

CASE

NUMBER:

99-149

1-of-4

RECEIVED

APR 15 1999

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

APR 15 1999

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

JOINT APPLICATION OF KENTUCKY POWER COMPANY,))
AMERICAN ELECTRIC POWER COMPANY, INC.))
AND CENTRAL AND SOUTH WEST CORPORATION)) CASE NO. 99-
REGARDING A PROPOSED MERGER))

WORKPAPERS OF
THOMAS J. FLAHERTY
FOR
APPLICANTS
APRIL 1999

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Total Savings Summary

Areas (\$ in 000s)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Labor	A 2 \$20,986	\$71,856	\$88,747	\$94,084	\$99,571	\$105,215	\$111,025	\$117,010	\$123,178	\$129,539	\$34,985	\$996,195
Corporate & Administrative Programs	A 2 35,377	64,595	78,106	99,488	112,603	120,186	126,791	126,209	125,803	125,482	29,111	\$1,043,750
Purchasing Economics	A 2 12,112	19,416	25,108	29,338	33,581	37,841	42,124	46,437	50,783	55,165	14,896	\$366,801
Total Savings	A 2 \$68,475	\$155,867	\$191,960	\$222,910	\$245,755	\$263,241	\$279,940	\$289,656	\$299,764	\$310,185	\$78,992	\$2,406,746
Costs to Achieve	A 2 109,284	59,440	22,489	7,624	7,803	7,970	8,073	7,732	7,732	7,732	2,203	\$248,080
Pre-Merger Initiatives	A 2 \$1,548	\$4,347	\$7,426	\$11,041	\$15,393	\$20,183	\$25,191	\$30,217	\$31,233	\$35,368	\$9,381	\$193,327
Net Savings	A 2 (\$42,357)	\$92,079	\$162,046	\$204,245	\$222,559	\$235,088	\$246,677	\$251,707	\$258,800	\$267,086	\$67,408	\$1,965,339

A-1

10 Year Total Potential Savings Detail (O&M/Fixed Charge)

Potential Areas (\$ in 000s)	Reductions	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Corporate													
Labor													
Generation	935	\$17,124	\$60,990	\$77,031	\$81,498	\$86,094	\$90,826	\$95,700	\$100,725	\$105,908	\$111,256	\$29,679	\$856,831
Field	72	2,662	7,402	7,750	8,111	8,484	8,870	9,270	9,685	10,114	10,560	2,755	85,664
Total	51	1,200	3,463	3,965	4,475	4,993	5,519	6,054	6,600	7,156	7,724	2,551	\$1,709
<i>labor Package Back</i>	1,961	20,986	71,856	88,747	94,084	99,571	105,215	111,025	117,010	123,178	129,539	34,985	996,191
<i>41.4%</i>													
Corporate & Administrative Programs:													
Administrative & General Overhead													
Advertising	C-2	\$1,868	\$6,353	\$7,176	\$7,391	\$7,613	\$7,841	\$8,076	\$8,319	\$8,568	\$8,825	\$2,272	\$74,702
Benefits	D-2	\$1,191	\$1,667	\$1,750	\$1,838	\$1,930	\$2,026	\$2,128	\$2,234	\$2,346	\$2,463	\$647	\$20,219
Insurance	F-2	0	0	0	9,032	9,839	10,664	11,506	12,367	13,248	14,150	3,769	\$84,575
Information Services (O&M)	T-2	4,361	6,047	6,288	6,540	6,802	7,074	7,357	7,651	7,957	8,275	2,152	\$70,502
Information Services (Capital)	K-2	4,614	9,689	11,306	11,898	12,522	13,181	13,875	14,608	15,381	16,197	4,066	\$127,338
Professional Services	L-2	12,517	17,523	18,399	19,319	20,285	21,300	22,365	23,483	24,657	25,890	6,796	\$212,534
Facilities	M-2	5,238	7,193	7,409	7,631	7,860	8,096	8,339	8,589	8,847	9,112	2,346	\$80,661
Shareholder Services	N-2	597	820	845	870	897	923	951	980	1,009	1,039	268	\$9,200
Directors Fees	O-2	358	492	507	522	537	554	570	587	605	623	160	\$5,516
Association Dues	P-2	274	376	388	399	411	424	436	449	463	477	123	\$4,220
Research & Development	Q-2	718	986	1,015	1,046	1,077	1,110	1,143	1,177	1,213	1,249	322	\$11,056
Telecommunications	R-2	1,893	2,599	2,677	2,758	2,840	2,925	3,013	3,104	3,197	3,293	848	\$29,146
Credit Facilities	S-2	89	123	126	130	134	138	142	146	151	155	40	\$1,374
Total	A-1	\$35,377	\$64,595	\$78,106	\$99,488	\$112,603	\$120,186	\$126,791	\$126,209	\$125,803	\$125,482	\$29,111	\$1,043,750
<i>31.4%</i>													

Purchasing Economies:

Procurement	R-D	\$9,335	\$15,321	\$19,063	\$22,802	\$26,538	\$30,276	\$34,019	\$37,774	\$41,542	\$45,325	\$12,281	\$394,276
Inventory	Q-1	0	0	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473	368	\$12,152
Contract Services	K-2	2,778	4,095	4,572	5,063	5,570	6,092	6,632	7,190	7,768	8,367	2,247	\$60,373
Total		\$12,112	\$19,416	\$25,108	\$29,338	\$33,581	\$37,841	\$42,124	\$46,437	\$50,783	\$55,165	\$14,896	\$366,801
Savings Subtotal		\$68,475	\$155,867	\$191,960	\$222,910	\$245,755	\$263,241	\$279,940	\$289,656	\$299,764	\$310,185	\$78,992	\$2,406,746
Total Savings	A-1	\$68,475	\$155,867	\$191,960	\$222,910	\$245,755	\$263,241	\$279,940	\$289,656	\$299,764	\$310,185	\$78,992	\$2,406,746
Cost to Achieve	A-1, S-2	109,284	59,440	22,489	7,624	7,803	7,970	8,073	7,732	7,732	7,732	2,203	\$248,080
Pre-Merger Initiatives	A-1, T-1	1,548	4,347	7,426	11,041	15,393	20,183	25,191	30,217	33,233	35,368	9,381	193,327
Net Savings	A-1	(\$42,357)	\$92,079	\$162,046	\$204,245	\$222,559	\$235,088	\$246,677	\$251,707	\$258,800	\$267,086	\$67,408	\$1,965,339
													81.7%

A-2

10 Year Total O&M Savings

Areas (in 000s)	Reductions	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Labor													
Corporate													
Generation	935	\$16,780	\$59,432	\$73,983	\$76,942	\$80,020	\$83,221	\$86,550	\$90,012	\$93,612	\$97,357	\$25,313	\$783,222
Fuel	54	2,642	7,128	7,621	7,926	8,243	8,573	8,916	9,272	9,643	10,029	2,608	82,802
Total	1,061	1,064	2,051	3,069	3,191	3,319	3,452	3,590	3,733	3,883	4,038	1,626	33,916
		\$20,486	\$69,711	\$84,673	\$88,060	\$91,582	\$95,246	\$99,055	\$103,018	\$107,138	\$111,424	\$29,546	\$899,940
Corporate & Administrative Program													
Administrative & General Overhead		\$1,868	\$6,353	\$7,176	\$7,391	\$7,613	\$7,841	\$8,076	\$8,319	\$8,568	\$8,825	\$2,272	\$74,402
Advertising		\$1,191	\$1,667	\$1,750	\$1,838	\$1,930	\$2,026	\$2,128	\$2,234	\$2,346	\$2,463	\$647	\$20,219
Benefits		0	0	0	8,581	8,924	9,281	9,652	10,038	10,440	10,857	2,823	70,596
Insurance		4,361	6,047	6,288	6,540	6,802	7,074	7,357	7,651	7,957	8,275	2,152	70,502
Information Services (O&M)		4,614	9,689	11,306	11,898	12,522	13,181	13,875	14,608	15,381	16,197	4,066	127,338
Information Services (Capital)		0	0	0	0	0	0	0	0	0	0	0	0
Professional Services		12,517	17,523	18,399	19,319	20,285	21,300	22,365	23,483	24,657	25,890	6,796	212,534
Facilities		5,238	7,193	7,409	7,631	7,860	8,096	8,339	8,589	8,847	9,112	2,346	80,661
Shareholder Services		597	820	845	870	897	923	951	980	1,009	1,039	268	9,200
Director's Fees		358	492	507	522	537	554	570	587	605	623	160	5,516
Association Dues		274	376	388	399	411	424	436	449	463	477	123	4,220
Research & Development		718	986	1,015	1,046	1,077	1,110	1,143	1,177	1,213	1,249	322	11,056
Telecommunications		1,893	2,599	2,677	2,758	2,840	2,925	3,013	3,104	3,197	3,293	848	29,146
Lines of Credit		89	123	126	130	134	138	142	146	151	155	40	1,374
Total		\$33,718	\$53,868	\$57,888	\$68,923	\$71,832	\$74,872	\$78,047	\$81,365	\$84,832	\$88,456	\$22,862	\$716,603
Purchasing Economies													
Procurement		\$6,798	\$9,336	\$9,616	\$9,905	\$10,202	\$10,508	\$10,823	\$11,148	\$11,482	\$11,827	\$3,045	\$104,689
Inventory		0	0	0	0	0	0	0	0	0	0	0	\$0
Contract Services		2,568	3,596	3,776	3,964	4,163	4,371	4,589	4,819	5,060	5,313	1,395	\$3,612
Total		\$9,366	\$12,932	\$13,392	\$13,869	\$14,364	\$14,878	\$15,412	\$15,966	\$16,542	\$17,139	\$4,440	\$148,301
Total Savings		\$63,570	\$136,510	\$155,952	\$170,852	\$177,779	\$184,996	\$192,515	\$200,349	\$208,512	\$217,019	\$56,848	\$1,764,904
Cost to Achieve													
Pre-Merger Initiatives		\$109,284	\$9,440	\$2,489	\$6,24	\$7,803	\$7,970	\$8,073	\$7,732	\$7,732	\$7,732	\$2,201	\$48,080
Net Savings		\$1,709	\$4,169	\$6,741	\$9,518	\$12,409	\$15,408	\$18,475	\$21,679	\$22,491	\$22,491	\$5,623	\$140,705
		(\$47,414)	\$72,901	\$126,723	\$153,710	\$157,567	\$161,618	\$165,967	\$170,938	\$176,290	\$186,796	\$49,023	\$1,376,118

Corporate
Generation
Fuel
Total

Laboy
Backup
Book

A-3

10 Year Fixed Charge Savings

Areas (\$ in units)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Corporate												
Labor												
Generation	935	\$1,558	\$3,048	\$4,555	\$6,074	\$7,605	\$9,151	\$10,713	\$12,296	\$13,899	\$4,366	\$73,609
Field	72	20	129	185	241	298	355	413	471	530	148	2,862
Total	1,061	\$2,145	\$4,074	\$6,024	\$7,989	\$9,970	\$11,969	\$13,922	\$16,140	\$18,115	\$5,439	\$96,255
Administrative & General Overhead												
Advertising		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance		0	0	452	915	1,383	1,854	2,329	2,808	3,293	946	13,980
Information Services (ISMM)		0	0	0	0	0	0	0	0	0	0	0
Information Services (Capitol)		1,659	10,727	30,114	39,855	43,931	46,800	42,515	38,162	33,733	5,303	313,108
Professional Services		0	0	0	0	0	0	0	0	0	0	0
Facilities		0	0	0	0	0	0	0	0	0	0	0
Shareholder Services		0	0	0	0	0	0	0	0	0	0	0
Director's Fees		0	0	0	0	0	0	0	0	0	0	0
Association Dues		0	0	0	0	0	0	0	0	0	0	0
Research & Development		0	0	0	0	0	0	0	0	0	0	0
Telecommunications		0	0	0	0	0	0	0	0	0	0	0
Lines of Credit		0	0	0	0	0	0	0	0	0	0	0
Total		\$1,659	\$10,727	\$30,565	\$40,771	\$45,314	\$48,744	\$44,844	\$40,970	\$37,026	\$6,249	\$327,087
Purchasing Economies:												
Procurement		\$2,537	\$5,985	\$12,897	\$16,336	\$19,768	\$23,196	\$26,627	\$30,060	\$33,499	\$9,236	\$189,587
Inventory		0	1,473	1,473	1,473	1,473	1,473	1,473	1,473	1,473	368	12,112
Contract Services		209	409	1,099	1,407	1,721	2,042	2,371	2,708	3,054	852	16,761
Total		\$2,746	\$6,485	\$15,469	\$19,216	\$22,962	\$26,712	\$30,471	\$34,242	\$38,026	\$10,456	\$218,500
Total Savings		\$4,905	\$14,028	\$32,921	\$41,627	\$50,335	\$59,059	\$67,811	\$76,597	\$85,424	\$24,058	\$641,843
Cost to Achieve		0	0	0	0	0	0	0	0	0	0	0
Pre-Merger Initiatives		(153)	178	685	1,523	2,084	4,776	8,538	10,742	12,877	3,758	\$2,622
Net Savings		\$5,057	\$13,850	\$23,526	\$31,399	\$48,559	\$52,343	\$59,273	\$65,856	\$72,547	\$20,300	\$589,220

Corporate
Labor
Exp KUP
1,001

C-2
F-2
J-2
K-3
L-4
M-2
N-2
O-2
P-2
Q-2
R-2
S-2
T-2

P-2
Q-1
R-2

S-2
T-1

A-4

10 Year Capital Summary

Areas (\$ in mils)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Corporate Generation	935	\$1,964	\$8,660	\$9,006	\$9,367	\$9,741	\$10,131	\$10,536	\$10,958	\$11,396	\$2,963	\$91,679
Field	72	112	323	336	349	363	378	393	409	425	111	\$3,511
Total	1,061	\$2,855	\$11,228	\$11,677	\$12,144	\$12,630	\$13,135	\$13,661	\$14,207	\$14,775	\$3,266	\$119,005
Administrative & General Overhead		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advertising		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Benefits		0	0	2,578	2,681	2,788	2,899	3,015	3,136	3,261	848	21,206
Insurance		0	0	0	0	0	0	0	0	0	0	0
Information Services (O&M)		0	0	0	0	0	0	0	0	0	0	0
Information Services (Capital)		4,756	28,492	31,693	33,436	19,273	20,333	13,896	14,660	15,466	1,569	209,739
Professional Services		0	0	0	0	0	0	0	0	0	0	0
Facilities		0	0	0	0	0	0	0	0	0	0	0
Shareholder Services		0	0	0	0	0	0	0	0	0	0	0
Director's Fees		0	0	0	0	0	0	0	0	0	0	0
Association Dues		0	0	0	0	0	0	0	0	0	0	0
Research & Development		0	0	0	0	0	0	0	0	0	0	0
Telecommunications		0	0	0	0	0	0	0	0	0	0	0
Printing and Lines of Credit		0	0	0	0	0	0	0	0	0	0	0
Total		\$4,756	\$28,492	\$34,270	\$36,116	\$22,061	\$23,233	\$16,911	\$17,796	\$18,728	\$2,416	\$230,946

Purchasing Economics:

Procurement		\$19,883	\$20,479	\$21,094	\$21,726	\$22,378	\$23,050	\$23,741	\$24,453	\$25,187	\$6,486	\$222,955
Inventory		0	9,820	0	0	0	0	0	0	0	0	9,820
Contract Services		1,194	1,756	1,844	1,936	2,033	2,134	2,241	2,353	2,471	649	20,282
Total		\$15,672	\$32,055	\$22,937	\$23,662	\$24,411	\$25,184	\$25,982	\$26,806	\$27,658	\$7,134	\$253,056

Total Savings

		\$23,283	\$57,146	\$71,775	\$68,885	\$71,023	\$51,552	\$56,554	\$58,810	\$61,161	\$12,816	\$603,007
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Cost to Achieve

		0	0	0	0	0	0	0	0	0	0	0
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Pre-Merger Initiatives

		(\$871)	\$1,876	\$2,889	\$4,853	\$10,631	\$11,780	\$11,474	\$14,030	\$14,030	\$3,508	\$82,731
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Net Savings

		\$24,154	\$55,270	\$68,886	\$64,032	\$63,392	\$48,472	\$45,080	\$44,779	\$47,130	\$9,309	\$520,276
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Financial Assumptions

	AEP	CSW	Newco	Comments
Salary				
Corporate				
Generation				
Field				
Escalation Rate				
General	3.0%	3.0%	3.0%	
Professional Services	5.0%	5.0%	5.0%	
Advertising	5.0%	5.0%	5.0%	
Contract Services	5.0%	5.0%	5.0%	
Insurance	4.0%	4.0%	4.0%	
Labor	4.0%	4.0%	4.0%	
Benefits	4.0%	4.0%	4.0%	
Blended Labor and Benefits	4.5%	4.5%	4.5%	
Loading Rate				
Savings Plans	3.20%	2.97%	2.85%	
Medical	10.50%	10.15%	10.33%	
Insurance	1.30%	1.12%	1.50%	
Long Term Disability	1.40%	0.00%		
Pensions	0.20%	0.00%	5.35%	
Unemployment Insurance	0.30%	0.32%	0.31%	
Vacation Policy	7.70%			
Holiday Pay	2.80%			
Sick Pay	1.70%			
Other	0.00%	10.27%		
Payroll Taxes	<u>7.50%</u>	<u>7.34%</u>	<u>7.90%</u>	
	36.60%	32.17%	34.40%	Weighted avg. based on total 1997 payrolls
Employees				
Employees	18,185	7,506	25,691	
Affectable Employees	4,231	2,581	6,812	
Capitalization				
Labor				
Corporate Employees			10.5%	
Field Employees			42.2%	
Generation			4.1%	
Benefits			23.1%	
Contract Services			40.0%	
Inventory			100.0%	
Procurement			70.0%	
MIS Project Development			100.0%	
Revenue Requirements				
Capital	Use declining scale		34.88% 33.24% 30.29% 27.84% 25.58% 24.45%	
MIS	Use declining scale		17.52% 17.20% 16.58% 15.98% 15.40% 14.84% 14.31% 13.80% 13.29% 12.79%	
Carrying Cost				
			15%	
	Includes variable overhead, weighted average cost of capital			

R-1

A & G Overhead

AEP/CSW
Synergies Refinement

SYNERGIES SUMMARY

Savings Area: Administrative & General Overhead

AEP Position:

AEP's total administrative and general overhead costs (FERC account 921) for 1997 were \$77.1 million. Average variable per employee cost is \$6,747. AEP operating companies' FERC Account 921 charges include directly incurred A&G expenses of \$24.8 million and AEP Service Corporation billings of \$52.3 million. Detail charges by cost component are not available for AEP Service Corporation billings to the operating companies.

CSW Position:

CSW's total administrative and general overhead costs (FERC account 921) for 1997 were \$41.8 million. Average variable per employee cost is \$6,595. CSW reports the operating companies' FERC Account 921 charges and Service Company billings for detailed cost components.

Ten Year Savings (\$000):

<input type="checkbox"/> O&M Savings	\$ 74,302 C-2
<input type="checkbox"/> Capital Savings	\$ 0
<input type="checkbox"/> Revenue Requirements Savings	\$ 0
<input type="checkbox"/> Total Savings	\$ 74,302

Rationale for Savings:

Administrative and general overhead costs include office supplies, telephone expenses, employee business expenses, facilities costs, and other miscellaneous costs. Examples of variable administrative and general overhead costs include office supplies, telephone expenses, and business expenses. Administrative and general overhead will decrease as personnel in corporate or centralized field functions who incur these costs are reduced.

Basis for Calculation:

The percentage of variable costs for each category were estimated based on previous transactions. The weighted average cost per employee was applied to the number of corporate, administrative, customer service, engineering and electrical system technical support personnel reductions to estimate savings.

Key Assumptions:

- All costs are appropriately captured.
- Variable cost is estimated based on conversation with company management.

Administrative & General Overhead

2,491 C-3

1999 O&M Savings (\$000)
1999 Capital Savings (\$000)

Percentage of Savings Capitalized
Fixed Charge Cost
Inflation Rate

Partial Year Savings

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Annual Savings	\$1,868	\$6,353	\$7,176	\$7,391	\$7,613	\$7,841	\$8,076	\$8,319	\$8,568	\$8,825	\$2,272	\$74,302

Annual Savings Amount

O&M Savings	\$1,868	\$6,353	\$7,176	\$7,391	\$7,613	\$7,841	\$8,076	\$8,319	\$8,568	\$8,825	\$2,272	\$74,302
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Capital Savings

Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0

Cumulative Capital Savings

Fixed Charge Savings

Total O&M and Fixed Charge Savings

Cumulative Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed Charge Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M and Fixed Charge Savings	\$1,868	\$6,353	\$7,176	\$7,391	\$7,613	\$7,841	\$8,076	\$8,319	\$8,568	\$8,825	\$2,272	\$74,302

AEP/CSW

Administrative and General Overhead
Summary
Base Case

1997	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
Executive Management	25	16	25	6	6	0	6	6	0	6	6	0
Legal	50	11	50	4	4	0	4	4	0	4	4	0
External Relations	120	90	120	10	10	0	10	10	0	10	10	0
Finance & Accounting	474	343	474	34	102	34	34	102	34	34	102	34
Human Resources	312	115	312	33	32	0	33	32	0	33	32	0
Information Systems	680	400	680	51	153	50	51	153	50	51	153	50
Administrative & Support	665	251	665	81	81	0	81	81	0	81	81	0
Retail Marketing & Sales	585	422	585	23	23	0	23	23	0	23	23	0
Purchasing & Materials Management	355	250	355	74	74	0	74	74	0	74	74	0
Customer Service	1,631	1,272	1,631	4	3	0	4	3	0	4	3	0
R&D Engineering	930	346	930	6	5	0	6	5	0	6	5	0
Electrical System Technical Support	129	68	129	351	518	84	351	518	84	351	518	84
Total	5,956	3,516	6,370	6	6	0	6	6	0	6	6	0
Total Reductions	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
Executive Management	6	4	0	4	4	0	4	4	0	4	4	0
Legal	4	4	0	10	10	0	10	10	0	10	10	0
External Relations	10	10	0	34	102	34	34	102	34	34	102	34
Finance & Accounting	34	102	34	33	32	0	33	32	0	33	32	0
Human Resources	33	32	0	51	153	50	51	153	50	51	153	50
Information Systems	51	153	50	81	81	0	81	81	0	81	81	0
Administrative & Support	81	81	0	23	23	0	23	23	0	23	23	0
Retail Marketing & Sales	23	23	0	74	74	0	74	74	0	74	74	0
Purchasing & Materials Management	74	74	0	4	3	0	4	3	0	4	3	0
Customer Service	4	3	0	6	5	0	6	5	0	6	5	0
R&D Engineering	6	5	0	351	518	84	351	518	84	351	518	84
Electrical System Technical Support	351	518	84	Total	Total	Total	1999	2000	2001	1999	2000	2001
Total	351	518	84	6	6	0	6	6	0	6	6	0

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**Administrative and General Overhead
Variable Expenses
AEP**

<u>Category</u>	<u>Expenses As Reported 1997</u>	<u>Service Company Elimination</u>	<u>As Incurred By Company 1997</u>	<u>Fixed/ Variable</u>	<u>Variable Percentage</u>	<u>Variable Amount</u>
Postage	\$ 476,687	\$ 6,829,243	\$ 7,305,930	F	0%	\$ -
Facilities	9,066,677	4,270,557	\$ 13,337,234	F	0%	-
Employee Expenses	1,348,724	-	\$ 1,348,724	V	100%	1,348,724
Telephone	2,378,737	1,752,990	\$ 4,131,727	F/V	50%	2,065,864
Office Supplies	3,446,335	6,373,733	\$ 9,820,068	V	80%	7,856,054
Other:	-	20,903,972	\$ 20,903,972	V	100%	20,903,972
Professional Services	3,040,331	-	\$ 3,040,331	N/A	0%	-
Leases	1,234,320	-	\$ 1,234,320	N/A	0%	-
AEPSC Services	(1) 52,332,249	(40,130,495)	\$ 12,201,754	F/V	50%	6,100,877
Miscellaneous	3,822,139	-	\$ 3,822,139	F/V	50%	1,911,070
	\$ 77,146,199	\$ -	\$ 77,146,199		52%	\$ 40,186,560

Notes

(1) Includes A&G charges from Service Corp to the Operating Companies

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Variable Expenses
CSW

	1998	Variable Percentage	Variable Amount	1997	Variable Percentage	Variable Amount
Categories						
Postage	891,730	0%	-	6,554,496	0%	-
Facilities		0%			0%	
Employee Expenses	10,227,566	100%	10,227,566	9,329,705	100%	9,329,705
Telephone	10,761,817	50%	5,380,909	11,218,537	50%	5,609,269
Office Supplies	6,034,301	80%	4,827,441	4,495,963	80%	3,596,770
Utilities	1,056,967	50%	528,484	1,074,479	50%	537,240
Others	4,183,846	50%	2,091,923	9,151,132	50%	4,575,566
Total A&G Costs	33,156,227		23,056,322	41,824,312		23,648,549
Total Variable A&G	23,056,322			23,648,549		
Variable Percentage	69.5%			56.5%		

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C-30-20
C-3
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6.0 ADMINISTRATIVE & GENERAL OVERHEAD

Dr -st

AES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: M.C. Flaherty 1/23/98

JAN-21-1998 16:50

A&G Expense Category (PERC Ass't. 921)	1995 Cont.	1996 Cont.	1997 Cont.	Planned 1998 Cont.	1998 Cont. Variable / Notes / Comments
Postage	--	--	--	--	Include all major cost components in 921 account
Facilities	--	--	--	--	
Employee Expenses	493	1,852			
Telephone	--	--	--	--	
Office Supplies	776	--	--	--	
Utilities	--	--	--	--	
Misc(s)	146,337	115,981			
OUTSIDE SERVICES	1,489,263	1,430,743			
REPS/CHARGES	231,569	4,726			
ALL OTHER					
TOTAL	1,868,438	1,553,712			

REP ACCOUNTING DEPARTMENT

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6.0 A&G Overhead

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TOTR P. 88

DATA TEMP.XLS

ADMINISTRATIVE & GENERAL OVERHEAD

Instructions: If data requested is not applicable, please provide a complete explanation of why not. If data requested below as specifically and completely as possible. If data being provided during the forecasted study period, please inform us of any anticipated changes in the data being provided during the forecasted study period.

Apollonius Power Company

Forecasting Data:

Account	1995	1996	1997	Forecast	1998	1999	Comments
	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	
Office Supplies	130,000	220,000	192,000				Includes all major cost components in 971 account
Utilities	2,010,741	2,472,078	1,683,000				
Employee Expenses	475,483	772,489	451,943				
Telephone	607,187	750,359	1,137,081				
Office Supplies	490,000	739,343	1,181,184				
Utilities	639,458	773,996	512,477				
Other							

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ANNEX OVERHEAD

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Columbus Southern Power Company
6.0 Administrative & General Overhead

A&G Expense Category (FERC ACCT. 921)	1996 Cost	1997 Cost
Postage	\$34,021	\$15,255
Facilities	1,007,408	575,685
Employee Expenses	307,988	369,993
Telephone	780,382	310,589
Office Supplies	496,334	568,367
Utilities	0	0
Other(s):		
Professional Service	724,390	927,314
Leases	910,908	838,959
AEPSC Services	6,142,764	6,852,417
Miscellaneous	(403,292)	505,461
Account Total	\$10,000,902	\$10,964,039

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6.0 ADMINISTRATIVE & GENERAL OVERHEAD

INSTRUCTIONS:
Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.
Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: MC. W. Antyke 01/23/98

A&G Expense Category (FIRC Acct. 921)	1995 Cont.	1996 Cont.	1997 Cont.	Planned 1998 (Ant. Variable)	(Ant. Variable) / (1997 Cont.)	Note / Comments
Postage	49,104	65,237				Include all major cost components in 921 account
Facilities	979,854	532,242				
Employee Expenses	305,876	302,029				
Telephone	537,738	303,627				
Office Supplies	860,407	1,002,626				
Utilities	--	--				
Other(s)						
A&G CHARGES	8,363,384	10,942,173				
OUTSIDE SERVICES	2,038,209	1,388,325				
Automotive Expense	205,459	249,291				
Contributions	4,650	148,731				
DUES	9,469	39,325				
ALLOCATED	(1,069,568)	396,088				
TOTAL	12,284,582	20,119,694				

Kentucky Power Company
Analysis of Major Cost Components
Account 621

Category	1997	1996
Office Supplies	312,830	376,355
Employee Expenses	50,146	114,102
Facilities	0	0
Postage	33,059	12,539
Telephone	50,819	291,988
Other	612,588	147,608
AEPSB Billings	<u>2,707,173</u>	<u>2,467,017</u>
	3,766,615	3,409,609

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Ohio Power Company
6.0 Administrative & General Overhead

A&G Expense Category (FERC ACCT. 921)	1996 Cost	1997 Cost
Postage	\$127,199	\$149,641
Facilities	590,335	1,405,470
Employee Expenses	424,901	119,883
Telephone	395,085	562,614
Office Supplies	687,249	293,344
Utilities	3,911	1,603
Other(s):		
Professional Service	2,214,251	593,487
Leases	756,465	388,935
AEPSC Services	11,748,484	13,201,662
Miscellaneous	(54,468)	1,285,859
Account Total	\$16,893,412	\$18,002,498

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Post-it® Fax Note	7671	Date	# of pages 3
To	Cutter	From	Saherich
Co./Dept.		Co.	
Phone #		Phone #	
Fax #		Fax #	

Wheeling Power Company
6.0 Administrative & General Overhead

A&G Expense Category (FERC ACCT. 921)	1996 Cost	1997 Cost
Postage	\$1,032	\$1,700
Facilities	21,658	28,547
Employee Expenses	30,836	30,009
Telephone	6,926	5,272
Office Supplies	8,335	5,516
Utilities	0	0
Other(s):		
Professional Service	114,971	15,224
Leases	9,077	6,426
AEPSC Services	552,422	610,125
Miscellaneous	14,189	35,520
Account Total	\$759,446	\$738,339

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Appalachian Power Company
6.0 Administrative & General Overhead

	1995 Cost	1996 Cost	1997 Cost
FERC ACCT. 921	12,163,082	11,248,652	15,933,356

Kingsport Power Company
6.0 Administrative & General Overhead

	1995 Cost	1996 Cost	1997 Cost
FERC ACCT. 921	478,235	514,029	754,600

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AMERICAN ELEC POWER SERV CORP
 COMPARATIVE INCOME STATEMENT

QUARTER ENDED
 DECEMBER 31
 YEAR-TO-DATE ENDED
 DECEMBER 31
 TWELVE MONTHS ENDED
 DECEMBER 31

	1997	1996	1997	1996	1997	1996
INCOME						
SERVICES RENDERED TO ASSOC COS	122,803,108	115,864,152	455,855,853	393,743,130	455,855,853	393,743,130
SVCS RENDERED TO NONASSOC COS	177,713	436,635	208,697	501,113	208,697	501,113
MISCELLANEOUS INCOME OR (LOSS)	77,331	61,375	405,159	320,488	405,159	320,488
TOTAL INCOME	123,058,152	116,362,162	456,469,709	394,564,731	456,469,709	394,564,731
EXPENSES						
SALARIES AND WAGES	53,110,132	55,322,714	228,150,732	199,115,982	228,150,732	199,115,982
OUTSIDE SERVICES						
LEGAL	116,129	105,167	506,615	396,103	506,615	396,103
ENGINEERING	1,240,205	702,773	2,917,935	2,107,807	2,917,935	2,107,807
SOFTWARE	25,638,335	19,007,387	64,563,152	38,229,398	64,563,152	38,229,398
AUDITING	29,500	24,000	45,652	123,100	45,652	123,100
OTHER PROFESSIONAL SERVICES	5,829,491	7,602,773	16,638,170	20,629,889	16,638,170	20,629,889
TOTAL OUTSIDE SERVICES	32,853,660	27,442,100	84,671,524	61,486,297	84,671,524	61,486,297
EMPLOYEE PENSIONS AND BENEFITS						
OTHER EMPLOYEE BENEFITS	497,648	198,618	1,479,075	927,428	1,479,075	927,428
MISC GIFTS & AWARDS	103	0	103	46	103	46
SAVINGS PLAN	1,153,683	1,076,906	4,649,523	4,326,617	4,649,523	4,326,617
SUPPLEMENTAL SAVINGS PLAN	81,929	59,892	207,992	131,817	207,992	131,817
DEFERRED COMPENSATION BENEFITS	95,005	(321,249)	550,569	192,075	550,569	192,075
COMPANY OWNED LIFE INSURANCE	764,885	761,129	2,649,264	4,233,059	2,649,264	4,233,059
SUPPLEMENTAL PENSION	(581,865)	(210,195)	(1,357,692)	11,225,583	(1,357,692)	11,225,583
GROUP LIFE INSURANCE	874,037	227,957	2,808,622	848,337	2,808,622	848,337
MEDICAL INSURANCE	2,843,518	1,525,317	10,986,111	7,358,585	10,986,111	7,358,585
DENTAL PLAN	269,551	258,211	1,059,820	994,574	1,059,820	994,574
OTHER POSTRETIREMENT BENEFITS	1,434,992	1,735,292	5,738,867	6,928,815	5,738,867	6,928,815
EDUCATIONAL ASSIST	58,765	68,722	314,396	330,444	314,396	330,444
MOVING EXPENSE	1,035,453	1,822,662	3,321,428	6,248,992	3,321,428	6,248,992
RETIREMENT PLAN	1,314,677	1,222,023	5,014,935	4,877,575	5,014,935	4,877,575
LONG TERM DISABILITY	567,922	308,541	1,864,646	1,245,246	1,864,646	1,245,246
TOTAL EMPLOYEE PENSIONS & BENE	10,410,103	8,733,826	39,287,659	49,868,693	39,287,659	49,868,693
RENTS						
OFFICE SPACE	2,550,034	1,633,610	6,150,038	2,942,452	6,150,038	2,942,452
COMPUTERS AND DP EQUIPMENT	3,895,634	4,216,214	14,464,332	15,944,323	14,464,332	15,944,323
SOFTWARE	1,072,350	664,554	3,916,839	2,404,607	3,916,839	2,404,607
VIDEOTEX & TINESHARING	143,806	153,046	540,370	414,992	540,370	414,992
MICROWAVE & TELECOM. EQUIPMENT	351,806	263,859	1,299,883	965,080	1,299,883	965,080
OFFICE FURNITURE & EQUIPMENT	650,194	251,449	1,635,373	924,262	1,635,373	924,262
OTHER RENTS	507	(41,323)	2,730	(59,414)	2,730	(59,414)
TOTAL RENTS	8,664,331	7,141,409	28,009,565	23,536,302	28,009,565	23,536,302

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AMERICAN ELEC POWER SERV CORP
 COMPARATIVE INCOME STATEMENT

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	QUARTER ENDED		YEAR-TO-DATE ENDED		TWELVE MONTHS ENDED	
	1997	1996	1997	1996	1997	1996
OFFICE SUPPLIES AND EXPENSES	1,090,571	1,460,226	4,270,557	4,706,585	4,270,557	4,706,585
BUILDING SERVICES	2,783,686	2,484,920	9,372,073	7,482,078	9,372,073	7,482,078
TRAVEL-SYSTEM & OTHER	947,419	1,381,392	4,082,402	3,733,320	4,082,402	3,733,320
TRAVEL-MEETINGS, CONV, SEMINAR	8,585	5,878	17,908	21,187	17,908	21,187
RECRUITING EXPENSES	208,495	256,972	945,587	569,154	945,587	569,154
AUTOMOTIVE SERVICES	670,640	270,922	2,529,925	1,583,958	2,529,925	1,583,958
COMMUNICATION SERVICES	457,378	482,619	1,752,990	1,138,959	1,752,990	1,138,959
GENERAL OFFICE EQUIPMENT	349,351	409,973	1,137,528	1,283,312	1,137,528	1,283,312
COMPUTER EQUIPMENT	428,598	230,187	902,417	831,179	902,417	831,179
LABORATORY SUPPLIES & TOOLS	166,490	(47,767)	612,021	138,783	612,021	138,783
MISC PLANT SUPPLIES, TOOLS, & EQ	499,111	904,930	3,178,473	2,428,447	3,178,473	2,428,447
EMPLOYEE MEMBERSHIP FEES/DUES	60,148	34,048	203,364	112,259	203,364	112,259
POSTAGE, PRINTING, STATIONERY	2,021,616	360,671	6,829,243	1,125,604	6,829,243	1,125,604
BOOKS, PERIODICALS, NEWSPAPERS	273,535	346,310	1,100,747	784,961	1,100,747	784,961
OTH OFFICE SUPPLIES & EXPENSES	983,798	648,478	3,195,260	1,780,872	3,195,260	1,780,872
TOTAL OFFICE SUPPLIES & EXP	10,949,421	9,229,759	40,130,495	27,720,658	40,130,495	27,720,658
INJURIES AND DAMAGES	82,678	1,117,298	1,183,818	1,672,356	1,183,818	1,672,356
PROPERTY INSURANCE	64,997	32,479	122,703	103,975	122,703	103,975
MAINTENANCE OF STRUC & EQUIP	274,283	375,154	722,650	1,670,042	722,650	1,670,042
BUILDING	512,166	973,877	1,796,963	2,046,176	1,796,963	2,046,176
COMPUTERS	106,461	125,568	836,127	892,317	836,127	892,317
OTHER EQUIPMENT MAINTENANCE	892,910	1,474,599	3,355,740	4,608,535	3,355,740	4,608,535
TAXES OTHER THAN INCOME TAXES	3,132,032	2,685,632	14,042,395	12,833,116	14,042,395	12,833,116
FICA	12,267	14,016	207,780	200,062	207,780	200,062
FEDERAL UNEMPLOYMENT	10,242	22,751	191,399	269,506	191,399	269,506
STATE UNEMPLOYMENT	(27,769)	(17,871)	1,457	19,330	1,457	19,330
TAX ACCRUED	385	59,424	1,993	60,757	1,993	60,757
NY STATE FRANCHISE	0	(1)	260	260	260	260
WV LICENSE & STATE ATTY FEE	48,121	48,634	316,864	289,276	316,864	289,276
OH PERSONAL PROPERTY	602,214	17,786	2,067,265	(393,291)	2,067,265	(393,291)
OH CORPORATE FRANCHISE	(235)	0	3,815	300	3,815	300
NY CITY GENERAL CORPORATION	22,126	0	22,126	0	22,126	0
IN GROSS RECEIPTS	197,500	0	196,777	(80)	196,777	(80)
WV CORP NET INCOME	509	0	509	0	509	0
WV BUSINESS FRANCHISE	(1,421)	1,845	136,745	2,881	136,745	2,881
OTHER TAXES	398,100	284,676	1,598,907	1,481,751	1,598,907	1,481,751
OH REAL ESTATE	0	118	3,443	119	3,443	119
SALES & USE TAX-ALL LOC	4,000	(3,000)	4,000	(7,000)	4,000	(7,000)
FEDERAL ENVIRONMENTAL EXCISE						
TOTAL TAXES OTHER THAN INCOME	4,398,071	3,111	18,795,735	14,756,987	18,795,735	14,756,987

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AMERICAN ELEC POWER SERV CORP
 COMPARATIVE INCOME STATEMENT

	QUARTER ENDED		YEAR-TO-DATE ENDED		TWELVE MONTHS ENDED	
	1997	1996	1997	1996	1997	1996
DEPRECIATION AND AMORTIZATION	1,433	1,683	5,731	8,231	5,731	8,231
AMORT OF LEASEHOLD IMPROVEMENT	1,000,043	1,000,043	4,000,174	4,000,174	4,000,174	4,000,174
DEPRECIATION EXPENSE	1,001,476	1,001,726	4,005,905	4,008,405	4,005,905	4,008,405
TOTAL DEPRECIATION & AMORT	1,001,476	1,001,726	4,005,905	4,008,405	4,005,905	4,008,405
MISCELLANEOUS GENERAL EXPENSES	1,200	1,675	5,202	7,050	5,202	7,050
DIRECTORS FEES AND EXPENSES	(1,742,482)	141,986	571,886	835,846	571,886	835,846
DUES FOR COMPANY MEMBERSHIPS	218,180	195,997	895,620	444,365	895,620	444,365
OTHER MISC GENERAL EXPENSE	(1,523,102)	339,658	1,472,708	1,287,261	1,472,708	1,287,261
TOTAL MISC GENERAL EXPENSES	120,904,677	114,949,578	449,186,584	388,165,451	449,186,584	388,165,451
EXPENSES BEFORE TRANSFERS	(288,113)	(236,812)	(1,060,096)	(889,477)	(1,060,096)	(889,477)
EXPENSES TRANSFERRED-CREDIT	(288,113)	(236,812)	(1,060,096)	(889,477)	(1,060,096)	(889,477)
ADMIN EXPENSE TRANSFERD-CREDIT	(288,113)	(236,812)	(1,060,096)	(889,477)	(1,060,096)	(889,477)
TOTAL EXPENSES TRANSFERRED	13,902	21,774	102,406	94,906	102,406	94,906
OTHER DEDUCTIONS	110,401	382,838	1,134,013	1,193,263	1,134,013	1,193,263
MATCHING CONTRIBUTIONS	398,267	274,114	1,717,626	1,374,012	1,717,626	1,374,012
DONATIONS-OTHER	31,629	8,159	145,923	78,192	145,923	78,192
CIVIC, POLITICAL & RELATED ACT	554,199	686,885	3,099,968	2,740,373	3,099,968	2,740,373
MISCELLANEOUS DEDUCTIONS	1,664,640	1,800,266	6,692,901	7,198,121	6,692,901	7,198,121
TOTAL OTHER DEDUCTIONS	177,514	168,762	683,800	700,005	683,800	700,005
INTEREST EXPENSE	1,842,154	1,969,028	7,376,701	7,898,126	7,376,701	7,898,126
INTEREST ON LONG-TERM DEBT	1,842,154	1,969,028	7,376,701	7,898,126	7,376,701	7,898,126
OTHER INTEREST EXPENSE	2,730,176	6,564,803	6,295,617	7,192,373	6,295,617	7,192,373
TOTAL INTEREST EXPENSE	457,000	0	466,850	0	466,850	0
FEDERAL AND LOCAL INCOME TAXES	152,622	0	481,972	120,000	481,972	120,000
FEDERAL INCOME TAXES	6,036,354	3,823,687	13,895,668	10,746,149	13,895,668	10,746,149
STATE INCOME TAXES	(9,318,215)	(11,382,305)	(23,222,747)	(21,361,507)	(23,222,747)	(21,361,507)
CITY INCOME TAXES	(12,702)	(12,702)	(50,808)	(46,757)	(50,808)	(46,757)
PROV FOR DEFERRED INCOME TAXES	45,235	(1,006,517)	(2,133,448)	(3,349,742)	(2,133,448)	(3,349,742)
PROV FOR DEF INCOME TAX-CREDIT	123,058,152	116,362,162	456,469,709	394,564,731	456,469,709	394,564,731
PROV FOR DEF INVESTMENT TAX CR	0	0	0	0	0	0
TOTAL INCOME TAXES	0	0	0	0	0	0
TOTAL EXPENSES	0	0	0	0	0	0
NET INCOME (LOSS)	0	0	0	0	0	0

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6.0 ADMINISTRATIVE & GENERAL OVERHEAD

Information provided by Shannon Townsend, CSWS Planning & Analysis

A&G Expense Category (FERC a/c 921)	1996 Actual	1997 Actual	1998 Budget	Average	%
Postage	6,036,267	6,554,496	891,730	4,494,164	11.50%
Facilities	n/a	n/a	n/a	0	0.00%
Employee Expenses	8,647,544	9,329,705	10,227,566	9,401,605	24.05%
Telephone	10,689,309	11,218,537	10,761,817	10,889,888	27.86%
Office Supplies	5,011,156	4,495,963	6,034,301	5,180,473	13.25%
Utilities	971,432	1,074,479	1,056,967	1,034,293	2.65%
Other	10,928,506	9,151,132	4,183,846	8,087,828	20.69%
	42,284,214	41,824,312	33,156,227	39,088,251	100.00%

Note: Postage of \$5,944,400 for electric billings is budgeted to FERC account 903 in 1998. Postage for electric billings was \$5,253,407 in 1996 & \$5,765,604 in 1997. 1996 & 1997 amounts are included in the FERC account 921 postage amounts above.

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CENTRAL AND SOUTH WEST
ADMINISTRATIVE AND GENERAL OVERHEAD - U.S. ELECTRICS

1998 Budget a/c 9210 from HCBS	CPL	FSO	SWP	WTU	Account Total	Category Total
Postage						
9210.7620 - Postage	372,445	228,900	161,410	128,975	891,730	891,730
Facilities						
	n/a	n/a	n/a	n/a	n/a	
Employee Expenses						
9210.7010 - Prof Dues	26,349	30,190	18,278	11,902	86,719	
9210.7110 - Travel, Lodging, Meals	696,235	540,117	804,221	665,096	2,705,670	
9210.7130 - Travel, Lodging, Meals	29,800	0	23,000	140	52,740	
9210.7199 - Travel, Lodging, Meals	1,757,538	1,066,265	1,268,482	726,075	4,818,340	
9210.7810 - Training	142,223	104,548	143,744	174,432	564,945	
9210.7899 - Training CSWS	678,250	457,130	566,402	297,370	1,999,152	10,227,568 C-20
Telephone						
9210.7700 - Telecom General	2,848,239	16,539	7,149	11,001	2,880,928	
9210.7710 - Telecom Voice	0	592,858	646,931	278,852	1,518,439	
9210.7711 - Telecom Long Distance	0	113,303	108,069	79,842	301,214	
9210.7712 - Telecom 800 Svc	0	131,268	297,702	44,837	473,807	
9210.7720 - Telecom Transport	0	618,708	1,144,153	824,413	2,485,274	
9210.7740 - Telecom Mobile	1,090	0	0	822	1,912	
9210.7741 - Telecom Radio	0	0	0	0	0	
9210.7742 - Telecom Cellular	357,820	336,728	361,569	304,415	1,360,530	
9210.7743 - Telecom Pager	150,873	68,863	97,893	10,668	347,195	
9210.7799 - Telecom CSWS	467,115	327,849	398,288	199,268	1,392,518	10,781,817 C-20
Office Supplies						
9210.7600 - Supplies & Materials	2,208,072	334,988	296,884	308,033	3,148,975	
9210.7699 - Supplies CSWS	969,853	710,944	866,428	341,001	2,888,326	6,034,301 C-20
Utilities						
9210.1700 - Utility Exp	37,809	28,760	59,858	72,874	199,101	
9210.1799 - Utility CSWS	288,344	200,350	246,860	123,312	857,866	1,056,967 C-20
Other						
9210.13 - Charter Flights	0	6,000	0	0	6,000	
9210.1699 - Aircraft CSWS	0	0	0	0	0	
9210.2000 - Meeting Expenses	76,808	23,474	63,173	26,898	192,251	
9210.2099 - Meeting Exp. CSWS	299,595	193,383	252,217	135,748	880,923	
9210.2300 - Small Eqmt	105,114	96,000	143,075	30,600	374,789	
9210.2399 - Small Eqmt CSWS	49,408	28,354	36,361	22,702	136,815	
9210.2400 - Bank Svc Charges	0	0	0	0	0	
9210.2499 - Bank Svc Charges CSW	107,594	188,694	439,600	260,773	1,006,661	
9210.7020 - Industry Dues	3,298	650	21,135	5,030	30,113	
9210.7030 - Bus Dev Dues	39,315	241,642	68,370	11,795	361,122	
9210.7040 - Social/Recreational	0	0	0	0	0	
9210.7099 - Dues CSWS	65,723	42,323	60,713	28,421	195,180	
9210.8000 - Miscellaneous	369,154	338,869	285,231	248,894	1,243,348	
9210.8099 - Misc CSWS	(115,539)	(61,261)	(32,480)	(34,278)	(243,558)	4,183,848 C-20
	<u>12,032,324</u>	<u>6,935,008</u>	<u>8,853,886</u>	<u>6,335,009</u>	<u>33,168,227</u>	<u>33,158,227</u>
	12,032,324	6,935,008	8,853,886	6,335,009	33,168,227	

CENTRAL AND SOUTH WEST
ADMINISTRATIVE AND GENERAL OVERHEAD - U.S. ELECTRICS

1997 Actual w/c 9210 from InfoPac Rpts	CPL	PSO	SWP	WTU	Account Total	Category Total
Postage						
9210.7620 - Postage	2,569,691	1,722,573	1,561,805	700,427	6,554,496	6,554,496 C-20
Facilities	n/a	n/a	n/a	n/a	n/a	
Employee Expenses						
9210.7010 - Prof Dues	21,148	50,189	18,941	11,981	102,259	
9210.7110 - Travel, Lodging, Meals	707,150	529,041	587,255	511,773	2,335,219	
9210.7130 - Travel, Lodging, Meals	2,347	2,357	2,270	641	7,815	
9210.7199 - Travel, Lodging, Meals	1,476,531	795,424	873,809	601,467	3,747,261	
9210.7810 - Training	66,050	147,545	166,144	149,781	629,500	
9210.7899 - Training CSWS	865,288	612,353	718,407	411,803	2,607,851	8,329,705 C-20
Telephone						
9210.7700 - Telecom General	22,729	17,853	19,642	39,987	100,211	
9210.7710 - Telecom Voice	1,063,915	594,361	679,400	286,738	2,644,414	
9210.7711 - Telecom Long Distance	75,112	66,785	71,365	34,907	248,169	
9210.7712 - Telecom 800 Svc	968,692	277,907	205,143	27,387	1,509,139	
9210.7720 - Telecom Transport	907,674	455,838	1,082,579	714,870	3,140,961	
9210.7740 - Telecom Mobile	988	0	23	1,370	2,379	
9210.7741 - Telecom Radio	0	0	479	0	479	
9210.7742 - Telecom Cellular	401,409	397,628	505,565	327,854	1,632,456	
9210.7743 - Telecom Pager	126,533	117,212	128,513	11,821	384,079	
9210.7799 - Telecom CSWS	516,509	367,159	450,110	220,472	1,556,250	11,218,537 C-20
Office Supplies						
9210.7600 - Supplies & Materials	567,863	381,638	435,191	245,107	1,639,799	
9210.7699 - Supplies CSWS	1,005,437	652,988	764,709	433,030	2,856,184	4,495,983 C-20
Utilities						
9210.1700 - Utility Exp	21,641	138,916	19,947	63,447	243,951	
9210.1799 - Utility CSWS	279,349	194,053	237,650	119,478	830,528	1,074,479 C-20
Other						
9210.1600 - Aircraft Cleaning	0	0	1,341	0	1,341	
9210.1699 - Aircraft CSWS	24	0	145	0	169	
9210.2000 - Meeting Expenses	66,267	22,979	34,165	16,910	142,341	
9210.2099 - Meeting Exp. CSWS	250,659	180,977	188,634	109,329	709,599	
9210.2300 - Small Eqmt	193,882	77,083	80,212	29,022	380,179	
9210.2399 - Small Eqmt CSWS	60,774	49,160	51,470	33,814	215,218	
9210.2400 - Bank Svc Charges	(7,966)	12,846	27,502	7,700	40,082	
9210.2499 - Bank Svc Charges CSW	375,198	310,478	256,036	117,585	1,059,297	
9210.7020 - Industry Dues	6,883	18,526	(71,640)	6,219	(40,030)	
9210.7030 - Bus Dev Dues	30,352	198,237	74,180	4,540	307,289	
9210.7040 - Social/Recreational	0	174	0	0	174	
9210.7099 - Dues CSWS	87,137	87,404	84,570	34,602	273,803	
9210.9000 - Miscellaneous	3,136,913	539,406	481,829	199,929	4,357,877	
9210.9099 - Misc CSWS	589,403	423,767	487,874	222,948	1,703,793	9,151,132 C-20
Check Figure from Trial Balance	16,509,660	9,412,859	10,204,845	5,697,048	41,824,312	41,824,312
	16,509,657	9,412,880	10,204,844	5,697,048	41,824,309	

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CENTRAL AND SOUTH WEST
ADMINISTRATIVE AND GENERAL OVERHEAD - U.S. ELECTRICS

1998 Actual a/c 9210 from InfoPac Rpts	CPL	PSO	SWP	WTU	Account Total	Category Total
Postage						
9210.7620 - Postage	2,364,249	1,561,265	1,469,980	640,763	6,038,267	6,038,267
Facilities						
	n/a	n/a	n/a	n/a	n/a	
Employee Expenses						
9210.7010 - Prof Dues	22,713	49,311	27,816	17,240	117,080	
9210.7110 - Travel, Lodging, Meets	612,613	459,782	468,273	487,054	2,045,722	
9210.7130 - Travel, Lodging, Meets	4,828	8,803	22,840	277	36,746	
9210.7199 - Travel, Lodging, Meets	1,355,997	823,909	1,114,131	562,334	3,856,371	
9210.7810 - Training	154,514	296,080	174,017	153,820	778,231	
9210.7899 - Training CSWS	591,578	427,856	500,858	293,302	1,813,384	6,647,544
Telephone						
9210.7700 - Telecom General	33,258	60,220	4,902	26,523	124,903	
9210.7710 - Telecom Voice	1,753,333	839,111	738,712	392,103	3,723,259	
9210.7711 - Telecom Long Distance	0	518,735	0	0	518,735	
9210.7712 - Telecom 800 Svc	0	0	0	0	0	
9210.7720 - Telecom Transport	850,896	0	1,151,510	703,049	2,705,255	
9210.7740 - Telecom Mobile	0	29,680	3,770	1,282	34,732	
9210.7741 - Telecom Radio	0	0	0	0	0	
9210.7742 - Telecom Cellular	354,890	494,139	541,260	285,768	1,675,857	
9210.7743 - Telecom Pager	107,027	96,362	91,533	4,369	299,311	
9210.7799 - Telecom CSWS	546,608	391,687	441,341	229,821	1,609,257	10,689,309
Office Supplies						
9210.7600 - Supplies & Materials	814,056	448,320	539,826	344,787	2,146,989	
9210.7699 - Supplies CSWS	1,034,161	575,523	814,350	440,133	2,864,167	5,011,156
Utilities						
9210.1700 - Utility Exp	26,527	141,534	20,979	61,073	252,113	
9210.1799 - Utility CSWS	243,848	179,139	198,563	99,769	719,319	971,432
Other						
9210.1499 - Aircraft Fuel	223	191,291	205	125	191,844	
9210.1600 - Aircraft Cleaning	152	32	0	14	196	
9210.1699 - Aircraft CSWS	0	0	0	0	0	
9210.2000 - Meeting Expenses	120,613	48,123	57,870	159,705	386,111	
9210.2099 - Meeting Exp. CSWS	231,148	159,094	192,817	98,014	679,073	
9210.2300 - Small Eqmt	128,903	746	23,039	278	152,964	
9210.2399 - Small Eqmt CSWS	38,490	26,587	30,896	13,440	107,413	
9210.2400 - Bank Svc Charges	15	0	30,668	2,464	33,147	
9210.2499 - Bank Svc Charges CSW	305,186	381,589	248,312	130,537	1,045,624	
9210.7020 - Industry Dues	20,276	171,202	120,896	8,478	310,652	
9210.7030 - Bus Dev Dues	6,602	92,187	59,021	7,429	165,239	
9210.7040 - Social/Recreational	0	2,020	0	0	2,020	
9210.7099 - Dues CSWS	78,480	56,673	68,142	25,283	225,478	
9210.8000 - Miscellaneous	4,572,899	1,032,451	949,277	231,535	6,786,162	
9210.8099 - Misc CSWS	305,278	179,938	195,751	153,814	834,581	10,928,608
	16,678,959	9,720,309	10,314,965	5,569,981	42,284,214	42,284,214
Check Figure from Trial Balance	16,678,959	9,720,306	10,314,966	5,569,979	42,284,211	

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Advertising/PR

AEP/CSW
Synergies Refinement

SYNERGIES SUMMARY

Savings Area: Advertising/Public Relations

AEP Position:

AEP's total non-labor advertising and public relations expense for 1998 is budgeted to be \$13.9 million for production, layout, media and agency costs.

