the use of affiliates' 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. We record these costs or reimbursements as costs or reduction of costs, respectively, in fuel on our balance sheets. Such costs are recoverable from customers. Under this agreement, we billed our affiliates \$4,145,000 and were billed \$2,724,000 by our affiliates during 2006.

### Urea Transloading

We provide urea transloading services to APCo, KPCo, and OPCo. Urea is a chemical used to control NO<sub>x</sub> emissions at certain generation plants in the AEP System. We record revenues of \$853,000 and \$1,412,000 from urea transloading services for the years ended December 31, 2006 and 2005, respectively.

In addition, we provided transloading services to OVEC. We recorded revenue of \$121,000 and \$215,000 for 2006 and 2005, respectively.

### Purchased Power from OVEC

Our amounts of power purchased from OVEC, which is 43.47% owned by AEP and CSPCo, for the years ended December 31, 2006 and 2005 were \$38,961,000 and \$30,961,000, respectively.

Under a new agreement in 2006, the AEP Power Pool began purchasing power from OVEC as part of wholesale marketing and risk management activity. Our allocated purchases were \$7,189,000 in 2006. The agreement expired in December 2006.

### Sales of Property

We sold electric property to CSPCo for \$173,000, to SWEPCo for \$111,000 and to WPCo for \$201,000 during the year ended December 31, 2006. We sold electric property to APCo for \$1,135,000 and to OPCo for \$3,423,000 during the year ended December 31, 2005. We purchased electric property from APCo for \$554,000 and from OPCo for \$2,142,000 during the year ended December 31, 2005.

In addition, we had aggregate affiliated sales and purchases of meters and transformers for the years ended December 31, 2006 and 2005 as shown in the following table:

	APCo	CSPCo	KGPCo	KPCo	OPCo	PSO	SWEPCo	ICC	WPCo	TOTAL
Sales	(in thousands)									
2006	\$ 86	\$ 44	\$ -	\$ 18	\$ 2,052	\$ 25	\$ 158	\$ 2	\$ 10	\$ 2,395
2005	59	8	4	22	2,903	-	3	-	19	3,018
Purchases										
2006	\$ 187	\$ 2	\$ -	\$ 40	\$ 910	\$ 26	\$ -	\$ -	\$ 21	\$ 1,186
2005	1,847	23	4	-	2,504	-	-	2	-	4,380

Name of Respondent	This Report is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report 2006/Q4
Indiana Michigan Power Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The amounts above are recorded in Utility Plant. Transfers are performed at cost.

## **AEPSC**

AEPSC provides certain managerial and professional services to AEP System companies. The costs of the services are billed to us by AEPSC on a direct-charge basis, whenever possible, and on reasonable bases 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, which is furnished to AEPSC by AEP. Billings from AEPSC are capitalized or expensed depending on the nature of the services rendered and are recoverable from customers. During 2005, AEPSC and its billings were subject to regulation by the SEC under the PUHCA of 1935. Effective February 8, 2006, the PUHCA of 2005 was enacted, which repealed the PUHCA of 1935 and transferred the regulatory responsibility from the SEC to the FERC.

## **Intercompany Billings**

We perform certain utility services for other AEP subsidiaries when necessary or practical. The costs of these services are billed on a direct-charge basis, whenever possible, or on reasonable bases 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. Billings are capitalized or expensed depending on the nature of the services rendered.

## **15. DEPRECIATION AND ASSET RETIREMENT OBLIGATIONS**

### ***Depreciation***

We provide for depreciation of utility plant and equipment on a straight-line basis over the estimated useful lives of property, generally using composite rates by functional class. The following table provides the annual composite depreciation rates by functional class we generally used for the year 2006 and 2005:

<u>Year</u>	<u>Nuclear</u>	<u>Steam</u>	<u>Hydro</u>	<u>Transmission</u>	<u>Distribution</u>	<u>General</u>
(in percentages)						
2006	3.1	4.5	3.3	1.9	4.0	10.3
2005	3.3	4.6	3.4	1.9	4.1	11.7

The composite depreciation rate generally includes a component for non-ARO removal costs, which is credited to accumulated depreciation. Actual removal costs incurred are debited to accumulated depreciation.

### ***Accounting for Asset Retirement Obligations (ARO)***

SFAS 143 requires entities to record a liability at fair value for any legal obligations for future asset retirements when the related assets are acquired or constructed. Upon establishment of a legal liability, SFAS 143 requires a corresponding ARO asset to be established, which will be depreciated over its useful life. ARO accounting is followed for property that has a legal obligation related to asset retirement. Upon settlement of an ARO, we recognize any difference between the ARO liability and actual costs as income or expense.

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Indiana Michigan Power Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

We adopted FIN 47 in 2005. FIN 47 interprets the application of SFAS 143. It clarifies that conditional ARO refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Entities are required to record a liability for the fair value of a conditional ARO if the fair value of the liability can be reasonably estimated. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an ARO.

We completed a review of our FIN 47 conditional ARO and concluded that legal liabilities exist for asbestos removal and disposal in general buildings and generating plants. In 2005, we recorded conditional ARO in accordance with FIN 47. The cumulative effect of certain retirement costs for asbestos removal related to regulated operations was generally charged to a regulatory liability. We recorded a liability for conditional ARO of \$5,801,000 in 2005 for FIN 47.

As of December 31, 2006 and 2005, our ARO liability was \$803 million and \$731 million for nuclear decommissioning of the Cook Plant. These liabilities are reflected in Asset Retirement Obligations on the balance sheets. As of December 31, 2006 and 2005, the fair value of assets that are legally restricted for purposes of settling decommissioning liabilities totaled \$974 million and \$870 million, respectively. These assets are included in Other Special Funds on the balance sheets.

We have 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 we plan to use our facilities indefinitely. The retirement obligation would only be recognized if and when we abandon or cease the use of specific easements, which is not expected.

The following is a reconciliation of the 2006 and 2005 aggregate carrying amounts of ARO related to ash ponds, nuclear decommissioning costs and asbestos removal:

Year	ARO at January 1,	Accretion Expense	Liabilities Incurred	Liabilities Settled	Revisions in Cash Flow Estimates	ARO at December 31,
	(in thousands)					
2006	\$ 737,959	\$ 48,806	\$ -	\$ (507)	\$ 23,595	\$ 809,853
2005	711,769	47,368	5,801	-	(26,979)	737,959

#### 16. SUPPLEMENTARY INFORMATION

For the Year Ended December 31,	2006	2005
Cash Was Paid for:	(in thousands)	
Interest (Net of Capitalized Amounts)	\$ 83,320	\$ 60,000
Income Taxes (Net of Refunds)	56,015	183,300
Noncash Acquisitions Under Capital Leases	5,968	2,639
At December 31,		
Noncash Construction Expenditures Included in Accounts Payable	37,287	38,523
Noncash Acquisition of Nuclear Fuel Included in Accounts Payable	210	24,053

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, 2006
<b>SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION AND DEPLETION</b>				
Line No.	Item (a)	Total (b)	Electric (c)	
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	5,363,606,798	5,363,606,798	
4	Property Under Capital Leases	29,160,315	29,160,315	
5	Plant Purchased or Sold			
6	Completed Construction not Classified	327,034,247	327,034,247	
7	Experimental Plant Unclassified			
8	TOTAL (Enter Total of lines 3 thru 7)	5,719,801,360	5,719,801,360	
9	Leased to Others			
10	Held for Future Use	7,787,716	7,787,716	
11	Construction Work in Progress	183,893,241	183,893,241	
12	Acquisition Adjustments	58,443	58,443	
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	5,911,540,760	5,911,540,760	
14	Accum. Prov. For Depr., Amort., & Depl.	3,262,944,328	3,262,944,328	
15	Net Utility Plant (Enter Total of line 13 less 14)	2,648,596,432	2,648,596,432	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	3,196,059,581	3,196,059,581	
19	Amort. & Depl. Of Producing Natural Gas Land & Land Rights			
20	Amort. Of Underground Storage Land & Land Rights			
21	Amort. Of Other Utility Plant	66,881,222	66,881,222	
22	TOTAL In Service (Enter Total of lines 18 thru 21)	3,262,940,803	3,262,940,803	
23	Leased to Others			
24	Depreciation			
25	Amortization & Depletion			
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	0	0	
27	Held for Future Use			
28	Depreciation	3,525	3,525	
29	Amortization			
30	TOTAL held for Future Use (Enter Total of Lines 28 and 29)	3,525	3,525	
31	Abandonment of leases (Natural Gas)			
32	Amortization of Plant Acquisition Adjustment			
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31 & 32)	3,262,944,328	3,262,944,328	

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 2006
<b>NUCLEAR FUEL MATERIALS (Accounts 120.1 through 120.6 &amp; 157)</b>				
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.		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.		
2. If the nuclear fuel stock is obtained under leasing				
Line No.	Description of Item (a)	Balance Beginning of Year (b)	Changes During Year Additions (c)	
1	Nuclear Fuel in process of Refinement, Conversion, Enrichment & Fabrication (120.1)			
2	Fabrication			
3	Nuclear Materials	53,946,835	62,038,323	
4	Allowance for Funds Used during Construction	340,280	3,218,537	
5	(Other Overhead Construction Costs)			
6	SUBTOTAL (Enter Total of lines 2 thru 5)	54,287,115		
7	Nuclear Fuel Materials & Assemblies			
8	In Stock (120.2)		103,709,520	
9	In Reactor (120.3)	213,614,073	103,709,520	
10	SUBTOTAL (Enter Total of lines 8 & 9)	213,614,073		
11	Spent Nuclear Fuel (120.4)	109,214,604	61,629,344	
12	Nuclear Fuel Under Capital Leases (120.6)			
13	(Less) Accum. Prov. For Amortization of Nuclear Fuel Assemblies (120.5)	256,918,070	50,312,511	
14	TOTAL Nuclear Fuel Stock (Enter Total line 6, 10, 11 & 12 less line 13)	120,197,722		
15	Estimated net Salvage Value of Nuclear Materials in line 9			
16	Estimated net salvage Value of Nuclear Materials in line 11			
17	Estimated Net Salvage Value of Nuclear Materials in Chemical Processing			
18	Nuclear Materials held for Sale (157)			
19	Uranium			
20	Plutonium			
21	Other			
22	TOTAL Nuclear Materials held for Sale (Enter Total of lines 19, 20 & 21)	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 December 31, 2006
<b>NUCLEAR FUEL MATERIALS (Accounts 120.1 through 120.6 &amp; 157)(Continued)</b>			
Changes During the Year			
Amortization (d)	Other Reductions (Explain in a Footnote) (e)	Balance End of Year (f)	Line No.
			1
			2
	100,326,449	15,658,709	3
	3,383,071	175,746	4
			5
		<b>15,834,455</b>	6
			7
	103,709,520	0	8
	61,629,344	255,694,249	9
		<b>255,694,249</b>	10
	53,329,270	117,514,678	11
			12
	53,329,270	253,901,311	13
		<b>135,142,071</b>	14
			15
			16
			17
			18
			19
			20
			21
		<b>0</b>	22

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, 2006
<b>FOOTNOTE DATA</b>					
Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)		
203	3	e	Placed nuclear fuel into reactor		
203	4	e	Placed nuclear fuel into reactor		
203	8	e	Placed nuclear fuel into reactor		
203	9	e	Removed from reactor. Placed in spent fuel pool		
203	11	e	Write off of cooled nuclear fuel		
203	13	e	Write off of cooled 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, 2006
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106)</b>			
<p>1. Report below the original cost of plant in service in the same detail as in the current depreciation order.</p> <p>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.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such amounts.</p> <p>5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and</p>		<p>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</p>	
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	301 Organization	117,426	
3	302 Franchises and Consents	18,831,027	388,686
4	303 Miscellaneous Intangible Plant	74,481,202	51,387,651
5	TOTAL Intangible Plant	<b>93,429,655</b>	<b>51,776,337</b>
6	2. PRODUCTION PLANT		
7	Steam Production Plant		
8	310.1 Land	7,616,888	739
9	310.2 Land Rights	222,069	
10	311 Structures and Improvements	138,472,860	2,571,027
11	312 Boiler Plant Equipment	676,219,916	119,127,277
12	313 Engines and Engine-Driven Generators		
13	314 Turbogenerator Units	147,243,739	16,232,683
14	315 Accessory Electric Equipment	77,142,377	979,626
15	316 Miscellaneous Power Plant Equipment	25,426,332	513,454
16	317 Asset Retirement Costs for Steam Production	2,773,579	
17	TOTAL Steam Production Plant	<b>1,075,117,760</b>	<b>139,424,806</b>
18	Nuclear Production Plant		
19	320.1 Land	1,879,588	
20	320.2 Land Rights		
21	321 Structures and Improvements	310,528,818	1,411,347
22	322 Reactor Plant Equipment	958,547,625	59,453,935
23	323 Turbogenerator Units	255,937,963	55,596,674
24	324 Accessory Electric Equipment	141,772,745	13,000,381

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, 2006		
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)</b>					
<p>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.</p> <p>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)</p>			<p>to primary account classifications.</p> <p>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.</p> <p>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.</p>		
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			117,426	301	2
		637,928	19,857,641	302	3
5,767,223		(637,928)	119,463,702	303	4
<b>5,767,223</b>	<b>0</b>	<b>0</b>	<b>139,438,769</b>		5
					6
					7
			7,617,627	310.1	8
			222,069	310.2	9
216,548			140,827,339	311	10
17,963,372			777,383,821	312	11
				313	12
7,160,355			156,316,067	314	13
88,657			78,033,346	315	14
37,852			25,901,934	316	15
			2,773,579	317	16
<b>25,466,784</b>			<b>1,189,075,782</b>		17
					18
			1,879,588	320.1	19
				320.2	20
401,655			311,538,510	321	21
19,337,026			998,664,534	322	22
12,559,801			298,974,835	323	23
1,843,249			152,929,877	324	24

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, 2006
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)</b>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Addition (c)	
24	325 Miscellaneous Power Plant Equipment	137,834,188	2,813,141	
25	326 Asset Retirement Costs for Nuclear Production	176,467,294	23,577,676	
26	TOTAL Nuclear Production Plant	<b>1,982,968,221</b>	<b>155,853,154</b>	
27	Hydraulic Production Plant			
28	330.1 Land	464,385		
29	330.2 Land Rights	191,760	3,695	
30	331 Structures and Improvements	2,328,915	523,267	
31	332 Reservoirs, Dams and Waterways	17,917,185	420,219	
32	333 Water Wheels, Turbines and Generators	15,962,572		
33	334 Accessory Electric Equipment	5,212,047		
34	335 Miscellaneous Power Plant Equipment	1,488,362		
35	336 Roads, Railroads and Bridges	853		
36	337 Asset Retirement Costs for Hydraulic Production	2,329	4,521	
37	TOTAL Hydraulic Production Plant	<b>43,568,408</b>	<b>951,702</b>	
38	Other Production Plant			
39	340.1 Land			
40	340.2 Land Rights			
41	341 Structures and Improvements			
42	342 Fuel Holders, Products and Accessories			
43	343 Prime Movers			
44	344 Generators			
45	345 Accessory Electric Equipment			
46	346 Miscellaneous Power Plant Equipment			
47	347 Asset Retirement Costs for Other Production			
48	TOTAL Other Production Plant	<b>0</b>	<b>0</b>	
49	TOTAL Production Plant	<b>3,101,654,389</b>	<b>296,229,662</b>	
50	3. TRANSMISSION PLANT			
51	350.1 Land	6,916,562	(1,855)	
52	350.2 Land Rights	49,721,969	18,026	
53	352 Structures and Improvements	19,915,765	72,563	
54	353 Station Equipment	460,661,927	19,699,742	
55	354 Towers and Fixtures	221,134,657	758,405	
56	355 Poles and Fixtures	66,141,881	2,006,974	
57	356 Overhead Conductors and Devices	197,246,260	2,979,242	
58	357 Underground Conduit	1,481,133	1,196	
59	358 Underground Conductors and Devices	4,683,714	95,085	

Name of Respondent		This Report Is:	Date of Report	Year of Report	
Indiana Michigan Power Company		(1) [ X ] An Original (2) [   ] A Resubmission	(Mo, Da, Yr)	December 31, 2006	
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
391,071			140,256,258	325	24
			200,044,970	326	25
34,532,802		0	2,104,288,572		26
					27
70			464,315	330.1	28
			195,455	330.2	29
11,200			2,840,982	331	30
			18,337,404	332	31
			15,962,572	333	32
			5,212,047	334	33
			1,488,362	335	34
			853	336	35
			6,850	337	36
11,270	0	0	44,508,840		37
					38
				340.1	39
				340.2	40
				341	41
				342	42
				343	43
				344	44
				345	45
				346	46
	0			347	47
0	0	0	0		48
60,010,856	0	0	3,337,873,194		49
					50
252		253	6,914,709	350.1	51
		(253)	49,739,742	350.2	52
571		(140,201)	19,847,556	352	53
4,127,168		(312,378)	475,922,123	353	54
270,266			221,622,796	354	55
410,468		(2,940)	67,735,446	355	56
412,416		(1,055,032)	198,758,054	356	57
3,050			1,479,279	357	58
126,828			4,651,971	358	59

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, 2006
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)</b>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
57	359 Roads and Trails	349,749		
58	359.1 Asset Retirement Costs for Transmission Plant			
59	TOTAL Transmission Plant	<b>1,028,253,617</b>	<b>25,629,378</b>	
60	4. DISTRIBUTION PLANT			
61	360.1 Land	2,403,815		
62	360.2 Land Rights	8,667,419	118,963	
63	361 Structures and Improvements	5,942,985		
64	362 Station Equipment	104,347,566	8,188,626	
65	363 Storage Battery Equipment			
66	364 Poles, Towers and Fixtures	160,803,940	9,143,761	
67	365 Overhead Conductors and Devices	146,933,551	23,949,076	
68	366 Underground Conduit	42,349,832	2,118,482	
69	367 Underground Conductors and Devices	127,210,630	9,476,089	
70	368 Line Transformers	202,675,947	16,894,464	
71	368.1 Capacitors			
72	369 Services	124,860,427	5,453,539	
73	370 Meters	55,224,086	15,529,816	
74	371 Installations on Customers' Premises	15,854,578	635,790	
75	372 Leased Property on Customers' Premises			
76	373 Street Lighting and Signal Systems	17,548,809	382,071	
77	374 Asset Retirement Costs for Distribution Plant			
78	TOTAL Distribution Plant	<b>1,014,823,585</b>	<b>91,890,677</b>	
79	5. GENERAL PLANT			
80	389.1 Land	2,027,501		
81	389.2 Lands Rights	13,868		
82	390 Structures and Improvements	41,048,211	441,876	
83	391 Office Furniture and Equipment	5,298,895	187,373	
84	391.1 Computers / Computer Related Equipment			
85	392 Transportation Equipment	29,088		
86	393 Stores Equipment	102,173		
87	394 Tools, Shop and Garage Equipment	6,472,990	948,206	
88	395 Laboratory Equipment	1,956,087		
89	396 Power Operated Equipment	455,962		
90	397 Communication Equipment	17,401,141	716,993	
91	398 Miscellaneous Equipment	1,723,276	388,215	
92	SUBTOTAL	<b>76,529,192</b>	<b>2,682,663</b>	

Name of Respondent Indiana Michigan Power Company		This Report Is: (1) [ X ] An Original (2) [   ] A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report December 31, 2006
ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			349,749	359	57
				359.1	58
5,351,019	0	(1,510,551)	1,047,021,425		59
					60
1,555			2,402,260	360.1	61
			8,786,382	360.2	62
			5,942,985	361	63
1,482,869		(15,541)	111,037,782	362	64
				363	65
1,381,458			168,566,243	364	66
2,547,382	(1,269)	1,055,451	169,389,427	365	67
39,212			44,429,102	366	68
534,450			136,152,269	367	69
4,690,103			214,880,308	368	70
				368.1	71
2,183,433	(8,577)		128,121,956	369	72
6,537,827		27,911	64,243,986	370	73
627,097		(419)	15,862,852	371	74
				372	75
387,752			17,543,128	373	76
				374	77
20,413,138	(9,846)	1,067,402	1,087,358,680		78
					79
907			2,026,594	389.1	80
			13,868	389.2	81
1		(278,401)	41,211,685	390	82
364,789			5,121,479	391	83
				391.1	84
			29,088	392	85
			102,173	393	86
		2,940	7,424,136	394	87
178,421			1,777,666	395	88
			455,962	396	89
302,755		440,209	18,255,588	397	90
119,045		278,401	2,270,847	398	91
965,918	0	443,149	78,689,086		92

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, 2006
<b>ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)</b>				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
91	399 Other Tangible Property			
92	399.1 Asset Retirement Costs for General Plant	246,756	13,136	
93	TOTAL General Plant	<b>76,775,948</b>	<b>2,695,799</b>	
94	TOTAL (Accounts 101 and 106)	<b>5,314,937,194</b>	<b>468,221,853</b>	
95				
96	102 Electric Plant Purchased			
97	(Less) 102 Electric Plant Sold			
98	103 Experimental Plant Unclassified			
99	TOTAL Electric Plant in Service (Total of lines 94 thru 98)	<b>5,314,937,194</b>	<b>468,221,853</b>	

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, 2006
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**ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, 106) (Continued)**

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
				399	91
			259,892	399.1	92
<b>965,918</b>	<b>0</b>	<b>443,149</b>	<b>78,948,978</b>		93
<b>92,508,154</b>	(9,846)	0	<b>5,690,641,046</b>		94
					95
				102	96
					97
				103	98
<b>92,508,154</b>	(9,846)	0	<b>5,690,641,046</b>		99

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, 2006
<b>ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)</b>					
1. Report separately each property held for future use at end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use. 2. For property having an original cost of \$1,000,000 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 Acct (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)	
1	Land and Rights:				
2					
3	Generating Plant Project Site (0110)	9/1/1975		5,905,682	
4					
5	Tanners Creek Plant Units 1-4 (0105)	9/1/1975		360,235	
6					
7	Rockport Generating Plant Unit 1 (0111)	11/1/1984		1,112,277	
8					
9	Items Under \$250,000			403,599	
10					
11					
12					
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					
41					
42					
43					
44	<b>TOTAL</b>			<b>7,787,716</b>	

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, 2006	
<b>PLANT ACQUISITION ADJUSTMENTS AND ACCUMULATED PROVISION FOR AMORTIZATION</b> <b>OF PLANT ACQUISITION ADJUSTMENTS (Accounts 114 &amp; 115)</b>							
1. Report the particulars called for concerning acquisition adjustments. 2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below. 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. 4. For acquisition adjustments arising during the year				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. 5. In the blank space at the bottom of the schedule, explain the plan of disposition of any acquisition adjustments not currently being amortized. 6. Give date Commission authorized use of Account 115.			
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	United REMC, Ossian, Indiana	78,495		406	20,052	58,443	
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, 2006
<b>CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)</b>				
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	STATE OF INDIANA			
2	Hydro Dispatch Control System	507,758		0
3	IM/Ind 2004-2006 Targeted Ckt Rel	476,835		1,793,154
4	IM/Ind/2004-2006 R/W Widening	10,342,650		5,368,250
5	EIMS:GHG & TITEL V MODEL	221,804		31,660
6	Coming Glass Line Ext Retirement	105,012		23,988
7	Fleet Fuel Monitoring System	129,466		40,334
8	IM/Ind/Trans CKT Reliab Program	100,582		44,299
9	I&M-2005 Dist CB Replacements	694,126		611,229
10	138 kV Line Improvements	337,424		1,137,976
11	Wallen Expansion	185,030		2,870,070
12	Station Upgrades	370,874		339,026
13	City of Garrett New 138 kV DP	353,628		539,172
14	AMR Muncie IN RF IM	1,015,295		758,811
15	College Corner Station	641,377		0
16	Purchase 345/138 kV spare XFMR	2,023,220		777,480
17	Olive-Replace 6 CBs (overduted)	1,780,551		545,449
18	Circuit Breaker Rehab Program-I&M	4,051,765		5,280,430
19	Circuit Breaker Rehab Program-I&M	265,239		2,052,929
20	I&M-2006-2007 Relay Rehab Projects	2,725,002		5,815,498
21	I&M-2006-2007 RTU replacement prog	912,855		2,898,270
22	I&M static relay replmnts 2006-2007	489,661		0
23	I&M-2006-2007 Line Rehab Program	875,730		21,080,203
24	I&M - Purchase Major Equip Program	626,886		6,480,989
25	I&M - Purchase Major Equip Program	449,670		667,530
26	Albion Transformer Replacement	196,191		1,013,009
27	South Bend Area Improvements	127,058		1,474,842
28	South Bend Area Improvements	218,939		2,718,861
29	CCTV-IDS FOR I&M-G	153,908		0
30	TS/I&M/IN/Dequine-West (Cinerg	-1,919,318		6,031,918
31	IM/Ind/Cutout & Arrester Program	266,305		1,483,995
32	Parnell - Construct 2-12 kV Ckts	137,593		2,664,707
33	S Decatur Sta - Feeders	117,531		581,969
34	S Decatur Sta-Xfmr & 2 CBs	1,120,331		6,569
35	<b>TOTAL</b>	<b>183,893,241</b>	<b>327,034,247</b>	<b>289,438,276</b>

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 2006
<b>CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)</b>				
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	STATE OF INDIANA			
2	S Decatur Sta - T Line	692,755		54,245
3	Studebaker Sta-Add 3 Feeders	266,914		256,586
4	Hobson Northcrest 4 kV Conversion	473,683		954,717
5	Glenbrook Sta-Add two 12kV Circuits	178,368		103,932
6	Glenbrook Sta-Replc Xfmr 12/20 MVA	761,651		194,549
7	Muncie Network Conversion & Rebuild	3,112,189		896,211
8	Haymond Sta-2 Transformers	1,820,806		21,194
9	IM/Countryside 3 OH Exits/FDR	114,735		683,465
10	Lusher-5-4 Convert 4 kV to 12 kV	445,127		810,673
11	Lusher-5 Add 3rd 12kV CB	221,992		61,008
12	West Side #4-Convert 4kV to 12kV	300,779		1,059,021
13	Lynn Sta-Contingency Recovery	367,756		247,444
14	Churubusco-Tri Lakes Ckt Tie Upgrad	595,976		127,324
15	S Bend/Elkhart-2006 WPC-Non-Veg	259,097		1,176,603
16	Muncie-2006 WPC - Non-Veg Reliab	181,613		1,971,987
17	Dalman #94 4 kV Conv to 12 kV	181,312		427,488
18	I&M Distribution Overhead	101,530		0
19	I&M Spill Prevention	101,920		267,080
20	REPAIR LP ROTOR	607,527		0
21	RK-1 HP Turbine Steam Path Upgrade	3,080,300		1,299,282
22	RKP04CIIM ElevatorsN&S U1	129,024		176,919
23	RKP04CIIM Elevators N&S U2	133,323		229,661
24	RKP04CIIM RoofTurbineRM U2	311,259		14,626
25	RKP05CIIM Horiz RH ReplaceU1	268,892		8,915,149
26	RK1 Replace Heater No. 61, 62, 63	536,986		1,961,359
27	Rewind spare generator field.	294,332		766,136
28	Rockport Unit 1 Sec Superheater	4,189,280		5,462,679
29	Repair IP Turbine Rotor	373,775		0
30	RK U2 Carbon Injection	858,950		208,094
31	RK2 Replace Heater No. 61, 62, 63	1,271,213		1,607,656
32	RK06CIU1 Annunciator System U1	216,375		94,397
33	REPAIR LP ROTOR	343,211		119,899
34	RK06 CI Landfill Expansion	675,220		0
35	<b>TOTAL</b>	<b>183,893,241</b>	<b>327,034,247</b>	<b>289,438,276</b>

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 2006
<b>CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)</b>				
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	STATE OF INDIANA			
2	RK CIA I&M U2 HP Flash Tank	191,353		267,647
3	RK07 CI U1 BFPT Blade Replace	143,510		285,997
4	RK07 CI U2 BFPT Blade Replace	143,510		285,997
5	TC2 Secondary Superheater	1,610,349		3,413,651
6	TCU0 Flyash Landfill Expansion	1,012,368		805,007
7	Fly Ash Retention Dam Raising	363,229		3,963,128
8	WS-CI-IMPCo-G PPB	7,882,493		0
9	ET-CI-IMPCo-T PPR	154,711		1,622,525
10	ET-CI-IMPCo-T SYS IMP	1,441,643		0
11	ED-CI-IMPCo-D AST IMP	8,491,990		0
12	ED-CI-IMPCo-D CUST MTR	1,365,908		5,533,087
13	ED-CI-IMPCo-D CUST SERV	2,341,731		0
14	ED-CI-IMPCo-D LN TRNSF	553,530		0
15	ED-CI-IMPCo-D PPR	299,854		7,434,621
16	EC-CI-IMPCo-D TELECOM	125,192		631,146
17	SS-CI-IMPCo-G GEN PLT	1,043,594		0
18	SS-CI-IMPCo-D GEN PLT	156,922		683,007
19	WS-IMPCo-G	177,679		0
20	ED-IMPCo-D	645,092		0
21	SS-CI-IMPCo-T Software	178,660		0
22	SS-CI-IMPCo-D Software	369,269		0
23	ET-CI-I&M-T Drvn D Asset Imp	895,305		2,057,898
24	Other Minor Projects Under \$100,000	1,420,011		57,611,784
25				
26	Completed Construction Not Classified		136,690,627	
27				
28	TOTAL STATE OF INDIANA 107 \$84,576,751			
29	TOTAL STATE OF INDIANA 106 \$136,690,627			
30				
31	STATE OF MICHIGAN			
32	RPA005520 U1 RX Head Replacement	5,196,184		2,832,942
33	IM/Mich 2004-2006 Targeted Ckt Rel	524,242		526,311
34	IM/Mich/2004-2006 R/W Widening	6,829,287		4,820,713
35	<b>TOTAL</b>	<b>183,893,241</b>	<b>327,034,247</b>	<b>289,438,276</b>

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<b>CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)</b>				
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	STATE OF MICHIGAN			
2	AMR Benton Harbor MI RF IM	888,355		867,112
3	Circuit Breaker Rehab Program-I&M	274,832		358,172
4	Almena-3rd 34.5 Ckt	1,606,251		52,749
5	Almena-Add 3rd 34.5kV CB	267,142		0
6	Michigan-2006 WPC - Non-Veg Reliab	349,903		1,085,797
7	Upgrade analog rod position indicat	-618,644		618,644
8	Unit 2 Power Uprate	8,428,986		0
9	Unit 1 Power Uprate	144,992		7,523,342
10	RPA5349 Unit 2 Overdutied Breakers	-119,206		3,213,435
11	RPA5348 Unit 1 Overdutied Breakers	147,661		2,732,533
12	Unit 1 CT Sump Debris	517,785		8,641,255
13	Unit 2 CT Sump Debris	2,591,812		6,089,288
14	U1 RTD BYPASS MAINFOLD ELIMINATION	2,761,851		4,660,595
15	U2 RTD Bypass Elimination	934,357		880,078
16	U1 East CCP Replacement	609,620		1,243,775
17	U2C16 CLV Coil Replacement	1,606,819		0
18	Unit 1 RCP 12 Flange Project	537,890		1,028,550
19	12-RPA-4827 SG Blowdown System	887,435		3,918,793
20	Replace U2 RX Pressure Vessel Head	28,207,992		14,971,171
21	Prorad Rad Exposure Management Sys.	326,104		230,517
22	U1 LP Turbine Rotor Rplc.	10,918,112		0
23	Early Warning System Siren Repl	1,061,249		0
24	RPA005500 U1 Main/FPT Controls	1,216,142		0
25	RPA5501 U2 Main/FPT Controls	3,833,763		9,520,422
26	WS-CI-IMP Co-G PPB	150,940		0
27	RP-CI-IMP Co-G NMIB	14,560,892		0
28	ET-CI-IMP Co-T SYS IMP	1,008,938		0
29	ED-CI-IMP Co-D AST IMP	2,085,396		0
30	ED-CI-IMP Co-D CUST MTR	-742,846		0
31	ED-CI-IMP Co-D CUST SERV	1,112,634		0
32	SS-CI-IMP Co-N Software	564,747		0
33	ED CI IMCO D Driven T Asset Imp	141,726		164,610
34	Other Minor Projects Under \$100,000	503,147		23,559,980
35	<b>TOTAL</b>	<b>183,893,241</b>	<b>327,034,247</b>	<b>289,438,276</b>

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, 2006	Year of Report December 31, 2006
<b>CONSTRUCTION WORK IN PROGRESS AND COMPLETED CONSTRUCTION NOT CLASSIFIED - ELECTRIC (Accounts 107 and 106)</b>				
<p>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.</p> <p>2. The information specified by this schedule for Account 106, Completed Construction</p>		<p>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.</p> <p>3. Show items relating to "research and development" projects last under a caption Research and Development (See Account 107, Uniform System of Accounts).</p> <p>4. Minor projects may be grouped.</p>		
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	<u>STATE OF MICHIGAN</u>			
2	Completed Construction Not Classified		190,343,199	
3				
4	TOTAL STATE OF MICHIGAN 107 \$99,316,490			
5	TOTAL STATE OF MICHIGAN 106 \$190,343,199			
6				
7	<u>STATE OF OHIO</u>			
8	Completed Construction Not Classified		0	
9				
10	TOTAL STATE OF OHIO 106 \$0			
11				
12	<u>STATE OF TEXAS</u>			
13	Completed Construction Not Classified		420	
14				
15	TOTAL STATE OF TEXAS 106 \$420			
16				
17	<u>STATE OF WEST VIRGINIA</u>			
18	Completed Construction Not Classified		0	
19				
20	TOTAL STATE OF WEST VIRGINIA 106 \$0			
21				
22				
23				
24				
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28				
29				
30				
31				
32				
33				
34				
35	<b>TOTAL</b>	<b>183,893,241</b>	<b>327,034,247</b>	<b>289,438,276</b>

Name of Respondent Indiana Michigan Power Co.	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 2006
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### CONSTRUCTION OVERHEADS - ELECTRIC

1. List in columns (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	5,193,284
2		
3	Nuclear Construction Overheads	4,142,158
4		
5	Transmission Construction Overheads	3,716,072
6		
7	Distribution Construction Overheads	15,288,133
8		
9		
10		
11		
12		
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37		
38		
39	<b>TOTAL</b>	<b>28,339,647</b>

Name of Respondent Indiana Michigan Power Co	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 2006
<b>GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE</b>			
<p>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</p> <p>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</p>			
<p>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</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 December 31 2006
<b>ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT(Account 108 &amp; 110)</b>					
1 Explain in a footnote any important adjustments during year.		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 cost included in retirement work in progress at year end in the appropriate functional classifications.			
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 202-204A, column (d), excluding retirements of non-depreciable property.		4 Show separately interest credits under a sinking fund or similar method of depreciation accounting			
3 Accounts 108 and 110 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service.					
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	3 088 228,547	3 088 253 543	(24 996)	
2	Depreciation Prov. for Year Charged to				
3	(403) Depreciation Expense	176 257 130	176,257 023	107	
4	(403 1) Decommissioning Expense	30 031 368	30 031 364	4	
5	(413) Exp. Of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify):				
9					
10	TOTAL Deprec. Prov. For Year (Enter Total of Lines 3 thru 9)	<b>206,288,498</b>	206 288 387	111	
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	86,607 859	86,607,859		
13	Cost of Removal	29,520,399	29 519,651	748	
14	Salvage (Credit)	16 729,956	16 700 798	29 158	
15	TOTAL Net Chrgs. For Plant Ret (Enter Total of lines 12 thru 14)	<b>99,398,302</b>	99,426,712	(28 410)	
16	Net Earnings of Decommissioning Funds				
17	Other Debit or Credit Items (Described)				
18	Retirement WIP	1 368 274	1 368 274		
19	Asbestos ARO	(393 124)	(393,124)		
20	Transfer between Accounts 108 & 111	(30 787)	(30 787)		
21	Balance End of Year (Enter total of lines 1, 10, 15, 16 & 17)	<b>3,196,063,106</b>	3,196,059,581	3,525	
Section B. Balances at End of Year According to Functional Classifications					
22	Steam Production	758 118 384	758,118 384	0	
23	Nuclear Production-Depreciation	1 309 252,683	1 309 252 683		
24	Nuclear Production-Decommissioning	187 216 827	187 216 827		
25	Hydraulic Production-Conventional	20,714 529	20 714,529		
26	Hydraulic Production-Pumped Storage				
27	Other Production	38 813	38 813		
28	Transmission	470 895,982	470 892 457	3 525	
29	Distribution	426 024 150	426 024 150		
30	General	23 801 738	23,801 738		
31	TOTAL (Enter total of lines 20 thru 28)	<b>3,196,063,106</b>	3,196,059,581	3,525	

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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 2006
<b>NONUTILITY PROPERTY (Account 121)</b>				
1 Give a brief description and state the location of nonutility property included in Account 121 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 3 Furnish particulars (details) concerning sales, purchases, or transfers of Nonutility Property during the year.		4 List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property. 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.		
Line No.	Description and Location (a)	Balance at Beginning of Year (b)	Purchases, Sales Transfers, etc. (c)	Balance at End of Year (d)
1	Garage Building and site, South Bend, IN	232,347		232,347
2	(transferred from a/c 101 in Dec. 1980)			
3	Water Transportation Facilities,	32,210,995	(76,901)	32,134,094
4	headquartered at St. Louis, MO			
5	Office Building Leasehold Improvements	2,695,099		2,695,099
6	One Summit Square, Fort Wayne, IN			
7	Land, purchased in connection with Jefferson	164,576		164,576
8	West 765kv Corridor, Jefferson County, IN			
9	Land near Tanners Creek Plant Lawrenceburg, IN	146,364		146,364
10	Land, Prosperity East 138kv Corridor, Madison	102,956		102,956
11	County, IN			
12	Service Building and Site, Marion, IN	148,875		148,875
13	(transferred from a/c 101 in Apr 1991)			
14	Minor items previously devoted to public service	8,368		8,368
15	Minor items - other nonutility property	301,961	(27,861)	274,100
16				
17				
TOTAL		36,011,541	(104,762)	35,906,779

<b>ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY (Account 122)</b>		
Report below the information called for concerning depreciation and amortization of nonutility property.		
Line No.	Item (a)	Amount (b)
1	Balance, Beginning of Year	12,339,303
2	Accruals for Year, Charged to	
3	(417) Income from Nonutility Operations	742,493
4	(418) Nonoperating Rental Income	44,884
5	Other Accounts (Specify):	
6	Accounts 227 and 243	967,526
7	TOTAL Accruals for Year (Enter Total of lines 3 thru 6)	1,754,903
8	Net Charges for Plant Retired:	
9	Book Cost of Plant Retired	(100,937)
10	Cost of Removal	(1,986)
11	Salvage (Credit)	29,847
12	TOTAL Net Charges (Enter Total of lines 9 thru 11)	(73,076)
13	Other Debit or Credit Items (Describe):	
14	Reclassifications from/to Other Accounts	(6,737)
15	Balance, End of Year (Enter Total of lines 1, 7, 12, and 14)	14,014,393

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, 2006
<b>INVESTMENTS (Accounts 123, 124, 136)</b>					
<p>1 Report below the investments in Accounts 123, <i>Investments in Associated Companies</i>, 124, <i>Other Investment</i>, and 136, <i>Temporary Cash Investments</i></p> <p>2 Provide a subheading for each account and list thereunder the information called for:</p> <p>(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</p> <p>in Account 124, <i>Other Investments</i>), state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, <i>Temporary Cash Investments</i>, also may be grouped by classes.</p> <p>(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</p>					
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) Original Cost    Book Value		Purchases or from Improvement Disposed of (c)	
1	Account 123 - Investment in Associated Companies	(see pp 224-225)			
2					
3	Account 124 - Other Investments				
4	Franklin Real Estate and Indiana Franklin - Land Purchase Contracts				
5	- Michigan	266,787			
6	- Other States	10,587,260			
7					
8	Private Fuel Storage LLC	6,343,721			
9					
10	Fiber Optic Agreements with AEP Communications, Kentucky Data Link, Inc, and Citynet Fiber Network, Inc	5,559,425			
11					
12	Speculative Allowance Inventory				
13					
14	- Nox	113,037			
15	- SO2	3,920,942			
16					
17	Shell Building Loan	115,000			
18					
19	Other Miscellaneous Investments	8,041			
20					
21					
22					
23					
24					
25	Total Account 124	26,914,213		0	
26					
27	Account 136 - Temporary Cash Investments				
28					
29					
30	Grand Total	26,914,213		0	

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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 of Loss from Improvement Disposed of (h)	Line No.
		Original Cost	Book Value			
						1
						2
						3
						4
1			266,786			5
63,925			10,523,335			6
						7
36,846			6,306,875			8
						9
69,431			5,489,994			10
						11
						12
						13
83,512			29,525			14
3,765,934			155,008			15
						16
100,000			15,000			17
						18
0			8,041			19
						20
						21
						22
						23
4,119,649			22,794,564			24
						25
						26
						27
						28
4,119,649	0	0	22,794,564	0	0	29
						30

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, 2006
<b>INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1)</b>					
Report below the investments in Accounts 123.1, <i>Investments in Subsidiary Companies.</i>		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.			
2. Provide a subheading for each company and list thereunder the information called for below. Sub-total by company and give a total in columns (e), (f), (g) and (h).		3. Report separately the equity in undistributed sub- sidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.			
(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					
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			39,521,000	
3	Cash Capital Contribution			1,303,000	
4	Equity in Earnings			4,655,635	
5	Subtotal			45,479,635	
6					
7	Price River Coal Company, Inc	12/01/65			
8	Common Stock			27,275	
9	Subtotal			27,275	
10					
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35					
36	TOTAL Cost of Account 123.1 \$ 0		TOTAL	45,506,910	

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<b>INVESTMENT IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)</b>				
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 in column (f) interest and dividend revenues from investments, including such revenues from		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 different from cost) and the selling price thereof, not including interest adjustment includible in column (f). 8. Report on Line 36, column (a) the total cost of Account 123.1.		
Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
		39,521,000		1
		1,303,000		2
		4,923,495		3
267,860		45,747,495		4
267,860				5
				6
				7
		27,275		8
		27,275		9
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267,860	0	45,774,770	0	36

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<b>NOTES AND ACCOUNTS RECEIVABLE SUMMARY FOR BALANCE SHEET</b>				
Show separately by footnote the total amount of notes and employees included in Notes Receivable (Account 141) and accounts receivable from directors, officers, 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)	8,949	0	
2	Customer Accounts Receivable (Account 142)	45,656,264	67,816,145	
3	Other Accounts Receivable (Account 143 & 172) (Disclose any capital stock subscriptions received)	18,368,417	16,124,051	
4	<b>TOTAL</b>	<b>64,033,630</b>	<b>83,940,196</b>	
5	Less: Accumulated Provision for Uncollectible Accounts-Cr. (Account 144)	898,076	601,056	
6	<b>TOTAL, Less Accumulated Provision for Uncollectible Accounts</b>	<b>63,135,554</b>	<b>83,339,140</b>	
7	Account 141 consists of miscellaneous loans to employees.			
8	Account 143 includes employee receivables of \$1,180,372 @			
9	12/31/06 and \$1,216,423 @ 12/31/05 related to a 2001 biweekly			
10	payroll conversion that will be collected when the employees leave			
11	the company			
12				
13				
14				

<b>ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNT-CR. (Account 144)</b>						
1. Report below the information called for concerning this accumulated provision.						
2. Explain any important adjustments of subaccounts.						
3. 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		1,195,912		(297,836)	898,076
2	Prov For uncollectibles for current year		12,369		195,550	207,919
3	Account written off (less)		504,939		0	504,939
4	Coll. Of accounts written off					0
5	Adjustments (explain): Adjustment to Beginning Balance		(661,032)		661,032	0
6	Balance end of year	0	42,310	0	558,746	<b>601,056</b>
7						
8						
9						
10						
11						

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RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)						
1 Report particulars of notes and accounts receivable from associated companies* at end of year.			4. If any note was received in satisfaction of an open account, state the period covered by such open account.			
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			5. Include in column (f) interest recorded as income during the year including interest on accounts and notes held any time during the year.			
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.			6. Give particulars of any notes pledged or discounted, also of any collateral held as guarantee of payment of any note or account			

  

\* 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					0	
3	Account 146					
4	AEP Credit, Inc	0	60 829	0	60 829	
5	AEP Desert Sky LP, LLC	28	3	31	0	
6	AEP Energy Services Inc.	22,989,257	21 125	23,010,382	0	
7	AEP Generating Company	21 957,086	264,293,859	258 810,065	27,440,880	
8	AEP Kentucky Coal, LLC	464	0	464	0	
9	AEP Service Corporation	35 588,601	1,365,083,388	1 376 108,596	24,563,393	
10	AEP System Pool	12 493 684	453 023,560	454,634 627	10,882,617	
11	AEP T&D Services, LLC	2,041	184 915	181,127	5 829	
12	AEP Texas Central Company	2 678 254	7,356,175	9 060 249	974,180	
13	AEP Texas North Company	509,692	554 136	1,076,606	(12 778)	
14	AEP Utilities, Inc.	785,599	79,773 786	79,965,787	593 598	
15	AEP Utility Funding LLC	0	113,264	0	113,264	
16	AEP Wind Holding Company, LLC	25	3	28	0	
17	AEPES US Gas Trading Company	7 294 820	236,534,844	236 312,322	7,517,342	
18	American Electric Power Co	0	233 845,359	216,820 984	17 024,375	
19	Appalachian Power Co	7,850,623	100 293 182	100,954,803	7 189 002	
20	Blackhawk Coal Company	937	482,682	432 592	51,027	
21	Cardinal Operating Company	367 739	5 883,010	5,531 792	718,957	
22	Columbus Southern Power	3,641,184	4 327 354	7,963,021	5 517	
23	Conesville Coal Prep	0	14,935	14,933	2	
24	Cook Coal Terminal	14 384	1,115,095	1 099 927	29,552	
25	CSW Energy, Inc.	45	8,778	8,822	1	

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<b>RECEIVABLES FROM ASSOCIATED COMPANIES (Accounts 145, 146)</b>						
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	Kentucky Power Co	286,688	2,104,159	2,385,852	4,995	
2	Kingsport Power Co	6	65,849	65,819	36	
3	Memco Consolidated	1,306,840	7,022,945	6,617,990	1,711,795	
4	Ohio Power Co	7,923,218	41,044,555	41,746,038	7,221,735	
5	Public Service Co of Ok	676,524	1,161,483	1,697,690	140,317	
6	Southwestern Power Co	1,613,959	3,194,711	4,601,164	207,506	
7	Wheeling Power Co	8	400,291	400,275	24	
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44	TOTAL	127,981,706	2,807,964,275	2,829,501,986	106,443,995	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 December 31 2006
<b>MATERIALS AND SUPPLIES</b>					
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 debits or credits to stores expense-clearing, if applicable.		
Line No	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Dept or Departments Which Use Material (d)	
1	Fuel Stock (Account 151)	24,498,442	62,837,672	Electric	
2	Fuel Stock Expenses Undistributed (Account 152)	1,395,834	1,831,141	Electric	
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials & Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)	10,058,693	61,070,397	Electric	
6	Assigned to - Operations & Maintenance				
7	Production Plant (Estimated)	92,928,100	58,220,116	Electric	
8	Transmission Plant (Estimated)	768,878	663,584	Electric	
9	Distribution Plant (Estimated)	918,773	874,148	Electric	
10	Assigned to - Other	225,014	362,352	Electric	
11	TOTAL Account 154 (Enter total of line 5 thru 10)	104,899,458	121,190,597	Electric	
12	Merchandise (Account 155)				
13	Other Material & Supplies (Account 156)	1,491,819	1,750,990	River Transportation	
14	Nuclear Materials Held for Sale (Account 157) (not applicable to Gas utilities)				
15	Stores Expense Undistributed (Account 163)				
16					
17					
18					
19					
20	TOTAL Materials & Supplies (Per Balance Sheet)	132,285,553	187,610,400		

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**PRODUCTION FUEL AND OIL STOCKS (Included in Account 151)**

- 1 Report below the information called for concerning production fuel and oil stock
- 2 Show quantities in tons Of 2000 lb. Barrels (42 gals ) or Mcf , whichever unit of quantity is applicable .
- 3 Each kind of coal or oil should be shown separately.
- 4 If the respondent obtained any of its fuel from its own coal mines or oil or gas lands or leases or from 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.

