

**Summary of AEP East Zone Transmission and Ancillary Service Rates
Per Currently Effective Open Access Transmission Tariff**

	<u>Service Description</u>	Transmission Service	Scheduling Schedule 1	Reactive Supply Schedule 2	Regulation Service Schedule 3	Spinning Reserves Schedule 5	Supplemental Reserves Schedule 6
	Net Annual Revenue Requirement	\$349,712,000	\$14,212,588	\$17,978,148			
	Monthly Service Rate \$/MW -Mo.	1,420.00	57.71	73.00	53.00	79.50	79.50
	Weekly Service Rate \$/MW-Wk	326.79	13.28	16.80	12.20	18.30	18.30
	Daily On-Peak Service Rate \$/MW -Day	65.36	1.89	3.36	2.44	3.66	3.66
	Hourly On-Peak Service Rate \$/MWh	4.09	0.08	0.21	0.15	0.23	0.23
	Daily Off-Peak Service Rate \$/MW -Day	46.68	1.89	2.40	1.74	2.61	2.61
	Hourly Off-Peak Service Rate \$/MWh	1.95	0.08	0.10	0.07	0.11	0.11
	Cost of Generating Capacity \$/MW -Mo.				5,300.00	5,300.00	5,300.00
	Requirement per MW of load ⁽¹⁾				1.0%	1.5%	1.5%

American Electric Power - Indiana Michigan Power Company
Estimated OATT Revenues
Twelve Months Ended December 31, 1991

	<u>Transmission Revenues</u>		<u>Ancillary Services Revenue</u>	
	(1)	(2)	(3)	(4)
<u>Customer Class</u>	Average Monthly Loss-Adj. Demands at times of AEP Monthly Peaks (kW)	Annual Estimated Revenues	Total Rate (\$/MW-Mo.)	Annual Revenues (\$)
RS	124,435	\$2,384,462	342.71	\$511,741
SGS	2,747	52,639	342.71	11,297
MGS	37,848	725,255	342.71	155,651
LGS	26,423	506,325	342.71	108,665
EHG	2,691	51,566	342.71	11,067
EHS	3,654	70,019	342.71	15,027
MS	4,777	91,538	342.71	19,646
WSS	2,736	52,428	342.71	11,252
QP	62,383	1,195,402	342.71	256,551
LP	19,919	381,694	342.71	81,917
OL	218	4,177	342.71	897
SL	169	3,238	342.71	695
Total	288,000	\$5,518,743		\$1,184,406

Notes:

1. I&M-MI Retail Estimated Total OATT Basic Transmission Revenues -

Load Ratio Share

I&M-MI Retail Avg. Monthly Load at times of AEP Peaks:	288,000	1.5781%
AEP 12 CP Internal Avg. Monthly Peaks including long-term sales:	18,250,000	
OATT Total Annual Network Service Revenue Requirement:	\$349,712,000	

Total AEP-MI Retail Allocation:

$$\$349,712,000 \times 288,000 / 18,250,000 = \$5,518,743$$

2. Ancillary Services (\$/MW-month)

Schedule 1 - Scheduling	\$57.71
Schedule 2 - Reactive Power	73.00
Schedule 3 - Regulation Service	53.00
Schedule 5 - Spinning Reserves	79.50
Schedule 6 - Supplemental Reserves	79.50
Total	\$342.71

American Electric Power - Indiana Michigan Power Company
Customer Class OATT Demands
Twelve Months Ended December 31, 1991

AEP Internal Peaks and I&M Coincident Loads					AEP-MI Retail Class Demands		
Month	Date	Hour	AEP Internal Peak Load (MW)	I&M Internal Load (MW)	Customer Class	Class Loss-Adj. Demands Avg. Monthly LR demand at times of AEP Monthly Peaks (kW)	Adjusted Demands Adjusted to I&M Metered (kW)
Jan	25	9	16,125	2,853	RS	125,275	124,435
Feb	15	19	15,969	2,589	SGS	2,766	2,747
Mar	4	11	14,732	2,552	MGS	38,104	37,848
Apr	22	10	13,298	2,361	LGS	26,602	26,423
May	29	13	16,356	3,125	EHG	2,709	2,691
Jun	21	14	16,036	3,089	EHS	3,679	3,654
Jul	22	16	17,556	3,369	MS	4,809	4,777
Aug	29	14	17,127	3,324	WSS	2,754	2,736
Sep	16	14	16,650	2,952	QP	62,805	62,383
Oct	17	8	13,571	2,370	LP	20,054	19,919
Nov	26	8	15,472	2,804	OL	219	218
Dec	19	8	16,538	2,878	SL	170	169
Total			189,430	34,266	Total	289,946	288,000
Average			15,786	2,856			
Long Term Firm Power Sales & Transmission Reservations			2,464				
Total Firm Transmission			18,250				
I&M-MI Retail Allocation				10.0732%			
I&M-MI Retail MW				288			

Notes:

1. I&M load is at times of AEP Internal load peaks.
2. I&M-MI Retail Allocation based on 1991 Jurisdictional Study.
3. Load research demands are average monthly class demands at hours of AEP internal peaks.
Class demands are adjusted to I&M metered.

**AEP's Michigan Retail Share of Estimated Alliance RTO
Annual Administration Costs for the
Period 2002-2007**

1.	Alliance RTO Annual Administrative Costs		\$50,000,000
2.	Portion payable by load in Region		90%
3.	Regional Portion of ARTO Annual Administrative Costs	Ln 1 x 2	\$45,000,000
4.	Portion charged based on Load	2/3 of Ln 3	\$30,000,000
5.	AEP Load Share (AEP peak load vs. ARTO region) *		19%
6.	AEP Share of ARTO Load-related Admin. Costs	Ln 4 x 5	\$5,700,000
7.	Portion Charged per Energy Delivery Schedule	1/3 of Ln 3	\$15,000,000
8.	AEP Share of Schedules (reduced share based on >MW/sch.)	Ln 5 x 50%	10%
9.	AEP System Share of ARTO Scheduling Costs	Ln 7 x 8	\$1,425,000
10.	AEP System Share of ARTO Administration Costs	Ln 6 + 9	\$7,125,000
11.	AEP's Michigan Retail Load in MW (12-CP year 2000)		464
12.	AEP's year 2000 Total 12 CP Load in MW		23,811
13.	Michigan Retail Load Share	Ln 11 / 12	0.019471
14.	Annual Michigan Retail Share of ARTO	Ln 10 x 13	\$138,734

NOTE: This Exhibit illustrates how Alliance RTO Administration Costs will be allocated to AEP and assigns responsibility to AEP's Michigan retail customers based on a Michigan 12-CP AEP load ratio share for the year 2000. All costs and ARTO allocations to AEP are estimates.

* Per 1999 Peak Load.

**AEP System - Michigan
2000 Peak Loads***

<u>Date</u>	<u>Hour</u>	<u>Load (MW)</u>
January 28, 2000	800	489
February 3, 2000	800	454
March 17, 2000	700	401
April 10, 2000	1100	398
May 9, 2000	1300	391
June 14, 2000	1400	483
July 27, 2000	1400	539
August 30, 2000	1400	562
September 1, 2000	1500	554
October 24, 2000	1100	403
November 30, 2000	1100	421
December 13, 2000	1300	469
12-month average		464

* Coincident with I&M's peak internal demand.