CSW Position:

CSW's total non-labor advertising and public relations expense for 1998 is budgeted at \$7.84 million for production, layout, media and agency costs.

Ten-Year Savings (\$000):

<input type="checkbox"/> Capital	\$ 0
<input type="checkbox"/> O&M - Expense	\$ 20,219
<input type="checkbox"/> O&M - Revenue Requirements	\$ 0
<input type="checkbox"/> O&M - Total	\$ 20,219 <i>D-2</i>

Rationale for Savings:

Combination of advertising program eliminates need for duplicative advertisement design and production and will reduce agency fees. Some overlapping coverage from national media would also occur.

Basis for Calculation:

The two companies' expenses differ in scale, so reductions are taken on the smaller of the two companies' costs in most categories. These reductions vary with the type of expense and are based on previous transactions. Due to the amount of local and regional advertising, savings in media and print placement are lower than average.

Key Assumptions:

- Used a 5% escalation rate for third party services.
- Savings for advertising and public relations labor expenditures have been accounted for in the Labor section of the synergies analysis.
- Assumes levels of spending will continue at estimated levels.

Advertising

\$1,588
\$0

1999 O&M Savings (\$000)
1999 Capital Savings (\$000)

Percentage of Savings Capitalized
Fixed Charge Cost
Inflation Rate
Partial Year Savings

Annual Savings

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Annual Savings Amount	\$1,191	\$1,667	\$1,750	\$1,838	\$1,930	\$2,026	\$2,128	\$2,234	\$2,346	\$2,463	\$647	\$20,219
O&M Savings	\$1,191	\$1,667	\$1,750	\$1,838	\$1,930	\$2,026	\$2,128	\$2,234	\$2,346	\$2,463	\$647	\$20,219

Capital Savings

Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed Charge Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M and Fixed Charge Savings	\$1,191	\$1,667	\$1,750	\$1,838	\$1,930	\$2,026	\$2,128	\$2,234	\$2,346	\$2,463	\$647	\$20,219

D-1

D-2

AEF/CSW

Advertising Non-Labor Expenses

CATEGORY	Sub-Category	1998 (Budgeted)		Savings Opportunities				
		AEF	CSW	Combined	Rational	Percent	Amount	
LABOR	In-House Contract	D-1/	\$8,409,414	\$3,499,469	\$11,908,883	No savings	\$0	
		(2)	\$0	\$1,775,214	D-5	Combined with other contract labor	0%	\$0
	Total		\$8,409,414	\$5,274,683	\$13,684,097		\$0	
MEDIA PLACEMENT		D-1/	\$5,019,227	\$1,803,428	D-5	Percent of smaller	10%	\$180,343
	Total		\$5,019,227	\$6,822,655	\$6,822,655		\$180,343	
PRINT		D-4	\$943,346	\$1,178,393	D-5	Percent of combined	15%	\$118,261
	Total		\$943,346	\$2,121,739	\$2,121,739		\$318,261	
AD PRODUCTION EXPENSES	In-House Contract	D-1/	\$354,011	\$50,000	\$404,011	Percent of smaller	100%	\$50,000
		(2)	\$2,381,281	\$1,578,500	D-5	Combined with other contract labor	0%	\$0
Total		\$2,735,292	\$1,628,500	\$4,363,892		\$50,000		
COMMUNITY CONTRIBUTIONS		D-4	\$805,137	\$1,466,125	D-5	No savings	0%	\$0
	Total		\$805,137	\$2,271,262	\$2,271,262		\$0	
OTHER ADVERTISING/P/R EXPENSE	In-House Contract	D-4	\$185,714	\$0	\$185,714	No savings	0%	\$0
		(2)	\$4,237,410	\$500,000	D-5	Percent of smaller	25%	\$963,429
Total		\$4,423,123	\$500,000	\$4,923,123		\$963,429		
TOTAL ADVERTISING AND PUBLIC RELATIONS			\$ 8,351,660	\$ 22,277,885			\$ 1,512,032	

1998 \$ 1,512,032 1999 \$ 1,587,634

D-2

Total Savings Evaluation Rate: 5.0%

Notes

- (1) In-house labor synergies captured in labor detail
- (2) Contract Labor, Ad Production (Contract) and Other Advertising (Contract) are combined for the purposes of this analysis. AEP does not capture external labor for advertising.
- (3) This savings figure is taken by combining Contract Labor, Ad Production (Contract) and Other Advertising (Contract) and taking a 25% reduction on the total.
- (4) This figure approximates specifically identified national advertising initiatives for CSW (PBS, national publications)

D-3

AEP - Advertising and Public Relations Costs Summary

Category	Sub-Category	1998 (Estimated)	1997	1996	Average
LABOR	In-House Contract	\$ 8,409,414	\$ 8,008,966	\$ 7,303,950	\$ 7,656,458
	Total	\$ 8,409,414	\$ 8,008,966	\$ 7,303,950	\$ 7,656,458
MEDIA PLACEMENT		\$ 5,019,227	\$ 4,780,216	\$ 3,774,889	\$ 4,277,553
	Total	\$ 5,019,227	\$ 4,780,216	\$ 3,774,889	\$ 4,277,553
PRINT		\$ 943,346	\$ 898,425	\$ 957,552	\$ 927,989
	Total	\$ 943,346	\$ 898,425	\$ 957,552	\$ 927,989
AD PRODUCTION EXPENSES		\$ 354,011	\$ 337,153	\$ 587,134	\$ 462,144
	Total	\$ 354,011	\$ 337,153	\$ 587,134	\$ 462,144
COMMUNITY CONTRIBUTIONS		\$ 805,137	\$ 766,797	\$ 903,457	\$ 835,127
	Total	\$ 805,137	\$ 766,797	\$ 903,457	\$ 835,127
OTHER ADVERTISING/PR EXPENSE		\$ 185,714	\$ 176,870	\$ 0	\$ 88,435
	Total	\$ 185,714	\$ 176,870	\$ 0	\$ 88,435
TOTAL ADVERTISING AND PUBLIC RELATIONS (Excludes internal labor)		\$ 13,926,225	\$ 13,263,071	\$ 7,657,894	\$ 10,460,483
	Total	\$ 13,926,225	\$ 13,263,071	\$ 7,657,894	\$ 10,460,483
TOTALS		\$ 8,409,414	\$ 8,008,966	\$ 7,303,950	
	LABOR	\$ 8,409,414	\$ 8,008,966	\$ 7,303,950	
MEDIA		\$ 5,019,227	\$ 4,780,216	\$ 3,774,889	
	PRINT	\$ 943,346	\$ 898,425	\$ 957,552	
FACILITIES		\$ 2,735,392	\$ 2,605,135	\$ (208,513)	
	COMMUNITY	\$ 805,137	\$ 766,797	\$ 903,457	
ALL OTHERS		\$ 4,423,123	\$ 4,212,498	\$ 2,230,509	
	TOTAL ADVERTISING AND PR - AEP	\$ 22,335,639	\$ 21,272,037	\$ 14,961,844	

Notes

(1) AEP 1998 budget not available; 1997 budget escalated at 5.0%

AEP/CSW

CSW - Advertising and Public Relations Costs Summary

Category	Sub-Category	1997	1998 Budget	Average
LABOR	In-House	\$ 3,152,439	\$ 3,499,469	\$ 3,325,954
	Contract	\$ 1,498,860	\$ 1,775,214	\$ 1,637,037
	Total	\$ 4,651,299	\$ 5,274,683	\$ 4,962,991
MEDIA PLACEMENT		\$ 1,808,636	\$ 1,803,428	\$ 1,806,032
	Total	\$ 1,808,636	\$ 1,803,428	\$ 1,806,032
		\$ 1,186,643	\$ 1,178,393	\$ 1,182,518
PRINT		\$ 1,186,643	\$ 1,178,393	\$ 1,182,518
	Total	\$ 1,186,643	\$ 1,178,393	\$ 1,182,518
		\$ 50,000	\$ 50,000	\$ 50,000
AD PRODUCTION EXPENSES	In-House	\$ 50,000	\$ 50,000	\$ 50,000
	Contract	\$ 1,380,261	\$ 1,578,500	\$ 1,479,381
	Total	\$ 1,430,261	\$ 1,628,500	\$ 1,529,381
COMMUNITY CONTRIBUTIONS		\$ 1,419,020	\$ 1,466,125	\$ 1,442,573
	Total	\$ 1,419,020	\$ 1,466,125	\$ 1,442,573
		\$ 0	\$ 0	\$ 0
OTHER ADVERTISING/PH EXPENSE	Contract (Agency/Design)	\$ 500,000	\$ 500,000	\$ 500,000
	Total	\$ 500,000	\$ 500,000	\$ 500,000
		\$ 7,843,420	\$ 8,351,660	\$ 8,097,540

TOTAL ADVERTISING AND PUBLIC RELATIONS
(Excludes internal labor)

TOTALS	1997	1998 Budget
LABOR	\$ 4,651,299	\$ 5,274,683
MEDIA	\$ 1,808,636	\$ 1,803,428
PRINT	\$ 1,186,643	\$ 1,178,393
FACILITIES	\$ 1,430,261	\$ 1,628,500
COMMUNITY	\$ 1,419,020	\$ 1,466,125
ALL OTHERS	\$ 500,000	\$ 500,000
TOTAL ADVERTISING AND PR - CSW	\$ 10,995,859	\$ 11,851,129

NOTES

Advertg.xls

D-5

1001

7.0 ADVE. - CSW

7.0 ADVE.

Instructions: Please provide the data requested below and completely as possible. If data requested is not please provide a complete explanation of why not. Also, please

Inform me of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

as specifically applicable.

Dede Pitts (All Davis-SWEPCO); Stephanie Reest-
CSWST; Elia More-CPL; Deanna Miller-WTU)

Persons Providing Data:

1998

Category	Vendor	Contract	Salary	Contract	Variable	Contract	Variable	Comments
Labor	Internal: Total		\$3,335,983	\$3,152,439	\$3,499,469	\$153,486		
	CPL		\$413,954	\$415,825	\$430,612	\$16,558		
CSW Corp. CSWS			\$777,725	\$668,803	\$1,291,747	\$514,022		Dallas picked up 8 employees from the opcos and services group due to reporting changes.
			\$842,878	\$594,935	\$443,228	(\$409,650)		97 budget did not include Bettinger. In '98, Ron Defatta's salary will be deleted.
PSO SWEPCO			\$500,000	\$541,739	\$565,000	\$65,000		
			\$493,306	\$498,770	\$511,483	\$18,177		
WTU			\$308,120	\$234,367	\$257,499	(\$50,621)		
External: CPL			\$1,498,860	\$25,000	\$1,775,214	\$25,000		
		Burson-Marsteller, DeSolo Group; Reed-Poland; Small Change Theatre, Enterprise for Education, Moore Syndication						
CSW Corp. CSWS				\$945,860	\$1,222,214			
		Brothers and Company Inventiva		\$324,000	\$324,000			
PSO SWEPCO				\$204,000	\$204,000			
				\$0	\$0			No consultants were used in 1997 and none budgeted for '98.
WTU				\$0	\$0			
Media Placement TV/Radio				\$1,808,636	\$1,803,428	\$0		
				\$25,000	\$0	\$0		
CPL CSW Corp. CSWS				\$0	\$0			
		JL Media (broadcast) PBS		\$1,848,428	\$1,648,428	\$125,000		WP/FLAHERTY PAGE 39 → Not media placement Placed by CSWS Tulsa
PSO SWEPCO				\$0	\$0			
				\$0	\$0			
WTU				\$0	\$0			

7.0 ADVERTISING AND PUBLIC RELATIONS

Instructions: Please provide the data requested below and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform me of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Persons Providing Data: Dede Pitts (All Davis-SWEPCO; Stephanie Reed-CSWST; Elise More-CPL; Deanna Miller-WTU)

as specifically applicable,

Category	Vendor	1997	1998	1999	2000	2001	2002	2003	2004	2005	Notes/Comments
Print Placement	Internet (CSWS Corp)		\$10,208		\$30,000						
	Internal CPL				\$0						Done by CSWS Tulsa
	External CSW Corp		\$1,186,643		\$1,869,428						Newspapers, magazines, etc.
	Annual Report CSWS		\$312,250		1,179,393						
		Color Dynamics, Walsh and Associates				\$304,000					
		Magazines (regional) CPS (Newspaper)		\$117,031		\$117,031					
		Magazine (Econ Dev) Outdoor Placement		\$281,408		\$281,408					
		NYPD (yellow pages)		\$150,000		\$150,000					
				\$152,000		\$152,000					
				\$173,956		\$173,956					
Ad Production Expenses	Internal CPL		\$50,000		\$50,000						
	CSW Corp CSWS		\$0		\$0						
	PSO SWEPCO		\$0		\$0						
	WTU		\$0		\$0						
	External CSW Corp CSWS		\$50,000		\$50,000						
				\$50,000		\$50,000					
				\$1,578,500		\$1,578,500					
				\$56,672		\$75,000					
				\$101,029		\$150,000					
		Brothers & Co. Inventiva Black Dog (Our House) Haley Films LittleField Progressive (printing)		\$376,000		\$376,000					
			\$90,000		\$90,000						
			\$20,150		\$0						
			\$86,525		\$86,500						
			\$5,353		\$0						
			\$751,333		\$751,000						

D-5

33,556 → Nat'l print placement

D-5

4,537,962

Table 7.0 Ad/PR Expenses

7.0 ADVERTISING AND PUBLIC RELATIONS

Instructions: Please provide the data requested below and completely as possible. If data requested is not possible, please provide a complete explanation of why not. Also, please

inform me of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

as specifically applicable.

Persons Providing Data:

DeDe Pitts (All Davis-SWEPCO); Stephanie Reed-CSWST; Elise Mora-CPL; Deanna Miller-WTU

Category	Variable	1997 Cost	1997 Salary Budget	1997 Cost	Variable	Notes/Comments	
PSO SWEPCO WTU	Sadler Productions	\$900	\$50,000	\$0			
		\$0	\$0	\$60,000			
		\$0	\$0	\$0		Done by CSWS Tulsa	
CPL CSW Corp. CSWS		\$876,080	\$528,815	\$930,000	1,446,125		
		\$0	\$0	\$524,000			
	Moore Syndication	\$12,125	\$12,125	\$12,125			Schools, civic organizations, charities, etc. NOTE: PSO's contributions are in Bill McKamey's budget - not Corp. Comm. Donations are in the Division Managers' budgets, not Corp. Comm. Donations are in Paul Brewer's budget
Other Advertising/PR Expense	Internal	\$0	\$0	\$0			
	External	\$500,000	\$500,000	\$500,000			
				\$1,537,962			

For the purposes of this study, we are defining "Corporate Communications" in the broadest sense of the term. "Corporate Communications" figures include all external and internal (employee) communications, internet, intranet, graphics and video-

Privileged & Confidential

WPCo

7.0 ADVERTISING AND PUBLIC RELATIONS

Data Request

INSTRUCTIONS: Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Period Providing Data:

	1996 Data	1997 Data	1998 Data	Notes/Comments
Salaries				
Travel				
Internal				
External				
Media Placement				television, radio, etc
Print Placement				newspapers, magazines, etc
Ad Production Expenses				ad design, print setup, filming, etc.
Community Contributions				schools, civic organizations, charities, etc
Other Advertising / PR Expense				
Internal				
External				
TOTAL	74,403	106,203		
	54,503	29,261		
	14,878	7,706		
	10,274	3,329		
	300	250		
	130,505	176,870		
	45,740	13,535		
	332,233	336,153		

D-9
Table 7.0 Advertising Expenses

Privileged & Confidential

CPA

7.0 ADVERTISING AND PUBLIC RELATIONS

Data Request

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of anyable exceptions to the data being provided during the forecasted study period.

Person Providing Data:

Category	Internal	External	Total	Breakdown
Labor			1157,741	1095,567
Media Placement			236,002	657,108
Print Placement			74,170	(33,483)
Ad Production Expenses			140,458	35,573
Community Contributions			4,160	5,470
Other Advertising / PR Expense			2430,444	3750,685
			757,699	322,387
			<u>4809,177</u>	<u>5437,304</u>

Table 7.0 Advertising Expenses
D-10

Privileged & Confidential

CSP

Data Request

7.0 ADVERTISING AND PUBLIC RELATIONS

INSTRUCTIONS: Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of any exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data:

Category	1995 Cont.	1996 Cont.	1997 Cont.	Notes / Comments
Labor		573,854	924,619	
Media Placement		1,303,744	1,079,535	television, radio, etc.
Print Placement		96,577	65,409	newspapers, magazines, etc.
Ad Production Expenses		171,246	45,031	ad design, print setup, filming, etc.
Community Contributions		7,025	27,432	schools, civic organizations, charities, etc.
Other Advertising / PR Expense		1,146,673	2,095,072	
		569,298	568,560	
		<u>3,869,410</u>	<u>4,805,648</u>	

620.3
 611.3
 616.3
 630.1
 609
 610
 611
 612
 613

Table 7.0 Advertising Expenses

DATEEMP.XLS

Data Rev.

7.0 ADVERTISING AND PUBLIC RELATIONS

INSTRUCTIONS:

Case provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.

Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Jason Stegall

Category:	Vendor:	1995 Cost:	1996 Cost:	1997 Cost:	Avg Variable %:	Notes / Comments:
Labor	If you have contracts			31,648		
Media Placement				21,949		television, radio, etc.
Print Placement				63,476		newspapers, magazines, etc
Production Expenses				791		ad design, print setup, filming, etc.
Community Contributions				54,748		schools, civic organizations, charities, etc.
Other Advertising / R Expense				24,025		
				99,807		

1.0 ADVERTISING AND PUBLIC RELATIONS

INSTRUCTIONS:
Where possible, please provide a complete explanation of why not. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Form Providing Data: Aggelesian Power Company

Category	1995 Data	1996 Data	1997 Data	1998 Data	1999 Data	2000 Data	2001 Data	2002 Data	2003 Data	2004 Data	2005 Data
Other		106,652	72,561	54,584							
Media Placement		99,743	1,107,974	325,636							
Print Placement		4,877	428,586	143,569							
TV Production Expenses		7,893	376,037	108,199							
External		216,429	(1,532,087)	5,850							
Charity Contributions		649,207	775,171	515,994							
Other Advertising / Expenses		367,012	952,076	154,796							
Internal		59,571	78,515	178,284							
External			1,167,423	604,342							

* Credits due to reclassification of branding campaign
 ** Company share of branding campaign (Follows the line code ~~1001~~ Includes 19310)

Privileged & Confidential

ADVERTISING AND PUBLIC RELATIONS

INSTRUCTIONS: Items requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please indicate any notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Client: Kingport Power Company

Forecasting Dates: 1975-1976

Category	1975 Actual	1976 Actual	1977 Actual	1978 Actual	1979 Actual	1980 Actual	1981 Actual	1982 Actual	1983 Actual	1984 Actual	1985 Actual	1986 Actual	1987 Actual	Comments / Description
Other	6,811	4,472	312											
Internal														
External														television, radio, etc.
Media Placement	268	216,345	6,928											newspaper, magazines, etc.
Print Placement	4,045	39,595	3,820											ad design, print setup, filming, etc.
TV Production Expenses	222	19,351	487											
Internal														
External	9,918	26,495	487											schools, civic organizations, charities, etc.
Community Contributions	18,100	18,850	9,250											
Other														
Advertising / Expense	21,807	16,704	62,284											
Internal	3,778	5,561	12,190											
External														
Total		246,767												

* Credits due to reclassification of Branding Campaign (see note 1st)

** Company share of Branding Campaign (Below the line), not include above

*** Credits due to Refunds.

O-14

7.0 ADVERTISING AND PUBLIC RELATIONS

INSTRUCTIONS:
Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.
Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: M. C. McIntyre - Exc 2107 1/22/98

Category	Internal	External	1995 Cont	1996 Cont	1997 Cont	ATP Variable %	Notes / Comments
Labor				1,061,950	1,123,713		
Media Placement				856,376	283,310		television, radio, etc.
Print Placement				307,895	397,122		newspapers, magazines, etc
Ad Production Expenses				192,211	178,221		ad design, print setup, filming, etc.
Community Contributions				2,100	12,129		schools, civic organizations, charities, etc.
Other Advertising / PR Expense				(29,314) 389,200	1,609,505 402,685		

TOTAL PUBLIC RELATIONS EXPENSE 4,224,127
 COMPANY CONTRIBUTIONS CHARGED TO SHARE INCOME & DEDUCTIONS (1) 850,103
 TOTAL 5,074,230

(1) THIS DATA MAY NOT BE USED FOR THIS SCHEDULE. IT IS PROVIDED FOR M. C. M.

D-15

Table 7.0 Advertising Expenses

7.0 ADVERTISING AND PUBLIC RELATIONS

INSTRUCTIONS:
 Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.
 Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: M.C. McCarthy - EXEC 2107 1/22/98

Category	1998 Actual	1998 Cont	1997 Cont	Variable	Notes/Comments
Labor		23,084	--	--	
Media Placement		--	--	--	television, radio, etc.
Print Placement		--	--	--	newspapers, magazines, etc
Ad Production Expenses		535	--	--	ad design, print setup, filming, etc.
Community Contributions		(97,299)	--	--	schools, civic organizations, charities, etc.
Other Advertising / PR Expense		6,786	33		
TOTAL		(66,874)	33		

Table 7.0 Advertising Expenses

7.0 ADVERTISING AND PUBLIC RELATIONS
ASP Research, Inc (Co 74)

Data Re:

7.0 ADVERTISING AND PUBLIC RELATIONS
 INSTRUCTIONS:
 Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.
 Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: *Jim DeCarle*

Category	Vendor	1995 Costs	1996 Costs	1997 Cost	Variable %	Notes / Comments
Labor	<i>W. Lee Co. Inc</i>					television, radio, etc.
Media Placement						newspapers, magazines, etc
Print Placement				<i>443</i>		ad design, print setup, filming, etc.
Ad Production Expenses				<i>63806</i>		schools, civic organizations, charities, etc.
Community Contributions						
Other Advertising / PR Expense			<i>6692</i>	<i>2236</i>		

7.0 ADVERTISING AND PUBLIC RELATIONS

Data R.

INSTRUCTIONS: Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: AFP Resources Service Co. (69)

Category	Vendor	1995 Costs	1996 Cost	1997 Cost	Variable %	Notes / Comments
Labor	Vi Resources Group					television, radio, etc.
Media Placement			4871.00	0		newspapers, magazines, etc Acct 930101, 2
Print Placement			0	1,229.00		ad design, print setup, filming, etc. 930103, 5
Ad Production Expenses			6,054.00	80,478.45		schools, civic organizations, charities, etc.
Community Contributions			0	0		
Other Advertising / PR Expense				0		Grey pocket folders Acct 930106
				22,366.61		

Data R4

7.0 ADVERTISING AND PUBLIC RELATIONS

AEP Energy Services Inc. (59)

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: *J. Boyer*

Category:	Vendor	1995 Costs	1996 Costs	1997 Costs	Variable %	Notes/Comments
Labor Internal External	<i>Winn-Dixie Company</i>		<i>N/A</i>			
Media Placement	<i>Shop</i>			<i>237,832</i>		<i>television, radio, etc.</i>
Print Placement				<i>257,217</i>		<i>930,101</i> <i>newspapers, magazines, etc</i> <i>930,102 ~ 104</i>
Ad Production Expenses Internal External				<i>175,215</i>		<i>ad design, print setup, filming, etc.</i> <i>930,103, 105, 106, 107</i> <i>schools, civic organizations, charities, etc.</i>
Community Contributions						
Other Advertising / PR Expense Internal External						

Data R

7.0 ADVERTISING AND PUBLIC RELATIONS

J.E.P. Communications, Inc.

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data:

J. Boyer

Category	1995 Cost	1996 Cost	1997 Cost	Variable %	Notes / Comments
Labor Internal External		N/A			<i>Company established 9/96</i> television, radio, etc.
Media Placement					930.101 newspapers, magazines, etc
Print Placement					930.102 + 104 ad design, print setup, filming, etc.
Ad Production Internal External			1240.		930.103, 105, 106 + 107 schools, civic organizations, charities, etc.
Community Contributions					
Other Advertising / PR Expense Internal External					

Data to

7.0 ADVERTISING AND PUBLIC RELATIONS

ASP Resources, Inc. - June 1, 1984 (635)

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: *JIM DeCaso*

Category:	Vendor:	1995 Costs	1996 Costs	1997 Costs	Variable %	Notes/Comments
Labor Internal External	<i>W. W. Lee (copy)</i> <i>Shop</i>					
Media Placement						television, radio, etc.
Print Placement						newspapers, magazines, etc
Ad Production Internal External						ad design, print setup, filming, etc.
Community Contributions						schools, civic organizations, charities, etc.
Other Advertising 1730.00 PR Expense Internal External	<i>Robertson A/S/ATC</i> <i>Parsons Co 698</i> <i>Adel. Paid to Co 258</i> <i>Co 741</i>		<i>2381.32</i>			

7.0 ADVERTISING AND PUBLIC RELATIONS

AMERICAN ELECTRIC POWER SERVICE CORPORATION

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: ELAINE MICHALAK & VICKY WILLIAMS

Category:	Vendor	1995 Cost:	1996 Cost:	1997 Cost:	Avg. Variable %:	Notes/Comments:
Labor Internal External	Vintage Case Study		\$ 433,885	\$ 4,672,323		
Media Placement *		* -0-		-0-		television, radio, etc.
Print Placement *		* -0-		-0-		newspapers, magazines, etc
Ad Production Internal External			271	989		ad design, print setup, filming, etc.
Community Contributions						schools, civic organizations, charities, etc.
Other Advertising/ PR Expense Internal External	Supplies, Travels, Building Costs, Equipment, Software		192,620	196,272		
			1,238,995	1,716,823		
	TOTAL		\$ 5,765,781	\$ 6,586,407		

* These charges (see attached) are paid by the operating COS - they do not flow through the work order system.

West Broad Street
Columbus, Ohio 43215
(614) 221-7667
Fax (614) 222-2596

January 27, 1998

Elaine Michalak
Manager, Advertising/ Marketing Support
American Electric Power
1 Riverside Plaza
Columbus, Oh. 43215

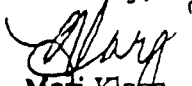
Dear Elaine,

Per your request, the following details media spending for Branding and Safety for 1996 and 1997. Please note the 1996 Branding numbers include the Name Change campaign. Also, the 1997 media expenditures may change slightly due to the year end reconciliation currently in progress. Please call if you have any questions. Thanks.

Campaign/ Medium	1996	1997
Branding TV	\$ 3,453,717.00	\$ 3,043,038.06
Branding Print	\$ 1,831,143.00	\$ 2,479,076.26
TOTAL BRANDING	\$ 5,284,860.00	\$ 5,522,114.32
Adult Safety TV	\$ 317,351.00	\$ 271,042.99
Adult Safety Print	\$ 97,800.00	\$ 99,301.47
TOTAL ADULT SAFETY	\$ 415,151.00	\$ 370,344.46
Child Safety TV	\$ 364,650.00	\$ 424,530.68
TOTAL CHILD SAFETY	\$ 364,650.00	\$ 424,530.68

D-23

Sincerely,



Mary Klass
Account Executive

cc: J. Startz
K. Kielb



AEP/CSW
Synergies Refinement

SYNERGIES SUMMARY

Savings Area: Association Dues

AEP Position:

AEP spent \$4.7 million on association dues in 1997, including an estimated \$1.4 million in EEI dues. These dues include business associations.

CSW Position:

CSW spent \$760K on association dues in 1997, including an estimated \$718K in EEI dues. These dues include business associations.

Ten Year Savings (\$000):

<input type="checkbox"/> O&M Savings	\$ 4,220
<input type="checkbox"/> Capital Savings	\$ 0
<input type="checkbox"/> Revenue Requirements Savings	\$ 0
<input type="checkbox"/> Total Savings	\$ 4,220 E-2

Rationale for Savings:

Cost savings will result from reduced incremental cost of EEI dues based on prescribed formulas used to determine applicable dues. Additional small savings will result from duplicative dues to the National Association of Manufacturers.

Basis for Calculation:

Cost savings for EEI dues were estimated by applying EEI's declining block formula to the statistics of the combined company versus the sum of the estimated stand-alone fees. Membership dues were reduced by the difference between the combined fees and the sum of the stand-alone fees.

Association Dues

1999 Savings (\$000) *E-3*

Percentage of Savings - Capitalized
Fixed Charge Cost
Inflation Rate

Partial Year Savings

Annual Savings

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Annual Savings Amount	\$274	\$376	\$388	\$399	\$411	\$424	\$436	\$449	\$463	\$477	\$123	\$-1,220

O&M Savings	\$274	\$376	\$388	\$399	\$411	\$424	\$436	\$449	\$463	\$477	\$123	\$-1,220
-------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	----------

Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0

Cumulative Capital Savings

Cumulative Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed Charge Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M and Fixed Charge Savings	\$274	\$376	\$388	\$399	\$411	\$424	\$436	\$449	\$463	\$477	\$123	\$-1,220

E-1

Association Dues (\$000)

Escalator 3.0%
Number of Years 2

EEI Calculation	AEP		CSW		COMBINED	
	Units	Dollars	Units	Dollars	Units	Dollars
Customers						
First	600,000	\$ 92,668	600,000	\$ 92,668	600,000	\$ 92,668
Next	1,200,000	\$ 131,286	1,112,000	\$ 121,658	1,200,000	\$ 131,286
Over	1,800,000	\$ 75,848	-	-	2,892,000	\$ 185,892
Subtotal	4,200,000 3,800,000	\$ 299,802	4,200,000 3,712,000	\$ 214,326	4,692,000	\$ 409,846
KWh Sales						
First	10,000,000,000	\$ 82,490	10,000,000,000	\$ 82,490	10,000,000,000	\$ 82,490
Next	30,000,000,000	\$ 108,960	30,000,000,000	\$ 108,960	30,000,000,000	\$ 108,960
Over	40,000,000,000	\$ 228,241	23,157,200,000	\$ 50,135	168,580,200,000	\$ 364,976
Subtotal	80,000,000,000 80,000,000,000	\$ 419,691	63,157,200,000	\$ 241,585	208,560,200,000	\$ 556,426
Revenues (000s)						
First	600,000,000	\$ 80,405	600,000,000	\$ 80,405	600,000,000	\$ 80,405
Next	1,400,000,000	\$ 86,932	1,400,000,000	\$ 86,932	1,400,000,000	\$ 86,932
Over	2,000,000,000	\$ 72,966	1,320,752,339	\$ 23,166	7,480,752,339	\$ 131,212
Subtotal	4,000,000,000 4,000,000,000	\$ 240,303	3,320,752,339	\$ 190,503	9,480,752,339	\$ 298,549
Total		\$ 959,796		\$ 646,415		\$ 1,264,821

(1) Note: 1993 EEI rates used to estimate savings in 1997, resulting stand-alone fees will not exactly match 1997 actual fees

Stand Alone Cumulative Payment \$ 1,606,211
 Combined Payment \$ 1,264,821
Savings \$ 341,389

Total Association Dues Savings:

	1997	1999
AFP Pre-Merger National Assn. of Mlgrs Dues	183	183 E-1/L1
CSW Pre-Merger National Assn. of Mlgrs Dues	3	3 E-1/L1
Duplicative Memberships (National Assn. of Mlgrs.)	3	3 E-1/L1

Decrease in EEI dues:

AEP's Pre-Merger EEI Dues (1)	960
CSW's Pre-Merger EEI Dues (1)	646
Sum Cost (EEI Dues)	1,606
NewCo's Post-Merger EEI Dues	1,265
EEI Dues Savings	341

Total Association Dues Savings \$ 344 \$ 365.4 E-3

E-3

CSW 1997 Dues

		1997
CSWS	US Chamber	15,000
	National Minority	3,500
	US Energy	5,000
CPL	EEI	289,634
	AEIC	3,697
	EPRI	2,718,996
PSO	EEI	143,194
	AEIC	2,139
	National Assoc. of Reg. Util. Comm.	7,361
	EPRI	2,122,026
SWEPCO	EEI	206,760
	AEIC	4,764
	National Assoc. of Mfgs.	3,000 <i>E-3</i>
	EPRI	2,281,384
WTU	EEI	78,488
	AEIC	859
	EPRI	735,820
Total		8,621,622
<i>less EPRI</i>		<i>(7,858,226)</i>
Total Association Dues		763,396
<i>less Non EEI Dues</i>		<i>(45,320)</i>
EEI Dues		718,076

E-4

AMERICAN ELECTRIC POWER SERVICE CORPORATION
 1997 EMPLOYEE MEMBERSHIPS ACCOUNT 921-400

(1) AEP TOTAL (NOT INCLUDING...)
 \$3,323,000

8.0 ASSOCIATION DUES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Pam Koch

ORGANIZATION/ ASSOCIATION	NATURE OF ASSOC.	COST / CONTRIBUTION	% OF COST ATTRIBUTABLE TO UTILITY (NOT INCL.)	FREQUENCY	DATE OF DATA PROVIDED	NOTES / COMMENTS
Edison Electric Institute (EEI)		27,335				
American Gas Association		550				
Better Business Bureau		875				
Others (describe):		190				
AACE International		130				
AAOHN		48				
ABB Industrial Systems		40				
ABLS		3,500				
ACUC		2,095				
AICPA		220				
Air & Waste Management		150				
AM Bankruptcy		170				
AM / FM International		195				
AMA		166				
American Association		75				
American Association Prof		8,119				
American Bar Association		350				
American Board of Industrial Hygiene		122				
American Chemical		610				
American Compensation Association		790				
American Concrete		176				
American Congress		325				
American Corp Counsel		195				
American Economic Dev		172				
American Fisheries		30				
American Forestry		2,000				
American Hotel		100				
American Hygiene		950				
American Industrial Hygiene (AIHA)		165				
American Management		284				
American Nuclear						

**AMERICAN ELECTRIC POWER SERVICE CORPORATION
1997 EMPLOYEE MEMBERSHIPS ACCOUNT 921-400**

8.0 ASSOCIATION DUES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.

Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Pam Koch

ORGANIZATION/ ASSOCIATION	NATURE OF ASSOC.	COST / CONTRIBUTION	% OF COST ATTRIBUTABLE TO UTILITY	FREQUENCY	DATE OF DATA PROVIDED	NOTES / COMMENTS
American Payroll		125				
American Society		1,715				
American Society Engr Education		195				
American Society Indust Secur		100				
American Society Safety Engr		125				
American Society Training & Development		450				
American Society Water Works		90				
American Water Works		395				
American Welding		25				
AMST		130				
ARMA		310				
ASHRAE Research		63				
ASM International		654				
ASME		245				
ASSE		126				
Association Energy Services		318				
Association for Computer Mach.		125				
Association of Energy Engr		100				
Association State Dam Safety		25				
ASTD		675				
ASTM		150				
Bankruptcy Institute		6				
Bar Association		150				
Board Certified Safety		200				
BOCA		650				
BOMA - Columbus		235				
Boston Edison		30				
Bureau Occup & Prof		65				
Car Dept Officers		1,000				
CEB		30				
Central Ohio American Indust		75				
Central Ohio Human Resources						

**AMERICAN ELECTRIC POWER SERVICE CORPORATION
1997 EMPLOYEE MEMBERSHIPS ACCOUNT 921-400**

8.0 ASSOCIATION DUES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Pam Koch

ORGANIZATION/ ASSOCIATION	NATURE OF ASSOC.	COST / CONTRIBUTION	% OF COST ATTRIBUTABLE TO UTILITY	FREQUENCY	DATE OF DATA PROVIDED	NOTES / COMMENTS
Central Ohio Self Insurers		115				
Clerk of Courts		255				
COESRA		150				
Columbus Association Building Owners		525				
Columbus Bar Association		3,940				
COMAR		40				
Commission Clerk		40				
Conference Board		3,000				
Consumers Power		1,000				
Cooling Tower Institute		420				
Corp Transfer Agents		225				
Council of Communications		300				
CRMSDC		1,000				
Department of Commerce		140				
District of Columbia Bar		110				
Donors Forum		1,976				
East Law Foundation		700				
Eastern Mineral Law		700				
Electrical Women's Round Table		2,973				
Electrical Inspectors		40				
Employee Relocation Council		300				
Environmental Quality		250				
Expert Visa		75				
Fairfield Bar Association		30				
Federal Bar Association		160				
Financial Executives		615				
Fort Valley College		200				
Forum		150				
Gathering / Columbus		1,250				
Green Seal		149				
Hall of Fame		125				

AMERICAN ELECTRIC POW. SERVICE CORPORATION
1997 EMPLOYEE MEMBERSHIPS ACCOUNT 921-400

8.0 ASSOCIATION DUES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Pam Koch

ORGANIZATION/ ASSOCIATION	NATURE OF ASSOC.	COST / CONTRIBUTION	% OF COST ATTRIBUTABLE TO UTILITY	FREQUENCY	DATE OF DATA PROVIDED	NOTES / COMMENTS
Home Energy		460				
ICSA		195				
Illuminating Engr		500				
Indiana Dept Environment (IDEM)		263				
Indiana Dept Natural Resources		200				
Indiana Prof Licensing		80				
Indiana Retail Council		500				
Indiana Self Insurers		175				
Indiana State Bar		260				
Institute of Electrical (IEEE)		226				
International Association Business Comm		210				
International Association Elec Inspectors		155				
International Dev Research		495				
International Facility		390				
International Function Point		500				
International Right of Way		301				
International Society		125				
ISA		65				
ISCEBS		190				
Junior League of Columbus		275				
Kentucky State Registration		180				
Kiwanis Club		500				
Lancaster ABEA Society		35				
Leadership West Virginia Alumni		60				
Lions Club		96				
McGraw Hill		95				
Measurement Society		65				
Michigan Retailers		500				
Mid Atlantic Professional		60				
Midwest Association of Colleges		90				
Midwest ISO		5,000				

AMERICAN ELECTRIC POW. SERVICE CORPORATION
1997 EMPLOYEE MEMBERSHIPS ACCOUNT 921-400

8.0 ASSOCIATION DUES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Pam Koch

ORGANIZATION/ ASSOCIATION	NATURE OF ASSOC.	COST / CONTRIBUTION	% OF COST ATTRIBUTABLE TO UTILITY	FREQUENCY	DATE OF DATA PROVIDED	NOTES / COMMENTS
Midwest Securities		100				
Minority Affairs		40				
NACE International		90				
Nail for Pet		100				
NAPM		733				
NASPA		70				
National Academy		200				
National Acct Management		2,175				
National Association of Colleges		300				
National Association of Purchasing		815				
National Association Partners		250				
National Association Radio		205				
National Council		110				
National Council Examiner		25				
National Council of Telecommunication		75				
National Environmental		80				
National Fire Protection		95				
National Inv Relations		475				
National Retail Fejeration		6,000				
National Science Teachers		109				
National Society Prof Engr		193				
Nature Conservancy		25,000				
NCARB		1,100				
NE Indiana Human Resources		35				
NEAX Users Group		100				
NESA		90				
New York State Office		300				
Newcomen Society		60				
NIRI		475				
North Carolina Coal		150				
NRCA		195				

**AMERICAN ELECTRIC POW. SERVICE CORPORATION
1997 EMPLOYEE MEMBERSHIPS ACCOUNT 921-400**

8.0 ASSOCIATION DUES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Pam Koch

ORGANIZATION/ ASSOCIATION	NATURE OF ASSOC.	COST / CONTRIBUTION	% OF COST ATTRIBUTABLE TO UTILITY	FREQUENCY PROVIDED	DATE OF DATA PROVIDED	NOTES / COMMENTS
Nuclear Information		60				
Ohio Alliance Environ		100				
Ohio Bar Association		219				
Ohio Forestry Association		700				
Ohio Mineland		25				
Ohio Oil & Gas		20				
Ohio Self Insurers		250				
Ohio State Bar		5,852				
Ohio University		155				
Oldtimers Club		350				
Organization Dev Network		330				
Pictoretel		150				
PR News		280				
Press Club		115				
Prevent Blindness		50				
Project Management		120				
PRSA		250				
PSI		360				
Public Relations		535				
Purchasing Management		205				
Quality Assurance Institute		200				
Quest Club		150				
Ross Courty Area Labor Management		150				
RVSHRM		25				
SAE		75				
SCIP		375				
Securities Transfer		500				
SHRM		505				
SME		370				
Society American Foresters		125				
Society Competitive Intelig		125				

**AMERICAN ELECTRIC POW. & SERVICE CORPORATION
1997 EMPLOYEE MEMBERSHIPS ACCOUNT 921-400**

8.0 ASSOCIATION DUES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Pam Koch

ORGANIZATION/ ASSOCIATION	NATURE OF ASSOC.	COST / CONTRIBUTION	% OF COST ATTRIBUTABLE TO UTILITY	FREQUENCY	DATE OF DATA PROVIDED	NOTES / COMMENTS
Society Fire Protection		300				
Society for Human Resources		905				
Southern Ohio		150				
Special Library Association		315				
Stark County Human Resources		30				
State Bar of Michigan		390				
State Board Architects		195				
State Board of Examiners		200				
State Board of Registration		210				
State of Michigan		300				
Supreme Court Ohio		7,500				
Tax Executives Institute		400				
Tech Communication		95				
TEI Analytical		7,261				
Texas Prof Engineers		225				
TMA		195				
Toxicology & Chemistry		95				
TRA		1,500				
Treasurer of District of Columbia		250				
Treasurer of Virginia		370				
Treasurer State of Ohio		5,665				
TTX		25				
University of New York		210				
USCOLD		60				
VAAO		40				
Virginia Board of Architects		60				
Virginia Self Insurers		250				
VISA		1,540				
Water Management Association		55				
West Virginia Board Architects		75				
West Virginia Board of Examiners		40				

AMERICAN ELECTRIC POWER SERVICE CORPORATION
1997 EMPLOYEE MEMBERSHIPS ACCOUNT 921-400

8.0 ASSOCIATION DUES

INSTRUCTIONS:

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Person Providing Data: Pam Koch

ORGANIZATION/ ASSOCIATION	NATURE OF ASSOC.	COST / CONTRIBUTION	% OF COST ATTRIBUTABLE TO UTILITY	FREQUENCY	DATE OF DATA PROVIDED	NOTES / COMMENTS
West Virginia Board Reg Prof Engr		35				
West Virginia Bureau Public Health		200				
West Virginia Dept Environment		200				
West Virginia Mining		50				
West Virginia Public Health		100				
West Virginia Self Insurers		1,800				
Western Coal		1,000				
Women in Mining		80				
Women in Science		75				
Xerox		135				
Other		26,404				
TOTAL		203,364				

less EEI (\$27,355)

\$176,009(1)

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AMERICAN ELECTRIC POWER SERVICE CORPORATION
1997 COMPANY MEMBERSHIPS ACCOUNT 930-260

8.0 ASSOCIATION DUES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.

Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Pam Koch

ORGANIZATION/ ASSOCIATION	NATURE OF ASSOC.	COST / CONTRIBUTION	% OF COST ATTRIBUTABLE TO UTILITY	FREQUENCY PROVIDED	DATE OF DATA PROVIDED	NOTES / COMMENTS
Better Business Bureau		1,000				
Others (describe) :		500				
Academy Science		55,300				
Advisory Board Corp		100				
AIHA		150				
AMA		70				
American Board Industry		3,609				
American Coal		44,100				
American Coal Ash Association		22,194				
ANSI		600				
ASAP		100				
Association Edison Illuminating		100				
Association of Telecommunication		4,000				
Blue Ridge Regional Health		300				
Builders Supply		1,065				
Canton Club		20,000				
Coal Utilization		65				
Columbus Compensation		1,855				
Columbus Convention / Visitor		15,500				
Conference Board		29,500				
Corp Advisory Board		3,000				
Council for Ethics		25,000				
Cure		22,327				
Energy Economic		1,200				
EUCG		500				
Financial Executives R		75				
Fort Wayne Association		317				
Glenmoor Country Club		495				
Help Desk Institute		1,000				
IMA		7,500				
Index Research						

AMERICAN ELECTRIC POWER SERVICE CORPORATION
1997 COMPANY MEMBERSHIPS ACCOUNT 930-260

8.0 ASSOCIATION DUES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Pam Koch

ORGANIZATION/ ASSOCIATION	NATURE OF ASSOC.	COST / CONTRIBUTION	% OF COST ATTRIBUTABLE TO UTILITY	FREQUENCY	DATE OF DATA PROVIDED	NOTES / COMMENTS
Indiana Regional		1,500				
Institute Public Utility		6,000				
International TV		715				
ITC		2,000				
Kentucky Ready Mixed		250				
KY State Treasurer		5,000				
Leadership Columbus		2,300				
Lexington Coal Exchange		20				
Marketing Executives		750				
MOG		30,000				
NAPM		195				
National Association Manufacturing		183,000				
National Center Disability		5,000				
National Low Income		1,000				
NCC		11,000				
NEAX		100				
Octel Group		150				
Ohio Ready Mixed Con		1,200				
Ohio Roundtree		10,000				
Ohio State Board Pro		24				
Ohio Telecommunication		4,000				
OPEC		4,000				
Orcalle		75				
Power Marketing Association		2,500				
Quality Assurance Institute		295				
Safety Council		2,200				
Sams Club		90				
SE Electric Exchange		3,200				
Southern Coal Conference		150				
Tax Council		1,950				
US National Committee CIGRE		3,500				

AMERICAN ELECTRIC CO. SERVICE CORPORATION
 1997 COMPANY MEMBERSHIPS ACCOUNT 930-260

8.0 ASSOCIATION DUES

INSTRUCTIONS:

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Person Providing Data: Pam Koch

ORGANIZATION/ ASSOCIATION	NATURE OF ASSOC.	COST / CONTRIBUTION	% OF COST ATTRIBUTABLE TO UTILITY	FREQUENCY PROVIDED	DATE OF DATA PROVIDED	NOTES / COMMENTS
USEA		5,000				
UTC Telecommunication		13,900				
VA Ready Mixed		800				
Volunteer Network		35				
WV Safety		275				
Other		8,189				
TOTAL		571,885	(1)			

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Privileged & Confidential

1.0 ASSOCIATION DUES

INSTRUCTIONS: Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Jason Skell

1997

Organization / Association:	Nature of Association:	Cost / Contribution:	Percent of Cost Attributable to Utility:	Frequency:	Date of Data Provided:	Notes / Comments:
Edison Electric Institute (EEI)		58,249				
National Safety Council		0				
American Gas Association						
National Electric Reliability Council (NERC)		9077				
Better Business Bureau		1001				
Chamber of Commerce						
Others (describe)						
Employee Expenses		7,515		Quarterly		Various community involvement activities and organizational regional electric organizations reimbursed employee expenses, payments to professional organizations
Electric Power Research Institute						
EPRI - Allocated through AERC VO's		11,265				
Community Organizations		7236				
Regional Electric Org		7420				Southeastern Electric Exchange • Southwestern Growth Policy Organization
Professional Associations		955				
Misc		4123				

(1) 31,812 (not including EEI or EPRI)

E-16
A N Association Dues

Data ...

8.0 ASSOCIATION DUES

REP Research, Inc (Co 74)

INSTRUCTIONS:
Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.
Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: *J.M. DeCarlo*

1997

Organization / Association	Nature of Association	Cost / Contribution	Percent of Cost Attributable to Utility	Frequency	Date Provided	Notes / Comments
Edison Electric Institute (EEI)						
National Safety Council						
American Gas Association						
National Electric Reliability Council (NERC)						
Better Business Bureau		<i>530.00</i>				
Chamber of Commerce	<i>Membership</i>					
Others (describe)						

(1) 500
F-17
8.0 Association Dues

Privileged & Confidential

07/88

6302.940

Data Request

8.0 ASSOCIATION DUES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: 1997

Organization / Association									
Edison Electric Institute (EEI)									
National Safety Council									
American Gas Association									
National Electric Reliability Council (NERC)									
Better Business Bureau			44,723						
Chamber of Commerce			26,883						
Others (describe)			4,556,592						
EPRC DUES			530						
ROYALTY			106,464						
OHIO ELEC. UTIL. INDUSTRY			4,584,997						

(not including EPRC)

(1) 178,605

E-20
8.0 Association Dues

DATATEMP.XLS

Integrated & Confidential

WPC

8.0 ASSOCIATION DUES

Data Request

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.

Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: 1997

Organization / Association	Name of Contact Person	Address	City / State / Zip	Phone / Fax	Other / Comments
Eastern Electric Institute (EEI)					
National Safety Council					
American Gas Association					
National Electric Reliability Council (NERC)					
Better Business Bureau					2666
Chamber of Commerce					1732
Others (describe)					264787
CPAI dues					269785

(1) 4998 (not incl. E-21)
E-21
8.0 Association Dues

DATEMP.XLS

Privileged & Confidential

C.S.P.

8.0 ASSOCIATION DUES

Data Request

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: 1997

Organization / Association:	1997 Current	1997 Anticipated	Notes / Comments
Edison Electric Institute (EEI)			
National Safety Council			
American Gas Association			
National Electric Reliability Council (NERC)			
Better Business Bureau	2,794		
Chamber of Commerce	55,129		
Others (describe)	2,452,008		Values in hand
	536		
John Flaherty, W&I Staff	97,816		
	2,633,523		

181HIS(0)

E-22

8.0 Association Dues

DATATEMP.XLS

1/19/98

ASSOCIATION BUES

INSTRUCTIONS:
Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.
Yes, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data:

1999
Appalachian Power Company

Organization / Association	Member of Association	Contribution	Applicable to Utility	Forecasted / Available	Notes / Comments
American Electric Institute		346,789			
IEEE					
National Safety Council					
American Gas Association					
National Electric Reliability Council					
NERC					
Other Business Branches		560			
Number of Conferences		65,314			
Others (describe)					
Electric Power Research Institute		3,540,584			
SEERC					
Southwestern Electric Exchange		20,187			

86,061 (1)

E-23

A N Association Codes

ASSOCIATION DUES

INSTRUCTIONS: Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. In all cases, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Organization: Kingport Power Company

Year: 1997

Organization / Association	Number of Associations	Cost / Contribution	Amount of Contribution	Notes / Comments
Electric Institute (EII)		21,388		
National Safety Council				
American Gas Association				
National Electric Reliability Council (NERC)		683		
Other Business Bureau				
Number of Companies		230,928		
Electric Power Research (EPRI)				
Darkened in Bulk Region USA, Del. Assoc.		16,275		
Outstanding Electrical Exchange		3,898		

(17) 958108

E-24

© N Association Print

DATEEMP.XLS

8.0 ASSOCIATION DUES

IST

INSTRUCTIONS:
Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.
Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: M.C. McIntyre 1/22/98

1997

Organization / Association	Nature of Association	1997 Contributions	Percent of Total Contributions	Requester's Responsibility	Date of Data Provided	Notes / Comments
American Electric Institute (EI)						
National Safety Council						
American Gas Association						
National Electric Reliability Council (NERC)		1,790				
Center Business Bureau		96,994				
Department of Commerce						
Others (describe)						
ILLINOIS ELECTRIC		203,963				
AMERICAN ELECTRIC						
MICHIGAN ELECTRIC						
AMERICAN ELECTRIC ASSOCIATION		45,813				
INSTITUTE OF NUCLEAR POWER OPERATORS		728,462				
ELECTRIC POWER RESEARCH		4,556,946				
AMERICAN NUCLEAR ENERGY COUNCIL		236,828				
NUCLEAR ENERGY INSTITUTE		477,839				
PROJECT FUTURE		55,480				
CORNERSTONE ALLIANCE		52,900				
HUMAN HABITAT FOR HUMANITY		35,000				
ALL OTHERS		136,083				
TOTAL		8,628,098				

(1) 2,071,157 (NOT INCL. EST (EPAI))

E-25
8.0 Association Dues

8.0 ASSOCIATION DUES

AEG

INSTRUCTIONS:
Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.
Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: M.C. McINTYRE 1/32/98

Organization / Association	Name of Association	1997 Contributions	Percent of Available to Utility	Frequency	Date of Data Provided	Notes / Comments
Edison Electric Institute (EEI)		--				
National Safety Council		--				
American Gas Association		--				
National Electric Reliability Council (NERC)		--				
Center for Business and Government						
Electric Power Research		28,494				
ALL OTHER		70				
TOTAL		28,564				

NOT INCLUDING EPRI 1997
E-20

1070

AEP
EEI DUES

~~Bill~~

	March 1997	April 1997	October 1997	Total 1997	1998
APCo	350,292	10,009	10,009	370,310	354,419
CSP	246,064	4,853	4,853	255,770	242,110
I&M	234,828	5,459	5,459	245,746	233,982
KPCo	74,679	2,123	2,123	78,925	75,311
Kgpt	21,388	-	-	21,388	21,734
OPCo	356,499	7,886	7,886	372,271	356,409
WPCo	21,722	-	-	21,722	21,508
AEP	-	-	-	-	100
TOTAL	1,305,472	30,330	30,330	1,366,132	1,305,573

AEP-1997 EEI Dues

Received from AEP (Lonnie Dieck) on 2/12/98.