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	24,498,442	693,171	23,080,285
2	Received during year	312,132,034	9,309,297	308,265,529
3	TOTAL	336,630,476	10,002,468	331,345,814
4	Used during year (specify department)			
5	Electric Generation	272,512,333	7,897,071	269,344,132
6	Storage Pile Adjustment	1,238,587	49,442	1,238,587
7	Other - Rockport Plant Coal Pile Revision	41,884	0	0
8				
9				
10				
11				
12				
13				
14				
15	Sold or transferred			
16	TOTAL DISPOSED OF	273,792,804	7,946,513	270,582,719
17	BALANCE END OF YEAR	62,837,672	2,055,955	60,763,095

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, 2006	
<b>PRODUCTION FUEL AND OIL STOCKS (Included in Account 151 (Continued))</b>							
<b>KINDS OF FUEL AND OIL (Continued)</b>							
Quantity (Oil Bbls) (e)	Cost (Oil) (f)	Quantity (g)	Cost (h)	Quantity (i)	Cost (j)	Line No.	
20,160	1,418,157					1	
44,295	3,866,505					2	
64,455	5,284,662	0	0	0	0	3	
						4	
37,111	3,168,201					5	
0	0					6	
483	41,884					7	
						8	
						9	
						10	
						11	
						12	
						13	
						14	
						15	
37,594	3,210,085	0	0	0	0	16	
26,861	2,074,577	0	0	0	0	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 of Report December 31, 2006	
<b>ALLOWANCES</b>							
1 Report below the details called for concerning allowances.				eligible for use; the current year;s allowances in columns (b)-( c)			
2. Report all acquisitions of allowances at cost				allowances for the three succeeding years in column(d)-(i) starting			
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.				with the following year and allowances for the remaining succeeding years in columns (j)-(k).			
4. Report the allowances transactions by the period they are first				5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions on lines 36-40.			
Line No.	Allowance Inventory (a)	Current Year		2007			
		No. (b)	Amt. ( c)	No. (d)	Amt. (e)		
1	Balance - Beginning of Year	2,307,942	13,333,561	121,237	4,558,027		
2-4	Acquired During Year: Issued (Less Withheld Allow.)	20,121,713					
5	Returned by EPA						
6-8	Purchases/Transfers:						
9	Buckeye Power (Nox)	1,176	2,793,106				
10	Duke Power Company (Nox)	350	808,250				
11	Koch Supply & Trad (Nox)	850	1,467,500				
12	Constellation Energy (Nox)	150	446,500				
13	Dynegy Midwest (SO2)						
14	Other	314,055	864,526	1,933	8,016		
15	Total	316,581	6,379,882	1,933	8,016		
16							
17-18	Relinquished During Year: Charges to Acct. 509	22,628,240	11,168,782				
19	Other:						
20							
21	Cost of Sales/Transfers:						
22	BP Energy Co (SO2)	928	61,424				
23	JP Morgan Ventures (SO2)	467	30,911				
24	Morgan Stanley (SO2)	186	12,311				
25	Ohio Power Co (SO2)	19,864	1,295,901				
26	TXU Portfolio Mgmt (SO2)	388	25,682				
27	Other	44,202	106,983	283	11,334		
28	Total	66,035	1,533,212	283	11,334		
29	Balance - End of Year	51,961	7,011,449	122,887	4,554,709		
30-31	Sales:						
32	Net Sales Proceeds (Assoc Co.)		6,917,638				
33	Net Sales Proceeds (Other)		3,613,014		168,385		
34	Gains		8,997,440		157,051		
35	Losses						
	Allowances Withheld						
36	Balance - Beginning of Year	1,167		1,170			
37	Add: Withheld by EPA						
38	Deduct: Returned by EPA						
39	Cost of Sales	1,167					
40	Balance - End of Year	0		1,170			
41-42	Sales:						
43	Net Sales Proceeds (Assoc. Co.)						
44	Net Sales Proceeds (Other)		1,034,576				
45	Gains		1,034,576				
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 of Report December 31, 2006
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**ALLOWANCES (Continued)**

6 Report on line 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 or auction of the withheld allowances.

7 Report on lines 8-14 the names of vendors/transfers of allowances acquired and identify associated companies (See 'associated co' under 'Definitions' in Uniform System of Accounts).

8 Report on lines 22-27 the names of purchasers/transfers of allowances disposed of and 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 & 43-46 the net sales proceeds and gains or losses from allowance sales.

2008		2009		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
131,771	6,279,883	105,134	2,679,314	2,174,618	8,566,316	4,840,702	35,417,101	1
				81,376		20,203,089		2-4
								5
								6-8
						1,176	2,793,106	9
						350	808,250	10
						850	1,467,500	11
						150	446,500	12
				6,679	1,322,442	6,679	1,322,442	13
3,611	14,974	1,726	7,152	1,726	7,151	323,051	901,819	14
3,611	14,974	1,726	7,152	8,405	1,329,593	332,256	7,739,617	15
								16
						22,628,240	11,168,782	17-18
								19
								20
								21
						928	61,424	22
						467	30,911	23
				5,566	139,316	5,752	151,627	24
						19,864	1,295,901	25
						388	25,682	26
228	935	228	935	228	935	45,169	121,122	27
228	935	228	935	5,794	140,251	72,568	1,686,667	28
135,154	6,293,922	106,632	2,685,531	2,258,605	9,755,658	2,675,239	30,301,269	29
								30-31
							6,917,638	32
	1,301		1,891		3,341,093		7,125,684	33
	367		956		3,200,843		12,356,657	34
							0	35
1,168		1,168		54,991		59,664		36
				3,952		3,952		37
						0		38
				1,167		2,334		39
1,168		1,168		57,776		61,282		40
								41-42
								43
					322,283		1,356,859	44
					322,283		1,356,859	45
								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 of Report December 31 2006																				
<b>FOOTNOTE DATA</b>																									
Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)																						
228	14	b	<div style="text-align: right;">Current Year</div> <table> <tr> <th>Number</th> <th>Amount</th> </tr> <tr> <td>AEP System Pool (SO2) - Affiliated</td> <td>3,715 174 090</td> </tr> <tr> <td>Tennessee Valley Authority (Nox)</td> <td>200 357,000</td> </tr> <tr> <td>Georgia Pacific Co. (Nox)</td> <td>50 86,750</td> </tr> <tr> <td>PPL EnergyPlus, LLC (Nox)</td> <td>100 178 500</td> </tr> <tr> <td>Chicago Climate Exchange (CO2)</td> <td>309,990 68,186</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>314 055 864,526</b></td> </tr> </table>			Number	Amount	AEP System Pool (SO2) - Affiliated	3,715 174 090	Tennessee Valley Authority (Nox)	200 357,000	Georgia Pacific Co. (Nox)	50 86,750	PPL EnergyPlus, LLC (Nox)	100 178 500	Chicago Climate Exchange (CO2)	309,990 68,186	<b>TOTAL</b>	<b>314 055 864,526</b>						
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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, 2006
<b>MISCELLANEOUS CURRENT AND ACCRUED ASSETS (Account 174)</b>				
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	none			
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	0		

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, 2006

### OTHER REGULATORY ASSETS

1. Report below the particulars (details) called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts )
2. For regulatory assets being amortized, show period of amortization in column (a)
3. Minor items (amounts less than \$50,000) may be grouped by classes
4. Give the number and name of the account(s) where each amount is recorded.

Line No	Description and Purpose of Other Regulatory Assets	Debits	CREDITS		Balance at End of Year
			Account Charged	Amount	
	(a)	(b)	(c)	(d)	(e)
1	SFAS 112 Post Employment Benefits	1,425,771	228	1,323,743	6,802,903
2					
3	Cook Plant Refueling Levelization	68,831 989	Various	44 938,584	46 864,490
4					
5	VEBA Trust Contributions				354 500
6					
7	SFAS 106 Post Retirement Benefits				4 545,667
8					
9	Department of Energy Decontamination Assessment	262,181	518	5 444 003	4,213 844
10	Amort 11/1992 - 10/2007				
11					
12	Unamortized Loss on Reacquired Debt		428	206 953	3,311 254
13	Amort 1/1995 - 12/2022				
14					
15	Unrealized Loss on Forward Commitments	109,680,657	456	128,655,115	5,900,789
16					
17	Deregulation-Customer Educ & Transition Filing	5,417			80,336
18					
19	Deregulation Implementation	340,207	421 923	7,234	5,038,209
20					
21	Asset Retirement Obligations	103 268			1,416,809
22					
23	Merger Costs	377	407	1,426,476	2,260 512
24	Amort 8/2000 - 7/2008				
25					
26	Unrecovered Fuel Cost	5 814,983	Various	8,544,580	644,317
27					
28	Deferral of Michigan portion PJM Fees	1,366,165			2,900 823
29					
30	Deferred Equity Carrying Charges	123 205	407	101,585	(948,935)
31	Amort 1/2005 - 12/2019				
32					
33	BridgeCo Transmission Org Funding		407	54,919	1 333,098
34	Amort 1/2005 - 12/2019				
35	FERC Docket No AC04-101-000				
36					
37	PJM Integration Payments		407	267,125	2 934,779
38	Amort 1/2005 - 12/2014				
39	FERC Docket No EL05-74-000				
40					
41	Other PJM Integration		407	209,846	1 240,772
42	Amort 1/2005 - 12/2019				
43	FERC Docket No AC04-101-000				
44					
45	Carrying Charges - RTO Startup Costs	571 362	407	656,466	982 523
46	Amort 1/2005 - 12/2019				
47	FERC Docket No AC04-101-000				
48	and FERC Docket No EL05-74-000				
49					
50	Alliance RTO Deferred Expense		407	31,979	765,580
51	Amort 1/2005 - 12/2019				
52	FERC Docket No AC04-101-000				
53					
54	Reg Asset FAS 158 Plans	101,673,157			101 673 157
55					
56	SFAS 109 Deferred SIT	10 220,000	283	4,284 000	42,640 000
57					
58	SFAS 109 Deferred FIT	7,598,642	Various	29,314,616	117,253,050
59	TOTAL	308,017,381		225,467,224	352,208,477

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, 2006	
<b>MISCELLANEOUS DEFERRED DEBITS (Account 186)</b>							
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 items (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, 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	24,433,608	41,360,412	408	40,708,699	25,085,321	
2							
3	Property Taxes - Capital Leases	87,745	526,200	408	526,245	87,700	
4							
5	Emission Allowance Activity	-	7 567,220	158, 253	7 579,489	(12,269)	
6							
7	Labor Accruals	2,512,173	37,365,129	Various	35,643,737	4 233,565	
8							
9	Agency Fees, Factored Accts Rec	2,054,246	22,884,669	Various	23,048,861	1,890,054	
10							
11	Decommissioning Work in Process	3 500		228	3,500	0	
12							
13	River Transportation Division	244,947	97,258,495	Various	97,351 791	151,651	
14							
15	Estimated Barging Bills	(51,288)	131 567,646	151	131 453 976	62 382	
16							
17	Non Traditional Option Premiums	516,762	1,338,416	146, 421	1,855,178	0	
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38	Misc. Work in Progress	295,174				940,622	
39	TOTAL	30,096,867	339,868,187		338,171,476	32,439,026	

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, 2006
<b>ACCUMULATED DEFERRED INCOME TAXES (Account 190)</b>				
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	Nuclear Decommissioning	70,613,210	578,362	4,777,976
3	Deferred Gain Sale of Rockport Unit 2	21,303,028	1,297,350	
4	Accrued Pension Expense	(27,202,082)	0	2,784,378
5	Interest Expense Capitalized	19,177,456	1,725,557	2,673,544
6	SFAS 106 Post Retirement Benefits	5,142,019	4,273	4,843,946
7	Other (see pp. 234.1A-234.1B)	445,943,382	38,902,756	68,502,770
8	<b>TOTAL (Account 190) (Enter total of lines 2 thru 7)</b>	<b>534,977,013</b>	<b>42,508,298</b>	<b>83,582,614</b>
9	Gas			
10				
11				
12				
13				
14				
15	Other			
16	<b>TOTAL Gas (Enter total of lines 10 thru 15)</b>	<b>0</b>	<b>0</b>	<b>0</b>
17	Other (Specify)	69,264,513	70,000	
18	<b>TOTAL (Account 190) (Enter total of lines 8, 16 &amp; 17)</b>	<b>604,241,526</b>	<b>42,578,298</b>	<b>83,582,614</b>
19	Classification of Total:			
20	Federal Income Tax	603,889,526	42,578,298	83,582,614
21	State Income Tax	352,000		
22	Local Income Tax			
<p align="center"><b>NOTES</b></p> <p align="center"><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></p>				
Line 17 Other - Detail		Balance at Beginning of Year	Balance at End of Year	
Non-Utility 190 2 Federal		11,470,073	12,735,551	
Non-Utility 190 2 State		352,000	311,000	
SFAS 133		3,422,601	8,148,311	
SFAS 87		54,469	2,074,244	
SFAS 109		53,965,370	49,900,704	
<b>Total</b>		<b>69,264,513</b>	<b>73,169,810</b>	

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, 2006	
<b>ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)</b>							
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
						74,812,824	2
						20,005,678	3
						(24,417,704)	4
						20,125,443	5
						9,981,692	6
						475,543,396	7
0	0		0		0	576,051,329	8
							9
							10
							11
							12
							13
							14
						0	15
0	0		0		0	0	16
9,866,818	11,161,297				2,680,818	73,169,810	17
9,866,818	11,161,297		0		2,680,818	649,221,139	18
							19
9,755,818	11,091,297				2,680,818	648,910,139	20
111,000	70,000					311,000	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, 2006
<b>ACCUMULATED DEFERRED INCOME TAXES (Account 190)</b>				
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	6,674,503	789,588	1,934,357
3	Provisions for Loss Trading Credit Risk	948,227	391,595	249,860
4	Property Tax Deferals	5,009,246	2,179,134	187,901
5	Installation Allowances Capitalized	97,759	33,380	0
6	Pre 04/83 Nuclear Fuel Cost	10,822,625	3,970,650	3,387,498
7	DOE Decontamination Fund	9,810,846	38,087	554,339
8	IRS Settlements	953,258	7,417	23,612
9	Amortization of Step Up ITC Rockport Unit 2	6,759,340	397,585	0
10	Accrued Vacation Pay	4,102,830	1,157,145	1,288,993
11	Accrued Severance Benefits	2,689,365	2,846,981	3,707
12	Accrued Incentive Plans	985,857	0	911,444
13	Book Provision for Uncollectible Debt	313,852	262,430	158,473
14	Mark to Market Gain/Loss	10,140,302	3,049,812	4,448,005
15	Capitalized Software Tax	10,997	10,983	4,350
16	Revenue Refunds	650,001	0	0
17	SFAS 112 Post Employment Benefits	1,454,504	168,765	308,900
18	Tax Capitalized Property	59,081,291	6,295,801	737,916
19	Accrued State Income Tax and Interest	3,009,092	1,149,028	219,450
20	Reg Liability SFAS 143 ARO	94,961,258	6,537,456	24,537,443
21	Accrued ARO- Expense SFAS 143	226,174,679	146,229	25,306,725
22	Accrued SIT	1,359,400	1,472,902	621,772
23	Other Miscellaneous	(65,850)	7,997,788	3,618,025
24	Total Other	445,943,382	38,902,756	68,502,770
25				
26				
27				
28				
29				
30				
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)		Year of Report December 31, 2006	
<b>ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)</b>							
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
						7,819,272	2
						806,492	3
						3,018,014	4
						64,379	5
						10,239,473	6
						10,327,098	7
						969,453	8
						6,361,755	9
						4,234,678	10
						(153,909)	11
						1,897,301	12
						209,895	13
						11,538,494	14
						4,361	15
						650,001	16
						1,594,639	17
						53,523,407	18
						2,079,515	19
						112,961,246	20
						251,335,175	21
						508,270	22
						(4,445,612)	23
						475,534,396	24
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							26
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							29
							30
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, 2006
<b>UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257)</b>				
1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Recquired 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	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	(7,562,180)
8	This debt was replaced by the following issuances:			
9	6.55% FMB due 3/2004. (Replaced by 6.875%			
10	SUN.)			
11	7.50% FMB due 3/2024 (Redeemed 4/2004, no			
12	replacement debt was issued.)			
13	No Replacement Debt Issued - Amort thru 2/1/2017			
14				
15	7.35% Series First Mortgage Bonds due 10/2023	5/2003	15,000,000	(383,698)
16	This debt was replaced by the following issuances:			
17	6.375% Senior Unsecured Note due 11/2012			
18	6.00% Senior Unsecured Note due 12/2032			
19				
20	8.5% Series First Mortgage Bonds due 12/2022	5/2003	75,000,000	(2,353,464)
21	This debt was replaced by the following issuances:			
22	6.375% Senior Unsecured Note due 11/2012			
23	6.00% Senior Unsecured Note due 12/2032			
24				
25	7.0% Pollution Control Revenue Bonds	11/2003	25,000,000	(600,619)
26	Lawrenceburg, IN Series Due 4/2015			
27	Replaced by 2.625% Lawrenceburg Bonds Due 10/2019			
28	Loss being amortized over life of replacement debt			
29				
30	5.95% Pollution Control Revenue Bonds, due 5/2009	11/2004	45,000,000	(496,054)
31	City of Sullivan, Indiana. (Replaced by VAR%			
32	Sullivan, IN Bonds due 5/2009.)			
33				
34	5.9% Pollution Control Revenue Bonds, due 11/2021	11/2004	52,000,000	(1,089,232)
35	City of Lawrenceberg, Indiana. (Replaced by VAR%			
36	Lawrenceberg, IN Bonds due 11/2021.)			
37				
38	9-1/4% Pollution Control Revenue Bonds, due 8/2014	8/1995	50,000,000	3,928,658
39	City of Rockport, Indiana.			
40	Replaced by 6.55% Rockport Bonds due 6/2025			
41	Replaced 5/06 by VAR% Rockport Bonds Due 6/2025,			
42	with \$500,000 premium paid for early redemption ***			
43				
44	VAR% Pollution Control Revenue Bonds, due 8/2014	8/1995	50,000,000	(785,288)
45	City of Rockport, Indiana.			
46	Replaced by VAR% Rockport Bonds due 6/2025			
47				
48	7.6% Pollution Control Revenue Bonds	11/2003	40,000,000	(338,620)
49	Rockport, IN Series Due 3/2016			
50	Replaced by 2.625% Rockport IN Bonds Due 4/2025			
51	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 2006
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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.
1,524,500		84,305	1,440,195	1
				2
				3
2,146,275		118,144	2,028,131	4
				5
				6
				7
				8
				9
				10
				11
				12
365,735		32,999	332,736	13
				14
				15
				16
104,877		15,348	89,529	17
206,052		7,632	198,420	18
				19
				20
				21
643,280		94,139	549,141	22
1,263,849		46,809	1,217,040	23
				24
795,052		57,822	737,230	25
				26
				27
				28
				29
537,867		161,360	376,507	30
				31
				32
				33
1,350,340		85,284	1,265,056	34
				35
				36
				37
2,225,285	*** 500,000	129,958	2,595,327	38
				39
				40
				41
				42
				43
509,673		26,249	483,424	44
				45
				46
				47
1,082,802		56,250	1,026,552	48
				49
				50
				51

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, 2006
<b>UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Account 189, 257)</b>					
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	8.0% Junior Subordinated Debentures due 3/2026	5/2003	40,000,000	(1,291,678)	
2	This debt was replaced by the following issuances:				
3	6.375% Senior Unsecured Note due 11/2012				
4	6.00% Senior Unsecured Note due 12/2032				
5					
6	7.6% Junior Subordinated Debentures due 6/2038	5/2003	125,000,000	(2,911,019)	
7	This debt was replaced by the following issuances:				
8	6.375% Senior Unsecured Note due 11/2012				
9	6.00% Senior Unsecured Note due 12/2032				
10					
11	9.00% Pref Stock Subject to Mandatory Redemption	4/1993	40,000,000	(896,000)	
12	8.60% Pref Stock Subject to Mandatory Redemption	12/1993	40,000,000	(864,000)	
13	8.68% Pref Stock Subject to Mandatory Redemption	1/1994	30,000,000	(540,000)	
14	7.76% Pref Stock Subject to Mandatory Redemption	3/1994	35,000,000	(798,000)	
15	6.875% Pref Stock Subject to Mandatory Redemption	1/2005	15,750,000	(861,392)	
16	5.90% Pref Stock Subject to Mandatory Redemption	1/2005	13,200,000		
17	6.25% Pref Stock Subject to Mandatory Redemption	1/2005	19,250,000		
18	6.30% Pref Stock Subject to Mandatory Redemption	1/2005	13,245,000		
19	(Balance transferred from FERC Acct 210 to 189)				
20					
21	<b>SUBTOTAL Unamortized Losses</b>				
22					
23	7.35% Series First Mortgage Bonds. Due 7/2023.	6/2001	5,000,000	38,090	
24	Partially reacquired and not refunded.				
25	Gain being amortized over life of retired debt.				
26					
27	<b>SUBTOTAL Unamortized Gains</b>				
28					
29	<b>TOTAL</b>				
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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 2006
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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.
353,059		51,667	301,392	1
693,652		25,691	667,961	2
				3
				4
				5
795,679		116,441	679,239	6
1,563,265		57,898	1,505,367	7
				8
				9
				10
				11
				12
				13
2,070,208		564,950	1,505,258	14
				15
				16
				17
				18
				19
				20
18,231,450	500,000	1,732,944	16,998,505	21
				22
(30,386)	1,712		(28,674)	23
				24
				25
				26
(30,386)	1,712		(28,674)	27
				28
18,201,064	501,712	1,732,944	16,969,831	29
				30
				31
				32
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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, 2006
<b>CAPITAL STOCK (Accounts 201 and 204)</b>				
<p>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 outline 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.</p> <p>2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p>				
Line No.	Class and Series of Stock and Name of Stock Exchange (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			
5	Par Value \$100	2,250,000		
6	Par Value \$25	11,200,000		
7				
8	Not Subject To Mandatory Redemption			
9	4-1/8% cumulative		100.00	106.13
10	4.56% cumulative		100.00	102.00
11	4.12% cumulative		100.00	102.73
12				
13	TOTAL Preferred Stock	13,450,000		
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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, 2006	
<b>CAPITAL STOCK (Accounts 201 and 204) (Continued)</b>						
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 noncumulative				5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year 6. 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 <i>(Total amount outstanding without reduction for amounts held by respondents.)</i>		HELD BY RESPONDENT				
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	Line No.
1,400,000	56,583,866					1
1,400,000	56,586,866					2
						3
						4
						5
						6
						7
						8
55,357	5,535,700					9
14,412	1,441,200					10
11,055	1,105,500					11
						12
80,824	8,082,400					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)	Year of Report December 31, 2006
<b>CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK AND INSTALLMENTS RECEIVED ON CAPITAL STOCK</b> <b>(Accounts 202 &amp; 205, 203 &amp; 206, 207, 212)</b>			
<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 - <i>Common Stock Subscribed</i>		
2	None		
3			
4	Account 205 - <i>Preferred Stock Subscribed</i>		
5	None		
6			
7	Account 203 - <i>Common Stock Liability for Conversion</i>		
8	None		
9			
10	Account 206 - <i>Preferred Stock Liability for Conversion</i>		
11	None		
12			
13	Account 207 - <i>Capital Stock</i>		
14	Premium on Common Stock	1,400,000	4,234,635
15	Premium on Pref Stock not subject to Mandatory Redemp		
16	4 120% Preferred Stock	11,055	3,117
17	4-1/8% Preferred Stock	55,357	80,213
18			
19			
20			
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40	TOTAL	1,466,412	4,317,965

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, 2006
<b>OTHER PAID - IN CAPITAL (Accounts 208-211, inc.)</b>			
<p>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.</p> <p>(a) <i>Donations Received from Stockholders</i> (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.</p> <p>(b) <i>Reduction in Par or Stated Value of Capital Stock</i> (account 209)-State amount and give brief explanation</p>		<p>of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.</p> <p>(c) <i>Gain on Resale or Cancellation of Reacquired Capital Stock</i> (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.</p> <p>(d) <i>Miscellaneous Paid-In Capital</i> (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.</p>	
Line No.	Item (a)	Amount (b)	
1	Donations received from stockholders (Account 208)		
2	Contributed by parent company	852,666,991	
3			
4	TOTAL Account 208	852,666,991	
5			
6	Gain on reacquired capital stock (Account 210)		
7	Series 4 12% Accum reacq gains until complete series redemption	266,292	
8	Series 4-1/8% Accum reacq gains until complete series redemption	160,973	
9	Series 4 56% Accum reacq gains until complete series redemption	4,400	
10			
11	TOTAL Account 210	431,665	
12			
13			
14	Miscellaneous paid-in capital (Account 211)		
15	Amounts recorded in connection with:		
16	Merger of Indiana Service Corporation with respondent in 1948 as		
17	subsequently adjusted December 31, 1948	1,002,503	
18	Acquisiton of Citizen's Heat, Light, and Power Company by		
19	respondent in 1954	10,687	
20	Merger of Michigan Power Company with respondent in 1992	2,861,068	
21			
22	TOTAL Account 211	3,874,258	
23			
24			
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32			
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34			
35	TOTAL	856,972,914	

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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, 2006
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<b>SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR</b>	
<p>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</p> <p>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.</p> <p>3. Include in the identification of each class and series of security, as appropriate, the interest or dividend</p>	<p>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.</p> <p>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.</p> <p>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</p>

  

1. Securities refunded or retired during 2006			
<u>Series</u>	<u>Due Date</u>	<u>Principal Amount</u>	<u>Date Retired</u>
\$50 Million Pollution Control Bonds 6 55% Series 1995A	6/1/2025	50,000,000	6/8/2006
\$300 Million Senior Unsecured Notes 6 125% Series C	12/16/2006	300,000,000	12/15/2006
2. Securities issued during 2006			
<u>Series</u>	<u>Due Date</u>	<u>Principal Amount</u>	<u>Date Issued</u>
\$50 Million Pollution Control Bonds Variable Rate, Series 2006A	6/1/2025	50,000,000	5/17/2006
\$400 Million Senior Unsecured Notes 6 05% Series H	3/15/2037	400,000,000	11/14/2006

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 2006
<b>LONG-TERM DEBT (Accounts 221, 222, 223 and 224)</b>			
<p>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.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>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.</p> <p>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.</p> <p>5. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>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.</p> <p>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.</p>			
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 224 - Other Long Term Debt		
2	Spent Nuclear Fuel Disposal Costs Prior		
3	To April 7, 1983 - Basic Fee Assessment & Interest		
4			
5	SUBTOTAL - Other Long Term Debt		
6			
7	Pollution Control Revenue Bonds		
8	Lawrenceburg, IN		
9	Series F - 35 day Auction Rate	25,000,000	221,756
10			210,598
11			
12	Series G - 35 Day Auction Rate	52,000,000	1,290,294
13	Sullivan, IN		
14	Series D - 35 Day Auction Rate	45,000,000	1,377,796
15	Rockport, IN		
16	Series 2003 C - 7 Day Auction Rate	40,000,000	386,618
17			326,999
18			
19	Series 2002 A 4.9%	50,000,000	296,785
20			325,000 D
21			382,272
22			136,351 D
23			
24	Series 1995 A 6.55%	50,000,000	1,194,420
25			467,500 D
26			-500,000 P
27			
28	Series 2006 A - 7 Day Auction Rate	50,000,000	396,817
29	Issued Under IURC Cause # 42853		
30			
31			
32	TOTAL	1,612,000,000	31,367,777

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, 2006

**LONG-TERM DEBT (Accounts 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 amortization debited to Account 428, *Amortization of Debt-Discount and Expense*, or credited to Account 429, *Amortization of Premium on Debt-Credit*.
12. In a footnote, give explanatory particulars (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) principal 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)			
				247,083,410		1
						2
				247,083,410		3
						4
						5
						6
						7
10/13/2003	10/1/2019	10/1/2003	10/1/2019	25,000,000	719,705	8
		10/1/2006	10/1/2019			9
						10
10/15/2004	11/1/2021	10/15/2004	11/1/2021	52,000,000	1,789,074	11
						12
10/5/2004	5/1/2009	10/5/2004	5/1/2009	45,000,000	1,568,894	13
						14
						15
10/13/2003	4/1/2025	10/1/2003	4/1/2025	40,000,000	1,137,961	16
		10/1/2006	4/1/2025			17
						18
8/1/1985	6/1/2025	8/1/1995	6/1/2025	50,000,000	2,450,000	19
						20
6/1/2002	6/1/2007	6/1/2002	6/1/2007			21
						22
						23
6/1/1995	6/1/2025	6/1/1995	6/1/2025		1,428,264	24
						25
						26
						27
5/17/2006	6/1/2025	5/1/2006	6/1/2025	50,000,000	1,106,407	28
						29
						30
						31
				1,559,083,410	67,779,782	32

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, 2006
<b>LONG-TERM DEBT (Accounts 221, 222, 223 and 224)</b>				
Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give Commission Authorization numbers and dates)	Principal Amount of Debt Issued	Total Expense, Premium or Discount	
	(a)	(b)	(c)	
1	Series 1995 B - 35 Day Auction Rate	50,000,000	1,259,392	
2			260,000 D	
3			195,254	
4			181,187 D	
5				
6	SUBTOTAL - Pollution Control Bonds	312,000,000	8,406,039	
7				
8	Senior Unsecured Notes			
9	Series A - 6 45%	50,000,000	120,499	
10			1,465,530 D	
11				
12	Series C - 6 125%	300,000,000	225,127	
13			2,007,000 D	
14				
15	Series 6 125% - FAS 133 Fair Value Hedge			
16				
17	Series E - 6 375%	100,000,000	732,025	
18			119,000 D	
19				
20	Series D - 6 00%	150,000,000	4,854,767	
21			4,387,500	
22				
23	Series 5 05%	175,000,000	1,302,944	
24			637,000 D	
25				
26	Series G - 5 65%	125,000 000	906,746	
27			176,250 D	
28				
29	Series H - 6 05%	400,000,000	3,755,350	
30	Issued Under IURC Cause # 42853		2,272,000 D	
31				
32	SUBTOTAL - Senior Unsecured Notes	1,300,000,000	22 961,738	
33				
34				
35				
36	SUBTOTAL - Preferred Stock	none	none	
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50	TOTAL	1,612,000,000	31,367,777	

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, 2006	
<b>LONG-TERM DEBT (Accounts 221, 222, 223 and 224) (Continued)</b>						
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)			
6/1/1995	6/1/2025	6/1/1995	6/1/2025	50,000,000	1,754,792	1
6/25/2001	6/1/2025	6/25/2001	6/1/2025			2
						3
						4
						5
				312 000,000	11,955,097	6
						7
						8
11/9/1998	11/10/2008	11/1/1998	11/10/2008	50,000 000	3,225,000	9
						10
						11
12/12/2001	12/15/2006	12/1/2001	11/30/2006		17,558,333	12
						13
						14
					606,908	15
						16
11/22/2002	11/1/2012	11/22/2002	11/1/2012	100,000,000	6,375,000	17
						18
						19
11/22/2002	12/31/2032	11/22/2002	12/31/2032	150,000,000	9,000,000	20
		11/22/2002	12/31/2007			21
						22
11/16/2004	11/15/2014	11/16/2004	11/15/2014	175,000,000	8,837,500	23
						24
						25
12/7/2005	12/1/2015	12/1/2005	11/30/2015	125,000,000	7,062,500	26
						27
						28
11/14/2006	2/15/2037	11/14/2006	2/15/2037	400,000,000	3,159,444	29
						30
						31
				1,000,000,000	55,824,685	32
						33
						34
						35
				none	none	36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46
						47
						48
						49
				1,559,083,410	67,779,782	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, 2006
<b>FOOTNOTE DATA</b>				
Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)	
256	9	a	On October 2, 2006, the \$25MM Lawrenceburg Series F Pollution Control Bond was re-marketed from a 2.625% fixed to a variable interest rate Pollution Control Bond. This did not redeem the bond itself but changed only the method of interest calculation & the timing of the interest payments. Interest on this reoffered debt is based on the 35-day auction rate. There was \$210,598 in issuance expenses incurred in this reoffering, and no related discount. These issuance expenses are being amortized over the remaining life of the original issuance, through October 2019. Issuance expenses still remaining from the original issuance in October 2003 will continue to be amortized over the same remaining life of the original issuance.	
256	16	a	On October 2, 2006, the \$40MM Rockport Series C Pollution Control Bond was re-marketed from a fixed 2.625% to a variable interest rate Pollution Control Bond. This did not redeem the bond itself but changed only the method of interest calculation & the timing of the interest payments. Interest on this reoffered debt is based on the 7-day auction rate. There was \$326,999 in issuance expenses incurred in this reoffering, and no related discount. These issuance expenses are being amortized over the remaining life of the original issuance, through April 2025. Issuance expenses still remaining from the original issuance in October 2003 will continue to be amortized over the same remaining life of the original issuance.	
256	19	a	On June 3, 2002, the Series 1985A Pollution Control Bonds were re-marketed as Series 2002A Pollution Control Bonds due June 1, 2025. 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. This reoffered debt carries a 4.9% fixed interest rate that will be reoffered in 2007. There were \$257,759 in issuance expenses incurred in this reoffering, related discount. These issuance expenses are being amortized over the five and no year period the new fixed interest rate is in effect. Issuance expenses still remaining from the Series 1985A Pollution Control Bonds will be amortized through the June 2025 maturity date of the new Series	
256	24	a	The \$50MM 6.55% Rockport Series 1995A Pollution Control Bond was re-marketed in May 2006 as the Series 2006A Pollution Control Bond. Interest on this reoffered debt is based on the 7-day auction rate. This did not redeem the bond itself but changed only the method of interest calculation & the timing of the interest payments. There were \$396,817 in issuance expenses & \$500,000 in premium for early redemption incurred in this reoffering. These expenses are being amortized over the remaining life of the original issuance, through June 2025. Issuance expenses still remaining from the original issuance in June 1995 will continue to be amortized over the same remaining life of the original issuance.	
256.1	12	a	The \$300MM 6.125% Series C Senior Unsecured Note was redeemed 12/15/2006. All of its issuance & discount expenses have been amortized	
256.1	15	a	This hedge was settled 12/15/06. It represented a FAS-133 Fair Value Interest Rate Hedge on \$30MM of the Series 6.125% Senior Unsecured Note.	
256.1	20	a	The \$150MM 6.00% Series D Senior Unsecured Note was issued with an insurance policy that guarantees the principal if Indiana Michigan Power were to default on these bonds. The cost of this policy is \$4,387,500. It covers a period until December 31, 2007, and is being amortized over the life of the policy and not the bond.	

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, 2006
<b>FOOTNOTE DATA</b>			
Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)
257 1	50	i	Reconciliation of Total Interest for Year (col I) with accts 427 & 430  Long Term Debt: Account 237 - Interest Accrued 67,779,782  Interest Expense Account 427 - Interest on Long-Term Debt 68,988,722 Account 430 - Interest on Debt to Assoc Co <u>3,821,867</u> 72,810,589  Less: Gain/Loss on Cash Flow Hedge - Interest Rate Account 190 - Accum Deferred Income Tax 5,219,749 Account 219 - Accum Comprehensive Income 9,943,140 Account 283 - Accum Deferred Income Tax <u>134,250</u> 15,297,139  Less: Broker Auction Fees 477,604  Less: Current & Accrued Liabilities Account 233 - Notes Payable to Assoc Co <u>(10,743,936)</u> 67,779,782

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 2006	
<b>PAYABLES TO ASSOCIATED COMPANIES* (Accounts 233, 234)</b>							
<p>1 Report particulars of notes and accounts payable to associated companies at end of year.</p> <p>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</p> <p>3 List each note separately and state the purpose for which issued Show also in column (a) date of note, maturity and interest rate.</p> <p>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.</p> <p>5 If collateral has been pledged as security to the payment of any note or account, describe such collateral.</p> <p style="text-align: center;"><b>*See definition on page 226B</b></p>							
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	116,125,141	5,243,396,644	5,241,894,613	114,623,110	3,821,867	
3	SUBTOTAL	116,125,141	5,243,396,644	5,241,894,613	114,623,110	3,821,867	
4							
5	Account 234						
6	AEP Coal, Inc	0	230	230	0		
7	AEP Energy Services, Inc.	1,621,540	1,750,592	129,052	0		
8	AEP Generating Company	21 327 249	278 150 476	279 173 913	22 350 686		
9	AEP Pro Serv, Inc	0	175	179	4		
10	AEP Service Corporation	17 124 691	175 335,423	175 640,332	17 429 600		
11	AEP System Pool	11 115 139	187 141 233	191 793 876	15,767,782		
12	AEP Texas Central Company	11 316	7,299,939	8,273,456	984 833		
13	AEP Texas North Company	12 434	192 991	180 690	133		
14	AEP Transportation LLC	0	302,249	322,133	19,884		
15	AEP Utilities Inc.	5 249	198 676	193 427	0		
16	AEP Utility Funding LLC	9,404	27,591	18,187	0		
17	AEPEUS US Gas Trading	0	5 323,000	5 323 000	0		
18	American Electric Power Co	186,888	421,805,118	422,352,893	734,663		
19	Appalachian Power Co	5,236,444	19,191,433	14,561,829	606,840		
20	Blackhawk Coal Company	0	610 450	610 450	0		
21	Cardinal Operating Company	12,702	46,331	35,187	1,558		
22	Columbus Southern Power	96 081	2 229 549	2 152 485	19 017		
23	Conesville Coal Prep	0	111,292	111,292	0		
24	Cook Coal Terminal	974 654	20 598,107	21 652 586	2 029 133		
25	CSW Energy Inc	0	2 002	2,002	0		
26	Franklin Real Estate Co	0	7,850	7 850	0		
27	Indiana Franklin Realty, Inc	1 271	176 598	175 763	436		
28	Kentucky Power Co	43,764	2,000,313	1,979,340	22,791		
29	Kingsport Power Co	298	7,647	7 349	0		
30	Memco Consolidated	1 664 832	19 729 202	22,906,940	4,842,570		
31	Ohio Power Co	746,255	28,218,508	27,919,551	447,298		
32	Public Service Co of Ok	51 298	885 238	869 678	35 738		
33	Southwestern Power Co	73 164	2 198 276	2,279 088	153,976		
34	United Sciences Testing, Inc	0	49,216	49,216	0		
35	Wheeling Power Co	2,980	19,408	19,012	2,584		
36	SUBTOTAL	60,317,653	1,173,609,113	1,178,740,986	65,449,526	0	
37							
38	TOTAL	176,442,794	6,417,005,757	6,420,635,599	180,072,636	3,821,867	

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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, 2006
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**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES**

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.

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.

Line No.		TOTAL AMOUNT
1	Utility net operating income (page 114 line 26)	187,350,916
2	Allocations:	
3	Net Other Income and Deductions	7,546,830
4	Interest Charges	73,756,431
5	Net income for the year (page 117 line 78)	121,141,315
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	182,977,166

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, 2006
<b>RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (Continued)</b>			
<p>3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2</p> <p>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.</p>			
Utility	Other	Line No.	
187,350,916		1	
		2	
7,546,830		3	
73,756,431		4	
		5	
		6	
		7	
		8	
		9	
		10	
		11	
		12	
		13	
		14	
		15	
		16	
		17	
		18	
		19	
		20	
		21	
		22	
		23	
		24	
		25	
182,977,166		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 2006
<b>FOOTNOTE DATA</b>				
Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)	
261A	6		<p style="text-align: right;">In (000's)</p> <p>Net Income for the year per Page 117 121,141</p> <p>Federal Income Taxes 68,936</p> <p>Pretax Book Income 190,077</p> <p>Increase (Decrease) in Taxable Income resulting from:</p> <p>Allowance for Funds Used During Construction and Other Differences</p> <p>Between Items Capitalized for Books and Expenses for Tax (7,878)</p> <p>Amortization of Deferred Book Gain - Rockport Unit 2 Sale (3,707)</p> <p>Book Accruals and Deferrals (2,156)</p> <p>Capitalized Relocation Costs (1,338)</p> <p>Deferred Fuel Costs 3,005</p> <p>Emission Allowances (Net) (6,131)</p> <p>Equity in Earnings of Subsidiary Companies (268)</p> <p>Excess Tax vs Book Depreciation 73,903</p> <p>Mark To Market (9,526)</p> <p>Merger Costs 1,426</p> <p>Manufacturing Deduction (3,400)</p> <p>Nuclear Book Deferred Costs (23,893)</p> <p>Nuclear Decommissioning Costs 7,134</p> <p>Nuclear Fuel Adjustments 2,601</p> <p>Nuclear Fuel Disposal Costs (10,383)</p> <p>Pension Expenses (Net) 8,732</p> <p>RTO Expenses and Carrying Charges 440</p> <p>Removal Costs - ACRS (15,694)</p> <p>Repair Allowance (720)</p> <p>Reversal - Capitalized Cook Costs - Tax (17,988)</p> <p>Savings Plan (8,154)</p> <p>SFAS 106 - Post Retire Benefit Medicare (4,103)</p> <p>SFAS 106 - Post Retirement Benefit Expense Accrued/Funded (Net) 9,021</p> <p>565</p> <p>Other (Net) 1,412</p> <p>Federal Income Tax on Current Year Taxable Income (Seperate Return) 182,977</p> <p>Computation of Tax *</p> <p>Federal Income Tax on Current Year Taxable Income (Seperate Return</p> <p>Basis) at the Statutory Rate of 35% (a) 64,042</p> <p>Adjustment due to System Consolidation (b) (1,250)</p> <p>Estimated Tax Currently Payable 62,792</p> <p>Tax Provision Adjustment 6,147</p> <p>Audit Settlement (6,021)</p> <p>Adjustments of Prior Years Accruals (Net) 113</p> <p>Estimated Current Federal Income Taxes (Net) 63,031</p> <p>(a) Represents the allocation of the estimated current year net operating tax loss of American Electric Power Company Inc</p> <p>(b) 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><b>INSTRUCTION 2.</b></p> <p>* The tax computation above represents an estimate of the Company's allocated portion of the System consolidated Federal income tax. The computation of actual 2006 System Federal income taxes will not be available until the consolidated Federal income tax return is completed and filed in September 2007. The actual allocation of the System consolidated Federal income tax to the members of the consolidated group will not be available until October 2007.</p>	

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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 2006	
<b>TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Account 236)</b>						
<p>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 taxes material was charged. If the actual or estimated amounts of such taxes 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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). Itemize by subaccount.</p>						
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 (Incl In Account 165) (c)			
1	FEDERAL:					
2	INCOME	(51,921 448)		63,028 742	38,144 877	
3	FICA - 2006	2,751,734		15 748,066	15 619 572	
4	UNEMPLOYMENT - 2006	2 382		210 402	159,414	
5	EXCISE TAX - 2005	512,577		3,805	516 382	
6	EXCISE TAX - 2006			2 178 527	1,609,979	
7	SUBTOTAL Federal	(48 654 755)		81,169 542	56 050,224	0
8						
9	STATE OF INDIANA:					
10	INCOME 2004 & PRIOR	4,244,000		849,605	2 159 460	
11	INCOME 2005	(4 218 617)		(1 253 274)	(5,471,891)	
12	INCOME 2006			6,312,900	7 226,891	
13	UNEMPLOYMENT - 2006	2,994		187 882	144,995	
14	UTIL RECEIPTS TAX - 2005			63 591	63,591	
15	UTIL RECEIPTS TAX - 2006			12 212,000	12 157 000	
16	SALES & USE TAX -2005	258 349		127 725	386,074	
17	SALES & USE TAX - 2006			3,865,878	3 514 564	
18	SALES & USE TAX AUDIT			401 000		
19	PUBLI SERV COMM-2005		244 364	488 729	244 365	
20	PUBLI SERV COMM-2006			462,597	693 895	
21	REAL & PERS PROP-2003			(1 334)	(1 334)	
22	REAL & PERS PROP-2004			(12,732)	(12 732)	
23	REAL & PERS PROP-2005	18 652 989		(519 708)	18,133,281	
24	REAL & PERS PROP-2006			19,457,474	17 867	
25	PERS PROP LEASED-2005	526,485		38,889	565,374	
26	PERS PROP LEASED-2006			526 200		
27	REAL PROP LEASED-2005	27,211		(45,500)	(18 289)	
28	REAL PROP LEASED-2006			890 735	864,611	
29	SUBTOTAL Indiana	19,493,411	244 364	44,052,657	40 667 722	
30						
31	STATE OF KENTUCKY:					
32	REAL & PERS PROP-2005			157	8 053	
33	REAL & PERS PROP-2006				159	
34	KY INCOME 2004 & PRIOR				25 530	
35	KY INCOME 2005	(149 000)		123 996	(25 004)	
36	KY INCOME 2006			236 000	275,000	
37	SUBTOTAL Kentucky	(149 000)	0	360,153	283 738	
38						
39						
40						

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<b>TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)</b>						
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses. 7. Do not include in this schedule 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. The accounts to which taxes charged were distributed should be shown in columns (i) to (o). Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet plant account or subaccount. 9. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis of apportioning such tax. 10. Fill in all columns for all line items.						
<b>BALANCE AT END OF YEAR</b>		<b>DISTRIBUTION OF TAXES CHARGED</b>				
Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. In Account 165) (h)	Electric a/c 408 1, 409 1 (i)	Extraordinary Items a/c 409 3 (j)	Adjustment to Ret. Earnings a/c 439 (k)	Other (l)	Line No.
(27 037 584)		63 520 579	75,626		(567 463)	1
2,880,228		10,628,140			5 119,926	2
53 370		155 022			55,380	3
					3 805	4
568,548		40,685			2 137,842	5
(23,535,438)	0	74,344,426	75 626		6,749,490	6
						7
						8
2,934,145		848,905			700	9
		(1 095,415)			(157,859)	10
(913 991)		6,754 300			(441 400)	11
45,881		147,337			40 545	12
		63,591				13
55,000		12,212,000				14
		155 474			(27 749)	15
351,314		1 764 909			2 100 969	16
401,000					401 000	17
		488,729				18
	231,298	462 597				19
		(1 334)				20
		(12,732)				21
		2,549,578			(3 069,286)	22
19 439 607		16,166 555			3,290 919	23
		126,634			(87 745)	24
526,200		438,500			87,700	25
		(9,598)			(35,902)	26
26 124					890 735	27
22 865,280	231 298	41 060 030			2 992 627	28
						29
						30
(7,896)		157				31
(159)						32
(25,530)						33
		115 288			8 708	34
(39 000)		230 400			5 600	35
(72 585)	0	345,845			14,308	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 of Report December 31 2006	
<b>TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Account 236)</b>						
<p>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 taxes material was charged. If the actual or estimated amounts of such taxes 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.</p> <p>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.</p> <p>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.</p> <p>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</p> <p>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). Itemize by subaccount.</p>						
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 (Incl In Account 165) (c)			
1	STATE OF MICHIGAN:					
2	MI INCOME 2004 & PRIOR			(574 895)		
3	MI 2005 LICENSE TAX			25	25	
4	MI 2006 LICENSE TAX					
5	SGL BUS TAX-2004 & PRIOR			571 868	571 868	
6	SINGLE BUS TAX - 2005	(238,744)		(216,223)	(454,967)	
7	SINGLE BUS TAX - 2006			579 400	864 967	
8	UNEMPLOYMENT - 2006	6,071		657,451	503 504	
9	PUBL SERV COMM'S-2005		51 663	186 201	134,538	
10	PUBL SERV COMM'S-2006			77,417	120 743	
11	SALES & USE - 2005	13,411		24,033	37,444	
12	SALES & USE - 2006			1,409 171	1 479 194	
13	SALES & USE TAX	1,676,000		(363,800)		
14	REAL & PERS PROP-2004	6 849 813		407 851	7,257,664	
15	REAL & PERS PROP-2005	20,905,751			13 790 243	
16	REAL & PERS PROP-2006			21 514,278	198	
17	REAL PROP LEASED-2004	49 037		(765)	48 272	
18	REAL PROP LEASED-2005			263,657	190,397	
19	SUBTOTAL Michigan	29 261 339	51,663	24 535 669	24 544,090	0
20						
21	STATE OF WEST VIRGINIA:					
22	WVA INC TAX-2004 & PRIOR	(72 871)			157 020	
23	WEST VA INC TAX-2005	16,641		234 093	250,734	
24	WEST VA INC TAX-2006			621 800	329 866	
25	WVA FRANCHISE - 2005	102,056		213,362	315,418	
26	WVA FRANCHISE - 2006			517 006	110,109	
27	REAL & PERS PROP-2004	65,308		(21 470)	43 839	
28	REAL & PERS PROP-2005	86,055		(1 224)	71,369	
29	REAL & PERS PROP-2006			134 127		
30	WV USE TAX - 2005	3,435			3,435	
31	WV USE TAX - 2006			28 138	25,783	
32	WV EXCISE TAX - 2005	48,178		7	48 185	
33	WV EXCISE TAX - 2006			174 477	131,915	
34	UNEMPLOYMENT - 2006	1 117		320		
35	SUBTOTAL West Virginia	249,919	0	1,900,636	1,487.673	
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 of Report December 31, 2006			
<b>TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)</b>						
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses. 7. Do not include in this schedule 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. The accounts to which taxes charged were distributed should be shown in columns (i) to (o). Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet plant account or subaccount. 9. For any tax which it was necessary to apportion to more than one utility department or account state in a footnote the basis of apportioning such tax. 10. Fill in all columns for all line items.						
<b>BALANCE AT END OF YEAR</b>		<b>DISTRIBUTION OF TAXES CHARGED</b>				
Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. In Account 165) (h)	Electric a/c 408 1, 409 1 (i)	Extraordinary Items a/c 409 3 (j)	Adjustment to Ret. Earnings a/c 439 (k)	Other (l)	Line No
(574,895)					(574 895)	1
		25				2
		25			(25)	3
		(571 868)			1,143 736	4
		(192,430)			(23,793)	5
(285 567)		618 500			(39,100)	6
160,018		568,239			89,212	7
		186,201				8
	43,326	77,417				9
		9 371			14,662	10
(70,023)		776 983			632,188	11
1,312,200		(363 800)				12
		407,851				13
7,115 508		20,901 611			(20,901 611)	14
21,514,080		198			21,514,080	15
		(765)				16
73,260		263,657				17
29,244 581	43 326	22,681 215	0	0	1,854,454	18
						19
						20
(229,891)		1			(1)	21
		214 544			19,549	22
291,934		609,300			12,500	23
		247,326			(33 964)	24
406,897		473,515			43,491	25
		7 935			(29,405)	26
13,463		6,748			(7 972)	27
134,127					134,127	28
						29
2 355					28,138	30
					7	31
42,562					174,477	32
1 437		(7 126)			7,446	33
662,884	0	1 552,243	0	0	348,393	34
						35
						36
						37
						38
						39
						40

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<b>TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Account 236)</b>						
<p>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 taxes material was charged. If the actual or estimated amounts of such taxes 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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). Itemize by subaccount.</p>						
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 (Incl In Account 165) (c)			
1	STATE OF OHIO:					
2	REAL & PERS PROP-2006			1,621	1,621	
3	OHIO INCOME TAX - 2005	1 205 396		(696 409)	508 987	
4	OHIO INCOME TAX - 2006			329,300	771,013	
5	OHIO FRANCHISE TAX			120,000	120 000	
6	OHIO CAT TAX - 2005	200,000		(103 860)	96,140	
7	OHIO CAT TAX - 2006			195,272	129,272	
8	SUBTOTAL Ohio	1 405 396	0	(154 076)	1 627 033	
9						
10	STATE OF ILLINOIS:					
11	IL REAL & PERS PROP-2005			981	981	
12	IL INCOME TAX - 2005	1 200		13 368	14 568	
13	IL INCOME TAX - 2006			16 000	15,532	
14	SUBTOTAL Illinois	1,200		30,349	31,081	
15						
16	RAILCAR PROP TAX:					
17	AR PROP TAX-2005			2 911	2 911	
18	AL PROP TAX-2005			115	115	
19	AZ PROP TAX-2005			11	11	
20	CO PROP TAX-2005			25 110	25,110	
21	GA PROP TAX-2005			407	407	
22	KY PROP TAX-2005			2 892	2 892	
23	MO PROP TAX-2004			67,176	67,176	
24	MT PROP TAX-2005			3,975	3 975	
25	MT PROP TAX-2006			127	127	
26	NE PROP TAX-2004	75,550		57,271	132,821	
27	NE PROP TAX-2005	276 000		(132 000)		
28	NE PROP TAX-2006			123,200		
29	SC PROP TAX-2005			214	214	
30	TN PROP TAX-2005			214	214	
31	VA PROP TAX-2004			194	194	
32	WY PROP TAX-2004	1 512		(1 512)		
33	WY PROP TAX-2005	30,200		(1 897)	28,303	
34	WY PROP TAX-2006			28,300		
35	SUBTOTAL Railcar Prop Tax	383 262		176 708	264,470	
36						
37	STATE OF LOUISIANA					
38	LA REAL & PERS PROP	(1 271)		7 517	6,246	
39	LA REAL & PERS PROP				432	
40	SUBTOTAL Louisiana	(1,271)		7,517	6,678	

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 2006
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment. Designate debit adjustments by parentheses.

7. Do not include in this schedule entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

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9. For any tax which it was necessary to apportion to more than one utility department or account, state in a footnote the basis of apportioning such tax.

10. Fill in all columns for all line items.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No
Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. In Account 165) (h)	Electric a/c 408.1, 409.1 (i)	Extraordinary Items a/c 409.3 (j)	Adjustment to Ret. Earnings a/c 439 (k)	Other (l)	
		1,621				1
		(696,801)				2
(441,713)		319,500			392	3
		119,434			9,800	4
		(103,860)			566	5
66,000		195,272				6
(375,713)		(164,834)				7
					10,758	8
						9
		981				10
		13,368				11
468		16,000				12
468		30,349				13
						14
						15
						16
					2,911	17
					115	18
					11	19
					25,110	20
		407				21
					2,892	22
					67,176	23
					3,975	24
					127	25
					57,271	26
144,000					(132,000)	27
123,200					123,200	28
					214	29
					214	30
					194	31
		(1,512)				32
					(1,897)	33
28,300					28,300	34
295,500		(1,105)			177,813	35
						36
						37
(432)		1,271			6,246	38
(432)						39
	0	1,271		0	6,246	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 of Report December 31, 2006	
<b>TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Account 236)</b>						
<p>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 taxes material was charged. If the actual or estimated amounts of such taxes 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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). Itemize by subaccount.</p>						
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 (Incl. In Account 165) (c)			
1	STATE OF MISSOURI					
2	MO INCOME TAX - 2005	(44,485)		(1 203)	(45 688)	
3	MO INCOME TAX - 2006			3 600	45,688	
4	MO LICENSE TAX - 2006			20	20	
5	MO FRANCHISE - 2006			210	(1)	
6	SUBTOTAL Missouri	(44 485)		2,627	19	
7						
8	MISCELLANEOUS:					
9	MISC RTD PROP - 2003	427,142		(427 142)		
10	MISC RTD PROP - 2004	(43 706)		43 706		
11	MISC RTD PROP - 2005	114,381		(68,273)	46,408	
12	MISC RTD PROP - 2006			1 079 390		
13	DE LICENSE			60	60	
14	VA LICENSE TAX - 2006					
15	OTHER INC 2004 & PRIOR	2 208,000				
16	TOTAL Miscellaneous	2,705,817		627,741	46,468	
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40	TOTAL	4,650,833	296,027	152,709,523	125,009,196	0

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<b>TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)</b>						
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<b>BALANCE AT END OF YEAR</b>		<b>DISTRIBUTION OF TAXES CHARGED</b>				
Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. In Account 165) (h)	Electric a/c 408 1, 409 1 (i)	Extraordinary Items a/c 409 3 (j)	Adjustment to Ret. Earnings a/c 439 (k)	Other (l)	Line No
(42 088)		(1,209)			6	1
		3 500			100	2
		20				3
211		210				4
(41 877)		2 521			106	5
						6
						7
					(427,142)	8
					43,706	9
					(68,273)	10
1,079,390					1,079 390	11
		60				12
		100			(100)	13
2,208 000						14
3 287,390		160			627 581	15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
32,330,058	274,624	139,852,121	75,626	0	12,781,776	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 of Report December 31, 2006	
<b>ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)</b>							
Report below information applicable to Acct 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustment 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	Balance at Beginning of Year (b)	Deferred for Year		Allocation to Current Year's Income		Adjustments (g)
	(a)		Account No (c)	Amount (d)	Account No (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	74,968,324			4114/4115	7,252,623	(472,618)
6							
7							
8	TOTAL	74,968,324		0		7,252,623	(472,618)
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL						
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
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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, 2006
<b>ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (Continued)</b>				
Balance at End of Year  (h)	Average Period of Allocation to Income  (i)	Adjustment Explanation		Line No
				1
				2
				3
67,243,083	Various	Adjustment to prior year's Federal Income Tax Return: \$(472,618)		4
				5
				6
67,243,083				7
				8
				9
				10
				11
				12
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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) December 31, 2006
<b>MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)</b>			
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	30,786,983	
2	Accrued Leases/Rents	8,649,508	
3	Accrued Payroll	6,201,787	
4	Accrued Revenue Refunds	5,953,452	
5	Accrued Severance	27,945	
6	Accrued Vacation Pay	16,909,882	
7	Accrued Workers Compensation	776,638	
8	Control Cash Disbursements	15,689,465	
9	Miscellaneous Current & Accrued Liabilities (7 Items)	3,425,486	
10	Miscellaneous Employee Benefits (2 items)	2,778,044	
11	Payroll Deductions	572,607	
12	Spent Nuclear Disposal Costs	3,400,662	
13			
14			
15			
16			
17			
18			
19			
20	TOTAL	95,172,459	

<b>CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)</b>		
Line No.	List Advances by department (a)	Balance End of Year (b)
21	Electric	1,600,477
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39	TOTAL	1,600,477

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, 2006
<b>OTHER DEFERRED CREDITS (Account 253)</b>						
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 (less than \$10,000) may be grouped by classes.						
Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year of Report (f)
			Contra Account (c)	Amount (d)		
1	Deferred Gain-Sale of Rockport 2					
2	Amtz Period 12/1989-12/2022	62,765,093	507	3,706,716		59,058,377
3						
4	Other Post Retirement Benefits	4,900,151				4,900,151
5						
6	Pole Attachment Rentals	475,957	454	1,722,935	1,770,972	523,994
7						
8	IPP-System Upgrade Credits	8,970,376	431	82,148	703,541	9,591,769
9						
10	Deferred Gain:					
11	Fiber Optic Agrmts - In Kind Svc					
12	Amortized thru 2025	5,559,426	411	69,432		5,489,994
13						
14	Deferred Revenues-Verizon	818,322	451	47,439		770,883
15	Amort through March 2023					
16						
17	Deferred Revenues-KDL	154,446	451	9,348		145,098
18	Amort through Dec 2022					
19						
20	Deferred Coal Transactions	5,323,000	421	5,323,000		0
21						
22	Assoc Business Dev. - Defd Rev				255,970	255,970
23						
24	Railcar Maintenance - Defd Rev		151, 456	721,030	738,409	17,379
25						
26	I&M Railcar Sublease	82,151	151, 186	1,141,811	1,105,518	45,858
27						
28	Misc Items	8,224	Various	84,790	77,598	1,032
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	89,057,146		12,908,649	4,652,008	80,800,505

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)	Year of Report December 31, 2006
<b>ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)</b>				
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating 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 Acct 410.1 (c)	Amounts Credited to Acct 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities	380,357	22,881	50,052
5	Other			
6				
7	TOTAL Electric (Total of lines 3 thru 6)	380,357	22,881	50,052
8	Gas			
9	Defense Facilities			
10	Pollution Control Facilities			
11	Other			
12				
13	TOTAL Gas (Total of lines 9 thru 12)	0	0	0
14	Other (Specify)			
15	TOTAL (Account 281)	380,357	22,881	50,052
16	Classification of TOTAL			
17	Federal Income Tax	380,357	22,881	50,052
18	State Income Tax			
19	Local Income Tax			
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, 2006		Year of Report December 31, 2006	
<b>ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY</b> <b>(Account 281) (Continued)</b>							
3. Use footnotes as required 4. Fill in all columns for all line items as appropriate.							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No
Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
						353,186	4
							5
							6
						353,186	7
							8
							9
							10
							11
							12
							13
							14
						353,186	15
							16
						353,186	17
							18
							19
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, 2006
<b>ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY</b> <b>(Account 282)</b>				
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 Acct. 410 1 (c)	Amounts Credited to Acct. 411 1 (d)
1	Account 282			
2	Electric	400,111,493	26,321,156	19,136,700
3	Gas			
4	Other (Define)			
5	TOTAL (Enter total of lines 2 thru 4)	400,111,493	26,321,156	19,136,700
6	Other (Specify)	121,971		
7	Non-Utility	73,752,233		
8	SFAS 109			
9	TOTAL Account 282 (Enter total of lines 5 thru 8)	473,985,697	26,321,156	19,136,700
10	Classification of TOTAL			
11	Federal Income Tax	473,985,697	26,321,156	19,136,700
12	State Income Tax			
13	Local Income Tax			
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)		Year of Report December 31, 2006	
<b>ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY</b> <b>(Account 282) (Continued)</b>							
3. Use footnotes as required 4. Fill in all columns for all line items as appropriate							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
Amounts Debited to Acct. 410.2  (e)	Amounts Credited to Acct. 411.2  (f)	Account Credited  (g)	Amount  (h)	Account Debited  (i)	Amount  (j)		
							1
						407,295,949	2
							3
							4
						407,295,949	5
						121,971	6
		Various	11,184,955			62,567,278	7
							8
			11,184,955			469,985,198	9
							10
			11,184,955			469,985,198	11
							12
							13
<p style="text-align: center;">NOTES (Continued)</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)	December 31, 2006

**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 Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)
1	Electric			
2	Reacquired Debt	6,887,475	309,970	
3	Reg Asset - SFAS 143 ARO	305,832,915	39,192,365	2,653,593
4	Deferred Cook O&M Restart Cost	8,039,876	17,680,594	9,317,901
5	Capitalized Software	16,574,759	3,404,497	3,578,352
6	Mark To Market	9,477,506	13,815,472	9,327,612
7	Other	13,790,277	11,168,242	12,612,066
8	TOTAL Electric ( total of lines 2 thru 6 )	360,602,808	85,571,140	37,489,524
9	Gas			
10				
11				
12				
13				
14	Other			
15	TOTAL Gas ( Total of lines 9 thru 13 )	0	0	0
16	Other (Specify)	113,304,383		
17	TOTAL (Account 283) ( Enter total of lines 7, 14 and 15 )	473,907,191	85,571,140	37,489,524
18	Classification of TOTAL			
19	Federal Income Tax	437,203,191	85,571,140	37,489,524
20	State Income Tax	36,704,000		
21	Local Income Tax			

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, 2006																
<b>ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)</b>																						
3. Provide in the space below explanations for pages 276A and 276B. Include amounts relating to insignificant items listed under Other.																						
4. Fill in all columns for all items as appropriate.																						
5. Use footnotes as required.																						
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.															
Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	DEBITS		CREDITS																		
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)																	
							1															
						7,197,445	2															
						342,371,687	3															
						16,402,569	4															
						16,400,904	5															
						13,965,366	6															
						12,346,453	7															
						408,684,424	8															
							9															
							10															
							11															
							12															
							13															
							14															
0	0		0		0	0	15															
7,879,702	7,147,908	Various	4,756,937	Various	5,936,000	115,215,240	16															
7,879,702	7,147,908		4,756,937		5,936,000	523,899,664	17															
							18															
7,879,702	7,147,908		4,756,937			481,259,664	19															
					5,936,000	42,640,000	20															
							21															
<p style="text-align: center;">NOTES (Continued)</p> <p>Detail of Line 16</p> <table> <tr> <td></td> <td>Beginning of Year</td> <td>End of Year</td> </tr> <tr> <td>NON-UTILITY</td> <td>12,792,742</td> <td>13,524,534</td> </tr> <tr> <td>SFAS 109</td> <td>98,956,410</td> <td>98,368,769</td> </tr> <tr> <td>SFAS 133</td> <td>1,555,231</td> <td>3,321,937</td> </tr> <tr> <td>TOTAL LINE 18</td> <td>113,304,383</td> <td>115,215,240</td> </tr> </table>									Beginning of Year	End of Year	NON-UTILITY	12,792,742	13,524,534	SFAS 109	98,956,410	98,368,769	SFAS 133	1,555,231	3,321,937	TOTAL LINE 18	113,304,383	115,215,240
	Beginning of Year	End of Year																				
NON-UTILITY	12,792,742	13,524,534																				
SFAS 109	98,956,410	98,368,769																				
SFAS 133	1,555,231	3,321,937																				
TOTAL LINE 18	113,304,383	115,215,240																				

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<b>OTHER REGULATORY LIABILITIES</b>					
1. Reporting below the particulars (details) called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts). 2. For regulatory liabilities being amortized, show period of amortization in column (a) 3. Minor items (amounts less than \$50,000) may be grouped by classes. 4. Give the number and name of the account(s) where each amount is recorded.					
Line No	Description and Purpose of Other Regulatory Liabilities  (a)	DEBITS		Credits  (d)	Balance at End of Year  (e)
		Account Credited  (b)	Amount  (c)		
1	Unrealized Gain on Forward Commitments	456	500,208,043	485,228,421	37,279,293
2					
3	River Transportation Selling Price Variance	417.1	10,582,810	12,771,080	4,837,029
4					
5	Asset Retire Oblig Excess Prov SFAS143	228	27,461,069	70,106,978	269,396,949
6					
7	SNF Trust Funds - Pre 4/83	Various	52,220,796	51,582,569	27,224,686
8					
9	SFAS Deferred FIT	Various	8,072,044		48,857,708
10					
11	Michigan Over Recovered Fuel Costs	Various	5,644,058	5,644,058	
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
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37					
38					
39					
40	TOTAL		604,188,820	625,333,106	387,595,665

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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, 2006	
<b>GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2)</b>					
<p>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</p> <p>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).</p> <p>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.)</p>					
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	Five (5) properties each with	15,841.00		856,854.00	
5	original cost of less than \$100,000.				
6					
7	Sale of Non-Utility Property				
8	Two (2) properties each with	27,861.00		25,986.00	
9	original cost of less than \$100,000.				
10					
11					
12					
13					
14					
15					
16					
17	Total Gain	43,702.00		882,840.00	

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<b>GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (Continued)</b>					
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	Fifteen (15) properties with original cost				
22	of less than \$100,000	218,681.00			139,344.00
23					
24	Sale of Other Investment Property				
25	One (1) properties with original cost				
26	of less than \$100,000.	3,901			3,901.00
27					
28	Catahula Wildlife Refuge Land	130,820			4,556.00
29					
30					
31					
32					
33					
34	Total Loss	353,402.00			147,801.00

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 of Report December 31, 2006
<b>PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS</b>			
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>			
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	(2,101)	
5	Total Accounts 415 & 416	(2,101)	
6			
7	Account 417 - Nonutility Operations		
8	Water Transportation		
9	-Revenues	80,286,864	
10	-Expenses - Operation	(69,011,189)	
11	-Maintenance	(3,392,845)	
12	-Depreciation, Depletion, and Amortization	(769,493)	
13	-Other	0	
14	Total Account 417	7,113,337	
15			
16	Account 418 - Nonoperating Rental Income		
17	-Rent Revenue	281,846	
18	-Expense	(44,884)	
19	-Other	0	
20	Total Account 418	236,962	
21			
22	Account 418.1 - Equity in Earnings of Subsidiary Companies	267,859	
23			
24	Account 419 - Interest and Dividend Income		
25	- Communications Leases	761,327	
26	- Margin Interest	245,158	
27	- PJM Transmission	21,651	
28	- AMRO Gas	634,672	

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<b>PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS</b>				
Line No.	Item (a)	Amount (b)		
1	- Paribas Gas	128,024		
2	- Other	188,384		
3	- Associated Companies	975,907		
4	- IRS Interest Income	6,243,000		
5	- Michigan Unrecovered Fuel	(275,571)		
6	- Employee Heat Pump Loans	(20,120)		
7	Total Account 419	8,902,432		
8				
9				
10	Account 419.1 - Allowance for Funds Used During Contruction	7,937,177		
11				
12	Account 421 - Miscellaneous Nonoperating Income			
13	- Allowances	1,806,269		
14	- Power Trading	(2,635,340)		
15	- Royalties	637,241		
16	- Deregulation Implementation Carrying Charge	345,313		
17	MPSC Case U-12652			
18	- RTO Carrying Charges	535,093		
19	- Hedge Unrealized Gain/Loss	(531,266)		
20	- Other	(31,974)		
21	- Rents	35,081		
22	- AEP Service Corporation	18,843		
23	- Private Fuel Storage	(36,846)		
24	Total Account 421	142,414		
25				
26	Account 421.1 - Gain on Disposition of Property	882,840		
27				
28	Account 421.2 - Loss on Disposition of Property	(147,801)		
29				
30				
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51				
52				
53				
54				
55	Total Other Income	25,333,119		

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 2006
<b>ELECTRIC OPERATING REVENUES (Account 400)</b>				
<p>1 Report below operating revenues for each prescribed account</p> <p>2 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</p> <p>3 If increases or decreases from previous year (columns (c), (e) and (g)) are not derived from previously reported figures explain any inconsistencies in a footnote.</p>				
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	73,405,514	73,632,608	
3	(442) Commercial and Industrial Sales			
4	Small (or Commercial)	51,014,326	50,477,518	
5	Large (or Industrial)	50,914,160	50,918,594	
6	(444) Public Street and Highway Lighting	1,404,021	1,379,224	
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	176,738,021	176,407,944	
13				
14	(447) Sales for Resale	19,146,139	14,058,028	
15	TOTAL Sales of Electricity	195,884,160 *	190,465,972	
16				
17	(Less) (449.1) Provision for Rate Refunds			
18	TOTAL Revenue Net of Provision for Refunds	195,884,160	190,465,972	
19	Other Operating Revenues			
20	(450) Forfeited Discounts	511,507	479,240	
21	(451) Miscellaneous Service Revenues	273,275	246,752	
22	(453) Sales of Water and Water Power			
23	(454) Rent from Electric Property	1,124,211	1,026,885	
24	(455) Interdepartmental Rents			
25	(456) Other Electric Revenues	451,719	971,176	
26				
27				
28				
29				
30	TOTAL Other Operating Revenues	2,360,712	2,724,053	
31				
32	TOTAL Electric Operating Revenues	198,244,872	193,190,025	

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 2006
<b>ELECTRIC OPERATING REVENUES (Account 400) (Continued)</b>			
<p>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 )</p> <p>5 See Page 108 Important Changes During Year, for important new territory added and important rate increases or decreases.</p> <p>6 For line 2, 4 5, and 6, see page 304 for amounts relating to unbilled revenue by account</p> <p>7. Include unmetered sales. Provide details of such sales in a footnote.</p>			
MEGAWATT HOURS SOLD		AVERAGE NUMBER OF CUSTOMERS PER MONTH	
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number or Previous Year (g)
1,203,561	1,247,360	108,382	107,723
765 698	783,841	16 756	16 437
1 025 363	1 071 063	1 067	1,084
12,107	12 151	342	344
3 006 729	3 114 415	126,547	125,588
438,035	358,103	2	4
3,444.764 **	3 472 518	126 549	125,592
3,444,764	3,472,518	126,549	125,592
<p>* Include \$ 254,666 unbilled revenues.</p> <p>** Includes (4 086) MWH relating to unbilled revenues</p>			

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) December 31, 2006	Year of Report December 31, 2006
<b>CUSTOMER CHOICE ELECTRIC OPERATING REVENUES</b>				
<p>1 Report below operating revenues for each prescribed account.</p> <p>2 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.</p> <p>3 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.</p>				
Line No.	Title of Account (a)	OPERATING REVENUES		
		Amount for Year (b)	Amount for Previous Year (c)	
1	Customer Choice Sales of Electricity	None	None	
2	Residential Sales			
3	Commercial and Industrial Sales			
4	Small (or Commercial)			
5	Large (or Industrial)			
6				
7				
8				
9				
10				
11				
12	TOTAL Customer Choice Sales			
13				
14				
15	TOTAL Sales of Electricity			
16				
17				
18	TOTAL Revenue Net of Provision for Refunds			
19	Other Operating Revenues			
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30	TOTAL Other Operating Revenues			
31				
32	TOTAL Electric Operating Revenues			

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)	Year of Report December 31, 2006
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CUSTOMER CHOICE ELECTRIC OPERATING REVENUES (Continued)				
<p>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 )</p> <p>5. See Page 108, Important Changes During Year, for important new territory added and important rate increases or decreases.</p> <p>6. For line 2, 4, 5, and 6, see page 304 for amounts relating to unbilled revenue by account.</p> <p>7. Include unmetered sales. Provide details of such sales in a footnote.</p>				
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)	
None	None	None	None	1
				2
				3
				4
				5
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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, 2006
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SALES OF ELECTRICITY BY RATE SCHEDULES						
1. 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						
2. 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						
3. 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						
4. 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).						
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto						
6. 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	1,094,155	68,053,565	102,608	10,663	0.0622
3	RESIDENTIAL SERVICE TOD	84,060	4,373,639	4,548	18,483	0.0520
4	SMALL GENERAL SERVICE	2	114	0		0.0570
5	RESIDENTIAL OFF PEAK ENERGY	17,929	760,980	656	27,331	0.0424
6	RESIDENTIAL SVC OPT SENIOR	3,251	176,054	570	5,704	0.0542
7	OUTDOOR LIGHTING	4,361	611,471			0.1402
8	UNBILLED	(197)	174,367			(0.8851)
9	UNRECOVERED FUEL		(744,676)			
10	Total Residential Sales	1,203,561	73,405,514	108,382	11,105	0.0610
11						
12	442 Commercial Sales					
13	SMALL GENERAL SERVICE	87,201	7,738,325	12,135	7,186	0.0887
14	MEDIUM GENERAL SERVICE	294,713	22,149,193	3,168	93,028	0.0752
15	MEDIUM GENERAL SERVICE TOD	4,254	276,501	74	57,486	0.0650
16	LARGE GENERAL SERVICE	149,612	8,811,884	212	705,717	0.0589
17	LARGE POWER	21,717	808,260	1	21,717,000	0.0372
18	QUANTITY POWER	120,902	5,544,269	46	2,628,304	0.0459
19	ELECTRIC HEATING GENERAL	4,684	326,873	74	63,297	0.0698
20	ELECTRIC HEATING SCHOOLS	10,474	553,627	19	551,263	0.0529
21	MUNICIPAL & SCHOOL SERVICE	36,964	2,657,224	495	74,675	0.0719
22	IRRIGATION SERVICE	3,443	280,811	284	12,123	0.0816
23	WATER & SEWAGE SERVICE	24,443	1,274,135	247	98,960	0.0521
24	STREETLIGHTING SERVICE	23	1,900	1	23,000	0.0826
25	RESIDENTIAL SERVICE	2	109			0.0545
26	OUTDOOR LIGHTING	6,259	777,996			0.1243
27	UNBILLED	1,007	169,951			0.1688
28	UNRECOVERED FUEL		(356,732)			
29	Total Commercial Sales	765,698	51,014,326	16,756	45,697	0.0666
30						
31	442 Industrial Sales					
32	SMALL GENERAL SERVICE	3,319	290,717	403	8,236	0.0876
33	MEDIUM GENERAL SERVICE	94,697	7,202,405	499	189,774	0.0761
34	MEDIUM GENERAL SERVICE TOD	57	3,914	1	57,000	0.0687
35	LARGE GENERAL SERVICE	81,653	5,174,941	55	1,484,600	0.0634
36	LARGE POWER	420,346	17,863,196	16	26,271,625	0.0425
37	QUANTITY POWER	424,434	20,570,995	88	4,823,114	0.0485
38	ELECTRIC HEATING GENERAL	582	41,084	5	116,400	0.0706
39	OUTDOOR LIGHTING	952	111,343			0.1170
40	ESTIMATED	0	0			
41	UNBILLED	(677)	58,132			(0.0859)
42	UNRECOVERED FUEL		(402,567)			
43	Total Industrial Sales	1,025,363	50,914,160	1,067	960,978	0.0497

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, 2006	
<b>SALES OF ELECTRICITY BY RATE SCHEDULES</b>						
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	444 Public Street & Highway Light					
2	SMALL GENERAL SERVICE	626	59 988	103	6 078	0 0958
3	MEDIUM GENERAL SERVICE	84	6 311	2	42 000	0 0751
4	SL CUST OWNED SYS	528	35 883	7	75 429	0 0680
5	SL CUST OWNED SYS METERED	547	23 244	21	26 048	0 0425
6	MUNICIPAL & SCHOOL	741	58 976	77	9 623	0 0796
7	ENERGY CONSERV LIGHTING	5,100	724 954	82	62 195	0 1421
8	STREETLIGHTING SERVICE	4,390	485 492	50	87 800	0 1106
9	OUTDOOR LIGHTING	94	12 290			0 1307
10	UNBILLED	(3)	153			(0 0510)
11	UNRECOVERED FUEL		(3,270)			
12	Total Public Street & Highway Light	12,107	1,404,021	342	35,401	0 1160
13						
14	Fuel Clause (see footnote)					
15						
16						
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55	Total Billed	3,006,599	176,335,418	126,547	23,759	0.0586
56	Total Unbilled Rev. (See Instr. 6)	130	402,603			3.0969
57	TOTAL	3,006,729	176,738,021	126,547	23,760	0.0588

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, 2006
<b>FOOTNOTE DATA</b>			
Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)
304	7	d	5,518 Residential Outdoor Lighting customers are served by multiple rate schedules
304	26	d	2,435 Commercial Outdoor Lighting customers are served by multiple rate schedules
304	39	d	262 Industrial Outdoor Lighting customers are served by multiple rate schedules
304 1	9	d	44 Pub Street & Hwy Light Outdoor Light customers are served by multiple rate scheds
304.1	14	a	440 Residential Sales RESIDENTIAL SERVICE 2,867,778 RESIDENTIAL SERVICE TOD 233,122 SMALL GENERAL SERVICE 4 RESIDENTIAL OFF PEAK ENERGY STORAGE 49,539 RESIDENTIAL SVC OPT SENIOR CITIZEN 9,492  RESIDENTIAL TOTAL 3,159,935  442 Commercial Sales SMALL GENERAL SERVICE 223,844 MEDIUM GENERAL SERVICE 770,609 MEDIUM GENERAL SERVICE TOD 11,119 LARGE GENERAL SERVICE 396,082 LARGE POWER 62,410 QUANTITY POWER 339,371 ELECTRIC HEATING GENERAL 13,496 ELECTRIC HEATING SCHOOLS 26,568 MUNICIPAL & SCHOOL SERVICE 89,598 IRRIGATION SERVICE 9,535 WATER & SEWAGE SERVICE 64,889  COMMERCIAL TOTAL 2,007,521  442 Industrial Sales SMALL GENERAL SERVICE 8,401 MEDIUM GENERAL SERVICE 234,979 MEDIUM GENERAL SERVICE TOD 104 LARGE GENERAL SERVICE 195,311 LARGE POWER 967,052 QUANTITY POWER 1,121,931 ELECTRIC HEATING GENERAL 1,701  INDUSTRIAL TOTAL 2,529,479  444 Public Street & Highway Light SMALL GENERAL SERVICE 1,707 MEDIUM GENERAL SERVICE 185 SL CUST OWNED SYS METERED 1,526 MUNICIPAL & SCHOOL SERVICE 1,868  PUBLIC STREET & HIGHWAY LIGHT TOTAL 5,286  <b>GRAND TOTAL 7,702,221</b>

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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)		Year of Report December 31 2006	
<b>CUSTOMER CHOICE SALES OF ELECTRICITY BY RATE SCHEDULES</b>							
<p>1 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.</p> <p>2 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</p> <p>3 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</p> <p>4 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)</p> <p>5 For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto</p> <p>6 Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.</p>							
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	None						
2							
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43							
44	Total Billed						
45	Total Unbilled Rev. (See Instr. 6)						
46	TOTAL						

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Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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 seller 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)	Statistical Classification	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)	
					Average Monthly NCP Demand	Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)
1	CITY OF AUBURN	RQ	MRS			
2	CITY OF BLUFFTON	RQ	MRS			
3	CITY OF GARRETT	RQ	MRS			
4	CITY OF GAS CITY	RQ	MRS			
5	CITY OF MISHAWAKA	RQ	MRS			
6	CITY OF NILES	RQ	MRS			
7	CITY OF SOUTH HAVEN	RQ	MRS			
8	CITY OF STURGIS	RQ	MRS			
9	INDIANA MUNICIPAL POWER AGENCY	RQ	MRS			
10	TOWN OF AVILA	RQ	MRS			
11	TOWN OF NEW CARLISLE	RQ	MRS			
12	TOWN OF NEW CASTLE	RQ	MRS			
13	TOWN OF WARREN	RQ	MRS			
14	UNITED REMC	RQ	MRS			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
449,908	11,501,916	5,632,846	1,204,596	18,339,358	1
218,926	3,112,846	6,486,640	-191,386	9,408,100	2
91,614	1,476,148	2,841,259	-81,921	4,235,486	3
31,333	900,785	398,864	181,798	1,481,447	4
637,859	9,413,106	18,760,007	-440,447	27,732,666	5
149,629	1,915,346	4,540,129	113,475	6,568,950	6
149,189	1,989,473	4,437,773	-60,004	6,367,242	7
231,221		10,655,228		10,655,228	8
1,293,972		50,540,434		50,540,434	9
39,049	601,457	1,160,394	5,936	1,767,787	10
5,703	189,696	72,599	8,076	270,371	11
6,715		353,737		353,737	12
18,970	305,876	593,254	-12,769	886,361	13
157,548	3,771,977	1,988,254	224,956	5,985,187	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21 780 611	21 324 138	642 046 560	2 161 136	665,531 834	
<b>25,278,369</b>	<b>57,211,531</b>	<b>750,791,902</b>	<b>3,070,837</b>	<b>811,074,270</b>	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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 seller 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	MRS			
2	UNBILLED	RQ	MRS			
3	CLEVELAND PUBLIC POWER	IF	Note 1			
4	DUQUESNE POWER, L.P.	IF	Note 1			
5	NC ELECTRIC MEMBERSHIP CORP.	IF	APCO 135			
6	OMEG	IF	Note 1			
7	TOWN OF FRONT ROYAL	IF	Note 1			
8	UNITED LIGHT & POWER COMPANY	IF	Note 1			
9	WISCONSIN PUBLIC SERVICE	IF	Note 1			
10	WOLVERINE POWER SUPPLY COOP	IF	Note 1			
11	AMERICAN MUNICIPAL POWER-OHIO	LF	OPCO 74			
12	NC ELECTRIC MEMBERSHIP CORP.	LF	Note 1			
13	WABASH VALLEY POWER ASSN INC.	LF	Note 1			
14	CAROLINA POWER & LIGHT	LU	APCO 24			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
47,384	708,767	1,569,983	-42,609	2,236,141	1
-31,262		-1,286,059		-1,286,059	2
50,002		1,684,923		1,684,923	3
685,219	1,953	27,182,090		27,184,043	4
256,295		8,560,579		8,560,579	5
170,175	5,747,250	4,254,095		10,001,345	6
18,760	701,066	461,641		1,162,707	7
368		14,042		14,042	8
	349,530			349,530	9
169,320	1,049,989	4,331,948		5,381,937	10
147,872	3,321,334	2,877,247		6,198,581	11
348,973	7,174,928	5,688,213		12,863,141	12
1,364	1,469,985	122,279		1,592,264	13
2,112,310	1,370,820	72,164,353		73,535,173	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21,780,611	21,324,138	642,046,560	2,161,136	665,531,834	
25,278,369	57,211,531	750,791,902	3,070,837	811,074,270	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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 seller 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	THE BOROUGH OF PITCAIRN, PA	SF	Note 1			
2	ABN AMRO, INC.	OS	Note 1			
3	AEP TEXAS NORTH COMPANY	OS	Note 1			
4	ALLEGHENY ENERGY SUPPLY CO LLC	OS	Note 1			
5	ALLEGHENY POWER GM	OS	Note 1			
6	ALLIANT ENERGY	OS	Note 1			
7	AMEREN ENERGY INC.	OS	IMPCO 67			
8	AMEREN ENERGY MARKETING	OS	Note 1			
9	AMEREN-ILLINOIS POWER	OS	Note 1			
10	AMERICAN ELECTRIC POWER SERVICE	OS	OPCO 20			
11	AMERICAN MUNICIPAL POWER-OHIO	OS	Note 1			
12	ANP FUNDING I, LLC	OS	Note 1			
13	AQUILA MERCHANT SERVICES, INC.	OS	Note 1			
14	ARKANSAS ELECTRIC CO-OP CORP	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
776		133,507		133,507	1
		-2,275,089		-2,275,089	2
	2,194			2,194	3
-131,426		-2,816,500		-2,816,500	4
-1,090		-105,741		-105,741	5
15,018		1,145,129		1,145,129	6
-1,202		-138,919		-138,919	7
-449		-11,861		-11,861	8
72,944		5,114,524		5,114,524	9
13,576,592		279,426,743		279,426,743	10
75,285		3,935,770		3,935,770	11
		-39		-39	12
-45,038		-2,102,905		-2,102,905	13
		-17		-17	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21,780,611	21,324,138	642,046,560	2,161,136	665,531,834	
<b>25,278,369</b>	<b>57,211,531</b>	<b>750,791,902</b>	<b>3,070,837</b>	<b>811,074,270</b>	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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  
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 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.  
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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	ASSOCIATED ELECT COOPERATIVE	OS	Note 1			
2	AUSTIN ENERGY	OS	Note 1			
3	B.P. ENERGY COMPANY	OS	Note 1			
4	BALTIMORE GAS & ELECTRIC	OS	Note 1			
5	BLUESTAR ENERGY SERVICES, INC.	OS	Note 1			
6	BNP PARIBAS COMMODITY FUTURES	OS	Note 1			
7	BP AMOCO	OS	Note 1			
8	BRAZOS ELECTRIC POWER CO-OP	OS	Note 1			
9	BRISTOL VIRGINIA UTILITIES	OS	Note 1			
10	BUCKEYE RURAL ELECTRIC ADMIN.	OS	Note 1			
11	CALPINE POWER SERVICE COMPANY	OS	Note 1			
12	CARGILL - ALLIANT	OS	Note 1			
13	CAROLINA POWER & LIGHT	OS	APCO 24			
14	CHEVRON TEXACO	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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.