E-27

1997 revenues - \$8.16 billion E-3
1997 kwh sales(retail and wholesale) 145,423,000,000 E-3
1997 customers 2,980,000 E-3

From Scott Fisher (CSW) on 2/9/98:

1997 Revenues: 3,320,752,339 E-3

1997 KWh Sales: 63,157.2 Million E-3

1997 Customers: 1,712,000 E-3

E-3

AEP/CSW
Synergies Refinement

SYNERGIES SUMMARY

Savings Area: Benefits Administration

AEP Position:

AEP's budgeted benefits expense for 1998 (including admin fees) are estimated at \$329.4 million (based on internal data), of which \$153.1 million is affectable. Total medical and dental benefits are \$81.3 million; pension is \$170.8 million (calculated by totaling service and interest costs.) Affectable cost per employee less administrative fees is \$8.4K. Total administrative fees are \$5.4 million (1.6% of total benefits.)

CSW Position:

CSW's benefits expenditures for 1998 (including admin fees) are budgeted at \$158.7 million, of which \$69.9 million is affectable. Pension is \$88.8 million and medical and dental expenditures are \$23.2 million. Affectable cost per employee less administrative fees is \$9.3K. total administrative fees are \$3.6 million (2.2% of total benefits).

Ten Year Savings (\$000):

<input type="checkbox"/> O&M Savings	\$ 70,596 F-2
<input type="checkbox"/> Capital Savings	\$ 21,206 F-2
<input type="checkbox"/> Revenue Requirements Savings	\$ 13,980 F-2
<input type="checkbox"/> Total Savings	\$ 84,575 F-2

Rationale for Savings:

Cost savings can occur through increased purchasing leverage from benefits providers in combining benefit plans. Savings are also available through reduced administrative expenses resulting from the consolidation of these plans and through increased purchasing power in negotiating third-party administration fees.

Basis for Calculation:

Combined benefit costs were reduced to reflect merger personnel reductions. The combined company's administration costs were reduced by 15% to reflect the re-negotiation of administration fees. Total affectable company benefit costs were reduced by 4% to reflect increased purchasing leverage. 23.1% of savings are capitalized based on labor rates and headcount information. Savings will begin in 2002, once benefit plans have been consolidated.

Key Assumptions:

- Consolidation of benefits plans is limited by Merger Agreement through 2002.
- Combination of plans and acquisition of a single provider for the majority of employees.
- Renegotiation of per dollar cost of benefits provided.
- Does not assume increase or decrease in level of benefits provided.

Benefits

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
2002 Savings (\$000)	\$ 11,158	F-3										
2002 O&M Savings (\$000)	\$ 8,581											
2002 Capital Savings (\$000)	\$ 2,578											
Percentage of Savings Capitalized	23.1%											
Revenue Req. Rate	17.52%	17.20%	16.58%	15.98%	15.40%	14.84%	14.31%	13.80%	13.29%	12.79%	12.29%	
Inflation Rate	-4.0%											
Partial Year Savings	75%											
Partial Year Revenue Req. Rate	17.52%	17.28%	16.74%	16.13%	15.55%	14.98%	14.44%	13.93%	13.42%	12.92%	12.42%	
Annual Savings												
Annual Savings Amount	\$0	\$0	\$0	\$11,158	\$11,605	\$12,069	\$12,552	\$13,054	\$13,576	\$14,119	\$3,671	\$91,802
O&M Savings	\$0	\$0	\$0	\$8,581	\$8,924	\$9,281	\$9,652	\$10,038	\$10,440	\$10,857	\$2,823	\$70,596 F-1
Capital Savings	\$0	\$0	\$0	\$2,578	\$2,681	\$2,788	\$2,899	\$3,015	\$3,136	\$3,261	\$848	\$21,206 F-1
		0	0	0	2,578	2,681	2,788	2,899	3,015	3,136	3,261	
		0	0	0	0	2,578	2,681	2,788	2,899	3,015	3,136	
		0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	0	0	0	
Cumulative Capital Savings	\$0	\$0	\$0	\$2,578	\$5,258	\$8,046	\$10,946	\$13,961	\$17,097	\$20,358	\$21,206	
Revenue Req. Savings				452	470	488	508	528	549	571	149	3,715
				-	445	463	482	501	521	542	141	3,095
				-	-	431	449	467	485	505	131	2,468
				-	-	-	416	432	450	468	122	1,887
				-	-	-	-	401	417	433	113	1,363
				-	-	-	-	-	386	402	104	892
				-	-	-	-	-	-	372	97	469
				-	-	-	-	-	-	-	90	90
				-	-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-	-
Total Revenue Req. Savings				452	915	1,383	1,854	2,329	2,808	3,293	946	13,980 F-1
Total O&M and Fixed												
10yr L-Edge Savings	\$0	\$0	\$0	\$9,032	\$9,839	\$10,664	\$11,506	\$12,367	\$13,248	\$14,150	\$3,769	\$84,575 F-1

BENEFITS SUMMARY (000)

Combined Benefits Costs Paid by the Companies - 1998 (1)		
Cost to Company per Employee (\$)	\$	222,622 F-4F
Pre-merger Personnel Reductions	\$	8,663
Adjusted Costs to Companies after Pre-merger Labor Reductions	\$	219,546
Merger-related Personnel Reductions		1,061
Savings to Companies after Merger-related Labor Reductions	\$	9,192
Net Benefits Costs to Company	\$	210,354
Less: Administrative Fees		\$8,979 F-4F
Total	\$	201,375

Preliminary - Subject to Change

Percentage Savings of Cost to Company	4%
Dollar savings (000) - 1998	\$ 8,055
Dollar savings (000) - 1999	\$ 8,377

Administrative Fees Paid by Companies	\$8,979
Percentage Savings	15%
Dollar Savings - 1998	\$ 1,347
Dollar Savings - 1999	\$ 1,401

Total Benefits and Benefits Administration Savings - 1999	\$ 9,778
Total Benefits and Benefits Administration Savings - 2002	\$ 11,158

Employees	AEP	CSW	Newco
Beginning Employees	18,185	7,512	25,697
Pre-merger Initiatives	(80)	(275)	(355)
Net	18,105	7,237	25,342
Merger-related Personnel Reductions			1,061
Net Employees			24,281

(1) Excluding pensions

F-3

Preliminary - Subject to Change

BENEFITS EXPENDITURES
(\$ millions)

AEP

Category	1997	1998 (Budget)
Savings Plan	21.5	23.6 F-6
Less: Administrative fees	(0.3)	(0.4) F-6
Pensions (1)	164.6	170.8 F-8
Less: Administrative fees	-	7.6 F-6
Life Insurance	7.1	(0.3)
Less: Administrative fees	(0.3)	75.1
Medical	70.6	(4.6)
Less: Administrative fees	(4.7)	6.2
Dental	5.9	(0.5)
Less: Administrative fees	(0.5)	None
Vision	None	None
Less: Administrative fees	-	7.5
Disability	7.5	8.6 F-6
Less: Administrative fees	-	-
Accidental Death & Dismemberment	0.3	0.3 F-6
Less: Administrative fees	-	-
Prescription Drug (2)	-	-
Less: Administrative fees	-	-
Educational Assistance	1.0	1.0 F-6
Less: Administrative fees	-	-
OPEB - Post Retirement and Excluded Benefits	38.8	36.2 F-6
Less: Administrative fees (3)	(0.5)	(0.5) F-6
Other	-	-
Total Benefits Costs	317.3	329.4
Less: Administrative Fees	5.4	5.4
Less: Pension Costs	164.6	170.8
Net Benefits Costs	147.3	153.1 F-3
Total Administrative Fees	6.2	6.2
Total employees	18,185	18,185
Net benefit cost per employee (\$000)	8.4	8.4
Escalation Rate	4.5%	4.5%
Net Benefits Costs - 1999	160.0	160.0
Percent of Admin Fees to Total Cost	1.6%	1.6%

Notes

- (1) Pension costs calculated using service and interest costs
- (2) Included in medical expenses
- (3) Actuarial costs for both pensions and OPEB

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BENEFITS EXPENDITURES
(\$ millions)

Preliminary - Subject to Change

Category	1996	1997	1998 (Budget)
CSW			
Thrift Plus Plan	9.4	10.7	13.5 F-10
Less: Administrative fees	-	-	-
Pensions (1)	91.4	84.6	88.8 F-9,10
Less: Administrative fees	-	-	-
Life Insurance (2)	1.9	3.4	2.5 F-10
Less: Administrative fees	-	-	-
Medical	24.0	23.0	21.4 F-10
Less: Administrative fees	(3.8)	(4.0)	(2.8) F-11
Dental	1.0	1.4	1.8 F-10
Less: Administrative fees	(0.1)	(0.1)	(0.1) F-11
Vision	0.1	0.2	0.2 F-10
Less: Administrative fees	-	-	-
Disability	-	1.5	2.3 F-10
Less: Administrative fees	(0.1)	(0.1)	(0.1) F-11
Accidental Death & Dismemberment	0.2	0.2	0.2 F-10
Less: Administrative fees	-	-	-
Prescription Drug	5.7	5.7	5.4 F-10
Less: Administrative fees	-	-	-
Educational Assistance	1.0	1.0	1.0 F-10
Less: Administrative fees	-	-	-
OPEB - Post Retirement and			
Excluded Benefits	27.2	25.1	21.1
Less: Administrative fees (3)	(0.6)	(0.6)	(0.6)
Other	-	-	-
Total Benefits Costs	161.9	156.8	158.3
Administrative Fees	4.5	4.8	3.6 F-3
Less: Pension Costs	-	-	-
Net Benefit Costs	70.5	72.2	69.5 F-3
Total employees			
Benefits cost per employee (\$000)			7,512
			9.2
Escalation Rate			4.5%
Net Benefits Costs - 1999			72.6
Percent of Admin Fees to Total Cost	2.8%	3.1%	2.3%

Notes

- (1) Pension costs calculated using service and interest costs
- (2) 1998 Insurance premiums paid with exchange from retired to active plans
- (3) Actuarial costs for both pensions and OPEB

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9.0 BENEFITS - BENEFITS ADMINISTRATION

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Address: 12345 Main St

Person Providing Data: Richard D. Shock

Category	Planned 1997 Cost	Actual 1998 Cost	Ratio	Carrier/Vendor	Notes/Comments
Savings Account	See 10	See 10		Fidelity	
Pensions	9,615,339	1,900,000		Bank of New York	
Life Insurance	7,104,000	7,584,000	F-4	Aetna	Group Life only
Dental	5,920,000	6,160,000	F-4	CIGNA	
Medical	70,560,000	75,120,000	F-4	Aetna, Merck-Medco and Value Behavioral Health (MISA)	
Workers' Compensation	11,000,000	11,500,000	F-4	Self Insured	
Accidental Death and Dismemberment	270,720	282,000	F-4	Aetna	
Prescription Drug (Included in 5)	---	---		Merck-Medco	
Vision	None	None			
401K Match (Savings Plan)	21,540,000	23,600,000	F-4		
Disability (LTD)	7,500,000	8,600,000	F-4	Hartford	
OPEB	38,800,000	36,200,000	F-4		Current claim costs in 5
Other (describe)					
Administrative Fees:					
13 Medical	4,680,000	4,640,000	F-4		Included in 5
14 Dental	472,000	468,800	F-4		Included in 4
15 Savings (401K)	330,000	353,000	F-4		
16 PAYSOP/ESOP	None	None			
17 Life Insurance	281,300	300,500	F-4		Included in 3
18 Pension	1,780,000	1,842,200	F-4		Trustee Fees, PBGC Premiums
19 Actuarial (Pension & OPEB)	469,000	485,000	F-4		
Other (describe)					

*Net company costs

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AMELCO - AN ELECTRIC POWER COMPANY RETIREMENT PLAN
1997 NET PERIODIC PENSION COST

Company	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Amortization Charges/ (Credits)	Net Periodic Pension Cost
AEP Service Corp.	8,811,838	304,287,119	320,608,056	23,338,842	(27,986,628)	(139,924)	4,024,128
Appalachian Power Co.	7,352,572	340,507,955	358,771,657	26,116,983	(31,318,015)	(156,582)	1,994,958
Cedar Coal Co.	81	4,716,605	4,969,588	361,764	(433,807)	(2,169)	(74,131)
Central Appalachian Coal Co.	0	461,784	486,553	35,419	(42,472)	(212)	(7,265)
Central Coal Co.	0	10,970	11,558	841	(1,009)	(5)	(173)
Central Ohio Coal Co.	174,461	11,717,540	12,346,029	898,736	(1,077,714)	(5,388)	(9,905)
Central Operating Co.	537,913	24,135,940	25,430,511	1,851,228	(2,219,889)	(11,099)	158,153
Columbus Southern Power Co.	3,815,586	265,326,587	279,557,812	20,350,567	(24,403,256)	(122,009)	(359,112)
Conesville Coal Prep. Co.	35,254	1,047,031	1,103,190	80,307	(96,300)	(481)	18,780
Indiana Michigan Power Co.	5,777,027	247,129,826	260,385,038	18,954,874	(22,729,619)	(113,641)	1,888,641
I&M River Transportation Div.	425,630	13,043,314	13,742,913	1,000,423	(1,199,651)	(5,998)	220,404
Kanawha Valley Power Co.	0	211,399	222,738	16,214	(19,443)	(97)	(3,326)
Kentucky Power Co.	1,279,384	54,336,055	57,250,458	4,167,579	(4,997,526)	(24,986)	424,451
Kingsport Power Co.	157,350	9,190,498	9,683,445	704,912	(845,291)	(4,226)	12,745
Ohio Power Co.	5,870,735	317,082,297	334,089,524	24,320,233	(29,163,457)	(145,808)	881,703
Ohio Power - Cardinal	697,749	30,177,509	31,796,129	2,314,617	(2,775,559)	(13,877)	222,930
Ohio Power - Cook	41,736	779,212	821,006	59,766	(71,668)	(358)	29,476
Ohio Power - Kammer Station	0	1,896,181	1,997,886	145,437	(174,400)	(872)	(29,835)
Ohio Power - Tidd	0	1,402,866	1,478,111	107,600	(129,028)	(645)	(22,073)
Price River Coal Co.	0	830,117	874,642	63,670	(76,350)	(382)	(13,062)
Southern Appalachian Coal Co.	0	1,134,837	1,195,706	87,042	(104,376)	(522)	(17,856)
Southern Ohio Coal - Martinika	148	5,586,453	5,886,092	428,481	(513,811)	(2,569)	(87,751)
Southern Ohio Coal - Meigs	650,064	21,416,117	22,564,805	1,642,618	(1,969,735)	(9,848)	313,099
Wheeling Power Co.	180,603	14,314,632	15,082,421	1,097,933	(1,316,580)	(6,582)	(44,626)
Windsor Coal Co.	181,602	5,504,969	5,800,237	422,231	(506,316)	(2,531)	94,986
Total	\$35,989,733 F-H	\$1,676,247,813	\$1,766,156,105	\$128,568,317 F-H	(\$154,171,900)	(\$770,811)	\$9,615,339

F1041.6

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AME N ELECTRIC POWER COMPANY RETIREMENT PLAN
1998 NET PERIODIC PENSION COST

Company	Service Cost	Projected Benefit Obligation	Market-Related Value of Assets	Interest Cost	Expected Return on Assets	Amortization Charges/ (Credits)	Net Periodic Pension Cost
AEP Service Corp.	\$9,252,430	\$314,443,379	\$341,462,070	\$24,149,771	(\$29,861,756)	(\$808,102)	\$2,732,343
Appalachian Power Co.	7,720,201	351,873,166	382,108,028	27,024,441	(33,416,352)	(904,295)	423,995
Cedar Coal Co.	85	4,874,032	5,292,835	374,334	(462,872)	(12,526)	(100,979)
Central Appalachian Coal Co.	0	477,197	518,200	36,650	(45,318)	(1,226)	(9,894)
Central Coal Co.	0	11,336	12,310	871	(1,077)	(29)	(235)
Central Ohio Coal Co.	183,184	12,108,639	13,149,079	929,963	(1,149,922)	(31,119)	(67,894)
Central Operating Co.	564,809	24,941,531	27,084,643	1,915,551	(2,368,623)	(64,098)	47,639
Columbus Southern Power Co.	4,006,365	274,182,452	297,741,704	21,057,665	(26,038,295)	(704,634)	(1,678,899)
Conesville Coal Prep. Co.	37,017	1,081,978	1,174,947	83,098	(102,752)	(2,781)	14,582
Indiana Michigan Power Co.	6,065,878	255,378,334	277,321,834	19,613,478	(24,252,523)	(656,308)	770,525
I&M River Transportation Div.	446,912	13,478,664	14,636,824	1,035,184	(1,280,029)	(34,639)	167,428
Kanawha Valley Power Co.	0	218,455	237,226	16,778	(20,746)	(561)	(4,529)
Kentucky Power Co.	1,343,353	56,149,842	60,974,326	4,312,385	(5,332,365)	(144,301)	179,072
Kingsport Power Co.	165,218	9,497,251	10,313,307	729,405	(901,926)	(24,407)	(31,710)
Ohio Power Co.	6,164,272	327,665,624	355,820,442	25,165,261	(31,117,433)	(842,083)	(629,983)
Ohio Power - Cardinal	732,636	31,184,751	33,864,315	2,395,040	(2,961,523)	(80,143)	86,010
Ohio Power - Cook	43,823	805,220	874,409	61,842	(76,469)	(2,069)	27,127
Ohio Power - Kammer Station	0	1,959,470	2,127,838	150,491	(186,085)	(5,036)	(40,630)
Ohio Power - Tidd	0	1,449,690	1,574,255	111,339	(137,673)	(3,726)	(30,060)
Price River Coal Co.	0	857,824	931,533	65,982	(81,465)	(2,205)	(17,788)
Southern Appalachian Coal Co.	0	1,172,715	1,273,481	90,066	(111,369)	(3,014)	(24,317)
Southern Ohio Coal - Martinka	155	5,772,913	6,268,953	443,369	(548,236)	(14,836)	(119,548)
Southern Ohio Coal - Meigs	682,567	22,130,928	24,032,538	1,699,692	(2,101,709)	(56,875)	223,675
Wheeling Power Co.	189,633	14,792,415	16,063,460	1,136,082	(1,404,792)	(38,016)	(117,093)
Wintorsor Coal Co.	190,682	5,688,710	6,177,515	436,902	(540,240)	(14,620)	72,724
Total	\$37,789,220	\$1,732,196,316	\$1,881,036,072	\$133,035,540	(\$164,501,550)	(\$4,451,649)	\$1,871,561

\$ 170.8 F-4

\$ 166.4

Central and South West Projection of Pension Plan (in \$Millions)

Economic Assumptions
 Discount Rate: 7.50%
 Asset Rate of Return: 9.00%
 Funding Interest Rate: 8.00%

Funding Policy Contribution Made Each Year

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
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Accounting Valuation (FAS 87)

ABO, boy	896.0	933.9	973.6	1,016.2	1,060.9	1,105.2	1,149.2	1,191.7	1,232.4	1,272.8
PBO, boy	930.6	968.0	1,007.1	1,049.0	1,092.9	1,136.2	1,179.0	1,220.1	1,259.2	1,297.8
Assets, boy	1,109.1	1,132.6	1,178.8	1,228.1	1,279.7	1,331.0	1,382.1	1,431.8	1,479.8	1,527.6
Funded Status	178.5	164.6	171.7	179.1	186.8	194.8	203.1	211.7	220.5	229.8
Unprovided PBO	(65.7)	(38.7)	(34.2)	(28.8)	(25.3)	(20.9)	(16.4)	(12.0)	(6.1)	(0.1)
Prepaid (Accrued) Cost, 1/1	112.7	125.9	137.5	149.3	161.5	173.9	186.6	199.7	214.5	229.7

FAS 87 Pension Cost

Service Cost	21.0	21.8	22.8	23.8	24.8	25.8	26.9	28.0	29.0	30.1
Interest Cost	67.8	70.6	73.5	76.6	79.7	82.8	85.8	88.6	91.4	94.1
Expected Return	(97.5)	(99.6)	(103.7)	(108.0)	(112.5)	(116.9)	(121.2)	(125.4)	(129.5)	(133.7)
Amortizations	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(4.5)	(6.0)	(6.0)	(6.0)
Total	(13.2)	(11.6)	(11.8)	(12.1)	(12.4)	(12.7)	(13.0)	(14.8)	(15.2)	(15.4)

Funding Valuation

Funding Liability	909.0	950.2	988.5	1,029.7	1,072.8	1,115.3	1,157.3	1,197.6	1,236.0	1,273.9
Actuarial Value of Assets	986.2	1,038.1	1,090.4	1,145.1	1,200.6	1,254.2	1,307.3	1,357.7	1,406.1	1,454.3
Normal Cost for FFL	20.5	21.4	22.4	23.4	24.4	25.3	26.4	27.4	28.4	29.6
Full Funding Limit (FFL)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Contribution Alternatives

Minimum, boy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Funding Policy, mid year	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maximum	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Cash Flow

Cash Contribution To Trust (Funding Policy)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Benefit Payments From Trust

	51.6	54.0	54.6	57.1	62.6	66.8	73.2	78.9	82.7	87.1
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Benefits & Benefits Administration Data Request

	1996 Cost	Planned/Actual 1997	Budget 1998	% Cost Attributable to Utility	Vendor	Notes/Comments
Savings & Thrift	\$9.4 M	\$10.7M	\$13.5 M F-5	See accounting - based on actual participation	Recordkeeping: Hewitt Funds: Individual Investment Mgrs. Call Center: Internal	Switched to 75 cent match for all employees on 7/1/97 Includes Company Match Portion administrative costs
Pension FAS 87 Acct. Expense FAS 87 Service Interest	\$8.8 M \$68.7 M	(\$8.7) M \$ 84.6 M	(\$10.3) M F-5 \$88.8 M F-5		Recordkeeping: Hewitt Call Center: Internal	Switched to Cash Balance on 7/1/97 Does not include administrative cost
Life Insurance (Active) Cash Expense/Co. Contrib. Potential Co. Contrib.	\$1.9 M \$1.9 M	\$3.4 M \$3.4 M	\$0 \$2.7 M F-5		MetLife	Reallocation of Premiums from rebi active VEBA resulted in no active contributions for 1998 - Includes administrative costs
Dental Total Company Premium	\$1.0 M	\$1.4 M	\$1.8 M F-5		Self-insured, CIGNA DHMO	Includes administrative costs for (Included in premium)
Hospitalization (Medical) Active Claims Retiree Claims	\$23.9 M	\$22.8 M	\$21.4 M F-5		Self-insured, United HealthCare, & various HMOs	As of 1/1/98, added Medical/Control indemnity plans (discount only ... n incentives) - Includes administrative cost of
Workers' Compensation Accidental Death & Dismemberment	\$230,000	\$228,000	\$224,000 F-5		Offenhauser & Associates (broker)	Premium is set for another 3 years reduction in cost due to reduced n covered lives - Includes administrative cost
Prescription Drug	\$5.7M	\$5.7 M	\$5.4 M F-5		Prior to 6/1/97: PCN/Revo; as of 6/1/97: Caremark	Changed prescription drug vendor 6/1/97 due to customer service and prescription drug management - Includes administrative cost
Vision	\$110,309	\$217,200	\$214,300 F-5		Eye Care Plan of America	Added eye exam benefit for 1997; 1997 include both fully-insured cost exam coverage and administrative discount card - Includes administrative cost
401(k) Match	shown above	shown above	shown above			
Disability Premiums	\$0	\$ 1.5 M	\$2.3 M F-5		UNUM	
OPEB (includes Retiree Medical, Retiree Dental, Retiree Life Insurance, Disability Benefit Payments & Accrual for future retiree benefits)	\$27.2 M	\$25.1	\$21.1 M F-5		Medical: United HealthCare, HMOs, MedicalControl Dental: CIGNA, Internal Life: MetLife Call Center: Internal	Includes both FAS 106 & FAS 112
Educational Assistance Other	\$1.0 M	\$1.0 M	\$1.0 M F-5			

	1996 Cost	Planned/Actual 1997	Budget 1998	% Cost Attributable to Utility	Vendor	Notes/Comments
Administrative Fees:						
Medical	\$2.4 M	\$2.8 M	\$2.8 M F-5			Includes both external and internal All expenses except Benefit Center paid through Trust - does not include administrative cost for HMOs
Dental	\$54,000	\$52,800	\$52,800 F-5			Includes both external and internal All expenses except Benefit Center paid through Trust
Savings/401(k) Benefits Center Cost only	\$120,000	\$120,000	\$120,000 F-5			All fees are paid by participant -- e) cost of benefits center
PAYSP/ESOP	N/A	N/A	N/A			
Life Insurance	\$189,000	\$0	\$0			At the end of 1996, we went to a fu pooled life insurance arrangement All expenses except cost of Benefit paid through Trust
Pension Benefits Center Cost only Trust Cost (paid by trust)	\$120,000 \$5.9 M	\$120,000 \$6.0 M	\$120,000 F-5 \$6.0 M			Trust cost includes investment management fees of: 1996: \$4.3 M 1997: \$4.3 M 1998: \$4.3 M All expenses except cost of Benefit: paid by Trust
Actuarial (Pension & OPEB)	\$585,275	\$600,000	\$600,000 F-5			Paid through Pension Trust
Disability	\$82,000	\$135,000	\$117,000 F-5			All expenses except Benefits Centre by Trust
Dependent Care Connection	\$61,000	\$61,000	\$61,000 F-5			

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Notwithstanding the foregoing, in the case of any Outstanding Option to which section 421 of the Code applies by reason of the qualification under section 422 of the Code, the exercise price, the number of shares purchasable pursuant to such option and the terms and conditions of exercise of such option shall comply with section 424(a) of the Code. As soon as practicable after the Effective Time, AEP shall deliver to the holders of the Outstanding Options appropriate agreements evidencing its assumption of such options.

(ii) *Other Stock-Based Compensation.* Effective as of the Effective Time, AEP agrees to assume the Company's 1992 Long-Term Incentive Plan and Director's Compensation Plan with respect to any stock-based compensation (other than the Outstanding Options) payable in the form of Company Common Stock as a result of the Merger ("Other Compensation"), and to substitute shares of AEP Common Stock with respect to such assumed Other Compensation. The number of shares of AEP Common Stock issuable with respect to such Other Compensation shall be equal to the number of whole shares of AEP Common Stock that the holder of Other Compensation being assumed would have received upon consummation of the Merger had such Other Compensation been paid in full prior to the Merger.

On or prior to the Effective Time, the Company shall take or cause to be taken all such actions, reasonably satisfactory to AEP, as may be necessary or desirable in order to authorize the transactions contemplated by subsections (i) and (ii) above. Further, AEP shall take all corporate actions necessary to reserve for issuance a sufficient number of shares of AEP Common Stock for delivery upon exercise of the Company Outstanding Options or issuance of the Company Other Compensation assumed by AEP pursuant to subsections (i) and (ii) above. Prior to the Effective Time, AEP shall file one or more registration statements on Form S-8 (or any successor or other appropriate forms) with respect to the shares of AEP Common Stock issuable in respect to the Assumed Options or Other Compensation and AEP Common Stock issuable in respect of the Assumed Options or Other Compensation and AEP shall use its commercially reasonable efforts to cause such registration statement to become effective promptly after the Effective Time and to maintain the effectiveness of such registration statement (and maintain the current status of the prospectus or prospectuses contained herein) for so long as any Assumed Options remain outstanding and to comply with applicable state securities and blue sky laws. So long as any holder of an Assumed Options shall be subject to the reporting requirements under Section 16(a) of the Exchange Act, AEP shall have the Company's 1992 Long-Term Incentive Plan and Directors' Compensation Plan to be administered in a manner that complies with Rule 16b-3 promulgated under the Exchange Act.

(b) *Separate Company Plans.* From and after the Effective Time through July 1, 2002, AEP will continue or cause to be continued, without adverse change to any employee or former employee of the Company or any of its Subsidiaries, the Company Benefit Plans listed in Section 7.10(b) of the Company's Disclosure Letter, except that (i) any Company Common Stock investment fund offered under a Company Benefit Plan will be replaced by an AEP Common Stock investment fund or a traditional investment fund as determined by AEP (ii) premiums charged to participants may be increased under medical, dental, life, accidental death and dismemberment, and disability insurance plans (except that premiums charged to participants who retired from the Company or any of its Subsidiaries prior to 1993 (or survivors of such participants) may not be increased), and (iii) changes required by law, including changes required to maintain the qualified status of any Company Benefit Plan intended to be qualified under Section 401(a) of the Code, may be made. After July 1, 2002, AEP will provide the employees of the Company and its Subsidiaries with benefits that in the aggregate are at least as favorable as the benefits provided to similarly situated employees of AEP and its Subsidiaries. If, after July 1, 2002, an AEP Benefit Plan is made available to employees of the Company or any of its Subsidiaries, all periods of service with the Company and its Subsidiaries will be credited to such employees for all purposes of the AEP Benefit Plan, including the accrual of benefits and eligibility to receive benefits for which a specified period of service is required under the AEP Benefit Plan. No earlier than July 1, 2002, the Company's Cash Balance Retirement Plan shall be merged into a defined benefit pension plan maintained by AEP or one of its

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Subsidiaries. The retirement benefit for employees of the Company or its Subsidiaries who become participants in such merged plan will be determined under the AEP pension plan formula for all years of service (including years of service with the Company and its Subsidiaries) but such retirement benefit will not be less than the benefit accrued under the Company's Cash Balance Retirement Plan determined immediately prior to such plan merger plus the benefit determined under the AEP pension plan formula for years of service beginning on the date of such plan merger. If employees of the Company or any of its Subsidiaries become participants in a health plan maintained by AEP or any of its Subsidiaries, all preexisting condition limitations under the AEP health plan for such employees will be waived. In addition, if such AEP health plan participation becomes effective as of any date other than the first day of a calendar year, such employees will receive credit under the AEP health plan for any co-payments and deductibles incurred by such employees in the same calendar year under the Company's Medical Plan.

(c) *Retiree and Disability Benefits.* From and after July 1, 2002, AEP will provide access to retiree medical and life insurance coverage for any employee or director of the Company or any of its Subsidiaries who retires or becomes disabled prior to July 1, 2002 and who was eligible for such coverage under plans of the Company and its Subsidiaries in effect on the date of such individual's retirement. Further, for any such employees or directors who retired or became disabled prior to 1993, such coverage shall be continued without adverse change to such retired or disabled employees or directors. In addition, with respect to any such employee who becomes disabled before July 1, 2002, so long as such employee continues to satisfy the eligibility requirements for disability benefits under the Company's Disability Income Plan in effect on such date AEP will offer such disabled employee medical coverage without charge to such disabled employee.

(d) *Certain Nonqualified Arrangements.* From and after the Effective Time through July 1, 2002, AEP will maintain the Company's Supplemental Executive Retirement Plan and Executive Deferred Compensation Plan without adverse change to any employee participating in the Plan until all benefits have been paid in accordance with the terms of the Plan; provided, however, that no deferrals shall be permitted under such plan after the Effective Time. If the Company's Supplemental Executive Retirement Plan or Executive Deferred Savings Plan is terminated or otherwise discontinued after July 1, 2002, AEP will make available to the class of employees of the Company and its Subsidiaries who were eligible to participate in the Company's Supplemental Executive Retirement Plan or Executive Deferred Savings Plan any nonqualified deferred compensation plan or plans it maintains to supplement benefits in the AEP Benefit Plans that are qualified plans. In addition, employees of the Company and its Subsidiaries will be given credit for service with the Company and its Subsidiaries for all purposes of such supplemental plans, and the supplemental plans will assume the obligation of the Supplemental Executive Retirement Plan or the Executive Deferred Savings Plan, as applicable, to pay the benefits that have accrued under the Supplemental Executive Retirement Plan or the Executive Deferred Savings Plan at the time of such termination or discontinuance.

(e) *Memorial Gifts Program.* The Company will take all action necessary to terminate the Memorial Gifts Program as of the Effective Time; provided, however, that all then-existing commitments under such Program will not be adversely affected by such termination and will be honored in accordance with their terms.

(f) *Agreement by AEP.* AEP agrees to honor without modification or contest, and agrees to cause the Surviving Corporation to honor without modification or contest, and to make required payments when due under all Change of Control Agreements and all Retention Agreements, including any modifications to such Change of Control Agreements or Retention Agreements permitted by Section 6.2(a).

(g) The provisions of Sections 7.10(d) and (f) are intended to be for the benefit of, and shall be enforceable by, each Person entitled to benefits or payments thereunder and the heirs and representatives of such Person.

AEP/CSW

Synergies Refinement

SYNERGIES SUMMARY

Savings Area: Directors' Fees

AEP Position:

In 1997, AEP averaged 12 outside directors. With additions and retirements, as of December 31, 1997 there are 10 active outside directors. Based on annual retainer fees, annual and committee meeting fees and other compensation, the average cost per director is \$61,617 (calculated using 12 outside directors.)

CSW Position:

CSW has 9 outside directors. Based on annual retainer fees, annual and committee meeting fees and other compensation, CSW's average cost per director is \$63,707.

Ten Year Savings (\$000):

<input type="checkbox"/> O&M Savings	\$ 5,516 ^{G-2}
<input type="checkbox"/> Capital Savings	\$ 0
<input type="checkbox"/> Revenue Requirements Savings	\$ 0
<input type="checkbox"/> Total Savings	\$ 5,516

Rationale for Savings:

Savings are derived based on the reduction in the number of directors (per the Merger Agreement), and their related fees, in the combined company. CSW and AEP have a total of 19 outside directors. The Merger Agreement stipulates 14 outside directors (15 total, including Mr. Draper.)

Basis for Calculation:

Newco's directors' fees were calculated using the new complement of 14 outside directors and assuming AEP costs per director prevail. The combined board size is reduced by five directors.

Key Assumptions:

- The number of directors is predicated on the Merger Agreement.

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Directors' Fees

1999 Savings (\$000) \$478 6-3

Percentage of Savings Capitalized 0.0%
Fixed Charge Cost 0.0%
Inflation Rate 3.0%

Partial Year Savings 75%

Annual Savings

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Annual Savings Amount	\$358	\$492	\$507	\$522	\$537	\$554	\$570	\$587	\$605	\$623	\$160	\$5,516
O&M Savings	\$358	\$492	\$507	\$522	\$537	\$554	\$570	\$587	\$605	\$623	\$160	\$5,516

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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed Charge Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M and Fixed Charge Savings	\$358	\$492	\$507	\$522	\$537	\$554	\$570	\$587	\$605	\$623	\$160	\$5,516 6-1

AEP/L

Directors' Fees \$

Escalator	310%
Number of Years	2
Positions Reduced	5

AEP	
Outside Directors	12
Outside Directors (1)	10
Total Directors' Fees - 1997	\$ 739,405
Cost per Director	\$ 61,617

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CSW	
Outside Directors	9
Total Directors' Fees - 1997	\$ 572,247
Cost per Director	\$ 63,583

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Newco	
Combined Outside Directors	19
NewCo Outside Directors	14
Times: Cost / Director (AEP costs assumed)	\$ 61,617
Total Directors' Fees	\$ 862,639
Less: Combined Directors' Fees Above	\$ 1,311,652
1997 Savings	\$ 449,013
1999 Savings (000s)	\$ 476,357

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Notes
(1) Number of Outside Directors as of 12/31/97

Directors' Fees

AEP

Activity Description	AEP			Estimated 1996 Cost
	No. Outside Directors	Cost Per Director	No. of Meetings	
Annual Retainer Stock Plan [a]	12	\$ 23,000	N/A	\$ 276,000
Sub-Total	12	\$ 15,317	N/A	\$ 183,809
Additional Fees				
Full Board Meeting	12	\$ 1,000	8 G-8	\$ 96,000
Committee Chairs	6 G-7	\$ 3,000	N/A	\$ 18,000
Audit Committee	5 G-8	\$ 1,000	4 G-8	\$ 20,000
Committee on Directors	6 G-8	\$ 1,000	2 G-9	\$ 12,000
Corporate Public Policy Committee	9 G-8	\$ 1,000	3 G-9	\$ 27,000
Executive Committee	2 G-8	\$ 1,000	0 G-9	\$ -
Finance Committee	4 G-9	\$ 1,000	4 G-9	\$ 16,000
Human Resources Committee	4 G-9	\$ 1,000	5 G-9	\$ 20,000
Sub-Total				\$ 189,000
Other Compensation Insurance and related tax gross-up	12	\$ 5,755	N/A	\$ 69,060
Sub-Total				\$ 69,060
Total Directors' Fees - 1996	12			\$ 717,869
Average Cost per Director - 1996				\$ 59,822
Total Directors' Fees - 1997	12			\$ 739,405
Average Cost Per Director				\$ 61,617

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Notes:
[a] Stock plans expense calculated on a per share per grant basis for each director (300 shares per director.) Uses the closing share price of 12/31/97.. Fees exclude other benefits, such as retirement plans. It expected that savings effects of retirement plans will be insignificant in the future and is therefore excluded from analysis.

Source:
1997 Proxy (03/07/97)

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Directors' Fees

AEP

Director	AEP	
	1997	Cost
J.P. DesBarres		\$ 29,859
R.M. Duncan		\$ 45,351
R.W. Fri		\$ 39,351
A.G. Hansen (1)		\$ 12,494
L.A. Hudson, Jr.		\$ 48,420
L.J. Kujawa		\$ 18,172
A.E. Peyton		\$ 30,863
T.F. Reid (1)		\$ 107
D.G. Smith		\$ 43,351
L.G. Stuntz		\$ 36,726
K.D. Sullivan		\$ 1,000
M. Tanenbaum		\$ 46,351
A.H. Zwinger (1)		\$ 16,861
Total Directors' Fees - 1997	10 (2)	\$ 339,446 (3)

Source: AEP - 1997 Internal Data

Notes:

- (1) Retired 12/31/97
- (2) Remaining active directors as of 1/1/98
- (3) Total taken on ten remaining directors; does not sum up to individual costs

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Directors' Fees

CSW

Directors' Fees		CSW			Estimated 1998 Cost
Activity Description	No. Outside Directors	Cost Per Director	No. of Meetings		
Annual Retainer Stock Plan [a]	9	\$ 12,000	N/A	\$	108,000
Sub-Total	9	\$ 13,838	N/A	\$	124,538
Additional Fees					
Full Board Meeting	9	\$ 1,250	10	\$	112,500
Committee Chairs [b]	3	\$ 4,333	N/A	\$	13,000
Audit Committee	6	\$ 1,250	4	\$	30,000
Compensation Committee	5	\$ 1,250	6	\$	37,500
Financial Policy Committee	3	\$ 1,250	8	\$	33,750
Nominating Committee	5	\$ 1,250	2	\$	12,500
Nuclear Committee	0	\$ -	0	\$	-
Sub-Total				\$	239,250
Other Compensation					
Memorial Gift Program [c]	16	\$ 16,402	N/A	\$	262,432
Medical/Dental	9	\$ 9,431	N/A	\$	84,876
Sub-Total				\$	347,308
Total Directors' Fees - 1998	9			\$	819,095
Less: Mem. Gift Program				\$	262,432
Net Directors' Fees - 1998				\$	556,663
Average Cost per Director - 1998				\$	61,851
Total Directors' Fees - 1997	9			\$	573,383
Average Cost Per Director - 1997				\$	63,707

Notes: [a] Stock plans expense calculated on a per share per grant basis for each director (600 shares.) Uses a 52 week average as of 2/4/98.

[b] Committee chair fees are calculated as an average.

Fees exclude other benefits, such as retirement plans.

It is expected that savings effects of retirement plans will be insignificant in the future and is therefore excluded from analysis.

[c] This plan will be terminated per the Merger Agreement, so it is not included in the analysis.

Source: 1997 Proxy (03/07/97)

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AGREEMENT AND PLAN OF MERGER

By and Among

American Electric Power Company, Inc.,

Augusta Acquisition Corporation

and

Central and South West Corporation

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(f) The provisions of this Section 7.11 are intended to be for the benefit of, and shall be enforceable by, each Person entitled to indemnification hereunder and the heirs and representatives of such Person.

(g) AEP shall not permit the Surviving Corporation to merge or consolidate with any other Person unless the Surviving Corporation shall ensure that the surviving or resulting entity assumes the obligations imposed by subsections (a), (b), (c) and (e) of this Section.

SECTION 7.12 Newco. Prior to the Effective Time, Newco shall not conduct any business or make any investments other than as specifically contemplated by this Agreement and will not have any assets (other than the minimum amount of cash required to be paid to Newco for the valid issuance of its stock to AEP).

SECTION 7.13 Event Notices. From and after the date of this Agreement until the Effective Time, each party hereto shall promptly notify the other party hereto of (i) the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which would be likely to cause any condition to the obligations of such party to effect the Merger and the other transactions contemplated by this Agreement not to be satisfied and (ii) the failure of such party to comply with any covenant or agreement to be complied with by it pursuant to this Agreement which would be likely to result in any condition to the obligations of such party to effect the Merger and the other transactions contemplated by this Agreement not to be satisfied. No delivery of any notice pursuant to this Section 7.13 shall cure any breach of any representation or warranty or any failure to comply with any covenant or agreement of such party contained in this Agreement or otherwise limit or affect the remedies available hereunder to the party receiving such notice.

SECTION 7.14 Board of Directors. At the Effective Time, the Board of Directors of AEP shall be expanded to fifteen members and reconstituted to include all then current board members of AEP, the Chairman of the Company on the date hereof, and four additional outside directors of the Company to be nominated by AEP. 6-3

SECTION 7.15 Headquarters. At and after the Effective Time, the principal corporate office of the Combined Companies shall be located in Columbus, Ohio; and the Combined Companies shall maintain a significant presence in the states currently served by the Company.

SECTION 7.16 Rate Matters. Each of the Company and AEP shall, and shall cause its Significant Subsidiaries to, discuss with the other any changes in its or its Significant Subsidiaries' rates or charges (other than automatic cost pass-through rate adjustment clauses), standards of service or accounting from those in effect on the date hereof and consult with the other prior to making any filing (or any amendment thereto), or effecting any agreement, commitment, arrangement or consent with governmental regulators, whether written or oral, formal or informal, with respect thereto (provided that except as otherwise expressly provided herein each party shall retain discretion and control over its affairs), and except as set forth in Section 7.16 of the Company's Disclosure Letter, no party will make any filing to change its

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Donald G. Smith
Chairman of the Board, President, Chief Executive Officer and Treasurer of Roanoke Electric Steel Corporation, Roanoke, Virginia

Age 61
 Director since 1994

Joined Roanoke Electric Steel Corporation (steel manufacturer) in 1957. Held various positions with Roanoke Electric Steel before being named president and treasurer in 1985, chief executive officer in 1986 and chairman of the board in 1989.



Linda Gillespie Stuntz
Partner, Stuntz & Davis, P.C., attorneys, Washington, D.C.

Age 42
 Director since 1993

Holds an A.B. from Wittenberg University (1976) and J.D. from Harvard Law School (1979). Private practice of law (1979-1981). U.S. House of Representatives, Committee on Energy and Commerce: Associate Minority Counsel, Subcommittee on Fossil and Synthetic Fuels (1981-1986) and Minority Counsel and Staff Director (1986-1987). Private practice of law (1987-1989). U.S. Department of Energy (1989-1993): Acting Deputy Secretary (January 1992-July 1992) and Deputy Secretary (July 1992-January 1993). Returned to the private practice of law in March 1993. A director of Schlumberger Limited. Member, Advisory Council, Electric Power Research Institute.



Morris Tanenbaum
Vice President, National Academy of Engineering, Short Hills, New Jersey

Age 68
 Director since 1989

Graduated from The Johns Hopkins University in 1949 with a B.A. in chemistry and received a Ph.D. in physical chemistry in 1952 from Princeton University. Joined Bell Telephone Laboratories in 1952 and held various positions with AT&T companies. Became vice chairman of the board of AT&T in 1986 and chief financial officer in 1988. Retired in 1991. A director of Cabot Corporation. A trustee of Battelle Memorial Institute and Massachusetts Institute of Technology, Trustee Emeritus of The Johns Hopkins University and honorary trustee of The Brookings Institution.

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Dr. Draper and Messrs. DeMaria and Maloney are directors of Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company and Ohio Power Company (all of which are subsidiaries of the Company with one or more classes of publicly held preferred stock or debt securities) and other subsidiaries of the Company. Dr. Draper and Messrs. DeMaria and Maloney are also directors of AEP Generating Company, a subsidiary of the Company.

Functions of the Board of Directors and Committees

UNDER NEW YORK LAW, the Company is managed under the direction of the Board of Directors. The Board establishes broad corporate policies and authorizes various types of transactions, but it is not involved in day-to-day operational details.

During 1996, the Board held eight regular meetings. The Board has six standing committees, the functions of which are described in the following paragraphs.

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The Audit Committee consists of Messrs. Duncan, Fri, Hudson and Peyton and Ms. Zwinger. The Audit Committee oversees, and reports to the Board concerning, the general policies and practices of the Company and its subsidiaries with respect to accounting, financial reporting, and internal auditing and financial controls. It also maintains a direct exchange of information between the Board and the Company's independent accountants and reviews possible conflict of interest situations involving directors. During 1996 the Audit Committee held four meetings.

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The Committee on Directors consists of Messrs. Duncan, Fri and Hudson, Dr. Hansen and

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G-4 Mses. Stuntz and Zwinger. The Committee on Directors is responsible for: (i) recommending the size of the Board within the boundaries imposed by the corporate charter; (ii) recommending selection criteria for nominees for election or appointment to the Board; (iii) conducting independent searches for qualified nominees and screening the qualifications of candidates recommended by others; and (iv) recommending to the Board for its consideration one or more nominees for appointment to fill vacancies on the Board as they occur and the slate of nominees for election at the annual meeting. During 1996 the Committee on Directors held two meetings.

The Committee on Directors will consider shareholder recommendations of candidates to be nominated as directors of the Company. All such recommendations must be in writing and addressed to the Secretary of the Company. By accepting a shareholder recommendation for consideration, the Committee on Directors does not undertake to adopt or take any other action concerning the recommendation, or to give the proponent its reasons for not doing so.

G-4 The Corporate Public Policy Committee consists of Messrs. Duncan, Fri, Hudson, Peyton and Smith and Drs. Hansen and Tanenbaum and Mses. Stuntz and Zwinger. The Corporate Public Policy Committee is responsible for examining the Company's policies on major public issues affecting the AEP System, as well as established System policies which affect the relationship of the Company and its subsidiaries to their service areas and the general public; for reporting periodically and on request to the Board and providing recommendations to the Board on such policy matters; and for counseling the management of the AEP System on any such policy matters presented to the Committee for consideration and study. During 1996 the Corporate Public Policy Committee held three meetings.

G-4 The Executive Committee consists of Drs. Draper and Tanenbaum and Mr. Peyton. It is empowered to exercise all the authority of the Board of Directors, subject to certain limitations prescribed in the By-Laws, during the intervals between meetings of the Board. Meetings of the Executive Committee are convened only in extraordinary circumstances. The Executive Committee did not meet during 1996.

G-4 The Finance Committee consists of Messrs. Peyton and Smith, Ms. Stuntz and Dr. Tanenbaum. The Finance Committee monitors

and reports to the Board with respect to the capital requirements and financing plans and programs of the Company and its subsidiaries including, among other things, reviewing and making such recommendations as it considers appropriate concerning the short and long-term financing plans and programs of the Company and its subsidiaries and the implementation of the same. During 1996 the Finance Committee held four meetings.

G-9 The Human Resources Committee consists of Drs. Hansen and Tanenbaum and Messrs. Hudson and Smith. The Human Resources Committee is responsible for: (i) reviewing the salaries and other compensation and benefits provided to members of the Board who are officers of the Company or employees of any of its subsidiaries, and recommending to the Board for approval the amount of salary, compensation and benefits to be paid to such persons each year; (ii) reviewing management proposals concerning salaries, compensation and benefits to be paid to senior officers of AEP Service Corporation; (iii) reviewing and making recommendations to the Board with respect to the compensation of directors; (iv) evaluating the Company's hiring, development, promotional and succession planning practices for those management positions described in (ii) above; and (v) periodic review of the Company's overall affirmative action performance. During 1996 the Human Resources Committee held five meetings.

During 1996, no incumbent director attended fewer than 75% of the aggregate of the total number of meetings of the Board of Directors and the total number of meetings held by all Committees on which he or she served.

Compensation of Directors

In 1996, the Board of Directors authorized a complete study of the Company's practices with respect to director compensation. After a full review, on December 18, 1996, the Board of Directors approved certain compensation initiatives in order to more closely align directors compensation with the financial interests of shareholders. These initiatives are described below under "Directors Compensation Initiatives."

Annual Retainers and Meeting Fees. Directors who are officers of the Company or employees of any of its subsidiaries do not receive any compensation, other than their regular salaries

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and the accident insurance coverage described below, for attending meetings of the Board of Directors of the Company. The other members of the Board receive an annual retainer of \$23,000 for their services, an additional annual retainer of \$3,000 for each Committee that they chair, a fee of \$1,000 for each meeting of the Board and of any Committee that they attend (except a meeting of the Executive Committee held on the same day as a Board meeting), and a fee of \$1,000 per day for any inspection trip or conference (except a trip or conference on the same day as a Board or Committee meeting).

Deferred Compensation Policy. The Board has adopted a policy which permits directors to elect annually to defer receipt of all or a portion of their retainer and fees to be payable in a lump sum or monthly installments after they cease to be a director. The deferred compensation accrues interest compounded quarterly at the daily prime lending rate in effect from time to time at a specified major financial institution. This policy is implemented by individual deferred-compensation agreements which set forth the terms of the deferral.

Retirement Plan. The Retirement Plan for Directors (excluding officers of the Company or employees of any of its subsidiaries) provides for annual retirement payments for life to such directors commencing at the later of the director's retirement or age 72 in an amount equal to the annual Board retainer at the time of retirement with a 20% reduction for each year that service as a director is less than five.

G-4
Insurance. The Company maintains a group 24-hour accident insurance policy to provide a \$1,000,000 accidental death benefit for each director (three-year premium was \$16,065). The current policy will expire on September 1, 1997, and the Company expects to renew the coverage. In addition, the Company pays each director (excluding officers of the Company or employees of any of its subsidiaries) an amount to provide for the federal and state income taxes incurred in connection with the maintenance of this coverage (approximately \$400 annually).

Directors Compensation Initiatives

COMPENSATION initiatives adopted by the Board are as follows.

First, the Board adopted the Deferred Compensation and Stock Plan for Non-Employee Directors, subject to approval by the shareholders at this annual meeting. This Plan allows non-employee directors to choose to receive up to 100 percent of their annual Board retainer in shares of Common Stock and/or units that are equivalent in value to shares of Common Stock ("Stock Units"). This Plan would replace the directors deferred compensation policy. A full description of this Plan appears on pages 8 and 9 under "Approval of Deferred Compensation and Stock Plan for Non-Employee Directors."

Second, the Board adopted the Stock Unit Accumulation Plan for Non-Employee Directors, effective January 1, 1997. Under this Plan, an award of 300 Stock Units to each non-employee director will be made as of the first day of the month in which the non-employee director becomes a member of the Board, and annually thereafter, up to a maximum of 3,000 Stock Units for each non-employee director. Amounts equivalent to cash dividends on the Stock Units will accrue as additional Stock Units. Stock Units credited to a non-employee director's account as a result of the annual awards and dividend credits will be forfeitable on a pro rata basis for each full month that service as a director is less than 60 months. Stock Units are paid to the director upon termination of service unless the director has elected to defer payment for a period that results in payment commencing not later than five years thereafter. G-4

Third, the Board amended the Retirement Plan for Directors to provide that non-employee directors elected to the Board after December 31, 1996, shall not participate in the Retirement Plan. Directors on the Board on that date were permitted to waive any benefits payable under the Retirement Plan in exchange for participation in the Stock Unit Accumulation Plan and, directors who elected to participate in the Stock Unit Accumulation Plan received 300 nonforfeitable Stock Units for each year of prior service up to the maximum of 3,000 specified in the Stock Unit Accumulation Plan, effective January 1, 1997. G-10

Finally, the Board of Directors of the Company considers stock ownership in the Company by management to be of great importance. Such ownership enhances management's commitment to the future of the Company and further aligns management's interests with those of AEP's shareholders. In keeping with this philosophy, the

11/2/97

BOARD OF DIRECTORS
OF
CENTRAL AND SOUTH WEST CORPORATION

- 1 Glenn Biggs - through April 98 - has not been renominated
- 2 Molly Shi Boren
- 3 E. R. Brooks
- 4 Dr. Donald M. Carlton
- 5 T. J. Ellis
- 6 Glenn Files resigned 1/21/98
- 7 Joe H. Foy
- 8 William R. Howell
- 9 Dr. Robert W. Lawless
- 10 James L. Powell
- 11 Dr. Richard L. Sandor
- 12 Thomas V. Shockley III
- 13 Lloyd D. Ward - resigned 1/1/98

G-11



Glenn Biggs

Board of Directors
Central and South West Corporation



Glenn Biggs is a native Texan, born in 1933. He graduated from Baylor University in 1955 and attended Baylor Law School. He also holds an Honorary Doctor of Humanities degree from Hardin-Simmons University.