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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)		
-2,100		-199,361		-199,361	1
		-58		-58	2
-13,328		-1,316,055		-1,316,055	3
-40,423		2,118,419		2,118,419	4
3,872		437,501		437,501	5
		2,041,967		2,041,967	6
		554,640		554,640	7
		-133		-133	8
118,237		5,052,532		5,052,532	9
		3,735,247		3,735,247	10
-29,672		-112,049		-112,049	11
-73		-3,872		-3,872	12
-2,569		-122,405		-122,405	13
		-245,932		-245,932	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21,780,611	21,324,138	642,046,560	2,161,136	665,531,834	
25,278,369	57,211,531	750,791,902	3,070,837	811,074,270	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**SALES FOR RESALE (Account 447)**

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- 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.  
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 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	CINCINNATI GAS & ELECTRIC CO	OS	Note 1			
2	CINERGY POWER MKTG & TRADING	OS	Note 1			
3	CITADEL ENERGY PRODUCTS LLC	OS	Note 1			
4	CITADEL EQUITY FUND LTD.	OS	Note 1			
5	CITIGROUP ENERGY INC.	OS	Note 1			
6	CITY OF BEDFORD, VA	OS	Note 1			
7	CITY OF BRYAN TEXAS UTILITY	OS	Note 1			
8	CITY OF DANVILLE, VA	OS	Note 1			
9	CITY OF DOWAGIAC, MI	OS	Note 1			
10	CITY OF GARLAND	OS	Note 1			
11	CITY OF HEARNE	OS	Note 1			
12	CITY OF HOLLAND	OS	Note 1			
13	CITY OF LEBANON	OS	Note 1			
14	CITY OF MARTINSVILLE, VA	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
110,770		6,894,967		6,894,967	1
		-25,798		-25,798	2
-71,888		1,983,553		1,983,553	3
		73,974		73,974	4
167		-1,459		-1,459	5
20,831		946,628		946,628	6
		-827		-827	7
88,146		4,187,300		4,187,300	8
16,933		610,302		610,302	9
		-66		-66	10
		295		295	11
19,603		1,096,200		1,096,200	12
37,332		2,152,037		2,152,037	13
17,671		815,343		815,343	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21 780 611	21 324,138	642 046,560	2 161 136	665 531 834	
<b>25,278,369</b>	<b>57,211,531</b>	<b>750,791,902</b>	<b>3,070,837</b>	<b>811,074,270</b>	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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 seller 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 NEW MARTINSVILLE	OS	Note 1			
2	CITY OF PHILIPPI, WEST VIRGINIA	OS	Note 1			
3	CITY OF RADFORD	OS	Note 1			
4	CITY OF RADFORD, VA	OS	Note 1			
5	CITY OF SALEM, VA	OS	Note 1			
6	CITY OF SEYMOUR, TEXAS	OS	Note 1			
7	CITY OF WEATHERFORD	OS	Note 1			
8	CLECO UTILITY GROUP LLC	OS	Note 1			
9	CLEVELAND PUBLIC POWER	OS	Note 1			
10	CONECTIV ENERGY SUPPLY INC.	OS	Note 1			
11	CON ED ENERGY	OS	Note 1			
12	CONOCO INC.	OS	Note 1			
13	CONSTELLATION ENGY COMMODITIES	OS	Note 1			
14	CONSTELLATION POWER SOURCE	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
7,654		292,528		292,528	1
7,188		270,295		270,295	2
27,756		1,198,695		1,198,695	3
		319		319	4
36,824		1,708,120		1,708,120	5
		175		175	6
		2,071		2,071	7
-255		-9,748		-9,748	8
6,011		568,190		568,190	9
-198,470		-4,166,854		-4,166,854	10
		6,395		6,395	11
-29,154		-1,295,014		-1,295,014	12
180,541		7,703,590		7,703,590	13
		33,127		33,127	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21,780,611	21,324,138	642,046,560	2,161,136	665,531,834	
<b>25,278,369</b>	<b>57,211,531</b>	<b>750,791,902</b>	<b>3,070,837</b>	<b>811,074,270</b>	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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 seller 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	CONSUMERS ENERGY TRADERS	OS	Note 1			
2	CORAL POWER LLC	OS	Note 1			
3	CRAIG-BOTETOURT ELECTRIC COOP	OS	Note 1			
4	CREDIT SUISSE ENERGY	OS	Note 1			
5	DELAWARE ELECTRIC MUNICIPAL CO	OS	Note 1			
6	DELMARVA POWER & LIGHT	OS	Note 1			
7	DETROIT EDISON MERCH	OS	Note 1			
8	DOMINION EQUIPMENT INC.	OS	Note 1			
9	DP&L POWER SERVICES	OS	Note 1			
10	DTE ENERGY TRADING INC.	OS	Note 1			
11	DUKE ENERGY OHIO, INC.	OS	Note 1			
12	DUKE ENERGY TRADING	OS	Note 1			
13	DUKE POWER COMPANY	OS	APCO 18			
14	DUQUESNE LIGHT COMPANY	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
-28		-2,732		-2,732	1
61,947		4,498,323		4,498,323	2
5,283		234,998		234,998	3
		25,953		25,953	4
13,249		1,334,884		1,334,884	5
15,723		2,031,940		2,031,940	6
372		39,890		39,890	7
-30,933		-1,081,184		-1,081,184	8
-42,377		-1,942,444		-1,942,444	9
68,723		-2,228,865		-2,228,865	10
		40,578		40,578	11
48,248		896,940		896,940	12
-9,455		-805,440		-805,440	13
-26		-2,662		-2,662	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21 780 611	21 324 138	642 046 560	2 161,136	665 531,834	
<b>25,278,369</b>	<b>57,211,531</b>	<b>750,791,902</b>	<b>3,070,837</b>	<b>811,074,270</b>	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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 seller 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	DUQUESNE POWER, L.P.	OS	Note 1			
2	DYNEGY MARKETING & TRADE	OS	Note 1			
3	DYNEGY POWER MARKETING INC.	OS	Note 1			
4	EAST KY POWER CO-OP POWER MKTG	OS	Note 1			
5	EASTON UTILITIES	OS	Note 1			
6	EDISON MISSION MKTG & TRADING	OS	Note 1			
7	EL PASO MARKETING, L.P.	OS	Note 1			
8	EMPIRE DISTRICT POWER MRKTG	OS	Note 1			
9	ENG MKTG, DIV OF AMERADA HESS	OS	Note 1			
10	ENTERGY POWER SERV	OS	Note 1			
11	ENTERGY SOLUTIONS SUPPLY, LTD.	OS	Note 1			
12	EXELON GENERATION - POWER TEAM	OS	Note 1			
13	FIRM TRANSMISSION RIGHTS	OS	Note 1			
14	FIRST ENERGY WHOLESALE PWR MKT	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
107,850		3,413,180		3,413,180	1
		23,226		23,226	2
143,783		10,380,393		10,380,393	3
7,628		439,405		439,405	4
4,418		284,740		284,740	5
-498,456		-26,172,935		-26,172,935	6
-92,570		-3,473,091		-3,473,091	7
-2		-69		-69	8
76,312		4,446,221		4,446,221	9
153,507		8,287,975		8,287,975	10
		-17		-17	11
-323,191		-15,647,111		-15,647,111	12
		-661		-661	13
		-115,438		-115,438	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21 780 611	21 324 138	642 046 560	2 161 136	665 531,834	
<b>25,278,369</b>	<b>57,211,531</b>	<b>750,791,902</b>	<b>3,070,837</b>	<b>811,074,270</b>	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana Michigan Power Company	(1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	04/23/2007	End of 2006/Q4

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 seller 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)	Statistical Classification	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)	
					Average Monthly NCP Demand	Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)
1	FIRST ENERGY TRADING SERVICES	OS	Note 1			
2	FLORIDA POWER & LIGHT	OS	Note 1			
3	FPL ENERGY POWER MARKETING INC	OS	Note 1			
4	HARRISON RURAL ELECTRIFICATION	OS	Note 1			
5	HESS CORPORATION	OS	Note 1			
6	HESS ENERGY TRADING COMPANY, LLC	OS	Note 1			
7	HOOSIER POWER MARKET	OS	Note 1			
8	HQ ENERGY SERVICES US INC.	OS	Note 1			
9	INDIANA MUNICIPAL POWER AGENCY	OS	IMPCO 74			
10	INDIANAPOLIS POWER & LIGHT CO	OS	IMPCO 21			
11	J ARON & COMPANY	OS	Note 1			
12	JERSEY CENTRAL POWER & LIGHT CO	OS	Note 1			
13	JP MORGAN VENTURES ENERGY CORP	OS	Note 1			
14	KANSAS CITY POWER & LIGHT CO	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
130,994		12,601,350		12,601,350	1
		-14		-14	2
69,137		1,739,986		1,739,986	3
15,157		584,678		584,678	4
		-134		-134	5
		-2,093,630		-2,093,630	6
25,278		1,184,543		1,184,543	7
642		-188,358		-188,358	8
33,862		1,291,710		1,291,710	9
894		91,620		91,620	10
960,368		42,280,414		42,280,414	11
-74,423		-29,959		-29,959	12
		-207		-207	13
-3,797		-167,909		-167,909	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21 780,611	21 324 138	642 046,560	2 161 136	665,531 834	
<b>25,278,369</b>	<b>57,211,531</b>	<b>750,791,902</b>	<b>3,070,837</b>	<b>811,074,270</b>	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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SALES FOR RESALE (Account 447)

Line No.	Name of Company or Public Authority (Footnote Affiliations)	Statistical Classification	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)	
					Average Monthly NCP Demand	Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)
1	LG&E ENERGY MARKETING, INC.	OS	Note 1			
2	LG&E UTILITIES POWER SALES	OS	Note 1			
3	MERRILL LYNCH COMMODITIES, INC	OS	Note 1			
4	MICHIGAN PUBLIC POWER AGENCY	OS	Note 1			
5	MID CONTINENT CORP.	OS	Note 1			
6	MIDAMERICAN ENERGY	OS	Note 1			
7	MIDWEST ISO	OS	Note 1			
8	MONONGAHELA POWER COMPANY	OS	Note 1			
9	MORGAN STANLEY CAPITAL	OS	Note 1			
10	MPower TRADING & MARKETING, LP	OS	Note 1			
11	NC ELECTRIC MEMBERSHIP CORP.	OS	APCO 135			
12	NIPSCO ENERGY MANAGEMENT	OS	Note 1			
13	NO. CAROLINA MUNI PWR AGENCY #1	OS	Note 1			
14	NRG POWER MARKETING INC.	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
152		14,279		14,279	1
-28,499		-1,142,158		-1,142,158	2
45,536		855,122		855,122	3
6,081		385,233		385,233	4
		-6,214		-6,214	5
129,647		6,303,997		6,303,997	6
-75,813		-5,587,167		-5,587,167	7
		13,512,331		13,512,331	8
-489,935		-26,207,728		-26,207,728	9
		-22		-22	10
-119,864		-5,971,280		-5,971,280	11
12,487		600,453		600,453	12
6		436		436	13
160,890		6,322,784		6,322,784	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21,780,611	21 324 138	642 046 560	2,161,136	665 531,834	
25,278,369	57,211,531	750,791,902	3,070,837	811,074,270	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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 seller 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	NSP ENERGY MARKETING	OS	Note 1			
2	OCCIDENTAL POWER SERVICES, INC	OS	Note 1			
3	OLD DOMINION ELEC.	OS	Note 1			
4	OMEG	OS	Note 1			
5	OPPD ENERGY MARKETING	OS	Note 1			
6	ORMET PRIMARY ALUMINUM CORP.	OS	Note 1			
7	OTTER TAIL POWER COMPANY	OS	Note 1			
8	OVEC POWER SCHEDULING	OS	Note 1			
9	PACIFIC POWER & LIGHT	OS	Note 1			
10	PARIBAS	OS	Note 1			
11	PEDERNALES ELECTRIC COOP.	OS	Note 1			
12	PENNSYLVANIA ELECTRIC COMPANY	OS	Note 1			
13	PEPCO SERVICES INC.	OS	Note 1			
14	PJM INTERCONNECTION	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
-3,473		-76,655		-76,655	1
24,554		1,132,360		1,132,360	2
-3,781		-252,476		-252,476	3
		849,894		849,894	4
		-1,901		-1,901	5
12,602		88,829		88,829	6
-17,112		-1,521,851		-1,521,851	7
-222,983		-6,984,757		-6,984,757	8
		-1		-1	9
		7,223,127		7,223,127	10
		-7		-7	11
		10,658		10,658	12
360,672		29,847,989		29,847,989	13
2,130,474		81,074,333		81,074,333	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21,780,611	21,324,138	642,046,560	2,161,136	665,531,834	
25,278,369	57,211,531	750,791,902	3,070,837	811,074,270	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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 seller 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	PP&L ENERGY PLUS CO.	OS	Note 1			
2	PPL GAS UTILITIES CORP	OS	Note 1			
3	PROGRESS VENTURES, INC.	OS	Note 1			
4	PSEG ENERGY RESOURCES & TRADE	OS	Note 1			
5	PUBLIC SERVICE CO OF OKLAHOMA	OS	Note 1			
6	PUBLIC SERVICE CO OF NEW MEXICO	OS	Note 1			
7	RAINBOW ENERGY MARKETING	OS	Note 1			
8	RAYBURN COUNTY ELECTRIC COOP	OS	Note 1			
9	REFCO INC.	OS	Note 1			
10	RELIANT ENERGY SERV.	OS	Note 1			
11	SEMPRA ENERGY SOLUTIONS, LLC	OS	Note 1			
12	SEMPRA ENERGY TRADING	OS	Note 1			
13	SOUTH CAROLINA ELECTRIC & GAS	OS	Note 1			
14	SOUTH TEXAS ELECTRIC COOP	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
-5,648		47,988		47,988	1
		-22		-22	2
14,729		360,445		360,445	3
-193,338		-5,987,500		-5,987,500	4
172,105	14,278	7,251,025		7,265,303	5
		-1		-1	6
17,921		1,133,449		1,133,449	7
900		65,934		65,934	8
		-1,415,565		-1,415,565	9
-232,629		-2,508,639		-2,508,639	10
66,260		1,228,037		1,228,037	11
-205,433		-16,041,134		-16,041,134	12
-3,199		-245,542		-245,542	13
		-9		-9	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21,780,611	21,324,138	642,046,560	2,161,136	665,531,834	
<b>25,278,369</b>	<b>57,211,531</b>	<b>750,791,902</b>	<b>3,070,837</b>	<b>811,074,270</b>	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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 seller 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)	Statistical Classification	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)	
					Average Monthly NCP Demand	Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)
1	SOUTHEASTERN POWER ADMIN	OS	Note 1			
2	SOUTHERN MARYLAND ELEC COOP INC	OS	Note 1			
3	SOUTHERN COMPANY	OS	Note 1			
4	SOUTHERN ELECTRIC INTL	OS	Note 1			
5	SOUTHERN ILLINOIS POWER CO-OP	OS	Note 1			
6	SOUTHWESTERN POWER ADMIN	OS	Note 1			
7	SOUTHWESTERN ELECTRIC POWER CO	OS	Note 1			
8	SPLIT ROCK ENERGY, LLC	OS	Note 1			
9	STRATEGIC ENERGY LLC (LOCKBOX)	OS	Note 1			
10	STRATEGIC ENERGY LTD.	OS	Note 1			
11	SYSTEM INTEGRATION AGREEMENT	OS	Note 1			
12	TENASKA MARKETING VENTURES	OS	Note 1			
13	TENASKA POWER SERVICES COMPANY	OS	Note 1			
14	TEXAS GENCO, LP	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
-1,102					1
213,034		14,881,077		14,881,077	2
7,580		316,486		316,486	3
201,311		16,186,800		16,186,800	4
3,983		111,515		111,515	5
-1,133					6
129,443	120,811	5,149,635		5,270,446	7
27,605		1,394,332		1,394,332	8
24		1,717		1,717	9
82,842		4,214,104		4,214,104	10
		1,486,689		1,486,689	11
		-2		-2	12
11,573		486,872		486,872	13
		-465		-465	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21,780,611	21,324,138	642,046,560	2,161,136	665,531,834	
<b>25,278,369</b>	<b>57,211,531</b>	<b>750,791,902</b>	<b>3,070,837</b>	<b>811,074,270</b>	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Indiana Michigan Power Company	(1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	04/23/2007	End of 2006/Q4

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 seller 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

Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations)	Statistical Classification	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)	
					Average Monthly NCP Demand	Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)
1	TEX-LA ELECTRIC COOPERATIVE OF	OS	Note 1			
2	THE BOROUGH OF PITCAIRN, PA	OS	Note 1			
3	THE ENERGY AUTHORITY	OS	Note 1			
4	TOWN OF FRONT ROYAL	OS	Note 1			
5	TOWN OF RICHLANDS, VA	OS	Note 1			
6	TRANSALTA ENERGY MARKETING US	OS	Note 1			
7	TVA BULK POWER TRADING	OS	Note 1			
8	TXU ENERGY TRADING	OS	Note 1			
9	TXU GENERATION COMPANY LP	OS	Note 1			
10	UBS AG, LONDON BRANCH	OS	Note 1			
11	UBS SECURITIES LLC	OS	Note 1			
12	UNION POWER PARTNERS	OS	Note 1			
13	UNITED LIGHT & POWER COMPANY	OS	Note 1			
14	VIRGINIA POWER MARKETING	OS	Note 1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
2		270		270	1
587		38,132		38,132	2
2,827		186,079		186,079	3
-849		-18,713		-18,713	4
6,404		290,671		290,671	5
		1,187		1,187	6
25,699		1,186,471		1,186,471	7
		-1,076,576		-1,076,576	8
		14		14	9
141,508		6,447,242		6,447,242	10
		-27,658		-27,658	11
-20,342		-1,207,253		-1,207,253	12
878		47,125		47,125	13
14,593		61,488		61,488	14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21,780,611	21,324,138	642,046,560	2,161,136	665,531,834	
<b>25,278,369</b>	<b>57,211,531</b>	<b>750,791,902</b>	<b>3,070,837</b>	<b>811,074,270</b>	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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	WABASH VALLEY POWER ASSN INC.	OS	Note 1			
2	WASHINGTON GAS ENERGY SERVICES	OS	Note 1			
3	WESTAR ENERGY INC.	OS	Note 1			
4	WESTERN FARMERS ELECTRIC COOP	OS	Note 1			
5	WILLIAMS POWER COMPANY, INC.	OS	Note 1			
6	WOLVERINE POWER SUPPLY COOP	OS	Note 1			
7	WPS ENERGY SERVICES INC.	OS	Note 1			
8	TRANSMISSION RECLASS	OS				
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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**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)		
321,697		10,110,768		10,110,768	1
224,002		6,428,402		6,428,402	2
-4,768		-492,268		-492,268	3
		197		197	4
-2,537		-108,133		-108,133	5
		-17,131		-17,131	6
140,652		4,939,670		4,939,670	7
		-2,161,136	2,161,136		8
					9
					10
					11
					12
					13
					14
3,497,758	35,887,393	108,745,342	909,701	145,542,436	
21 780,611	21 324,138	642,046 560	2,161,136	665 531,834	
25,278,369	57,211,531	750,791,902	3,070,837	811,074,270	

Name of Respondent	This Report is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report 2006/Q4
Indiana Michigan Power Company			
FOOTNOTE DATA			

**Schedule Page: 310 Line No.: 1 Column: j**

Page 310, Lines 1 through 14 Column j and Page 310.1, Line 1 Column j, represent fuel charges and also credits resulting from the agreement related to the Central and South West Corporation merger and nuclear decommissioning charges.

**Schedule Page: 310.1 Line No.: 3 Column: c**

NOTE 1 - AEP Power Sales Tariff, AEP Companies' FERC Electric Tariff Original Volume 2.

**Schedule Page: 310.2 Line No.: 3 Column: a**

Affiliated Company

**Schedule Page: 310.2 Line No.: 10 Column: a**

Affiliated Company

**Schedule Page: 310.11 Line No.: 5 Column: a**

Affiliated Company

**Schedule Page: 310.12 Line No.: 7 Column: a**

Affiliated Company

**Schedule Page: 310.14 Line No.: 8 Column: j**

Represents transmission and ancillary charges associated with Account 447.

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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 2006
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>				
If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt For Current Year (b)	Amt. For Previous Year (c)	
1	<b>1. POWER PRODUCTION EXPENSES</b>			
2	<b>A. Steam Power Generation</b>			
3	Operation			
4	(500) Operation Supervision and Engineering	3,763,237	3,538,391	
5	(501) Fuel	287,543,030	237,597,139	
6	(502) Steam Expenses	5,906,129	5,406,833	
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred - CR.			
9	(505) Electric Expenses	1,307,890	1,549,844	
10	(506) Miscellaneous Steam Power Expenses	8,780,154	8,757,480	
11	(507) Rents	70,147,272	70,147,272	
12	(509) Allowances	11,171,001	8,799,233	
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	388,618,713	335,796,192	
14	Maintenance			
15	(510) Maintenance Supervision and Engineering	2,248,527	2,106,317	
16	(511) Maintenance of Structures	1,656,089	1,994,717	
17	(512) Maintenance of Boiler Plant	17,913,258	25,898,907	
18	(513) Maintenance of Electric Plant	4,920,929	9,629,731	
19	(514) Maintenance of Miscellaneous Steam Plant	1,556,905	1,335,866	
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	28,295,708	40,965,538	
21	TOTAL Power Production Expenses-Steam Power (Total of lines 13 & 20)	416,914,421	376,761,730	
22	<b>B. Nuclear Power Generation</b>			
23	Operation			
24	(517) Operation Supervision and Engineering	13,116,470	20,246,706	
25	(518) Fuel	75,027,347	80,867,007	
26	(519) Coolants and Water	623,230	73,186	
27	(520) Steam Expenses	2,616,190	3,656,776	
28	(521) Steam from Other Sources			
29	(Less) (522) Steam Transferred - CR			
30	(523) Electric Expenses	387,457	755,781	
31	(524) Miscellaneous Nuclear Power Expenses	80,889,556	75,777,895	
32	(525) Rents	422,281	373,056	
33	TOTAL Operation (Enter Total of lines 24 thru 32)	173,082,531	181,750,407	
34	Maintenance			
35	(528) Maintenance Supervision and Engineering	2,036,525	4,008,063	
36	(529) Maintenance of Structures	2,954,622	3,648,819	
37	(530) Maintenance of Reactor Plant Equipment	47,806,900	24,589,012	
38	(531) Maintenance of Electric Plant	17,962,834	5,382,867	
39	(532) Maintenance of Miscellaneous Nuclear Plant	36,103,741	62,046,748	
40	TOTAL Maintenance (Enter Total of Lines 35 thru 39)	106,864,622	99,675,509	
41	TOTAL Power Production Expenses-Nuclear Power (Total of lines 33 & 40)	279,947,153	281,425,916	
42	<b>C. Hydraulic Power Generation</b>			
43	Operation			
44	(535) Operation Supervision and Engineering	411,560	462,684	
45	(536) Water for Power			
46	(537) Hydraulic Expenses	58,450	76,416	
47	(538) Electric Expenses	8,122	3,618	
48	(539) Miscellaneous Hydraulic Power Generation Expenses	486,921	608,264	
49	(540) Rents	1,117	262	
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	966,170	1,151,244	
51	Maintenance			
52	(541) Maintenance Supervision and Engineering	17,120	52,869	
53	(542) Maintenance of Structures	364,628	182,000	
54	(543) Maintenance of Reservoirs, Dams, and Waterways	775,329	112,077	
55	(544) Maintenance of Electric Plant	363,296	412,593	
56	(545) Maintenance of Miscellaneous Hydraulic Plant	48,037	45,726	
57	TOTAL Maintenance (Total of Lines 52 thru 56)	1,568,410	805,265	

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, 2006
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)</b>				
If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt For Current Year (b)	Amt. For Previous Year (c)	
58	<b>C. Hydraulic Power Generation (Continued)</b>			
59	TOTAL Pwr. Production Expenses-Hydraulic Pwr. (Total of lines 50 & 57)	2,534,580	1,956,509	
60	<b>D. Other Power Generation</b>			
61	Operation			
62	(546) Operation Supervision and Engineering	44,827	21,607	
63	(547) Fuel			
64	(548) Generation Expenses	41		
65	(549) Miscellaneous Other Power Generation Expenses	5,165		
66	(550) Rents			
67	TOTAL Operation (Total of Lines 62 thru 66)	50,033	21,607	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering			
70	(552) Maintenance of Structures			
71	(553) Maintenance of Generating and Electric Plant			
72	(554) Maintenance of Miscellaneous Other Power Generation Plant			
73	TOTAL Maintenance (Total of Lines 69 thru 72)	0	0	
74	TOTAL Pwr. Production Expenses-Other Power (Total of Lines 67 & 73)	50,033	21,607	
75	<b>E. Other Power Supply Expenses</b>			
76	(555) Purchased Power	414,743,444	354,494,586	
77	(556) System Control and Load Dispatching	3,387,525	8,230,735	
78	(557) Other Expenses	10,236,697	10,122,047	
79	Total Other Power Supply Expenses (Total of Lines 76 thru 78)	428,367,666	372,847,368	
80	Total Pwr. Production Expenses (Total of lines 21, 41, 59, 74 & 79)	1,127,813,853	1,033,013,130	
81	<b>2. TRANSMISSION EXPENSES</b>			
82	Operation			
83	(560) Operation Supervision and Engineering	1,271,344	1,348,549	
84	(561) Load Dispatching	4,103,855	1,961,226	
85	(561.1) Load Dispatch-Reliability			
86	(561.2) Load Dispatch-Monitor and Operate Transmission System			
87	(561.3) Load Dispatch-Transmission Service and Scheduling			
88	(561.4) Scheduling, System Control and Dispatch Services			
89	(561.5) Reliability, Planning and Standards Development			
90	(561.6) Transmission Service Studies			
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services			
93	(562) Station Expenses	891,710	673,297	
94	(563) Overhead Lines Expenses	362,721	490,331	
95	(564) Underground Lines Expenses		681	
96	(565) Transmission of Electricity by Others	(37,310,259)	(46,967,544)	
97	(566) Miscellaneous Transmission Expenses	1,551,958	3,938,728	
98	(567) Rents	29,017	24,895	
99	TOTAL Operation (Total of Lines 83 thru 98)	(29,099,654)	(38,529,837)	
100	Maintenance			
101	(568) Maintenance Supervision and Engineering	93,772	104,416	
102	(569) Maintenance of Structures	783,911	233,278	
103	(569.1) Maintenance of Computer Hardware			
104	(569.2) Maintenance of Computer Software			
105	(569.3) Maintenance of Communication Equipment			
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment	4,175,776	4,299,445	
108	(571) Maintenance of Overhead Lines	5,290,519	4,449,903	
109	(572) Maintenance of Underground Lines	13,641	13,832	
110	(573) Maintenance of Miscellaneous Transmission Plant	3,859	12,136	
111	TOTAL Maintenance (Total of Lines 101 thru 110)	10,361,478	9,113,010	
112	TOTAL Transmission Expenses (Total of Lines 99 & 111)	(18,738,176)	(29,416,827)	
113	<b>3. REGIONAL MARKET EXPENSES</b>			
114	Operation			

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<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)</b>				
If the amount for previous year is not derived from previously reported figures, explain in footnotes.				
Line No.	Account (a)	Amt. For Current Year (b)	Amt For Previous Year (c)	
115	(575.1) Operation Supervision			
116	(575.2) Day-Ahead and Real-Time Market Facilitation			
117	(575.3) Transmission Rights Market Facilitation			
118	(575.4) Capacity Market Facilitation			
119	(575.5) Ancillary Services Market Facilitation			
120	(575.6) Market Monitoring and Compliance			
121	(575.7) Market Facilitation, Monitoring and Compliance Services	2,705,851		
122	(575.8) Rents			
123	TOTAL Operation (Total of Lines 115 thru 122)	2,705,851	0	
124	Maintenance			
125	(576.1) Maintenance of Structures and Improvements			
126	(576.2) Maintenance of Computer Hardware			
127	(576.3) Maintenance of Computer Software			
128	(576.4) Maintenance of Communication Equipment			
129	(576.5) Maintenance of Miscellaneous Market Operation Plant			
130	TOTAL Maintenance (Total of Lines 125 thru 129)	0	0	
131	TOTAL Distribution Expenses (Total of Lines 123 & 130)	2,705,851	0	
132	<b>4. DISTRIBUTION EXPENSES</b>			
133	Operation			
134	(580) Operation Supervision and Engineering	4,330,751	3,883,372	
135	(581) Load Dispatching	1,035,076	1,319,858	
136	(582) Station Expenses	1,024,364	807,791	
137	(583) Overhead Line Expenses	865,059	1,642,391	
138	(584) Underground Line Expenses	1,882,547	2,467,245	
139	(585) Street Lighting and Signal System Expenses	(14,156)	342,699	
140	(586) Meter Expenses	633,383	1,351,724	
141	(587) Customer Installations Expenses	473,045	447,709	
142	(588) Miscellaneous Expenses	10,164,683	12,078,036	
143	(589) Rents	1,765,568	938,596	
144	TOTAL Operation (Total of Lines 134 thru 143)	22,160,320	25,279,421	
145	Maintenance			
146	(590) Maintenance Supervision and Engineering	550,989	429,193	
147	(591) Maintenance of Structures	116,360	154,919	
148	(592) Maintenance of Station Equipment	2,584,322	3,368,693	
149	(593) Maintenance of Overhead Lines	27,284,938	34,038,831	
150	(594) Maintenance of Underground Lines	1,904,720	2,444,263	
151	(595) Maintenance of Line Transformers	2,218,716	1,561,551	
152	(596) Maintenance of Street Lighting and Signal Systems	473,549	2,099,941	
153	(597) Maintenance of Meters	451,471	434,125	
154	(598) Maintenance of Miscellaneous Distribution Plant	1,854,045	1,558,898	
155	TOTAL Maintenance (Total of Lines 146 thru 154)	37,439,110	46,090,414	
156	TOTAL Distribution Expenses (Total of Lines 144 & 155)	59,599,430	71,369,835	
157	<b>5. CUSTOMER ACCOUNTS EXPENSES</b>			
158	Operation			
159	(901) Supervision	1,528,177	1,256,982	
160	(902) Meter Reading Expenses	3,683,346	4,383,442	
161	(903) Customer Records and Collection Expenses	16,610,048	17,053,003	
162	(904) Uncollectible Accounts	(12,013)	535,673	
163	(905) Miscellaneous Customer Accounts Expenses	12,309	44,548	
164	TOTAL Customer Accounts Expenses (Total of Lines 159 thru 163)	21,821,867	23,273,648	
165	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>			
166	Operation			
167	(907) Supervision	852,403	727,847	
168	(908) Customer Assistance Expenses	1,138,296	1,107,999	
169	(909) Informational and Instructional Expenses	550,412	453,580	
170	(910) Miscellaneous Customer Service and Informational Expenses	290	3,319	
171	TOTAL Cust. Service and Informational Exp. (Total of Lines 167 thru 170)	2,541,401	2,292,745	

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<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES (cont'd)</b>				
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)	
172	<b>7. SALES EXPENSE</b>			
173	Operation			
174	(911) Supervision			
175	(912) Demonstrating and Selling Expenses	1,443	10,585	
176	(913) Advertising Expenses		13,436	
177	(916) Miscellaneous Sales Expenses			
178	Total Sales Expenses (Total of Lines 174 thru 177)	1,443	24,021	
179	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
180	Operation			
181	(920) Administrative and General Salaries	24,817,828	27,002,126	
182	(921) Office Supplies and Expenses	4,022,369	3,686,062	
183	(Less) (922) Administrative Expenses Transferred - CR	2,929,940	3,043,704	
184	(923) Outside Services Employed	28,261,566	24,437,724	
185	(924) Property Insurance	2,039,237	2,161,390	
186	(925) Injuries and Damages	5,139,106	4,562,873	
187	(926) Employee Pensions and Benefits	31,195,475	26,142,933	
188	(927) Franchise Requirements		440	
189	(928) Regulatory Commission Expenses	8,377,165	7,417,048	
190	(929) (Less) Duplicate Charges - CR	174,878	427,223	
191	(930.1) General Advertising Expenses	887,519	654,519	
192	(930.2) Miscellaneous General Expenses	2,918,630	4,398,010	
193	(931) Rents	10,274,695	10,138,803	
194	TOTAL Operation (Total of Lines 181 thru 193)	114,828,772	107,131,001	
195	Maintenance			
196	(935) Maintenance of General Plant	6,336,708	6,259,633	
197	TOTAL Administrative and General Expenses (Total of Lines 194 & 196)	121,165,480	113,390,634	
198	TOTAL Electric Operation and Maintenance Expenses (Enter total	1,316,911,149	1,213,947,186	
199	of lines 80, 112, 131, 156, 164, 171, 178, and 197)			

<b>NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES</b>		
<p>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.</p> <p>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</p>		<p>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</p>
1. Payroll Period Ended (Date)	12/31/2006	12/31/2005
2. Total Regular Full-Time Employees	2,618	2598
3. Total Part-Time and Temporary Employees	25	35
4. Total Employees	2,643	2633

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, 2006	Year of Report December 31, 2006			
<b>PURCHASED POWER (Account 555)</b> <b>(Including power exchanges)</b>						
<p>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.</p> <p>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.</p> <p>3 In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:</p> <p><b>RQ</b> - 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.</p> <p><b>LF</b> - 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 <b>LF</b> service). This category should not be used for long-term firm service, which meets the definition of <b>RQ</b> service. For all transactions identified as <b>LF</b>, 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.</p> <p><b>IF</b> - for intermediate-term firm service. The same as <b>LF</b> service except that "intermediate-term" means longer than one year but less than five years.</p> <p><b>SF</b> - 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.</p> <p><b>LU</b> - 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.</p> <p><b>IU</b> - for intermediate-term service from a designated generating unit. The same as <b>LU</b> service except that "intermediate-term" means longer than one year but less than five years.</p> <p><b>EX</b> - 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.</p>						
Line No	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff No. (c)	Avg. Monthly Billing Demand (d)	Actual Demand (MW) Avg. Monthly NCP Demand (e)    Avg. Monthly CP Demand (f)	
1	AEP Generating Company	RQ	AEG 1			
2	National Power Cooperative Inc	LF	Note 1			
3	OVEC Power Scheduling	LF	Note 1			
4	American Electric Power Service Corp	OS	APCO 20			
5	Buckeye Rural Electric Admin	OS	Note 1			
6	Cincinnati Gas & Electric Co	OS	Note 1			
7	Consumers Energy Traders	OS	Note 1			
8	Detroit Edison Merch	OS	Note 1			
9	East KY Power Co-Op Power Mktg	OS	KPCO 14			
10	FirstEnergy Trading Services	OS	Note 1			
11	French Paper	OS	COGEN SPP			
12	Indianapolis Power & Light Co	OS	IMPCO 21			
13	LG&E Utilities Power Sales	OS	Note 1			
14	NIPSCO Energy Management	OS	Note 1			
15	PJM Interconnection	OS	Note 1			
16	Public Service of Oklahoma	OS	Note 1			
17	Southwestern Electric Power Co.	OS	Note 1			
18	System Integration Agreement	OS	Note 1			
19	Miscellaneous MWH Adjustments	OS				
20	<b>Total</b>					

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, 2006

**PURCHASED POWER (Account 555) (Continued)**  
**(Including power 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.

**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 or 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** sales 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 non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (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 hourly (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in column (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 column (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net change.

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) includes 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 totaled 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.

Megawatthours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	Megawatthours Received	Megawatthours Delivered	Demand Charges (\$)	Energy Charges (\$)	Other Charges (\$)	Total (j + k + l) or Settlement (\$)	
	(h)	(i)	(j)	(k)	(l)	(m)	
7,192,485			91,664,776	125,057,877		216,722,653	1
13,024			1,229,858	1,261,851		2,491,709	2
1,259,688				38,961,137		38,961,137	3
5,229,670				126,345,447		126,345,447	4
				916,321		916,321	5
60				6,121		6,121	6
59				5,790		5,790	7
73				7,137		7,137	8
16				1,659		1,659	9
100				9,618		9,618	10
2,679				37,143		37,143	11
20				1,249		1,249	12
42				4,032		4,032	13
22				2,197		2,197	14
500,274				29,476,149		29,476,149	15
1,132				44,486		44,486	16
1,484				43,093		43,093	17
				(332,497)		(332,497)	18
(31,604)				0		0	19
<b>14,169,224</b>			<b>92,894,634</b>	<b>321,848,810</b>		<b>414,743,444</b>	<b>20</b>

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 2006																										
<b>FOOTNOTE DATA</b>																															
Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)																												
326	1	a	AEP Affiliate																												
326	2	b	The termination date of the contract is September 30 2032																												
326	2	c	AEP Power Sales Tariff - AEP companies FERC Electric Tariff Original Volume 2																												
326	3	b	The termination date of the contract is the earlier of (1) March 13, 2026 or (2) the sale of or other disposition of all of the facilities of the Project Generating Stations or the permanent cessation of the operation of such facilities																												
326	4	a	Receipts of power from the members of the AEP System Power Pool (see note for column (c) below) governed by the terms of the interconnection agreement dated July 6 1951, as amended																												
326	4	c	<p>The respondent, along with Appalachian Power Company, Columbus Southern Power Company, Kentucky Power Company, and Ohio Power Company, is an associated company and member of the American Electric Power System Power Pool, whose electric facilities are interconnected at a number of points and are operated in a fully coordinated manner on a system pool basis</p> <p>APCO - Appalachian Power Company  CSPCO - Columbus Southern Power Company  IMPCO - Indiana Michigan Power Company  KPCO - Kentucky Power Company  OPCO - Ohio Power Company</p>																												
326	11	a	A non-FERC jurisdictional seller																												
326	16	a	AEP Affiliate																												
326	17	a	AEP Affiliate																												
326	19	a	<p>Detail of Misc MWH Adjustments</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="width: 20%; text-align: right; border-bottom: 1px solid black;">MWH</th> </tr> </thead> <tbody> <tr> <td>Bookouts/Options</td> <td style="text-align: right;">1,750</td> </tr> <tr> <td>DOW Plaquemine</td> <td style="text-align: right;">(107,633)</td> </tr> <tr> <td>OVEC</td> <td style="text-align: right;">64</td> </tr> <tr> <td>MLR Purchases</td> <td style="text-align: right;">(73 439)</td> </tr> <tr> <td>Pool to I&amp;M</td> <td style="text-align: right;">(193,860)</td> </tr> <tr> <td>PJM Non-ECR</td> <td style="text-align: right;">172,691</td> </tr> <tr> <td>Unit Energy</td> <td style="text-align: right;">(4 153)</td> </tr> <tr> <td>French Paper</td> <td style="text-align: right;">(2,679)</td> </tr> <tr> <td>PJM Spot Energy</td> <td style="text-align: right;">1,231</td> </tr> <tr> <td>AEP System Power Pool Adjustment (net)</td> <td style="text-align: right;">153,568</td> </tr> <tr> <td>Interruptible By-Thru</td> <td style="text-align: right; border-bottom: 1px solid black;">20,856</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">(31,604)</td> </tr> </tbody> </table>				MWH	Bookouts/Options	1,750	DOW Plaquemine	(107,633)	OVEC	64	MLR Purchases	(73 439)	Pool to I&M	(193,860)	PJM Non-ECR	172,691	Unit Energy	(4 153)	French Paper	(2,679)	PJM Spot Energy	1,231	AEP System Power Pool Adjustment (net)	153,568	Interruptible By-Thru	20,856	Total	(31,604)
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<b>TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)</b> (Including transactions referred to as "wheeling")				
<p>1. Report all transmission of electricity, i.e. wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.</p> <p>2. Use a separate line of data for each distinct type of transmission service involving the entities listed in columns (a), (b), and (c).</p> <p>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.</p> <p>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).</p> <p>4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:</p> <p><b>LF</b> - for long-term transmission service. "Long-term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as <b>LF</b>, 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.</p>				
Line No	Payment By (Company or Public Authority) [Footnote Affiliations] (a)	Energy Received From (Company or Public Authority) [Footnote Affiliations] (b)	Energy Delivered To (Company or Public Authority) [Footnote Affiliation] (c)	Statistical Classification (d)
1	PJM Network Integration Transmission	various	various	FNO
2	PJM Point to Point Transmission Service	various	various	OLF
3	PJM Transmission Owner Administration	various	various	OS
4	SECA Transmission Revenue	various	various	OS
5	PJM Expansion Cost Recovery	various	various	OS
6	RTO Formation Cost Recovery	various	various	OS
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17	<b>Total</b>			

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, 2006	Year of Report December 31, 2006
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TRANSMISSION OF ELECTRICITY FOR OTHER (Account 456) (Continued)						
(Including transactions referred to as "wheeling")						
<p><b>SF</b> - for short-term transmission service. Use this category for all firm services, where the duration of each period of commitment for service is less than one year.</p> <p><b>OS</b> - for other transmission service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm transmission service, regardless of the length of the contract. Describe the nature of the service in a footnote.</p> <p><b>AD</b> - 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</p>				<p>in a footnote for each adjustment.</p> <p>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.</p> <p>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</p>		

  

MPSC Rate Schedule or Tariff Number (e)	Point or Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No
				Megawatthours Received (i)	Megawatthours 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
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						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 of Report December 31 2006	
<b>TRANSMISSION OF ELECTRICITY FOR OTHER (Account 456) (Continued)</b> (Including transactions referred to as "wheeling")				
<p>where energy was delivered as specified in the contract.</p> <p>7. Report in column (h) the number or 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.</p> <p>8. Report in columns (i) and (j) the total megawatthours received and delivered</p> <p>9. In columns (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</p> <p>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 ("0") in column (n). Provide a footnote explaining the nature of the nonmonetary settlement, including the amount and the type of energy or service rendered.</p> <p>10. Provide total amounts in column (i) through (n) as the last line. Enter "TOTAL" in column (a) as the last line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on page 401, lines 16 and 17, respectively.</p> <p>11. Footnote entries and provide explanations following all required data.</p>				
<b>REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS</b>				
Demand Charges (\$)  (k)	Energy Charges (\$)  (l)	Other Charges (\$)  (m)	Total Revenues (\$) (k + l + m)  (n)	Line No.
17,212,390			17,212,390	1
(3,990,536)			(3,990,536)	2
		638,133	638,133	3
		1,225,283	1,225,283	4
		243,686	243,686	5
		66,722	66,722	6
			0	7
			0	8
				9
				10
				11
				12
				13
				14
				15
				16
13,221,854		2,173,824	15,395,678	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) December 31 2006	Year of Report December 31 2006
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**FOOTNOTE DATA**

Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)
329	1	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

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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, 2006		
<b>SALES TO RAILROADS AND RAILWAYS AND INTERDEPARTMENTAL SALES (Accounts 446, 448)</b>					
1. Report particulars concerning sales included in Accounts 446 and 448. 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			each point, such sales may be grouped. 3. For Interdepartmental Sales, Account 448, give name of other department and basis of charge to other department in addition to other required information. 4. Designate associated companies. 5. Provide subheading and total for each account.		
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					

<b>RENT FROM ELECTRICITY PROPERTY AND INTERDEPARTMENTAL RENTS (Accounts 454, 455)</b>			
1. Report particulars concerning rents received included in Accounts 454 and 455. 2. Minor rents may be grouped by classes 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		represents profit or return on property, depreciation and taxes, give particulars and the basis of apportionment of such charges to Accounts 454 and 455. 4. Designate if lessee is an associated company. 5. Provide a subheading and total for each account	
Line No	Name of Lessee or Department (a)	Description of Property (b)	Amount of Revenue for Year (c)
16	Acct 454 - Rents from Electric Property - Michigan		
17	Miscellaneous Lessees	Pole Contact Rental	1,055,168
18	American Electric Power Service Corporation	Benton Harbor Service Center	6,838
19	Miscellaneous Lessees	Agricultural, Commercial, & Residential	62,205
20			
21			
22	Total Acct 454		1,124,211
23			
24	Acct 455	None	
25			
26			
27			
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) December 31, 2006	Year of Report December 31, 2006
<b>SALES OF WATER AND WATER POWER (Account 453)</b>					
1. Report below the information called for concerning revenues derived during the year from sales to others of water or water power			development of the respondent supplying the water or water power sold.		
2. In column (c) show the name of the power			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			0	

<b>MISCELLANEOUS SERVICE REVENUES AND OTHER ELECTRIC REVENUES (Accounts 451, 456)</b>		
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	Acct 451 - Miscellaneous Service Revenues - Michigan	
12	Other	273,275
13		
14	Acct 456 - Other Electric Revenues - Michigan	
15	Associated Business Development	280,682
16	Misc Transmission Revenue	171,037
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30	TOTAL	724,994

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, 2006	
<b>TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)</b> (Including transactions referred to as "wheeling")							
<p>1. Report all transmission, i.e., wheeling, of electricity provided to respondent by other electric utilities, cooperatives, municipalities, or other public authorities during the year.</p> <p>2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company; abbreviated if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in our affiliation with the transmission service provider.</p> <p>3. Provide in column (a) subheadings and classify transmission service purchased from other utilities as: "Delivered Power to Wheeler" or "Received Power from Wheeler."</p> <p>4. Report in columns (b) and (c) the total megawatthours received and delivered by the provider of the transmission service.</p> <p>5. In columns (d) through (g), report expenses as shown on bills or vouchers rendered to the respondent. In column (d), provide demand charges. In column (e), provide energy charges related to the amount of energy transferred. In column (f), provide the total of all other</p>				<p>charges on bills or vouchers rendered to respondent, including any out or period adjustments. Explain in a footnote all components of the amount shown in column (f). Report in column (g) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero ("0") in column (g). Provide a footnote explaining the nature of the nonmonetary settlement, including the amount and type of energy or service rendered.</p> <p>6. Enter "TOTAL" in column (a) as the last line. Provide a total amount in columns (b) through (g) as the last line. Energy provided by the respondent for the wheeler's transmission losses should be reported on the Electric Energy Account, page 401. If the respondent received power from the wheeler, energy provided to account for losses should be reported on line 19, Transmission By Others Losses, on page 401. Otherwise, losses should be reported on line 27, Total Energy Losses, page 401.</p> <p>7. Footnote entries and provide explanations following all required data.</p>			
Line No.	Name of Company or Public Authority [Footnote Affiliations] (a)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
		Megawatthours Received (b)	Megawatthours Delivered (c)	Demand Charges (\$) (c)	Energy Charges (\$) (d)	Other Charges (\$) (e)	Total Cost of Transmission (\$) (f)
1	Ohio Valley Elec Corp					20,276	20,276
2							
3	AEP Trans Equal Agmt					(37,330,535)	(37,330,535)
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16	Total					(37,310,259)	(37,310,259)

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 2006
<b>FOOTNOTE DATA</b>					
Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)		
332	1	a	OVEC is a partially owned subsidiary of AEP, Inc. (parent company of I&M)		
332	3	a	<p>The Respondent, Appalachian Power Company, Columbus Southern Power Company, Kentucky Power Company, and Ohio Power Company are associated companies and are parties to the Transmission Agreement dated April 1, 1984, as amended. Pursuant to the terms of the Transmission Agreement, American Electric Power Service Corporation serves as agent and the parties pool their investments in high voltage transmission facilities (138kV and above) and share the cost of ownership in proportion to the respective member's load ratio. As such, there is no transfer of energy and some parties receive credits which are recorded in account 565.</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 12/31/2006
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)	
Bankers Leasing Corp (BLC)	Office Furniture and Equipment and Transportation Equipment (2)		

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 12/31/2006
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LEASE RENTALS CHARGED (Continued)							
<p>lessor. List lessors that are associated companies * (describing association) first, followed by non-associated lessors * See definition on page 226 (B)</p> <p>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 lessee 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.</p>		<p>The above information is to be reported with initiation of the lease and thereafter when changed or every five years, whichever ever occurs first.</p> <p>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.</p> <p>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.</p>					
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		Lessor (h)	Other (i)		
		Lessor (f)	Other (g)				
		7 708				500	
		18 953				506	
		1 133 497				524	
		365 939				525	
		94 064				560	
		117				562	
		28 614				566	
		168				567	
		190				571	
		820				580	
		51				583	
		338,205				588	
		3,735				921	
		472				930	
		1 200 720				931	
		104 458				935	

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 12/31/2006
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)	
Citicorp Leasing Inc (CLI)	IT equip, Telecom equip and other		
CBI Leasing (formerly The Vaughn Group)	Personal Computer Equipment		
City of Fort Wayne, Indiana	Utility System (Ls# 2566), including transmission and distribution facilities with lines and transformers meters, and various other items (4) 1 This is not a sale and leaseback 2 Lessee does not have the option to purchase 3 Lease may be cancelled only if lessee is in default 4 Respondent is responsible for all operation and maintenance expenses	09/13/09 (P)	
Blue Jay Associates	Fort Wayne General Service Center BLDG225 (1) LPM1853 Date of Lease: 5-1-71 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	04/30/11 (P)	
SS Properties Associates III	Muncie Service Building BLDG218 LPM1863 (1) Date of Lease: 5-26-72 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	12/31/07 (P)	

Name of Respondent <b>INDIANA MICHIGAN POWER COMPANY</b>		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 12/31/2006	
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					
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
		2 848				506	
		43 055				524	
		196				566	
		1 989				580	
		8 385				588	
		108 066				931	
		79				935	
		468				506	
		1 488				561	
		165 598				931	
27 545 999	All expenses necessary to operate, maintain, preserve and keep the leased property in good working order. Also responsible for taxes and insurance		N/A	9 305,522	N/A	550	4 711 853
			N/A	3 280 726	N/A	567	
			N/A	31 773 774	N/A	589	
		1 740 000		6 565 834		931	
3 678 395	Real Estate taxes, assessments, maintenance alterations, replacements and additions insurance, and utilities	86 352	N/A	518 112	N/A	931	
	Real Estate taxes, assessments, maintenance alterations, replacements and additions insurance and utilities	132 750				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 12/31/2006
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	12/31/09 (P)	
Aetna Life Insurance Co and One Summit Associates	Fort Wayne General Office Building- One Summit Square (1) Date of Lease: 10-25-78 BLDG227 Ls# 2059 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 is noncancellable 4 Respondent is responsible for all operation and maintenance expenses	10/23/13	
Gateway Center LLC	Muncie Office Building BLDG212 Ls# 614 LPM2429 Date of Lease: 12/01/89 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 4 Respondent is responsible for all operation and maintenance expenses	11/30/09 (P)	
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	02/29/08 (R)	
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		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)		12/31/2006	
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					
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
5 347 600	Real Estate taxes, assessments, maintenance, alterations, replacements and additions insurance and utilities	698,760	N/A	1 183 277 1 808 390 2 517 082 111 802 698 760 3 493 800		567 588 589 921 184 931	2 096 280
44 668 660	Real Estate taxes, assessments, maintenance alterations, replacements and additions insurance and utilities	5 042 487	N/A	-22 1 801 102 4,829 851 4 561,517 2 450 128 6 325 888 42 433 413 5 479 250		506 566 567 588 589 921 931 184	35 297 409
4,896 000	Real Estate taxes, assessments, maintenance alterations, replacements and additions insurance and utilities.	314 115	N/A	2 860 121 1 008 647 282 274		931 921 184	829 887
	Maintenance, alterations, replacements additions and insurance	54 847	N/A			931	
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	0	1 258 873 665	26 654 952	507	1 181,663 813

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 12/31/2006
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	D.C. Cook Nuclear Plant Visitor's Center BLDG248 LPM1862 Date of Lease: 5-1-71 1 This is not 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	04/30/11 (P)	
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	12/31/08 (P)	
Capital Center Associates LLC	State President Office - Michigan, LPM9010 Date of Lease: 9/1/2000 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	08/31/08 (R)	
Green, B G & Teresa	New Buffalo Service Center BLDG247 Ls# 2058	10/01/08	
Bankers Leasing Corp. (BLC)	Cook Plant Warehouse, LPM9326 Date of Lease: 3/15/02	03/14/12	
American Tower LP	Milan Telecom Site	06/30/12	
<p>NOTES:</p> <p>(1) Apportionment based on percentage of floor space occupied</p> <p>(2) Apportionment based on percentage of equipment usage</p> <p>(3) Charged directly to operating expense of barging operation</p> <p>(4) Apportionment based on percentage of City of Fort Wayne's investment in Electric Plant in Service at time of lease.</p> <p>(5) Charged to operating expense based on amount of nuclear fuel consumed and carrying costs incurred during period</p> <p>Tax treatment: Treated as lease, rental payments are deducted for federal income tax purposes.</p> <p>Accounting treatment: Leasing rentals distributed to benefiting accounts as incurred based on accrual method</p>			

Name of Respondent <b>INDIANA MICHIGAN POWER COMPANY</b>		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 12/31/2006	
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					
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
		83 920	N/A			931	
		134 325	N/A			931	
		49 149	N/A			931	
		49 525	N/A			931	
	Real Estate taxes, assessments, maintenance alterations, replacements and additions insurance and utilities	339 004	N/A	1 346 884		524	2 974 420
		29 200				935	
	Total Section A	86,238,305					

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 12/31/2006
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)	
Bankers Leasing Corp (BLC)	Office Furniture and Equipment and Transportation Equipment (2)		
Citicorp Leasing Inc (CLT)	IT equip Telecom equip and other		
Mellon Financial Services	Vehicles		
Wilmington Trust Co	Railcars Trust 2004-A (Lease 3616)	12/15/24	
U S Bank Trust N A	Railcars Trust 94-1 (Lease 3708) Railcars Trust 91-2 (Lease 3702) Railcars Trust 90-1 (Lease 00732) Railcars Trust 91-1 (Lease 00733) Railcars Trust 91-4 (Lease 00734) Railcars Trust 91-3 (Lease 00735) Railcars Trust 91-5 (Lease 00736)	12/30/14 09/30/11 12/31/10 3/31/2007 09/30/11 09/30/11 12/30/11	
Citibank Railmark Inc	Railcars Group A & B (Lease 3712)	12/31/09	
Pitney Bowes	Water Transportation Equipment	10/01/09	
Wilmington Trust	Water Transportation Equipment	04/01/15	
State Street Bank	Water Transportation Equipment	10/01/09	
CIT Group/Equipment Financing Inc Farragut Barge Bank One Leasing	Water Transportation Equipment (3) Date of Lease: 03/01/88, 02/01/89 10/01/90 & 04/01/93 1. This is not a sale and leaseback 2. Lessee has an option to purchase any or all of the vessels at the end of the original charter period or any extension thereof at a purchase price equal to the fair market value of the vessels at such date. 3. Lessee has option to terminate this lease subject to certain conditions 4. Respondent is responsible for all operation and maintenance expenses	01/01/10 (P) 04/01/09 (P) 01/01/07 (P)	
BLC Corporation	Water Transportation Equipment/Vehicles		
SCF Barges	Water Transportation Equipment	12/31/07	
RBS Asset Refinance	Water Transportation Equipment	12/30/22	
Rashid Brothers Enterprises	Water Transportation Equipment	07/31/18	
FM LLC	Water Transportation Equipment	04/30/09	
GATX	Water Transportation Equipment	04/01/07	
State Street Bank	Water Transportation Equipment	10/1/2009	

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) 12/31/2006		Year of Report 12/31/2006	
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		Lessor	Other		
		Lessor (f)	Other (g)	Lessor (h)	Other (i)		
		229 676				107	
		671 632				152	
		5 081 835				184	
		42 173				107	
		37				152	
		7 322				184	
		180 000				184	
12 271,945		934 596		2 136 625		186	
8 220 826		562 180				186	
12 047 760		1 130 934				186	
1 178 899		61 996				186	
3 766 400		170 836					
2 771 300		209 423				186	
3 254 280		284 573				186	
13 871 080		999 710				186	
2,910 250		150 283				186	
36 397 500		3 624 384		25 940 981		417	
19 030 575		1 495 524		11 551 044		417	
12 656 244		416 100		4 595 468		417	
9 035 000	Taxes except federal &	443 840		46 412 670		417	
7 203 900	state income, assessments	387 708					
6 547 335	operation and maintenance	797 176					
	expenses, altering						
	replacements and						
	additions insurance etc						
		963 330					
		1 458 000					
		2 215 116					
		13 324					
		41 975					
		1 149 750					
		339 416					
	Total Section B	24,062,849					

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, 2006
<b>MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)</b>				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues	2,902,469		
2	Nuclear Power Research Expenses			
3	Other Experimental and General Research Expenses	15,225		
4	Publishing & Distributing Information & Reports to Stockholders; Trustee, Registrar, & Transfer Agent Fees & Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent	138,195		
5	Other Expenses (List items of \$5,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$5,000 by classes if the number of items so grouped is shown)			
6	American Electric Power Service Corp billings	284,740		
7	Intercompany billings	(90,558)		
8	Nuclear plant insurance expense	934,741		
9	Nuclear plant replacement energy insurance refund	(3,244 150)		
10	Associated Business Development expenses	1,991,868		
11	Miscellaneous labor expenses	67,266		
12	Money Pool net income/loss allocations	(95,657)		
13	Cafeteria subsidy expenses	26,284		
14	Miscellaneous legal & financing expenses	(6,529)		
15	Tax Accrual adjustments	(5,560)		
16	Miscellaneous items < \$5,000	296		
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46	TOTAL	2,918,630		

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, 2006
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<b>DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Accounts 403, 404, 405)</b> <b>(Except amortization of acquisition adjustments)</b>									
<p>1. Report in section A for the year the amounts for: (a) Depreciation Expense (Account 403); (b) Amortization of Limited-Term Electric Plant (Account 404); and (c) Amortization of Other Electric Plant (Account 405)</p> <p>2. Report in section B the rates used to compute amortization charges for electric plant (Accounts 404, 405). State the basis used to compute the charges and whether any changes have been made in the basis or rates used from the preceding report year</p> <p>3. 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.</p> <p>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 account included in any subaccounts used.</p>						<p>In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional classifications and showing a composite total. Indicate at the bottom of Section C the manner in which column (b) balances are obtained. If average balances, state the method of averaging used.</p> <p>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.</p> <p>If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.</p>		<p>4. 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.</p>	

  

<b>A. SUMMARY OF DEPRECIATION AND AMORTIZATION CHARGES</b>					
Line No.	Functional Classification	Depreciation Expense (Account 403)	Amortization of Limited-Term Electric Plant (Account 404)	Amortization of Other Electric Plant (Acct 405)	Total
	(a)	(b)	(c)	(d)	(e)
1	Intangible Plant		19,366,135		19,366,135
2	Steam Production Plant	51,684,612	1,536,373		53,220,985
3	Nuclear Prod Plant-Depreciation	60,923,039			60,923,039
	Nuclear Prod Plant-Decommissioning	26,790,767			26,790,767
4	Hydraulic Prod Plant-Conventional	1,452,264			1,452,264
5	Hydraulic Prod Plant-Pumped Storage				
6	Other Production Plant				
7	Transmission Plant	19,327,178			19,327,178
8	Distribution Plant	43,654,310			43,654,310
9	General Plant	2,456,328	424,104		2,880,432
10	Common Plant-Electric				
11	TOTAL	206,288,498	21,326,612	0	227,615,110

  

<b>B. BASIS FOR AMORTIZATION CHARGES</b>	
<p>Section A, Line 1, Column (c) represents amortization of franchises over the life of the franchise totaling \$712,439 and amortization of capitalized software development costs over a 5-year life totaling \$18,653,696.</p> <p>Section A, Line 2, Column (c) represents amortization of Rockport Unit 2 Leasehold Improvements over the life of the Rockport Unit 2 Lease.</p> <p>Section A, Line 9, Column (c) represents amortization of leasehold improvements over the lives of the related assets.</p>	

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<b>DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)</b>							
<b>C. Factors Used in Estimating Depreciation and Decommissioning Charges</b>							
Line No	Account No (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr Rate(s) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	See Footnote						
13	Distribution	1,076,725			4.02		
14	General	65,207			3.75		
15	Hydraulic	43,735			3.31		
16	Nuclear	1,898,384			3.05		
17	Envir Proc Fac	90,374			3.48		
18	Other	427,787			6.61		
19	Rkprt 2 Assoc	30,561			3.14		
20	Rockport	596,774			3.30		
21	Transmission	1,037,311			1.86		
22							
23	Total	5,266,858					
24							
25							
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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 2006
<b>FOOTNOTE DATA</b>				
Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)	
337	12	a	Depreciation is accrued monthly on a functional composite basis on electric plant in service, less land land rights (except transmission and distribution land rights), intangibles, improvements to leased property, and automotive equipment as reflected by the books of account	
337	12	b	Depreciable plant base at year end by category identified above	
337	12	c	Estimated service lives and, to some extent, net salvage values are determined by a number of factors including not only the physical characteristics of the property (which themselves vary from time to time), but management's judgment as reflected in the choice of equipment (as between alternatives) and the establishment and implementation of maintenance policies and operation practices	
337	12	e	The listed rates are averages based on rates as approved by FERC, the Michigan Public Service Commission, and the Indiana Utility regulatory Commission, and weighted by the relationship of the respective commission's jurisdictional share to the total company	

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 Dec. 31, 2006
PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTERST CHARGES ACCOUNTS			
<p>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</p> <p>(a) <i>Miscellaneous Amortization</i> (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</p> <p>(b) <i>Miscellaneous Income Deductions</i> - 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</p>		<p>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</p> <p>(c) <i>Interest on Debt to Associated Companies</i> (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</p> <p>(d) <i>Other Interest Expense</i> (Account 431) - Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.</p>	
Line No.	Item (a)	Amount (b)	
1	425 MISCELLANEOUS AMORTIZATION		
2			
3			
4	TOTAL 425		
5			
6	426 OTHER INCOME DEDUCTIONS		
7			
8	426.1 DONATIONS		
9	AEP Foundation	3,186,419	
10	Community Chest	1,007,370	
11	Service Organizations	258,897	
12	AEP Service Corp Contributions	145,221	
13	Schools, Colleges and Universities	162,762	
14	Other minor items	(67,110)	
15			
16	Subtotal 426 1	4,693,559	
17			
18	426.3 PENALTIES		
19	Nuclear Regulatory Commission Inspection Penalty	60,000	
20	State of Kentucky Audit Penalty	18,554	
21	State of Michigan Tax Penalty	3,701	
22	Other minor items	1,396	
23	Subtotal 426 3	83,651	
24			
25	426.4 EXPENDITURES FOR CERTAIN CIVIC, POLITICAL, AND RELATED ACTIVITY		
26	AEP Service Corp Expenses	206,664	
27	Labor Overheads	122,128	
28	Edison Electric Institute Dues	86,835	
29	Business & Meeting Expenses	73,143	
30	Legislative & Lobbying Services	42,150	
31	Other minor items	(619)	
32	Subtotal 426 4	530,301	
33			
34	426.5 OTHER DEDUCTIONS		
35	Factored Customer Accounts Receivable	9,193,049	
36	Allowance Losses	1,655,550	
37	Blackhawk Coal Shutdown Costs	(360,351)	
38	SFAS 133 Impact on LTD Hedges	(531,266)	
39	FAS 106-2 Medicare Subsidy	(411,711)	
40	AEP Service Corp Expenses	105,626	
41	Other minor items	277,517	
42	Subtotal 426 5	9,928,414	
43			
44	TOTAL 426	15,235,925	

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**PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS  
AND INTERST 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	430 INTEREST ON DEBT TO ASSOCIATED COMPANIES	
2	Moneypool interest to AEP Utility Funding LLC	3,821,867
3		
4	TOTAL 430	3,821,867
5		
6	431 OTHER INTEREST EXPENSE	
7	Interest on Customer Deposits	1,267,262
8	Lines of Credit	732,324
9	Margin Interest	578,277
10	Company-Owned Life Insurance (COLI) Insurance	684,000
11	IPP Projects	621,393
12	Other minor items	49,046
13		
14	TOTAL 431	3,932,302
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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, 2006
<p align="center"><b>EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES</b> <b>(Account 426.4)</b></p>			
<p>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.</p> <p>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</p> <p>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.</p> <p>4. If respondent has not incurred any expenditures contemplated by the instruction of Account 426 4, so state.</p> <p>5. Minor amount may be grouped by classes if the number of items so grouped is shown.</p> <p>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.</p>			
Line No.	Item (a)	Amount (b)	
1	Lobbying Expenses - Company Employees	124,779	
2			
3	Muchmore, Harrington, Smalley & Associates - Legislative Services	42,000	
4			
5	Misc items under 5% of total (7 items)	7,660	
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16	<b>Total Acct 426.4</b>	<b>174,439</b>	
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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, 2006
<b>EXTRAORDINARY ITEMS (Accounts 434 and 435)</b>				
1. Give below a brief description of each item included in Accounts 434, Extraordinary Income and 435, Extraordinary Deductions.		on income. (See General Instruction 7 of the Uniform System of Accounts).		
2. List date of Commission approval for extraordinary treatment of any item which amounts to less than 5%		3. Income tax effects relating to each extraordinary item should be listed in Column (c)		
		4. For additional space use an additional page.		
Line No.	Description of Items (a)	Gross Amount (b)	Related Income Taxes (c)	
1	Extraordinary Income (Account 434):			
2				
3	Cumulative effect adjustment on the Performance Share			
4	Incentive Plan to reflect estimated forfeitures due to			
5	adoption of SFAS 123R effective 01/01/2006	216,074	75,626	
6				
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19	Total Extraordinary Income	216,074	75,626	
20	Extraordinary Deductions (Account 435):			
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39	Total Extraordinary Deductions	0	0	
40	Net Extraordinary Items	216,074	75,626	

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 2006	
<b>REGULATORY COMMISSION EXPENSES</b>					
1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to formal cases before a regulatory body, or			cases in which such a body was a party. 2 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.		
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 Expenses for current year (b) + (c) (d)	Deferred at Beginning of Year (e)
1	Federal Energy Regulatory Commission				
2	Annual Assessment			0	
3	Hydro License Fee	15 006		15,006	
4					
5	Nuclear Regulatory Commission				
6	Inspection Fee	1,573 738	91,856	1,665,594	
7	Annual Fee	5,830 500		5 830 500	
8	Annual Materials Fee	4 312		4 312	
9	Licensing Fees	489,412		489 412	
10	Operator Exam Fees	154,305		154 305	
11					
12	Nuclear Plant Decommissioning Cost Studies		78 750	78,750	
13					
14	Indiana Rate Case		89 746	89,746	
15					
16	Miscellaneous Expenses <\$25,000 (60 Items)		49,540	49,540	
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49	TOTAL	8,067,273	309,892	8,377,165	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) December 31, 2006		Year of Report December 31, 2006	
<b>REGULATORY COMMISSION EXPENSES (Continued)</b>								
years 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.				
<b>EXPENSES INCURRED DURING YEAR</b>				<b>AMORTIZED DURING YEAR</b>				Line No
<b>CHARGED CURRENTLY TO</b>			Deferred  (i)	Contra Account  (j)	Amount  (k)	Deferred at End of Year  (l)		
Department  (f)	Account No  (g)	Amount  (h)						
	928	15,006					1	
							2	
							3	
							4	
							5	
	928	1,665,594					6	
	928	5,830,500					7	
	928	4,312					8	
	928	489,412					9	
	928	154,305					10	
							11	
	928	78,750					12	
							13	
	928	89,746					14	
							15	
	928	49,540					16	
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							48	
		8,377,165					49	

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, 2006
<b>RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES</b>				
<p>1. Describe and show below costs incurred and accounts charged during the year for technological research, development and demonstration (R, D &amp; 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 &amp; D work carried on by the respondent in which there is a sharing of costs 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 )</p> <p>2. Indicate in column (a) the applicable classification as shown below. Classifications:</p> <p>A Electric R, D &amp; D Performed Internally</p> <p>(1) Generation</p> <p>a Hydroelectric</p> <p>i. Recreation, fish, and wildlife</p> <p>ii. Other hydroelectric</p> <p>b Fossil-fuel steam</p> <p>c Internal combustion or gas turbine</p> <p>d Nuclear</p> <p>e Unconventional generation</p> <p>f Siting and heat rejection</p> <p>(2) System Planning, Engineering and Operation</p> <p>(3) Transmission</p> <p>a Overhead</p> <p>b. Underground</p> <p>(4) Distribution</p> <p>(5) Environment (other than equipment)</p> <p>(6) Other (Classify and include items in excess of \$5 000.)</p> <p>(7) Total Cost Incurred</p> <p>B. Electric R, D &amp; D Performed Externally</p> <p>(1) Research Support to the Electrical Research Council or Electric Power Research Institute</p>				
Line No.	Classification (a)	Description (b)		
1	A(1)b: Generation: Fossil-Fuel Steam	Coal Utilization Research Council		
2		4 items < \$5,000		
3	A(1)e: Generation: Unconventional	Distributed Energy Resources Program		
4		PC Biomass Separate Injection		
5		1 item < \$5,000		
6	A(2): Transmission	Devel Trans Plan&Ops Tools- Phasor		
7		High Temp Superconducting Cable		
8		Trans BPL for SCADA & Relaying		
9		Trans R&D Program Mgmt		
10		4 items < \$5 000		
11	A(2)a: Transmission: Overhead	Transmission Line EMI Survey		
12		1 item < \$5,000		
13	A(3): Distribution	CERTS Micro-grid Test Bed		
14		Advanced Distribution R&D Program		
15		Enhanced Distribution System Monitoring		
16		Porcelain Cutout Failures Investigation		
17		3 items < \$5,000		
18	A(4): Environment (other than equipment)	Demo Sielving Electrostatic Precipitator		
19		Environ Science & Controls Prog Magmt		
20		General Mercury Science & Technology		
21		Mercury Sorbent Testing Facility		
22		3 items < \$5 000		
23	A(6): Other	PCS Development		
24	A(6)g: Other	Corporate Technology Prog Mgmt		
25		Corporate Technology Prog Mgmt		
26		Corporate Technology Prog Mgmt		
27		Corporate Technology Prog Mgmt		
28		GSU Health Monitors		
29		Wireless Pipe Hanger Monitor		
30		3 items < \$5 000		
31				
32	A(7) TOTAL COSTS INCURRED INTERNALLY			
33				
34				
35				
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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, 2006		
<b>RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)</b>					
(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 \$5,000 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 \$5,000 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, <i>Construction Work in Progress</i> , first. Show in column (f) the amounts related to the account charged in column (e). 5. Show in column (g) the total amortized accumulation of costs of projects. This total must equal the balance in Account 188, <i>Research, Development, and Demonstration Expenditures, Outstanding</i> 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)	Cost Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
7,356		506	7,356		1
8,888		506	8,888		2
29,943		588	29,943		3
49,248		506	49,248		4
342		588	342		5
35,838		566	35,838		6
40,842		566	40,842		7
6,546		566	6,546		8
19,811		566	19,811		9
12,195		566	12,195		10
14,469		566	14,469		11
1,906		566	1,906		12
12,743		588	12,743		13
64,359		588	64,359		14
8,388		588	8,388		15
13,166		588	13,166		16
3,777		588	3,777		17
133,067		506	133,067		18
27,795		506	27,795		19
206,133		506	206,133		20
11,652		506	11,652		21
866		506	866		22
(35,906)		588	(35,906)		23
7,725		506	7,725		24
13,053		524	13,053		25
10,048		566	10,048		26
12,072		588	12,072		27
14,718		506	14,718		28
12,788		506	12,788		29
864		506	864		30
744,692			744,692		31
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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, 2006
<b>RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES</b>				
Line No.	Classification (a)	Description (b)		
1				
2	B(1) Research Support to Elec Research	Circumferential Waterwall Cracking		
3	Council & Elec Power Research Inst.	CO2 Testing Prog-Capture Technologies		
4		DR EPRI Annual Research Portfolio		
5		EPRI Environmental Controls		
6		EPRI Environmental Science		
7		EPRI Nuclear Annual Research		
8		EPRI Renewable Energy Base Program		
9		GAM EPRI Annual Research Portfolio		
10		MIT Carbon Sequestration Initiative		
11		Ohio River Ecological Research		
12		Reactive Power Mgmt Phases 1-2		
13		Technology Assesment Guide		
14		Waterwall Tube Corrosion		
15		11 items < \$5,000		
16		1 item < \$5,000		
17		4 items < \$5,000		
18		3 items < \$5,000		
19	B(4) Research Support to Others	Ash Pond SCR Ammonia Mitigation		
20		CEA Membership & Projects		
21		FutureGen- Cost Share		
22		NEETRAC Membership		
23		Visual & Decision Support Systems		
24		4 items < \$5,000		
25		1 item < \$5,000		
26		3 items < \$5,000		
27		1 item < \$5,000		
28				
29	B(5) TOTAL COSTS INCURRED EXTERNALLY			
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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, 2006		
<b>RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)</b>					
Costs Incurred Internally Current Year (c)	Cost Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
	6,719	506	6,719		1
	31,058	506	31,058		2
	5,238	588	5,238		3
	130,050	506	130,050		4
	601,254	506	601,254		5
	1,259,610	524	1,259,610		6
	6,103	506	6,103		7
	94,329	506	94,329		8
	5,341	506	5,341		9
	110,824	506	110,824		10
	5,661	566	5,661		11
	8,651	506	8,651		12
	6,631	506	6,631		13
	14,288	506	14,288		14
	2,023	524	2,023		15
	6,932	566	6,932		16
	4,136	588	4,136		17
	7,943	506	7,943		18
	7,342	588	7,342		19
	177,815	506	177,815		20
	21,241	588	21,241		21
	6,216	566	6,216		22
	4,200	506	4,200		23
	144	524	144		24
	6,612	566	6,612		25
	2,482	588	2,482		26
	2,532,843		2,532,843		27
					28
					29
					30
					31
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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, 2006	
<b>DISTRIBUTION OF SALARIES AND WAGES</b>				
<p>Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and</p> <p>columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.</p>				
Line No	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	<b>ELECTRIC</b>			
2	Operation			
3	Production	83,028,598		
4	Transmission	1,310,703		
5	Distribution	6,806,246		
6	Customer Accounts	5,630,709		
7	Customer Service and Informational	1,463,202		
8	Sales			
9	Administrative and General	3,086,403		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	101,325,861		
11	Maintenance			
12	Production	44,476,393		
13	Transmission	2,910,264		
14	Regional Market	105,177		
15	Distribution	10,909,397		
16	Administrative and General	1,464,553		
17	TOTAL Maint. (Total of lines 12 thru 15)	59,865,784		
18	Total Operation and Maintenance			
19	Production (Enter Total of lines 3 and 12)	127,504,991		
20	Transmission (Enter Total of lines 4 and 13)	4,220,967		
21	Regional (Enter Total of lines 14)	105,177		
22	Distribution (Enter Total of lines 5 and 15)	17,715,643		
23	Customer Accounts (Transcribe from line 6)	5,630,709		
24	Customer Svc. And Informational (Transcribe from line 7)	1,463,202		
25	Sales (Transcribe from line 8)			
26	Administrative and General (Enter Total of lines 9 & 16)	4,550,956		
27	TOTAL Oper. And Maint. (Total of lines 18 thru 24)	161,191,645	8,207,416	169,399,061
28	<b>GAS</b>			
29	Operation			
30	Production-Manufactured Gas			
31	Production-Nat. Gas (Including Expl. And Dev.)			
32	Other Gas Supply			
33	Storage, LNG Terminating and Processing			
34	Transmission			
35	Distribution			
36	Customer Accounts			
37	Customer Service and Informational			
38	Sales			
39	Administrative and General			
40	TOTAL Operation (Enter Total of lines 28 thru 37)			
39	Maintenance			
40	Production-Manufactured Gas			
41	Production-Natural Gas			
42	Other Gas Supply			
43	Storage, LNG Terminating and Processing			
44	Transmission			
45	Distribution			
46	Administrative and General			
47	TOTAL Maint. (Enter Total of lines 40 thru 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 of Report December 31, 2006	
<b>DISTRIBUTION OF SALARIES AND WAGES (Continued)</b>				
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and		columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.		
Line No	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
	<b>GAS (Continued)</b>			
48	Total Operation and Maintenance			
49	Production-Manufactured Gas (Total of lines 28 and 40)			
50	Production-Nat Gas (Including Expl. & Dev.) (Total of lines 29 and 41)			
51	Other Gas Supply (Enter Total of lines 30 and 42)			
52	Storage LNG Terminating and Processing (Total of lines 31 and 43)			
53	Transmission (Lines 32 and 44)			
54	Distribution (Lines 33 and 45)			
55	Customer Accounts (Line 34)			
56	Customer Service and Informational (Line 35)			
57	Sales (Line 36)			
58	Administrative and General (Lines 37 and 46)			
59	TOTAL Operation & Maint. (total of lines 49 thru 58)		8,207,416	8,207,416
60	<b>OTHER UTILITY DEPARTMENTS</b>			
61	Operation and Maintenance			
62	TOTAL All Utility Dept. (Total of lines 25, 59 & 61)	161,191,645	8,207,416	169,399,061
63	<b>UTILITY PLANT</b>			
64	Construction (By Utility Departments)			
65	Electric Plant	25,791,778	1,367,902	27,159,680
66	Gas Plant			
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)	25,791,778	1,367,902	27,159,680
69	Plant Removal (By Utility Departments)			
70	Electric Plant	4,731,979	195,415	4,927,394
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)	4,731,979	195,415	4,927,394
74	Other Accounts (Specify):			
75	120 - Nuclear Fuel	526,777		526,777
76	152- Fuel Stock Undistributed	4,918,948		4,918,948
77	163 - Stores Expense Undistributed	7,368,642	(7,368,642)	0
78	184 - Clearing Accounts	2,402,091	(2,402,091)	0
79	185 - ODD Temporary Facilities	100,934		100,934
80	186 - Misc Deferred Debits	288,501		288,501
81	188 - Research & Development	(12,943)		(12,943)
82	417 - Operating Expense - RTD	13,404,920		13,404,920
83	426 - Donations/Political Activities	92,259		92,259
84	434- Extraordinary Items	(47,436)		(47,436)
85				
86				
87				
88	TOTAL Other Accounts	29,042,693	(9,770,733)	19,271,960
89	TOTAL SALARIES AND WAGES	220,758,095		220,758,095

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 2006
<b>CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES</b>			
<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 \$25,000 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 &amp; engineering financial and accounting management legal fuel &amp; material procurement pension &amp; 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 on the basis stated in the service agreement</p> <p>2. Date of Contract - June 15,2000 (supercedes contract dated January 1 1980) Term of Contract - Indeterminate Date of FERC Authorization - Not Required 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	28 012 326
	Retirement Work in Progress	108	457 183
	Nonutility Property	121	112 343
	Fuel Stock	151	1 458
	Fuel Stock Undistributed	152	2 463 075
	Clearing Accounts	163	2 016 451
	Misc Deferred Charges	182	310
	Prelim Survey & Investig Chgs	183	1 905
	Clearing Accounts	184	201 105
	Misc Deferred Debits	186	260 457
	Deferred Debits-R&D	188	3 109 749
	Merchandising Expenses	416	2 101
	Non-Utility Operations Revenue	417	739 994
	Misc Non-Operating Revenues	421	(18 843)
	Other Income Deductions	426	252 335
	Extraordinary Deductions	435	(159 123)
	Misc Service Revenues	451	(1 342)
Electric	Account 401	Operating Expense	500
			501
			502
			505
			506
			517
			524
			535
			537
			538
			539
			546
			549
			555
			556
			557
			560
			561
			562
			5 037 189
			118 379
			32 044
			3 689
			955 005
			682 880
			1 588 089
			358 814
			25
			393
			88 079
			44 827
			5 165
			107 874
			1 896 348
			350 395
			1 130 885
			1 218 850
			65,761

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 2006	
Electric	Account 401	Operating Expense (contd )	563	36 728
			568	860 411
			580	1 796 586
			581	44 140
			582	36 719
			584	20 066
			586	587 760
			587	87
			588	1 590 529
			901	558 327
			902	287 106
			903	13 767 085
			904	7
			905	5 590
			907	358 269
			908	85 043
			910	272
			912	(445)
			920	20 458 183
			921	1 796 984
			922	101
			923	25 906 971
			925	193 713
			926	93 155
			927	22
			928	25 183
			930	853 281
			931	<u>16</u>
Electric	Account 401	Total Operating Expense		83 046 580
		Maintenance Expense	510	1 342 942
			511	50 199
			512	1 096 583
			513	505 310
			514	71 895
			528	117 872
			530	519 321
			531	537 396
			532	3 042
			541	6 207
			542	484
			543	12 252
			544	4 723
			568	80 066
			569	67 451
			570	187 587
			571	162 291
			572	649
			573	3 859
			590	31 857
			592	86 170
			593	89 651
			594	1 371
			595	9 156
			597	7 341
			935	<u>191 439</u>
		Total Maintenance Expense		5 187 114
		Total O&M		88 233 694
		Total AEP Service Corp charges		125 685 178
Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
ABSG CONSULTING INC	consulting services	Invoice Cost	500	3 617
4 RESEARCH PL - STE 200A			530	3 617
ROCKVILLE MD 20850			532	<u>167 021</u>
				174 255

Name of Respondent	This Report Is: (1) [ X ] An Original (2) [ ] A Resubmission	Date of Report (Mo Da Yr)	Year of Report December 31 2006	
Indiana Michigan Power Company				
Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd )				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
ACTION TEMPORARY SERVICES INC 4004 E MORGAN AVE EVANSVILLE IN 47715	temporary staffing services	Invoice Cost	107	45 519
			152	12 694
			501	239
			506	139 107
			511	<u>5 097</u>
				202 656
ADVANCE THERMAL CORP 2654 PAYSHPERE CIRCLE CHICAGO IL 60674	pad fabrication & measurement services	Invoice Cost	529	164 389
ADVANCED COMBUSTION TECHNOLOGY 1106 HOOKSET ROAD HOOKSET NH 03106	plant equipment supplier	Invoice Cost	512	70 000
ADVANCED INDUSTRIAL MACHINING 30 DILLMONT DR WORTHINGTON OH 43235	machining & heat treatment services	Invoice Cost	530	100 515
AETNA US HEALTHCARE 1000 MIDDLE STREET MIDDLETON CT 06457	employee medical plan services	Invoice Cost	926	33 072
AGGREKO INC 4602 W ADMIRAL DOYLE DR NEW IBERIA LA 70560	equipment rental	Invoice Cost	107	22 581
			530	<u>121,421</u>
				144 002
AGT SERVICES 24 SAM STRATTON RD AMSTERDAM NY 12010	plant equipment repairs	Invoice Cost	513	75 902
AIRCRAFT DYNAMICS PO BOX 3038 LIMA OH 45807	equipment leasing	Invoice Cost	107	28 062
			580	1 080
			590	<u>(19)</u>
				29 123
ALDEN RESEARCH LABORATORY INC 30 SHREWSBURY ST HOLDEN MA 01520	cooling water project studies	Invoice Cost	524	35 000
ALION SCIENCE & TECHNOLOGY 6000 UPTOWN BLVD ALBUQUERQUE NM 87110	nuclear plant support services	Invoice Cost	107	96 100
			532	<u>301,536</u>
				397 636
ALL CITIES OCCUPATIONAL & ENVIR 3333 SOUTH STATE ST ST JOSEPH MI 49085	employee physicals	Invoice Cost	107	1 134
			163	186
			184	93
			524	73 918
			926	<u>485</u>
				75 816
ALLIED TECHNICAL RESOURCES INC P O BOX 472223 CHARLOTTE NC 28247	nuclear plant support services	Invoice Cost	530	105 121
ALL-LIFT INC 27-39 THATCHER ST ALBANY NY 12207	plant equipment supplier	Invoice Cost	107	163 798
ALOHA PROFESSIONAL WINDOW 1078 DOUGLAS LN CRETE IL 60417	window cleaning	Invoice Cost	184	31 058
ALSTOM POWER INC various US locations	inspection & measurement devices	Invoice Cost	107	84 360
			512	62 951
			513	115 217
			531	<u>327,358</u>
				589 886

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Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
AMERICAN BOILER & CHIMNEY 3401 GRAND AVE NEVILLE ISLAND PA 15225	chimney stack repair	Invoice Cost	107 512	37 772 <u>1,479</u> 39 251
AMERICAN EFFICIENCY SERVICES 9025 CHEVROLET DRIVE STE F ELLCOTT CITY MD 21042	inspection services	Invoice Cost	530 532	11 269 <u>42 836</u> 54 105
AMES MULTIMAGE 1340 S MANOR DR SAINT JOSEPH MI 49085	emergency calendar supplier	Invoice Cost	524 566 921	4 650 350 <u>27,045</u> 32 045
ANALYSIS & MEASUREMENT 9111 CROSS PARK DR KNOXVILLE TN 37923	sample testing services	Invoice Cost	530	130 029
ANATEC INTERNATIONAL INC PO BOX 73190 SAN CLEMENTE CA 92673	nuclear support services	Invoice Cost	530	84 800
ANESVSKI, JOHN DEVELOPMENT 5450 PALISADES DR CINCINNATI OH 45238	misc services	Invoice Cost	107	51 618
ANLAAN CORPORATION P O BOX 333 FERRYSBURG MI 49409	construction services	Invoice Cost	107 524	69 900 <u>79,500</u> 149 400
APPLIED CONTROL TECHNOLOGY various US locations	turbine & pump services	Invoice Cost	107	61 750
AQUARIUS MARINE INC 800 ELM ST. LUDLOW KY 41016	underwater services	Invoice Cost	107 513	20 588 <u>45,937</u> 66,525
AQUILA 711 STARLITE DR BENTON HARBOR MI 49022	natural gas service	Invoice Cost	163	88 971
ARNT ASPHALT SEALING CO 1240 S CRYSTAL AVE BENTON HARBOR MI 49022	asphalt repairs	Invoice Cost	529	30 000
ARTEMIS INTL. SOLUTIONS CORP LTD 6011 WEST COURTYARD DR AUSTIN TX 78730	software licenses & support	Invoice Cost	107 528	71 206 <u>60,525</u> 131 731
ASHER AGENCY INC PO BOX 2535 FORT WAYNE IN 46801	advertising campaign	Invoice Cost	923 930	249 973 <u>197 779</u> 447 752
ASI GROUP LTD 250 MARTINDALE RD ST CATHERINES ON L2R7R8	inspection services	Invoice Cost	532	55 432
ATLANTIC GROUP THE 5426 ROBIN HOOD RD NORFOLK VA 23513	temporary staffing services	Invoice Cost	530	2 716 737
ATLANTIC PLANT MAINTENANCE INC 1010 EXECUTIVE COURT WESTMONT IL 60559	turbine rotor services	Invoice Cost	107	78 029
AUTOMATED ENGINEERING SERVICES 387 SHUMAN BLVD NAPIERVILLE IL 60563	nuclear plant engineering support	Invoice Cost	530	34 715

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Indiana Michigan Power Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		December 31 2006	
Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd )				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
AWP INC 2641 S ARLINGTON RD AKRON OH 44319	flagman & traffic control services	Invoice Cost	107	49 249
			186	88 757
			570	3 489
			571	375
			583	365
			588	1 765
			593	36 711
			594	11 752
			595	4 131
			596	546
			598	192
			935	<u>1,607</u>
				198 939
BACHMANS INC 4058 CLOUGH WOODS DR BATAVIA, OH 45103	ventilation systems service	Invoice Cost	107	32 646
			108	3 876
			511	19 482
			570	<u>928</u>
				56 932
BAKER & DANIELS 300 N MERIDIAN ST STE 2700 INDIANAPOLIS IN 46204	legal fees-financing property & liability issues	Invoice Cost	242	68 243
			923	14 845
			925	<u>3,372</u>
				86 460
BALLARD PERRY ADVERTISING INC PO BOX 240 SAINT JOSEPH MI 49085	advertising & public relations services	Invoice Cost	524	14 795
			921	1 879
			930	<u>92,537</u>
				109 211
BANK OF NEW YORK 101 BARCLAY ST NEW YORK NY 10286	financial services	Invoice Cost	181	1 000
			242	5 000
			427	399 826
			431	3 889
			926	1 304
			930	<u>39,580</u>
				450 599
BANTA ELECTRICAL CONTRACTORS 5701 ST RT 128 CLEVES OH 45002	electrical maintenance svcs	Invoice Cost	107	50 675
			108	15 961
			506	1 924
			512	4 423
			513	2 846
			514	<u>6,087</u>
				81 916
BARCLAYS BANK PLC 222 BROADWAY 11TH FL NEW YORK NY 10038	financial services	Invoice Cost	431	98 074
BARNES & THORNBURG 11 S MERIDIAN ST INDIANAPOLIS IN 46204	legal services case/fuel/regulatory filings	Invoice Cost	923	407 455
BARNHART CRANE & RIGGING CO 3115 NORTH ROUTE 23 OTTAWA IL 61350	hauling services	Invoice Cost	107	86 575
BARTLETT NUCLEAR INC 60 INDUSTRIAL PARK RD PLYMOUTH MA 02360	nuclear engineering services	Invoice Cost	107	31 803
			108	751 451
			500	148 704
			520	1 345 532
			524	8 517
			530	1 323 552
			532	<u>2,371</u>
				3 609 930

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Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd )				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
BCP TECHNICAL SERVICES INC 1251 PINEHURST RD STE 107 DUNEDIN FL 34698	refueling support services	Invoice Cost	530	192 909
BDN INDUSTRIAL HYGIENE CONSULT 8105 VALLEYWOOD LANE PORTAGE MI 49024	asbestos exposure monitoring	Invoice Cost	500 530	70 960 <u>14,080</u> 85 040
BENTLEY SYSTEMS INC 685 STOCKTON DR EXTON PA 19341	software support	Invoice Cost	524 588	54 703 <u>543</u> 55 246
BENTLY NEVADA LLC 431 OVERBROOK RD VALENCIA NC 16059	plant equipment	Invoice Cost	107 513	166 205 <u>4 842</u> 171 047
BERBEE INFORMATION NETWORKS 4690 EAST FULTON DR ADA MI 49301	project mgmt services	Invoice Cost	524	25 632
BEST WAY DISPOSAL INC 3290 HENNESSY RD WATERVLIET MI 49098	waste disposal	Invoice Cost	107 184 524	1 340 34 870 <u>4,045</u> 40 255
BINGHAM MCHALE LLP 10 W MARKET ST INDIANAPOLIS IN 46204	legal fees-liability claims issues	Invoice Cost	923 925	16 178 <u>9,202</u> 25 380
BLACK & VEATCH 11401 LAMAR AVE OVERLAND PARK KS 66211	nuclear plant consultants	Invoice Cost	107 517 531	36 500 101 000 <u>19,450</u> 156 950
BRAY MARINE INC 7000 HOUSTON RD FLORENCE KY 41042	fuel handling-related services	Invoice Cost	152	904 590
BROOKS CONSTRUCTION CO INC 625 SOUTH BEIGER ST MISHAWAKA IN 46544	general construction work	Invoice Cost	935	620 779
BROWN SERVICES CO LLC 11692 B GALLIA ST WHEELERSBURG OH 45694	project construction services	Invoice Cost	107 108 186	131 276 27 202 <u>31 941</u> 190 419
BRUNS-GUTZMILLER INC 305 SOUTH JOHN STREET BATESVILLE IN 47006	building & grounds services	Invoice Cost	107 152 506 511 512 514	89 889 2 230 400 5867 2 801 <u>3,570</u> 104 757
BULLDOG BOILER RENTALS LTD 1641 CANIFF HAMTRAMCK MI 48212	boiler inspection & repair services	Invoice Cost	532	149 716
C & G FILTER SERVICE PO BOX 83 GREENVILLE KY 42345	filter parts & supplies	Invoice Cost	511	26 245

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NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
CHUMLEYS VAC-A-LOT 13978 ROYALWOOD DR FISHERS IN 46038	parking lot maintenance	Invoice Cost	184	26 727
CITY PLUMBING & HEATING CO 407 STATE ST ST JOSEPH, MI 49085	maintenance services	Invoice Cost	107	3 998
			163	26 763
			524	7 539
			529	121 077
			935	<u>2 876</u>
				162 253
COLUMBIA NUCLEAR PLANT PO BOX 968 RICHLAND WA 99352	nuclear plant support staff	Invoice Cost	530	169 811
COMANCHE PEAK STEAM ELECTRIC STATION PO BOX 1002 GLEN ROSE TX 76043	nuclear plant support staff	Invoice Cost	530	125 847
COMBS LANDSCAPE & NURSERY INC 3801 BURKHARDT RD EVANSVILLE IN 47715	landscaping services	Invoice Cost	511	77 829
COMMERCIAL EQUIPMENT CO 2225 OAK INDUSTRIAL DR NE GRAND RAPIDS MI 49505	office equipment maintenance contracts	Invoice Cost	524	48 542
			532	<u>860</u>
				49 402
COMMONWEALTH ASSOCIATES INC 2700 W ARGYLE JACKSON MI 49204	electrical engineering & design services	Invoice Cost	107	445 276
COMPUTER TRAINING CENTER INC various US locations	employee training	Invoice Cost	524	46 128
CONAM INSP. & ENGINEERING SVCS 195 CLARKSVILLE RD PRINCETON JCT NJ 08550	radiography services	Invoice Cost	530	51 081
			532	<u>31 969</u>
				83 050
CONFIDENTIAL SERVICES INC PO BOX 167 SOUTH HAVEN MI 49090	employee background check services	Invoice Cost	500	5 030
			524	22 453
			530	<u>79 467</u>
				106 950
CONNER & WINTERS 4000 ONE WILLIAMS CENTER TULSA OK 74172	legal - regulatory issues	Invoice Cost	923	84 013
CONSUMERS ENERGY LABORATORY 135 W TRL ST JACKSON MI 49201	calibration services	Invoice Cost	532	27 600
CONWAY, W F 41588 N 107TH WAY SCOTTSDALE AZ 85262	nuclear consulting services	Invoice Cost	524	44 778
CRANE NUCLEAR INC 2825 COBB INTERNATIONAL BLVD KENNESAW GA 30152	equipment repair	Invoice Cost	517	57 281
			524	17 083
			530	2 235 604
			532	<u>2 246,030</u>
				4 555 998
CROOKED CREEK LOGGING LLC 9378 E COUNTY RD 1850 N FERDINAND IN 47532	tree planting	Invoice Cost	506	33 948
CRUTCHFIELD, DENNIS M 16087 PARQUE LANE NAPLES, FL 34110	nuclear plant support services	Invoice Cost	517	48 972

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Charges for Outside Professional & Other Consulting Services - Payments of \$25,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
CULP ENTERPRISES INC 610 N WOLF RD COLUMBIA CITY IN 46725	mowing services	Invoice Cost	184	41 989
CUSTER OFFICE ENVIRONMENTS 217 GRANDVILLE AVE SW GRAND RAPIDS MI 49503	carpeting materials & labor	Invoice Cost	529 532	21 279 <u>7,139</u> 28 418
CUSTOM MECHANICAL CONST 1609 ALLENS LANE EVANSVILLE IN 47710	building repairs	Invoice Cost	107 511	8 014 <u>47,378</u> 55 392
CUSTOM TOWER SYSTEMS INC 14560 LINCOLN HWY PLYMOUTH IN 46563	microwave tower service	Invoice Cost	107 108 935	3 560 12 100 <u>9,730</u> 25 390
DATA GLANCE INC 927 ORCA TERRACE FREMONT CA 94536	quality assurance records development	Invoice Cost	107 524	499 360 <u>34,380</u> 533 740
DAVEY RESOURCE GROUP PO BOX 5193 KENT OH 44240	pole contact services	Invoice Cost	186	45 747
DAVIS J & ASSOCIATES INC 2371 SUNDERLAND AVE STE 4 WELLINGTON FL 33414	employment recruitment services	Invoice Cost	524	31 600
DAY & ZIMMERMAN NPS INC 1866 COLONIAL VILLAGE LANE LANCASTER PA 17601	nuclear engineering support	Invoice Cost	107 108 519 524 529 530 531 532	7 410 189 709 998 84 120 291 552 268 081 12 086 312 248 518 <u>1,463,728</u> 22 562 498
DAYTON PRECISION SERVICES LTD P O BOX 73478 CLEVELAND OH 44193	heat treatment services	Invoice Cost	107 108 512 513	1 594 4 200 32 914 <u>4,288</u> 42 996
DEANGELO BROTHERS INC 100 N CONAHAN DR HAZLETON PA 18201	vegetation control services	Invoice Cost	524 562 582	5 212 11 031 <u>24,553</u> 40 796
DEACONESS HOSPITAL INC 600 MARY ST EVANSVILLE IN 47747	employee wellness programs	Invoice Cost	506	4 085
DELOITTE & TOUCHE LLP various US locations	auditing services	Invoice Cost	242 921 923	72 000 144 761 <u>12,657</u> 229 418
DEWANE, PETERSON & CULLITAN PLC 811 SHIP ST STE 301 ST JOSEPH MI 49085	legal fees - property & right-of-way issues	Invoice Cost	923	39 304
DEWEY BALLANTINE LLP 1301 AVENUE OF THE AMERICAS NEW YORK NY 10019	legal fees - corporate financing issues	Invoice Cost	242	171 663