He is president of Biggs & Company in San Antonio, Texas. He was formerly chairman and CEO of Texas TGV Corporation (formerly Texas High-Speed Rail Corporation) in San Antonio.

Biggs is the advisory director of The Beacon Group, a private investment and advisory partnership in New York, and a director of Bolivian Power Company Limited (Compania Boliviana de Energia Electrica, S.A.) in La Paz, Bolivia, and New York. He is a member of the board and former chairman of the University of Texas Health Science Center in San Antonio and the University of Texas at San Antonio. Biggs also is a director and a major shareholder of Southwestern Bancorp, Inc., a director of Ultramar Diamond Shamrock Inc., and a director of the Texas Association of Taxpayers in Austin.

Biggs and his wife, Ann, have two sons.

61-9



Molly Shi Boren

Board of Directors
Central and South West Corporation



Born in 1944 in Ada, Oklahoma, Molly Shi Boren is an attorney in Norman, Oklahoma. She has a B.A. in English from East Central Oklahoma State University, an M.A. in English from the University of Oklahoma and a J.D. from the University of Oklahoma College of Law.

Boren has been active in both civic and business affairs and in all aspects of the University of Oklahoma, from fundraising to involvement with student organizations and activities on campus. She currently serves on the board of the Oklahoma Foundation for Excellence. She is also director of Policy Owners Examining Committee of the Northwestern Mutual Life Insurance Co. of Milwaukee, chairman of the Oklahoma Arts Institute, trustee of the Oklahoma Bar Foundation, director of the Thomas Gilcrease Institute of American History & Art in Tulsa and a director of the Oklahoma Chapter of The Nature Conservancy. She is a former director of Liberty Bank Corporation and Pet Incorporated.

She is married to David Boren, former U.S. Senator from Oklahoma and current president of the University of Oklahoma.

G-13



E. R. Brooks

Chairman and
Chief Executive Officer
Central and South West Corporation



E.R. "Dick" Brooks is chairman and chief executive officer of Central and South West Corporation, a utility holding company located in Dallas, Texas.

A native of Slaton, Texas, Brooks received a bachelor of science degree in electrical engineering from Texas Tech University in 1961. He is also a graduate of the advanced management training programs at Harvard Business School and the University of Michigan.

Brooks joined West Texas Utilities Company as an engineer trainee in Abilene in 1961 and held several supervisory and executive positions in WTU's engineering department before becoming vice president of customer services in 1980.

He moved to Central Power and Light Company in 1982 as vice president of engineering. In 1983, he was promoted to senior vice president and chief engineering officer and was named CPL's president and chief executive officer in January 1986. He moved to Central and South West in 1987 as executive vice president, electric operations. The following year he was named CSW executive vice president and president and chief executive officer of Central and South West Services, Inc., and of Transok, Inc., CSW's intrastate natural gas pipeline subsidiary. He was named chairman, president and chief executive officer on February 1, 1991. July 17, 1997 he assumed his present position.

Brooks is first vice chairman of the Edison Electric Institute, a member of the board of trustees for the National Council on Economic Education, and the Texas Council on Economic Education. He has served as chairman of the North American Electric Reliability Council, the Association of Edison Illuminating Companies, Southwest Electric Conference Association, and on the boards of the Electric Power Research Institute, the Texas Chamber of Commerce, and chairman of the Electric Reliability Council of Texas.

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E. R. Brooks

Page 2



He currently serves on the boards of Hubbell, Inc., Baylor Health Care System, and Hardin Simmons University.

His civic activities include Chairman of the 1996 Dallas Ambassadors Forum, president of the Circle Ten Council of the Boy Scouts of America, vice chairman of the Dallas Symphony Association and the board of the United Ways of Dallas, Corpus Christi and Abilene. In 1988, he was named a Distinguished Engineer by Texas Tech University and in 1993 was named a Distinguished Alumnus.

Brooks is a deacon at Park Cities Baptist Church in Dallas, and he and his wife, Martha, have two children and five grandchildren.

G-15



Dr. Donald M. Carlton

Board of Directors
Central and South West Corporation



Donald M. Carlton was born in Houston, Texas, in 1937. He has a Ph.D. in organic chemistry from the University of Texas at Austin and a B.A. in chemistry from the University of St. Thomas in Houston.

Dr. Carlton served as president and chairman of the board of Radian Corporation from 1969 to 1995. In January 1996, he became president and chief executive officer of Radian International LLC in Austin.

Carlton is a director of National Instruments, Van Kampen American Capital Closed End Funds and Common Sense Trust, and Hartford Steam Boiler Inspection and Insurance Company.

Carlton and his wife, Elaine, have three children.

G-16



Jim Ellis

Chairman and Chief Executive
Officer, SEEBOARD plc

Board of Directors
Central and South West Corporation



Jim Ellis is the chairman and chief executive of SEEBOARD plc in Crawley, West Sussex, England. He joined SEEBOARD in 1967 from Yorkshire Electricity Board. In 1981 he became marketing manager and was appointed commercial director in 1985.

After privatization of the electric industry in England, he became chief executive of SEEBOARD plc in January 1992. In January 1996 he was appointed chairman of SEEBOARD and also joined the board of directors at Central and South West Corporation as a result of the merger of the two companies.

Ellis, 55, is a Chartered Engineer and is also a Fellow of the Royal Society of Arts, a Fellow of the Institute of Electrical Engineers and Companion of the Institute of Management. He is a director of a number of companies in the UK and is a board member of the Sussex Chamber of Commerce Training and Enterprise Council and Brighton West Pier Trust.

He is very active in the business community, including being a regional councillor of the Confederation of British Industry and a member of the CBI Economic Affairs Committee.

Ellis was born in Rotherham, Yorkshire in England in 1942. He earned a degree in electrical engineering at Rotherham College of Technology. He and his wife Janet have three children.

6-17



Glenn Files

Executive Vice President
Central and South West Corporation



Glenn Files is executive vice president of Central and South West Corporation in charge of electric operations and President and CEO of CSW Electric.

Files joined a CSW subsidiary, Public Service Company of Oklahoma in 1971 and worked in accounting, customer service, and operations areas. He was named Vice President of Marketing and Business Development at Central Power and Light Company in 1990 and elected president and chief executive officer at West Texas Utilities in 1992, both CSW subsidiaries. He was promoted to his present position in April, 1996.

Files holds a Bachelor of Science degree from Cameron University in Lawton, Oklahoma. He graduated from the Oklahoma State University Management Development Program, the University of Virginia's Managing Critical Resources program, and Harvard Business School's Program for Management Development. He served in the United States Army from 1967 to 1969.

Files has been active in the Boy Scouts of America, numerous Chambers of Commerce and United Way organizations. He serves on the Board of Directors of Public Service Company of Oklahoma, Southwestern Electric Power Company, Central Power and Light and West Texas Utilities. He is a director of the Central Dallas Association and the Association of Edison Illuminating Companies. He is a member of the Edison Electric Institute Policy Committee on Environmental Affairs and Steering Committee on Utility Finance and Regulation. He also serves on the board of Texas Council on Economic Education and Texas Association of Business & Chambers of Commerce.

Files and his wife, Linda Reilly, are parents of six children: Ryan, Natalie, Preston, Alan, Lesley, and Elizabeth.



Joe H. Foy

Board of Directors
Central and South West Corporation



Joe H. Foy is a retired partner of the law firm Bracewell & Patterson, L.L.P., in Houston. He now resides in Kerrville, Texas. He has been on the board of directors of Central and South West Corporation since 1974.

Foy was born in Henderson, Tennessee, and attended Freed-Hardeman Junior College. He received a B.A. degree from Georgia Tech in 1948 and his J.D. degree from Vanderbilt University in 1959. At Vanderbilt, he was a member of Order of the Coif, Phi Delta Phi, Omicron Delta Kappa, Vanderbilt Law Review and Alpha Tau Omega. At Georgia Tech, he was a member of Tau Beta Pi. He was commissioned as an Ensign in the U. S. Navy Reserve in October 1945.

He was an attorney with the City of San Angelo, Texas, and a partner with a San Angelo law firm from 1951 to 1965. He then became vice president and general counsel of Houston Natural Gas Corporation. He held various positions with that company and eventually became vice chairman of the board.

He is on the board of directors at Enron Corporation and on the board of trustees of Freed-Hardeman University. Foy is also a member of the Harris County, State of Texas and America Bar Associations. He is a Charter Fellow of the Texas Bar Foundation and a Fellow of the American Bar Foundation.

Foy is married to the former Martha Lowe Overall and has two children.

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William R. Howell

Board of Directors
Central and South West Corporation



William R. Howell is chairman emeritus of the J.C. Penney Company, Inc.

Howell started with J.C. Penney Company in 1958 as a management trainee in Tulsa, Oklahoma. He subsequently held a variety of store management positions in Norman and Oklahoma City. He held several supervisory and executive positions with J.C. Penney before becoming executive vice president and a company director in 1981. In 1982 he became vice chairman of the board of directors and was elected chairman of the board and chief executive officer in 1983. He relinquished the title of CEO in January 1995 and chairman of the board in January 1997.

He was born in 1936 in Claremore, Oklahoma. He graduated in 1958 from the University of Oklahoma with a B.B.A in business management. He also has Honorary Doctor of Humane Letters degrees from St. Peter's College in New Jersey and from the University of Oklahoma.

He is a director of Exxon Corporation, Warner-Lambert Company, Bankers Trust, Halliburton Company and The Williams Companies, Inc.

Howell is past chairman and a member of the executive committee of the National Retail Federation. He is a member of The Business Council, The Business Roundtable, American Management Association and many other professional organizations.

Among his numerous civic activities, he is a past board member of the President's Oklahoma City Scholarship Fund Advisory Board, the United Way of America, the National Organization on Disability, the United Way of Metropolitan Dallas, the Dallas Museum of Art and the National Urban League. He also served as chairman of the Dallas Citizens Council During 1995 and 1996.

He is currently chairman of the board of trustees of Southern Methodist University and serves on the Chairman's Advisory Council of the National Minority Suppliers Development Council.

Howell and his wife, Judy, have two daughters.

6-20



Dr. Bob Lawless

Board of Directors
Central and South West Corporation



Robert W. Lawless was named president of The University of Tulsa on May 1, 1996. Previously, Dr. Lawless served as president and chief executive officer of Texas Tech University and Texas Tech University Health Sciences Center from 1989 to 1996. Prior to joining Texas Tech, he served as vice president-finance and chief financial officer and as executive vice president and chief operations officer for Southwest Airlines in Dallas.

He has a Ph.D. from Texas A&M University in chemistry. He has a bachelor of science degree from the University of Houston in mathematics and chemistry and an associate of science from Lee College.

Dr. Lawless has published extensively in professional journals and has presented papers at national and international meetings.

He serves as chairman, Division I, NCAA President's Commission and as a member of the board of directors of Salomon Brothers Mutual Funds. He is also a member of the Hillcrest Healthcare System board of trustees in Tulsa and the Metropolitan Tulsa Chamber of Commerce board of directors. From 1990 to 1992, he served as chairman of the board of directors for the College Football Association.

A native Texan, Dr. Lawless was born in Goose Creek in 1937. He and his wife, Marcy, have four adult children and one granddaughter.

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James L. Powell

Board of Directors
Central and South West Corporation



James L. Powell raises commercial Hereford and Angus cattle on ranches in Schleicher, Sutton and Edwards Counties in Texas and also in Nebraska. In 1990 he was inducted into the International Stockmen's School Hall of Fame; in 1987 he was named "Man of the Year in Texas Agriculture" by *Progressive Farmer* magazine.

Powell was born in San Angelo, Texas, in 1930. He received a bachelor's degree from Rice University in 1951 and did graduate work at the University of Texas at Austin. He served as a Lieutenant J.G. in the U.S. Navy from 1952 to 1954.

He is a trustee of the West Texas Boys Ranch Foundation and a director on the board of Southwest Bancshares, Inc. He is on the University of Texas Chancellor's Council, the Board of Visitors for M.D. Anderson Hospital in Houston and a member of Rice Associates.

Powell has also served as a member of the Secretary of Agriculture's Technical Advisory Committee for Multilateral Trade Negotiations and in other governmental appointments. He is a former director of Texas Commerce Bancshares in Houston, Texas; Texas Commerce Bank of San Angelo, Texas; First National Bank of Eldorado, Texas; and Crockett County National Bank of Ozona, Texas. He was previously chairman of First National Bank of Mertzon and is presently an advisory director.

Powell is married to the former Nancy Hunt and has two daughters.

6-22



Richard L. Sandor

Board of Directors
Central and South West Corporation



Richard L. Sandor is chairman and chief executive officer of Centre Financial Products Limited. Sandor also serves as chairman of the board of Hedge Financial Products, Inc., a wholly owned subsidiary of CNA Financial Corporation, as second vice chairman of the Chicago Board of Trade.

He serves on the International Advisory Board of the Marche a Terme International de France (MATIF) and on the Financial Products Advisory Committee of the Commodity Futures Trading Commission.

He also is a member of the board of directors of the Center for Sustainable Development in the Americas and is an adviser to the United Nations Commission on Trade and Development on tradable entitlements for reduction of greenhouse gas emissions.

Sandor received his bachelor of arts degree from City University of New York, Brooklyn College, and earned his Ph.D. in economics from the University of Minnesota in 1967.

He is on the Board of Governors of The School of the Art Institute of Chicago, is a major benefactor of The Art Institute of Chicago and is a director of the International Center of Photography in New York.

Sandor and his wife Ellen have two daughters.

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Thomas V. Shockley III

Director, President, and
Chief Operating Officer
Central and South West Corporation

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Thomas V. Shockley is director, president and chief operating officer of Central and South West Corporation and president and chief executive officer of CSW Enterprises.

Shockley joined Central Power and Light Company, a Central and South West subsidiary, in 1970 as an engineer and worked in the planning, industrial marketing and fuels departments until 1977 when he left CPL to enter private business. He rejoined the company in 1983 as executive assistant for special projects and was named executive director of fuels and nuclear in 1984. He was named a CPL vice president in 1985, chief engineering officer of the unit in 1986 and senior vice president later that year. He was named president and chief executive officer of Central Power and Light Company in 1987. He became senior vice president of CSW in 1990 and executive vice president later that year. He was elected to CSW's board in January 1991. In 1993, he was named president and chief executive officer of CSW Enterprises. He was elected to his present position July 17, 1997.

A native of Corpus Christi, Texas, he received a bachelor of science degree in electrical engineering from Texas A&I University in 1967 and a master of science degree in electrical engineering from the University of Texas at Austin in 1969. He also is a graduate of the Advanced Management Program at Harvard University and the Public Utility Executive Program at the University of Michigan.

Shockley serves on the Advisory Council of the College of Natural Sciences Foundation at the University of Texas at Austin and the University of Texas at Dallas School of Management. He is a member of the board of directors of the Texas State Aquarium Association and is a member of the Citizens' Commemorative Coin Advisory Committee for the U.S. Mint. He is a Registered Professional Engineer in Texas.

Shockley and his wife, Dorothy, have two children and 1 granddaughter.

HE-9



Lloyd D. Ward

Board of Directors
Central and South West Corporation



Lloyd D. Ward is executive vice president of Maytag Corporation and president of Maytag Appliances. He has operating responsibility for Maytag Appliances, which is the consolidated business unit for Maytag, Jenn-Air, Magic Chef and Admiral home appliances.

Ward joined Maytag in April 1996. Previously, he was president of PepsiCo's Frito-Lay, Central Division, and on special assignment in PepsiCo's Restaurant International business. Prior to joining PepsiCo in 1988, he was with Procter & Gamble Co.

Ward serves on the board of directors of the Michigan State Alumni Association, the Executive Leadership Council in Washington, D.C., and the Sigma Pi Phi Fraternity.

His special recognitions include being named to the list of "America's Best & Brightest Business & Professional Men and Women" by Dollars and Sense Magazine in 1995, "Executive of the Year" by Black Enterprises, in 1995, and the "Jack Breslin Lifetime Achievement Award" by Michigan State University in 1996.

Ward holds an engineering degree from Michigan State University and an M.B.A. from Xavier University in Cincinnati, Ohio. A native of Michigan, he and his wife, Lita, have two grown sons.

6-25

than nine nor more than fifteen, as may be fixed from time to time by resolution adopted by a majority of the entire Board. No decrease in the number of Directors on the Board may shorten the term of any incumbent director. The majority of the Board may adopt a resolution to increase the number of directors to not more than fifteen and may elect a new director or directors to fill any such newly created directorship. Similarly, vacancies occurring on the Board for any reason may be filled by majority vote of the remaining directors. Any such Board-elected director will hold office until the Corporation's next annual meeting of stockholders and the election and qualification of a successor.

WP/FLAHERTY
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Under the Corporation's Certificate of Incorporation, any director may be removed from office by the stockholders of the Corporation only for cause and only by the affirmative vote of the holders of at least 80 percent of the voting power of the outstanding shares of Common Stock.

[*10]

Meetings and Compensation

The Board held 6 regular meetings and 4 special meetings during 1996. Directors who are not also officers and employees of the Corporation receive annual cash director's fees of \$12,000 for serving on the Board and a fee of \$1,250 per day plus expenses for each meeting of the Board or committee attended. In addition, the Corporation has a Directors Restricted Stock Plan pursuant to which directors receive \$12,000 annually in restricted stock of the Corporation. Beginning in 1997, the 1997 Director's Compensation Plan will award non-employee directors an annual award of 600 phantom stock shares which vest upon termination from the Board and are then converted into one-for-one shares of Common Stock. The Board has standing Policy, Audit, Executive Compensation and Nominating Committees. Chairmen of the Audit, Executive Compensation and Nominating Committees receive annual fees of \$6,000, \$3,500 and \$3,500, respectively, to be paid in cash in addition to regular directors' and meeting fees. Directors who are also officers and employees of the Corporation receive no annual retainer or meeting fees.

The Corporation maintains a memorial gift program for all of its current directors, directors who have retired since 1992 and certain executive officers. There are 16 current directors and executive officers and 11 retired directors and officers eligible for the memorial gift program. Under this program, the Corporation will make donations in a director's or executive officer's name for up to three charitable organizations in an aggregate of \$500,000, payable by the Corporation upon such person's death. The Corporation maintains corporate-owned life insurance policies to fund the program. The annual premiums paid by the Corporation are based on pooled risks and averaged \$16,402 per participant for 1996; \$16,367 per participant for 1995; and \$17,013 per participant for 1994.

92-26

Non-employee directors are provided the opportunity to enroll in a medical and dental program offered by the company. This program is identical to the employee plan and directors who elect coverage pay the same premium as active employee participants in the plan. If a non-employee director terminates his service on the board with ten or more years of service, that director is eligible to receive retiree medical and dental benefits coverage from the corporation.

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The Corporation has retained Glenn Biggs under a Memorandum of Agreement to pursue special business development activities in Mexico on behalf of the Corporation. This agreement, which provides for a monthly fee of \$10,000, lasts through December 31, 1997 and may be extended by mutual agreement between Mr. Biggs and the Corporation.

All current directors attended more than 75 percent of the total number of meetings held by the Board and each committee on which such directors served in 1996, except for Lloyd D. Ward who attended 72% of the total meetings.

Board Committees

Policy Committee. The Policy Committee, currently consisting of Messrs. Brooks (Chairman), Foy, Lawless and Powell, held 9 meetings in 1996. The Policy Committee reviews and makes recommendations to the Board concerning major policy issues, considers the composition, structure and functions of the Board and its committees and reviews existing corporate policies and recommends changes when appropriate. The Policy Committee has authority to act as and on behalf of the Board when the full Board is not in session.

[*11]

Audit Committee. The Audit Committee, currently consisting of Ms. Boren and Messrs. Biggs, Carlton, Lawless (Chairman), Powell and Templeton, held 4 meetings in 1996. The Audit Committee recommends to the Board the independent public accountants to be selected; discusses with the internal auditors and independent public accountants the overall scope, plans and results of their audits, and their evaluations of internal controls and the overall quality of the Corporation's accounting and financial reporting practices; facilitates any private communication with the Committee desired by the internal auditors or independent public accountants; discusses with management, internal auditors and the independent public accountants the Corporation's accounting and financial reporting principles and policies; monitors the program to ensure compliance with the Corporation's business ethics policy; and may direct and supervise an investigation into any significant matter brought to its attention within the scope of its duties.

Executive Compensation Committee. The Executive Compensation Committee, currently consisting of Ms. Boren and Messrs. Foy (Chairman), Lawless, Templeton and Ward, held 6 meetings in 1996. The Executive Compensation Committee determines the executive compensation

Telecomm

AEP/CSW
Synergies Refinement

SYNERGIES SUMMARY

Savings Area: Telecommunications

AEP Position:

AEP's 1998 budgeted telecommunications services expense is \$13.5 million, including leased lines, switched network and cellular expenses. The company's primary interexchange carrier is AT&T.

CSW Position:

CSW has budgeted \$11.0 million for telecommunications services in 1998, including leased lines, switched network and cellular/paging. CSW's primary interexchange carrier is MCI.

Ten Year Savings (\$000):

<input type="checkbox"/> Capital	\$ 0
<input type="checkbox"/> O&M - Expense	\$ 29,146
<input type="checkbox"/> O&M - Revenue Requirements	\$ 0
<input type="checkbox"/> Total	\$ 29,146 H-2

Rationale for Savings:

Savings will be realized in purchasing power and vendor consolidation for all areas of service.

Basis for Calculation:

Savings of 10% on combined expenses can be realized from vendor consolidation and increased purchasing power due to higher volume of both leased lines and total network traffic.

Key Assumptions:

- Historical usage is indicative of future levels.
- All services other than local exchange will be consolidated under a single carrier.

H-1

Telecommunications

1999 Total Savings (\$000) \$2,524 *H-3*
1999 Capital Savings (\$000) \$0

Percentage of Savings Capitalized 0.0%
Fixed Charge Cost 0.0%
Inflation Rate 3.0%

Partial Year Savings 75%

Annual Savings

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Annual Savings Amount	\$1,893	\$2,599	\$2,677	\$2,758	\$2,840	\$2,925	\$3,013	\$3,104	\$3,197	\$3,293	\$848	\$29,146
O&M Savings	\$1,893	\$2,599	\$2,677	\$2,758	\$2,840	\$2,925	\$3,013	\$3,104	\$3,197	\$3,293	\$848	\$29,146
Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0

Cumulative Capital Savings

Cumulative Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed Charge Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M and Fixed Charge Savings	\$1,893	\$2,599	\$2,677	\$2,758	\$2,840	\$2,925	\$3,013	\$3,104	\$3,197	\$3,293	\$848	\$29,146 <i>H-1</i>

Telecommunications
(Dollars in thousands)

Escalation	3.0%
Number of Years	1

1998 Budget	AFP	CSW	Combined
Voice and Video		\$ 5,100 H-6	
Leased Lines		3,800	
Cellular and Paging		2,100	
Total Telecommunications Services	13,500 H-4	11,000	24,500
Savings Percentage	10%		
Total Savings - 1998			\$ 2,450

Total Savings - 1999 \$ 2,524 H-2

Telecommunications
(Dollars in thousands)

Excitation
Number of Lines

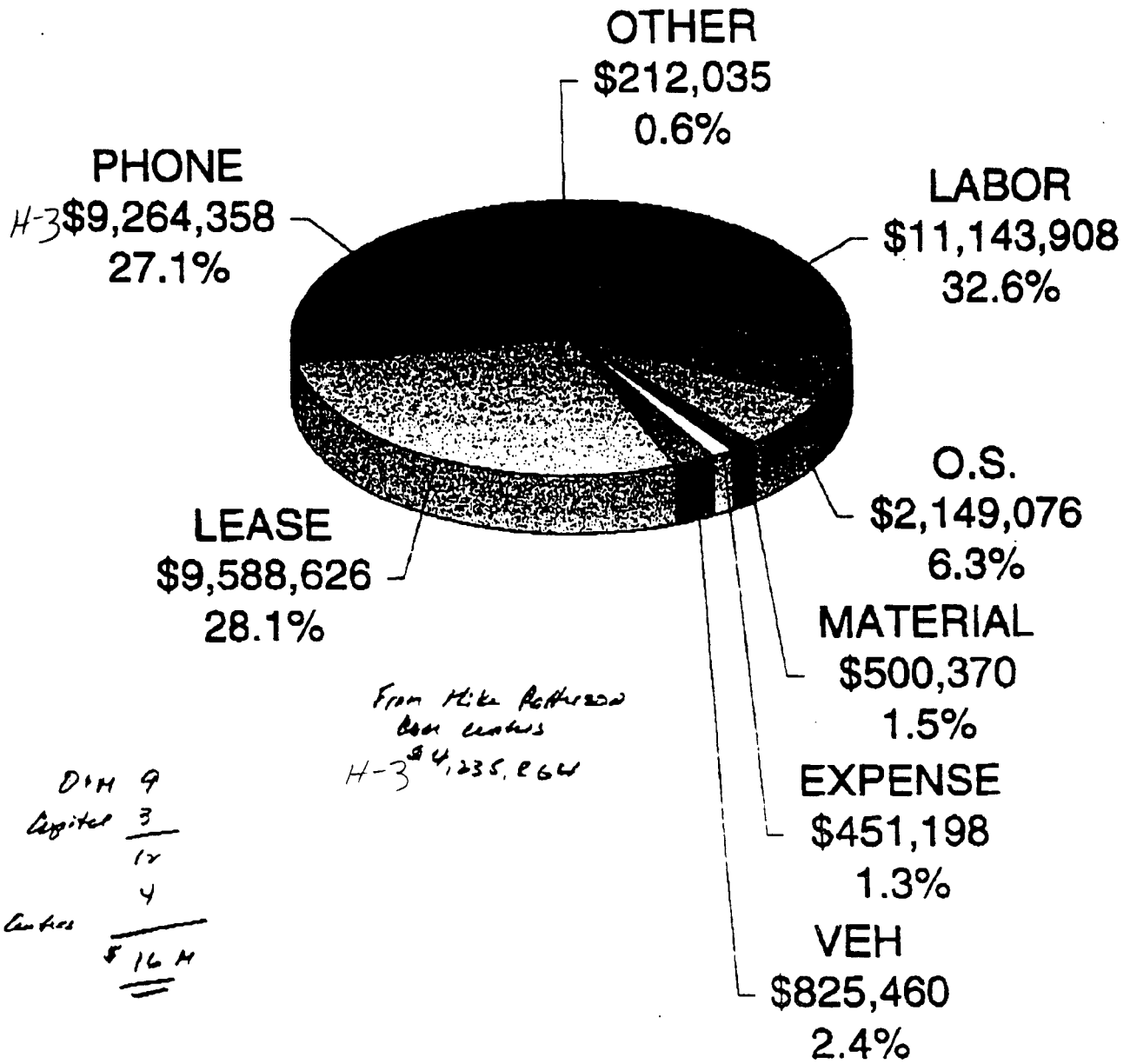
	<u>AEP</u>	<u>CSW</u>	<u>Combined</u>
1998 Budget		\$ 5,100 H-6	
Voice and Video		3,800 H-6	
Leased Lines		2,100 H-6	
Cellular and Paging			
Total Telecommunications Services	13,500 H-4	11,000 H-6	24,500
Savings Percentage			10%
Total Savings - 1998			\$ 2,450
Total Savings - 1999			\$ 2,524 H-2

H-3

1998 O&M Budget

WP/FLAHERTY
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TELECOM \$34,135,031



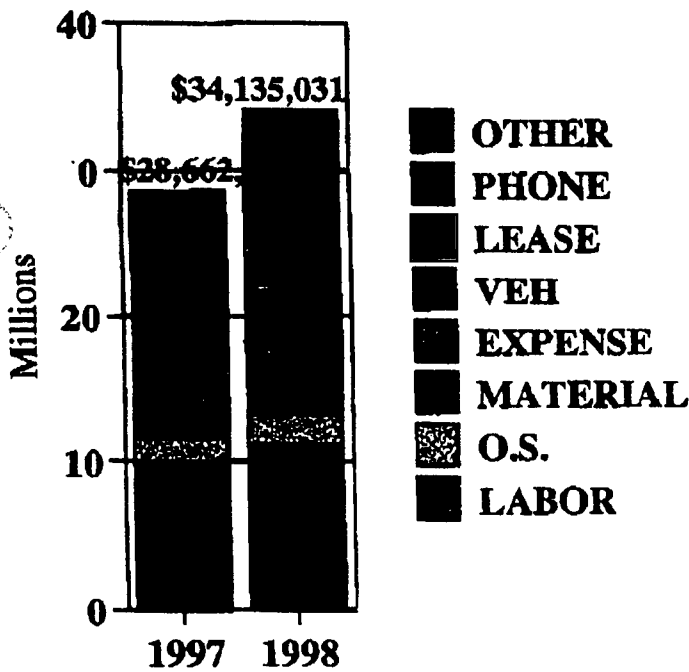
*From Mike Rothman
Call centers
H-3 \$4,235,264*

<i>DIM</i>	<i>9</i>
<i>Capital</i>	<i>3</i>
	<i>12</i>
	<i>4</i>
<i>Call Centers</i>	<i>164</i>

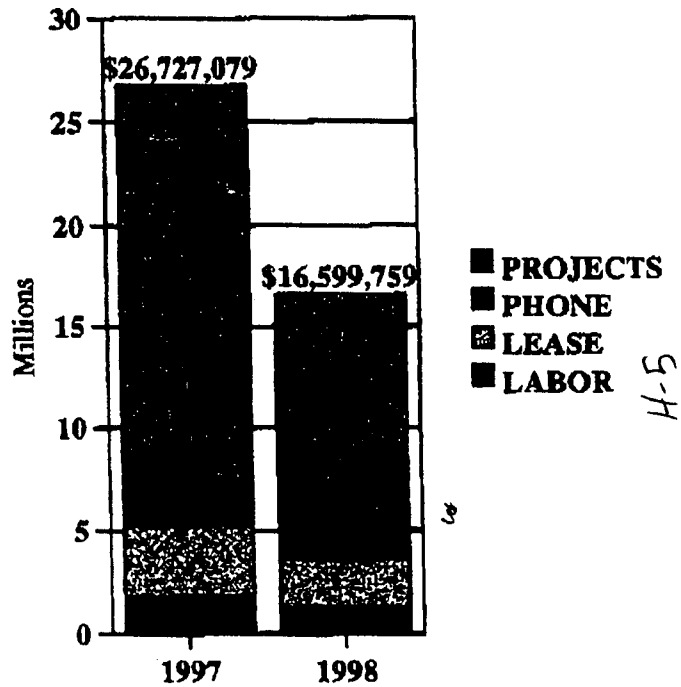
H-4

TELECOM BUDGET

1997 vs 1998 O&M



1997 vs 1998 CAPITAL



427-2133 ~~Went~~

1998 Budget - CSW Telecom

Voice & Video (200 and local)	\$5.1	H-3
Leased Local Loop Data Circuit	\$3.8	H-3
Cellular & Paging	\$2.1	H-3
	11.0	H-3

SW Bell - \$0.22/min.

Mike Patterson - AEP 909-4755

Dave Ginstanski: (614) 223-3589

Ferry Davis 923-3553

H-6

Insurance

AEP/CSW

Synergies Refinement

SYNERGIES SUMMARY

Savings Area: Insurance

AEP Position:

AEP's 1997 insurance premiums totaled \$14.9 million broken down as follows: Property insurance - \$5.8 million; General/Excess liability - \$6.4 million; D&O liability - \$1.1 million; Workers' Comp. - \$770K; Fiduciary & Crime - \$140K; Other - \$725K.

CSW Position:

CSW's 1997 insurance premiums totaled \$15.7 million broken down as follows: Property insurance - \$6.9 million; General/Excess liability - \$6.6 million; D&O liability - \$1.3 million; Workers' Comp. - \$446K; Fiduciary & Crime - \$160K; Other - \$300K.

Ten Year Savings (\$000):

<input type="checkbox"/> O&M Savings	\$ 70,502
<input type="checkbox"/> Capital Savings	\$ 0
<input type="checkbox"/> Revenue Requirements Savings	\$ 0
<input type="checkbox"/> Total Savings	\$ 70,502 <i>I-2</i>

Rationale for Savings:

The combined company will be able to extend its coverage with its carriers over a larger asset and loss experience base which will reduce its overall cost. Combination of the insurance programs will also provide an opportunity to reassess needed coverage levels and related deductibles based on the loss experience and risk profile of the combined company.

Basis for Calculation:

Insurance savings were estimated at 15% of combined insurance costs for property insurance, and workers' comp. Savings in the areas of general/excess liability, D&O liability, and fiduciary & crime were estimated at 20%. Savings in other insurance were estimated at 50% of the smaller company.

Key Assumptions:

- Total insurance program to be administered as a combined company rather than as two separate entities.
- Similar risk management philosophies at both companies.
- Combination of each insurance coverage with a single broker.
- Nuclear property insurance excluded from analysis.

I-1

Insurance

1999 O&M Savings (\$000) \$5,814 *J-3*
1999 Capital Savings (\$000) \$0

Percentage of Savings Capitalized 0.0%
Fixed Charge Cost 0.0%
Inflation Rate 4.0%

Partial Year Savings 75%

Annual Savings

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Annual Savings Amount	\$4,361	\$6,047	\$6,288	\$6,540	\$6,802	\$7,074	\$7,357	\$7,651	\$7,957	\$8,275	\$2,152	\$70,502
O&M Savings	\$4,361	\$6,047	\$6,288	\$6,540	\$6,802	\$7,074	\$7,357	\$7,651	\$7,957	\$8,275	\$2,152	\$70,502
Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0

Cumulative Capital Savings

Fixed Charge Savings \$0

Total O&M and Fixed Charge Savings \$4,361

	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$4,361	\$6,047	\$6,288	\$6,540	\$6,802	\$7,074	\$7,357	\$7,651	\$7,957	\$8,275	\$2,152	\$70,502 <i>J-1</i>

I-2

Insurance (000)

	Escalator Number of Years	4.0% 2	AEP		CSW	Total	Savings % (1)		1997	1999
			1-4	1-5			Savings	Savings		
Non-Nuclear:										
Property Insurance			5,785	6,896	12,680	15% Combined	1,902	2,057		
Liability (?)			6,395	6,566	12,961	20% Combined	2,592	2,804		
D&O Liability			1,134	1,293	2,427	20% Combined	485	525		
Workers' Comp.			768	446	1,214	15% Combined	182	197		
Fiduciary & Crime			141	160	301	20% Combined	60	65		
Other			725	307	1,032	50% Smaller	154	166		
Total:			14,947	15,667	30,615	Total	5,375	5,814		

(1) Savings Percentages Based on the Average of the Two Estimates From D.W. Payne (AEP) and Cindy King (CSW) - See Attachment A
 (2) For AEP, Liability Includes Excess, General, Automobile, and Professional.
 For CSW, Liability Includes Excess, General, Commercial General, and General.

I-3

Insurance Costs - AEP Internal Data (1/24/98)

WP/FLAHERTY
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	<u>1997 Non-Nuclear</u>	<u>1997 Nuclear</u>	<u>Total 1997 Cost</u>
Excess Liability	5,811,600 I-8	226,506	6,038,106
Property Insurance	I-3 5,784,690 I-8	1,043,174	6,827,864
D&O	I-3 1,134,000 I-8	126,000	1,260,000
Machinery	0	0	0
Workers Comp	I-3 768,000 I-8	12,000	780,000
Fiduciary & Crime	I-3 141,000 I-8	17,000	158,000
General Liability	5,200,000 I-8	200,000	5,400,000
Automobile Liability	883,000 I-8	5,000	888,000
Wet Marine	I-3 725,000 I-8	0	725,000
Prof. Liab.	200,000 I-8	0	200,000
<i>less Accruals for Liability</i>	<u>(5,700,000)</u>		<u>(5,700,000)</u>
Total	I-3 14,947,290	1,629,680	16,576,970

Subtotal For Liability (1)

Excess Liability	5,811,600
General Liability	5,200,000
Automobile Liability	883,000
Professional Liability	200,000
Total	<u>12,094,600</u>
<i>less Accruals for the Above</i>	<u>(5,700,000)</u>
Net	I-3 6,394,600

(1) Per Conversation with AEP (D.W. Payne), \$5.7M of the \$12.095M of 1997 Reported Premiums is for Accruals.

I-4

Insurance Costs - CSW Internal Data (1/26/98)

	Total 1997 Cost	Nuclear	Total Non-Nuclear	Coverage	Deductible	Cost per Dollar
[2] Excess Liability	6,344,785		6,344,785	\$210M	\$1M	0.030213
[1] Property Insurance	2,977,625		2,977,625	\$1B	\$1M	0.002978
[3] D&O	1,292,997 <i>I-3</i>		1,292,997	\$210M	None	0.006157
[1] Machinery & Boiler	2,863,593		2,863,593	\$550M	\$1M	0.005207
[4] Excess Workers' Comp	421,153		421,153	\$35M	\$1M	0.012033
[5] Crime	91,300		91,300	\$35M	\$50K	0.002609
[5] Fiduciary	59,900		59,900	\$25M	\$50K	0.002396
[2] Aircraft Liability	42,600		42,600	\$37.2M	None	0.001145
[6] Executive Umbrella	24,360		24,360	\$5M	None	0.004872
[6] Submerged Cable	27,198		27,198	\$22.7M	\$5K	0.001198
[6] World Wide	5,000		5,000	\$1M	None	0.005
[6] Mail Bond	16,090		16,090	\$10M	\$5K	0.001609
[6] Vehicle-Boston	2,129		2,129	\$1M	None	0.002129
[6] Vehicle-TX	23,599		23,599	\$1M	None	0.023599
[6] Vehicle-VA&OK	3,955		3,955	\$1M	None	0.003955
[5] Special Crime	8,333		8,333	\$25M	None	0.000333
[6] Rio Pecos GL	987		987	\$250K	None	0.003948
[2] General Liability-VA	733		733	\$2M	None	0.000367
[4] Workers' Comp - VA	1,320		1,320	\$1M	None	0.00132
[6] Aircraft Spare Parts	41,969		41,969	\$7.64M	None	0.005493
[6] Arklahoma	34,775		34,775	\$25M	\$200K	0.001391
[6] Extra Expense	371,482	371,482	0			
[1] Property STP	906,313	906,313	0			
Cogeneration Facilities						
[4] Workers' Comp	23,127		23,127	\$1M	None	0.023127
Altamira-Mexico						
[6] Transit	4,143		4,143	\$1.8M	10% of Each Loss	0.002302
Brush-Colorado						
[1] Property	158,815		158,815	\$53.5M	\$50K	0.002969
[2] Commercial Gen. Liability	21,962		21,962	\$2M	\$1K	0.010981
[6] Business Auto	198		198	\$1M	\$50K	0.000198
[6] Excess Liability	20,275		20,275	\$14M	None	0.020275
Ft. Lupton-Colorado						
[1] Property	264,132		264,132	\$174.9M	\$250K	0.00151
[2] Commercial Gen. Liability	49,921		49,921	\$2M	None	0.024961
Mulberry-Florida						
[1] Property	316,548		316,548	\$148M	\$100K	0.002139
[2] General Liability	20,351		20,351	\$2M	None	0.010176
[6] Auto	2,370		2,370	\$1M	\$500 Collision; \$250 Compr.	0.00237
[6] Umbrella	28,070		28,070	\$24M	None	0.00117
[6] Stipulated Loss	27,567		27,567	\$27.6M	None	0.000999
Mulberry-Ethanol						
[2] General Liability	5,000		5,000	\$1M	\$10K	0.005
[6] Umbrella	8,750		8,750	\$10M	None	0.000875
[6] Auto	1,874		1,874	\$1M	None	0.001874
New Gulf-TX						
[2] Excess Liability	6,032		6,032	\$35M	\$1M	0.000172
Orange-FLA						
[1] Property	315,000		315,000	\$101.5M	\$100K	0.003103
[6] Extra Expense	8,000		8,000			
[2] General Liability	19,665		19,665	\$2M	\$1K	0.009833
[6] Umbrella	26,000		26,000	\$24M	None	0.001083
Sweeny-TX						
[2] Excess Liability	55,150		55,150	\$226.1M	\$100K	0.000244
Total	16,945,146	1,277,795	15,667,351			

Break-Down of Insurance Categories:

- [1] Property - 6,506 *I-3*
- [2] Liability - 6,896 *I-3*
- [3] D&O Liability
- [4] Workers' Compensation
- [5] Fiduciary & Crime
- [6] Other

Ames Electric Power Service Confidential

Category	TOTALS		1997 electric	1997 nuclear	1998 electric	1998 nuclear	1998 nuclear	Comments
	1997	1998						
1 Excess Liability	\$6,038,106	\$6,025,000	\$5,811,600	\$226,506	\$5,800,000	\$225,000		Includes Nuclear ICRP refunds
2 Property Insurance	\$6,827,864	\$6,950,000	\$5,784,690	\$1,043,174	\$5,700,000	\$1,250,000		Nucl. includes \$3M credit distribution which may not continue in future.
3 D&O	\$1,260,000	\$1,260,000	\$1,134,000	\$126,000	\$1,134,000	\$126,000		
4 Machinery		incl	incl	incl	incl	incl		
5 Workers Comp	\$780,000	\$780,000	\$768,000	\$12,000	\$768,000	\$12,000		Does not include self-insured payments or reserves.
6 Fiduciary & Crime	\$158,000	\$158,000	\$141,000	\$17,000	\$141,000	\$17,000		
7 General Liability	\$5,400,000	\$5,400,000	\$5,200,000	\$200,000	\$5,200,000	\$200,000		Includes accruals for retained losses.
8 Automobile Liability	\$888,000	\$888,000	\$883,000	\$5,000	\$883,000	\$5,000		Includes accruals for retained losses.
9 Wet Marine	\$725,000	\$725,000	\$725,000	\$0	\$725,000	\$0		
10 Prof. Liab.	\$200,000	\$200,000	\$200,000	\$0	\$200,000	\$0		
Vendors - 1997								
1 Zurich, EIM, EIB, Lexington, ANI								
2 IRI, Chubb, MOAC, Travelers, Lexington, Houston Casualty, CNA, NML, NEIL								
3 AEGIS, Chubb, CNA, Great American, EIM								
4								
5 GENESIS, EIB								
6 Chubb, Arkwright								
7 Chubb, Travelers								
8 Chubb								
9 West of England, Mutual Marine, Royal, St. Paul								
10 Lloyd's								

12.0 INSURANCE

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Cindy King

Category:	1996 Cost:	Planned 1997 Cost:	% Affri- butable to Electric Operations:	% Affri- butable to Gas Operations:	% Affri- butable to Nuclear Operations:	Vendor:	Notes / Comments:
Excess Liability	\$5,655,069	\$6,344,785	100%			AEGIS	CSW self insured for first million
Property Insurance	\$3,411,122	\$2,977,625	100%			AEGIS	CSW self insured for first million
O&O	\$1,550,979	\$1,292,997	100%			AEGIS, ACE, EIM, Chubb	Star Limit of \$205 million
Machinery & Boiler	\$3,058,847	\$2,863,593	100%			HSB	CSW self insured for first million
Excess Workers' Comp	\$311,532	*\$421,153	100%			AEGIS	CSW is approved self-insurer in OK, LA, & AR
Crime	\$48,180	**\$91,300	100%			Federal Ins. 20 mil. AEGIS 35 mil	Computer Fraud/Fund Transfer
Liability	\$66,500	\$59,900	100%			National Union Fire	Cost spread over aircraft
Aircraft Liability	\$68,179	\$42,600	100%			Chubb	\$5 million limit
Recrutive Umbrella	\$25,375	\$24,360	100%			St. Paul	Central Power and Light only
Submerged Cable	\$27,198	\$27,198	100%			Ins. Co. of State of PA	Includes Tourist Auto, Mexico City Auto, Property
World Wide	\$6,213	\$5,000	100%			St. Paul Seaboard	
Mail Bond	\$18,250	\$16,090	100%			St. Paul	Coverage for Martin Dix -- vehicle as of 10/01/97
Vehicle - Boston	xxxxxxx	\$2,129	100%			St. Paul	Coverage for leased vehicles
Vehicle - TX	\$43,356	\$23,599	100%			St. Paul	Coverage for leased vehicles
Vehicle - VA & OK	\$7,760	\$3,955	100%			TX Pacific Indemnity	Kidnap & Ransom
Special Crime	\$8,333	\$8,333	100%			St. Paul	For swimming pool on plant property
Rio Pecos GL	\$962	\$987	100%			Lumberman's Mutual	Property in Washington, D.C.
General Liability	\$733	\$733	100%			Lumberman's Mutual	Coverage for employees in Washington, D.C.
Workers' Comp	\$1,807	\$1,320	100%			CNA	Comprehensive equipment protection
Aircraft Spare Parts	\$65,445	\$41,969	100%				SWEPSCO owns 47.6% substation & transmission line
Arkahoma	\$34,775	\$34,775	100%				Business Interruption and/or Extra Expense
Extra Expense	\$321,397	\$371,482			100%	NEIL	Nuclear property coverage
Property STP	\$1,118,408	\$906,313			100%	ANI & NEIL	

** Added Seaboard and increased limits
 • 1997 CSW purchased from CIGNA a high deductible policy since AEGIS is not admitted in all states. CIGNA policy allowed CSW to show workers' comp in 50 states for \$94,515.

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ATTACHMENT C

CSW

12.0 INSURANCE

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Cindy King

Category:	1996 Cost:	Planned 1997 Cost:	% Attri- butable to Electric Operations:	% Attri- butable to Gas Operations:	% Attri- butable to Nuclear Operations:	Vendor:	Notes / Comments:
Cogeneration Facilities							
Workers' Comp	\$30,690	\$23,127				American Interstate	Florida coverage for CSW Dev 1 & CSW Energy
Altamira - Mexico	\$171,795	xxxxxxx				ASEMEX - Aseguradora	All-Risk Builders Risk 8/10/96-3/10/99
Altamira	\$138,811	\$4,143				ASEMEX	Transit
Brush - Colorado	\$14,886	\$158,815				HSB	Property All Risk
	\$962	\$21,962				Aetna	Commercial General Liability
	\$18,300	\$198				Aetna	Business Auto
	\$227,373	\$20,275				Aetna	Excess Liability
St. Lupton - Colorado	\$67,208	\$264,132				HSB	All Risk Property
	\$310,912	\$49,921				Aetna	Commercial General Liability, Auto & Umbrella
Mulberry - Florida	\$31,920	\$316,548				National Union Fire	All Risk Property
	\$1,864	\$20,351				Chubb	General Liability
	\$44,383	\$2,370				Chubb	Auto
	\$18,093	\$28,070				Chubb	Umbrella
	\$31,712	\$27,567				Royal Insurance	Stipulated Loss
	\$38,826	\$5,000				Chubb, Wausau	Commercial General Liability
	\$31,375	\$8,750				Cnubb, Wausau	Umbrella
	\$1,962	xxxxxxx				Zurich	Builder's Risk
	xxxxxx	\$1,874				Chubb	Automobile
	\$30,841	\$6,032				AEGIS	Excess Liability - only in \$35 million primary layer
	\$46,602	\$315,000				HSB	Property All Risk
	\$747,703	\$8,000				Travelers	Extra Expense
	xxxxxx	\$19,665				Chubb	Commercial General Liability
	xxxxxx	\$26,000				Chubb	Umbrella
	xxxxxx	xxxxxxx				HSB	Builders 8/12/96-4/19/99
	xxxxxx	\$55,150				AEGIS	Excess Liability - only in \$35 million primary layer

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12.0 Insurance

AEP/CSW

Synergies Refinement

SYNERGIES SUMMARY

Savings Area: Lines of Credit

AEP Position:

AEP's current credit commitment includes \$700 million in 21 lines with annual commitment fees of \$714,000 and average commitment percentage of 10 basis points.

CSW Position:

Two lines of credit are used for CSW Corporation: an \$800 million five-year line with a 9 basis point commitment fee, and a \$600 million one-year line with a 6 basis point fee. There are additional fees of \$75,000 for syndication and \$36,000 for agency fees. The average commitment percentage including these fees is 8 basis points.

Ten-Year Savings (\$000):

<input type="checkbox"/> Capital	\$ 0
<input type="checkbox"/> O&M - Expense	\$ 1,374
<input type="checkbox"/> O&M - Revenue Requirements	\$ 0
<input type="checkbox"/> O&M - Total	\$ 1,374 <i>J-2</i>

Rationale for Savings:

Combination will allow for the consolidation of stand alone credit facilities from optimized cash management and reduced short term borrowings. Consolidation of the lines will also allow the companies to borrow at the lower commitment fee schedule.

Basis for Calculation:

Newco credit commitment was estimated at \$1.89 billion based on CSW's existing commitment of \$1.4 billion for the two corporate lines of credit and AEP's commitment of \$700 million. Newco credit fees were calculated at \$1.51 million using a blended rate of 8.5 basis points. Savings of \$19,000 (1999 \$) were calculated as the difference between the two stand alone commitment amounts (\$1.72 million) and Newco's amount of \$1.61 million.

Key Assumptions:

Newco's credit requirements will be satisfied at existing commitment rates.

J-1

Lines of Credit

1999 Savings (\$000) \$ 119 *J-3*
 1999 Capital Savings (\$000) \$0

Percentage of Savings Capitalized 0.0%
 Fixed Charge Cost 0.0%
 Inflation Rate 3.0%

Partial Year Savings 75.0%

Annual Savings

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Annual Savings Amount	\$89	\$123	\$126	\$130	\$134	\$138	\$142	\$146	\$151	\$155	\$40	\$1,374
O&M Savings	\$89	\$123	\$126	\$130	\$134	\$138	\$142	\$146	\$151	\$155	\$40	\$1,374
Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0

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Cumulative Capital Savings

Cumulative Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed Charge Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M and Fixed Charge Savings	\$89	\$123	\$126	\$130	\$134	\$138	\$142	\$146	\$151	\$155	\$40	\$1,374

JF

J-2

Lines of Credit (\$000)			
Escalation Rate	3.0%		
Lines of Credit (\$ millions)			
S&P Bond Rating	J-5	AEP	CSW
Estimated Cost	J-5	700	\$ 5-4,400
Assumed Reduction in Credit Line	10.0%	714	\$ 5-4,008
NewCo Line of Credit (millions)			1,722
Average of the Companies' Annual Fees (%)			(210)
			1,890
			0.085%
Estimated NewCo Cost			\$ 1,610
			\$ 112
			\$ 119
			\$ 119
Annual Savings			119

Source:
AEP, CSW Internal Data

Note:
Assume NewCo Bond Rating of A-

J-3

CSW LINE OF CREDIT DETAIL

Credit Lines	Provider	Rating	Credit Limit (\$ millions)	Average Annual % Used	Fee on Undrawn Portion	Fee on Drawn Portion	Costs for Undrawn Portion	Costs for Drawn Portion	Total Annual Costs	Notes/Comments
Line 1	Syndicate (JP Morgan)	A2, P2	600	0%	0.060%	0.275%	\$ 360	\$ -	\$ 360	CSW Corp - 364-day (CP backup)
Line 2	Syndicate (JP Morgan)	A2, P2	800	0%	0.090%	0.275%	720	-	720	CSW Corp - 5-year (CP backup)
Line 3	(1) Syndicate (Bank of New York)	N/A	900	0%	0.075%	0.275%	675	-	675	CSW Credit (CP backup)
Line 4	Syndicate (Citibank) (4)	N/A	335	32%	0.065%	0.150%	148	161	309	CSW Investments (SEEBORD)
Line 5	Club (Wells Fargo)	A2, P2	80	100%	(3)	0.450%	-	270	270	CSWS (Guaranteed by CSW)
			2,695				\$ 1,903	\$ 431	\$ 2,334	

Affectable Credit Lines (Lines 1 and 2)	\$ 1,400	0%	0.072%	0.275%	\$ 1,008	\$ -	\$ 1,008
---	----------	----	--------	--------	----------	------	----------

Syndication Fees	\$ 75,000
Agency Fees	\$ 36,000
Combined Fees as % of Affectable Lines	0.008%
Total Fees as % of Affectable Lines	0.080%

Notes
 (1) This line is backed by receivables for CSW Credit.
 (2) All facilities are committed. Lines 1-3 are undrawn.
 (3) Currently fully-drawn facility. No commitment fees. Anticipate facility termination during 1998.
 (4) Line is denominated in British pounds sterling, using an exchange rate of \$1.8730 as of 1/23/98 (Source: Wall St. Journal) J-11

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AEP LINE OF CREDIT DETAIL

<u>Credit Lines</u>	<u>Provider</u>	<u>Rating</u>	<u>Credit Limit (millions)</u>	<u>Annual Commitment Fee</u>	<u>Average Annual Cost (000)</u>	<u>Notes/Comments</u>
1	ABN AMRO	A1	35	0.10%	35	
2	Bank of America Illinois	Aa2	30	0.10%	30	
3	Bank of New York	Aa3	30	0.10%	30	
4	Bank of Nova Scotia	Aa3	25	0.10%	25	
5	Bank One	Aa2	25	0.10%	25	
6	Chase Manhattan	Aa2	30	0.10%	30	
7	Citibank	Aa3	15	0.08%	11	
8	Citibank (RCA 5 year)	Aa3	35	0.15%	53	
9	Credit Lyonnais	A3	20	0.10%	20	
10	Deutsche Bank	Aa1	30	0.10%	30	
11	First National Bank of Chicago	Aa3	35	0.10%	35	
12	First Union National of North Carolina	Aa3	50	0.10%	50	
13	Fuji	A1	35	0.10%	35	
14	Huntington	A1	45	0.10%	45	
15	Key Corp	Aa3	50	0.10%	50	
16	Mellon	A1	40	0.10%	40	
17	National City Bank	Aa3	35	0.10%	35	
18	PNC	A2	20	0.10%	20	
19	Sanwa	Aa3	50	0.10%	50	
20	Societe Generale	Aa3	35	0.10%	35	
21	Sumitomo Bank	A1	30	0.10%	30	
			<u>\$ 700</u>		<u>\$ 714</u>	

J-3

J-3

J-5

J-7

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Wendy Hargus / Brian Coleman

Undrawn (a) Drawn (b)

Line	Credit Line	Provider	Credit Limit	Actual % Used	Undrawn	Drawn	Notes / Comments
Line 1	AA, BB	Syniodic (SP Morgan)	\$600 mm	—	N/A	275.4	PSW Corp - 34 day (Commercial program)
Line 2	AA, BB	Syniodic (SP Morgan)	\$800 mm	—	N/A	275	PSW Corp - Super Commercial Program
Line 3		Syniodic (Bank of NY)	\$900 mm	—	N/A	275	PSW Credit Program (Commercial)
Line 4		Syniodic (Citibank)	\$200 mm	30%	N/A	15.0	PSW Investment (SEADRE)
Line 5	AA, BB	Club (Wells Fargo)	\$10 mm	100%	N/A	45.0	PSW (Administrated by CSW)
Line 6			\$30 mm	(3)			
Line 7							
Line 8							
Line 9							
Line 10							

J-4

Note 1: This does not include ^{letters} lines of credit, CSW project debt, indirect facilities, or other facilities which may not be "credit lines".

Note 2: All facilities are committed. Lines 1-3 are undrawn at the current time. Lines 4-5 currently have a drawn balance.

Note 3: Currently fully-drawn term facility. No commitment fees. Antigozi stayed pre-agreement and facility termination during 1998.

1998 SHARED LINES OF CREDIT

FORMAL LINES	1998 LINE STRUCTURE		SHARING OF THE LINES (MILLIONS)																			
	LINE	ANNUAL AMOUNT (\$M)	ANNUAL EE (%)	COST (\$)	AEGCO	AERCO	AERPS	AERPR	AERPR	AERPR	AERPR	AEPRI	AEPES	AEPFC	AEPCL	APCO	CSP	BA	KGPCO	KPCO	OPCO	WPFCO
ABN AMRO	A1	35	0.1000	35,000	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
Bank of America Illinois	A2	30	0.1000	30,000	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Bank of New York	A3	30	0.1000	30,000	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Bank of Nova Scotia	A4	25	0.1000	25,000	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Bank One	A2	25	0.1000	25,000	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Chase Manhattan	A2	30	0.1000	30,000	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Citibank	A3	15	0.0750	11,250	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Citibank (RCA 5 yr)	A3	35	0.1500	52,500	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
Credit Lyonnais	A3	20	0.1000	20,000	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Deutsche Bank	A1	30	0.1000	30,000	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
First Natl Bk Chicago	A3	35	0.1000	35,000	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
First Un Natl of NC	A3	50	0.1000	50,000	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Fuji	A1	35	0.1000	35,000	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
Huntington	A1	45	0.1000	45,000	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Key Corp	A3	50	0.1000	50,000	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Mellon	A1	40	0.1000	40,000	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
National City Bank	A3	35	0.1000	35,000	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
PNC	A2	20	0.1000	20,000	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Santitas	A3	50	0.1000	50,000	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Societe Generale	A3	35	0.1000	35,000	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
Sumitomo Bank	A1	30	0.1000	30,000	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
TOTALS		700		713,750	285	700	665	665	665	665	665	665	665	665	665	665	700	700	118	700	700	700

* These ratings are from the Moody's Bond Record dated September 1997. The section is the "Bank Credit Report Service" long term rating on Other Bank Obligations.

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January 22, 1998

WP/FLAHERTY
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Lonni Dieck:

Attached is a schedule showing AEP's \$700 million of committed lines of credit for calendar year 1998 with 20 banks. I have developed and negotiated one standard form of agreement which each bank has agreed to execute, thus avoiding the use of a bank agent and the need to pay syndication, agency and other fees. The annual commitment, or facility fee paid to each bank is 10 basis points computed on the total amount of the line regardless of usage.

11 of 12
Since AEP's short-term finance is managed on a centralized basis, there are several AEP companies that participate in the credit lines. AEP Co., Inc., the parent, and its five major operating subsidiaries (Appalachian, Columbus, Indiana, Kentucky and Ohio) comprise the six companies having commercial paper (CP) programs. The bank credit lines "back-up" the CP programs, effectively providing direct credit support required by rating agencies.

The bank lines are also used by (1) regulated AEP companies that do not have CP programs, including Kingsport, Wheeling, AEP Generating, and (2) currently six "non-regulated" AEP companies. Whenever any of the fifteen AEP companies use the bank lines, all borrowings are made in their own name, that is, all borrowers are severally liable under the bank loan agreements they have executed, except that each of the six "non-regulated" companies' borrowings under the bank lines of credit are currently unconditionally guaranteed by the parent company AEP Co., Inc. Also, as the schedule shows, each potential borrower does not share equally in all the bank lines of credit.

Average monthly 1997 outstandings (usage) under the committed bank lines was approximately \$90 million, with peaks reaching about \$200 million. Bank lines are managed to ensure continuous 100% back-up support for CP outstandings, which averaged approximately \$350 million a month during 1997.

Please let me know if you require any additional information.



Christopher Keklak

c: Armando Pena
Steve Haynes

**AMERICAN ELECTRIC POWER
SUBSIDIARY RATINGS**

WP/FLAHERTY
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Moody's S&P Fitch D&P

Senior Secured Debt/First Mortgage Bonds

AP	A3	A	A	A
CSP	A3	A-	A-	A
I&M	Baa1	A-	BBB+	n/a
KP	Baa1	A	BBB+	n/a
OP	A3	A-	A-	A

Senior Unsecured Debt/Debentures

AEG				
RGS (AEG)	Baa2	BBB	BBB	BBB
AP	Baa1	BBB+	A-	A-
I&M	Baa2	BBB	BBB	n/a
RGS (I&M)	Baa2	BBB	BBB	n/a
OP	Baa1	BBB+	BBB+	BBB+
Gavin Oper- ating Lease	n/a	n/a	n/a	A-

Junior Subordinated Deferrable Interest Debentures

AP	Baa2	BBB+	n/a	A-
CSP	Baa2	BBB+	BBB+	A-
I&M	Baa3	BBB	n/a	n/a
KP	Baa3	BBB	BBB-	n/a
OP	Baa2	BBB+	n/a	BBB+

Preferred Stock

AP	"baa1"	BBB+	A-	BBB+
CSP	"baa1"	BBB+	BBB+	BBB+
I&M	"baa2"	BBB	BBB	n/a
OP	"baa1"	BBB+	BBB+	BBB

Commercial Paper

AEP	P-2	n/a	F-2	D-2
AP	P-2	n/a	F-1	D-1
CSP	P-2	n/a	F-1	D-1
I&M	P-2	n/a	F-2	n/a
KP	P-2	n/a	F-2	n/a
OP	P-2	n/a	F-2	D-1

Note change: S&P raised APCo's senior secured debt rating to A from A-; raised I&M's senior secured debt rating to A- from BBB+; and raised KPCo's senior secured debt rating to A from BBB+.

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AEP America's Energy Partner

Date: June 6, 1997
Subject: 1997 Line of Credit Commitment Fees
From: P. R. Henry *prh*

WP/FLAHERTY
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To: E. Baffle - Ft. Wayne
T. P. Bowman - Canton
T. E. Mitchell - Roanoke
J. D. Southern - Ashland
G. R. Knorr - 26th Floor
S. G. Allen - Kingsport

add G. Laurey - 28th Floor

During the months of March and April we increased our bank lines of credit from \$500M to \$845M. Due to the increase it is necessary to reallocate the commitment fees as follows:

COMPANY	%	BANK FEES(*)	RCA(**)	TOTAL FEES
American Electric Power	10.68	\$64,724.20	\$8,750.00	\$73,474.20
AEP Generating	6.69	34,619.67		34,619.67
AEP Energy Services (1)	0.13	779.09		779.09
AEP Resources Eng. & Serv Co (1)	0.68	3,535.86		3,535.86
AEP Resources	3.68	21,674.73		21,674.73
AEP Resources International	0.71	4,314.95		4,314.95
AEP Communications	1.78	10,787.37		10,787.37
AEP Energy Solutions (2)	0.26	1,558.18		1,558.18
AEP Energy Services (2)	1.17	7,071.72		7,071.72
Appalachian Power Co	17.79	107,873.67	8,750.00	116,623.67
Columbus Southern Power Co	12.48	75,611.57	8,750.00	84,281.57
Indiana Michigan Power Co	12.48	75,611.57	8,750.00	84,281.57
Kentucky Power Co	10.68	64,724.20	8,750.00	73,474.20
Kingsport Power Co	2.14	12,944.84		12,944.84
Ohio Power Co	17.79	107,873.67	8,750.00	116,623.67
Wheeling Power Co	2.14	12,944.84		12,944.84
TOTAL	100.00	\$481,250.00	\$52,500.00	\$513,750.00

(*) Bank fees may not compute exactly as shown due to the percentage being rounded.

(**) Revolving Credit Agreement with the Bank of New York *Citibank*.

(1) On March 7th AEP Energy Services, Inc. changed its name to AEP Resources Engineering & Services.

(2) On March 7th AEP Energy Solutions, Inc. changed its name to AEP Energy Services.

One-twelfth of the total annual fees disclosed above should be accrued each month during calendar year 1997.

If you have any questions I can be reached at 200-2848.

- cc: A. A. Pena
- L. V. Assante
- H. W. Fayne
- C. J. Kekjak
- A. Paules - OPCO
- D. E. Waino - Charleston
- I. J. Webb - Kingsport

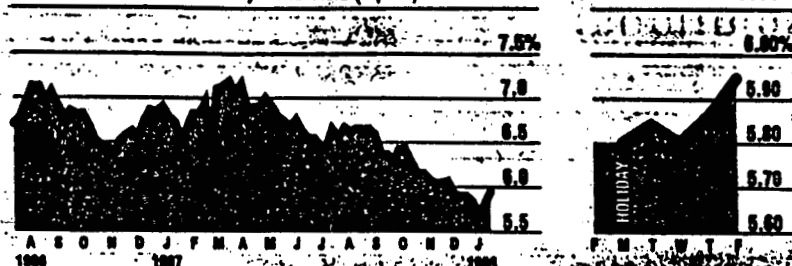
** based on max. projected STD.*

J-10

cc: annfecl.lwp
Intra-System

Paris (CAC-40) 2964.15 - 22.44 - 0.75 3094.01 2400.34 + 535.81 + 22.05 - 32.76 - 1.09

BONDS 30-Year Treasury Bond Yield (4 p.m.) **5.946%** **+0.085**



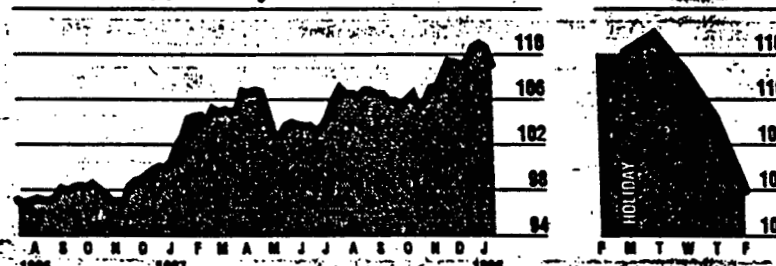
INDEX	FRI	FRI YIELD	THU	THU YIELD	12-MO HIGH	12-MO LOW	YTD %CHG
Lehman Brothers Long T-Bond	7648.88	6.02%	7758.13	5.89%	7872.19	6412.22	+ 0.05
DJ 20 Bond (Price Return)	104.98	4.88	105.31	4.84	105.48	101.09	- 0.07
Merrill Lynch Mortgage	796.72	6.77	799.49	6.65	800.81	725.07	+ 0.44
Bond Buyer municipal	123-24	5.36	125-2	5.24	126-12	113-1	+ 0.05
Merrill Lynch Corporate	940.70	6.50	947.21	6.38	955.02	838.12	+ 0.55

INTEREST Fed Funds (NY Fed, Prebon Yamana) **5.42%** **Unch.**



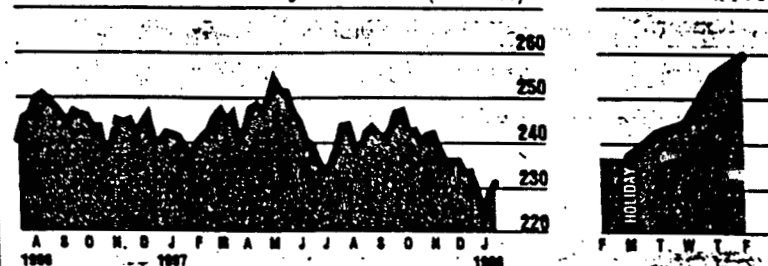
ISSUE	CLOSE	THU	YEAR AGO	12-MO HIGH	12-MO LOW
3-month T-bill	5.85%	5.81%	5.05%	5.27%	4.88%
3-month CD (new)	5.21	5.21	4.96	5.45	4.96
Dealer Comm. Paper (90 days)	5.41	5.41	5.44	5.85	5.37
3-month Eurodollar deposit	5.63	5.63	5.56	5.94	5.44
LIBOR (3-month)	5.63	5.62	5.56	5.94	5.50

U.S. DOLLAR J.P. Morgan Index vs. 19 Currencies **109.0** **-0.8**



CURRENCY	LATE NY	LATE THU	DAY'S HIGH	DAY'S LOW	12-MO HIGH	12-MO LOW
British pound (in U.S. dollars)	1.6730	1.6480	1.6746	1.6460	1.7046	1.5787
German mark (per U.S. dollar)	1.7783	1.8043	1.7745	1.8081	1.8284	1.8820
Japanese yen (per U.S. dollar)	125.45	127.23	125.45	127.60	111.20	133.63
Canadian dollar (in U.S. dollars)	0.6884	0.6881	0.6888	0.6877	0.7462	0.6881
Swiss franc (per U.S. dollar)	1.4375	1.4698	1.4363	1.4722	1.3840	1.5350

COMMODITIES CRB-Bridge Futures Index (1967=100) **230.94** **+0.47**



COMMODITY	CLOSE	CHANGE	THU	YR AGO	12-MO HIGH	12-MO LOW
Gold (Comex spot, troy oz)	\$299.90	\$+ 9.10	\$290.80	\$353.10	\$364.70	\$278.30
Oil (W. Tex. Int. crude) bbl	15.63	- 0.25	15.88	23.83	24.88	15.43

WP/FLAHERTY
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AEP/CSW
Synergies Refinement

SYNERGIES SUMMARY

Savings Area: MIS (Capital)

<p>AEP Position: AEP's customer information system (CIS) was implemented in 1968 and would need major enhancement, integration or complete replacement to support non-regulated requirements. AEP has recently installed PeopleSoft Supply Chain modules for Purchasing and Accounts Payable to replace existing custom and package software. AEP has also installed PeopleSoft Financial modules for General Ledger and Fixed Assets. AEP is currently planning migration of applications in Marketing, Customer Service, Power Generation, Nuclear Generation, Energy Delivery, Support Services, Energy Trading and Global Investment to a Client/Server environment favoring package software implementation over custom application development. AEP has already addressed or is replacing applications requiring modification to become Year 2000 compliant.</p> <p>CSW Position: CSW is evaluating the requirements to enhance or replace its CIS in order to prepare for the competitive, deregulated environment. CSW is currently implementing an automated Work Management System to manage processes from initiation through design, scheduling and closing. CSW is currently implementing a Facilities Management System for the transmission, substation and distribution system. CSW has recently installed PeopleSoft Human Resources modules for Payroll and Personnel and is upgrading to the current release to satisfy the maintenance agreement and Year 2000 compliance. CSW is also upgrading the GEAC General Ledger system and is evaluating vendors for replacement of the Accounts Receivable system. CSW has already addressed or is replacing applications requiring modification to become Year 2000 compliant.</p> <p>Ter Year Savings (\$000):</p> <ul style="list-style-type: none"> <input type="checkbox"/> O&M Savings \$ 127,338 K-3 <input type="checkbox"/> Capital Savings \$ 209,739 K-4 <input type="checkbox"/> Revenue Requirements Savings \$ 313,108 K-4 <input type="checkbox"/> Total Savings \$ 440,446 A-1 	<p>Rationale for Savings: Capital savings will result from eliminating future project expenditures such as a duplicate CIS, fixed asset management, materials inventory, energy trading, HR, work management, facilities management and sales force automation. Other savings will result from reducing additional software and hardware capital expenditures attributed to reduced development requirements.</p> <p>Basis for Calculation: Major MIS projects were compared to identify potential system developments between 1999 and 2008. Avoided development costs estimated at \$162.5M over ten years will result in the areas of CIS, Fixed Asset management, materials inventory, energy trading, HR, work management, facilities management and sales force management. Avoided future capital software and hardware expenditures (PC/LAN/WAN) were estimated at \$38.4M. Avoided network capital expenditures were estimated at \$9.0M.</p> <p>Key Assumptions:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Parallel system development efforts would be eliminated, reduced or delayed. <input type="checkbox"/> CSW can convert to AEP CIS with modification to address future competitive requirements. <input type="checkbox"/> AEP can convert to CSW's automated work management and facilities management systems and eliminate legacy systems. <input type="checkbox"/> The PeopleSoft initiative at both companies can be combined to provide supply chain, HR and financial asset management.
---	---

K-1

AEP/CSW

Synergies Refinement

SYNERGIES SUMMARY

Savings Area: MIS (Non-Labor O&M Costs)

AEP Position:

Annual non-labor O&M costs of approximately \$94.5 million (1997 dollars). Major components of this total include: equipment leases and hardware maintenance, software costs, outside services, data center operations, employee expenses and other miscellaneous costs. Contracts for disaster recovery amount to \$347,000 per year.

CSW Position:

Annual non-labor MIS O&M costs of approximately \$59 million (1997 dollars). Major components of this total include: equipment leases and hardware maintenance, software costs, outside services, data center operations, employee expenses and other miscellaneous costs. Contracts for disaster recovery amount to \$208,230 per year.

Ten Year Savings (\$000):

- O&M Savings **\$ 127,338** *K-3*
- Capital Savings **\$ 209,739** *K-4*
- Revenue Requirements Savings **\$ 313,108** *K-4*
- Total Savings **\$ 440,446**

Rationale for Savings:

Non-labor O&M savings will result from the consolidation of the data center operations and elimination of redundant hardware, software, contracts and licensing.

Basis for Calculation:

Savings were computed using a 5.5% escalation rate. A 25% reduction was taken for combined disaster recovery costs. PC costs were determined using a blended average annual purchase costs per employee times the number of expected employee reductions.

Key Assumptions:

- A single data center with one backup will survive.
- Blended average PC lease costs were used to estimate savings
- PC turnover will occur every five years

K-2

Management Information Systems (Operating Costs)

1999 O&M Savings (\$000) **K-5**

Percentage of Savings Capitalized 0.0%

Fixed Charge Cost 0.0%

Inflation Rate 3.0%

Estimated Life 5

Partial Year Savings 75%

Annual Savings

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Annual Savings Amount	\$4,614	\$0,689	\$11,306	\$11,898	\$12,522	\$13,181	\$13,875	\$14,608	\$15,381	\$16,197	\$4,066	\$127,338
O&M Savings	\$4,614	\$0,689	\$11,306	\$11,898	\$12,522	\$13,181	\$13,875	\$14,608	\$15,381	\$16,197	\$4,066	\$127,338
Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Savings (Depreciated)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Cumulative Capital Savings

Fixed Charge Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M and Fixed Charge Savings	\$4,614	\$0,689	\$11,306	\$11,898	\$12,522	\$13,181	\$13,875	\$14,608	\$15,381	\$16,197	\$4,066	\$127,338

K-3

Management Information Systems (Development Projects)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Percentage of Savings Capitalized	100.0%											
Revenue Req. Rate	34.88%	33.24%	30.29%	27.84%	25.58%	24.45%						
Inflation Rate	5.5%											
Estimated Life	5											
Partial Year Savings	75%											
Partial Year Revenue Req. Rate	34.88%	33.65%	31.03%	28.45%	26.15%	24.73%						
<u>Annual Savings</u>												
Annual Savings Amount	\$4,756	\$26,165	\$28,492	\$31,693	\$33,436	\$19,273	\$20,333	\$13,896	\$14,660	\$15,466	\$15,569	\$209,739 <i>K-5</i>
O&M Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Savings	\$4,756	\$26,165	\$28,492	\$31,693	\$33,436	\$19,273	\$20,333	\$13,896	\$14,660	\$15,466	\$15,569	\$209,739
Capital Savings (Depreciated)	\$4,756	\$26,165	\$28,492	\$31,693	\$33,436	\$19,273	\$20,333	\$13,896	\$14,660	\$15,466	\$15,569	\$209,739
		4,756	26,165	28,492	31,693	33,436	19,273	20,333	13,896	14,660	15,466	
		4,756	4,756	4,756	4,756	28,492	31,693	33,436	19,273	20,333	13,896	
					4,756	26,165	28,492	31,693	33,436	19,273	20,333	
					4,756	4,756	26,165	28,492	31,693	33,436	19,273	
						4,756	26,165	28,492	31,693	33,436	19,273	
<u>Cumulative Capital Savings</u>	\$4,756	\$30,921	\$59,413	\$91,106	\$124,542	\$143,815	\$159,392	\$147,123	\$133,291	\$117,065	\$85,197	
Revenue Req. Savings	1,659	9,126	9,938	11,054	11,662	6,723	7,092	4,847	5,113	5,395	547	73,157
		1,600	8,805	9,588	10,665	11,251	6,485	6,842	4,676	4,933	1,301	66,146
			1,476	8,118	8,840	9,833	10,374	5,980	6,309	4,312	1,137	56,380
				1,353	7,445	8,107	9,017	9,513	5,484	5,785	988	47,693
					1,244	6,841	7,449	8,286	8,742	5,039	1,329	38,929
						1,176	6,471	7,047	7,838	8,270	-	30,802
Total Revenue Req. Savings	1,659	10,727	20,218	30,114	39,855	43,931	46,890	42,515	38,162	33,733	5,303	313,108
Total O&M and Fixed	\$1,659	\$10,727	\$20,218	\$30,114	\$39,855	\$43,931	\$46,890	\$42,515	\$38,162	\$33,733	\$5,303	\$313,108 <i>K-5</i>
<u>167955 Savings</u>												

- DRAFT ONLY -

IT Synergies - Summary (in \$000)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
SAVINGS												
O&M												
Data Centers	\$560	\$3,153	\$4,158	\$4,387	\$4,628	\$4,883	\$5,152	\$5,435	\$5,734	\$6,049	\$1,595	\$45,735
Network	\$31	\$170	\$220	\$228	\$236	\$245	\$255	\$265	\$276	\$287	\$75	\$2,286
Workstations	\$70	\$523	\$690	\$728	\$768	\$810	\$855	\$902	\$951	\$1,004	\$66	\$7,366
Telecommunications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Applications Consolidation	\$72	\$382	\$478	\$478	\$478	\$478	\$478	\$478	\$478	\$478	\$210	\$4,398
Projects (Applications Development)	\$3,882	\$5,460	\$5,760	\$6,077	\$6,412	\$6,764	\$7,136	\$7,529	\$7,943	\$8,380	\$2,210	\$67,553
Total O&M Savings	\$4,614	\$9,689	\$11,306	\$11,898	\$12,422	\$13,181	\$13,875	\$14,608	\$15,381	\$16,197	\$4,066	\$127,338
Capital												
Data Centers	\$422	\$2,373	\$3,129	\$3,301	\$3,483	\$3,674	\$3,876	\$4,090	\$4,315	\$4,552	\$1,201	\$34,415
Network	\$114	\$639	\$842	\$889	\$938	\$989	\$1,044	\$1,101	\$1,162	\$1,226	\$323	\$9,266
Workstations	\$47	\$354	\$467	\$492	\$519	\$548	\$578	\$610	\$643	\$679	\$45	\$4,981
Telecommunications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Applications Consolidation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projects (Applications Development)	\$4,174	\$22,800	\$24,054	\$27,011	\$28,496	\$14,062	\$14,835	\$8,095	\$8,541	\$9,010	\$0	\$161,078
Total Capital Savings	\$4,756	\$26,165	\$28,492	\$31,693	\$33,436	\$19,273	\$20,333	\$13,896	\$14,660	\$15,466	\$1,569	\$209,739
Revenue Requirements												
Data Centers	\$147	\$968	\$2,008	\$3,028	\$4,028	\$5,020	\$5,928	\$6,407	\$6,759	\$7,131	\$1,881	\$43,306
Network	\$40	\$261	\$541	\$615	\$1,085	\$1,352	\$1,596	\$1,725	\$1,820	\$1,920	\$506	\$11,659
Workstations	\$16	\$139	\$295	\$447	\$597	\$745	\$884	\$955	\$1,008	\$1,063	\$234	\$6,382
Telecommunications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Applications Consolidation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projects (Applications Development)	\$1,456	\$9,340	\$17,233	\$25,485	\$33,619	\$36,108	\$37,727	\$32,738	\$27,972	\$23,128	\$3,767	\$248,573
Total Revenue Requirements Savings	\$1,659	\$10,707	\$20,076	\$29,775	\$39,328	\$43,224	\$46,135	\$41,825	\$37,559	\$33,243	\$6,388	\$309,920
TOTAL SAVINGS (O&M and RR)	\$6,273	\$20,396	\$31,382	\$41,673	\$51,650	\$56,405	\$60,011	\$56,433	\$52,940	\$49,440	\$10,454	\$437,257
COST TO ACHIEVE												
O&M												
Data Centers	\$479	\$3,409	\$4,261	\$4,261	\$4,261	\$4,261	\$4,261	\$4,261	\$4,261	\$4,261	\$1,065	\$39,040
Network	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Workstations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Applications Consolidation	\$8,108	\$24,926	\$9,567	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$429	\$55,046
Projects (Applications Development)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M Cost to Achieve	\$8,587	\$28,335	\$13,828	\$5,977	\$5,977	\$5,977	\$5,977	\$5,977	\$5,977	\$5,977	\$1,494	\$94,086
Capital												
Data Centers	\$317	\$2,186	\$791	\$791	\$791	\$791	\$791	\$791	\$791	\$791	\$198	\$9,019
Network	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Workstations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Applications Consolidation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Applications Development Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Cost to Achieve	\$317	\$2,186	\$791	\$791	\$791	\$791	\$791	\$791	\$791	\$791	\$198	\$9,019
Revenue Requirements												
Data Centers	\$107	\$865	\$1,096	\$1,287	\$1,466	\$1,633	\$1,795	\$1,934	\$1,394	\$1,394	\$349	\$12,719
Network	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Workstations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Applications Consolidation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projects (Applications Development)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue Requirements CTA	\$107	\$865	\$1,096	\$1,287	\$1,466	\$1,633	\$1,795	\$1,934	\$1,394	\$1,394	\$349	\$12,719
TOTAL COST TO ACHIEVE (O&M and RR)	\$8,694	\$29,199	\$14,924	\$7,264	\$7,443	\$7,610	\$7,771	\$7,372	\$7,372	\$7,372	\$1,843	\$106,806
NET	(\$2,422)	(\$8,803)	\$16,458	\$34,409	\$44,407	\$48,795	\$52,238	\$48,062	\$45,568	\$42,068	\$8,611	\$330,451

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AEP / CSW

- DRAFT ONLY -

Privileged and
Confidential - For Internal Use Only

Data Center - Savings (in \$000)

Revenue Requirements Rates (by year)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
O&M Savings	\$560	\$3,153	\$4,158	\$4,387	\$4,628	\$4,883	\$5,152	\$5,435	\$5,734	\$6,049	\$1,595	\$45,735 <i>K-7</i>
Capital Savings	\$422	\$2,373	\$3,129	\$3,301	\$3,483	\$3,674	\$3,876	\$4,090	\$4,315	\$4,552	\$1,201	\$34,415 <i>K-7</i>
		422	2,373	3,129	3,301	3,483	3,674	3,876	4,090	4,315	4,552	
			422	2,373	3,129	3,301	3,483	3,674	3,876	4,090	4,315	
				422	2,373	3,129	3,301	3,483	3,674	3,876	4,090	
					422	2,373	3,129	3,301	3,483	3,674	3,876	
						422	2,373	3,129	3,301	3,483	3,674	
							0	0	0	0	1	
							0	0	0	0	0	
							0	0	0	0	0	
							0	0	0	0	0	
Cumulative Capital Savings	\$422	\$2,794	\$5,924	\$9,225	\$12,708	\$16,382	\$19,837	\$21,553	\$22,739	\$23,989	\$21,708	
Revenue Requirements Savings	\$147	\$828	\$1,091	\$1,151	\$1,215	\$1,282	\$1,352	\$1,426	\$1,505	\$1,588	\$419	
		140	789	1,040	1,097	1,158	1,221	1,289	1,359	1,434	378	
			128	719	948	1,000	1,055	1,113	1,174	1,239	327	
				117	661	871	919	970	1,023	1,079	285	
					108	607	800	844	891	940	248	
						103	580	765	807	852	225	
							0	0	0	0	0	
							0	0	0	0	0	
							0	0	0	0	0	
Cumulative Revenue Requirements Savings	\$147	\$968	\$2,008	\$3,028	\$4,028	\$5,020	\$5,928	\$6,407	\$6,759	\$7,131	\$1,861	\$43,306
Total O&M and Revenue Requirements Savings	\$708	\$4,121	\$6,166	\$7,415	\$8,657	\$9,903	\$11,080	\$11,842	\$12,493	\$13,180	\$3,476	\$89,041

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Data Center - Savings Detail

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Annual Savings (\$ 1997)												
Reductions												
Lease Payments	\$ 2,525,859	\$ 2,811,344										
Maintenance Contracts	\$ 625,138	\$ 695,784										
Software	\$ 2,731,589	\$ 3,040,327										
Partial Year Savings												
		75%										
Phase in Approach												
Lease Payments	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Maintenance Contracts	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Software	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Annual Reductions	\$ 421,702	\$ 2,372,775	\$ 3,129,097	\$ 3,301,197	\$ 3,482,763	\$ 3,674,315	\$ 3,876,402	\$ 4,089,604	\$ 4,314,532	\$ 4,551,832	\$ 1,200,546	\$ 34,414,764
Lease Payments	\$ 104,369	\$ 587,250	\$ 774,436	\$ 817,030	\$ 861,987	\$ 909,375	\$ 959,391	\$ 1,012,157	\$ 1,067,826	\$ 1,126,556	\$ 297,129	\$ 8,517,488
Maintenance Contracts	\$ 456,049	\$ 2,566,036	\$ 3,383,959	\$ 3,570,077	\$ 3,766,431	\$ 3,973,585	\$ 4,192,132	\$ 4,422,700	\$ 4,665,948	\$ 4,922,575	\$ 1,298,329	\$ 37,217,823
Software	\$ 560,418	\$ 3,153,288	\$ 4,158,396	\$ 4,387,108	\$ 4,628,399	\$ 4,882,960	\$ 5,151,523	\$ 5,434,857	\$ 5,733,774	\$ 6,049,132	\$ 1,595,459	\$ 45,735,311
Subtotal - O&M	\$ 421,702	\$ 2,372,775	\$ 3,129,097	\$ 3,301,197	\$ 3,482,763	\$ 3,674,315	\$ 3,876,402	\$ 4,089,604	\$ 4,314,532	\$ 4,551,832	\$ 1,200,546	\$ 34,414,764
Subtotal - Capital												

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Capital
O&M

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Data Center - Costs to Achieve (in \$000)

Revenue Requirements Rates (by year)

34.9% 33.2% 30.3% 27.8% 25.6% 24.5% 0.0% 0.0% 0.0% 0.0%

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 Total

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O&M Cost to Achieve

\$478 \$3,409 \$4,281 \$4,281 \$4,281 \$4,281 \$4,281 \$4,281 \$4,281 \$4,281 \$1,065 \$38,040

Capital Cost to Achieve

\$307 \$2,186 \$791 \$791 \$791 \$791 \$791 \$791 \$791 \$791 \$198 \$9,019

Cumulative Capital Cost to Achieve

\$307 \$2,494 \$3,285 \$4,075 \$4,868 \$5,657 \$6,141 \$4,746 \$4,746 \$4,746 \$4,152 \$45,215

Revenue Requirements Cost to Achieve

\$107 \$763 \$276 \$276 \$276 \$276 \$276 \$276 \$276 \$276 \$278 \$89 \$3,146

Cumulative Revenue Requirements Cost to Achieve

\$107 \$885 \$1,096 \$1,287 \$1,468 \$1,633 \$1,735 \$1,394 \$1,394 \$1,394 \$349 \$12,719

Total O&M and Revenue Requirements Cost to Achieve

\$587 \$4,273 \$5,357 \$5,547 \$5,726 \$5,894 \$5,996 \$5,655 \$5,655 \$5,655 \$1,414 \$51,760

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Data Center - Cost to Achieve Detail

Requirements
Primary processing capacity (mips)

AEP 1,013
CSW 350
Combined 1,363
Leas Percent of smaller 0%
Newco Requirement 1,363
Current AEP average cost / mips 7,808

26% Increase over initial capacity

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Annual Cost to Achieve
to Achieve One Time Cost
\$ 1,911,747 \$
\$ 790,927 \$ 2,732,719

- (1) Vendor upgrade fees for processing software
- (2)(3) Consolidate data centers
- (*) Vendor increased maintenance fees
- (1) Vendor increased lease fees
- (1) Vendor increased disaster recovery fees

- Phase in Approach
- Consolidate data centers
- Establish communication links
- Vendor increased maintenance fees
- Vendor increased lease fees
- Vendor increased disaster recovery fees

Partial Year Savings

- Annual Cost to Achieve
- Vendor upgrade fees for processing software
- Consolidate data centers
- Vendor increased maintenance fees
- Vendor increased lease fees
- Vendor increased disaster recovery fees

Subtotal - O&M
Subtotal - Capital

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
20%			100%	100%	100%	100%	100%	100%	100%	100%	100%	
80%		80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
20%		80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
20%		80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
20%		80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
O&M	\$ 286,762	\$ 1,529,397	\$ 1,911,747	\$ 1,911,747	\$ 1,911,747	\$ 1,911,747	\$ 1,911,747	\$ 1,911,747	\$ 1,911,747	\$ 1,911,747	\$ 1,911,747	\$ 17,588,070
Capital	\$ 409,908	\$ 2,186,176	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 9,121,232
O&M	\$ 60,491	\$ 322,618	\$ 403,273	\$ 403,273	\$ 403,273	\$ 403,273	\$ 403,273	\$ 403,273	\$ 403,273	\$ 403,273	\$ 403,273	\$ 3,710,109
O&M	\$ 278,865	\$ 1,487,280	\$ 1,859,101	\$ 1,859,101	\$ 1,859,101	\$ 1,859,101	\$ 1,859,101	\$ 1,859,101	\$ 1,859,101	\$ 1,859,101	\$ 1,859,101	\$ 17,103,725
O&M	\$ 13,013	\$ 68,400	\$ 86,750	\$ 86,750	\$ 86,750	\$ 86,750	\$ 86,750	\$ 86,750	\$ 86,750	\$ 86,750	\$ 86,750	\$ 798,100
O&M	\$ 479,348	\$ 3,408,696	\$ 4,260,870	\$ 4,260,870	\$ 4,260,870	\$ 4,260,870	\$ 4,260,870	\$ 4,260,870	\$ 4,260,870	\$ 4,260,870	\$ 4,260,870	\$ 39,040,221
Capital	\$ 307,431	\$ 2,186,176	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 790,927	\$ 9,018,755

75%

- (1) Based on 25% increase in remaining system fees after negotiating with vendors
- (2) One time cost to expand for capacity consolidation based on Newco Requirements using AEP average \$ per mips
- (3) Annual consolidation CTA based on 10% annual mips expansion using AEP average \$ per mips

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Data Center - Savings Backup

	1997		Combined(2)	Rationale	SAVINGS	
	AEP	CSW			Percent	Amount
Mainframe - Primary Processing Capacity						
(1) Depreciation / Amortization	\$ 2,025,628	\$ 683,049	\$ 2,708,677			
Lease Payments	\$ 5,883,643	\$ 2,667,035	\$ 8,550,678			
Maintenance Contracts	\$ 1,188,331	\$ 603,561	\$ 1,791,892			
Software	\$ 5,103,421	\$ 2,630,117	\$ 7,733,538			
Total	\$ 14,201,023	\$ 6,583,762	\$ 20,784,785			
Servers - Primary Processing Capacity						
Depreciation / Amortization	\$ -	\$ -	\$ -			
Lease Payments	\$ 1,552,759	\$ -	\$ 1,552,759			
Maintenance Contracts	\$ 424,760	\$ 283,900	\$ 708,660			
Software	\$ 2,543,566	\$ 649,251	\$ 3,192,817			
Total	\$ 4,521,085	\$ 933,151	\$ 5,454,236			
Combined						
Depreciation / Amortization	\$ 2,025,628	\$ 683,049	\$ 2,708,677	Percent of	0%	\$ -
Disaster Recovery Program	\$ 347,000	\$ 208,230	\$ 555,230	Percent of Combined	10%	\$ 55,523
Lease Payments	\$ 7,436,402	\$ 2,667,035	\$ 10,103,437	Percent of Combined	25%	\$ 2,525,859
Maintenance Contracts	\$ 1,613,091	\$ 887,461	\$ 2,500,552	Percent of Combined	25%	\$ 625,138
Software	\$ 7,646,987	\$ 3,279,368	\$ 10,926,355	Percent of Combined	25%	\$ 2,731,589
Total	\$ 19,069,108	\$ 7,725,143	\$ 26,794,251			
Back-up processing capacity - Mainframe						
TOTAL DATA CENTER SAVINGS						
	1997			Escalation Rate:	5.50%	\$ 5,882,586
	1999					\$ 6,547,465

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(1) AEP Amortization payments were extracted from the lease payments at a percentage based on CSW depreciation payments
 (2) These figures do not include internal or external labor

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AEP / CS

Mainframe - Inventory

Company	Qty	Hardware		Location	Operating Systems	DBMS	Network Access Protocol	Potential Savings	
		Model	mips					Category	1997
AEP	1	IBM-9021-972-71959	351	Columbus					
	1	IBM-9672-R53-41589	97	Columbus					
	1	IBM-9672-R65-45252	308	Columbus					
	1	IBM-9672-R55-46205	257	Columbus					
AEP Totals			<u>1013</u>						
								Lease payments for mainframe	\$ 7,808
									\$ 7,808
CSW	1	3090-200J	45	Dallas	VM			Lease payments for mainframe	\$ 40,119
						DB2, IDMS, & Oracle		Lease payments for mainframe	\$ 2,265,048
							Lu6.2, SDLC, & TCP/IP	Lease payments for mainframe	\$ 2,305,165
CSW Totals			<u>350</u>						\$ 6,588
								Blended average of AEP/CSW mips	\$ 7,494

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Mainframe Software - Inventory

Category	1997		Savings Opportunities	
	AEP	CSW	Rationale	Amount
Mainframe-related Software Leases	\$ 5,103,421	\$ 2,630,117	Percent of total	25% \$ 1,933,385

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Mainframe - DASD Inventory

Category	1997			Cost to Achieve		
	AEP	CSW	Capacity	Rationale	Percent	Amount
Lease payments for DASD (Amdahl 6100-200, 4 units)	\$ -	38,582		Mirrored DASD as percent of current	50%	\$ -
Lease payments for DASD (Amdahl 6380-AK4, 14 units)	\$ -	24,317	7.56 GB Ea.	Mirrored DASD	50%	\$ -
Lease payments for DASD (Amdahl 6380-BK4, 67 units)	\$ -	69,781	7.56 GB Ea.	Mirrored DASD	50%	\$ -
Lease payments for DASD (EMC 5500-9M64, 1 unit)	\$ -	401,989	544 GB			
Lease payments for DASD (IBM 9393-002, 1 unit)	\$ -	-	500 GB			
Purchased DASD (2 units purchased 10/96)	\$ -	n/a		Mirrored DASD	50%	\$ -
Total Annual Cost to Achieve - DASD						\$ -

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Network - Savings (in \$000)

Revenue Requirements Rates (by year)

34.9% 33.2% 30.3% 27.8% 25.6% 24.5% 0.0% 0.0% 0.0% 0.0%

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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
O&M Savings	\$31	\$170	\$220	\$228	\$236	\$245	\$255	\$265	\$276	\$287	\$75	\$2,286
Capital Savings	\$114	\$639	\$842	\$889	\$938	\$989	\$1,044	\$1,101	\$1,162	\$1,228	\$323	\$9,266
		114	639	842	889	938	989	1,044	1,101	1,162	1,228	
			114	639	842	889	938	989	1,044	1,101	1,162	
				114	639	842	889	938	989	1,044	1,101	
					114	639	842	889	938	989	1,044	
						114	639	842	889	938	989	
							0	0	0	0	0	
								0	0	0	0	
									0	0	0	
										0	0	
											0	
												0

Cumulative Capital Savings

	\$114	\$752	\$1,595	\$2,484	\$3,421	\$4,411	\$5,341	\$5,803	\$6,122	\$6,459	\$6,844
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Revenue Requirements Savings

	\$40	\$223	\$294	\$310	\$327	\$345	\$384	\$384	\$405	\$427	\$113
		38	212	280	295	312	328	347	366	386	102
			34	194	255	289	284	300	316	334	88
				32	178	235	247	261	275	291	77
					29	163	216	227	240	253	67
						28	156	206	217	229	60
							0	0	0	0	0
								0	0	0	0
									0	0	0
										0	0

Cumulative Revenue Requirements Savings

	\$40	\$261	\$541	\$815	\$1,085	\$1,352	\$1,586	\$1,725	\$1,820	\$1,920	\$506	\$11,659
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Total O&M and Revenue Requirements Savings

	\$70	\$430	\$760	\$1,043	\$1,321	\$1,597	\$1,851	\$1,990	\$2,095	\$2,207	\$581	\$13,946
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Network - Savings Detail

Annual Savings (1997)

First Tier Servers \$ 3,203 \$ 3,565
 First Tier Server Maintenance \$ 899 \$ 1,112
 Mid Tier Servers \$ 4,809 \$ 5,211
 Top Tier Servers \$ 34,471 \$ 37,354

Escalation Rate: 5.50%

K-16

75%

Partial Year Savings

SAVINGS

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
First Tier Servers												
Phase In Assumption	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cumulative Reductions	24	95	119	119	119	119	119	119	119	119	119	119
Total Savings - Avoided Replacement	\$ 63,636	\$ 359,058	\$ 472,189	\$ 498,159	\$ 525,658	\$ 554,464	\$ 584,859	\$ 617,132	\$ 651,074	\$ 686,984	\$ 714,216	\$ 5,193,280
Total Savings - Avoided Maintenance	\$ 19,846	\$ 111,666	\$ 147,260	\$ 155,359	\$ 163,904	\$ 172,918	\$ 182,429	\$ 192,463	\$ 203,048	\$ 214,216	\$ 224,999	\$ 1,619,609
Mid Tier Servers												
Phase In Assumption	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cumulative Reductions	6	22	28	28	28	28	28	28	28	28	28	28
Total Savings - Avoided Replacement	\$ 21,696	\$ 123,144	\$ 162,397	\$ 171,328	\$ 180,752	\$ 190,683	\$ 201,181	\$ 212,248	\$ 223,919	\$ 236,235	\$ 249,298	\$ 1,786,068
Total Savings - Avoided Maintenance	\$ 7,275	\$ 36,786	\$ 48,496	\$ 48,496	\$ 48,496	\$ 48,496	\$ 48,496	\$ 48,496	\$ 48,496	\$ 48,496	\$ 48,496	\$ 446,178
Top Tier Servers												
Phase In Assumption	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cumulative Reductions	1	4	5	5	5	5	5	5	5	5	5	5
Total Savings - Avoided Replacement	\$ 28,016	\$ 157,634	\$ 207,880	\$ 219,313	\$ 231,376	\$ 244,101	\$ 257,527	\$ 271,691	\$ 286,634	\$ 302,399	\$ 319,756	\$ 2,286,327
Total Savings - Avoided Maintenance	\$ 3,594	\$ 19,170	\$ 23,962	\$ 23,962	\$ 23,962	\$ 23,962	\$ 23,962	\$ 23,962	\$ 23,962	\$ 23,962	\$ 23,962	\$ 220,451
Subtotal - O&M	\$ 30,715	\$ 169,634	\$ 219,719	\$ 227,819	\$ 238,364	\$ 245,378	\$ 254,689	\$ 264,922	\$ 275,508	\$ 286,675	\$ 298,414	\$ 2,286,238
Subtotal - Capital	\$ 113,537	\$ 638,637	\$ 842,466	\$ 886,801	\$ 937,665	\$ 989,258	\$ 1,043,667	\$ 1,101,069	\$ 1,161,628	\$ 1,225,517	\$ 1,295,991	\$ 9,265,695

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K-15

Network - Savings Backup

Current Inventory	1997			SAVINGS		Number Reduced
	AEP(1)	CSW(2)	Combined	Rationale	Percent	
Total number of first tier servers	568	223	791	(based on scale/performance improvement, personnel reductions, and buying power improvement)	15%	119
Total number of mid tier servers	175	106	281	(based on scale/performance improvement, personnel reductions, and buying power improvement)	10%	28
Total number of top tier servers	75	17	92	(based on scale/performance improvement, personnel reductions, and buying power improvement)	5%	5
		TOTAL $K-37818$ 346 $K-123,164$ % of TOTAL 70% 30%				

First tier server costs

Replacement cost	\$ 19,366	\$ 7,480	\$ 16,015
Annual replacement cost	\$ 3,873	\$ 1,496	\$ 3,203
Average annual maintenance per server	\$ 1,320	\$ 180	\$ 999
Total calculated '97 \$'s	\$ 2,199,978	\$ 333,608	

Mid tier server costs

Replacement cost	\$ 28,571	\$ 16,570	\$ 24,044
Annual replacement cost	\$ 5,714	\$ 3,314	\$ 4,809
Average annual maintenance per server	\$ 2,286	\$ 818	\$ 1,732
Total calculated '97 \$'s	\$ 999,985	\$ 351,284	

Top tier server costs

Replacement cost	\$ 200,000	\$ 126,720	\$ 172,357
Annual replacement cost	\$ 40,000	\$ 25,344	\$ 34,471
Average annual maintenance per server	\$ 4,667	\$ 5,000	\$ 4,792
Total calculated '97 \$'s	\$ 3,000,000	\$ 430,848	

Total combined '97 \$'s

	\$ 6,199,963	\$ 1,115,740	\$ 7,315,703
--	--------------	--------------	--------------

(1) AEP Intel Server Annual maintenance based on portion of Unisys contract. Verified by Stan Hill on 2/5/98.
 (2) CSW server replacement costs include maintenance bundled with the purchase price.

Network - Savings Backup

1987	SAVINGS	
------	----------------	--

Current Inventory	AEP(1)	CSW(2)	Combined	Percent of total	Rationale	Percent Reduced	Number Reduced
Total number of first tier servers	568	223	791	(based on scale/performance improvement, personnel reductions, and buying power improvement)	15%	119	
Total number of mid tier servers	175	106	281	(based on scale/performance improvement, personnel reductions, and buying power improvement)	10%	28	
Total number of top tier servers	75 K-5/	17	92	(based on scale/performance improvement, personnel reductions, and buying power improvement)	5%	5	
TOTAL	K-37818	346	K-109,164				
% of TOTAL	70%	30%					

First tier server costs

Replacement cost	\$ 19,366	\$ 7,480	\$ 16,015
Replacement cycle (in years)	5	5	5
Annual replacement cost	\$ 3,873	\$ 1,496	\$ 3,203
Average annual maintenance per server	\$ 1,320	\$ 180	\$ 999
Total calculated '97 \$'s	\$2,199,978	\$ 333,608	

Mid tier server costs

Replacement cost	\$ 28,571	\$ 16,570	\$ 24,044
Replacement cycle (in years)	5	5	5
Annual replacement cost	\$ 5,714	\$ 3,314	\$ 4,809
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Top tier server costs

Replacement cost	\$ 200,000	\$ 126,720	\$ 172,357
Replacement cycle (in years)	5	5	5
Annual replacement cost	\$ 40,000	\$ 25,344	\$ 34,471
Average annual maintenance per server	\$ 4,667	\$ 5,000	\$ 4,792
Total calculated '97 \$'s	\$3,000,000	\$ 430,848	

Total combined '97 \$'s

\$6,199,963	\$ 1,115,740	\$ 7,315,703
-------------	--------------	--------------

- (1) AEP Intel Server Annual maintenance based on portion of Unisys contract. Verified by Stan Hill on 2/5/98.
- (2) CSW server replacement costs include maintenance bundled with the purchase price.