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Indiana Michigan Power Company				
Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd )				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
DIAMOND POWER SPECIALTY CO 2600 E MAIN ST LANCASTER OH 43130	equipment repairs & maintenance	Invoice Cost	512	75 138
DOERING, JOHN JR PO BOX 189 PARKERFORD PA 19457	nuclear consulting services	Invoice Cost	524	34 415
DTE ENERGY TECHNOLOGIES 37849 INTERCHANGE DR FARMINGTON HILLS MI 48335	cable testing services	Invoice Cost	531	44 500
DUCHARME MCMILLEN & ASSOCIATES 4343 COMMERCE COURT LISLE IL 60532	tax consulting	Invoice Cost	923	75 000
DURATEK INC 140 STONERIDGE DR COLUMBIA SC 29210	nuclear plant support services	Invoice Cost	107 520 524	72 675 380 733 37 535 490 943
E & T TREE SERVICE 125 MT AUBURN ST DUNKIRK IN 47336	landscaping & tree removal services	Invoice Cost	184 935	66 422 3,770 70 192
ECKSTEIN C A INC 264 STILLE DR CINCINNATI OH 45233	roof repairs	Invoice Cost	107 108 511 512	23 260 10 200 1 925 500 35 885
EDISON ELECTRIC INSTITUTE 701 PENNSYLVANIA AVE NW WASHINGTON DC 20004	membership fees	Invoice Cost	506	71 993
EISENHUT CONSULTING INC 29 TREWORTHY RD GAITHERSBURG MD 20878	nuclear safety consulting	Invoice Cost	524	85 280
ENERTECH 2950 E BIRCH ST BREA CA 92821	equipment testing	Invoice Cost	530	138 383
ENGINEERING PLANNING & MGMT 959 CONCORD ST FRAMINGHAM MA 01701	nuclear engineering & consulting svcs	Invoice Cost	517 524	737 549 25,000 762 549
ENVIRONMENTAL MANAGEMENT PO BOX 39 HUNTERTOWN IN 46748	environmental cleanup services	Invoice Cost	186 584 594 935	29 349 221 1 019 511 31 100
ENVIRONMENTAL PROTECTION SVCS PO BOX 710 WHEELING WV 26003	environmental waste product disposal	Invoice Cost	108 592 930	90 401 2 285 194 92 880
ENVIRONMENTAL REMEDIATION SVCS 4010 OPTION PASS FT WAYNE IN 46818	emergency cleanup services	Invoice Cost	108 570 583 588	32 357 42 459 6 348 14,088 95 252
EPRI various US locations	employee training	Invoice Cost	506 524	103 400 646 496 749 896

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Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd )				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
EPRI SOLUTIONS	power quality audit	Invoice Cost	107	34 434
3412 HILLVIEW AVE			506	14 000
PALO ALTO CA 94303			514	<u>329,561</u>
				377 995
ERS INC	substation electrical work	Invoice Cost	107	47 750
PO BOX 71-3225				
COLUMBUS OH 43271				
ESI INC	electrical parts supplier	Invoice Cost	930	83 106
323 MARKET PLAZA STE A				
GREENWOOD IN 46142				
EVANSVILLE MARINE SERVICE INC	barge fleetng	Invoice Cost	152	10 090
PO BOX 6048			512	<u>20 369</u>
EVANSVILLE IN 47719				30 459
FED. EMERGENCY MGMT AGENCY	emergency managemnt	Invoice Cost	524	341 191
500 C ST SW RM 723	program fees			
WASHINGTON DC 20472				
FINETECH INC	nuclear plant design services	Invoice Cost	517	32 891
115 ROUTE 46 STE A-1				
MOUNTAIN LAKES NJ 07046				
FIRST CONSULTING GROUP	electronic document	Invoice Cost	107	25 000
575 E SWEDESFORD RD	mgmt system		524	<u>145,090</u>
WAYNE PA 19087				170 090
FLOWSERVE CORP	equipment repair	Invoice Cost	107	56 336
1000 CREEK PKWY			519	40 330
BOOTHWYN PA 19061			530	<u>49,339</u>
				146 005
FMSM ENGINEERS	soil engineering services	Invoice Cost	107	606 119
11687 LEBANON RD				
CINCINNATI OH 45241				
FOCUS LEARNING CORPORATION	software licensing	Invoice Cost	524	164 647
173 CROSS ST STE 200				
SAN LUIS OBISPO CA 94401				
FORSEY CONSTRUCTION INC	construction services	Invoice Cost	524	1 720
2018 IRONWOOD CIRCLE			529	<u>56,141</u>
SOUTH BEND IN 46635				57 861
FRAMATOME ANP INC	nuclear support svcs	Invoice Cost	107	721 350
various US locations	& sample testing		517	40 279
			524	199 783
			530	11 626 460
			532	<u>557,505</u>
				13 145 377
FUN SERVICES	employee picnic catering	Invoice Cost	524	42 547
KIDS PLACE	services			
BELLEVUE MI 49021				
FURMANITE AMERICA	machining services	Invoice Cost	512	40 642
8900 MISSISSIPPI ST			529	45 000
MERRILLVILLE IN 46410			530	274 753
			532	<u>62,598</u>
				422 993
GALBRETH COMPLETE LANDSCAPE	mowing & landscaping	Invoice Cost	562	52 395
270 CONRAD RD	services		582	<u>37 800</u>
NILES MI 49120				90 195

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Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd )				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
G & L CORPORATION	equipment moving	Invoice Cost	107	72 744
3101 BROOKLYN AVE			108	34 687
FORT WAYNE IN 46809			186	2 521
			570	20 139
			583	2 142
			584	287
			592	23 805
			930	<u>9 644</u>
				165 969
GE CAPITAL MODULAR SPACE	equipment leasing	Invoice Cost	107	154
various US locations			524	13 178
			529	<u>36 612</u>
				49 944
GE INFRASTRUCTURE WATER & PROC	equipment maintenance	Invoice Cost	524	38 011
3457 ERINDALE STATION RD	& leasing			
MISSISSAUGA ON L5C2S9				
GE INSPECTION TECHNOLOGIES	inspection services	Invoice Cost	530	31 274
1002 GENEVA ST - UNIT B				
SHOREWOOD IL 60431				
GE INTERNATIONAL INC	plant outage support	Invoice Cost	107	240,370
various US locations	& inspection services		154	(500)
			513	5 094
			524	654 015
			531	1 166 129
			532	8 366
			570	<u>181 712</u>
				2 255 186
GE MOBILE WATER INC	water demineralization	Invoice Cost	524	144 801
4545 PATENT ROAD	services		530	<u>14 120</u>
NORFOLK VA 23502				158 921
GEODIGITAL INTERNATIONAL	mapping & re-maging services	Invoice Cost	566	89 700
109 NO H STREET				
LOMPOC CA 93436				
GEOSPATIAL INNOVATION INC	electronic equipment supplier	Invoice Cost	107	42 300
880 WORTH AVE			580	<u>92</u>
WASHINGTON PA 15301				42 392
GIBBCO INC	boiler slag recycler &	Invoice Cost	107	102 831
PO BOX 15396	processor		152	109 136
CINCINNATI OH 45215			501	1 081 906
			512	<u>2,433</u>
				1 276 306
GLOBAL DOSIMETRY SOLUTIONS INC	radiation monitoring	Invoice Cost	524	31 224
2652 MCGAW AVENUE			532	<u>8 852</u>
IRVINE CA 92614				40 076
GLOBAL INSULATION INC	plant maintenance	Invoice Cost	107	52 672
1501 RAFF RD SW			108	4 677
CANTON OH 44710			152	126 215
			186	21 251
			502	122 744
			506	593
			511	4 718
			512	350 728
			513	18 614
			514	<u>4 893</u>
				707 105
GLOBE NUCLEAR SVCS. & SUPPLIES	nuclear chemical supplier	Invoice Cost	120	4 850 000
3 BETHESDA METRO CTR - STE 910				
BETHESDA, MD 20814				

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Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd )				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
GOHMANN ASPHALT & CONSTRUCTION P O BOX 2428 CLARKSVILLE IN 47131	pond construction	Invoice Cost	107	42 843
GOTH & SONS EXCAVATING INC 5611 W COUNTY ROAD 500 N MUNCIE IN 47304	excavating services	Invoice Cost	107 184 566 569 571 588 935	6 444 2 312 215 1 958 392 2 766 <u>10,916</u> 25 003
GRAFTEL INC. 870 CAMBRIDGE DRIVE ELK GROVE VILLAGE IL 60007	nuclear plant consulting & support	Invoice Cost	530	229 727
GRAND-DAVO CRANE SERVICES INC 1717 E MICHIGAN AVE KALAMAZOO MI 49048	crane services	Invoice Cost	107	204 469
GREAT LAKES CLEANING INC 216 COURT ST ST JOSEPH MI 49085	cleaning services	Invoice Cost	163 184 529 935	25 849 92 458 80 076 <u>4,045</u> 202 428
H & S SERVICES INC PO BOX 3101 FAIRBORN OH 45324	plant equipment	Invoice Cost	107 108 511 512 513 514	36 287 4 761 1 749 439 705 108 077 <u>1,338</u> 591 917
HADEK PROTECTIVE SYSTEMS 651 HOLIDAY DR PITTSBURGH PA 15220	chimney lining supplier	Invoice Cost	107	162 640
HARMEING EQUIPMENT SERVICES 1021 AMBER DR FLORENCE KY 41042	plant equipment repairs	Invoice Cost	107 108 506 512 514	9 490 5 615 9 292 102 747 <u>11,485</u> 138 629
HAVERFIELD CORP 104 SANDERS RD CARROLL VALLEY PA 17320	aerial inspection services	Invoice Cost	186 571	788 <u>311,582</u> 312 370
HENRY, ROBERT CORP 404 S FRANCES STREET SOUTH BEND IN 46624	drain installation	Invoice Cost	107 186 571 930	9 782 15 877 831 <u>3,000</u> 29 490
HERGUTH LABORATORIES INC 101 CORPORATE PL VALLEJO CA 94590	equipment analysis	Invoice Cost	163 524 529 532	1 806 9 523 343 <u>62,741</u> 74 413
HOH CHEMICALS INC 500 S VERMONT ST PALATINE, IL 60067	zebra mussel test equipment	Invoice Cost	524	105 000

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Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd )				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
HERRMAN & GOETZ INC 225 S LAFAYETTE ST SOUTH BEND IN 46601	electrical construction services	Invoice Cost	107 184 186 524 593 930 935	75 755 4 400 3 783 2 665 965 112 390 <u>69,599</u> 269 557
HI-LINE UTILITY SUPPLY CO 1695 CAMBRIDGE DR ELGIN IL 60123	equipment reconditioning	Invoice Cost	107 566 593	1 271 1 271 <u>30,491</u> 33 033
HOLLIDAY ENTERPRISES INC 1001 FAIRLAWN STREET ALLEN TX 75002	computer support & training	Invoice Cost	107 524	145 530 <u>756,033</u> 901 563
HOMESCAPES 2040 HENRIETTA STREET FORT WAYNE IN 46802	landscaping services	Invoice Cost	107 562 571 582 592	8 612 22 985 18 513 26 404 <u>5,343</u> 81 857
HONIGMAN MILLER SCHWARTZ 660 WOODWARD AVE DETROIT MI 48226	legal services- fuel filing & tax issues	Invoice Cost	923	122 362
HOOSIER HELICOPTER SERVICES 7900 N THAMES DR BLOOMINGTON IN 47408	aerial inspection services	Invoice Cost	107 563 571	2 750 156 150 <u>4,730</u> 163 630
IDEAL CONSOLIDATED INC 806 W SAMPLE ST SOUTH BEND IN 46601	plant equipment installation	Invoice Cost	569 570 935	266 3 536 <u>28,693</u> 32 495
IJUS LLC 1108 CITY PARK AVE COLUMBUS OH 43206	pole attachment evaluation	Invoice Cost	107 108 186 566 588	327 141 27 026 32 571 272 <u>224,553</u> 611 563
IKON OFFICE SOLUTIONS various US locations	equipment leasing	Invoice Cost	163 524 532 594 921 923	15 86 269 69 760 393 70 891 <u>210</u> 227 538
INDIANA ENERGY ASSOCIATION 101 W OHIO ST INDIANAPOLIS IN 46204	trade organization membership	Invoice Cost	580 921 928	7 454 15 000 <u>24,317</u> 46 771
INDIANA EQUITIES 605 FRONT STREET, SUITE 200 COLUMBUS OH 43215	building maintenance services	Invoice Cost	184 935	49 002 <u>249,829</u> 298 831
INDIANA UNDERGROUND PLANT PO BOX 50392 INDIANAPOLIS IN 46250	trade organization membership	Invoice Cost	584	109 993

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Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd )				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
INDUS INTERNATIONAL 3301 WINDY RIDGE PARKWAY ATLANTA GA 30339	software maintenance	Invoice Cost	921	448 211
INDUSTRIAL CONTRACTORS INC 1001 BUCHANAN ROAD EVANSVILLE IN 47720	equipment repairs	Invoice Cost	107 511 512 513 514 524	223 781 85 367 1 232 315 69 949 9 209 <u>57</u> 1 620 678
INDUSTRIAL PEER-TO-PEER LLC 55 EAST MONROE CHICAGO IL 60603	software maintenance & support	Invoice Cost	524	46 440
INFORMATION HANDLING SERVICES 15 INVERNESS WAY ENGLEWOOD CO 80112	software supplier	Invoice Cost	524	138 534
INFRASTRUCTURE ALTERNATIVES 960 W RIVER CENTER DR STE B COMSTOCK PARK MI 49321	wastewater treatment mgmt fees	Invoice Cost	524 531 532	44 371 11 105 <u>52 233</u> 107 709
INST. OF NUCL. POWER OPERATIONS 700 GALLERIA PARKWAY NW ATLANTA, GA 30339	loaned employee commitment fees	Invoice Cost	524	137 500
INTEGRATED TECHNOLOGIES INC 6 MILL LN WATERFORD CT 06385	nuclear plant inspection services	Invoice Cost	530	44 353
INTERNL. QUAL. CONSULTANTS INC 201 SOUTH DUFFY ROAD BUTLER PA 16001	QA/QC inspection & examination support services	Invoice Cost	107 530 532	23 890 198 513 <u>146 541</u> 368 944
INTERNL. TRUCK & ENGINE CORP various US locations	truck fleet services	Invoice Cost	184	73 427
IPC PRINT SERVICES 501 COLONIAL DR. ST JOSEPH MI 49085	printing services	Invoice Cost	930	40 337
IRON MOUNTAIN various US addresses	records storage	Invoice Cost	524	66 257
JONES BUILDING SERVICES 317 SHILLELAGH LN NILES MI 49120	building maintenance services	Invoice Cost	529	25 800
JP MORGAN CHASE BANK 2001 BRYAN ST 10TH FL DALLAS TX 75201	financial services	Invoice Cost	431	325 729
KEITH FIRE EXTINGUISHER SERVICE 601 S HIGH ST RISING SUN IN 47040	fire extinguisher supplier	Invoice Cost	514	53 580
KENRICH GROUP LLC 120 NEW HAMPSHIRE AVE NW WASHINGTON DC 20036	legal services- liability claims issues	Invoice Cost	923	109 269

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NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
KINEMATRICS INC 222 VISTA AVE PASADENA CA 91107	machine calibration services	Invoice Cost	500 532	2 617 <u>33 178</u> 35 795
KNIGHT COST ENGINEERING SVCS 22 MOUNT VIEW TERRACE NEW MILFORD CT 06776	nuclear plant decommissioning cost studies	Invoice Cost	928	78 750
KONE INC PO BOX 429 MOLINE IL 61266	equipment maintenance	Invoice Cost	511	28 801
KOORSEN PROTECTION SERVICES 2719 N ARLINGTON AVE INDIANAPOLIS IN 46218	fire prevention maintenance	Invoice Cost	184 506 588 593 935	1 543 15 156 376 936 <u>19 793</u> 37 804
LAFARGE NORTH AMERICA 600 SW JEFFERSON ST LEE SUMMIT MO 64063	fly ash disposal	Invoice Cost	501	322 110
LAING, JOHN S 39878 BAKER DR STERLING HEIGHTS MI 48310	nuclear plant tax consulting	Invoice Cost	923	92 970
LAKE CHARTER TOWNSHIP PO BOX 818 BRIDGMAN MI 49106	water service	Invoice Cost	524	92 398
LAKE MICHIGAN COLLEGE 2755 E NAPIER AVE BENTON HARBOR MI 49022	employee training	Invoice Cost	524 532	25 169 <u>6 660</u> 31 829
LAKELAND EMPLOYEE ASSISTANCE 2845 NILES AVE SAINT JOSEPH MI 49085	employee assistance programs	Invoice Cost	524	55 125
LANDSCAPE SOLUTIONS GROUP INC 1198 ANDERSON RD NILES MI 49120	landscaping services	Invoice Cost	184 935	86 778 <u>4 084</u> 90 862
LARVA, BRUCE MD 1616 LAKEVIEW ST JOSEPH MI 49085	employee medical testing	Invoice Cost	524 530	29 425 <u>33 890</u> 63 315
LAW OFFICES OF GREGORY S FEIS 3 BETHESA METRO CENTER STE 200 BETHESDA MD 20814	legal fees-contract issues	Invoice Cost	923	33 347
LEACH ENGINEERING SERVICES 10381 DELIHANT RD THREE RIVERS MI 49093	nuclear engineering services	Invoice Cost	524	120 000
LUSE-STEVENSON COMPANY 3990 ENTERPRISE COURT AURORA IL 60504	tank insulation services	Invoice Cost	108	242 159
M P W INDUSTRIAL SERVICES INC 150 S 29TH ST NEWARK OH 43055	equipment installation & repair	Invoice Cost	502	152 684
MANAGEMENT SUPPORT SERVICES 10083 COUNTY ROAD 215 GRAND JUNCTION MI 49056	nuclear support services	Invoice Cost	524	31 100

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NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
M.A.A.C. PROPERTY SERVICES 1198 ANDERSON ROAD NILES MI 49120	snow removal services	Invoice Cost	107	7 025
			184	15 573
			562	5 362
			582	26 651
			588	225
				54 836
MANNINGS USA various US locations	temporary staffing services	Invoice Cost	531	49 066
MANPOWER various US locations	temporary staffing services	Invoice Cost	107	89 660
			108	3 972
			152	9 643
			163	1 310
			184	41 739
			186	25 428
			501	203
			506	32 570
			580	22 110
			581	21 038
			583	86 676
			588	91 914
			590	54 353
			593	44 268
			902	304 753
			905	198
				829 835
MANSFIELD OIL CORP 1025 AIRPORT PARKWAY SW GAINESVILLE GA 30505	fuel equipment installation	Invoice Cost	107	56 820
			184	45,000
				101 820
MARTELL ELECTRIC LLC 1125 SOUTH WALNUT STREET SOUTH BEND IN 46619	electrical construction & repairs	Invoice Cost	107	928
			162	1 169
			520	19 076
			524	54 504
			529	39 549
				115 226
MARTIN ENGINEERING CO 135 S LASALLE DEPT 2475 CHICAGO IL 60674	engineering services	Invoice Cost	107	3 566
			512	48,784
				52 350
MARYS MOP & SHINE 15486 LAKE DILLDEER RD DILLSBORO IN 47018	cleaning services	Invoice Cost	514	77 979
MASTER-LEE DECON SERVICES INC 350 MILLER RD MEDFORD NJ 08055	decontamination services	Invoice Cost	524	24 358
			530	165 685
			532	69,464
				259 507
MCGILL POWER S&E INC PO BOX 368 ROSSVILLE IN 46065	engineering services	Invoice Cost	930	54 108
MCR PERFORMANCE SOLUTIONS 400 SKOKIE BLVD STE 375 NORTHBROOK, IL 60062	nuclear plant mgmt consulting	Invoice Cost	517	81 274
MEYLAN INDUSTRIAL SERVICES 6225 S 80TH ST OMAHA NE 68117	air basket cleaning for outages	Invoice Cost	512	117 147
MICHIGAN STATE, STATE POLICE DEPT 714 S HARRISON RD EAST LANSING MI 48823	radiological emergency mgmt planning	Invoice Cost	524	312 336

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NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
MICHIANA RECYCLING & DISPOSAL 2268 REUM RD NILES MI 49120	recycling & disposal services	Invoice Cost	184 186 569 570	30 988 775 700 270 32 733
MICHIGAN CAT 25000 NOVI ROAD NOVI MI 48375	equipment supplier	Invoice Cost	107 524 530 571	2 779 40 854 91 3,200 46 924
MILWAUKEE TECHNICAL COLLEGE 700 W STATE ST MILWAUKEE WI 53233	nuclear technical assistance	Invoice Cost	524	27 701
MOBILE FACILITY ENGINEERING PO BOX 387 CASSOPOLIS MI 49031	modular building rental	Invoice Cost	107 530 531	10 400 36 206 218 46 824
MODSANCO INC 215 S PARK RD BENTON HARBOR MI 49022	portable toilet rental & sewage removal	Invoice Cost	524	85 910
MOFFITT REHAB SERVICES INC P O BOX 488 HAWESVILLE KY 42348	pond clayfill placement	Invoice Cost	107 501 506	6 602 17 182 2,174 25 958
MOMAR INC. PO BOX 19567 ATLANTA GA 30325	plant project analysis & engineering	Invoice Cost	107	32 709
MOODYS INVESTORS SERVICE P O BOX 102597 ATLANTA GA 30368	credit rating service	Invoice Cost	181 923	30 000 16,452 46 452
MORETECH INC 406 MILITARY EAST BENICIA CA 94510	technical support services	Invoice Cost	530	52 585
MORGAN LEWIS & BOCKIUS LLP 111 PENNSYLVANIA AVE NW WASHINGTON DC 20004	legal services-liability claims & regulatory issues	Invoice Cost	923	212 374
MPR ASSOCIATES INC 320 KING STREET ALEXANDRIA VA 22314	design engineering support	Invoice Cost	517 530	68 579 107,033 175 612
MULZER CRUSHED STONE INC 534 MOZART ST TELL CITY IN 47586	harbor dredging services	Invoice Cost	512	56 800
MUNCIE, CITY OF 300 N HIGH ST MUNCIE IN 47305	asphalt street repairs	Invoice Cost	107	25 000
MYERS, L E CO 2695 CROOKS RD ROCHESTER HILLS MI 48309	storm-related electrical repairs	Invoice Cost	107 108 571	68 182 10 488 26,224 104 894
N P ENERGY INC 12020 OCEAN VIEW DR SPARKS NV 89436	nuclear plant support services	Invoice Cost	530	87 000

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NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
NATIONAL SERV-ALL 6231 MACBETH RD FORT WAYNE IN 46809	soil hauling	Invoice Cost	108 184 583	20 089 7 284 <u>723</u> 28 076
NEBRASKA PUBLIC POWER DISTRICT 72676 -648A AVE BROWNVILLE NE 68321	nuclear plant support staff	Invoice Cost	530	62 718
NEW BROTHERS INC 1200 N JACKSON PIKE UNION CITY NJ 47390	plant cleaning services	Invoice Cost	184 592	57 402 <u>90</u> 57 492
NEW HORIZON COMPUTER LEARNING CENTERS various US locations	employee computer training	Invoice Cost	524	34 750
NEWKIRK ELECTRIC ASSOCIATES 1875 ROBERTS ST MUSKEGON MI 49442	substation construction & maintenance	Invoice Cost	569	50 584
NEWPORT NEWS INDUSTRIAL CORP 182 ENTERPRISE DRIVE NEWPORT NEWS VA 23603	nuclear plant support services	Invoice Cost	530 532	121 173 <u>276 869</u> 398 042
NISYS CORPORATION 4233 PLEASANT HILL RD DULUTH GA 30096	project consultants	Invoice Cost	107 517	24 500 <u>149 920</u> 174 420
NOE CONNIE S 9412 NEWGATE CT NEW HAVEN IN 46774	title & easement services	Invoice Cost	107 186 563 566 571	20 826 32 3 769 976 <u>159</u> 25 762
NORMANDEAU ASSOCIATES INC PO BOX 845335 BOSTON MA 02284	nuclear support services	Invoice Cost	524	288 183
NORTH AMERICAN INDUSTRIAL SERV 752 GRAYSBRANCH ROAD GREENUP KY 41144	boiler cleaning & deslagging	Invoice Cost	152 511 512	7 258 13 407 <u>56 111</u> 76 776
NORTH AMERICAN PROPERTY SVC 6400 S FIDDLERS GREEN CIRCLE ENGLEWOOD CO 80111	janitorial services	Invoice Cost	184	222 830
NOVAK ENGINEERING INC 2919 WILDWOOD AVE JACKSON MI 49202	project design & engineering svcs	Invoice Cost	107	77 808
NP ENERGY INC various US locations	technical support	Invoice Cost	530	85 000
NSI CONSULTING & DEVELOPMENT 26657 WOODWARD AV STE 100 HUNTINGTON WOODS MI 48070	project consultants	Invoice Cost	588	108 717
NUCLEAR ENERGY INSTITUTE 1776 I ST NW STE 400 WASHINGTON DC 20006	annual assessment fees	Invoice Cost	524	91 670
NUCLEAR REGULATORY COMMISSION 11545 ROCKVILLE PIKE ROCKVILLE MD 20852	nuclear plant inspections	Invoice Cost	517	532 279

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NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
NURSING CORPS INC PO BOX 2580 WINTERSVILLE OH 43953	nursing services during outages	Invoice Cost	107	50 663
NWI CONSULTING PO BOX 30654 KNOXVILLE TN 37930	operations training consulting services	Invoice Cost	524	87 040
OMAHA PUBLIC POWER DISTRICT 9820 POWER LN FT CALHOUN NE 68023	nuclear plant support staff	Invoice Cost	530	126 214
ONTARIO SPECIALTY CONTRACTING 333 GANSON STREET BUFFALO NY 14203	demolition services	Invoice Cost	108 186	1 354 135 <u>90 607</u> 1 444 742
ONYX ENVIRONMENTAL SERVICES 28900 NETWORK PL CHICAGO IL 60673	environmental cleaning supplies	Invoice Cost	184 524 585	184 9 511 26 516 36 211
ONYX INDUSTRIAL SERVICES INC PO BOX 70610 CHICAGO IL 60673	equipment cleaning services	Invoice Cost	107 108 152 501 502 506 511 512 514	164 781 288 448 770 11 811 1 701 576 35 974 145 548 <u>6 595</u> 815 844
OPERATION TECHNOLOGY INC 17 GOODYEAR STE 100 IRVINE CA 92618	employee training	Invoice Cost	524	44 186
OSI SOFT INC P O BOX 4586 HAYWARD CA 94540	software supplier	Invoice Cost	512 513 524	25 532 12 766 <u>25 532</u> 63 830
OTIS ELEVATOR CO various US locations	elevator services	Invoice Cost	107 506 511 935	116 282 14 671 71 233 <u>96 083</u> 298 269
PAUSTIAN INC 6410 OLD PIPESTONE RD EAU CLAIRE MI 49111	nuclear plant equipment supplier	Invoice Cost	107 108	3 500 <u>70 000</u> 73 500
PERKIN ELMER INC 710 BRIDGEPORT AVE SHELTON CT 06848	equipment maintenance & leasing	Invoice Cost	505 524	19 602 <u>39 986</u> 59 588
PERRY J STEPHEN 74 MARBELLA SAN CLEMENTE CA 92673	nuclear safety review board services	Invoice Cost	524	28 518
PICKENS TREE FARMS 10501 COCHRAN ROAD WILLIAMSPORT OH 43164	tree planting	Invoice Cost	107 506	25 320 <u>4 365</u> 29 685
PIEDMONT MGMT. & TECHN SERV 2505 S 17TH ST STE 112 WILMINGTON NC 28401	nuclear plant support services	Invoice Cost	500 524	28 213 <u>260 807</u> 289 020

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PILLSBURY WINTHROP SHAW & PITTMAN LLP 2300 N ST NW WASHINGTON DC 20037	legal services-liability claims & regulatory issues	Invoice Cost	242 923	5 149 155 506 160 655
PIONEER/DPS 1440 NICHOLAS RD DAYTON, OH 45418	boiler tube work & support	Invoice Cost	107 512 513	8 639 29 938 7 175 45 752
PJM INTERCONNECTION LLC 955 JEFFERSON AVE EAGLEVILLE PA 19403	feasibility study application fees	Invoice Cost	107	50 000
PLASTOCOR INC 100 RESEARCH ROAD HINGHAM MA 02043	nuclear plant equipment repairs	Invoice Cost	530	290 900
PLATTS 2 PENN PLZ NEW YORK NY 10121	data subscription services	Invoice Cost	524	87 848
PMI INDUSTRIES INC 5300 ST CLAIR AVE CLEVELAND OH 44103	equipment installation	Invoice Cost	530	27 701
POOLED EQUIPMENT INVENTORY CO PO BOX 10992 BIRMINGHAM AL 35202	inventory management svcs	Invoice Cost	163	63 945
POWER & ENERGY SYSTEMS SVCS 880 RIDGEWOOD AVE ORADELL NJ 07649	employee training	Invoice Cost	524	73 968
PRECISION BLASTING INC PO BOX 785 FLATWOODS KY 41139	blasting services	Invoice Cost	512	51 188
PRECISION DATA PRODUCTS INC 5036 FALCON VIEW AVE GRAND RAPIDS MI 49512	computer hardware	Invoice Cost	107 524 923	21 471 115 857 222 137 550
PRICEWATERHOUSE COOPERS LLP various US locations	tax consulting	Invoice Cost	923	691 643
PRIMAVERA SYSTEMS INC 333 E CITY AVE STE 600 BALA CYNWYD PA 19004	computer maintenance agreements	Invoice Cost	921	51 313
PROACTRIO INC 33 HAMPSHIRE AVE DALY CITY CA 94015	nuclear plant consulting	Invoice Cost	107	36 628
PROFESSIONAL CONSTRUCTION SVCS PO BOX 510 RIPLEY WV 25271	construction services	Invoice Cost	107	25 031
PROGRESS PUMP & MACHINE SVCS 918 KENNEDY AVE SCHERERVILLE IN 46375	equipment machining & tooling	Invoice Cost	107 530	37 048 71 342 108 390
PROTO-POWER CORP 15 THAMES STREET GROTON CT 06340	software maintenance	Invoice Cost	517 524	7 000 59,000 66 000
PRO-TOUCH PAINTING INC 201 N ORCHARD DR MUNCIE, IN 47303	painting services	Invoice Cost	935	43 170

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NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
PSYCHOLOGY ASSOCIATES PC 2095 NILES RD ST JOSEPH, MI 43085	employee evaluations	Invoice Cost	524 530	9 625 <u>27,345</u> 36 970
PULVERIZER SERVICES INC 200 PARK LOOP CALHOUN KY 42327	plant equipment rebuilding services	Invoice Cost	512	132 858
QUALITY NUCLEAR SERVICES INC P O BOX 329 DARDANELLE AR 72834	nuclear plant support services	Invoice Cost	530	122 265
QUANTAPOINT INC 1531 LONDON CT NAPERVILLE IL 60563	nuclear plant project documentation services	Invoice Cost	107	35 600
RACE - RADIOLOGICAL ASSISTANCE 2550 CHANNEL AVE MEMPHIS, TN 38113	radioactive waste disposal	Invoice Cost	107 520	10 925 <u>535,052</u> 545 977
RDJ ASSOCIATES INC PO BOX 5514 FORT WAYNE IN 46895	cleaning services	Invoice Cost	184	66 338
REACTION ENGINEERING 77 W 200 S STE 210 SALT LAKE CITY, UT 84101	plant equipment testing	Invoice Cost	500	26,500
REAL TIME SOLUTIONS COMPANY PO BOX 712543 SALT LAKE CITY UT 84171	equipment inspections	Invoice Cost	530	184 581
RELIABLE DISPOSAL INC 7227 RELIABLE PATH STEVENSVILLE MI 49127	refuse disposal	Invoice Cost	529	272 140
REV1 POWER SERVICES INC 166 E BLOOMINGDALE AVE BRANDON FL 33511	boiler equipment	Invoice Cost	107	177 854
RICHARD NESS EXCAVATING 25 NORTHWAY DR HUNTINGTON IN 46750	demolition & backfill services	Invoice Cost	108	33 850
RICOH BUSINESS SYSTEMS 31478 INDUSTRIAL RD STE 200 LIVONIA MI 48150	equipment maintenance agreements	Invoice Cost	524	28 634
RITSCHARD BROS INC 1204 W SAMPLE ST SOUTH BEND IN 46619	snow removal services	Invoice Cost	107	59 548
ROCKPORT RIVER TERMINAL 2932 E ST RD 66 ROCKPORT IN 47635	barge cleaning & pumping	Invoice Cost	152	29 541
ROYAL EXCURSION 12807 MCKINLEY HIGHWAY MISHAWAKA IN 46545	employee transportation services	Invoice Cost	500	111 800
RUMPKE CONTAINER SERVICE INC 10795 HUGHES RD CINCINNATI OH 45251	waste removal services	Invoice Cost	506	42 788

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NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
RWE NUKEM CORP	rapid dewatering system	Invoice Cost	520	159 478
3800 FERNANDINA RD	services		524	<u>325</u>
COLUMBIA SC 29210				159 803
SARGENT & LUNDY LLC	engineering & nuclear	Invoice Cost	107	4 288,085
55 E MONROE ST	staff services		108	21 370
CHICAGO IL 60603			500	13 637
			517	178 725
			524	583 962
			529	122 305
			530	369 590
			532	161 938
			928	<u>5 683</u>
				5 745 295
SCHALCO CONSTRUCTION	door & facilities repair	Invoice Cost	511	71,568
10700 STATE RD 662				
NEWBURGH IN 47630				
SCHINDLER ELEVATOR CORP	elevator inspection services	Invoice Cost	529	74 308
3725 W CLEVELAND RD			935	<u>2 074</u>
SOUTH BEND IN 46628				76 382
SCHUELL FENCE	fencing supplier	Invoice Cost	107	15 685
22377 ADAMS RD			108	1 125
SOUTH BEND IN 46628			569	8 691
			570	935
			591	10 636
			592	950
			935	<u>1,354</u>
				39,576
SCIENTECH LLC	software support services	Invoice Cost	107	6 380
440 W BROADWAY ST			500	17 896
IDAHO FALLS ID 83402			517	201 216
			524	<u>62,000</u>
				287 492
SECURITY SERVICES & TECHNOLOGY	security system installation	Invoice Cost	107	51 400
6939 JUNIPERVIEW DR			935	<u>1,210</u>
CINCINNATI OH 45243				52 610
SEMCO ENERGY	natural gas supplier	Invoice Cost	529	37 767
PO BOX 79001				
DETROIT MI 48279				
SEQUOIA CONSULTING GROUP INC	nuclear plant staffing	Invoice Cost	107	394 275
111 WASHINGTON ST			524	<u>189 601</u>
PLAINVILLE MA 02762				583 876
SESSIONS SERVICES EXCAVATING	lawn repair services	Invoice Cost	186	26 164
18025 DOEHRMAN RD			593	14 125
WOODBURN IN 46797			594	<u>18,708</u>
				58 997
SHELL ENGINEERING & ASSOCIATES	engineering services	Invoice Cost	506	52 361
2403 WASH ST				
COLUMBIA MO 65203				
SIEMENS POWER GENERATION INC	nuclear plant equipment	Invoice Cost	107	13 201 124
various US locations	support services			

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NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
SLATILE ROOFING & RESTORATION 1703 S IRONWOOD SOUTH BEND IN 46613	restoration & roofing repairs	Invoice Cost	107 108 570	12,415 6265 <u>34,102</u> 52 782
SOUTH BEND MEDICAL FOUNDATION 530 N LAFAYETTE BLVD SOUTH BEND IN 46601	employee radiation exposure monitoring	Invoice Cost	520 524 530	1 680 17 346 <u>42,861</u> 61 887
SPECIALTY SYST. OF SOUTH BEND 55215 MAYFLOWER RD SOUTH BEND IN 46628	asbestos removal services	Invoice Cost	107 108 570 594	20 219 7 546 683 <u>2,753</u> 31 201
STAFFMARK INC 2914 NORTH GRANVILLE AVE MUNCIE IN 47303	temporary staffing services	Invoice Cost	186 583 587 593 596	57 105 26 223 2,084 33 647 <u>2 680</u> 121 739
STAHURA INDUSTRIAL SERVICES 1622 N MAIN ST BUTLER PA 16001	equipment installation & modifications	Invoice Cost	107 108	44 678 <u>3,882</u> 48 560
STANDARD & POORS 55 WATER ST 46TH FL NEW YORK NY 10041	financial rating services	Invoice Cost	923	50 691
STEVENS PAINTON CORPORATION 5997 CARLSON AVE PORTAGE IN 46368	door & fence installation & repairs	Invoice Cost	107 524 529 532	14 723 9 941 17 369 <u>1,743</u> 43 776
STEVENSON & ASSOCIATES INC 10 STATE ST STE 4 WOBBURN MA 01801	nuclear plant equipment engineering	Invoice Cost	107	40 029
STOCK EQUIPMENT CO 16490 CHILLICOTHE RD CHAGRIN FALLS OH 44023	spare parts supplier	Invoice Cost	107 506	27 037 <u>3 686</u> 30 723
STRAHM INC PO BOX 8299 FT WAYNE IN 46898	waste removal services	Invoice Cost	935	35 186
STRUCTURAL INTEGRITY ASSOC 3315 ALMADEN EXPRESSWAY SAN JOSE CA 95118	structural analysis consulting	Invoice Cost	107 531	3 060 <u>25 000</u> 28 060
STUDSVIK PROCESSING FACILITY 151 T.C RUNION ROAD ERWIN TN 37650	radioactive waste disposal	Invoice Cost	426	270,625
STUDSVIK SCANDPOWER INC 1087 BEACON STREET NEWTON MA 02459	annual software licensing	Invoice Cost	524	75 164
SUMMIT PAINTING CO INC 1628 CATALPA ST FORT WAYNE IN 46802	building painting	Invoice Cost	935	25 511
SUPERHEAT SERVICES INC 10201 W 191 STREET MOKENA IL 60448	nuclear engineering services	Invoice Cost	532	49 768

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NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
SUN TECHNICAL SERVICES INC	engineering services	Invoice Cost	107	4 684,358
6490 S MCCARRAN BLVD STE 6			108	62 994
RENO NV 89509			163	16 594
			186	146
			500	130 026
			501	5 420
			513	23 699
			514	19 885
			517	28 282
			524	2 352,675
			525	56 343
			529	800 477
			530	1 116 114
			532	1 904 245
			560	4 758
			580	<u>1,435</u>
				11 187 451
SUNPRO INC	emergency response & cleanup services	Invoice Cost	107	100 073
7392 WHIPPLE AVE NW			184	1 361
NORTH CANTON OH 44720			570	3 202
			588	52 108
			592	3 162
			935	<u>1,208</u>
				161 114
SWALLOWS LANDSCAPE SERVICE	landscaping services	Invoice Cost	562	28 859
242 N FULTON			582	<u>26 284</u>
PARKER CITY IN 47368				55 143
SYNERGETIC DESIGN INC	engineering services	Invoice Cost	107	74 621
PO BOX 411247			108	6 218
CHARLOTTE NC 28241			580	21 764
			590	<u>21,764</u>
				124 367
TEKSYSTEMS	project support services	Invoice Cost	107	372 710
3940 PENINSULAR DRIVE SE			524	<u>1,412,104</u>
GRAND RAPIDS MI 49546				1 784 814
TESCO COMPANY	pole contact services	Invoice Cost	186	122 496
3129 25TH STREET				
COLUMBUS IN 47203				
THERMAL ENGINEERING INTL INC	hydrostatic testing services	Invoice Cost	107	9 500
various US locations			531	<u>40,000</u>
				49 500
THERMO ELECTRON	engineering services	Invoice Cost	500	10 247
504 AIRPORT RD			530	<u>26 815</u>
SANTA FE NM 87504				37 062
TIP TOP INDUSTRIAL SERVICE INC	machine repair	Invoice Cost	107	4 944
4690 ASHLEY DR			108	4 944
HAMILTON OH 45011			501	3 943
			512	<u>64,179</u>
				78 010
TOWERS PERRIN	financial & actuarial services	Invoice Cost	926	61 892
1100 SUPERIOR AVE E STE 900				
CLEVELAND OH 44114				
TOWNSEND TREE SERVICE INC	brush & tree trimming services	Invoice Cost	562	25 262
P O BOX 128			582	<u>3,445</u>
PARKER CITY IN 47368				28 707
TRAFFIC & SAFETY CONTROL SYS	traffic control barricades	Invoice Cost	524	44 468
48584 DOWNING				
WIXOM, MI 48393				

Name of Respondent	This Report Is: (1) [ X ] An Original (2) [ ] A Resubmission	Date of Report (Mo Da Yr)	Year of Report December 31 2006	
Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
TRANS IND CORP 2031 WESTWOOD AVE RICHMOND VA 23230	circuit breaker disposal	Invoice Cost	108	129 599
TRENTec INC 4600 E TECH DR CINCINNATI OH 45245	equipment inspection & repair	Invoice Cost	529	168 097
TRIVALENT GROUP INC 3145 PRAIRIE ST SW GRANDVILLE MI 49418	nuclear plant information technology	Invoice Cost	524	76 295
TURBO PARTS LLC CURTIS INDUSTRIAL PK, LOT #38A BALLSTON SPA NY 12020	plant equipment repairs	Invoice Cost	107	65 719
UG U.S.A. INC 115 PERIMETER CTR PL NE ATLANTA GA 30346	nuclear chemical supplier	Invoice Cost	120	10 750 000
UNDERWATER CONSTRUCTION CORP PO BOX 699 ESSEX CT 06426	underwater construction services	Invoice Cost	107	32 000
			530	44 919
			531	623 364
			532	<u>407,125</u>
				1 107 408
UNITECH SERVICES GROUP 1006 3RD AVE MORRIS, IL 60450	uniform & cleaning services	Invoice Cost	520	273 832
			524	108 089
			532	<u>266,260</u>
				648,181
UNITED CONSTRUCTION CO INC 1340 OLD ROSEMAR RD PARKERSBURG WV 26104	project construction services	Invoice Cost	107	299 794
			108	50 627
			186	46,637
			500	<u>101,484</u>
				498 542
US FILTER 100 HIGHTPOINT DRIVE CHALFONT PA 18914	maintenance agreements	Invoice Cost	107	1,755
			108	5 400
			502	9 347
			512	1 755
			513	<u>11,543</u>
				29 800
US INSPECTION SVCS OF CINCINNATI 502 W CRESENTVILLE RD CINCINNATI OH 45246	inspection services	Invoice Cost	107	5 137
			512	36 178
			513	<u>1,206</u>
				42 521
US NUCLEAR REG COMMISSION PO BOX 74514 ST LOUIS, MO 63195	inspection & annual licensing fees	Invoice Cost	517	406 244
			928	<u>1,107,143</u>
				1 513 387
UTILX CORP 22820 RUSSELL RD KENT WA 98064	utility pole treatment	Invoice Cost	107	2 316 347
VAN OVERBERGHE 53922 OLIVE RD SOUTH BEND, IN 46628	genl & carpentry contractors	Invoice Cost	569	5 153
			591	5 424
			935	<u>21,378</u>
				31 955
VARNUM RIDDERING SCHMIDT PO BOX 352 GRAND RAPIDS, MI 49501	legal services-labor & liability claim issues	Invoice Cost	923	155 557

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 2006	
Charges for Outside Professional & Other Consulting Services - Payments of \$25 000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
VECTREN ENERGY DELIVERY PO BOX 209 EVANSVILLE IN 47702	auxiliary power & electrical line relocation	Invoice Cost	107	25 543
VITALE & ASSOCIATES 9 HAVEN RD OLD BRIDGE NJ 08857	project time studies	Invoice Cost	107	29 801
VOTAW ELECTRIC INC P O BOX 80158 FORT WAYNE IN 46898	electrical parts	Invoice Cost	930	51 572
WABASH VALLEY REFUSE REMOVAL 316 SPRING VALLEY RD WABASH IN 46992	waste removal services	Invoice Cost	107 108 184 569 570	3 090 5 585 46 023 38 2 150 56 886
WACKENHUT CORP 4200 WACKENHUT DR PALM BEACH GARDENS FL 33140	security services	Invoice Cost	107 108 152 184 501 506 511 512 513 524 530 532 923	24 474 8,027 40 136 976 1 918 274 307 1,467 3 883 14 199 10 644 843 1 252 41 233 433 11 153 052
WASTE MANAGEMENT various US locations	waste removal services	Invoice Cost	108 184 583	21 548 8 791 253 30 592
WELLS FARGO BANK various US locations	financial services	Invoice Cost	181 427 930	2 500 77 778 29 950
WESTINGHOUSE ELECTRIC CO various US locations	engineering & project support	Invoice Cost	107 120 500 517 524 530 531 532	104 000 9,996 232 5 460 170 375 614,755 4 658 963 67 275 166,800 15 783 860
WHAYNE SUPPLY CO 1600 N EIGHTH STREET PADUCAH KY 42001	equipment repair	Invoice Cost	152 511 512 514	1 990 2 725 34 189 2,498 41 402
WHITING SERVICES INC 15700 LATHROP AVE HARVEY IL 60426	nuclear plant support svcs	Invoice Cost	530 532	172 656 195,169 367,825
WIECZOREK HILLIARD 12724 S WOLCOTT ST SAWYER MI 49125	equipment & building repairs	Invoice Cost	184 935	434 49 413 49 847

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 2006	
Charges for Outside Professional & Other Consulting Services - Payments of \$25,000 or more (contd.)				
NAME / ADDRESS	DESCRIPTION	CHARGES	ACCOUNT	AMOUNT
WMG INC 16 BANK STREET PEERSKILL NY 10586	nuclear plant equipment modifications	Invoice Cost	107	93 000
XENA SYSTEMS LTD RIVERSIDE PARK RD MIDDLESBROUGH, TS21UT GBR	nuclear plant project support	Invoice Cost	107	36 453
ZEEFAX INC 4050 SKYRON DR STE B1 DOYLESTOWN PA 18901	nuclear plant support services	Invoice Cost	107	189 522
ZELLER ELEVATOR CO 8875 MEINSCHEN RD MOUNT VERNON IN 47620	elevator services	Invoice Cost	511	49 747
ZIOLKOWSKI CONSTRUCTION INC 1005 S LAFAYETTE BLVD SOUTH BEND IN 46601	transformer painting	Invoice Cost	108 596 935	1 448 2 455 <u>62 036</u> 65 939