AMP/COM

Network - Inventory

Company	Location	Operating System	Hardware Management System	Network Address Protocol	Usage	Estimated Annual Expenses
City	Model	OS	System	Address	Annual Expenses	1998
53	71	NT			Total Annual Expenses Replacement Costs	150
151		VMS			Total Annual Expenses Replacement Costs	150
8	DEC43300	VMS	None	TCP/IP - DECNET	Total Annual Expenses Replacement Costs	150
8	DEC3100	VMS	None	TCP/IP - DECNET	Total Annual Expenses Replacement Costs	150
2	DEC400700	VMS	None	TCP/IP - DECNET	Total Annual Expenses Replacement Costs	150
11	DEC400700	VMS	None	TCP/IP - DECNET	Total Annual Expenses Replacement Costs	150
28	IBM PC Sr 320-P90	Win NT	Orbit	TCP/IP - NetBul	Total Annual Expenses Replacement Costs	150
8	IBM PC Sr 320-P90	Windows	None	TCP/IP - NetBul	Total Annual Expenses Replacement Costs	150
3	IBM PC Sr 320-P75	Win NT	None	TCP/IP - NetBul	Total Annual Expenses Replacement Costs	150
7	IBM PC Sr 320-P133	Win NT	Orbit	TCP/IP - NetBul	Total Annual Expenses Replacement Costs	150
8	IBM PC Sr 320-486dx	Win NT	SOL/Orbit	TCP/IP - IPX	Total Annual Expenses Replacement Costs	150
3	IBM PC Sr 320-486dx	Windows	None	TCP/IP - NetBul	Total Annual Expenses Replacement Costs	150
1	IBM PC Sr 720-P188	Win NT	None	TCP/IP - NetBul	Total Annual Expenses Replacement Costs	150
1	IBM P/7 6805-LPD	Win NT	None	TCP/IP - NetBul	Total Annual Expenses Replacement Costs	150
1	Compaq Proline 300 P200d	Win NT	Orbit	TCP/IP - NetBul	Total Annual Expenses Replacement Costs	150
1	Compaq Proline 300 P200d	Win NT	Orbit	TCP/IP - NetBul	Total Annual Expenses Replacement Costs	150
1	Dell 4100700 P200d	Win NT	None/Orbit	TCP/IP - NetBul	Total Annual Expenses Replacement Costs	150
2	Bentley CPUs				Total Annual Expenses Replacement Costs	150
2	HP 8000				Total Annual Expenses Replacement Costs	150
13	HPAC 8000				Total Annual Expenses Replacement Costs	150
28	Novell Servers				Total Annual Expenses Replacement Costs	150

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Workstation - Savings (in \$000)

Revenue Requirements Rates (by year)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
	34.9%	33.2%	30.3%	27.8%	25.6%	24.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
O&M Savings	\$70	\$523	\$690	\$728	\$768	\$810	\$855	\$902	\$951	\$1,004	\$66	\$7,368
Capital Savings	\$47	\$354	\$467	\$492	\$519	\$548	\$576	\$610	\$643	\$679	\$45	\$4,981
		47	354	467	492	519	548	578	610	643	679	45
		47	47	354	467	492	519	548	578	610	548	578
			47	47	354	467	492	519	548	578	548	578
				47	47	47	0	0	0	0	0	0
							0	0	0	0	0	0
							0	0	0	0	0	0
Cumulative Capital Savings	\$47	\$401	\$867	\$1,360	\$1,879	\$2,427	\$2,957	\$3,213	\$3,390	\$3,576	\$3,102	\$3,102
Revenue Requirements Savings	\$16	\$123	\$163	\$172	\$181	\$191	\$202	\$213	\$224	\$237	\$18	\$18
		16	118	155	184	173	182	192	203	214	56	56
			14	107	141	149	157	166	175	185	49	49
				13	98	130	137	145	153	161	42	42
					12	90	119	126	133	140	37	37
						12	86	114	120	127	33	33
							0	0	0	0	0	0
							0	0	0	0	0	0
							0	0	0	0	0	0
Cumulative Revenue Requirements Savings	\$16	\$139	\$295	\$447	\$597	\$745	\$884	\$955	\$1,008	\$1,063	\$234	\$6,362
Total O&M and Revenue Requirements Savings	\$86	\$662	\$984	\$1,175	\$1,364	\$1,555	\$1,738	\$1,857	\$1,959	\$2,067	\$300	\$13,747

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¹³
K-FB

Workstation Savings Detail

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
HARDWARE												
Phase In Approach	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cumulative reductions in computer users	118	628	785	785	785	785	785	785	785	785	785	198
Annual lease per user (1)	400	563	594	627	661	698	736	777	818	864	914	228
Total Hardware Savings	\$ 47,152	\$ 353,748	\$ 466,505	\$ 482,163	\$ 519,232	\$ 547,760	\$ 577,918	\$ 609,704	\$ 643,236	\$ 678,616	\$ 714,746	\$ 4,980,814
Capital	\$ 47,152	\$ 353,748	\$ 466,505	\$ 482,163	\$ 519,232	\$ 547,760	\$ 577,918	\$ 609,704	\$ 643,236	\$ 678,616	\$ 714,746	\$ 4,980,814
SOFTWARE												
Phase In Approach	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cumulative reductions in computer users	118	628	785	785	785	785	785	785	785	785	785	198
Annual expenses per computer user (1)	412	580	611	645	681	718	756	796	843	890	938	235
Total Software Savings	\$ 48,518	\$ 363,991	\$ 490,013	\$ 508,413	\$ 534,266	\$ 563,651	\$ 594,652	\$ 627,357	\$ 661,862	\$ 698,264	\$ 746,042	\$ 5,125,029
O&M	\$ 48,518	\$ 363,991	\$ 490,013	\$ 508,413	\$ 534,266	\$ 563,651	\$ 594,652	\$ 627,357	\$ 661,862	\$ 698,264	\$ 746,042	\$ 5,125,029
MAINTENANCE												
Phase In Approach	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cumulative reductions in computer users	118	628	785	785	785	785	785	785	785	785	785	198
Annual expenses per computer user (1)	180	253	267	282	298	314	331	349	369	389	410	103
Total Maintenance Savings	\$ 21,210	\$ 159,123	\$ 209,844	\$ 221,388	\$ 233,562	\$ 246,408	\$ 259,960	\$ 274,258	\$ 289,342	\$ 305,256	\$ 321,128	\$ 2,240,476
O&M	\$ 21,210	\$ 159,123	\$ 209,844	\$ 221,388	\$ 233,562	\$ 246,408	\$ 259,960	\$ 274,258	\$ 289,342	\$ 305,256	\$ 321,128	\$ 2,240,476
TOTAL WORKSTATION SAVINGS												
Subtotal - O&M	\$ 69,728	\$ 523,114	\$ 689,857	\$ 727,799	\$ 767,828	\$ 810,658	\$ 854,612	\$ 901,615	\$ 951,204	\$ 1,003,520	\$ 1,061,170	\$ 7,365,505
Subtotal - Capital	\$ 47,152	\$ 353,748	\$ 466,505	\$ 482,163	\$ 519,232	\$ 547,760	\$ 577,918	\$ 609,704	\$ 643,236	\$ 678,616	\$ 714,746	\$ 4,980,814
TOTAL WORKSTATION SAVINGS	\$ 116,880	\$ 876,862	\$ 1,156,362	\$ 1,210,000	\$ 1,287,060	\$ 1,358,418	\$ 1,432,530	\$ 1,511,319	\$ 1,594,440	\$ 1,682,136	\$ 1,775,916	\$ 12,346,319

K-20* Escalation

K-20

(1) Annual cost calculated as blended average AEP/CSW cost

escalation_rate
50%
partial_year_savings
75%

Workstation - Average Costs

	1997	
	AEP (2)	CSW (3)

	AEP (2)	CSW (3)	Combined
Hardware Specifications			
Software Specifications			
Number of Corporate Employees	4,515	3,059	7,574
Number of Workstation Users	11,500	5,500	17,000
(1) Number of Workstations	10,950	5,500	16,450
Number of Years to Replace	5	5	
Annual Number of Replacements	2,190	1,100	3,290

Hardware Blended Average Replacement Cost

Average annual cost per workstation
 Annual replacement cost per workstation user

\$	543	\$	406
\$	517	\$	406

\$ 480

Software Blended Average Replacement Cost

Average software cost per workstation
 Annual software cost per workstation user

\$	486	\$	555
\$	463	\$	555

\$ 494

Maintenance Blended Average Cost

Average maintenance cost per workstation
 Annual maintenance costs
 Annual maintenance cost per workstation user

\$	100	\$	456
\$	1,095,000	\$	2,507,000
\$	95	\$	456

\$ 216

(4) Total Annual Expenditures \$ 7,048,782 \$ 4,746,110

- (1) AEP workstation count is for General Purpose workstations and includes estimates for some locations
- (2) Average workstation price for AEP was based on 10% laptops, 90% desktops. Verified with Stan Hill on 2/5/98
- (3) Average workstation price for CSW was based on 35% laptops, 65% desktops. Verified with Robert Williams on 2/9/98
- (4) Calculated by multiplying average workstation costs by the number of existing workstations

AEP / CSW

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Privileged and
Confidential - For Internal Use Only

Applications - Savings (in \$000)

Revenue Requirements Rates (by year) 34.9% 33.2% 30.3% 27.8% 25.6% 24.5% 0.0% 0.0% 0.0% 0.0%

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
O&M Savings	\$72	\$382	\$478	\$478	\$478	\$478	\$478	\$478	\$478	\$478	\$120	\$4,398

Capital Savings

	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue Requirements Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

180

Cumulative Revenue Requirements Savings

Total O&M and Revenue Requirements Savings	\$72	\$382	\$478	\$478	\$478	\$478	\$478	\$478	\$478	\$478	\$120	\$4,398
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Applications - Costs to Achieve (in \$000)

Revenue Requirements Rates (by year)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
34.9%		33.2%	30.3%	27.8%	25.6%	24.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
ORM Cost to Achieve	\$8,108	\$24,926	\$9,567	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$429	\$55,046
Capital Cost to Achieve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Capital Cost to Achieve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue Requirements Cost to Achieve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Revenue Requirements Cost to Achieve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M and Revenue Requirements Cost to Achieve	\$8,108	\$24,926	\$9,567	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$1,717	\$429	\$55,046

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K-2a

AEP / CSW

Applications - Savings and Cost to Achieve Detail

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Application Consolidation	\$ 478,000	\$ 1,716,500	\$ 39,254,667									
Partial Year Savings		75%										
Savings												
Phase in Approach	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Savings Amount - O&M	\$ 71,700	\$ 382,400	\$ 478,000	\$ 478,000	\$ 478,000	\$ 478,000	\$ 478,000	\$ 478,000	\$ 478,000	\$ 478,000	\$ 119,500	\$ 4,397,600
Savings Amount - Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Costs to Achieve												
Phase in Approach	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Annual Costs - O&M	\$ 257,475	\$ 1,373,200	\$ 1,716,500	\$ 1,716,500	\$ 1,716,500	\$ 1,716,500	\$ 1,716,500	\$ 1,716,500	\$ 1,716,500	\$ 1,716,500	\$ 429,125	\$ 15,791,800
Annual Costs - Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
One Time Costs to Achieve												
Phase in Approach	20%	60%	20%	0%	0%	0%	0%	0%	0%	0%	0%	100%
One Time Cost - O&M	\$ 7,650,933	\$ 23,552,800	\$ 7,850,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,254,667
One Time Cost - Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

54,703 }
K-24 }

Projects - Savings (in \$000)

Revenue Requirements Rates (by year)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
O&M Savings	\$3,882	\$5,460	\$5,760	\$6,077	\$6,412	\$6,764	\$7,136	\$7,529	\$7,943	\$8,380	\$2,210	\$67,553
Capital Savings	\$4,174	\$22,800	\$24,054	\$27,011	\$28,496	\$14,062	\$14,835	\$8,095	\$8,541	\$9,010	\$0	\$161,078
		4,174	22,800	24,054	27,011	28,496	14,062	14,835	8,541	8,095	8,541	9,010
		4,174	4,174	4,174	4,174	4,174	27,011	28,496	14,062	14,835	8,095	8,095
					4,174	22,800	24,054	27,011	28,496	14,062	14,835	14,835
					4,174	4,174	22,800	24,054	27,011	28,496	14,062	14,062
							0	0	0	0	0	0
							0	0	0	0	0	0
							0	0	0	0	0	0
							0	0	0	0	0	0
Cumulative Capital Savings	\$4,174	\$26,974	\$51,028	\$78,038	\$106,534	\$120,596	\$131,257	\$116,553	\$101,040	\$83,040	\$54,544	\$0
Revenue Requirements Savings	\$1,456	\$7,953	\$8,390	\$9,421	\$9,939	\$4,905	\$5,175	\$2,824	\$2,979	\$3,143	\$0	\$0
		1,387	7,579	7,995	8,978	9,472	4,674	4,931	2,691	2,839	749	749
			1,264	6,906	7,286	8,181	8,631	4,259	4,494	2,452	647	647
				1,162	6,347	6,697	7,520	7,933	3,915	4,130	563	563
					1,068	5,832	6,153	6,909	7,289	3,597	949	949
						1,021	5,575	5,881	6,604	6,967	860	860
							0	0	0	0	0	0
							0	0	0	0	0	0
							0	0	0	0	0	0
Cumulative Revenue Requirements Savings	\$1,456	\$9,340	\$17,233	\$25,485	\$33,619	\$36,108	\$37,727	\$32,738	\$27,972	\$23,128	\$3,767	\$248,573
Total O&M and Revenue Requirements Savings	\$5,337	\$14,800	\$22,993	\$31,562	\$40,030	\$42,872	\$44,864	\$40,267	\$35,915	\$31,508	\$5,977	\$316,146

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IT Development Projects

Category	ASP (1)	CSW (2)	Combined	Ratio/MS	Percent	Annual Savings
	100%	100%	100%	100%	100%	100%
Total Annual Savings	\$ 7,727,051	\$ 7,727,051	\$ 15,454,102	23%	23%	\$ 1,649,967
Total Capital	\$ 1,881,648	\$ 4,600,184	\$ 6,481,832			
Total Annual Savings	\$ 8,055,491	\$ 28,260,038	\$ 36,315,529			
Total Capital	\$ 3,881,648	\$ 5,460,184	\$ 9,341,832			
Total Annual Savings	\$ 4,173,844	\$ 22,799,853	\$ 26,973,697			
Total Capital	\$ 1,713,844	\$ 3,759,853	\$ 5,473,697			

Total Annual Savings

Total Capital

Weighted Rate

Public Year

- DRAFT ONLY -

AEP / CSW

escalation rate	5.50%	
escalation rate data center	5.50%	
year savings begin	1999	
labor premerger AEP	18,042	
labor premerger CSW	7,500	
labor premerger corp AEP	4,515	2891
labor premerger corp CSW	3,059	2156
labor premerger corporate	7,574	5047
labor reductions	1	
labor reductions corporate	785	785
labor reductions field	1	
labor reductions pct corporate	10%	0.16
rev rqls mis yr 0	34.88%	
rev rqls mis yr 1	33.24%	
rev rqls mis yr 2	30.29%	
rev rqls mis yr 3	27.84%	
rev rqls mis yr 4	25.58%	
rev rqls mis yr 5	24.45%	
rev rqls mis yr 6	0.00%	
rev rqls mis yr 7	0.00%	
rev rqls mis yr 8	0.00%	
rev rqls mis yr 9	0.00%	
rev rqls mis yr 10	0.00%	
first tier improvements	15.00%	
mid tier improvements	10.00%	
top tier improvements	5.00%	

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- DRAFT ONLY -

AEP / CSW

AEP MIPS allocation
96% for MVS
4% for VM

Average Workstation Calc. For AEP		Average Workstation Calc. For CSW		Total Cost	
Count	Cost Per	Count	Cost Per		
1195	\$ 5,453	1925	\$ 3,215	\$ 6,186,875	\$ 2,030
9955	\$ 2,409	3575	\$ 1,392	\$ 4,976,400	
10950		5500		\$ 11,165,275	

AEP Min Annual Development payments to outside vendors

	'98 Budget	App. Delivery	% of Budget	'96 Actual	'96 Est.	'97 Actual	'97 Est.	Avg Est.
Contractors	\$ 57,000,000	\$ 18,128,113	67%	\$ 21,591,933	\$ 14,443,152	\$ 41,928,641	\$ 28,046,666	\$ 26,872,644
Outside Svcs	\$ 3,000,000	\$ 911,973	30%	\$ 3,484,713	\$ 1,053,242	\$ 1,626,730	\$ 494,511	\$ 819,909
	\$ 60,000,000	\$ 19,040,086		\$ 25,056,646	\$ 15,496,394	\$ 43,555,371	\$ 28,541,177	\$ 27,692,552

Non App. Delivery

	\$ 57,000,000	\$ 18,871,867
	\$ 3,000,000	\$ 2,088,027
	\$ 60,000,000	\$ 20,959,914

CSW Min Annual Development payments to outside vendors

	'98 Budget
Computing Svcs	\$ 20,000
Comp/Engy/Ent II	\$ 809,500
Cost Svcs II	\$ 2,034,590
Engy Del/Engy Svcs II	\$ 1,953,064
IT Planning & Project	\$ 73,200
Adjustment	\$ (99,871)
TOTAL	\$ 4,790,483

Likely Future Projects (6)	Small Projects & Appl Support	IT Back Office	Avg Est.	Contractors Not Assigned to Future Projects
	\$ 16,430,467	\$ 11,262,085	\$ 16,430,467	\$ 16,430,467
			\$ 15,178,120	\$ 15,178,120
Y2K (70%)			\$ (6,713,834)	\$ (6,713,834)
IBM (80%)			\$ (7,424,556)	\$ (7,424,556)
			\$ 17,470,197	\$ 17,470,197

(Used 70% reduction factor)

Y2K (70%)
IBM (80%)

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AEP INFORMATION TECHNOLOGY
 1998 PROPOSED BUDGET
 VERSION 4

DESCRIPTION	ACCT	TOTAL PROPOSED BUDGET	APPLICATION DELIVERY	CENTRAL INFORMATION TECHNOLOGY	YEAR 2000 PROJECT
FRINGES (31%)		6,738,913	3,403,108	3,227,398	108,407
STRAIGHT TIME&SHIFT	920-100	21,738,428	10,977,767	10,410,961	349,700
SALARIES - OVERTIME	920-200	1,032,216	872,457	159,759	0
CONTRACTORS	923-150C	57,000,000	38,128,113	9,280,695	9,591,192
OUTSIDE SVCS-OTHER	923-300	3,000,000	911,973	2,088,027	0
COMPUTER EQUIP RENTS	931-200	13,013,448	2,820,426	9,206,982	986,040
COMPUTER MAINTENANCE	932-100	2,839,640	34,555	2,805,085	0
SOFTWARE MAINT	923-150	10,076,088	911,973	9,005,015	159,100
RENTS - SOFTWARE	931-250	3,336,573	0	3,336,573	0
DISASTER RECOVERY		396,000	0	396,000	0
MATERIAL & SUPPLIES		474,528	33,150	441,378	0
TRAINING	921-110	1,019,940	702,990	311,950	5,000
OTHER (Misc Accounts)		2,334,226	644,735	1,587,266	102,225
TOTAL		123,000,000	59,441,247	52,257,089	11,301,664

← K-54 →

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Table 28.9 - Staff Headcount

	STAFF HEADCOUNT	COMMENTS
Management & Supervision (levels 1, 2, 3)	26	
Administrative Support	*14	* - includes six Administrative Support Group personnel under 335-020, as well as the eight ISD secretaries
Technology Planning	10 (3)	
Database Administration	8 (5)	Contractor totals are in ().
Data Center:		
Computer Operations/Production Control	47 (3)	N/A - categories are not applicable to the IT Organization
Systems Performance/Technology Support	8	
Help Desk	13 (2)	
Client Service Liaisons	19 (14)	
User Support	21 (11)	
Applications Maintenance & Routine Enhancement	190 (332)	
IT Planning & Support - N/A	N/A	
Data Network		
Telephone		
Other - Radio		
Operations - N/A	N/A	
Load/Facility Management		
Supply		
SCADA		
Workstation Planning & Support	16 (5)	
Security & Disaster Recovery	4 (3)	
Quality Assurance - N/A	N/A	
Training	7 (2)	
Total Baseline Headcount	382 (280)	
Applications Development		
Total	763	

1998 ISD BUDGET SUMMARY ACTIVITIES - (02/18/98)
 VERSION 5.0

AEP

Application Support

~~12,387,614~~
 11,919,953
 Not related to
 6 projects that
 will be avoided

U - APPROVED - DEVELOPMENT AND SUPPORT

ISD R/G	ACT CODE	PROJECT	STAFF YEARS	COST	FRINGE	COST + FRINGE
700	395	11160	.50	27.750	0	27.750
720	395	11164	5.00	220.000	0	220.000
730	395	11167	4.95	462.661	0	462.661
740	395	11175	.35	40.320	0	40.320
		11185	.75	86.400	0	86.400
		11187	10.25	1.180.820	0	1.180.820
*** ACTIVITY CODE TOTAL:						395
				11.35	0	1.307.540
**** ISD SECTION TOTAL:						740
				11.35	0	1.307.540
750	395	11189	1.50	171.000	0	171.000
		11191	.50	57.000	0	57.000
		11580	5.55	632.700	0	632.700
*** ACTIVITY CODE TOTAL:						395
				7.55	0	860.700
**** ISD SECTION TOTAL:						750
				7.55	0	860.700
60	395	11193	1.25	151.984	0	151.984
		11195	3.60	400.728	0	400.728
		11197	2.10	269.880	0	269.880
		11198	.80	81.067	0	81.067
		11199	.75	84.960	0	84.960
		11203	1.70	179.520	0	179.520
*** ACTIVITY CODE TOTAL:						395
				10.20	0	1.168.139
**** ISD SECTION TOTAL:						760
				10.20	0	1.168.139
80	395	11207	11.25	1.296.000	0	1.296.000
		1325	13.00	907.920	0	907.920
*** ACTIVITY CODE TOTAL:						395
				24.25	0	2.203.920
**** ISD SECTION TOTAL:						780
				24.25	0	2.203.920
90	395	11211	23.60	3.117.984	0	3.117.984
		11213	13.23	1.650.480	0	1.650.480
		11217	10.93	1.363.440	0	1.363.440
*** ACTIVITY CODE TOTAL:						395
				47.76	0	6.131.904
**** ISD SECTION TOTAL:						790
				47.76	0	6.131.904
5		11169	.00	0	0	0

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AEB

ISD R/G	ACT CODE	PROJECT	STAFF YEARS	COST	FRINGE	COST + FRINGE
999	395	11185	.00	0	0	0
		11187	.00	0	0	0
		11195	.00	0	0	0
		11217	.00	0	0	0
*** ACTIVITY CODE TOTAL:						395
				0	0	0
**** ISD SECTION TOTAL:						999
				0	0	0
TOTAL		111.56		12,382,614	0	12,382,614

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↑
Support &
Maintenance
FTE

462,461
11,919,953

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Memorandum

<u>Server Category</u>	<u>No.</u>	<u>Replacement Cost</u>	<u>Annual Maintenance</u>
Intel\Low-end	568	\$11,000,000 / 19,364 each	\$750,000
Digital\Mid-range	175	\$5,000,000 / 28,571	\$400,000
RISC\Mid-range	$\frac{75}{808}$	\$15,000,000 / 200,000	\$350,000

The high cost related to the RISC\Mid-range systems is due to the Unix servers high memory and disk requirements for the Oracle databases.

Server Counts & Costs

K-33

28.0 INFOR ON SYSTEMS

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data:

Data Requested	Data Provided	Notes/Comments
28.1 Please provide the information requested in Tables 28.1 - 28.7. Please provide the most recent and detailed data possible.		<i>Information attached with explanations</i>
28.2 Please describe current IS disaster recovery plans, including offsite data storage, backup facilities, etc., including annual fixed and variable costs of such arrangements.	DIFF. THAN 28.7	A disaster recovery hotsite contract has been in place with IBM Business Recovery Services since 1990 and provides for an annual test of the AEP recovery plan. All backup files required for recovery are stored at a secured offsite facility. Current annual cost for the hotsite contract is \$347,000.
28.3 Please provide a copy of your most recent Strategic Information Plan.		<i>See AEP Information Technology Strategic Plan Phase II Final Report, Phase II Special Report -- IT Architecture, Phase II Special Report -- IT Architecture Migration Plan appendices</i>
28.4 Please provide copies of your most recent information systems budget and long-term forecast.		<i>See attachment A</i>
28.5 For each significant class (administrative, developer, etc.) of workstation which you purchase and/or maintain, describe your workstation replacement program with respect to the following: ① - Standard configurations; purchase cost per station ② - Lease or buy approach and accounting treatment (O&M or capital; depreciation life) ③ - Maintenance approach and expenses ④ - Number of workstations ⑤ - Number of workstation users (administrative and technical support) in all functional areas ⑥ - Replacement cycle (in years)		<i>See attachment B</i>
28.6 Please describe any anticipated change in the company's business which may call for alterations in the current or future IS infrastructure but which are not reflected in the current long-term forecast		<i>Refer to 28.3 Notes/Comments</i>

Table 28.7 - I. Ion Systems and Technology Expenses

	Actual 1997	Projected 1998
LABOR		<i>See attachment</i>
Total Internal Labor		<i>See attachment</i>
Less Direct Charges to Projects		
Net Internal Labor		
Non-Labor (A)		
Outside Services		
Mainframe		
Depreciation/Amortization		
Lease Payments		
Maintenance Contracts		
Software		
Miscellaneous		
Depreciation/Amortization		
Lease Payments		
Maintenance Contracts		
Software		
Workstations:		
Depreciation/Amortization		
Lease Payments		
Maintenance Contracts		
Software		
Disaster Recovery		
Materials & Supplies		
Training		
Other	194	
TOTAL EXPENSES		

A) Non labor expenses do not include charges to projects for outside services, infrastructure, etc.

Table 28.1 C1 T Infrastructure - Mainframe

MAINFRAME ENVIRONMENT	QUANTITY	MODEL	CAPACITY	HARDWARE LOCATION	START/END DATES	OPERATING SYSTEM	DATA BASE MANAGEMENT SYSTEM	NETWORK ACCESS PROTOCOL
See attached	See attached ^(C)			Columbus	18,190,527 - 18,158,014	MVS VM	DB/2 PRODBAS IDMS	VTAM SNA SDLC DLC TCP/IP APPN

Please describe any unique features of your mainframe hardware/software contracts:

VTAM Virtual communication user method
 SNA System network architecture
 SDLC Synchronous Data Link Communications
 DLC Data Link Communications
 TCP/IP Cohen Ring Protocol
 APPN application mode

MVS Multiple Virtual System
 VM Virtual machines

CPU Configuration - Alternative 3

01-22-1998 9:11 am
 n:\bjc\flow3\cpuait3.fcc

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June 1996
mainframe

IBM-9021-972-71959	
COCB	
COC1	
CO1M	
COCJ	
IPO2	
Used MIPS	
Avail. MIPS	351
MSUS	60
Group	100
Engines	7

April 1997
mainframe

IBM-9021-972-71959	
COCB	
COC1	
CO1M	
COCJ	
IPO2	
COCY	
Used MIPS	
Avail. MIPS	351
MSUS	60
Group	100
Engines	7

June 1997
mainframe

IBM-9021-972-71959	
COCB	
COC1	
CO1M	
COCJ	
IPO2	
COCY	
Used MIPS	
Avail. MIPS	351
MSUS	60
Group	100
Engines	7

August 1997
mainframe

IBM-9021-972-71959	
COCB	159
COC1	45
COCO	20
COCY	65
IPO2	20
Used MIPS	
Avail. MIPS	351
MSUS	60
Group	100
Engines	7

IBM-9672-R53-41589	
CCC1	
VM	44
Used MIPS	
Avail. MIPS	97
MSUS	18
Group	50
Engines	5

IBM-9672-R53-41589	
CCC1	
VM	44
Used MIPS	
Avail. MIPS	97
MSUS	18
Group	50
Engines	5

IBM-9672-R53-41589	
CCC1	
VM	44
COCT	7
COIT	7
Used MIPS	
Avail. MIPS	97
MSUS	18
Group	50
Engines	5

IBM-9672-R53-41589	
CCC1	39
VM	44
COCT	7
COIT	7
Used MIPS	
Avail. MIPS	97
MSUS	18
Group	50
Engines	5

IBM-9672-R34-45252	
COCM	
Used MIPS	
Avail. MIPS	125
MSUS	22
Group	60
Engines	3

IBM-9672-R65-45252	
COCM	
Used MIPS	
Avail. MIPS	308
MSUS	51
Group	90
Engines	6

IBM-9672-R65-45252	
COCM	122
COCJ	183
Used MIPS	
Avail. MIPS	308
MSUS	51
Group	90
Engines	6

IBM-9672-R55-46205	
CO1M	23
CO1J	234
Used MIPS	
Avail. MIPS	264
MSUS	45
Group	80
Engines	5

MIPS	404
VM MIPS	44
Total MIPS	448
Total MSUS	78
Total Engines	12

MVS MIPS	529
VM MIPS	44
Total MIPS	573
Total MSUS	100
Total Engines	15

MVS MIPS	712
VM MIPS	44
Total MIPS	756 ✓
Total MSUS	129
Total Engines	18

MVS MIPS	976
VM MIPS	44
Total MIPS	1020
Total MSUS	174
Total Engines	23

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Table 28.7 - Information Systems and Technology Expenses

	Actual 1997	Budgeted 1998	Explanations
Labor			
Total Internal Labor	67,692,382	89,509,557	Total includes employee salaries, fringes and overtime expenses, plus charges for contractors and consultants (which total 60,000,000).
Less Direct Charge to Projects	N/A	N/A	
Net Internal Labor	67,692,382	89,509,557	
Non Labor (A)			
Outside Services			
Mainframe:			
Depreciation/Amortization	5,883,643	9,654,994	Equipment is not depreciated. Amortization payments are included with the lease payments.
Lease Payments	7,989,271	1,497,302	
Maintenance Contracts	1,188,331	8,345,271	
Software	9,036,492		
	<u>5,103,421</u>		
Midrange:			
Depreciation/Amortization	1,765,607	1,858,454	Equipment is not depreciated. Amortization payments are included with the lease payments.
Lease Payments	1,309,760	1,304,983	
Maintenance Contracts	844,872	4,553,290	
Software	390,428		
Workstations:			
Depreciation/Amortization	1,309,760	1,500,000	Equipment is not depreciated. Amortization payments are included with the lease payments.
Lease Payments	37,355	37,355	
Maintenance Contracts	511,950	514,100	
Software			
Disaster Recovery	<u>306,000</u>	<u>247,000</u>	
Materials & Supplies	550,355	474,528	
Training	619,855	1,019,940	
Other	4,814,205	2,334,226	WHAT'S INCLUDED IN THIS: TRAINING, CONFERENCES, TRAVEL, BOOKS/PERIODICALS, OFFICE SUPPLIES
TOTAL EXPENSES	97,777,296	123,000,000	

DIFFERS FROM 28.8

AVGS

K-10

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Table 28.8 Contractual Expenses

List all contractual expenses. In the Category column, use one of the following:

- MF - H; Mainframe Hardware
- MF - S; Mainframe Software (basic)
- AD; Applications Development Tools
- Other (Please Specify)

Contractor	Nature of Work	Expiration Date	Annual Cost	Category
See attachment (H)				

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Table 28.6 - IT Infrastructure

ENVIRONMENT	QUANTITY	HARDWARE MODEL	EST. COST	OPERATING SYSTEMS	DATABASE MANAGEMENT SYSTEM	ACCESS	NETWORK PROTOCOL	EXPECTED DATE OF TRANSITION (IF NEW)
MAINFRAME ENVIRONMENT	NOT AVAILABLE			IBM OS/390	NONE SPECIFIED	SNA DIA-112	TCP/IP SNA	1998 → 2000
MIDRANGE/SERVER ENVIRONMENT				HP BISC/HP-UX	ORACLE LONGSIGHTS	TOKEN RING ETHERNET DIA-112	TCP/IP NETBOS SNA/DEC	1998 - 2000
WORKSTATION ENVIRONMENT				INTEL/NT INTEL/95	ORACLE PARASOFT	TOLLBRIDGE EFFICIENT	TCP/IP NETBOS	1998 - 2002

IT INFRASTRUCTURE - MIDRANGE

Table 28.2 CU.

Please fill out one row for each major category of midrange servers (for example, print servers, application servers, etc.). Indicate whether the servers are leased or purchased. If purchased, please indicate current depreciation practices as well as current replacement cycle (in years). Show annual Hardware, Software, and Maintenance expenses on a per unit basis.

MIDRANGE SERVER ENVIRONMENT	HARDWARE QUANTITY	OPERATING SYSTEM	SOFTWARE MANAGEMENT	NETWORK ACCESS	PERMANENT STORAGE	SOFTWARE LICENSING	PER UNIT
INTEL UNIX VMS AIX	attach-ment	see attach-ment	see 28.4	Refer to Table 28.3	Not Available		

- AEL lease accounting system tracks all leases

- lease methodology, capital, buy out clause

- Big buy, may be able to pull lease info out of lease system.
x2600

American Electric Power

Inventory of Client Server Equipment

Company	Servers	Disks/Drives
AEP Service Corporation	175	3200
Appalachian Power Company	120	2500
Columbus Southern Power Company	40	600
Indiana Michigan Power Company	55	2600
Kentucky Power Company	30	550
Kingsport Power Company	5	50
Ohio Power Company	70	1400
Wheeling Power Company	5	50
Total	500	10950

no. of users
approximately
③ 11,500 K-20

NOTE: MORE USERS THAN WORK-STATIONS?

* INTEL servers only. See attached recover list for others.

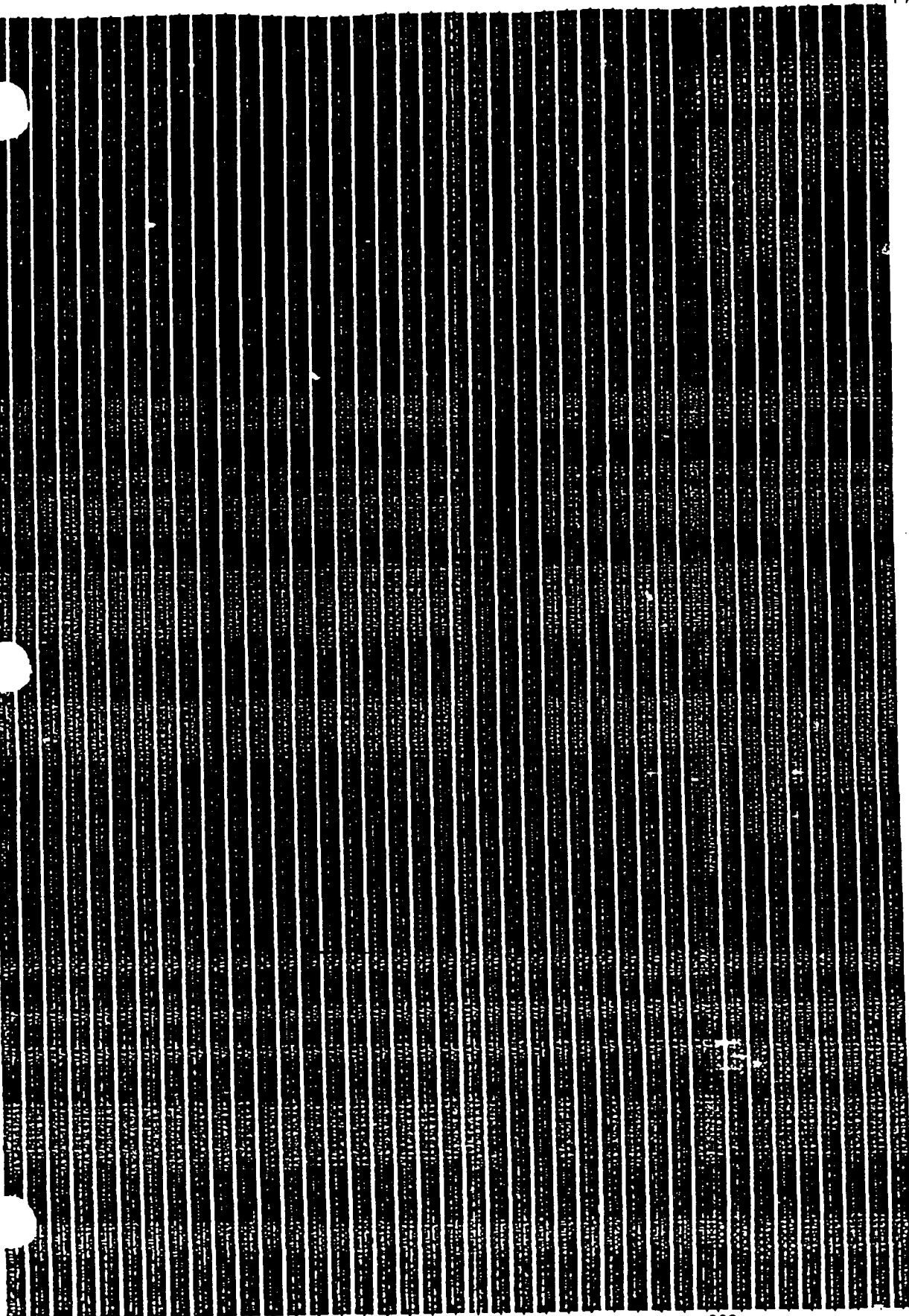
L These are on the things APP... \$
CAN ++

contract, but it also includes the workstations.

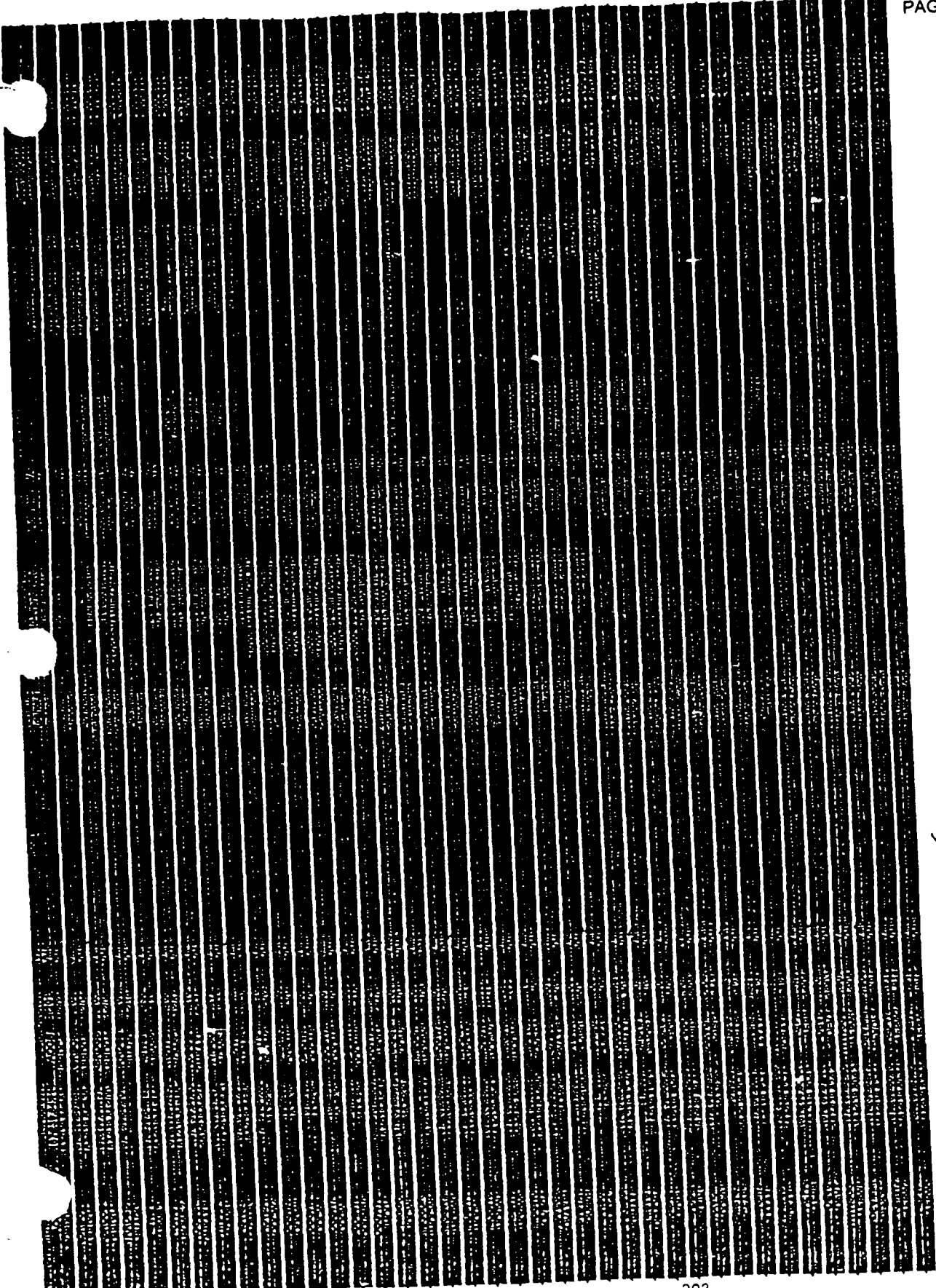
Can Use 1000-1200/yr. per total power per station
100/yr for workstations.

1000 1000 1000 1000 1000

325/1001

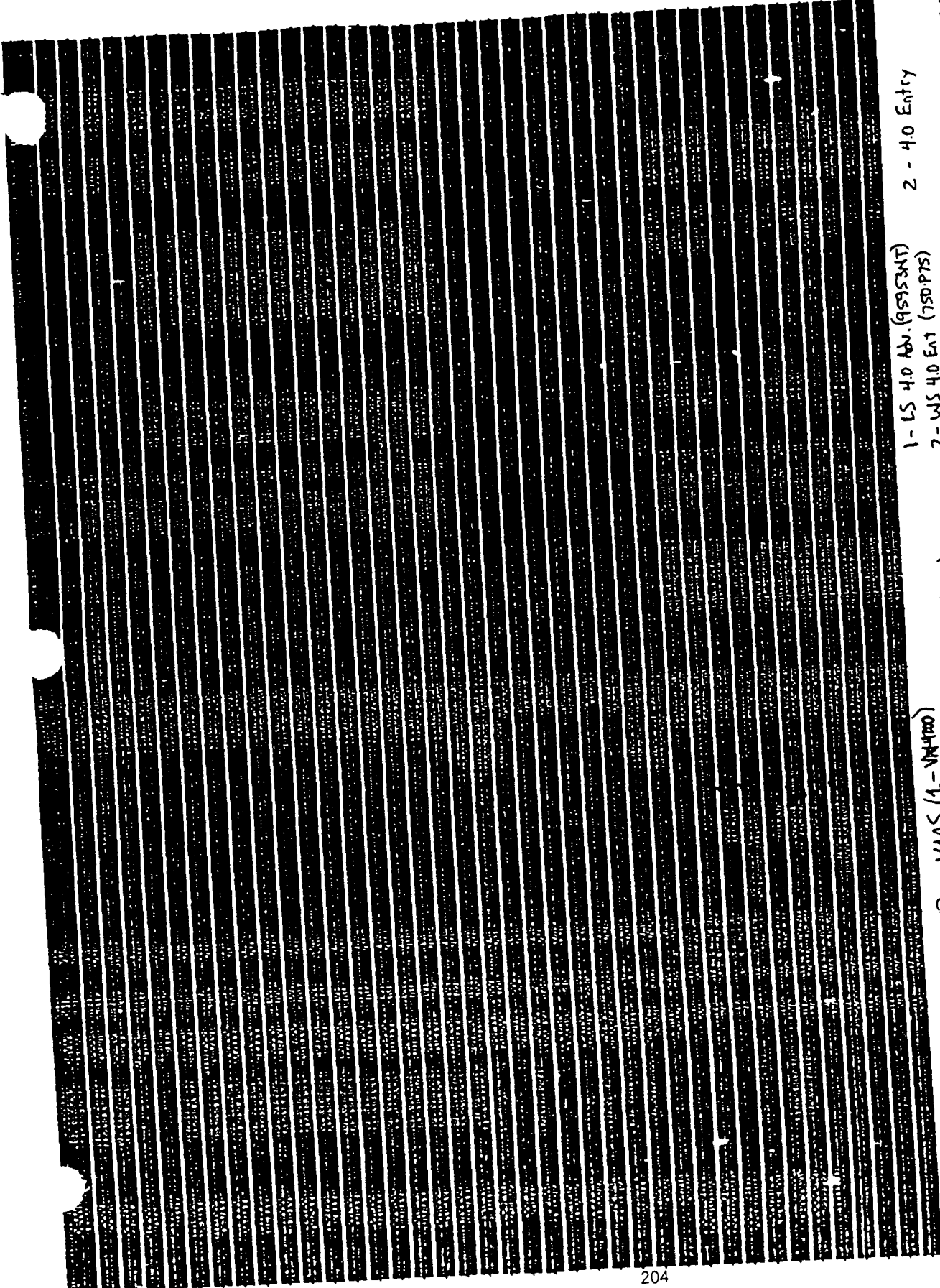


53-AIX 7 78
B-HPDX 3 27
17-VNS 75 K-43



1H-7

SMN-01

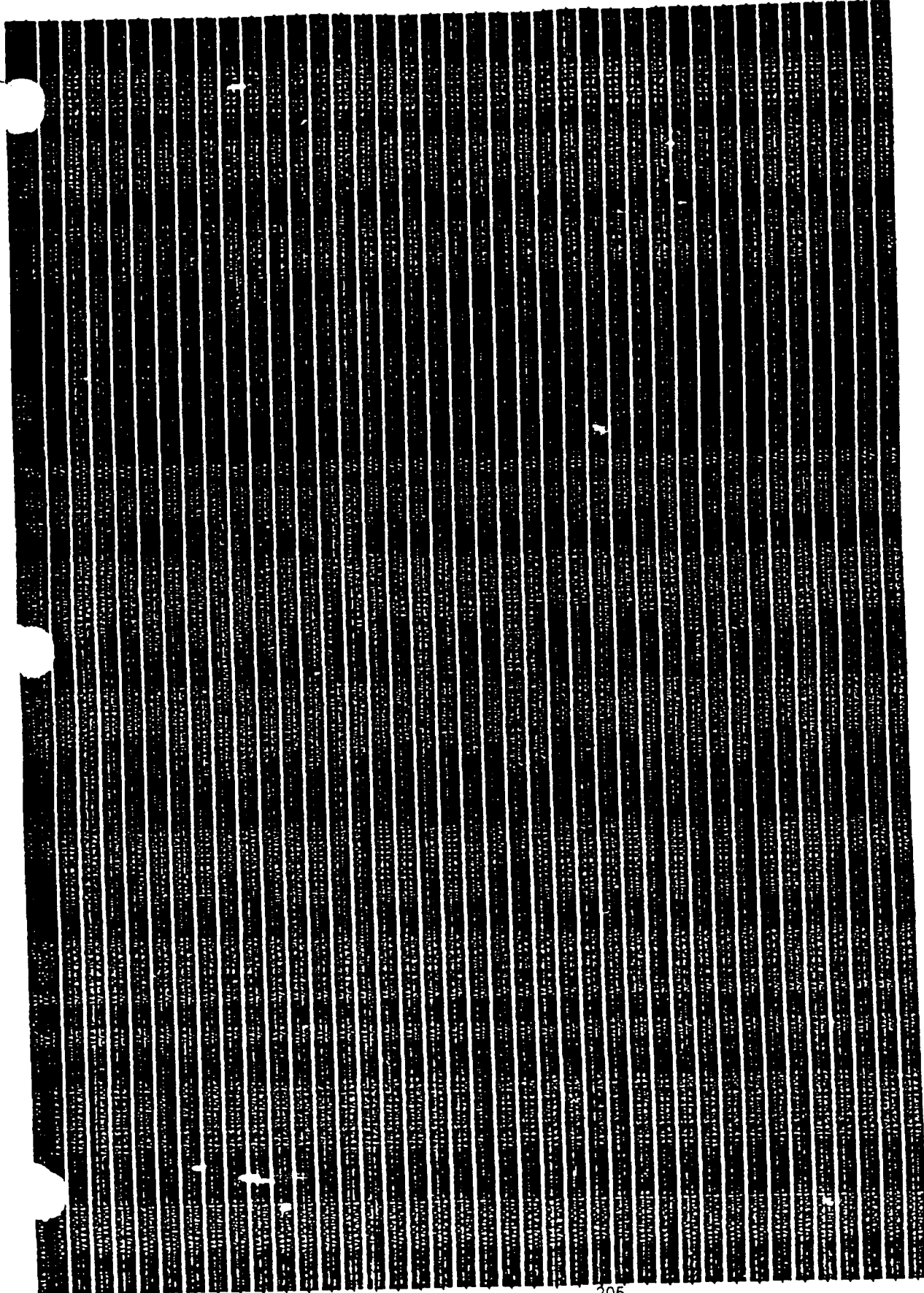


2 - 40 Entry

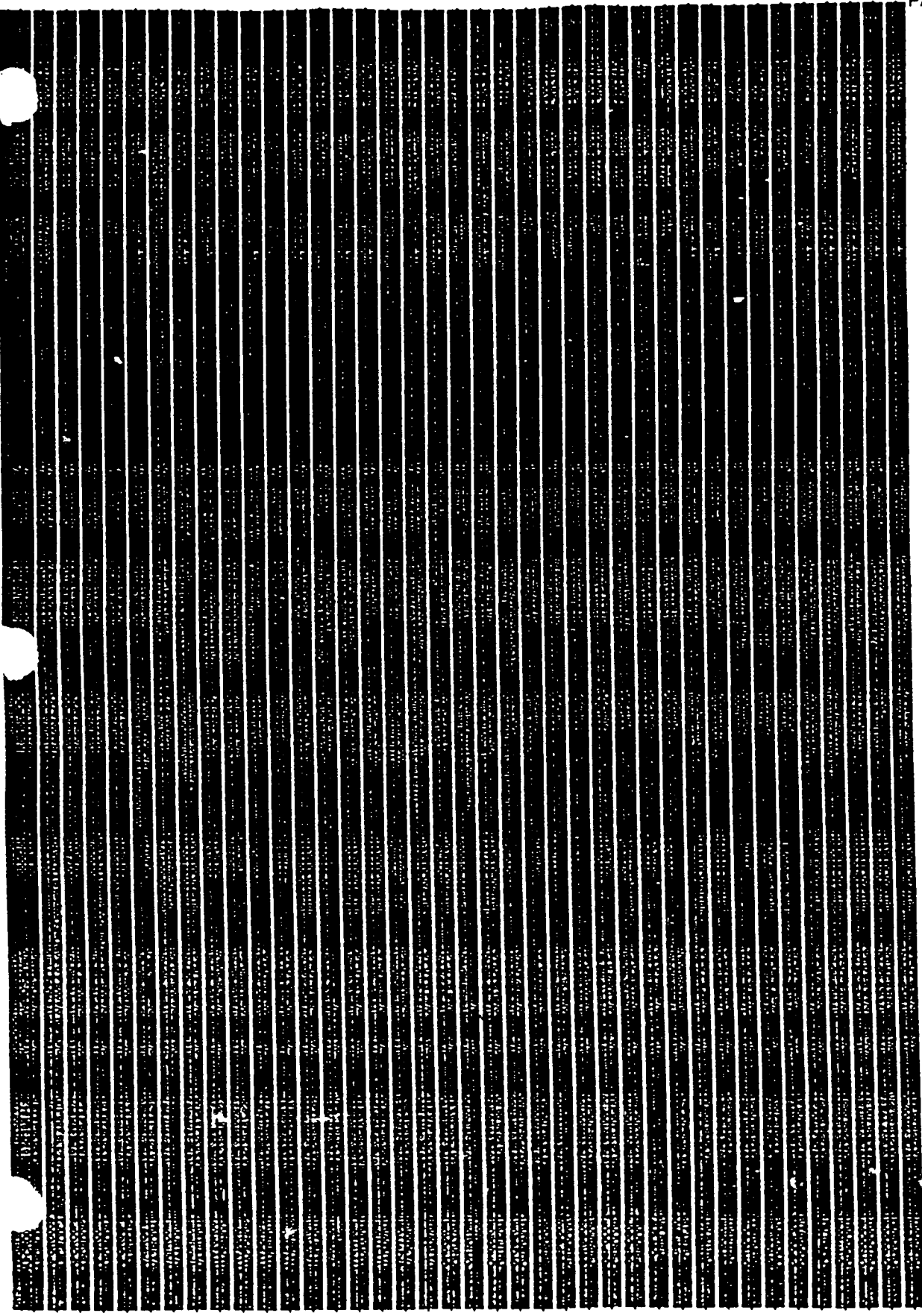
1- LS 40 Adv. (95953NT)
2- WS 40 Ent (750.P75)

~~1- 10M500 8410 Y5~~
1- 10M500 8410 Y5
11- 5 40 Adv.

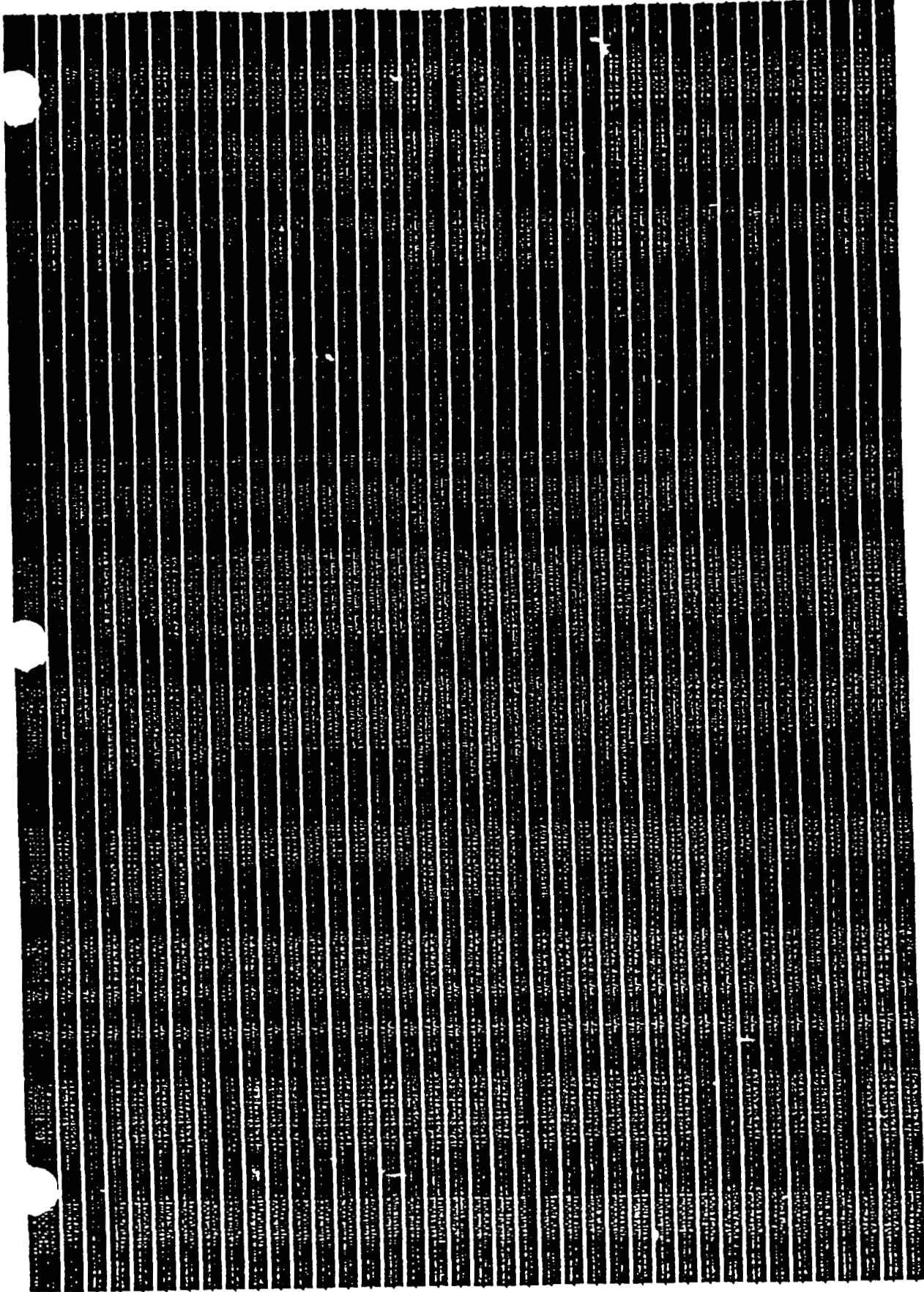
50 - VMS (1- VM400)
7 - LS 40 Ent. (1-6580-101 & 1 898-071)
2 - 05/2 WAF9 (18MCT50-68865H) FJ
2 - NT 3.51 (DALL ATTORNEY GEN PLOP, 1897520)



K-416

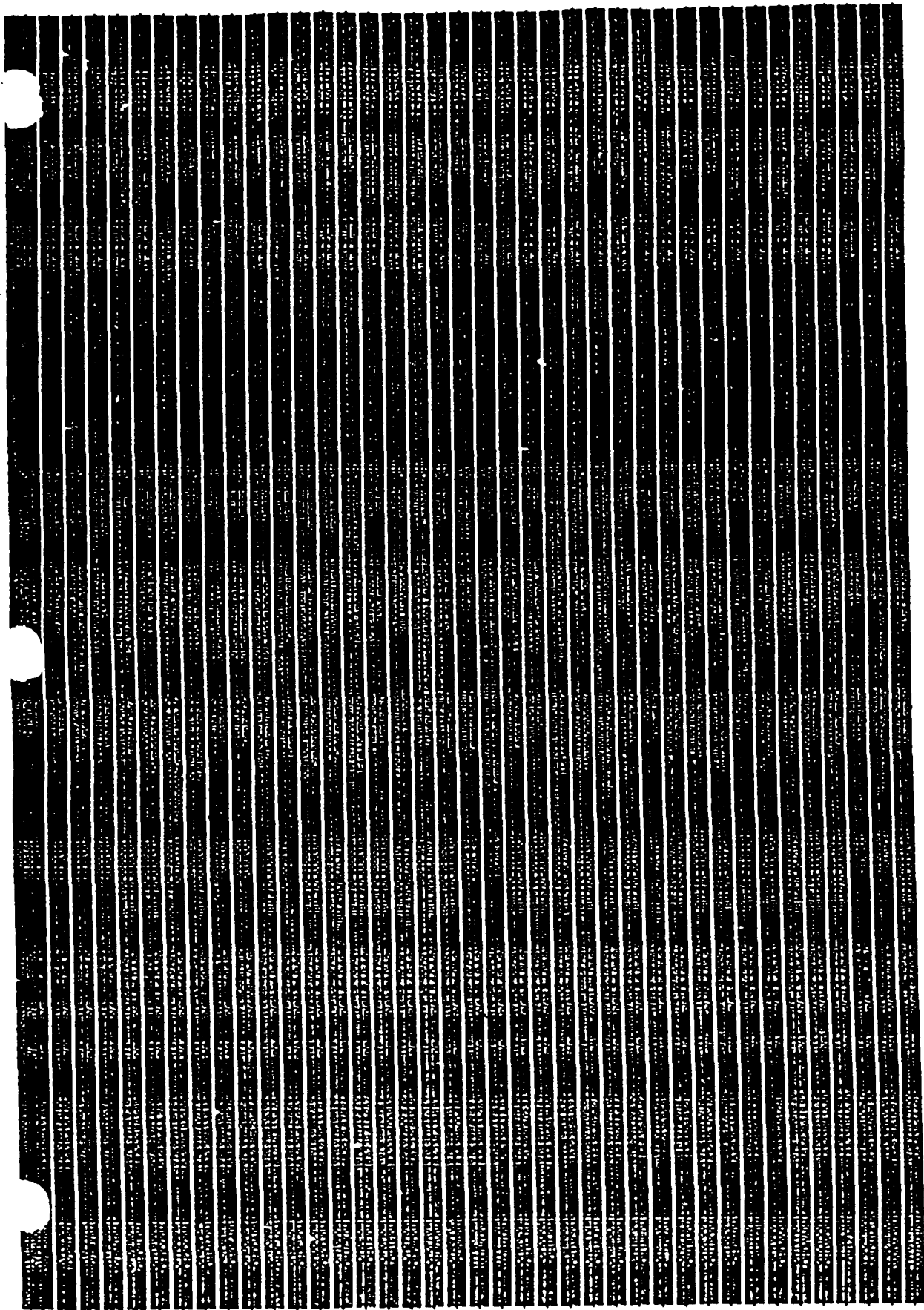


K-47



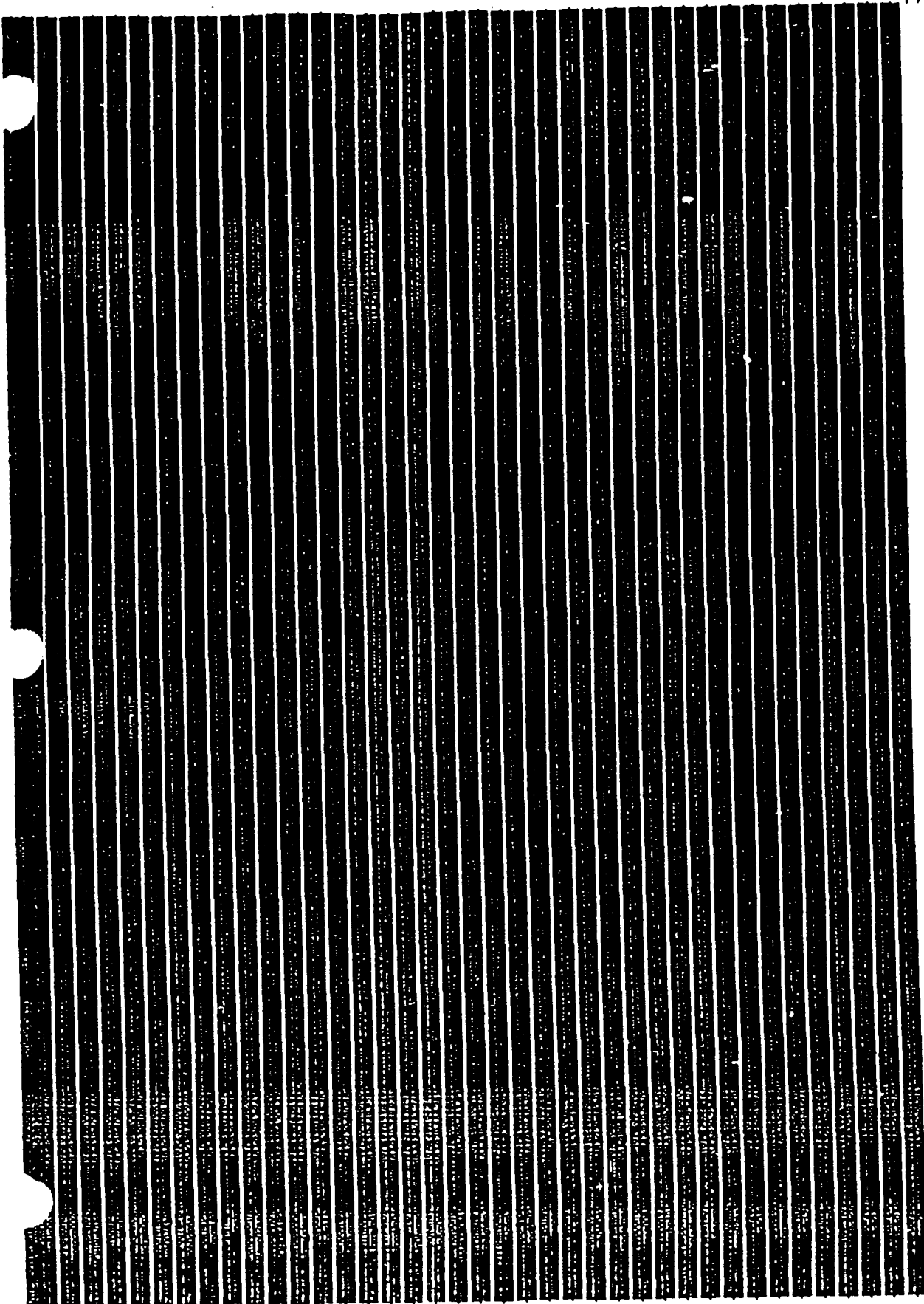
K-418

148

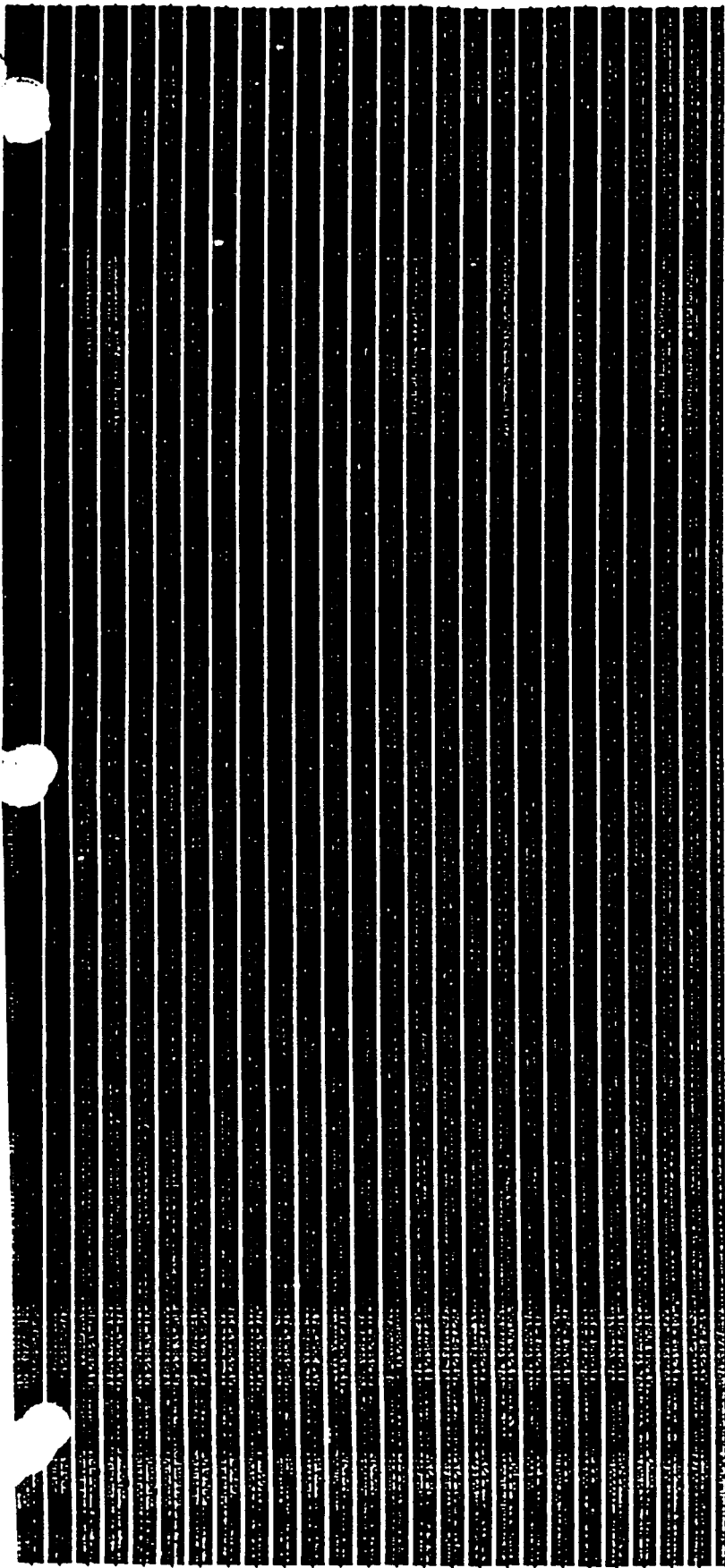


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01/27/08



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Table 28.5 - Development Projects

List approved major project to implement new IT infrastructure and new/enhanced application systems. Estimate how remaining costs will be split between internal labor, external labor, and other project expenses (such as hardware or software). On a separate page, please attach a one to two paragraph description of each project.

Name of Project:	Year Started	Current Phase	Year To Complete	Cost To Date	Total	Next Year	Remainig Cost To Complete Beyond	% Int. Labor	% Est. Labor	% Other
See attachment F										

* Send note to account manager to obtain this information. Information may not be available. See attached note.

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Table 28.5 IS

Table 2c Contractual Expenses

<u>Contractor</u>	<u>Nature of Work</u>	<u>Expiration Date</u>	<u>Annual Cost</u>	<u>Category</u>
Various contractors	Installed MF Hardware		9,560,561	MF-H
Sample of contractors are:	Operating system software		3,203,421	MF-S
IBM	Arbiter			
Tangram Enterprise Solutions	SAS products			
SAS Institute	Sort product			
Syncsort				
CSC Index	Defining final processes of the strategic plan	March 31, 1998	1,200,000	AD

only 5.0M in MF software
 DIFFERS FROM 28.7

The annual costs have been taken from the Information Technology 1998 department budget.

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AEPSC
Major Application System Invent...

Name of System	Source YEND	Year Implm	Year to Replace	Annual Expenses	Oper Systems	DB	Hardware Platform	Language	Expand
Customer Support Billing, Customer Information & Customer Accounting		1995			MVS	Oracle	PC		Yes
		1998			MVS	VSAM	PC	COBOL, ICICS	Yes
		1998			OS/2		Mainframe	Visual Age C++	Yes
		1998			MVS	DB2	Mainframe	COBOL, Install 1	Yes
		1992			VSAM		Mainframe	COBOL	Yes
Marketing Information		1995			WIN	0.00	PC	Saratoga Package	Yes
		1995			WIN		PC	Package	Yes
					WIN	Oracle	PC	Power Builder	Yes
					WIN	Oracle	PC	Power Builder	Yes
					WIN		PC		Yes
					WIN		PC	Paradox	Yes
					WIN		PC		Yes
Supply Chain Materials Inventory		1988			MVS	Adabas	Mainframe	COBOL	Yes
Purchasing	PeopleSoft	1996			HP-UX	Oracle	HP-3000	PeopleTools, Microfocus	Yes
		1988	1998		MVS	Adabas, VSAM	Mainframe	COBOL, Natural	Yes
Accounts Payable	PeopleSoft	1988			HP-UX	Oracle	HP-3001	PeopleTools, Microfocus	Yes
Accounts Payable	CA	1987	1998		MVS	Adabas, VSAM	Mainframe	CA, COBOL, Assembler	Yes
Human Resources Mgt Time Entry	Tesserat	1998			MVS, OS/2	VSAM, DB2	Mainframe/Client Server	COBOL, Powerbuilder	Yes
		1986			DOS	Enable	PC	Enable, COBOL	Yes
Contract Interpolation Payroll		1995			MVS	VSAM	Mainframe	COBOL, ASM	Yes
		1986			MVS	Flat Files, VSAM	Mainframe	COBOL	Yes
Personnel	Tesserat	1992			MVS	VSAM	Mainframe	Tesserat	Yes
		1993			MVS	VSAM	Mainframe	COBOL, ASM	Yes
Financial Management GL Budget	PeopleSoft	1996			HP-UX	Oracle	HP-3000	PeopleTools, Microfocus	Yes
	CA	1987	1998		MVS	VSAM	Mainframe	CA, COBOL, ASM	Yes
		1977			MVS	Flat Files	Mainframe	COBOL	Yes
		1981			DOS	Enable	PC	Enable	Yes
		1985			DOS	Enable	PC	Enable	Yes
Project Costing Fixed Assets	PeopleSoft	1997			AIX, WIN3.1, OS/2	Oracle	PC	PeopleTools, Microfocus	Yes
		1986			HP-UX	Oracle	HP-3000	PeopleTools, Microfocus	Yes
		1977			MVS	Flat Files	Mainframe	COBOL	Yes
		1977			MVS	Flat Files	Mainframe	COBOL	Yes
Work Management Distribution - Gas		1985			MVS	VSAM	Mainframe	CC-10L	Yes
Distribution - Electric		1997			Windows	Access	PC	Visual Basic	Yes
		1996			MVS	DB2	Mainframe	COBOL, Install 1	Yes
		1998			OS/2	Oracle	PC	Microfocus, COBOL	Yes
		1997			Windows	Oracle	PC	Powerbuilder	Yes
		1989			MVS	Adabas, VSAM	Mainframe	Natural, COBOL	Yes
Customer Service Dispatch		1984			OpenVMS	Proprietary	VAX	Various	Yes
Geo Info System		1984			MVS	ADABAS	ES/9000	COBOL, Fortran, Natural	Yes
Fleet System		1984			MVS	Sequential	ES/9000	COBOL	Yes
Energy Management System Control - Gas		1984			OpenVMS	Proprietary	VAX	Various	Yes
System Control - Electric		1984			MVS	ADABAS	ES/9000	COBOL, Fortran, Natural	Yes
System Control - Electric		1984			MVS	Sequential	ES/9000	COBOL	Yes
Gas Procurement		1984			OpenVMS	Proprietary	VAX	Various	Yes

HOWARD KILL - PROCUREMENT & CONVERSION PS
 MIKE McCLELLAN K-55
 MIKE SULLIVAN K-2634 PROTECTS

Table 28.4 - Application System Inventory

NAME OF SYSTEM	SOURCE (VEND)	YEAR IMPLEMENTED	YEAR TO REPLACE	ANNUAL EXPENSES (\$)	OPER. SYS.	DB	HARDWARE PLATFORM	LANG	EXPANDABLE
Customer Support: Billing Customer Information Customer Accounting Marketing Information	*	*	*	N/A	*	*	*	*	*
Supply Chain: Materials Inventory Purchasing Accounts Payable									
Human Resource Management: Time Entry Contract Interpretation Payroll Personnel									
Financial Management: GL/Budget Project Costing Fixed Assets									
Work Management: Distribution - Gas Distribution - Electric Customer Service Dispatch Geo Info System Fleet Management									
Energy Management: System Control - Gas System Control - Electric Gas Procurement									

Annual expenses should include maintenance or license fees to 3rd party vendors; internal maintenance/development labor should be excluded

N/A - not available
* - see attachment (E)

K-56
Table 28.4 IS

To: Betty J. Andreas/AEPSC/American Electric Power
cc: Stanley M. Hill/APC/American Electric Power
From: Edward A. Sarkel/AEPSC/American Electric Power
Date: 01-22-98 11:27:41 AM
Subject: Standard Configs

- ① \$5453 Panasonic Mark CF-35 Laptop, Docking Station, Portable printer, and other accessories
- \$2409 Dell P6233 GXA Desktop, Monitor, NIC
- \$400 Operating System with Maintenance, mainframe emulation, Office Suite, Virus protection (for desktop or laptop)
- \$86 User-based software (Notes and Tap/2)

WORKSTATION INFO : NEED COUNT OF EA TO DETERMINE AVG.
COST.

- Count is general purpose desktops. Has either been inventoried or estimated. May not include machines outside the physical locations inventoried & some power control systems.

- 10-15% Laptops :

15-1

TABLE 28.3 CI IT INFRASTRUCTURE - WORKSTATIONS

ORGANIZATION	QUANTITY	HARDWARE MODEL	OPERATING SYSTEMS	DATABASE MANAGEMENT SYSTEM	NETWORK ACCESS	NETWORK PROTOCOL
retroshed	10,950	N/A	OS/2, WIN95, WINNT, DOS	See 28.4	LAN - Token Ring - Ethernet WAN - Router - ATM - SDLC	TCPIP NETBIOS SNA/DLC

network BIOS

ATM Asynchronous Transmission method
SDLC Synchronous Data Link Communication

N/A not available

217

ABMS
 PROJECT #

SID

PROJECT DESCRIPTION

ABMS PROJECT #	SID	PROJECT DESCRIPTION
1325	MCS	Marketing & Customer Services Installation
2944	APY	APY Integration Project
2945	PUI	PUI PeopleSoft C/S System
3085	ITR	Integrated Time Reporting C/S
3087	MMS	MMS Inventory Management Release 4.0
3088	MMS	MMS Generalized Architecture
3089	PSP	PSP Development
3090	SED	Station Engineering & Design
3092	PLA	Centralized Plant Accounting
3093	RMM	Railcar Maintenance Management
3095	TRS	Nuclear Time Reporting
3096	MCS	MACSS C/S Call Center
3101		Lotus Notus Release 4.0 Migration
4959	GLW	General Ledger Standardization
4962	LEA	Leased Asset Management - Phase 3.2
5222	ITR	ISD - ITR Repository Development
5241	AIM	AIM (Accounting Info Mgmt) (GLW,APY,PUI,LEA)
5334	HRA	Human Resource C/S
5338	AES	Automated Engineering System Information
5339	WKM	Work Management Project
5359	FIM	Fleet Information Management
5562	EMS	EMS Migration to new HW/SW
5618	CEA	Consolidated Energy Accounting System
6543	Y2K	YEAR 2000
8597	IFS	Integrated Financial System
8598	INA	New Chargeback System
8599	OAM	Owned Asset Management Project
8620	NON	Energy Trading

K-60

IT TS
IT PROJECTS
1997 ACTUALS

TIME 16:
PERIOD DEC-1997

Description	Year-To-Date Actual Dollars	EX DATE
1325 AAAEID INSTAL I. MACSS, OPS, MDS		
61335000	6,395.21	4Q 98
61335020	22,205.34	
61335200	61,033.92	
61335230	496,128.57	
61335300		
61335330	81,000.48	
61335380		
019950	425.39	
61335500	558.79	
61335520	13,700,936.91	
61335530	24,322.51	
SUBTOTAL	14,393,007.12	

Part of JUST SWS SYSTEM

17-61

TIME: 16.3.
 PERIOD: DEC-19.

ITP TS
 IT PRG. TS
 1997 ACTUALS

Description	Year-To-Date Actual Dollars
6543 YEAR 2000 PROJECT	
61335000	43,393.47
61335020	8,899.83
61335100	24,789.09
61335110	26,953.66
61335130	8,252.12
61335140	10,038.62
61335150	3,394,307.03
61335200	4,567.00
61335220	307.48
61335230	4,566.70
61335300	3,080.97
61335310	319.24
61335320	50,149.62
61335330	41,223.51
61335340	1,116.53
61335350	154.11
61335400	
61335420	106,337.46
61335450	918.77
61335460	1,830.00
61335500	
61335510	177.33
SUBTOTAL	3,731,382.54

End Date

4Q 99

K-62

IT I
IT PR. -TS
1997 ACTUALS

Year-To-Date
Actual
Dollars

END DATE

Description FLEET - INFO. MGT
5359 AAA-FIM SYSTEM-FLEET MANAGEMENT
61335000
61335100
61335140
SUBTOTAL

124,186.99
124,186.99
??

K-63

TIME: 16:3
PERIOD: DEC-1997

IT IS
IT PROJECTS
1997 ACTUALS

Year-To-Date
Actual
Dollars

END DATE

Description *Project - E-20148 16*
5339 AAA-AEPIMS II PROJ MNGMNT MODULES (PMN)

61335000		
61335100	246,009.32	
61335130	1,871.50	99
61335140		
61335400	720.00	
61335420	<u>248,600.82</u>	

SUBTOTAL

K-64

TIME: 16:30

PERIOD: DEC-1997

STATE OF MASSACHUSETTS DEPARTMENT OF REVENUE

IT F S
IT PROJECTS
1997 ACTUALS

Year-To-Date
Actual
Dollars

Description

5338 AAA AEPIMS (2D), 3D ESTIMATING TOOLS

61335000

61335100

61335130

SUBTOTAL

57,252.10
57,252.10

K-65

TIME: 16.2
PERIOD: DEC-1997

IT'S
IT PRODUCTS
1997 ACTUALS

Year-To-Date
Actual
Dollars

Enr A-e

Description
3101 ISD - LOTUS NOTES RELEASE 4.0 MIGRATION
61335000
61335020
61335200
61335220
SUBTOTAL

450.69
278,544.01
278,994.70

??

IT I TS
IT PRG _CTS
1997 ACTUALS

TIME: 15:
PERIOD: DEC-15

Year-To-Date
Actual
Dollars

Description	Year-To-Date Actual Dollars
11418 IT APPLICATION DELIVERY PROJECTS	
2944 AAA - ISD - APY INTEGRATION PROJECT	
61335000	2,873.71
61335400	1,019.42
61335420	2,648.22
61335460	1,463,664.84
61335470	39,049.50
61335480	92,521.75
61335490	<u>1,601,777.44</u>
SUBTOTAL	
2945 ISD - PUI PS C/S SYSTEM	
61335000	
61335100	468.69
61335130	59,282.01
61335140	3,361.69
61335400	85,567.22
61335460	29,848.00
61335470	1,707,094.87
61335490	<u>1,885,622.48</u>
SUBTOTAL	
3085 ISD - INTEGRATED TIME REPORT P/C/S	
61335000	
61335400	4,283.45
61335420	269,635.79
	<u>273,919.24</u>
SUBTOTAL	
3087 ISD - MMS INVENTORY MGMT - PHASE 4.0	
61335000	
61335100	49,458.37
61335140	<u>49,458.37</u>
SUBTOTAL	

K-67

TIME: 15.4.
 PERIOD: DEC-19.

IT PROJECTS
 1997 ACTUALS

Year-To-Date
 Actual
 Dollars

Description
 3090 ISD - STATION ENGINEERING DESIGN (SED)

61335000
 61335500
 61335510
 SUBTOTAL
 110,360.66
 110,360.66

3093 ISD - RAILCAR MAINTENANCE MGMT (RMM)

61335000
 61335100
 61335130
 SUBTOTAL
 171,286.59
 171,286.59

3096 ISD - MACCESS C/S CALL CENTER

61335000
 61335500
 61335530
 SUBTOTAL
 138,927.29
 138,927.29

4959 ISD - GENERAL LEDGER STANDARDIZATION

61335000
 61335100
 61335130
 61335140
 61335400
 61335420
 61335460
 61335470
 61335490
 SUBTOTAL
 17,094.72
 51,69.65
 1,951.95
 87,616.28
 1,272,472.62
 1,417.50
 27,839.98
 21,641.88
 2,272.90
 1,483,377.38

4962 ISD - LEASED ASSET MANGT - PHASE 3.2

61335500
 61335510
 61335530
 SUBTOTAL

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UNIVERSITY OF MARYLAND

IT1 TS
IT PROJECTS
1997 ACTUALS

TIME: 15:2
PERIOD: DEC-1997

Year-To-Date
Actual
Dollars

Description	Year-To-Date Actual Dollars
61335000	1,626.62
61335400	2,721.07
61335420	1,417.50
61335470	1,308,579.93
61335480	3,670.50
61335490	1,318,015.62
SUBTOTAL	
5241 ISD - ACCTG INFO MGMT (GLW,APY,PUI,IEA)	
61335000	9,343.75
61335020	80,362.31
61335200	15,105.75
61335220	101,894.29
61335230	86,117.32
61335400	182,071.61
61335460	54,742.50
61335470	33,155.50
61335480	138,269.09
61335490	701,062.12
SUBTOTAL	
5616 ABMS ENHANCEMENT	
61335000	383.26
61335100	2,903.58
61335140	937.31
61335400	31.65
61335410	62,308.00
61335420	2,003,718.27
61335450	848.11
61335460	1,197.00
61335480	77,948.00
61335490	

228

K-69

ACTIVITI BADELIV / AGEMENI SISIEM

IT. IS
IT PROJECTS
1997 ACTUALS

TIME: 15.2
PERIOD: DEC-1997

Year-To-Date
Actual
Dollars

2,150,275.18

SUBTOTAL

8597 ISD - INTEGRATED FINANCIAL SYSTEM

61335000	
61335200	1,492.53
61335230	1,194.79
61335400	1,208.00
61335420	1,123,237.36
61335450	4,301.00
61335460	1,131,433.68

SUBTOTAL

8599 ISD - OWNED ASSET MANAGEMENT PROJECT

61335000	
61335400	8,187.50
61335430	17,072.17
61335480	25,259.67

SUBTOTAL

8620 ISD - ENERGY TRADING

61335000	
61335200	9,142.44
61335210	3,750.81
61335220	1,514.81
61335230	
61335300	226.30
61335310	3,409.75
61335400	16,109.22
61335430	5,881.95
61335460	40,033.28

SUBTOTAL

REPORT TOTAL

11,081,011.10

16-70

TIME: 163
PERIOD: DEC-1997

IT1 S
IT PROJECTS
1997 ACTUALS

Year-To-Date
Actual
Dollars

EXP. DATE

30 98

Description 61335110 - CEAS DEVELOPMENT OF NEW MWH SYSTEM

5618 AAA - CEAS DEVELOPMENT OF NEW MWH SOFTW

61335000

61335106

61335110

SUBTOTAL

188,748.93

188,748.93

230

AEP

K-71

C.S.W.

Request #8.1			
Representative Sample of Contractor Costs for Specific Application Areas			
	\$ Development/Major Enhancements	\$ Routine Maint.	Back Office (DBA's, Computer Operations, YR2000, etc.)
System	\$ 785,000	\$ 871,000	
Work Management	\$ 553,236		
Facilities Management	\$ 104,400		
Materials Management			
Energy Trading (Commodities)			
Marketing Intelligence	\$ 600,794	\$ 267,140	\$ 140,000
CIS	\$ 72,000	\$ 88,128	\$ 802,000
Other			\$ 508,785

Note: This data is for 1997 and may not be a true representation of future costs.

Used to determine contractor not working on pure application development projects.
 1,448,785
 1,398,266
 2,747,053 (K-26)

Refer to K-119

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CSW

Request # 9.1

WP/FLAHERTY
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Server Cost Estimates

	Count	Avg Hardware Maint (per year)	Avg OS Acquisition Cost (per year)	Avg OS Maint (per year)	
Tier 1 (intel base, Netware or NT)					
Netware	155	\$ 180.00	\$ 800.00	\$ 25.00	3,875
NT	68	\$ 180.00	\$ 475.00	\$ 107.00	7,276

Netware server lic = 800.00/1000 users per server. Min 1 lic per server.

Tier 2 (Intel or other base, Unix)					
Unix	82	\$ 14,760	\$ 180.00	\$ 500.00	-
Unix	24	\$ 72,000	\$ 3,000.00	\$ 1,250.00	25.00 600
	106	86,760	= avg 818		

Only a few (24) of these are on maint. agreements. All others are fixed/upgraded as needed

Tier 3 (non intel, non-IT maintained, ie. EMS SCADA)					
	17 ?	5,000/server ?			8.28.7
		used avg per server from 58.7 = \$85,700			avg 37,500/server
					= 637,500
					649,251

These tier 3 costs are bundled into the purchase and a breakout not available today.

Note: Most of our server hardware maintenance is not on contract, we fix them when they break with internal labor, and parts as needed. Because of this, our cost is low and estimated based on our best judgement of past repair history.

Total Count
346

Hardware maintenance Tier 3
198,900
25,000
283,900

Annual Software license 649,251

CSW

Update

Response to Table 28.7 - Information Systems and Technology Expenses
Revised 2/9/98

LABOR			
Total Internal Labor	12,868,047		14,626,568
Less Direct Charges to Projects	1,989,691		2,265,692
Net Internal Labor	10,878,356		12,360,876

Note: No real increase in labor between 97 and 98. Vacancies are budgeted for in 98 but of course were not paid in 97.

Non Labor (A)			
Outside Services	7,886,161		8,847,675
Mainframe			
Depreciation/Amortization	683,049		693,265
Lease Payments	2,667,035		2,768,533
Maintenance Contracts	2,630,117		2,695,275
Software	603,561		512,214
Midrange:			
Depreciation/Amortization	na		na
Lease Payments	0		0
Maintenance Contracts	10,000		12,000
Software	75,000		75,000

Midrange information is for only 2 servers in the IS budget. All other servers are in the EMS/SCADA budget
Midrange information is for only 2 servers in the IS budget. All other servers are in the EMS/SCADA budget

10,000
avg 5,000/server
6 avg
37,500/server

W

Workstation depreciation is for only 2 companies. 1 other company leases workstations, and the other company depreciates on 30 year schedule with all other office equipment.

Workstations:			
.....	2,150,000		2,150,000
Lease Payments	1,162,772		1,602,623
Maintenance Contracts	2,507,000		2,867,000
Software	711,141		1,497,728
Disaster Recovery	4,300,913		5,107,351
	1,208,230		199,948
Materials & Supplies	8,005,397		395,648
Training	286,495		396,624
Other	17,589,902		17,592,935
TOTAL EXPENSES	59,053,095		55,981,063

(A) Non labor expenses do not include charges in projects for outside services, infrastructure, etc.
Depreciation Revised 2/9/98

Response to Table 28.7 - Information Systems and Technology Expenses

<p>Net Internal Labor</p> <p>12,868,047</p> <p>1,989,691</p> <p>10,878,356</p>	<p>14,626,368</p> <p>2,261,692</p> <p>12,364,676</p>
<p>Net Internal Labor</p> <p>7,886,161</p> <p>68,019</p> <p>2,467,035</p> <p>2,610,117</p> <p>603,561</p>	<p>8,447,675</p> <p>693,265</p> <p>2,768,333</p> <p>2,695,375</p> <p>512,214</p>
<p>Outside Services</p> <p>10,000</p> <p>15,000</p>	<p>12,000</p> <p>15,000</p>
<p>Depreciation/Amortization</p> <p>3,417,716</p> <p>1,162,772</p> <p>2,307,000</p> <p>711,141</p> <p>208,210</p>	<p>3,443,948</p> <p>2,447,080</p> <p>1,602,633</p> <p>2,867,000</p> <p>1,497,728</p> <p>199,948</p>
<p>Depreciation/Amortization</p> <p>8,005,397</p> <p>286,493</p> <p>17,989,902</p>	<p>395,648</p> <p>396,624</p> <p>17,592,933</p>
<p>TOTAL EXPENSES</p>	<p>217,000</p>

Mix. Ann. Pmt. to Outside Vendors?

HP9000's

Midrange information is for only 2 servers in the IS budget. All other servers are in the EMSSCADA budget. Midrange information is for only 2 servers in the IS budget. All other servers are in the EMSSCADA budget.

Workstation depreciation is for only 2 companies. 1 other company leases workstations, and the other company depreciates on 10 year schedule with all other office equipment.

217,000 from other worksheet (see this)

HIGH END SERVER
126,720

LOW END SERVER
16,570

(A) Non labor expenses do not include charges to projects for outside services, infrastructure, etc.

Resp: 9 to 28.0.5

For each significant class (administrative, developer, etc.) of workstation which you purchase and/or maintain, describe your workstation replacement program with respect to the following:

- Standard configuration; purchase cost per station
See below.
\$555 SW 1600 = 90
- Standard applications; purchase cost per station
Microsoft Office Pro - \$370 + \$112 for 2 yr. maintenance
Microsoft Exchange - \$25 + \$48 for 2 yr. maintenance
Microsoft Explorer - N/C
Attachmate - \$160
- Lease or buy approach and accounting treatment (O&M or capital; depreciation life)
CPL leases / others purchase leases are O&M / purchase is capital depreciation is not consistent - ranges from 5 years to 30 years \rightarrow K-20
- Maintenance approach and expenses
2,692,000 / yr - outsourced to Entex / \$673,000 per qtr.
- Number of workstations
5500 \Rightarrow 489 / yr EA - estimated at 5500 units + 400 HDC's
- Number of workstation users (administrative and technical support) in all functional areas
Not available \rightarrow NEED THIS #
- Replacement cycle (in years)
- 5 year cycle \rightarrow K-80

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DESKTOP STANDARD CONFIGURATION

DESCRIPTION	PRICE
Dell Optiplex P2/266/GXAM Base	\$1,391.50
INCLUDES:	
WIN95 Spacesaver Quiet Kybd, 104 Key, Factory Installed	
Microsoft PS2 Intellimouse, Shipped with System	
32MB, 1 DIMM, Non-ECC, SDRAM, Factory Installed	
3.5, 1.44MB Floppy Drive, Factory Installed	
3.2gb, EIDE, GXAM/T, Factory Installed	
WIN95 with CD Backup	
SelectCare, Initial Year, Next Business Day On-Site	
SelectCare, 2 Years Extended, Next Business Day	
10/100 NIC	
Avg. Upgrade Cost	+ 995.42
	2286.90

K-77

Response to 28.0.5

For each significant class (administrative, developer, etc.) of workstation which you purchase and/or maintain, describe your workstation replacement program with respect to the following:

UPGRADE OPTIONS:	
15" LS Monitor	\$318.09
17" LS Monitor	\$530.85
Upgrade To 64 Meg Ram	\$105.32
CD-ROM, 1, 2/24X	\$137.23
16 Bit Sound Card	\$158.51
Accs90 Speakers (2)	\$52.13
12-24x CD-ROM, IDE	\$130.37
2mb VIDEO UPGRADE	\$79.85
Upgrade to 4.3GB hdd	\$73.40
Readyware Installation Fee per system	\$16.00
Olicom Token Ring Adapter	\$189.05

1790.00 = 895.40

LAPTOP STANDARD CONFIGURATION

DESCRIPTION	PRICE
Latitude CP, M233ST, 12.1" SVGA, TFT, Factory Installed	\$ 3,215.00
INCLUDES	
Pentium MMX/166	
32MB, 1 DIMM, EDO, Latitude CP, Factory Installed	
20x CD-ROM, Internal/External, Latitude CP, Factory Install	
33.6 XJACK PCMCIA Modem, Factory Installed	
2.1 GB Hard Drive, 12.5MM, Factory Installed	
WIN95, W/CD all Latitude CP, Factory Installed	
SelectCare, Initial Year, Next Business Day On-Site	
SelectCare, 2 Years Extended, Next Business Day On-Site	
OPTIONS	
33.6 XJack/Cable Modem	\$ 211.70 ✓
3com Ethernet Apr.	\$ 243.62 ✓
C/DOCK with MTRX MIL2	\$ 722.34
Deskdock with TR-APR	\$ 318.09
Special Svr, Qkeyboard	\$ 30.85
Nylon Case	\$ 73.40 ✓
LI-ION Spare Battery	\$ 179.79

\$ Estimated 1500.00

WP/FLAHERTY
PAGE 236

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Resp: 28.0.5

For each significant class (administrative, developer, etc.) of workstation which you purchase and/or maintain, describe your workstation replacement program with respect to the following:

C/DOCK Expansion Station 10/100	\$
C/PORT APR with monitor	\$
AC Adapter, Latitude CP	\$
C/DOCK with Token Ring Card	\$
Xircom token IIPS 9 pin & rj-45	\$

690.43 ✓
371.28 ✓
41.49 ✓
775.55
342.50

41001.93

Note: Some estimations may have been used.

Aug. Workstation = 3,000.95

K-79

Sheet 1

OPERATING SYSTEMS	HARDWARE MODEL	QUANTITY	DATABASE MANAGEMENT SYSTEM	ACCESS	NETWORK PROTOCOL
Response to TABLE 28.2 & 28.3 CURRENT IT INFRASTRUCTURE - Midrange WORKSTATIONS/PCs/LAN Servers					
WORKSTATIONS/PCs Primary vendors include IBM, Compaq, & Dell	CPU = 386	163		Mixed - Token Ring and Ethernet	D, FX, & SNA
	MS WIN 95	4		Mixed - Token Ring and Ethernet	D, FX, & SNA
	MS NT	0		Mixed - Token Ring and Ethernet	D, FX, & SNA
	IBM OS/2	0		Mixed - Token Ring and Ethernet	D, FX, & SNA
	CPU = 483	1168		Mixed - Token Ring and Ethernet	D, FX, & SNA
	MS WIN 3.1	940		Mixed - Token Ring and Ethernet	D, FX, & SNA
	MS NT	7		Mixed - Token Ring and Ethernet	D, FX, & SNA
	IBM OS/2	509		Mixed - Token Ring and Ethernet	D, FX, & SNA
	CPU = 586	138		Mixed - Token Ring and Ethernet	D, FX, & SNA
	MS WIN 3.1	1756		Mixed - Token Ring and Ethernet	D, FX, & SNA
	MS WIN 95	95		Mixed - Token Ring and Ethernet	D, FX, & SNA
	MS NT	270		Mixed - Token Ring and Ethernet	D, FX, & SNA
	IBM OS/2	5500		Mixed - Token Ring and Ethernet	D, FX, & SNA
LOCAL AREA NETWORK SERVERS					
Application Server	Compaq Proliant 2000 5/66	1			
Application Server	IBM PC	1			
Application Server (US EXPRESS)	Compaq Proliant 1500 5/100	1			
Client Services Temp Storage	Compaq Prosignia 486 dx2/66	1			
Firewall	Compaq Prosignia 5/60	1			
Rails Server	Compaq 486/66	1			
SAA Gateway	Compaq Systempro 486/33	1			
SAA Gateway	IBM 330 GL 5/90	2			
Tape Backup Server	Compaq Prosignia 300	2			
Application Server	Compaq Proliant 2500 5/200	1			
Application Server	IBM 300 PL	1			
CD Tower	486/66 clone	4			
CD Tower	Clone P133	1			
CD Tower	Compaq Deskpro XE 400/66	1			
CD TOWER	Excel CD-ROM SERVER	1			
File and Print Services	Compaq 486/33 Deskpro	1			
File and Print Services	Compaq Proliant 1000 5/66	1			
File and Print Services	Compaq Proliant 1500	3			
File and Print Services	Compaq Proliant 1500 5/100	3			
File and Print Services	Compaq Proliant 1500 5/133	1			
File and Print Services	Compaq Proliant 1500 P1100	1			

MC

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Sheet1

DESCRIPTION	QUANTITY	HARDWARE	MODEL	OPERATING SYSTEMS	DATABASE MANAGEMENT SYSTEM	ACCESS	NETWORK PROTOCOL
File and Print Services	1	Compaq Proliant 1500 P1166					
File and Print Services	27	Compaq PROLIANT 1500 P133					
File and Print Services	10	Compaq Proliant 2000 5066					
File and Print Services	2	Compaq Proliant 2000 5060					
File and Print Services	6	Compaq Proliant 2500 5200					
File and Print Services	1	Compaq Proliant 5000 5133					
File and Print Services	1	Compaq Prosignia 46066					
File and Print Services	5	Compaq Prosignia 200					
File and Print Services	29	Compaq Prosignia 300					
File and Print Services	18	Compaq Prosignia 300 P190					
File and Print Services	2	Compaq Prosignia 300 P150					
File and Print Services	3	Compaq Prosignia 46066					
File and Print Services	1	Compaq Prosignia 5160					
File and Print Services	1	Compaq SystemA1 46033					
File and Print Services	4	Compaq Systempro 496/33					
File and Print Services	2	IBM 300 GL 5/166					
File and Print Services	2	IBM 350 5/166 PC					
File and Print Services	1	Inboard					
SAA Gateway	1	Compaq Deskpro					
SAA Gateway	2	Compaq Desktop P175					
SAA Gateway	1	Compaq Prosignia 300					
SAA Gateway	1	IBM 350 P1166					
SAA Gateway	1	IBM 350 P175					
SAA Gateway	1	PS2 MOD 9595					
Tape Backup	1	Compaq Proliant 1500 5/100					
Client Server	2	Compaq Proliant 1500 P1133		NT 3.51			
Client Server	1	Compaq Proliant 1500 5/90					
Client Server	1	Compaq Proliant 2500 Z P/200					
Client Server	1	Compaq Proliant 4500 5/100					
Client Server	1	Compaq Proliant 4500/2 5/133					
Client Server	1	Compaq Proliant 5000 P1166					
Development Server	1	Compaq Prosignia 300					
File and Print Services	1	Compaq Prosignia 300					
FM Development Server	1	Intergraph P1133					
FM Server	1	Compaq PROLIANT 1500 P133					
FM Server	1	Compaq PROSIGNIA 300					
RAS Server	1	Compaq Proliant 2000 5/133					

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Sheet1

Response to TABLE 28.2 & 28.3 CURRENT IT INFRASTRUCTURE - Midrange/WORKSTATIONS/PC/LEAN SERVER		QUANTITY	HARDWARE	MODEL	OPERATING SYSTEMS	DATABASE MANAGEMENT SYSTEM	ACCESS	NETWORK	PROTOCOL
WORKSTATION									
SERVER/PC									
SQL Server		1	Compaq Proliant 4500	P/133					
Webframe Server		1	Compaq Pentium 200						
Webframe Server		1	Compaq Proliant 5000	P/166					
Acad Test Web Server		1	Compaq Proliant 2500	I2 P/200	NT 4.0 CSW				
Asset Inprint Test Server		2	IBM 350	P/133					
Backup Domain Server		2	Compaq Proliant 2500						
BDC/RAS/DHCP/WINS		1	Compaq Proliant						
BDC/RAS/WINS/DHCP		1	Compaq Pentium 200						
BDC/RAS/WINS/DHCP		1	Compaq Proliant						
BRS Search Server		1	Compaq Proliant 5000	I4 P/166					
Domain Server		1	Compaq Proliant 6/200						
Exchange Server		6	Compaq Proliant 2500	P/200					
Exchange Server		2	Compaq Proliant 5000	I2 P/166					
File and Print Server		3	COMPAG PROLIANT 2500 SERVER						
FM Oracle Server		1	Compaq PROLIANT 1500	P/133					
FM Server		1	Intergraph I4	p/200					
FM Server		1	Intergraph Pentium 200						
FM Test Server		1	Intergraph I4	P/200					
Infopump Server		1	IBM 300	P/266					
Infopump Test Server		1	IBM 330	P/75					
Internet Server		1	Compaq Proliant 5000	I2 P/166					
Load Analysis Server		1	Compaq Proliant 6000	I2 P/200					
Load Analysis Server		1	Compaq Proliant 5/75						
Main Control		1	Compaq Proliant 6500	I2					
MARS Server		1	Compaq Prosignia 300						
Mktg Application Server		1	Compaq Proliant 2500	I2 P/200					
Mktg Application Server		1	Compaq Prosignia 300						
Mktg Test Server		1	Compaq Prosignia 300						
Network Server		1	Compaq Proliant 6000	I2					
Oracle Server		1	COMPAG PROLIANT 2500 SERVER						
PCN Server		1	IBM 360 PC						
PDC/RAS/WINS/DHCP		1	Compaq Proliant 2500	P/200					
Real Time Pricing Server		1	Compaq Prosignia 800						
Risk Mgmt Server		1	Compaq Proliant 2500	5/200					

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Sheet 1

DESCRIPTION / COMMENTS	QUANTITY	HARDWARE MODEL	OPERATING SYSTEMS	DATABASE MANAGEMENT SYSTEM	ACCESS	NETWORK PROTOCOL
SNA 3.0 Gateway	1	IBM 330 P/75				
SNA Server	1	Compaq Prosignia 300				
SOL Server	1	COMPAQ PROLIANT 2500 SERVER				
Tape Backup Server	1	IBM 350 P/133				
Tax Server	1	COMPAQ PROLIANT 2500 SERVER				
Test RAS PSO	1	Compaq Proliant 2000 5/98				
Test Server	1					
Viewstar Server	1	Compaq Proliant 2500 P/106				
Web Server	1	IBM 350 P/106				
Data Warehouse	1	SUN E3000	Solaris	Oracle	TCP/IP	
NIA - IADA	1	HyperSparc 152				
Business Unit Reporting	1	SUN - E3000	Solaris	Oracle	TCP/IP	
Facilities Management	4	Ultra 450				
Call Center	3	DEC Alpha 3000	DEC OSF	Oracle	TCP/IP	
Power Plant Performance Monitoring	1	Aspect	Aspect UNIX, Solaris		TCP/IP	
Telecom - Switchview (Power Plants)	5	SUN Sparc 10	Solaris		TCP/IP	
Continuous Emissions Monitoring (Power Plants)	7	Sparc 5				
Parking Unit Servers (Power Plants)	5	586 CPU	SCO OpenSrv		TCP/IP	
Fuels	36	486, 586 CPUs	QNX		TCP/IP	
Mobile Data Computing	10	SUN Sparc w/o	Solaris, SUN		TCP/IP	
EMS/SCADA	3	IBM RS6000	AIX	Oracle	TCP/IP	
	2	HP 9000	HP UNIX		TCP/IP	
	6	DEC Alpha	Open VMS	Oracle	DECNET	
	7	DEC Alpha 500			TCP/IP	
	14	DEC Alpha 2100				
	1	DEC Alpha 3000				
	4	DEC Alpha 4000				
	2	DEC Alpha 4100				
	3	DEC Alpha PC				
	5	Sun	Solaris			

131 - 9 = 122

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Sheet1

DESCRIPTION	QUANTITY	HARDWARE MODEL	OPERATING SYSTEMS	DATABASE MANAGEMENT SYSTEM	ACCESS	NETWORK PROTOCOL
TCP/IP Services: dns, SMTP, SNMP, firewall, ftp, C/C++ computer	1	SUN Sparc 2	Solaris		TCP/IP	
	1	Sparc 1000				
	1	Sparc 5				
	1	Sparc 20				
	2	Sparc 4/30	SUN-OS		TCP/IP	
	1	Sparc IPC	Solaris		TCP/IP	
	1	SUN E3000			TCP/IP	
CSW/Comm Applic/database	6	Sparc 2	AIX		TCP/IP	
	1	IBM RS6000	Solaris			
Network Management	4	SUN Sparc LX				
DCS/field Services Support	1	Sparc 10				
	2	Sparc 2				
	2	Sparc 4/30				
	1	Sparc IPX	DEC OSF			
	1	DEC Alpha				

Note: Some estimations may have been used

26

1991 = 382

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CSW

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Response to Table 28.8 - IT Contractual Expenses

List all contractual expenses. In the Category column, use one of the following:

- MF - H; Mainframe Hardware
- MF - S; Mainframe Software (basic)
- AD; Applications Development Tools
- C/S; Client Server

Contractor	Category	Description	Start Date	End Date	Amount	Notes
AIC (7)	Contract Programmers	Supply Chain, CIS, Yr 2000	12/31/98	12/31/98	563,296	AD
AJMES (1)	Support of CIS Systems		7/31/98	7/31/98	92,640	AD
AI Stolyer & Associates (3)	Development & Support of CPL CIS/W2K Systems		12/31/98	12/31/98	335,000	AD
Amdahl	Maintenance on Amdahl MF DASD		Open Ended	90 day out	129,180	MF-H
Bell and Howell	Maintenance on B&H Inserters		11/30/98	11/30/98	103,920	MF-H
Charles Letcher (1) Ind, Contractor	Mobile Communications LOB - programming mobile databases		8/1/98	8/1/98	72,000	Mobile Comm
Comdisco	Lease/Maintenance on IBM 9021-962 Mainframe		7/31/99	7/31/99	2,288,490	MF-H
Computerland	Mobile Data Computers (MDC) - Maintenance provider, warranty serv		1/1/02	1/1/02	15,000	WK2000 data
Data Dynamics (6)	Development & Support of WTU/CPL CIS Systems		12/31/98	12/31/98	483,500	AD
Data Base Admin, Inc. (1)	Data Base Administration		12/31/98	12/31/98	140,000	MF-S
DecisionOne	Maintenance on 327x Controllers/Printers - PSO		9/30/99	9/30/99	92,173	Other-H
DecisionOne	Maintenance on 327x Controllers/Printers - CPL		9/30/99	9/30/99	75,933	Other-H
DecisionOne	Maintenance on 327x Controllers/Printers - WTU		9/30/99	9/30/99	62,325	Other-H
DecisionOne	Maintenance on 327x Controllers/Printers - SEP		9/30/99	9/30/99	73,510	Other-H
DecisionOne	Maintenance on 327x Controllers/Printers - CSWS		9/30/99	9/30/99	1,418	Other-H
Early Cloud (IBM)	CTI - Annual Maint Agreement for TCS Product		12/31/98	12/31/98	45,000	MF-S
EMC Corporation	Maintenance on 5500 (effective 4/1/98)		4/1/99	4/1/99	59,299	MF-H
EMC Corporation	PC Workstation Support and Services		8/31/99	8/31/99	2,507,000	PC ***
GCS (1)	Year 2000 Compliance		11/00/00	11/00/00	111,000	AT
IBM	Maintenance on IBM Tape, Printers, Controllers, etc.		Open ended	1/9/98	198,262	MF-H
Innovative Tech (1)	Programmer		12/31/98	12/31/98	145,600	AD
ITRON	ITRON Meter Reading		12/31/98	12/31/98	200,000	MF-S
ITRON Premier Plus	ITRON Meter Reading		12/31/98	12/31/98	240,000	C/S
Intervoice	VRU - Annual Maint Agreement for IVR Product		12/31/98	12/31/98	22,000	C/S
James Martin & Company (6-8 Fe	Outsourced Maintenance & enhancement of WK2000 & related compo		11/7/99	11/7/99	850,000	AD

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Company/Service	Start Date	End Date	Value	Category
James Martin & Company (6-8 Pe Keane, Inc.)	11/7/99	AD	450,000	AD
On-call Consulting and Advisory Services	12/31/98	Consulting	60,000	Consulting
PC Equipment Inventory	12/31/98	PC	60,000	PC
Cellular Paging & LOB	12/31/98	PC	64,000	PC
Transport Networks LOB - Engineering Microwave	12/1/98	Telecom	176,800	Telecom
Maintenance on Seimens 2040 Printer - Tulsa	Open ended	MF-H	4,980	MF-H
Maintenance on Seimens 2040 Printer - Dallas	11/20/98	MF-H	5,196	MF-H
Network Technology	12/31/98	PC	64,920	PC
Programmer	10/15/98	AD	74,256	AD
Support CPL CIS Legacy Systems	12/31/98	AD	110,000	AD
Contract Programmers - Supply Chain, CIS, IND Passport, HRS, Fin.	12/31/98	AD	308,450	AD
Lease on EMC 5500-9M32	3/1/99	MF-H	401,989	MF-H
Contract Personnel - MDC, WK2000, Keypunch Operator(CPL/CIS)	12/31/98	MF-S	210,500	MF-S
Programmer	1/31/98	AD	145,600	AD
Refurbish Recaptured PC's	12/31/98	PC	19,355	PC
Hot Site Recovery	3 yrs +	MF-H	109,860	MF-H
Telecommunications Network	Perpetual	MF-H	16,308	MF-H
Year 2000 Compliance	12/31/98	AD	304,000	AD
TOTAL (55) min			11,491,760	

Note: Some estimations may have been used

Corrected 2/6/98, old value = 2870000

Contractor FTE (55+4=59)

Notes	Book Office	Appl Development	Appl Support	Total
Shuler batch			7	7
Dr. Sept			1	1
Other Software				
AIC				
FINNE'S (CIS)		3		3
OL Storage		6		6
Data Dynamics				
DB Admin				
GCS				
Innovation Tech			6	6
James Mosley (WKS)				
James Morhin (Furda (Hs))				
Key Temp				
Key Temp				
Other				

= \$4,528,861
Avg = \$ 82,343

245

Response to Table 28.8 - IT Contractual Expenses

List all contractual expenses. In the Category column, use one of the following:

- MF - H; Mainframe Hardware
- MF - S; Mainframe Software (basic)
- AD; Applications Development Tools
- C/S; Client Server

Vendor	Nature of Work	Expiration Date	Annual Cost (Actuals)	Category
AIC (7)	Contract Programmers - Supply Chain, CIS, Yr 2000	12/31/98	563,296	AD -
AIMES (1)	Support of CIS Systems	7/31/98	92,640	AD -
AI Stolyer & Associates (3)	Development & Support of CPL CIS/W2K Systems	12/31/98	335,000	AD -
Amdahl	Maintenance on Amdahl MF DASD	Open Ended 90 day out	129,180	MF-H ✓
Bell and Howell	Maintenance on B&H Inserters	11/30/98	103,920	MF-H ✓
Charles Letcher (1) Ind, Contractor	Mobile Communications LOB - programming mobile databases	8/1/98	72,000	Mobile Comng
Comdisco	Lease/Maintenance on IBM 9021-962 Mainframe	7/31/99	2,288,490	MF-H ✓
Computerland	Mobile Data Computers (MDC) - Maintenance provider, warranty serv	1/1/02	15,000	WK2000 data
Data Dynamics (6)	Development & Support of WTU/CPL CIS Systems	12/31/98	483,500	AD -
Data Base Admin, Inc. (1)	Data Base Administration	12/31/98	140,000	MF-S ✓
DecisionOne	Maintenance on 327x Controllers/Printers - PSO	9/30/99	92,173	Other-H ✓
DecisionOne	Maintenance on 327x Controllers/Printers - CPL	9/30/99	75,933	Other-H ✓
DecisionOne	Maintenance on 327x Controllers/Printers - WTU	9/30/99	62,325	Other-H ✓
DecisionOne	Maintenance on 327x Controllers/Printers - SEP	9/30/99	73,510	Other-H ✓
DecisionOne	Maintenance on 327x Controllers/Printers - CSWS	9/30/99	1,418	Other-H ✓
Early Cloud (IBM)	C II - Annual Maint Agreement for TCS Product	12/31/98	45,000	MF-S ✓
EMC Corporation	Maintenance on 5500 (effective 4/1/98)	4/1/99	59,299	MF-H ✓
ENTEX (Staff as Needed)	PC Workstation Support and Services	8/31/99	2,501,000	MF-S ✓
GCS (1)	Year 2000 Compliance	12/31/98	2,870,000	AD -
IBM	Maintenance on IBM Tape, Printers, Controllers, etc.	Open ended	110,000	AD -
Innovative Tech (1)	Programmer	1/9/98	198,262	MF-H ✓
ITRON	ITRON Meter Reading	12/31/98	145,600	AD -
ITRON Premier Plus	ITRON Meter Reading	12/31/98	200,000	MF-S ✓
Intervoice	VRU - Annual Maint Agreement for IVR Product	12/31/98	240,000	C/S -
James Martin & Company (6-8 Pe	Outsourced Maintenance & enhancement of WK2000 & related compo	11/7/99	22,000	C/S -
James Martin & Company (6-8 Pe	Function Point	11/7/99	850,000	AD -
			450,000	AD -

Keane, Inc.	On-call Consulting and Advisory Services	12/31/98	60,000	Consulting ✓
Key Temporary (2)	PC Equipment Inventory	12/31/98	60,000	PC -
Key Temporary (2)	Cellular Paging & LOB	12/31/98	64,000	PC -
Lockard & White Consulting Co.	Transport Networks LOB - Engineering Microwave	12/1/98	176,800	Telecom ✓
NCR	Maintenance on Seimens 2040 Printer - Tulsa	Open ended	4,980	MF-H ✓
Oce' Printing Systems	Maintenance on Seimens 2040 Printer - Dallas	11/20/98	5,196	MF-H ✓
Olsten (1)	Network Technology	12/31/98	64,920	PC -
Pearson Consulting	Programmer	10/15/98	74,256	AD -
S & J (1)	Support CPL CIS Legacy Systems	12/31/98	110,000	AD -
SPR (7)	Contract Programmers - Supply Chain, CIS, IND Passport, HRS, Fin.	12/31/98	308,450	AD -
Sanwa Bus. Credit	Lease on EMC 5500-9M32	3/1/99	401,989	MF-H ✓
Soft Tech (4)	Contract Personnel - MDC, WK2000, Keypunch Operator(CPL/CIS)	12/31/98	210,500	MF-S ✓
Sta*Tek Svs. (1)	Programmer	1/31/98	145,600	AD -
Stepton Ltd. (1)	Refurbish Recaptured PC's	12/31/98	19,355	PC -
Sungard	Hot Site Recovery	3 yrs +	109,860	MF-H ✓
Sungard	Telecommunications Network	Perpetual	16,308	MF-H ✓
UBICS (3)	Year 2000 Compliance	12/31/98	304,000	AD -
TOTAL			11,854,760	
			11,491,760	

Note: Some estimations may have been used

TELECON	176,800
MF-H	3,517,484
AD	3,972,342
MF-S	595,500
Mobile Comm	72,000
WK2000 DATA	15,000
OTHER - H	305,359
PC	2,915,275
C/S	262,000
CONSULTING	60,000
	11,491,760

From Jim Singleton

594-2311

Full Svc... Steve Blong

CSW

WP/FLAHERTY
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We have audited this list as requested and (A) added a column "Corrected Code" (B) Added entries for approved positions that are currently vacant, see tab... "added positions"

Those in the list below that are high lighted in RED need to be deleted, they do not exist.

have 59 contractors listed by code below:

F1	39
F2	1
F3	4
F4	4
F5	3
F6	8
Total	59

Desktop work station maintenance is outsourced to ENTEX, they have a number of contractors on site at various CSW locations. These people are also in addition to those listed in this spread sheet.