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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) December 31 2006	Year of Report		
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES</b>					
<p>1 In column (a) report the name of the associated company.</p> <p>2 In column (b) describe the affiliation (percentage ownership, etc )</p> <p>3 In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc ).</p> <p>4 In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.</p>					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Ohio Power Company	Subsidiaries of AEP	Coal & Urea Barging Costs		
2	Appalachian Power Co				
3	AEP Generating Company				
4	Kentucky Power				
5	Memco Consolidated				
6	Cook Coal Terminal	Subsidiary of AEP	Boat Rental		
7	Cardinal Operating Co	Subsidiaries of AEP	Rail Car Rental		
8	Southwest Elec Power Co				
9	Ohio Power Company				
10	Public Service Co of OK				
11	Appalachian Power Co				
12	AEP Service Corporation	Parent Company	Transmission Equalization	565	37 330,535
13	(agent for AEP System)	Service Corp.			
14	AEP Generating Company	Subsidiary of AEP	Costs billed to operate jointly-owned Rockport facilities	408	3,461 072
15				435	(15 811)
16				456	(210 000)
17				500	2,118,039
18				501	175 572 958
19				502	1,209 472
20				505	1 202,457
21				506	2 428 781
22				507	62 128,537
23				510	1 562 407
24				511	437 516
25				512	5 332 689
26				513	1,248 541
27				514	735,134
28				556	326 602
29				557	3 886
30				920	12 316
31				921	197 444
32				922	37
33				923	894 736
34				924	706 990
35				925	23 848
36				926	1 563 440
37				928	10,492
38				929	(12 460)
39				930	48,822
40				931	21 277
41				935	136,213
42	AEP Generating Company	Subsidiary of AEP	(1)	506	1,597
43				920	2
44				921	21
45				923	10
46				925	4
47	AEP Resources	Subsidiary of AEP	(1)	524	2 924
48				532	143
49				920	16,311
50	AEP Service Corporation	Parent Company	(1)	920	5,165
51		Service Corp		921	4 460
52				935	100,335
53	AEP T&D Services	Subsidiary of AEP	(1)	588	13,222
54				930	167,240
55	AEP Texas Central Co	Subsidiary of AEP	(1)	506	1 597
56				560	72
57				566	2,932
58				570	306
59				571	202
60				580	422

(1) Misc transactions rendered at cost

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 2006			
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)</b>						
<p>5 In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported</p> <p>6 In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.</p> <p>7 In column (j) report the total.</p> <p>8 In column (k) indicate the pricing method (cost per contract terms, etc )</p>						
Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No
417	2 088 106 14 531 055 14 845 981 68 378 16,345,104			47,878,624	Alloc of barging costs based on deliveries of coal.	1 2 3 4 5
417	5,000			5,000	Fee - contract	6
		151	272 365		Alloc of actual usage of cars	7
		151	2 194 043			8
		151	700 265			9
		151	962 173			10
		151	288,987	4,417,833		11
				37,330,535	Trans Equal Agmt appr by FERC.	12
421	(183)	107	10,137 784		Cost	13
426	160,115	108	120 189			14
		151	23,490 308			15
		152	116 566			16
		154	855,868			17
		186	171,327			18
		236	3 733,756			19
		242	(50 848 391)			20
		253	5 794 961			21
				254,877,735		22
					Cost	23
				1,634		24
					Cost	25
				19,378		26
		107	1 091		Cost	27
		163	2			28
				111,053		29
		163	621		Cost	30
				181,083		31
		107	566		Cost	32
		108	273			33
		163	(28)			34
		184	(337)			35
		188	65			36
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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 2006
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES</b>					
1. In column (a) report the name of the associated company.			services provided (administrative and general expenses dividends declared, etc.).		
2. In column (b) describe the affiliation (percentage ownership, etc.)			4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.		
3. In column (c) describe the nature of the goods and					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	AEP Texas Central Co (cont)			583	2
2				584	67
3				586	115
4				588	10,019
5				592	1 502
6				597	(2)
7				598	3
8				901	1 667
9				903	1 162
10				920	3 001
11				921	6 443
12				924	(3 548)
13				926	202
14				935	183
15	AEP Texas North Co	Subsidiary of AEP	(1)	500	700
16				506	1 597
17				530	125,349
18				560	65
19				566	2 932
20				570	115
21				571	1 140
22				580	129
23				584	6
24				586	57
25				588	119
26				596	319
27				598	1
28				901	182
29				903	1 545
30				920	8
31				921	333
32				924	(1 411)
33				926	63
34	American Electric Power Co	Parent Company	(1)	920	2 371
35				921	618
36				930	(438)
37	Appalachian Power Co.	Subsidiary of AEP	(1)	500	10,464
38				506	36 427
39				512	3 962
40				513	20
41				539	9 675
42				541	1 183
43				542	4 952
44				560	92
45				566	2 932
46				567	55
47				570	175
48				571	1 066
49				580	478
50				584	38
51				586	2 284
52				588	414
53				592	4 869
54				593	430
55				594	4
56				597	330
57				598	4
58				901	980
59				903	2 159
60				920	48

(1) Misc transactions rendered at cost

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 2006	
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)</b>						
<p>5 In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.</p> <p>6 In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported</p> <p>7 In column (j) report the total.</p> <p>8 In column (k) indicate the pricing method (cost per contract terms etc.)</p>						
Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No
				26,886		1 2 3 4 5 6 7 8 9 10 11 12 13 14
		107 163 184 188	1,953 (3) (140) 59		Cost	15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32
				135,118		33
426	6,732	184 186	325 000 487		Cost	34 35 36
				334,770		
		107 108 163 184 188	65 316 54 (56) 19,720 26,057		Cost	37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60

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<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES</b>					
1. In column (a) report the name of the associated company.			services provided (administrative and general expenses dividends declared, etc ).		
2. In column (b) describe the affiliation (percentage ownership, etc )			4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported.		
3. In column (c) describe the nature of the goods and					
Line No	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Appalachian Power Co (cont)			921	14,103
2				923	56
3				924	(8,137)
4				925	21
5				926	1,403
6				930	260
7				935	865
8	Blackhawk Coal Co	Subsidiary of AEP	(1)		
9	Cardinal Operating Co	Subsidiary of AEP	(1)	500	398
10				506	1,597
11				513	92
12				580	2,930
13				920	3
14				921	3,145
15	Columbus Southern Power	Subsidiary of AEP	(1)	456	(7,481)
16				500	2,479
17				506	260
18				560	32
19				566	2,932
20				570	1,722
21				571	755
22				580	302
23				584	24
24				586	376
25				588	5,724
26				592	1,347
27				593	89
28				597	258
29				598	3
30				901	619
31				903	422
32				920	2,268
33				921	4,630
34				923	41
35				924	(4,713)
36				925	16
37				926	147
38				935	14,615
39	Conesville Coal Prep Co	Subsidiary of AEP	(1)	921	24
40				926	14,911
41	Cook Coal Terminal	Subsidiary of AEP	(1)	500	109,806
42				921	59
43				923	291
44	Kentucky Power Co	Subsidiary of AEP	(1)	500	1,152
45				506	1,597
46				560	18
47				566	2,932
48				571	1,487
49				580	873
50				584	8
51				586	923
52				588	1,174
53				592	734
54				593	(3)
55				597	2
56				598	1
57				901	212
58				903	(116)
59				920	10
60				921	1,951

(1) Misc transactions rendered at cost

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 2006			
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)</b>						
<p>5 In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.</p> <p>6 In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.</p> <p>7 In column (j) report the total.</p> <p>8 In column (k) indicate the pricing method (cost per contract terms etc.)</p>						
Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No
				202,703		1
		228	15,431	15,431	Cost	2
		188	7 228		Cost	3
				15,393		4
		107	20 100		Cost	5
		108	29			6
		163	32,870			7
		184	(176)			8
		186	(558)			9
		188	5,218			10
				84,350		11
				14,935	Cost	12
					Cost	13
				110,156		14
		107	6 985		Cost	15
		108	(20 242)			16
		143	27 536			17
		163	(8)			18
		184	(124)			19
		188	3 670			20
						21
						22
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<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES</b>					
1. In column (a) report the name of the associated company.			services provided (administrative and general expenses dividends declared, etc ).		
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3. In column (c) describe the nature of the goods and					
Line No	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Kentucky Power Co (cont)			923	11
2				924	(1 915)
3				925	4
4				926	50
5				930	(30)
6	Kingsport Power Co	Subsidiary of AEP	(1)	560	1
7				566	2,932
8				571	3
9				580	19
10				584	1
11				588	17
12				592	46
13				597	16
14				901	35
15				920	1
16				921	51
17				924	(132)
18				926	9
19	Memco Consolidated	Subsidiary of AEP	(1)	920	545
20				921	184,991
21	Ohio Power Co	Subsidiary of AEP	(1)	456	(36 638)
22				500	6 503
23				506	1 597
24				510	590
25				511	(32)
26				512	(255)
27				513	64
28				539	139
29				542	1,694
30				560	1 594
31				563	871
32				566	3,966
33				569	327
34				570	50,897
35				571	64 146
36				580	1,595
37				583	107
38				584	27
39				586	764
40				588	100,889
41				592	46 277
42				593	3 842
43				594	790
44				595	3 864
45				596	28
46				597	407
47				598	3
48				901	996
49				903	61
50				920	16,940
51				921	10 829
52				923	75
53				924	(7 206)
54				925	29
55				926	171
56				930	3,377
57				935	50,472
58	Public Service Co of OK	Subsidiary of AEP	(1)	500	3,113
59				506	1 597
60				560	52

(1) Misc transactions rendered at cost

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 2006	
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)</b>						
<p>5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported</p> <p>6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported</p> <p>7. In column (j) report the total.</p> <p>8. In column (k) indicate the pricing method (cost per contract terms etc.)</p>						
Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
				28,892		1
		184	(22)		Cost	2
		188	1			3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
				2,978		17
417	74 462				Cost	18
				259,998		19
		107	289 857		Cost	20
		108	(6 051)			21
		143	(3 729)			22
		163	317,520			23
		184	(307)			24
		185	342			25
		186	2,533			26
		188	18,210			27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
						46
						47
						48
						49
						50
						51
						52
						53
						54
						55
				948,175		56
		108	129		Cost	57
		163	(26)			58
		184	(276)			59
						60

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 2006
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES</b>					
1. In column (a) report the name of the associated company 2. In column (b) describe the affiliation (percentage ownership, etc.) 3. In column (c) describe the nature of the goods and services provided (administrative and general expenses dividends declared, etc.) 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported					
Line No	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Public Service Co of OK(cont)			566	2 932
2				570	106
3				571	3 617
4				580	2 389
5				584	19
6				586	1 294
7				588	424
8				592	943
9				593	209
10				598	4
11				901	524
12				903	371
13				920	21
14				921	5 020
15				924	(3 156)
16				926	146
17				930	31
18				931	5
19				935	2,167
20	Southwest Elec Power Co	Subsidiary of AEP	(1)	500	3,985
21				506	1 597
22				560	51
23				566	2,932
24				570	317
25				571	143
26				580	299
27				584	18
28				586	2,255
29				587	(44)
30				588	310
31				592	1,688
32				593	333
33				598	9
34				901	496
35				903	584
36				920	24
37				921	6 382
38				924	(3 724)
39				926	146
40				935	(3)
41	Wheeling Power Co	Subsidiary of AEP	(1)	560	3
42				566	2,932
43				571	8
44				580	23
45				584	2
46				588	21
47				592	294
48				597	14
49				901	42
50				920	1
51				921	51
52				924	(140)
53				926	11
54	Miscellaneous - For affiliate	Subsidiary of AEP	(1)	920	2
55	totals less than \$50			923	38
56					
57					
58					
59					
60	<b>TOTALS</b>				<b>299,773,624</b>

(1) Misc transactions rendered at cost

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 2006			
<b>SUMMARY OF COSTS BILLED TO ASSOCIATED COMPANIES (Continued)</b>						
<p>5 In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported</p> <p>6 In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported</p> <p>7 In column (j) report the total.</p> <p>8 In column (k) indicate the pricing method (cost per contract terms etc.)</p>						
Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No
		185	83			1
		188	11,732			2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
				33,470		18
						19
		107	4 804		Cost	20
		108	13			21
		163	(33)			22
		184	(1 139)			23
		188	14 266			24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
				35,709		39
						40
		184	(23)		Cost	41
		188	3			42
						43
						44
						45
						46
						47
						48
						49
						50
						51
						52
				3,242		53
					Cost	54
				40		55
						56
						57
						58
						59
	48,124,750		(823,253)	347,075,121		60

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 2006	
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES</b>					
1. In column (a) report the name of the associated company 2. In column (b) describe the affiliation (percentage ownership, etc ). 3. In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc ). 4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported					
Line No	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Memco Consolidated	Subsidiary of AEP	Coal Barging		
2	Memco Consolidated	Subsidiary of AEP	River Trans G&A		
3	Appalachian Power Co	Subsidiary of AEP	Lakin Electric Billing		
4	AEP Transportation	Subsidiaries of AEP	Rail Car Usage		
5	Appalachian Power Co				
6	Ohio Power Co				
7	Public Service Co of OK				
8	Southwest Elec Power Co				
9	AEP Generating Company	Subsidiary of AEP	Purchased Power	555	216,722,653
10	AEP Service Corporation				120,883,245
11	AEP System Pool				5,462,202
12	Public Service Co of OK				44,486
13	Southwest Elec Power Co				43,093
14	AEP Pro Serv Inc	Subsidiary of AEP	(1)	500	62
15				921	83
16	AEP Texas Central Co	Subsidiary of AEP	(1)	512	102
17				514	195
18				560	132
19				566	4,047
20				570	1,196
21				580	1,142
22				586	385
23				588	1,778
24				593	1,824
25				903	504
26				907	42
27				923	255
28				924	(1,664)
29				930	17
30				931	213
31				935	1,341
32	AEP Texas North Co	Subsidiary of AEP	(1)	506	95
33				560	62
34				566	3,594
35				570	741
36				580	1,499
37				588	123
38				592	1,693
39				593	2
40				597	11
41				903	5
42				921	46
43				931	190
44	American Electric Power Co	Parent Co	(1)		
45					
46					
47	Appalachian Power Co	Subsidiary of AEP	(1)	454	(54)
48				456	(82,425)
49				500	20,196
50				502	360
51				505	360
52				506	21,441
53				510	423
54				511	280
55				535	45,047
56				539	44,799
57				543	17
58				544	2,400
59				560	96
60				561	1

(1) Misc transactions rendered at cost

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 2006			
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)</b>						
<p>5 In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.</p> <p>6 In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.</p> <p>7 In column (j) report the total.</p> <p>8 In column (k) indicate the pricing method (cost per contract terms, etc.)</p>						
Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k).	Line No
417	12,154,781			12,154,781	Cost	1
417	3,801,815			3,801,815	Cost	2
417	37,565			37,565	Cost	3
		151	310 334		Alloc of actual expense	4
		151	176 313			5
		151	1,016 346			6
		151	487 107			7
		151	734,954	2,725,054		8
					The AEP System operates all gen facilities as agent	9
						10
				343,155,679		11
					Cost	12
				145		13
426	52	107	442		Cost	14
		108	383			15
		163	4			16
		165	25 379			17
		184	113			18
		185	2			19
		186	(7 150)			20
		188	76			21
						22
						23
						24
						25
						26
						27
						28
						29
				30,810		30
		107	42		Cost	31
		108	8			32
		165	6 768			33
		184	67			34
						35
						36
						37
						38
						39
						40
						41
						42
				14,946		43
		184	22		Cost	44
		186	395			45
		236	80	497		46
426	5 083	107	147 329		Cost	47
		108	(277 373)			48
		163	(6 853)			49
		184	43 469			50
		188	21 758			51
						52
						53
						54
						55
						56
						57
						58
						59
						60

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 2006
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES</b>					
1. In column (a) report the name of the associated company			services provided (administrative and general expenses, dividends declared, etc ).		
2. In column (b) describe the affiliation (percentage ownership, etc ).			4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported		
3. In column (c) describe the nature of the goods and					
Line No	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Appalachian Power Co (cont)			566	4 742
2				570	4 986
3				580	1,502
4				586	23 867
5				587	7
6				588	4 032
7				592	2,872
8				593	2 210
9				595	28 090
10				597	4,063
11				598	5 737
12				907	2
13				920	4 122
14				921	10,191
15				923	4 735
16				925	326
17				926	1 603
18				930	2,048
19				931	177
20				935	4,918
21	Cardinal Operating Co	Subsidiary of AEP	(1)	500	263
22				921	2,514
23	Columbus Southern Power	Subsidiary of AEP	(1)	500	168
24				506	2 801
25				512	171
26				514	285
27				560	145
28				566	174
29				570	991
30				571	787
31				580	29 441
32				583	1 140
33				584	10,766
34				585	351
35				586	519
36				588	40,213
37				590	17,187
38				592	448
39				593	18 897
40				597	244
41				903	329
42				920	17 447
43				921	3 652
44				923	41,428
45				930	2 120
46				931	407
47				935	29,792
48	Franklin Real Estate Co	Subsidiary of AEP	(1)		
49	Indiana Franklin Realty, Inc	Subsidiary of AEP	(1)		
50	Kentucky Power Co	Subsidiary of AEP	(1)	506	3
51				511	(25)
52				512	1 012
53				535	(3)
54				561	378
55				566	1 076
56				580	44
57				586	87
58				587	6
59				588	41
60				593	85

(1) Misc transactions rendered at cost

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 2006			
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)</b>						
<p>5 In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported</p> <p>6 In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported</p> <p>7 In column (j) report the total.</p> <p>8 In column (k) indicate the pricing method (cost, per contract terms etc.)</p>						
Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
				96,584		19
		188	4,761			20
				7,538	Cost	21
417	82	107	33,377		Cost	22
426	150	108	(801)			23
		163	2 098			24
		184	1 418			25
		186	929			26
		188	95 626			27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
						43
						44
						45
				352,782		46
		236	7,850	7,850	Cost	47
		236	143,274	143,274	Cost	48
		107	10 306		Cost	49
		163	244			50
		184	1 307			51
		188	196			52
						53
						54
						55
						56
						57
						58
						59
						60

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 2006		
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES</b>					
1. In column (a) report the name of the associated company.		services provided (administrative and general expenses dividends declared, etc.).			
2. In column (b) describe the affiliation (percentage ownership, etc.)		4. In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported			
3. In column (c) describe the nature of the goods and					
Line No	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Kentucky Power Co (cont)			903	128
2				920	602
3				921	1 366
4				923	40 632
5				935	969
6	Kingsport Power Co	Subsidiary of AEP	(1)	513	9
7				597	118
8					
9					
10	Ohio Power Co	Subsidiary of AEP	(1)	454	(53)
11				456	(8 750)
12				500	10 358
13				506	2 666
14				512	80
15				514	120
16				531	20 713
17				539	24
18				560	85
19				563	128
20				566	2 091
21				570	3 862
22				571	3 139
23				580	36 041
24				582	355
25				583	20 145
26				586	159 686
27				588	34 771
28				589	158
29				592	2 446
30				593	3 615
31				594	24
32				595	6 240
33				597	7 841
34				598	18 028
35				903	1 292
36				920	11 790
37				921	21 045
38				923	512 937
39				925	3 691
40				926	710
41				930	44
42				931	1 097 686
43				935	56,943
44	Public Service Co of OK	Subsidiary of AEP	(1)	500	3 621
45				506	1 105
46				512	266
47				513	71
48				566	2 727
49				570	2 255
50				580	1 373
51				586	4 650
52				587	203
53				588	3 152
54				592	20
55				593	1 530
56				594	340
57				595	4
58				596	2
59				598	286
60				903	991

(1) Misc transactions rendered at cost

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 2006	
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)</b>						
<p>5. In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.</p> <p>6. In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.</p> <p>7. In column (j) report the total.</p> <p>8. In column (k) indicate the pricing method (cost per contract terms etc )</p>						
Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No.
				58,454		1
						2
						3
						4
						5
		107	683		Cost	6
		108	901			7
		184	416			8
		186	3,764	5,891		9
421	(33 500)	107	124,822		Cost	10
426	133	108	6 243			11
		163	1 911			12
		184	2 267			13
		186	1 469			14
		188	27,604			15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
				2,160,900		42
						43
		107	125 082		Cost	44
		108	22			45
		163	14 761			46
		184	1			47
		185	109			48
						49
						50
						51
						52
						53
						54
						55
						56
						57
						58
						59
						60

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 2006
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES</b>					
<p>1 In column (a) report the name of the associated company.</p> <p>2 In column (b) describe the affiliation (percentage ownership, etc ).</p> <p>3 In column (c) describe the nature of the goods and services provided (administrative and general expenses, dividends declared, etc ).</p> <p>4 In columns (d) and (e) report the amount classified to operating income and the account(s) in which reported</p>					
Line No.	Company (a)	Affiliation (b)	Description: Nature of Goods and Services (c)	Account Number (d)	Amount Classified to Operating Income (e)
1	Public Service Co of OK(cont)			920	852
2				921	2,988
3				926	414
4				931	1,004
5	Southwest Elec Power Co	Subsidiary of AEP	(1)	500	1 125
6				506	2
7				510	851
8				513	621
9				560	33
10				570	2 073
11				580	939
12				586	2 377
13				587	1,295
14				588	536
15				592	521
16				593	3 609
17				595	47
18				596	37
19				597	3
20				903	2 266
21				920	411
22				921	3 142
23				923	3 695
24				931	627
25				935	105
26	Wheeling Power Co	Subsidiary of AEP	(1)	583	9 903
27				586	21
28				593	3,687
29				597	8
30				903	94
31				905	(405)
32				925	450
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56					
57					
58					
59					
60	<b>TOTALS</b>				<b>345,703,651</b>

(1) Misc transactions rendered at cost

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 2006			
<b>SUMMARY OF COSTS BILLED FROM ASSOCIATED COMPANIES (Continued)</b>						
<p>5 In columns (f) and (g) report the amount classified to non-operating income and the account(s) in which reported.</p> <p>6 In columns (h) and (i) report the amount classified to the balance sheet and the account(s) in which reported.</p> <p>7 In column (j) report the total.</p> <p>8 In column (k) indicate the pricing method (cost, per contract terms etc.)</p>						
Account Number (f)	Amount Classified to Non-operating Income (g)	Account Number (h)	Amount Classified to Balance Sheet (i)	Total (j)	Pricing Method (k)	Line No
				167,829		1
		107	7,449		Cost	2
		108	122			3
		163	16,872			4
		184	18,046			5
		185	3			6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
				66,807		24
		107	5		Cost	25
		108	1			26
						27
						28
						29
						30
						31
				13,764		32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42
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	15,966,161		3,333,153	365,002,965		60

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, 2006	
<b>ELECTRIC ENERGY ACCOUNT</b>							
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.							
Line No.	Item (a)	MWH's (b)	Line No.	Item (a)	MWH's (b)		
1	<b>SOURCES OF ENERGY</b>		18	Net Transmission for other (line 16	0		
2	Generation (Excluding Station Use):			minus line 17)			
3	Steam	16,158,130	19	Transmission by others losses	0		
4	Nuclear	15,684,918	20	TOTAL (Total of lines 9, 10, 14, 18 & 19)	46,119,992		
5	Hydro-Conventional	107,720	21	<b>DISPOSITION OF ENERGY</b>			
6	Hydro-Pumped Storage		22	Sales to Ultimate Consumers			
7	Other			(Including Interdepartmental Sales)	18,982,744		
8	LESS Energy for Pumping		23	Requirements Sales for Resale			
9	Net Generation (Total of lines 3 thru 8)	31,950,768		(See instruction 4, page 311.)	3,497,758		
10	Purchases	14,169,224	24	Non-Requirements Sales For Resale			
11	Power Exchanges:			(See instruction 4, page 311.)	21,780,611		
12	Received		25	Energy furnished without charge	44		
13	Delivered		26	Energy used by the company (Electric			
14	NET Exchanges (line 12 minus 13)			Dept. only, excluding station use)			
15	Transmission for other (Wheeling)		27	Total Energy Losses	1,858,835		
16	Received		28	TOTAL (Enter total of lines 22 thru			
17	Delivered			27) (MUST equal line 20)	46,119,992		
<b>MONTHLY PEAKS AND OUTPUT</b>							
1 If the respondent has two or more power systems which are not physically integrated furnish the required information for each non-integrated system 2 Report in column (b) the system's energy output for each month such that the total on line 41 matches the total on line 20 3 Report in column (c) a monthly breakdown on the Non-Requirements Sales for Resale reported on line 24 Include in the monthly amounts any energy losses associated with the sales so that the total on line 41 exceeds the				amount on line 24 by the amount of losses incurred (or estimated) in making the non-requirements Sales for Resale 4 Report in column (d) the system's monthly maximum megawatt load (60-minute integration) associated with the net energy for the system defined as the difference between columns (b) and (c) 5 Report in columns (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 Instruction 4) (d)	Day of Month (e)	Hour (f)	
29	January	3,814,634	1,735,377	3351	18	1100	
30	February	3,818,910	1,913,854	3402	9	800	
31	March	4,131,783	2,052,692	3414	21	1100	
32	April	3,375,067	1,568,283	3068	3	1100	
33	May	3,754,654	1,796,822	4116	30	1300	
34	June	3,941,660	1,940,702	3801	16	1500	
35	July	4,313,848	2,044,773	4650	31	1400	
36	August	4,561,919	2,193,291	4615	1	1400	
37	September	3,384,365	1,473,007	3432	8	1400	
38	October	3,323,268	1,348,827	3274	25	700	
39	November	3,536,970	1,601,897	3312	2	1900	
40	December	4,162,914	2,111,086	3623	4	1900	
41	TOTAL	46,119,992	21,780,611				

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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, 2006	
<b>STEAM-ELECTRIC GENERATION PLANT STATISTICS (Large Plants)</b>							
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 and nuclear plants 3 Indicate by 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 number of employees assignable to each plant				6 If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mef 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 shown on line 21 8 If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned 9 Items under Cost of PLant4 are based on U S of A accounts Production expenses do not include Purchased Power System			
Line No.	Item (a)	ROCKPORT UNIT 1 I&M (b)		ROCKPORT UNIT 2 I&M (c)			
1	Kind of plant (steam, int. combustion, Gas turbine or nuclear)	Steam		Steam			
2	Plant Constrcn. Type (Conventional/Outdr. Boiler/Full Outdoor/Etc.)	Conventional		Conventional			
3	Year originally constructed	1984		1989			
4	Year last unit was installed	1984		1989			
5	Total Installed cpcty. (max. generator name plate ratings in MW)	650.00		650.00			
6	Net Peak Demand on Plant-MW (60 minutes)	671		666			
7	Plant hours connected to load	8,353		8,471			
8	Net continuous plant capability (megawatts)	0		0			
9	When not limited by condenser water	650		650			
10	When limited by condenser water	650		650			
11	Average number of employees	0		0			
12	Net generation, exclusive of plant use-KWh	5,093,009,000		5,187,750,000			
13	Cost of plant: Land and Land Rights	6,508,470		68,095			
14	Structures and Improvements	87,107,954		4,273,447			
15	Equipments costs	505,829,068		60,990,835			
16	Asset Retirement Costs	392327		370056			
17	Total cost	599,837,819		65,702,433			
18	Cost per KW of Installed capacity (line 5)	923		101			
19	Production Expenses: Oper., Supv., & Engr.	1,055,264		1,062,774			
20	Fuel	88,566,879		90,163,733			
21	Coolants and Water (Nuclear Plants only)	0		0			
22	Steam expenses	634,691		574,779			
23	Steam from other sources	0		0			
24	Steam transferred (credit)	0		0			
25	Electric expenses	622,171		580,285			
26	Misc. steam (or nuclear) power expenses	1,236,140		1,195,629			
27	Rents	0		70,147,272			
28	Allowances	3,888,450		3,888,450			
29	Maintenance Supervision and Engineering	782,395		780,010			
30	Maintenance of structures	586,339		174,175			
31	Maintenance of boiler (or reactor) plant	3,265,892		2,066,783			
32	Maintenance of electric plant	822,677		425,875			
33	Maintenance of Misc. steam (or nuclear) plant	408,410		326,721			
34	Total Production Expenses	101,869,308		171,386,486			
35	Expenses per net KWh	0.0200		0.0330			
36	Fuel: Kind (coal, gas, oil, or nuclear)						
37	Unit: (coal-tons of 2,000 lb) (oil-barrels of 42 gals.) (Gas-Mcf) (Nuclear-indicate)						
38	Quantity (units) of fuel burned						
39	Avg. Heat cont. of fuel burned (Btu per lb. Of coal, per gal. of oil, or per Mcf of gas) (give unit if nuclear)						
40	Avg. cost of fuel per unit, as delvrd. F.o.b. plant during year						
41	Avg. cost of fuel per unit burned						
42	Avg. cost of fuel burned per million Btu						
43	Avg. cost of fuel burned per KWh net gen.						
44	Avg. Btu per KWh net generation						

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, 2006	
<b>STEAM-ELECTRIC GENERATION PLANT STATISTICS (Large Plants)</b>							
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 and nuclear plants 3 Indicate by 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 number of employees assignable to each plant				6 If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mef 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 shown on line 21 8 If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned 9 Items under Cost of PLant4 are based on U S of A accounts Production expenses do not include Purchased Power System			
Line No.	Item (a)	DONALD C COOK PLANT (b)					
1	Kind of plant (steam, int. combustion, Gas turbine or nuclear)	Nuclear					
2	Plant Constrcn. Type (Conventional/Outdr. Boiler/Full Outdoor/Etc.)	Conventional					
3	Year originally constructed	1975					
4	Year last unit was installed	1978					
5	Total Installed cpcty. (max. generator name plate ratings in MW)	2285.00					
6	Net Peak Demand on Plant-MW (60 minutes)	2,219					
7	Plant hours connected to load	7,733					
8	Net continuous plant capability (megawatts)	0					
9	When not limited by condenser water	2143					
10	When limited by condenser water	2,093					
11	Average number of employees	951					
12	Net generation, exclusive of plant use-KWh	15,684,918,000					
13	Cost of plant: Land and Land Rights	1879588					
14	Structures and Improvements	3,115,380,509					
15	Equipments costs	1,590,825,503					
16	Asset Retirement Costs	200,044,971					
17	Total cost	2,104,288,571					
18	Cost per KW of Installed capacity (line 5)	921					
19	Production Expenses: Oper., Supv., & Engr.	13,116,485					
20	Fuel	75,027,347					
21	Coolants and Water (Nuclear Plants only)	623,230					
22	Steam expenses	2,615,036					
23	Steam from other sources	0					
24	Steam transferred (credit)	0					
25	Electric expenses	387,457					
26	Misc. steam (or nuclear) power expenses	102,321,595					
27	Rents	422,281					
28	Allowances	0					
29	Maintenance Supervision and Engineering	2,036,525					
30	Maintenance of structures	2,954,622					
31	Maintenance of boiler (or reactor) plant	47,808,158					
32	Maintenance of electric plant	17,962,834					
33	Maintenance of Misc. steam (or nuclear) plant	36,103,713					
34	Total Production Expenses	301,379,283					
35	Expenses per net KWh	0.0192					
36	Fuel: Kind (coal, gas, oil, or nuclear)	NUCLEAR					
37	Unit: (coal-tons of 2,000 lb) (oil-barrels of 42 gals.)						
	(Gas-Mcf) (Nuclear-indicate)						
38	Quantity (units) of fuel burned						
	Avg. Heat cont. of fuel burned (Btu per lb. Of coal, per gal. of oil, or per Mcf of gas) (give unit if nuclear)						
39	Avg. cost of fuel per unit, as delvrd. F.o.b. plant during year						
40	Avg. cost of fuel per unit burned						
41	Avg. cost of fuel per unit burned						
42	Avg. cost of fuel burned per million Btu	0.441					
43	Avg. cost of fuel burned per KWh net gen.	0.005					
44	Avg. Btu per KWh net generation	10839					

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, 2006
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STEAM-ELECTRIC GENERATION PLANT STATISTICS (Large Plants) (Continued)			
Control and Load Dispatching, and Other Expenses classified as other Power Supply Expenses.		functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant	
10. For IC and GT plants, report Operating Expenses, Acct Nos 548 and 549 on line 26 "Electric Expenses " and Maintenance Acct. Nos. 553 and 554 on line 32 "Maintenance of Electric Plant " Indicate plants designed for peak load svc. Designate automatically operated plants		12. If a nuclear power generating plant, briefly explain by foot-note (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 by type and quantity for the report period, and other physical and operating characteristics of plant.	
ROCKPORT TOTAL I&M (d)	ROCKPORT TOTAL PLANT (e)	TANNERS CREEK PLANT (f)	Line No.
Steam	Steam	Steam	1
Conventional	Conventional	Conventional	2
1984	1984	1951	3
1989	1989	1964	4
1300.00	2600.00	995.00	5
1,336	2,672	1,018	6
8,471	8,471	8,077	7
0	0	0	8
1300	2600	995	9
1300	2600	980	10
0	240	176	11
10,280,759,000	20,556,893,000	5,877,371,000	12
6,576,565	13,123,803	393903	13
91,381,401	184,638,046	46,569,218	14
566,819,903	1,139,627,349	470,755,540	15
762383	1524766	688246	16
66,540,252	1,338,913,964	518,406,907	17
512	515	521	18
2,640,355	4,758,394	858,481	19
178,734,802	357,388,910	108,807,123	20
0	0	0	21
1,209,471	2,418,943	4,696,658	22
0	0	0	23
0	0	0	24
1,202,456	2,404,913	105,434	25
2,669,662	5,149,763	5,752,384	26
70147272	138430308	0	27
7,840,686	7,840,686	3,330,315	28
1,668,327	3,230,733	542,750	29
760,512	1,521,027	895,585	30
5,356,614	10,689,304	12,556,667	31
1,248,613	2,497,270	3,657,921	32
736,033	1,471,167	793,468	33
274,214,803	537,801,418	141,996,786	34
0.0267	0.0262	0.0242	35
COAL	OIL	COAL	OIL
TONS	BARRELS	TONS	BARRELS
5294188	12308	10586069	24615
9372	138559	9372	138556
33.414	86.211	33.414	86.211
33.571	81.786	33.57	81.786
1.791	14.054	1.791	14.054
0.017		0.017	
9659		9659	
2653478	24803	10967	138675
39.1	88.107	40.191	87.15
1.832	14.963	0.018	
9927			

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, 2006
<b>FOOTNOTE DATA</b>					
Page Number (a)	Line Number (b)	Column Number (c)	Comments (d)		
403	1	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) Respondent's 50% share of Unit 1 and column (c) represents the Respondent's 50% share of Unit 2. Column (d) represents Respondent's total share of Rockport Plant and column (e) represents Total Rockport Plant owned and leased by the Respondent and AEP Generating 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 of Report December 31, 2006	
<b>GENERATING PLANT STATISTICS (Small Plants)</b>							
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	Hydroelectric						
2	Berrien Springs	1908	7 20	7 0	34,670	13,980,391	
3	Buchanan (Project #2551)	1919	4 10	3 0	18,857	7,012,065	
4	Constantine (Project #10661)	1921	1 20	2 0	6,209	2,502,624	
5	Elkhart (Project #2651)	1913	3 44	4 0	20,682	6,067,304	
6	Mottville (Project #401)	1923	1 60	2 0	7,813	3,022,720	
7	Twin Branch (Project #2579)	1904	4 80	4 0	19,489	11,262,552	
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<b>GENERATING PLANT STATISTICS (Small Plants) (Continued)</b>						
3 List plants appropriately under subheadings for steam hydro nuclear internal combustion and gas turbine plants For nuclear see inst 11 p 403				steacm 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 preheagted combustion air in a boiler, report as one plant.		
4 If net peak demand for 60 minutes if not available give that which is available specifying period						
5. If any plant is equipped with combinations of						
Plant Cost Per MW Inst Capacity (g)	Operation Exc'l Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Cost (In cents per million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
1,941,721	314,414		255,340			1
1,710,260	186,576		196,912			2
2,085,520	52,589		37,914			3
1,763,751	127,954		200,425			4
1,889,200	77,014		81,714			5
2,346,365	207,623		796,105			6
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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 December 31, 2006	
CHANGES MADE OR SCHEDULED TO BE MADE IN GENERATING PLANT CAPACITIES Give below information called for concerning changes in electric generating plant capacities during the year.							
A. Generating Plants or Units Dismantled, Removed 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 to Another, 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	NONE						
9							
10							
11							
12							
13							
14							
C. New Generating Plants Scheduled for or Under Construction							
Line No	Plant Name and Location (a)	Type (Hydro, Pumped Storage, Steam, Internal Combustion Gas-Turbine, Nuclear, etc) (b)	Installed Capacity (in megawatts)		Estimated Dates of Construction		
			Initial (c)	Ultimate (d)	Start (e)	Completion (f)	
15	NONE						
16							
17							
18							
19							
20							
21							
D. New Units in Existing Plants Scheduled for or Under Construction							
Line No	Plant Name and Location (a)	Type (Hydro, Pumped Storage, Steam, Internal Combustion Gas-Turbine, Nuclear, etc) (b)	Unit No (c)	Size of Unit (in megawatts) (d)	Estimated Dates of Construction		
					Start (e)	Completion (f)	
22	NONE						
23							
24							
25							
26							
27							
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)		Year of Report December 31, 2006	
<b>STEAM ELECTRIC GENERATING PLANTS</b>							
1. Include on this page steam-electric plants of 25,000 Kw (name plate rating) or more of installed capacity. 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. 3. Exclude plant, the book cost of which is located in Account 121 <i>Nonutility Property</i> . 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				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. 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 6. Designate any plant or equipment owned, not			
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	Tanners Creek	Lawrenceburg, IN	1-1951	Pulv. Coal	2080	1050/1000	930
2							
3			2-1952	Pulv. Coal	2080	1050/1000	930
4							
5			3-1954	Pulv. Coal	2075	1050/1050	1,335
6							
7			4-1964	Coal-Cyclone	3500	1000/1025 /1050	3,840
8							
9							
10							
11							
12							
13							
14							
15	Donald C. Cook	Bridgeman, MI	1-1975	Nuclear	2250	507	13,708
16			2-1978	Nuclear	1818	521	13,670
17							
18							
19							
20							
21	Rockport*	Rockport, IN	1-1984	Pulv. Coal	3650	1000/1000	9,775
22							
23			2-1989	Pulv. Coal	3650	1000/1000	9,775
24							
25							
26							
27							
28	* Figures shown are the totals for the plant which is shared one-half by respondent and one-half						
29	by AEP Generating Company (an associated company). Both companies are subsidiaries of American						
30	Electric Power Company Operating expenses are shared on the basis of ownership percentage.						
31	Unit 1 is owned 50% by each and unit 2 is leased 50% by each from a consortium of financial institutions.						
32							
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 of Report December 31, 2006		
<b>STEAM ELECTRIC GENERATING PLANTS (cont'd)</b>												
<p>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</p> <p>and its book cost are contemplated</p> <p>7. Report gas-turbines operated in a combined cycle with a conventional steam unit with its associated steam unit.</p>												
Turbine-Generators (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.)												
Year Installed	TURBINES <i>Include both ratings for boiler and turbine-generator of dual-rated installations</i>				GENERATORS <i>NAME PLATE Rating in Kw</i>						Plant Capacity Maximum Generator Name Plate Rating (Should agree with column (n))	Line No
	Max Rating Mega-Watt	Type (Indicate tandem-compound (TC); cross compound (CC) single casing (SC); topping unit (T); and non-condensing (NC) Show back pressures)	Steam Pressure at Throttle psig	RPM	At Minimum Hydrogen Pressure	At Max Hydrogen Pressure (Include both ratings for the boiler and the turbine-generator of dual-rated installations)	Hydrogen Pressure  (Designate air cooled generators)		Power Factor	Voltage (in MV)  (If other than 3 phase, 60 cycle indicate other characteristic)		
							Min	Max				
(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	
1951	90	CC	Var	1800	90,000	109,800	0.5	25	0.80	13.8	152,500	1
1951	35	CC	2000	3600	35,000	42,700	0.5	25	0.80	13.8		2
1952	90	CC	Var	1800	90,000	109,800	0.5	25	0.80	13.8	152,500	3
1952	35	CC	2000	3600	35,000	42,700	0.5	25	0.80	13.8		4
1954	100	CC	Var	1800	112,000	137,200	0.5	30	0.80	18	215,400	5
1954	60	CC	2000	3600	63,750	78,200	0.5	30	0.85	18		6
1964	580	CC	Var	1800	108,000	238,850	0.5	45	0.85	20	579,700	7
1964		CC	3500	3600	108,000	340,850	0.5	45	0.85	20		8
											1,100,100	9
												10
												11
												12
												13
												14
1975	1089	TC	728	1800	771,840	1,152,000	30	75	0.90	26	1,152,000	15
1978	1162	TC	785	1800	933,850	1,133,333	40	60	0.85	26	1,133,333	16
											2,285,333	17
												18
												19
												20
1984	650	CC	600	3600	600,000	650,000	45	65	0.90	26	1,300,000	21
1984	650	CC	3650	3600	600,000	650,000	45	65	0.90	26		22
1989	650	CC	600	3600	600,000	650,000	45	65	0.90	26	1,300,000	23
1989	650	CC	3650	3600	600,000	650,000	45	65	0.90	26		24
											2,600,000	25
												26
												27
												28
												29
												30
												31
												32
												33

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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### TRANSMISSION LINE STATISTICS

- 1 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
- 2 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
- 3 Report data by individual lines for all voltages if so required by a State commission
- 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	STATE OF INDIANA							
2	6128 DUMONT	JEFFERSON	765.00	765.00	ALUM TOWER	203.00		1
3	6136 DUMONT	WILTON CENTER	765.00	765.00	STEEL	63.00		1
4	6141 DUMONT	MARYSVILLE	765.00	765.00	STEEL	104.00		1
5	6215 D.C. COOK	DUMONT	765.00	765.00	STEEL	20.00		1
6	6223 ROCKPORT	JEFFERSON	765.00	765.00	STEEL	111.00		1
7	6224 ROCKPORT	SULLIVAN	765.00	765.00	STEEL	97.00		1
8	6226 JEFFERSON	WEST	765.00	765.00				
9	6236 HANGING ROCK	JEFFERSON	765.00	765.00	STEEL	1.00		1
10	0675 TANNERS CREEK	SORENSEN	345.00	345.00	STEEL	136.00		2
11	0676 SORENSEN	EAST LIMA	345.00	345.00	STEEL	30.00		1
12	0677 BREED	DEQUINE EAST	345.00	345.00	STEEL	188.19		2
13	0678 DEQUINE	OLIVE	345.00	345.00				
14	0679 SORENSEN	OLIVE	345.00	345.00	STEEL	78.00		2
15	0680 OLIVE	GOODINGS GROVE	345.00	345.00	STEEL	41.00		2
16	0683 DESOTO	JCT TOWER (MAR. CO)	345.00	345.00	STEEL	53.00	6.00	1
17	0684 TANNERS CREEK	JUNCTION TOWER	345.00	345.00	ST & ALUM	80.00		1
18	0685 HANNA	JUNCTION TOWER	345.00	345.00				
19	0687 TANNERS CREEK	MIAMI FORT	345.00	345.00	STEEL			2
20	0688 EUGENE	SIDNEY	345.00	345.00	WOOD POLE	2.00		1
21	0689 SORENSEN-OLIVE	TWIN BRANCH	345.00	345.00	STEEL	11.00		2
22	0690 BREED	CIPSCO	345.00	345.00	STEEL	1.00		1
23	0691 BREED	PETERSBURG	345.00	345.00	STEEL	1.00		1
24	6118 ROBISON PARK	SORENSEN-EAST LIMA	345.00	345.00	STEEL	23.00		1
25	6119 COOK	OLIVE	345.00	345.00	STEEL	4.00		2
26	6122 DUMONT	OLIVE	345.00	345.00	STEEL	15.00		2
27	6123 DUMONT	TWIN BRANCH	345.00	345.00	STEEL	17.00		2
28	6125 ROBISON PARK	EAST	345.00	345.00				
29	6133 DUMONT	BABCOCK	345.00	345.00	STEEL	9.00		1
30	6145 TWIN BRANCH	COOK-ROB PARK JCT	345.00	345.00	STEEL	6.00		2
31	6147 COOK	ROBISON PARK	345.00	345.00	STEEL	68.00		2
32	6148 JACKSON ROAD	SORENSEN-OLIVE	345.00	345.00	STEEL	4.00		2
33	6213 COOK-ROB-PARK JCT	ARGENTA	345.00	345.00	STEEL	2.00		2
34	6237 JACKSON ROAD	WEST	345.00	345.00				
35	6240 TWIN BRANCH	SUBSTATION CORRIDOR	345.00	345.00				
36					TOTAL	3,948.81	122.54	198

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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)	
								1
4-954 MCM	2,873,075	39,501,307	42,374,382					2
4-954 MCM	1,542,558	8,824,286	10,366,844					3
4-954 MCM	1,234,793	18,980,412	20,215,205					4
4-954 MCM	431,470	4,416,003	4,847,473					5
4-1351 MCM	6,254,900	87,758,115	94,013,015					6
4-1351 MCM	14,100,277	67,792,044	81,892,321					7
	761,721	9,497	771,218					8
4-1351 MCM	31,637	766,942	798,579					9
1275 MCM	667,658	10,930,707	11,598,365					10
1275 MCM	107,576	1,432,971	1,540,547					11
1414 MCM	517,048	10,955,417	11,472,465					12
	481,566	10,780,457	11,262,023					13
1414 MCM	447,262	7,334,506	7,781,768					14
1414 MCM	429,643	3,938,740	4,368,383					15
2-954 MCM	513,937	2,695,835	3,209,772					16
2-954 MCM	457,068	5,847,171	6,304,239					17
	232,250	655,842	888,092					18
2-954 MCM		197,080	197,080					19
1414 MCM	10,088	476,005	486,093					20
1563 MCM	237,747	1,280,439	1,518,186					21
2-1024 MCM		295,778	295,778					22
2-954 MCM		185,874	185,874					23
1414 MCM	169,865	2,558,278	2,728,143					24
2-954 MCM	30,751	676,537	707,288					25
2-954 MCM	180,037	2,616,729	2,796,766					26
2-954 MCM	344,724	3,016,379	3,361,103					27
	173,109		173,109					28
2-954 MCM	163,248	1,187,624	1,350,872					29
2-954 MCM	58,820	1,035,507	1,094,327					30
2-954 MCM	1,599,622	13,630,224	15,229,846					31
2303 MCM	219,514	954,544	1,174,058					32
2-954 MCM	77,031	369,085	446,116					33
	48,061		48,061					34
	8,817		8,817					35
	54,439,836	491,623,983	546,063,819	362,721	5,304,160		5,666,881	36

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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	6256 BREED	SULLIVAN	345.00	345.00	STEEL	2.00		2
2	6259 COLLINGWOOD	SOUTH BUTLER	345.00	345.00	STEEL POLE	12.00		1
3								
4	6127 EAST ELKHART TAP		138.00	138.00				
5	6232 GODMAN TAP		34.00	138.00				
6	0602 TWIN BRANCH	RIVERSIDE	138.00	138.00	STEEL	6.00		2
7	0603 TWIN BRANCH	SOUTH BEND	138.00	138.00	STEEL	5.00		1
8	0604 TWIN BRANCH	ROBISON PARK	138.00	138.00	STEEL	65.00		2
9	0605 SOUTH BEND	MICHIGAN CITY	138.00	138.00	STEEL			1
10	0606 ROBISON PARK	LIMA	138.00	138.00	STEEL	20.00		2
11	0607 ROBISON PARK	DEER CREEK	138.00	138.00	STEEL	60.00		2
12	0608 DEER CREEK	KOKOMO	138.00	138.00	STEEL	7.00		1
13	0609 CONCORD TAP		138.00	138.00	STEEL	4.00		2
14	0613 TWIN BRANCH	JACKSON ROAD	138.00	138.00	STEEL	8.00		2
15	0614 LINCOLN TAP		138.00	138.00	STEEL	4.00		2
16	0615 TWIN BRANCH	LINCOLN	138.00	138.00	STEEL	84.00		1
17	0616 DEER CREEK	DELAWARE	138.00	138.00	STEEL	21.00		2
18	0617 DELAWARE	MADISON	138.00	138.00	STEEL	19.00		2
19	0618 DELAWARE	TRENTON	138.00	138.00	STEEL TWR &	57.00		2
20	0725 DELAWARE	TRENTON	138.00	138.00	STEEL TWR &			
21	0619 MADISON	NEW CASTLE	138.00	138.00	STEEL	6.00	1.00	1
22	0620 TANNERS CREEK	MADISON	138.00	138.00	STEEL	82.00		2
23	0622 JACKSON ROAD	OLIVE	138.00	138.00	STEEL	17.00	1.00	1
24	0623 MADISON	PENDLETON	138.00	138.00	WOOD &	5.00		1
25	0624 DRAGOON TAP		138.00	138.00	STEEL	2.00		1
26	0625 TANNERS CREEK	COLLEGE CORNER	138.00	138.00	STEEL	40.00		2
27	0626 COLLEGE CORNER	RANDOLPH	138.00	138.00	WOOD	39.00		1
28	0627 RANDOLPH	JAY	138.00	138.00	WOOD	24.00		1
29	0628 MCKINLEY TAP		138.00	138.00	STEEL	1.00		2
30	0629 JAY	LINCOLN	138.00	138.00	WOOD &	49.00		1
31	0630 NEW CARLISLE	MAPLE	138.00	138.00	WOOD	1.00		1
32	6104 SORENSON	DEVILS HOLLOW	138.00	138.00	STEEL	3.00		2
33	0632 SORENSON	DEVILS HOLLOW	138.00	138.00	STEEL			
34	0634 DEER CREEK	MULLIN	138.00	138.00	WOOD	15.00		1
35	0635 PENDLETON	MULLIN	138.00	138.00	WOOD &	16.00		1
36					TOTAL	3,948.81	122.54	198

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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)	
1351.5 MCM		1,580,164	1,580,164					1
2-954 MCM	652,439	3,115,754	3,768,193					2
								3
	4,006	54,344	58,350					4
	5,999	93,336	99,335					5
397.5 MCM	50,884	99,820	150,704					6
397.5 MCM	21,836	311,315	333,151					7
397.5 MCM	103,367	1,375,115	1,478,482					8
397.5 MCM	88,927	1,825,476	1,914,403					9
397.5 MCM	26,662	690,555	717,217					10
397.5 MCM	146,959	1,672,259	1,819,218					11
336.4 MCM	20,552	387,202	407,754					12
397.5 MCM	45,025	189,834	234,859					13
447 MCM	88,528	504,578	593,106					14
397.5 MCM	48,187	120,885	169,072					15
477 MCM	317,644	2,142,745	2,460,389					16
397.5 MCM	57,269	355,705	412,974					17
397.5 MCM	82,081	479,923	562,004					18
397.5 MCM	233,078	966,381	1,199,459					19
397.5 MCM		1,368,432	1,368,432					20
795 MCM	39,152	279,396	318,548					21
636 MCM	405,394	2,423,004	2,828,398					22
556.5 MCM	176,429	1,062,216	1,238,645					23
477 MCM	64,558	222,814	287,372					24
795 MCM	18,502	160,276	178,778					25
636 MCM	178,525	1,652,881	1,831,406					26
556.5 MCM	196,883	2,228,936	2,425,819					27
556.5 MCM	133,748	974,488	1,108,236					28
300 MCM CU	38,296	109,551	147,847					29
556.5 MCM	207,712	1,570,835	1,778,547					30
397.5 MCM	2,242	32,335	34,577					31
556.5 MCM	35,617	260,900	296,517					32
556.5 MCM	40,380	1,975,339	2,015,719					33
556.5 MCM	126,284	407,941	534,225					34
556.5 MCM	124,403	410,265	534,668					35
	54,439,836	491,623,983	546,063,819	362,721	5,304,160		5,666,881	36

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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.
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- 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	0636 DEER CREEK	FISHER BODY	138.00	138.00	STEEL	5.00		2
2	0637 TWIN BRANCH	CONCORD	138.00	138.00	STEEL	17.00	1.00	1
3	0638 GRANT	FISHER BODY	138.00	138.00	STEEL		1.00	1
4	0639 ROBISON PARK	AUBURN	138.00	138.00	WOOD &	15.00		1
5	0641 DESOTO	MEDFORD	138.00	138.00	STEEL	7.00		2
6	0642 OLIVE	HICKORY CREEK	138.00	138.00	STEEL	3.00	2.00	1
7	0645 COREY TAP		138.00	138.00	WOOD	4.00		1
8	0646 OLIVE	NEW CARLISLE	138.00	138.00	STEEL	2.00		1
9	0647 OLIVE	SOUTH BEND	138.00	138.00	STEEL	1.00	16.00	1
10	0648 MEDFORD TAP		138.00	138.00	STEEL	8.00		2
11	0714 EAST SIDE STA ENTR		138.00	138.00	UNDERGROU			1
12	0723 SPY RUN STATION		138.00	138.00	UNDERGROU			1
13	6101 WESTINGHOUSE TAP		138.00	138.00	STEEL	2.00		2
14	6102 MILAN TAP		138.00	138.00	STEEL	6.00		2
15	6103 MILAN	GOODRICH	138.00	138.00	STEEL	1.00		2
16	0641 DESOTO	JAY	138.00	138.00	WOOD &	13.00		1
17	6106 DESOTO	DEER CREEK-DELAWARE	138.00	138.00	STEEL	8.00		2
18	6107 DARDEN TAP		138.00	138.00	WOOD	1.00		1
19	6109 ROBISON PARK	RICHLAND	138.00	138.00	WOOD &	18.00		1
20	6110 WESTINGHOUSE	23RD STREET	138.00	138.00	STEEL			2
21	6111 KANKAKEE	WEST SIDE	138.00	138.00	WOOD POLE	2.00		1
22	6113 INDUSTRIAL PARK		138.00	138.00	STEEL	3.00		2
23	6114 OLIVE	MICHIGAN CITY	138.00	138.00	STEEL	2.00	1.00	1
24	6115 HUMMEL CREEK	VAN BUREN	138.00	138.00	STEEL	6.00		2
25	6130 HUMMEL CREEK	TOWER 70, GREENTOWN	138.00	138.00				
26	6116 SOUTH ELWOOD TAP		138.00	138.00	WOOD POLE	3.00		1
27	6117 PENDLETON	FALL CREEK	138.00	138.00	STEEL	10.00		2
28	6121 ROBISON PARK	LINCOLN	138.00	138.00	STEEL	8.00		1
29	6126 CONCORD	EAST ELKHART	138.00	138.00	STEEL	11.00		1
30	6129 GREENTOWN-GRANT	HUMMEL CREEK	138.00	138.00	STEEL	21.00		1
31	6131 INDUSTRIAL PARK	MC KINLEY	138.00	138.00	WOOD POLE	5.00		1
32	6132 CROSS STREET TAP	JUNCTION TOWER #88	138.00	138.00	WOOD POLE	4.00		1
33	6134 LINCOLN	ANTHONY	138.00	138.00	WOOD POLE	3.00		1
34	6135 WAYNE DALE TAP		138.00	138.00	STEEL			2
35	6138 JACKSON ROAD	SOUTH SIDE	138.00	138.00	WOOD POLE	2.00		1
36					TOTAL	3,948.81	122.54	198

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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)	
397.5 MCM	41,365	204,739	246,104					1
556.5 MCM	176,422	668,024	844,446					2
397.5 MCM	2,880	48,472	51,352					3
556.5 MCM	76,321	491,661	567,982					4
556.5 MCM	75,010	280,989	355,999					5
556.5 MCM	23,973	159,356	183,329					6
477 MCM	29,668	129,527	159,195					7
556.5 MCM	20,280	155,782	176,062					8
556.5 MCM		301,878	301,878					9
556.5 MCM	125,413	302,296	427,709					10
795 MCM		724,752	724,752					11
3.5IN OD		398,528	398,528					12
556.5 MCM	31,370	80,037	111,407					13
397.5 MCM	30,796	207,838	238,634					14
397.5 MCM	1,694	31,137	32,831					15
2-556.5 MCM	67,227	484,713	551,940					16
636 MCM	63,247	338,575	401,822					17
336.4 MCM	5,232	719,390	724,622					18
636 MCM	123,078	718,259	841,337					19
556.5 MCM	13,643	60,184	73,827					20
636 MCM	19,773	45,149	64,922					21
745 MCM	32,372	435,833	468,205					22
636 MCM	15,878	189,366	205,244					23
795 MCM	40,836	486,308	527,144					24
	44,222	584,596	628,818					25
556.5 MCM	5,090	677,832	682,922					26
795 MCM	150,802	969,302	1,120,104					27
795 MCM	677	871,349	872,026					28
795 MCM	179,558	978,091	1,157,649					29
795 MCM	180,124	1,321,738	1,501,862					30
795 MCM	75,267	326,046	401,313					31
795 MCM	262,613	177,784	440,397					32
795 MCM	90,524	634,158	724,682					33
795 MCM	22,040	71,621	93,661					34
795 MCM	2 340	791,906	794,246					35
	54,439,836	491,623,983	546,063,819	362,721	5,304,160		5,666,881	36

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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	6142 ALBION	KENDALLVILLE	138.00	138.00	WOOD POLE	10.00		1
2	6150 SOUTHSIDE	SOUTH BEND	138.00	138.00	WOOD &	6.07		1
3	6219 DELCO BATTERY TAP		138.00	138.00	STEEL POLE	1.00		2
4	6220 FALL CREEK	MADISON-NEW CASTLE	138.00	138.00	STEEL	1.00		2
5	6225 INDUSTRIAL PARK	SPY RUN	138.00	138.00	WOOD POLE	4.00		1
6	6234 CABOT TAP	TOWER 54	138.00	138.00	WOOD POLE			1
7	6238 SORENSON	MCKINLEYTOWER	138.00	138.00	STEEL	3.00		2
8	6241 KENDALLVILLE TAP	CITY OF AUBURN #5	138.00	138.00	WOOD H-FR	14.00		1
9	6242 AUBURN	CITY OF AUBURN #5	138.00	138.00	WOOD POLE	2.00		1
10	6245 LAPORTE JCT	LIQUID CARBONICS	138.00	138.00	WOOD POLE	5.00		1
11	6246 LAPORTE JCT	AIRCO	138.00	138.00	WOOD POLE	1.00		1
12	6248 ELCONA TAP	CONC-DUN-E-ELK	138.00	138.00	WOOD POLE	2.00		1
13	6249 ALLEN	LINCOLN	138.00	138.00	STEEL	5.00		2
14	6250 ALLEN	ADAMS/HILLCREST	138.00	138.00	STEEL	5.00		2
15	6251 OLIVE	EDISON	138.00	138.00	STEEL	1.00		2
16	6253 TRIER RD TAP		138.00	138.00	STEEL POLE			1
17	6258 KENZIE CREEK	TWIN BRANCH	138.00	138.00	STEEL			2
18	6260 WILMINGTON TAP		138.00	138.00	WOOD POLE	1.00	9.00	1
19	6229 DUNLAP NORTH TAP		34.00	138.00	WOOD POLE	2.00		2
20	6140 INDIANA-PURDUE		34.00	138.00	STEEL POLE			2
21	6217 HILLCREST	KINNERK	69.00	138.00	WOOD POLE	4.00		1
22	6252 KENDALLVILLE	BIXLER	138.00	138.00	WOOD POLE	2.00		1
23	6254 ALLEN/LINCOLN	ALLEN/HILLCREST	138.00	138.00				
24	6265 CONCORD	WOLF	138.00	138.00	WOOD POLE	0.56	0.54	1
25	LINES<132 KV	SYSTEM	69.00		WOOD, STEEL	927.72	72.00	1
26								
27	STATE OF MICHIGAN							
28	6216 D.C. COOK	DUMONT	765.00	765.00	STEEL	16.00		1
29	6120 COOK	PALISADES	345.00	345.00	STEEL	42.00		2
30	6143 D.C. COOK	OLIVE-PALISADES	345.00	345.00	STEEL	5.00		2
31	6144 TWIN BRANCH	COOK-ROB PARK JCT	345.00	345.00	STEEL			2
32	6151 COOK	OLIVE	345.00	345.00				
33	6152 COOK	ROBINSON PARK	345.00	345.00				
34	6146 D.C. COOK	ROBISON PARK	345.00	345.00	STEEL	37.00		2
35	6214 COOK-ROB PARK	ARGENTA	345.00	345.00	STEEL	29.00		2
36					TOTAL	3,948.81	122.54	198

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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	77,153	539,898	617,051					1
795 MCM	344,897	1,941,803	2,286,700					2
795 MCM AA	47,993	59,531	107,524					3
795 MCM	65,007	307,522	372,529					4
1033 MCM	91,134	603,198	694,332					5
556.5 MCM		650,701	650,701					6
795 MCM	157,782	1,127,906	1,285,688					7
795 MCM	694,850	2,341,025	3,035,875					8
795 MCM	61,515	370,703	432,218					9
795 MCM	58,646	1,020,175	1,078,821					10
795 MCM	45,547	267,987	313,534					11
795 MCM	87,386	557,013	644,399					12
1033 MCM		1,658,256	1,658,256					13
1033 MCM		1,723,668	1,723,668					14
795 MCM	202,537	688,549	891,086					15
795 MCM		69,888	69,888					16
1033 MCM		136,604	136,604					17
2-954 MCM		1,365,463	1,365,463					18
795 MCM	10,443	304,289	314,732					19
1033 MCM	428	127,388	127,816					20
795 MCM	47,490	263,787	311,277					21
795 MCM	142,466	912,953	1,055,419					22
	385,522		385,522					23
336.4 ACSR KCM		636,518	636,518					24
VARIOUS	2,490,720	54,647,665	57,138,385					25
								26
								27
4-954 MCM	871,513	3,483,777	4,355,290					28
2-954 MCM	1,073,200	5,711,382	6,784,582					29
2-954 MCM	722,573	1,122,861	1,845,434					30
2-954 MCM		37,966	37,966					31
		1,497,837	1,497,837					32
	12,355		12,355					33
2-954 MCM	1,373,242	6,474,185	7,847,427					34
2-954 MCM	853,389	4,679,125	5,532,514					35
	54,439,836	491,623,983	546,063,819	362,721	5,304,160		5,666,881	36

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/Q4
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### TRANSMISSION LINE STATISTICS

- 1 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
- 2 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
- 3 Report data by individual lines for all voltages if so required by a State commission
- 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	6221 D.C. COOK	OLIVE-PALISADES	345.00	345.00	STEEL	5.00		2
2	6263 BARODA TAP		138.00	138.00				
3	0601 TWIN BRANCH	RIVERSIDE	138.00	138.00	STEEL	33.00		2
4	0610 AUTO SPECIALTIES		138.00	138.00				
5	0621 TWIN BRANCH - R	HICKORY CREEK	138.00	138.00	STEEL	5.00		2
6	0644 RIVERSIDE	HARTFORD	138.00	138.00	WOOD	16.33		1
7	0649 COREY TAP		138.00	138.00	WOOD	13.00		1
8	6108 RIVERSIDE	OLIVE-HICKORY CREEK	138.00	138.00	WOOD &	6.00		1
9	6124 BENTON HARBOR	RIVERSIDE-HARTFORD	138.00	138.00	STEEL	1.00		2
10	6137 EDGEWATER TAP		138.00	138.00	WOOD POLE	1.00		1
11	6139 BENTON HARBOR	TWIN BRANCH-R SIDE	138.00	138.00	STEEL	6.00		2
12	6149 HARTFORD	COREY	138.00	138.00	WOOD POLE	41.00		1
13	6218 MOTTVILLE TAP		138.00	138.00	WOOD POLE	1.00		1
14	6255 KENZIE CREEK	VALLEY	138.00	138.00	WOOD POLE	20.00		1
15	6257 KENZIE CREEK	T B/R'SIDE/HICK CR	138.00	138.00	STEEL			
16	6261 FLATBUSH TAP		138.00	138.00		1.00		1
17	6262 WEST ST TAP		138.00	138.00		1.00		2
18	6700 GM HYDRAMATIC		138.00	138.00	STEEL	2.00		2
19	6227 NICKERSON	TOWER #13A	138.00	138.00				
20	0643 OLIVE	HICKORY CREEK	138.00	138.00				
21								
22	LESS THAN 132 KV LINES		69.00		WOOD, STEEL	436.94	12.00	
23								
24	VOLTAGE OTHER							
25	VOLTAGE LESS THAN 132							
26	VOLTAGE 138KV							
27	VOLTAGE 345KV							
28	VOLTAGE 765KV							
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	3,948.81	122.54	198

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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		1,801,661	1,801,661					1
		-8,230	-8,230					2
397.5 MCM	187,259	621,551	808,810					3
	821		821					4
397.5 MCM	51,083	307,583	358,666					5
397.5 MCM	117,604	1,021,538	1,139,142					6
477 MCM	73,434	312,859	386,293					7
636 MCM	72,387	982,907	1,055,294					8
795 MCM	88,699	168,142	256,841					9
556.5 MCM	552	56,413	56,965					10
795 MCM	472,534	628,432	1,100,966					11
795 MCM	794,466	1,902,014	2,696,480					12
795 AA	16,279	100,911	117,190					13
1033 MCM	579,785	4,804,096	5,383,881					14
795 MCM		383,038	383,038					15
	64,293	430,007	494,300					16
	24,993	331,419	356,412					17
795 MCM	10,463	370,087	380,550					18
0		16,381	16,381					19
	171,678	1,190,287	1,361,965					20
								21
VARIOUS	1,578,542	23,600,713	25,179,255					22
								23
								24
				129,062	1,887,316		2,016,378	25
				98,045	1,433,733		1,531,778	26
				80,823	1,181,888		1,262,711	27
				54,791	801,223		856,014	28
								29
								30
								31
								32
								33
								34
								35
	54,439,836	491,623,983	546,063,819	362,721	5,304,160		5,666,881	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) 12/31/05		Year of Report 12/31/05	
<b>TRANSMISSION LINES ADDED DURING YEAR</b>								
1. 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.				underground 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				
2. Provide separate subheadings for overhead and								
Line No	LINE DESIGNATION		Line Length in Miles	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE		
	From	To		Type	Average Number per Miles	Present	Ultimate	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	New Lines Added-NONE					1		
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
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36								
37								
38								
39								
40								
41								
42								
43			0.00			1		

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) 12/31/05		Year of Report 12/31/05	
<b>TRANSMISSION LINES ADDED DURING YEAR (Continued)</b>								
columns the estimated final completion 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 foot-				note, and costs of Underground Conduit in col (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)	LINE COST				Line No.
Size  (h)	Specifi- cation  (i)	Config- uration & Spacing  (j)		Land and Land Rights  (l)	Poles, Towers, and Fixtures  (m)	Conduct- tors and Device  (n)	Total  (o)	
								1
								2
								3
								4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
			0		0	0	0	43

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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	ADAMS (IM)-IN	T	138.00	69.00	34.00
2		T	34.50	13.00	
3	ALBION-IN	T	138.00	69.50	36.20
4		T	138.00		
5		T	69.00	12.00	
6		T	69.00		
7	ALEXANDRIA-IN	D	34.50	13.00	
8		D	34.50	4.00	
9		D	34.50		
10	ALLEN (IM)-IN	T	345.00	138.00	13.80
11	ALMENA-IN	T	69.00	34.50	
12		T	69.00	34.00	
13		T	69.00	12.00	
14		T	69.00		
15	ANCHOR HOCKING (IM)-IN	D	69.00	13.00	
16		D	69.00	2.40	
17	ANTHONY-IN	T	138.00	34.00	
18		T	34.50	12.00	
19	ARMSTRONG CORK-IN	D	69.00	4.00	
20	ARNOLD HOGAN-IN	T	138.00	34.00	
21		T	138.00	13.00	
22		T	34.50		
23	AUBURN-IN	T	138.00	69.00	34.00
24		T	138.00		
25	BARODA-MI	D	138.00	13.09	
26	BEECH ROAD-IN	D	138.00	13.00	
27	BELLAIRE (IM)-IN	D	34.50	4.00	
28		D	34.50		
29	BENTON HARBOR-MI	T	345.00	138.00	13.00
30	BERNE-IN	D	69.00	12.00	
31		D	69.00		
32	BERRIEN SP HYDR STAT-MI	T	34.50	13.00	
33		T	34.50	12.00	
34		T	34.50		
35	BETHEL-IN	D	34.50	13.00	
36	BIXLER-IN	D	138.00	12.00	
37	BLAINE STREET-IN	D	34.50	13.00	
38		D	34.50	4.00	
39		D	4.00	2.40	
40	BLUFF POINT-IN	T	138.00	69.50	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)	
115	1					1
4	1					2
21	1					3
			STATCAP	1	53	4
8	1					5
			STATCAP	1	14	6
20	1					7
6	1					8
			STATCAP	1	7	9
450	1					10
30	1					11
22	1					12
7	1					13
			STATCAP	1	14	14
20	1					15
13	2					16
112	1					17
29	2					18
20	2					19
30	1					20
22	1					21
			STATCAP	2	29	22
30	1					23
			STATCAP	2	106	24
20	1					25
20	1					26
11	1					27
			STATCAP	1	10	28
448	2					29
20	1					30
			STATCAP	1	16	31
5	1					32
5	1					33
			STATCAP	1	10	34
11	1					35
20	1					36
9	1					37
7	1					38
2	1					39
60	1					40

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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		T	69.00	13.00	
2		T	69.00		
3	BRANSON-IN	D	34.50	4.00	
4	BREED-IN	T	345.00		
5		T	345.00		
6	BRIDGMAN-MI	D	69.00	12.00	
7		D	69.00		
8	BUCHANAN HYDRO STA-MI	T	69.00	34.00	
9		T	69.00	12.00	
10	BUCHANAN SOUTH-MI	D	69.00	12.00	
11	BUTLER (IM)-IN	D	69.00	13.00	
12		D	69.00		
13	CALVERT-IN	D	138.00	13.00	
14	CHURUBUSCO-IN	D	34.50	13.00	
15		D	34.50		
16	CLEVELAND-IN	D	138.00	13.09	
17	COLBY-MI	T	138.00	69.00	34.50
18		T	138.00	12.00	
19		T	69.00	34.50	
20		T	34.50		
21	COLFAX-IN	D	34.50	12.00	
22	COLOMA Y-MI	T	69.00	34.00	
23		T	69.00		
24	COLONY BAY-IN	D	69.00	13.00	
25		D	69.00	12.00	
26		D	69.00		
27	COLUMBIA(IM)-IN	T	138.00	69.00	34.00
28		T	138.00	34.00	
29	CONANT-IN	D	34.50	12.00	
30	CONCORD-IN	T	138.00	34.00	
31		T	138.00	13.00	
32		T	138.00		
33		T	34.50		
34	COREY-MI	T	138.00	69.00	34.50
35		T	69.00		
36	COUNTY LINE (IM)-IN	D	138.00	13.00	
37	COUNTY ROAD 4-IN	D	138.00	13.09	
38	CROSS STREET-IN	D	138.00	13.00	
39	CRYSTAL-MI	D	138.00	12.00	
40	DALEVILLE-IN	D	138.00	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.

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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)	
6	1					1
			STATCAP	1	16	2
11	1					3
			REACTOR	1	250	4
65	1					5
19	2					6
			STATCAP	1	14	7
20	1					8
8	1					9
22	1					10
20	1					11
			STATCAP	2	30	12
20	1					13
11	1					14
			STATCAP	1	5	15
20	1					16
75	1					17
8	1					18
20	1					19
			STATCAP	1	17	20
22	1					21
22	1					22
			STATCAP	1	14	23
22	1					24
20	1					25
			STATCAP	1	16	26
50	1					27
20	1					28
22	1					29
50	1					30
45	2					31
			STATCAP	1	53	32
			STATCAP	1	14	33
130	1					34
			STATCAP	1	14	35
20	1					36
20	1					37
20	1					38
22	1					39
20	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	DARDEN ROAD-IN	D	138.00	13.00	
2	DC COOK EHV-MI	T	765.00	345.00	34.00
3		T	345.00	34.50	
4	DECATUR (FTW)-IN	T	69.00	34.00	
5		T	69.00	13.00	
6		T	69.00	4.00	
7		T	69.00		
8	DEER CREEK-IN	T	138.00	69.00	34.00
9		T	138.00	34.50	
10		T	138.00	13.00	
11		T	138.00		
12		T	34.50	13.09	
13		T	34.50	11.00	4.00
14		T	34.50		
15	DELAWARE (IM)-IN	T	138.00	34.00	
16		T	138.00		
17		T	34.50		
18	DERBY-MI	T	138.00	69.00	34.50
19	DESOTO-IN	T	345.00	138.00	34.50
20	DOCK FOUNDRY-MI	D	69.00	12.00	
21	DRAGOON-IN	T	138.00	69.00	34.00
22		T	34.50		
23	DREWRY-S-IN	D	34.50	13.09	
24		D	34.50	12.00	
25	DUMONT-IN	T	765.00		
26		T	765.00	345.00	34.50
27		T	765.00	345.00	17.00
28	DUNLAP-IN	T	138.00	69.00	34.00
29		T	138.00	13.09	
30		T	138.00	13.00	
31		T	34.50		
32	EAST ELKHART-IN	T	345.00	138.00	13.80
33		T	138.00	69.00	34.00
34		T	34.50	7.20	
35	EAST SIDE (IM)-IN	D	138.00	13.09	
36	ELCONA-IN	D	138.00	13.00	
37	ELKHART HYDRO STAT-IN	T	34.50	13.00	
38		T	34.50		
39	ELMRIDGE-IN	D	34.50	13.00	
40	ELWOOD (IM)-IN	D	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.

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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)	
42	2					1
1500	3	1				2
150	1					3
20	1					4
20	1					5
5	1					6
			STATCAP	1	13	7
90	1					8
75	1					9
20	1					10
			STATCAP	1	58	11
4	1					12
20	1					13
			STATCAP	2	30	14
125	2					15
			STATCAP	1	53	16
			STATCAP	2	59	17
75	1					18
675	1					19
20	1					20
84	1					21
			STATCAP	1	12	22
8	1					23
8	1					24
			REACTOR	9	750	25
1500	3					26
1500	3					27
130	1					28
20	1					29
20	1					30
			STATCAP	1	29	31
450	1					32
75	1					33
1		1				34
45	2					35
22	1					36
8	1					37
			STATCAP	1	14	38
8	1					39
19	2					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		D	34.50		
2	FAIRMOUNT-IN	D	34.50	13.00	
3		D	34.50	7.20	
4		D	34.50	4.00	
5		D	34.50	2.40	
6	FALL CREEK-IN	T	345.00	138.00	34.00
7	FERGUSON-IN	D	69.00	13.00	
8	FISHER BODY-IN	D	138.00	13.80	
9	FLORENCE ROAD-MI	D	69.00	12.00	
10		D	69.00		
11	FULTON (IM)-IN	D	34.50	13.00	
12	GARRETT (IM)-IN	T	69.00	34.00	
13		T	34.50	13.00	
14	GARST-IN	D	34.50	12.00	
15	GAS CITY-IN	D	34.50	13.00	
16		D	34.50		
17	GATEWAY (IM)-IN	T	69.00	34.00	
18		T	69.00		
19	GERMAN-IN	D	138.00	13.00	
20		D	138.00	12.00	
21	GLENBROOK-IN	D	34.50	13.00	
22	GRABILL-IN	D	138.00	13.00	
23	GRANGER-IN	D	138.00	13.00	
24	GRANT-IN	T	138.00	34.00	
25		T	138.00	13.09	
26	GREENLEAF-IN	D	34.50	13.09	
27	GREENTOWN-IN	T	765.00		
28	HACIENDA-IN	D	138.00	13.00	
29		D	138.00	12.00	
30	HADLEY-IN	D	69.00	13.00	
31	HAGAR-MI	D	69.00	12.00	
32	HAMILTON-IN	D	69.00	13.00	
33	HARPER-IN	D	138.00	13.00	
34	HARTFORD-MI	T	138.00	69.00	34.00
35		T	69.00	12.00	
36		T	34.50		
37	HARTFORD CITY-IN	T	69.00	34.00	
38		T	69.00	13.00	
39		T	69.00		
40	HARVEST PARK-IN	D	34.50	13.00	

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**SUBSTATIONS (Continued)**

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			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
			STATCAP	1	5	1
2	1					2
11	1					3
1	2					4
1	1					5
672	1					6
20	1					7
100	2					8
20	1					9
			STATCAP	1	19	10
20	1					11
10	1					12
1	3					13
10	2					14
20	1					15
			STATCAP	1	10	16
20	1					17
			STATCAP	1	13	18
22	1					19
22	1					20
28	2					21
20	1					22
20	1					23
30	1					24
	1					25
20	1					26
			REACTOR	3	300	27
20	1					28
25	1					29
40	2					30
11	1					31
11	1					32
20	1					33
129	1					34
11	1					35
			STATCAP	1	5	36
18	1					37
20	1					38
			STATCAP	1	16	39
20	1					40

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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	HAWTHORNE-MI	D	69.00	12.00	
2	HAYMOND-IN	D	34.50	13.00	
3		D	34.50	4.00	
4	HICKORY CREEK-MI	T	138.00	69.00	34.50
5		T	138.00	34.50	
6		T	34.50	12.00	
7		T	34.50		
8	HILLCREST-IN	T	138.00	69.00	34.00
9		T	138.00	13.00	
10		T	138.00		
11	HUMMEL CREEK-IN	T	138.00	69.00	34.00
12		T	138.00	13.00	
13	ILLINOIS ROAD-IN	T	138.00	69.00	13.00
14		T	138.00	13.09	
15	INDUSTRIAL PARK-IN	T	138.00	69.00	34.00
16		T	138.00	13.00	
17		T	138.00		
18		T	34.50	13.00	
19		T	34.50		
20	IRELAND ROAD-IN	D	138.00	13.00	
21	IUPU-IN	D	34.50	13.00	
22		D	13.80	4.00	
23	JACKSON ROAD-IN	T	345.00	138.00	34.00
24		T	138.00	34.00	
25		T	138.00	13.09	
26		T	138.00	12.00	
27		T	34.50		
28	JAY (IM)-IN	T	138.00	69.00	34.00
29		T	138.00	13.00	
30		T	138.00		
31	JEFFERSON (IM)-IN	T	765.00		
32		T	765.00	345.00	34.00
33		T	138.00		
34	KANKAKEE-IN	T	138.00	34.00	11.00
35		T	138.00	13.00	
36	KENDALLVILLE-IN	T	138.00	69.00	13.00
37		T	138.00		
38		T	69.00	13.00	
39		T	69.00	12.00	
40	KENZIE CREEK-MI	T	345.00	138.00	13.00

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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)	
22	1					1
24	2					2
16	2					3
75	1					4
60	2					5
31	2					6
			STATCAP	1	31	7
84	1					8
42	2					9
			STATCAP	1	53	10
75	1					11
20	1					12
84	1					13
20	1					14
75	1					15
22	1					16
			STATCAP	1	50	17
22	1					18
			STATCAP	1	16	19
20	1					20
40	2					21
5	1					22
672	1					23
30	1					24
12	1					25
20	1					26
			STATCAP	1	14	27
115	1					28
9	1					29
			STATCAP	1	58	30
			REACTOR	9	750	31
2000	4					32
			REACTOR	1	20	33
100	2					34
22	1					35
75	1					36
			STATCAP	1	43	37
8	1					38
11	1					39
450	1					40

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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	KLINE-IN	T	138.00	34.00	
2		T	34.50		
3	LAKE STREET-MI	T	69.00	34.00	
4		T	69.00		
5	LAKEHEAD-MI	D	69.00	13.00	
6	LANGLEY (IM)-MI	D	34.50	13.00	
7	LANTERN PARK-IN	D	138.00	13.09	
8	LAPORTE JUNCTION-IN	T	138.00	69.00	34.00
9	LAWTON PARK-IN	D	34.50	14.00	
10		D	34.50	4.00	
11	LIGONIER-IN	D	138.00	13.09	
12	LINCOLN-IN	T	138.00	34.00	11.00
13		T	138.00	13.00	
14		T	138.00		
15		T	34.50		
16	LINWOOD (IM)-IN	D	138.00	13.00	
17	LUSHER AVENUE-IN	D	34.50	12.00	
18		D	34.50	4.00	
19	LYDICK-IN	D	34.50	13.09	
20	MADISON (IM)-IN	T	138.00	35.00	
21		T	34.50	13.09	
22		T	34.50		
23	MAGLEY-IN	T	138.00	69.00	13.00
24		T	69.00	13.00	
25	MAIN STREET-MI	T	138.00	34.00	
26		T	138.00	13.09	
27		T	34.50	4.00	
28		T	34.50		
29	MARATHON OIL (IM)-IN	D	69.00	4.00	
30	MARION PLANT-IN	D	34.50	13.00	
31		D	34.50	4.00	
32		D	34.50		
33	MAYFIELD-IN	D	138.00	13.00	
34	MCGALLIARD ROAD-IN	D	34.50	13.00	
35	MCKINLEY-IN	T	138.00	69.00	34.00
36		T	138.00	34.00	11.50
37		T	138.00	13.00	
38		T	138.00	12.00	
39		T	138.00		
40		T	69.00		

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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)	
100	1					1
			STATCAP	1	14	2
40	1					3
			STATCAP	1	26	4
11	1					5
17	2					6
20	1					7
84	1					8
53	2					9
7	1					10
29	2					11
100	6					12
20	1					13
			STATCAP	1	53	14
			STATCAP	2	29	15
9	1					16
20	1					17
8	1					18
20	1					19
60	1					20
5	1					21
			STATCAP	1	18	22
90	1					23
9	1					24
30	1					25
22	1					26
8	1					27
			STATCAP	1	14	28
6	1					29
22	1					30
8	1					31
			STATCAP	1	9	32
20	1					33
29	2					34
84	1					35
100	2					36
20	1					37
20	1					38
			STATCAP	1	86	39
			STATCAP	1	22	40

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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
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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		T	34.50		
2	MEADOWBROOK-IN	T	34.50		
3	MEDFORD-IN	T	138.00	69.00	34.00
4		T	34.50		
5	MODOC-IN	T	138.00	69.00	13.00
6		T	69.00	13.00	
7	MONTPELIER-IN	D	69.00	13.00	
8	MOORE PARK-MI	T	138.00	69.00	34.50
9		T	69.00		
10	MOTTVILLE-MI	T	138.00	69.00	34.00
11		T	69.00	12.00	
12	MULLIN-IN	T	138.00	34.00	
13		T	34.50		
14	MURCH-MI	D	69.00	12.00	
15		D	69.00		
16	NEW BUFFALO-MI	D	69.00	12.00	
17	NEW CARLISLE-IN	T	138.00	34.50	
18		T	34.50	13.00	
19	NICKERSON-MI	D	138.00	12.00	
20	NILES-MI	T	69.00	34.00	
21		T	69.00	13.09	
22		T	69.00		
23	NOBLE-IN	D	69.00	13.00	
24	NORTH KENDALLVILLE-IN	D	69.00	12.00	
25	NORTH PORTLAND-IN	D	69.00	13.00	
26	NORTHLAND-IN	D	138.00	13.09	
27	NORTHWEST ELKHART-IN	D	34.50	13.00	
28		D	34.50		
29	OLIVE-IN	T	345.00	138.00	34.50
30		T	138.00	69.00	34.00
31		T	138.00	13.00	
32	OSOLO-IN	T	138.00	69.00	34.00
33		T	138.00	13.00	
34		T	34.50		
35	OSSIAN-IN	D	69.00	13.00	
36	PARNELL-IN	D	34.50	13.00	
37	PEARL STREET-MI	D	34.50	12.00	
38	PENDLETON-IN	T	138.00	35.00	
39		T	34.50		
40	PETTIT AVENUE-IN	D	34.50	13.00	

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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)	
			STATCAP	2	29	1
			STATCAP	2	29	2
75	1					3
			STATCAP	1	15	4
60	1					5
5	1					6
22	1					7
90	1					8
			STATCAP	1	16	9
90	1					10
3	1					11
30	1					12
			STATCAP	1	20	13
20	1					14
			STATCAP	1	26	15
21	2					16
30	1					17
8	1					18
20	1					19
45	1					20
20	1					21
			STATCAP	1	14	22
11	1					23
22	1					24
20	1					25
12	1					26
29	2					27
			STATCAP	1	14	28
675	1					29
27	1					30
9	1					31
75	1					32
42	2					33
			STATCAP	1	14	34
20	1					35
20	1					36
17	2					37
125	2					38
			STATCAP	2	47	39
20	1					40

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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	PIGEON RIVER-MI	D	69.00	12.00	
2	PINE ROAD-IN	D	138.00	13.00	
3	POKAGON(MBH)-MI	T	138.00	69.00	13.00
4		T	69.00	13.00	
5		T	69.00		
6	PORTLAND (IM)-IN	D	69.00	13.00	
7	RANDOLPH-IN	T	138.00	69.00	13.00
8		T	138.00	13.00	
9		T	69.00		
10		T	34.50	13.00	
11	REED-IN	D	138.00	13.00	
12	RIVERSIDE (IM)-MI	T	138.00	69.00	34.00
13		T	138.00	13.00	
14		T	138.00		
15	ROBISON PARK-IN	T	345.00	138.00	13.00
16		T	138.00		
17		T	138.00	69.00	34.00
18		T	138.00	13.00	
19		T	138.00	12.00	
20		T	34.50		
21	ROCKPORT-IN	T	765.00		
22		T	138.00		
23		T	34.50	13.00	
24	SCHOOLCRAFT-MI	D	69.00	13.00	
25	SCOTSDALE-MI	D	34.50	13.00	
26	SODUS-MI	D	138.00	13.00	
27	SORENSEN-IN	T	345.00	138.00	34.00
28	SOUTH BEND-IN	T	138.00	69.00	34.00
29		T	138.00	34.00	
30		T	138.00	12.00	
31		T	138.00		
32	SOUTH DECATUR-IN	D	69.00	13.00	
33	SOUTH ELWOOD-IN	T	138.00	34.00	
34		T	138.00	13.00	
35	SOUTH HAVEN-MI	T	69.00		
36	SOUTH SIDE (MARION)-IN	D	34.50	4.00	
37	SOUTH SIDE (SOUTH BEND)-IN	D	138.00	12.00	
38	SOYA-IN	D	34.50	4.00	
39	SPRING STREET-IN	D	34.50	13.00	
40		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.

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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)	
20	1					1
20	1					2
115	1					3
5	1					4
			STATCAP	1	14	5
19	2					6
56	1					7
22	1					8
			STATCAP	1	14	9
4	1					10
22	1					11
134	2					12
20	1					13
			STATCAP	1	106	14
672	1					15
			STATCAP	1	86	16
84	1					17
20	1					18
20	1					19
			STATCAP	1	14	20
			REACTOR	6	300	21
			REACTOR	2	40	22
2	2	1				23
22	1					24
11	1					25
11	1					26
1347	2					27
130	1					28
150	2					29
20	1					30
			STATCAP	1	53	31
20	1					32
30	1					33
20	1					34
			STATCAP	2	19	35
12	6					36
20	1					37
11	1					38
8	1					39
4	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	SPY RUN-IN	T	138.00	34.00	
2		T	138.00	13.00	
3		D	34.50		
4		D	34.50	12.00	
5		D	34.50	4.00	
6	STATE STREET-IN	D	138.00	13.00	
7	STEVENSVILLE-MI	D	69.00	13.00	
8	STONE LAKE-MI	D	69.00	34.00	
9		D	69.00	13.00	
10		D	34.50		
11	STUBEY ROAD-MI	D	69.00	12.00	
12		D	69.00		
13	STUDEBAKER-IN	D	138.00	13.80	
14		D	138.00	12.00	
15	SULLIVAN (IM)-IN	T	765.00		
16		T	765.00	345.00	34.00
17		T	138.00		
18	SUMMIT-IN	D	138.00	13.00	
19		D	138.00	12.00	
20	SWANSON-IN	D	69.00	34.00	
21		D	69.00		
22	TANNERS CREEK-IN	T	345.00	138.00	13.00
23		T	345.00	138.00	12.00
24	THREE RIVERS (FTW)-IN	D	34.50	14.40	
25		D	34.50	13.00	
26	THREE RIVERS (MBH)-MI	D	69.00	12.00	
27	TILLOTSON-IN	D	34.50	13.00	
28	TRIER-IN	D	138.00	13.00	
29	TWENTY FIRST STREET-IN	D	34.50	13.00	
30	TWENTY THIRD STREET (IM)-IN	T	138.00	69.00	34.00
31		T	34.50		
32	TWIN BRANCH 138KV-IN	T	345.00	138.00	13.20
33		T	138.00	12.00	
34	TWIN BRANCH 34KV-IN	G	34.50	13.00	
35		G	34.50		
36	UPLAND-IN	D	69.00	13.20	
37	UTICA (IM)-IN	D	34.50	13.00	
38	VALLEY-MI	T	138.00	69.00	34.00
39		T	138.00		
40		T	34.50	34.00	

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**SUBSTATIONS (Continued)**

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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)	
200	2					1
22	1					2
			STATCAP	1	10	3
20	1					4
8	1					5
22	1					6
19	2					7
20	1					8
7	1					9
			STATCAP	1	10	10
11	1					11
			STATCAP	1	14	12
36	2					13
20	1					14
			REACTOR	4	200	15
3000	6	1				16
			REACTOR	1	20	17
20	1					18
20	1					19
45	2					20
			STATCAP	1	14	21
150	1					22
150	1					23
22	2					24
10	2					25
22	1					26
22	1					27
20	1					28
19	2					29
213	2					30
			STATCAP	2	29	31
450	1					32
20	1					33
3	1					34
			STATCAP	1	14	35
20	1					36
20	1					37
75	1					38
			STATCAP	1	44	39
11		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		T	34.50		
2	VAN BUREN-IN	T	138.00	69.00	13.00
3	VICKSBURG-MI	D	69.00	13.09	
4		D	69.00	12.00	
5	WABASH AVENUE-IN	D	69.00	13.00	
6	WALLEN-IN	T	34.50	13.00	
7	WAYNE TRACE-IN	D	138.00	13.00	
8	WAYNE DALE-IN	D	138.00	13.00	
9	WEBSTER-IN	D	34.50	14.00	
10		D	34.50	12.00	
11		D	13.80		
12	WES-DEL-IN	D	138.00	13.00	
13	WEST END-IN	D	34.50	13.00	
14		D	34.50	4.00	
15	WEST SIDE-IN	T	138.00	69.00	34.00
16		T	138.00	13.00	
17		T	34.50	27.00	
18		T	34.50	4.00	
19		T	34.50		
20	WEST STREET-MI	D	138.00	12.00	
21	WHEELER STREET-MI	D	69.00	12.00	
22	WHITAKER-IN	D	34.50	12.00	
23	WINCHESTER (IM)-IN	T	69.00	34.00	
24		T	69.00	13.00	
25		T	69.00		
26	WOODBURN-IN	D	69.00	13.00	
27					
28	109 STATIONS UNDER 10 MVA	T/D			
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent Indiana Michigan Power Company	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/23/2007	Year/Period of Report End of 2006/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)	
			STATCAP	1	7	1
56	1					2
20	1					3
6	1					4
20	1					5
20	1					6
22	1					7
22	1					8
18	4					9
20	1					10
			STATCAP	2	14	11
22	1					12
9	2					13
8	1					14
84	1					15
22	1					16
45	1					17
8	3					18
			STATCAP	1	12	19
20	1					20
11	1					21
20	1					22
17	1					23
26	2					24
			STATCAP	1	11	25
11	1					26
						27
530	133					28
						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 of Report December 31, 2006
<b>ELECTRIC DISTRIBUTION METERS AND LINE TRANSFORMERS</b>				
1. Report below the information called for concerning distribution watt-hour metes and line transformers. 2. Include watt-hour demand distribution meters, but not external demand meters. 3. Show in a footnote the number of distribution watt-hour meters or line transformers held by the respondent under lease from others, jointly owned with others, or held otherwise than by reason of sole ownership by the respondent. If 500 or more meters		or line transformers are held under a lease, give name of lessor, date and period of lease, and annual rent If 500 or more meters or line transformers are held other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of accounting for expenses between the parties, and state amounts and accounts affected in respondent's book of account Specify in each case whether lessor, co-owner, or other party is an associated company.		
Line No.	Item  (a)	Number of Watt-Hours Meters  (b)	LINE TRANSFORMERS	
			Number  (c)	Total Capacity (In Mva)  (d)
1	Number at Beginning of Year	890,931	186,705	8,170
2	Additions During Year			
3	Purchases	54,564	6,643	400
4	Associated with Utility Plant Acquired			
5	Other	105,344		
6	TOTAL Additions (Enter Total of lines 2, 3, 4, & 5)	159,908	6,643	400
7	Reduction During Year			
8	Retirements	73,869	2,875	120
9	Associated with Utility Plant Sold	53,477		
10	Other	13,936	346	13
11	TOTAL Reductions (Enter Total of lines 7, 8, 9, & 10)	141,282	3,221	133
12	Number at End of Year (Lines 1+ 6 - 11)	909,557	190,127	8,437
13	In Stock	310,741	5,237	443
14	Locked Meters on Customers' Premises	56,650		
15	Inactive Transformers on System		158	1
16	In Customers' Use	541,816	184,732	7,993
17	In Companys' Use	350		
18	Total End of Year (Enter Total of lines 13 to 17 This line should equal line 11)	909,557	190,127	8,437
NOTES:  2351 meters leased from City of Fort Wayne through 9/13/2009 The total charge for the entire lease in 2006 was \$1,740,000, as seen on pages 333 1A & 333.1B				

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