- Entex true outsource so much/contractor

Our head count: 420 positions (filled + vacant, includes Waldo and his assistant who are coded G09) plus 59 contractors plus ENTEX

Emp ID	Job Cd	Job Title	Department	Corrected Code	Survey Code	Position #
400	60323	Operations Anal	Operations Support		D1	00400312
401	60320	Operations Anal	Operations Support		D1	00400592
332	60320	Operations Anal	Operations Support		D1	30420005
230	60320	Operations Cons	Operations Support		D1	00200575
234	60320	Operations Cons	Operations Support		D1	00200584
400	65500	Operations Syste	Operations Support		D1	00400316
647	60320	Operations Anal	Operations Support		D1	00601141
257	60320	Sr Operations A	Operations Support		D1	00200605
652	60320	Operations Cons	Operations Support		D1	00600628
366	60320	Operations Anal	Operations Support		D1	30420004
663	60323	Operations Anal	Operations Support		D1	00600757
282	60323	Operations Anal	Operations Support		D1	00200701
679	60320	Operations Anal	Operations Support		D1	00601134
999	60610	Info Analyst III	Advanced Applications		F01	00011935
267	60160	Information Con	Advanced Applications		F01	00011743
849	60160	Information Con	Advanced Applications		F01	00010246
611	60160	Information Con	Advanced Applications		F01	00011781
721	60715	Mgr IT Applicati	Advanced Applications		F01	00011799
610	60610	Sr Information A	Advanced Applications		F01	00121477
	64400	Sr Technology C	Tech Support & Standards		FC1	00011504
	60610	Sr Information A	CIS Applications		FC1	00011734
	60610	Sr Information A	CIS Applications		FC1	00012334
	60610	Info Analyst III	CIS Applications		FC1	00011813
	60870	Sr Information C	CIS Applications		FC1	00011827
207	60610	Info Analyst II	Client Services	F04	✓ FC1	00200682
271	60610	Info Analyst I	Client Services	F04	✓ FC1	00200691
225	60160	Sr Info Svcs Con	Client Services	F04	✓ FC1	00200685
226	60610	Info Analyst III	Client Services	F04	✓ FC1	00200686
230	60160	Information Svsc	Client Services	F04	✓ FC1	00200689
241	60160	Information Con	Client Services	F04	✓ FC1	00121476
271	80490	Staff Associate	Client Services	F04	✓ FC1	00200683

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Application Systems - Consolidation Comparisons		DRAFT - Still Under Construction				Significant Integration/Interfaces		
Functional Area	Name	Prod Units (Latest Release)	OS	DB	Platform	Language	Data In	Data Out
Billing	AEP	Agility 21st Century Integrated Customer	1995 MVS	DB2	PC			
	CSW	Customer Billing System	1990 (1997) MVS/DSO	DB2	PC			
Customer Information	AEP	Customer Information Interface	1998 MVS	VSAM	MF	COBOL, CICS, Visual Age C++		
	CSW	Customer Information System	1998 (1997) MVS/DSO	DB2	MF	COBOL		
Customer Accounting	AEP	Marketing & Customer Service	1998 MVS	DB2	MF	COBOL, Visual 1		
	CSW	Marketing & Customer Service	1998 (1997) MVS/DSO	DB2	MF	COBOL		
Marketing Information	AEP	Key Accounts Management	1995 WIN		PC	Serrotec / Package		
	CSW	Key Accounts Management	1995 (1997) WIN		PC	Package		
Materials Inventory	AEP	Economic Development Management	1995 WIN		PC	PowerBuilder		
	CSW	Economic Development Management	1995 (1997) WIN		PC	PowerBuilder		
Purchasing	AEP	Sales Tracking	1998 HP-LUX	Oracle	HP-3000	PeopleTools, Microhouse		
	CSW	Sales Tracking	1998 (1997) MVS	Oracle	MF	COBOL, Natural		
Accounts Payable	AEP	Business Plan Tracking	1998 MVS	VSAM	MF	COBOL		
	CSW	Business Plan Tracking	1998 (1997) MVS/DSO	VSAM	MF	COBOL		
Time Entry	AEP	Building & Site	1998 MVS	VSAM	MF	COBOL		
	CSW	Building & Site	1998 (1997) MVS/DSO	VSAM	MF	COBOL		

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System	Year	Platform	Language	Hardware	Software	Notes
AEP	1988	PC	COBOL	PowerBuilder		
Contract Interpretation						
AEP	1988	PC	COBOL	PowerBuilder		
CSW	1988	PC	COBOL	PowerBuilder		
Payroll						
AEP	1985	MF	COBOL	ASIM		
CSW	1988	MF	COBOL	ASIM		
Personnel						
AEP	1982	MF	COBOL	ASIM		
CSW	1983	MF	COBOL	ASIM		
Financial Control						
AEP	1988	MF	COBOL	ASIM		
CSW	1988	MF	COBOL	ASIM		
GL						
AEP	1988	MF	COBOL	ASIM		
Budget						
AEP	1977	MF	COBOL	ASIM		
CSW	1985	MF	COBOL	ASIM		
Project Control						
AEP	1988	MF	COBOL	ASIM		
CSW	1988	MF	COBOL	ASIM		
Filed Assets						
AEP	1997	MF	COBOL	ASIM		
CSW	1998	MF	COBOL	ASIM		
Distribution - Gas						
AEP	1985	MF	COBOL	ASIM		
CSW	1986	MF	COBOL	ASIM		
Distribution - Electric						
AEP	1985	MF	COBOL	ASIM		
CSW	1986	MF	COBOL	ASIM		
Customer Service						
AEP	1985	MF	COBOL	ASIM		
CSW	1986	MF	COBOL	ASIM		
Dispatch						
AEP	1985	MF	COBOL	ASIM		
CSW	1986	MF	COBOL	ASIM		

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System Name	Year	Platform	Language	Hardware	Software	Notes
Geo Info System	1984	IBM	COBOL	AS/400	Geo Info System	
Fleet Management	1984	IBM	COBOL	AS/400	Fleet Management	
Plant Management	1984	IBM	COBOL	AS/400	Plant Management	
Tree Training	1984	IBM	COBOL	AS/400	Tree Training	
Facilities Management	1984	IBM	COBOL	AS/400	Facilities Management	
Energy Management System (EMS)	1984	IBM	COBOL	AS/400	Energy Management System	
System Control - Gas	1984	IBM	COBOL	AS/400	System Control - Gas	
System Control - Electric	1984	IBM	COBOL	AS/400	System Control - Electric	
Gas Procurement	1984	IBM	COBOL	AS/400	Gas Procurement	
Coal Procurement	1984	IBM	COBOL	AS/400	Coal Procurement	
Oil Procurement	1984	IBM	COBOL	AS/400	Oil Procurement	
Powerplant / Production	1984	IBM	COBOL	AS/400	Powerplant / Production	
Transmission	1984	IBM	COBOL	AS/400	Transmission	
Powerplant Inventory/Purch & Mgt	1984	IBM	COBOL	AS/400	Powerplant Inventory/Purch & Mgt	
Legal Services	1984	IBM	COBOL	AS/400	Legal Services	
Records Management	1984	IBM	COBOL	AS/400	Records Management	
CIMS	1984	IBM	COBOL	AS/400	CIMS	
CS&H Shareholder Services	1984	IBM	COBOL	AS/400	CS&H Shareholder Services	
Expenses Reporting	1984	IBM	COBOL	AS/400	Expenses Reporting	
Energy Management System (EMS)	1984	IBM	COBOL	AS/400	Energy Management System	
System Control - Gas	1984	IBM	COBOL	AS/400	System Control - Gas	
System Control - Electric	1984	IBM	COBOL	AS/400	System Control - Electric	
Gas Procurement	1984	IBM	COBOL	AS/400	Gas Procurement	
Coal Procurement	1984	IBM	COBOL	AS/400	Coal Procurement	
Oil Procurement	1984	IBM	COBOL	AS/400	Oil Procurement	
Powerplant / Production	1984	IBM	COBOL	AS/400	Powerplant / Production	
Transmission	1984	IBM	COBOL	AS/400	Transmission	
Powerplant Inventory/Purch & Mgt	1984	IBM	COBOL	AS/400	Powerplant Inventory/Purch & Mgt	
Legal Services	1984	IBM	COBOL	AS/400	Legal Services	
Records Management	1984	IBM	COBOL	AS/400	Records Management	
CIMS	1984	IBM	COBOL	AS/400	CIMS	
CS&H Shareholder Services	1984	IBM	COBOL	AS/400	CS&H Shareholder Services	
Expenses Reporting	1984	IBM	COBOL	AS/400	Expenses Reporting	

26-7

Response to 28.1 Current IT Infrastructure - Mainframe

MAINTENANCE ENVIRONMENT	MODEL	QUANTITY	HARDWARE	LOCATION	OPERATING SYSTEM	DATABASE MANAGEMENT SYSTEM	NETWORK
MVS - CTL	9071-962	1	303 Mips, 1 gb cont mem, 2 gb exp mem	Dallas	MVS - EEA OS/390 operating system	DB2, IDMS, Oracle	VTAM
DAASD - Amdahl	6100-200	3		Dallas	MVS support software		
	6310-AK4	12	7.56 Gb ea	Dallas	MVS - CKCS		
DAASD-EMC	6310-BK4	54	7.56 Gb ea	Dallas	MVS - database		
DAASD-IBM	5100-9M64	1	344 Gb	Dallas	MVS - commadm@bos		
Tape-IBM	9393-002	1	500 Gb	Dallas	MVS - disk manage software		
	3103-002	1		Dallas	MVS - Year 2000 date compliance		
	3120-008	2		Dallas	MVS - support software - IEF		
	3480-A22	8		Dallas	VM/CMS - offsite/online - BRS		
	3480-B22	16		Dallas			
Tape-IBM for Y2K	3480-A22	1		Dallas			
	3480-B22	4		Dallas			
Printer-IBM	3900-01V	1		Dallas			
Wulfes Unwinder/Folder	3189-028 & 019	1		Dallas			
Printer-IBM	6362-D14	1		Dallas			
Printer-Scitencu	2040-004	1		Dallas			
Imager-B&H	109	2		Dallas			
FEP-IBM	3123-001	2		Dallas			
	3126-001	2		Dallas			
	3127-700	2		Dallas			
	3145-110	1		Dallas			
	3172-003	2		Dallas			
Controller-IBM	3174-21L	4		Dallas			
	3174-01L	2		Dallas			
	3174-11R	2		Dallas			
	3174-91R	1		Dallas			
VM-CPU	3090-2003	1	45 Mips, 256 mg cont, 256 mg exp	Dallas			
DAASD-Amdahl	6100-200	1		Dallas			
	6310-AK4	2	7.56 Gb ea	Dallas			
	6310-BK4	13	7.56 Gb ea	Dallas			
File Net system		1		Dallas			
Misc Control/Printers				Texas			
Totals							

197 MAINT. CONT.
 263,017
 JW

37 LEASE PARTS.
 2,607,035

103,501

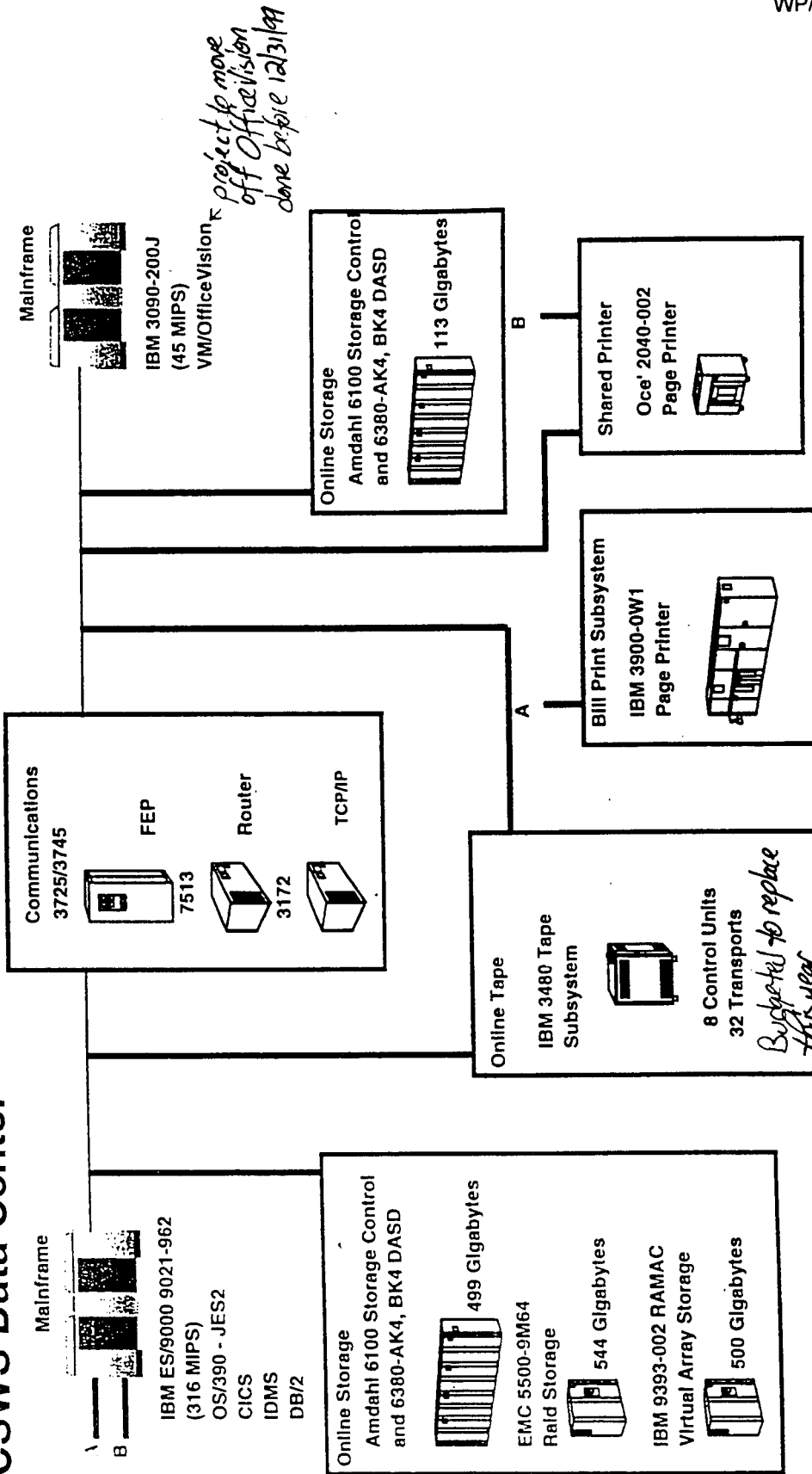
*** Only Lease and Maintenance (O&M Expense) \$\$ are included in these columns. Capital and Depreciation/Amortization are not included. Note: Estimations may have been used

Please describe any unique features of your mainframe hardware/software contracts.

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1998 CSW IT OVERVIEW

CSWS Data Center



project to move off OfficeVision done before 12/31/99



AEP AMERICAN ELECTRIC POWER

Majority of servers also in data center K-94

Response to AEP RFI 28.0.2

DISASTER RECOVERY AT CENTRAL AND SOUTHWEST SERVICES

The Business Resumption Plan (BRP) of the CSW Information Technology (IT) department provides recovery procedures for outages or possible disasters. The BRP identifies the necessary resources to restore access to the mainframe, LAN/WAN, or applications and files as quickly as possible after the outage has been communicated to the IT Help Desk.

The purpose of our business resumption plan is to establish procedures to aid in the restoration of access to the mainframe, LAN and applications/files located on either platform, in a systematic and efficient manner by utilizing company resources and procedures.

OBJECTIVES

- To establish outage management teams that will utilize the necessary and available resources to effectively determine the cause and solution of the identified outage in the least amount of time possible.
- To communicate outage updates to our clients. We also pre-identify and notify clients deemed critical, to minimize possible financial or legal repercussions, as well as establish application processing priority schedules, if applicable.
- To provide a method for documenting, collecting and reporting information to management, employees and, in some cases, the general public, concerning the extent of the outage and anticipated uptime.
- To work with various IT recovery teams prior to an outage to minimize company's dependence on any specific person or group in recovery process, identify appropriate offsite storage facilities and alternate sites, where possible, to continue processing critical applications, and identify other departments that must coordinate alternate processing and resumption procedures with IT.

K-95

CONTRACT INFO

We have a standing contract with Sungard to provide a recovery hotsite and a telecommunications network to aid in our business resumption. The annual costs are \$110,000 and \$16,000 respectively. The annual costs for the off site data storage facility by the Command Center is \$91,000 which includes monthly fees totaling \$66,000 and \$25,000 in costs incurred for two tests. The Business Resumption Plan is maintained by our Disaster Recovery Consultant, updated annually by May 31, and available for review upon request.

110
16
91

217,000 / yr for Data Recovery

APPROXIMATION

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Table 28.5 - System Development Projects (Kegnington's Area + Asset Mgt)

List approved major project to implement new IT infrastructure and new/enhanced application systems. Estimate how remaining costs will be split between internal labor, external labor, and other project expenses (such as hardware or software). On a separate page, please attach a one to two paragraph description of each project.

Name of Project	Year Started	Year to Complete	Current Year to Complete	Remaining Costs to Complete	Internal Labor	External Labor	Other Project Expenses	Total	%
Internal Communications Project	1996	1999	1999	\$ 1,421,772	\$ 2,164,766	\$ 850,609	\$ 1,314,157	49%	15%
Business Unit Reporting	1997	1998	1998	\$ 167,000	\$ 975,000	\$ 975,000	-	5%	64%
Legislative Bill Tracking	1998	1998	1998	\$ -	\$ 75,000	\$ 75,000	-	-	80%
Power Gen Data Warehouse	1998	1999	1999	\$ -	\$ -	\$ -	-	-	20%
IT Asset Management System	1997	1998	1998	\$ 515,300	\$ 939,200	\$ 939,200	0	0	45.7%
Peoplesoft Upgrade to Rel.7.0	1998	1998	1998	\$ -	\$ 126,000	\$ 126,000	-	40%	45%
Property Tax	1997	1998	1998	\$ 51,500	\$ 395,000	\$ 343,500	-	15%	15%
Accounts Receivable	1997	1998	1998	\$ -	\$ 300,000	\$ 300,000	-	20%	10%
GL/AP UPGRADE	1998	1998	1998	\$ -	\$ 50,000	\$ 50,000	-	85%	15%
Passport Baseline Project	1Q97	3Q98	3Q98	\$ 1,100,000	\$ 525,000	\$ 525,000	-	75%	25%
Passport Accounts Payable Project	3Q97	3Q98	3Q98	\$ 297,000	\$ 150,000	\$ 150,000	-	60%	40%
Passport Contract Management Project	2Q98	3Q98	3Q98	\$ 80,000	\$ 160,000	\$ 160,000	-	60%	40%
Passport Labor Entry Project	2Q98	3Q98	3Q98	\$ 50,000	\$ 160,000	\$ 160,000	-	50%	50%
Fuel Works (Not in IT Budget other than resource)	1Q94	4Q97	4Q97	\$ 2,500,000	\$ 600,000	\$ 600,000	-	10%	90%

See Note 1

Note: 1 Project costs will be determined during 1998.

assumptions:

Cost figures contain O&M and Capital
Costs to Date = actuals through end of 1997
Total = Next Year column + Beyond
Next Year = 1998 project costs
Beyond = Project costs after 1998
Total Project Costs = Cost to Date + Total

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Notes:

Project

Internal Communications Project

Description

ICP (Internal Communication Project) is a corporate wide project to migrate from our mainframe, VM based e-mail system (IBM OfficeVision) to Microsoft Exchange, and also integrate other Web based technologies to create a corporate wide Intranet.

Business Unit Reporting

Develop standard strategic planning and budget models for consolidation. Financial reports will be produced from the consolidated data. The system will also allow financial forecasting across multi-dimensions to address the requirement to plan from both the vertical operating company/legal entity and horizontal business unit perspective.

Property Tax System (PTS)

Vendor supplied software package used to track and compute CSW Property Tax renditions. The renditions include reporting of total assets by corporation and the authentication of tax statements

Legislative Bill Tracking

This is a system with which Regulatory and State Affairs will route information on pending legislation to our various business units in order to get back information regarding the business impact of these bills. This information will be used to formulate

Power Gen Data Warehouse

This is not a formal project yet. Representatives from Fossil Gen, Fuels, System Operations, Environmental, and IT have had 2 meetings to determine how to best address the combined information (data sharing) needs for all of Power Gen. The long term dir

IT Asset Management System

System to provide a total cost of ownership solution to the IT asset management process. Also provides an integrated tool for help desk use.

Peoplesoft Upgrade to Rel.7.0

Install Peoplesoft Release 7.0 in order to maintain compliance with our maintenance agreement and have vendor support.

ILAP UPGRADE

Install the latest release of GEAC financials for certification of compliance with Year2000 requirements.

Accounts Receivable

Secure a vendor software package for controlling and reporting CSW accounts receivable. This would include all accounts receivable with the exception of Customer Accounts Receivable.

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Table 28.5 - System Development Projects (YR2000 Project)

List approved major project to implement new IT infrastructure and new/enhanced application systems. Estimate how remaining costs will be split between internal labor, external labor, and other project expenses (such as hardware or software). On a separate page, please attach a one to two paragraph description of each project.

Name of Project	Year Started	Year to Complete	Current Year to Complete	Guidance	Remaining Costs	Internal Labor	External Labor	Other
Year 2000 Project	1996	2000	Remediation		\$ 1,880,000	\$ 12,570,000	\$ 7,328,000	\$ 3,364,000
						57%	37%	6%

Assumptions:
 Cost figures contain O&M and Capital
 Costs to Date = actuals through end of 1997
 Total = Next Year column + Beyond
 Next Year = 1998 project costs
 Beyond = Project costs after 1998
 Total Project Costs = Cost to Date + Total

Notes:
Project /R2000
Description
 Ensure all computer systems in the CSW System are century compliant. Scope includes all information systems, general services systems, and all embedded code systems in the power generation and delivery systems. Does not include Seaboard Electric Company

Table 28.5 - System Development Projects (Mark Boyd's Area)

List approved major project to implement new IT infrastructure and new/enhanced application systems. Estimate how remaining costs will be split between internal labor, external labor, and other project expenses (such as hardware or software). On a separate page, please attach a one to two paragraph description of each project.

Project Name	Year Started	Year Completed	Cost to Date	Cost to Date + Beyond	Internal Labor	External Labor	Hardware	Software	Other
Project 2001/RetailCo.	1998 Planning	2001	-	2,300,000	765,000	1,535,000	-	-	-
CIS Standardization	1998 Planning	1999	-	1,326,000	663,000	663,000	-	-	-
WTU/CPL CIS Implementation	1994 Development	1998	8,434,008	1,671,500	1,671,500	-	-	-	-

Assumptions:

- Cost figures contain O&M and Capital
- Costs to Date = actuals through end of 1997
- Total = Next Year column + Beyond
- Next Year = 1998 project costs
- Beyond = Project costs after 1998
- Total Project Costs = Cost to Date + Total

Project 2001/RetailCo.

- Project to enhance or replace existing CIS to prepare CSW for pending de-regulation.

CIS Standardization

- Standardize the functionality and implement at all OPCO's in the following areas: Meter Records, Credit & Collection, Work2000, and Financial Reporting.

WTU/CPL CIS Implementation

- Complete the implementation of the standard CIS at CPL. This includes any remaining construction activities, implementation activities, training, and a 6 months warranty period.

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Table 28.5 - System Development Projects (Zan Blount's Area)

List approved major project to implement new IT infrastructure and new/enhanced application systems. Estimate how remaining costs will be split between internal labor, external labor, and other project expenses (such as hardware or software). On a separate page, please attach a one to two paragraph description of each project.

Name of Project	Year Started	Year to Complete	Current Phase	Year to Complete	Internal Labor	External Labor	Marketing	Software	Hardware	Other	% Internal	% External	% Marketing	% Software	% Hardware	% Other
Work2000 Implement Service MDC	1990	1999	Implementation	1999	\$ 27,500,000	\$ 500,000	\$ 170,000	\$ 330,000			25%	75%				0%
Facilities Management	1992	1998	Implementation	1998	\$ 11,611,572	\$ 2,119,100	\$ 2,119,100	\$ -			75%	25%				0%
Extranet for Key Accounts	1997	1998	Design	1998	\$ -	\$ 299,100	\$ 299,100	\$ -			50%	40%				10%
Survmit	1997	1999	Planning	1999	\$ 275,000	\$ 1,691,300	\$ 1,096,300	\$ 595,000			11%	0%				89%
MV-90 Power Billing System	1997	1998	Design	1998	\$ -	\$ 848,000	\$ 848,000	\$ -			20%	40%				40%
Sales Force Automation (Pivotal)	1997	1998	Implementation	1998	\$ 19,500	\$ 646,800	\$ 646,800	\$ -			20%	80%				0%
Work 2000 Migration to Windows Platform	1998	1998	Implementation	1998	\$ -	\$ 1,009,948	\$ 1,009,948	\$ -			10%	90%				0%

** This project is split between the IT (\$125,000 internal labor) and Marketing (\$521,800 external labor and software lic)

Project
Work2000 Implement Service MDC
Facilities Management
Extranet for Key Accounts

Description
Design and implement standard business practices for distribution operations functions of engineering, construction and service. Build and implement a standard automated work management application to efficiently manage work processes from initiation of work through design, scheduling and closing jobs, while effectively meeting customer needs. The purpose of CSWS' Facilities Management System is to establish a central standard database that supports the activities of planning, designing, analyzing and operating the transmission, substation and distribution system. This database is populated by data that supports applications that derive hard-dollar benefits to the corporation. The three applications selected are Transformer Load Management (TLM), Feeder Analysis (FA) and Outage Analysis (OA).
Provide capability for key account customers to retrieve company specific information through the internet using an ID and password to access our site.

Assumptions:
Cost figures contain O&M and Capital
Costs to Date = actuals through end of 1997
Total = Next Year column + Beyond
Next Year = 1998 project costs
Beyond = Project costs after 1998
Total Project Costs = Cost to Date + Total

WZK = 28 MM TOTAL
FACILITIES = 13.7 MM
9 YRS
6 YRS

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Summit	Develop intelligence process that will provide customer, industry, market, economic and competitive information. The system will support the identification of new products/services and the retention/attraction of customers.
MV-90 Power Billing System	The system will provide Sales & Marketing the capability and flexibility to provide customer billing in the following areas: Electric & Gas Customer Billing, Real Time Pricing, Measurements from multiple AMR and Electronic Measurement Systems.
Sales Force Automation (Pivotal)	Implement purchased software (Pivotal) that will provide contact tracking, etc. for the marketing staff
Work 2000 Migration to Windows Platform	Migrate the Work 2000 - Work Management application away from the OS/2 platform onto the corporate Windows platform.

heet

Response to 28104

See the following pages by clicking on the tabs at the bottom of this sheet. One tab/sheet for each organization within IT (includes Telecom).

20,000 COMPUTING SVCS. (Supt.)
809,500 CORR/ENERGY/ENT. IT(Supt.)
2,034,590 CUST. SVC. IT
1,666,864 } ENERGY DELIVERY/ENV. SVC. IT
286,200 }
73,200 IT PLANNING & PROJECTS
Min. Annu. Dev. PYMTS TO OUTSIDE VENDORS

CSW 1998 I. et by Function

Center #	Center Name	O & M	Capital	Total	Function
12411	Computing Services	274,541	0	274,541	Senior management and administration of Computing Services.
12412	System Administration	578,405	0	578,405	Central LAN administration, security, and change control.
12413	Distributed Computing	1,693,577	315,213	2,008,790	LAN/WAN design and maintenance.
12414	System Programming & Support	3,742,930	223,600	3,966,530	Mainframe software programming and maintenance.
12415	Command Center	1,272,280	0	1,272,280	Computer operations. Production control and support. Customer bill printing/inserting/mailing.
12416	Data Services	995,122	131,865	1,126,987	Database administration.
12417	Help Desk	547,909	0	547,909	Problem reporting, dispatch, resolution, and tracking.
12418	Mainframe Hardware	3,280,787	1,027,000	4,307,787	Hardware purchasing and leasing. Capacity management.
12419	Field Services - Dallas	1,462,423	336,270	1,798,693	PC purchasing/leasing. PC support.
12420	Field Service - WT2	1,271,216	1,659,262	2,930,478	PC purchasing/leasing. PC support.
1001(CPL)	Field Services - CPL	3,843,018	597,400	4,440,418	PC purchasing/leasing. PC support.
14067(PSO)	Field Services - PSO	1,583,588	1,620,500	3,204,088	PC purchasing/leasing. PC support.
11200(SEP)	Field Services - SEP	1,866,830	1,818,000	3,684,830	PC purchasing/leasing. PC support.
1187(WTU)	Field Services - WTU	1,190,959	700,600	1,891,559	PC purchasing/leasing. PC support.
Total		23,603,345	9,479,510	33,082,855	

7.8 PC's

Center #	Center Name	O & M	Capital	Total	Function
12421	Corporate/Energy/Enterprise IT	158,265	0	158,265	Senior management and administration of Corporate/Energy/Enterprise IT group.
12422	Financial Applications	1,407,375	0	1,407,375	Development and maintenance of applications such as GL, AP, and JCA.
12423	HR/Administration Applications	858,017	0	858,017	Development and maintenance of applications such as Peoplesoft, Fleet Management, and Time Reporting.
12424	Production Engineering Applications	1,473,113	98,840	1,571,953	Development and maintenance of applications such as Fuels Mgt, Indus, and Environmental.
12425	Corporate/Energy/Enterprise IT	551,829	414,000	965,829	Account management of Corporate/Energy/Enterprise IT group.
Total		4,546,589	512,840	5,059,429	

Center #	Center Name	O & M	Capital	Total	Function
12431	Customer Service IT	113,046	30,078	143,124	Senior management and administration of Customer Service IT group.
12432	CIS Applications	3,101,870	1,987,070	5,088,940	Development and maintenance of customer information systems.
12433	CIS Applications	85,000	0	85,000	Development and maintenance of customer information systems.
12434	Customer Service IT	214,000	0	214,000	Account management of Customer Service IT group.
Total		3,513,916	2,017,148	5,531,064	

Center #	Center Name	O & M	Capital	Total	Function
12441	Energy Delivery/Energy Services IT	326,442	0	326,442	Senior management and administration of Energy Delivery/Energy Services IT group.
12442	Operations Engineering Applications	2,916,772	400,134	3,316,906	Development and maintenance of applications such as Facilities Mgt and Work 2000.
12443	Marketing and Rates Applications	671,940	1,392,100	2,064,040	Development and maintenance of applications such as MARS, LAS, Sales Force Automation, and Summit.
12444	Energy Delivery/Energy Services IT	309,290	0	309,290	Account management of Energy Delivery/Energy Services IT group.
Total		4,224,444	1,792,234	6,016,678	

Center #	Center Name	O & M	Capital	Total	Function
12451	IT Planning and Projects	354,187	0	354,187	Senior management and administration of IT Planning and Projects and disaster recovery planning.
12452	Year 2000 Project	311,850	0	311,850	Coordination of corporate efforts to make CSW's information systems Year 2000 compliant.
12453	Technical Support and Standards	779,909	0	779,909	Establishing and documenting CSW IT standards, application support, data warehouse administration.
12454	Advanced Applications	711,913	0	711,913	Developing/evaluating advanced applications and tools. Developing Internet/Intranet applications.
12455	Planning	450,790	0	450,790	IT budgeting, billing, benchmarking, and planning.
12458	Project Management	458,674	0	458,674	IT special projects.
Total		3,067,323	0	3,067,323	

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CSW 1998 get by Function

Center #	Center Name	O & M	Capital	Total	Function
12461	Telecommunications Staff	263,635	0	263,635	Senior management and administration of telecommunications.
12462	Network Operations	574,450	300,000	874,450	Monitoring total CSW telecommunications network.
12463	Mobile Communications	382,324	835,892	1,298,016	Design, procure, monitor CSW radio systems.
12464	Control and Monitoring	241,475	0	241,475	Lifecycle management of RTUs. EMS/SCADA monitoring
12465	Transport Networks	986,404	0	986,404	Design and construct telecommunications infrastructure.
12466	Voice/Video Communications	1,312,868	205,058	1,517,724	Manage all CSW voice and video systems.
12467	Cellular and Paging	733,703	0	733,703	Manage billing for CSW cellular and paging systems.
12471	Operations	178,082	0	178,082	Install, operate, and maintain CSW telecommunications infrastructure.
12473	Dallas Operations	303,876	0	303,876	Install, operate, and maintain CSW telecommunications infrastructure.
12474	Tulsa Operations	155,065	0	155,065	Install, operate, and maintain CSW telecommunications infrastructure.
CPL	CPL Operations	5,482,938	2,141,900	7,624,838	Install, operate, and maintain CSW telecommunications infrastructure.
PSO	PSO Operations	3,438,896	3,531,100	6,967,996	Install, operate, and maintain CSW telecommunications infrastructure.
SEP	SEP Operations	3,721,811	2,288,500	6,010,311	Install, operate, and maintain CSW telecommunications infrastructure.
WTU	WTU Operations	2,330,751	3,382,500	5,713,351	Install, operate, and maintain CSW telecommunications infrastructure.
Total		20,084,076	12,784,850	32,868,926	
Total IT		59,039,703	28,586,582	85,626,285	

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CSW Computing Services 1998 Budget Detail

Center #	Center Name	Payroll	Contractors	Hardware	Software	Other	Total O & M	Capital	Total
12411	Computing Services	250,341	0	0	0	24,200	274,541	0	274,541
12412	System Administration	535,980	0	0	0	42,425	578,405	0	578,405
12413	Distributed Computing	832,887	0	643,050	137,560	80,080	1,693,577	315,213	2,008,790
12414	System Programming & Support	920,144	20,000	0	2,657,388	145,400	3,742,930	223,600	3,966,530
12415	Command Center	846,850	330,110	0	0	95,300	1,272,260	0	1,272,260
12416	Data Services	873,642	83,980	0	0	37,500	995,122	131,665	1,126,787
12417	Help Desk	500,589	0	0	0	47,320	547,909	0	547,909
12418	Mainframe Hardware	0	0	3,280,767	0	0	3,280,767	1,027,000	4,307,767
12419	Field Services - Dallas	593,189	573,276	0	197,250	98,708	1,462,423	1,346,270	2,808,693
12420	Field Services - WT2	311,772	528,500	103,200	284,064	63,680	1,271,216	1,699,262	2,970,478
10011(CPL)	Field Services - CPL	715,041	1,119,072	1,778,312	0	230,593	3,843,018	597,400	4,440,418
14067(PSO)	Field Services - PSO	490,728	766,360	97,200	151,600	77,700	1,583,588	1,620,500	3,204,088
11200(SEP)	Field Services - SEP	632,232	728,332	139,000	197,800	159,266	1,866,630	1,818,000	3,684,630
11870(WTU)	Field Services - WTU	456,449	458,040	30,600	117,271	153,599	1,190,959	700,600	1,891,559
Total		7,959,844	4,607,670	6,072,129	3,722,931	1,240,771	23,603,345	9,479,510	33,082,855

$RCIS = 2,148,312$
 $SW = 927,195$
 $OTHER = 3,945,843$
 $SW = 593,153$
 $OTHER = 6,083,333$
 $SW = 3,280,767$
 $OTHER = 2,657,388$

$ASST. Comp. = 643,050$
 $SW = 137,570$
 $OTHER = 780,610$

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CSW Corporate/Energy/E Enterprise IT 1998 Budget Detail

Center #	Center Name	Payroll	Contractors	Hardware	Software	Other	Total O & M	Capital	Total
12421	Corporate/Energy/Enterprise IT	123,839	0	0	0	34,426	158,265	0	158,265
12422	Financial Applications	635,575	504,000	0	216,500	51,300	1,407,375	0	1,407,375
12423	HR/Administration Applications	577,655	134,500	0	168,600	75,262	956,017	0	956,017
12424	Production Engineering Applications	757,963	252,000	0	409,950	53,200	1,473,113	98,840	1,571,953
12425	Corporate/Energy/Enterprise IT	490,185	0	0	0	61,644	551,829	414,000	965,829
Total		2,585,217	890,500	0	795,050	275,832	4,546,599	512,840	5,059,439

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CSW Customer Ser T 1998 Budget Detail

Center #	Center Name	Payroll	Contractors	Hardware	Software	Other	Total O & M	Capital	Total
12431	Customer Service IT	100,686	0	0	0	12,360	113,046	30,078	143,124
12432	CIS Applications	868,288	2,034,590	8,900	55,000	135,092	3,101,870	1,987,070	5,088,940
12433	CIS Applications	80,000	0	0	0	5,000	85,000	0	85,000
12434	Customer Service IT	<u>169,000</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>40,000</u>	<u>214,000</u>	<u>0</u>	<u>214,000</u>
Total		1,217,974	<u>2,034,590</u>	13,900	55,000	192,452	3,513,916	2,017,148	5,531,064

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CSW Energy Delivery/Energy Services IT 1998 Budget Detail

Center #	Center Name	Payroll	Contractors	Hardware	Software	Other	Total O & M	Capital	Total
I2441	Energy Delivery/Energy Services IT	127,975	148,000	0	0	50,467	326,442	0	326,442
I2442	Operations Engineering Applications	731,101	1,565,864	0	360,532	158,275	2,916,772	400,134	3,316,906
I2443	Marketing and Rates Applications	347,460	286,200	0	10,080	28,200	671,940	1,392,100	2,064,040
I2444	Energy Delivery/Energy Services IT	245,150	0	0	0	64,140	309,290	0	309,290
	Total	1,451,686	2,101,064	0	370,612	301,082	4,224,444	1,792,234	6,016,678

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IT Planning and Projects 1998 Budget Detail

Center #	Center Name	Payroll	Contractors	Hardware	Software	Other	Total O & M	Capital	Total
12451	IT Planning and Projects	199,420	136,040	0	0	18,727	354,187	0	354,187
12452	Year 2000 Project	242,340	54,000	0	0	15,510	311,850	0	311,850
12453	Technical Support and Standards	597,189	75,000	0	66,987	40,733	779,509	0	779,909
12454	Advanced Applications	571,105	<u>73,200</u>	0	0	67,608	711,913	0	711,913
12455	Planning	380,000	0	0	0	70,790	450,790	0	450,790
12456	Project Management	<u>243,460</u>	0	0	<u>176,215</u>	<u>38,999</u>	<u>458,674</u>	<u>620,500</u>	<u>1,079,174</u>
Total		2,233,514	338,240	0	243,202	252,367	3,067,323	620,500	3,687,823

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Telecommunications 1998 Budget Detail

Center #	Center Name	Payroll	Outside Services	Hardware	Maintenance	Other	Total O & M	Capital	Total
I2461	Telecommunications Staff	192,069	0	0	0	71,566	263,635	0	263,635
I2462	Network Operations	375,600	0	128,700	0	70,150	574,450	300,000	874,450
I2463	Mobile Communications	307,707	0	0	0	54,617	362,324	935,692	1,298,016
I2464	Control and Monitoring	208,975	0	0	0	32,500	241,475	0	241,475
I2465	Transport Networks	557,818	0	363,115	0	65,471	986,404	0	986,404
I2466	Voice/Video Communications	376,735	825,854	0	0	110,077	1,312,666	205,058	1,517,724
I2467	Cellular and PAGING	214,146	496,185	0	0	23,372	733,703	0	733,703
I2471	Operations	154,841	0	0	0	23,241	178,082	0	178,082
I2473	Dallas Operations	154,971	0	0	0	148,905	303,876	0	303,876
I2474	Tulsa Operations	48,912	0	0	0	106,153	155,065	0	155,065
CPL	CPL Operations	177,185	0	214,739	4,952,994	138,020	5,482,938	2,141,900	7,624,838
PSO	PSO Operations	143,005	581,297	82,476	2,419,987	210,131	3,436,896	3,531,100	6,967,996
SEP	SEP Operations	102,691	502,944	0	3,060,771	55,405	3,721,811	2,288,500	6,010,311
WTU	WTU Operations	73,670	134,555	131,368	1,928,549	62,609	2,330,751	3,382,600	5,713,351
Total		3,088,325	2,540,835	920,398	12,362,301	1,172,217	20,084,076	12,784,850	32,868,926

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1998 IT Depreciation

	I/S			Telecom	
	<u>Mainframe</u>	<u>Software</u>	<u>PC's</u>		<u>Total</u>
CSW	900,000			CSW	3,300,000
CPL		4,700,000	*	CPL	3,800,000
PSO		4,700,000	1,260,000	PSO	3,500,000
SEP		4,400,000	**	SEP	1,400,000
WTU		2,400,000	1,560,000	WTU	12,000,000
Total	900,000	16,200,000	2,820,000	Total	
					19,920,000

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Data Request...
Table 28.4

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Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Expandable Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
<u>CUSTOMER SERVICE</u>												
<u>BILLING</u>												
Customer Billing System	CSW	1990	1997		N/A	MVS	IDMS	Main frame	COBOL II ADS/O	yes	IDMS	
Merchandise System	CSW	1996	1997		N/A	MVS		Main-frame	COBOL II ADS/O	yes	CICS IDMS	Maintains client historical and current data and provides the means to bill and post revenues for merchandise sales and services, and is integrated with the customer information system for WTU.
<u>CUSTOMER INFORMATION</u>												
Customer Information System (1 per Op. Co.)	CSW	1990	1997		N/A	MVS	IDMS	Main-frame	COBOL II ADS/O	yes	CICS IDMS	Maintains client and premise historical and current data and provides the means to bill for service, post revenues, track payments, and incorporates the subledgers for customer receivables and customer deposits payable.
VRU	Intervoice	1995	1997		25,000	MVS OS/2		Client server	IFORM	yes		Voice Response
CTI	Early cloud	1995	1996		45,000	MVS CICS OS/2		Main-frame RISC 6000	COBOL II & proprietary	yes	CICS	Retrieves and displays customer database records, based on telephone switch provided caller ID., to provide the customer representative with available information while greeting the caller.

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CSW Information Technology
Major Application System Inventory

Data Request:
Table 28.4

Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Repl ace	Annual Expense (A)	Operati ng System	Data base	Hard ware Plat- form	Primary Source Lan gauge	Exp and able Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
CUSTOMER ACCOUNTING												
Meter reading integrator	ITRON	1985	1997		200,000	MVS CICS DOS		Main frame	COBOL			Meter reading, hand held, Mainframe module
Premier Plus	ITRON	1985	1997		240,000	MVS Propriet ary		Client Server	Proprieta ry			Meter reading, hand held, Mainframe and client server based modules
Meter records System	CSW	1990	1997		N/A	MVS IDMS		Main frame	COBOL II	yes	IDMS	Detailed customer premise metering records

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Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Expandable Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
MARKETING INFORMATION												
Key Account	CSW	1995	1996			Windows MVS		PC Mainframe	Powerbuilder		DB2	Tracks marketing intelligence and other data about our key clients at the local, regional, and national levels.
MARS 1.0	Powersoft Corp	1996				NT		FS	COBOL Powerbuilder SQL Anywhere			MARS, the Marketing Analysis and Reporting System for the Marketing Department. The application contains appliance information gathered by the Marketing Consultants on Residential, Commercial, and Industrial premises for CSWS. It also computes Consultant compensation for certain appliances that meet marketing program rebates.
System Marketing Segmentation	CSW	1994				MVS		Mainframe	COBOL		EASY-TRIEVE, FOCUS & DB2	Analyzes and stratifies aggregate customer lists into pre-defined segments for precisely targeted marketing campaigns
Load analysis System	CSW	1997				MVS Windows		Mainframe PC	COBOL C		DB2, IEF & EZ-trieve Powerbuilder	Captures load research statistical data for analysis of load usage profiles for selected classes of client by specific areas.
Key Account Grouping	CSW	1995	N/A		0	Windows, MVS	DB2	PC Mainframe	Powerbuilder	Y	PowerB uilder	This system tracks marketing intelligence and other data about our key clients at the local, regional and national levels.
MARS 3.1 (Marketing Analysis and Reporting system)	CSW	1997	N/A		0	Windows, MVS	SQL Any where	PC Mainframe	PowerB uilder, COBOL	Y	PowerB uilder	This system allows the marketing sales consultants to enter inventory and sales of appliances on residential, Commercial and Industrial accounts for CSWS. System calculates each consultants commission based on sales information entered

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Data Request Table 28.4
CSW Information Technology
Major Application System Inventory

Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Expandable Yes / No	MEMO System Tools or Software Needed	MEMO Description
Marketing Segmentation	CSW	1994	N/A		0	MVS, PC	DB2	PC Mainframe	PowerB uilder, COBOL	Y	PowerB uilder	This system analyzes and stratifies aggregate customer lists into pre-defined segments for precisely targeted marketing campaigns.
Load Analysis System	CSW	1997	N/A		\$4,700	MVS, PC	DB2	PC Mainframe	PowerB uilder, COBOL, C	Y	PowerB uilder, IEF (Cool-Gen)	This system captures load research statistical data for analysis of load usage profiles for rate cases and ad hoc analysis on selected classes of customers.
Competitive Pricing Analysis System (CPAS)	CSW	1994	1998		0	Windows 3.1	Access 2.0	PC Mainframe	Visual Basic, Access	Y	VB, Access, Extra tools for VB	CPAS calculated the annual billing for electric services for the specified rates by gathering data from the Customer, Fuel, Rate TOU and Disclaimer databases on the mainframe. CPAS receives data from IDMS databases via Extra screen scraping.
Rate Data Gathering and Modeling	CSW	1989	N/A		0	MVS, PC	VSA, M, sequential	Mainframe	COBOL, Fortran, EITreiv e	Y	ROSCO E, TSO	This system is used by the Rates/Pricing Dept. to design, develop and model rates for demand, non-demand and time of use customers.
Economic Development Address Cleanup	CSW	1995	N/A		0	Windows 3.1	Access 2.0	PC	VB and Access	Y	VB and Access	This system cleanses the mailing information of data supplied on request from Dun and Bradstreet.
PSO Power Billing	CSW	1988	1998		0	DOS	Bitrive, Flat Files	PC	C	Y	C/Compiler	This system was written to calculate the bills for the large accounts at PSO and pass the needed data to CIS. This system is currently in place at SWEPCO, PSO and WTU.
Customer Profile	CSW	1997	not known		0	PC	DB2	PC Mainframe	PowerB uilder	Y	PowerB uilder	This system was written for the Wholesale Marketing group to create and keep profiles on our large customers. It was never used in production is currently not in use.

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Data Requester: CSW Information Technology
Table 28.4 Major Application System Inventory

Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Expandable Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
Fuel Reconciliation for S-TOU	CSW	1998	new development		0	PC	Access 7.0, Bitriver, Flat Files	PC	C++	Y	C++/Compiler, Access	This system calculates the marginal fuel expense for customer on S-TOU rate (Selectable Time of Use).
MV-PBS	CSW	1998	new development			PC	Oracle	PC	PowerBuilder	Y	PowerBuilder	The system is used to calculate the bills for our large industrial and wholesale customers. It will transfer this information to the CIS systems for each op co. This is a replacement for the PSO Power Billing System
Client Account Manager Load Analysis	CSW	1998	new development			Intranet	DB2 & Microsoft SQL Server	PC	HTML, ASP, JavaScript, VBScript	Y	MS Interdev	This application presents the data from our mainframe Load and Market Segmentation databases, in a graphical format. For use with Internal Client Account managers.

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Data Request: CSW Information Technology
Table 28.4 Major Application System Inventory

Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Expandable Yes / No / ?	MEMO System Tools or Software Needed	MEMO Description
Key Account Load Analysis	CSW	1998	new development			Internet	DB2 & Microsoft SQL Server	PC	HTML, ASP, JavaScript, VBScript	Y	MS Interdev	This application presents the data from our mainframe Load and Market Segmentation databases, in a graphical format. For use with external Key Accounts.
Bill Presentation (Regulated)	CSW	1998	new development			Internet	AFP Print Stream	PC, Mainframe	HTML, ASP, JavaScript, VBScript	Y	MS Interdev, AFP2P, DF	This application will allow our regulated customers to receive the electric and, if applicable, merchandise billing statement via the Internet.
Bill Presentation (Deregulated)	CSW	1998	new development			Internet	AFP Print Stream	PC, Mainframe	HTML, ASP, JavaScript, VBScript	Y	MS Interdev, AFP2P, DF	This application will allow our non-regulated customers to receive the electric billing statement via the Internet.
Bill Payment (Regulated and Deregulated)	CSW	1998	new development			Internet	Microsoft SQL Server, IDMS (Mainframe)	PC, Mainframe	HTML, ASP, JavaScript, VBScript, MS Site Server	Y	MS Interdev, MS Site Server	This application will allow our customers to pay their electric and/or merchandise bills via the Internet. We anticipate, eventually, payments accepted through Electronic Funds Transfer (EFT), Electronic Data Interchange (EDI) and Credit Card.

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CSW information technology
Major Application System Inventory

data request
Table 28.4

Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Exp and able Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
CSW Store Front	CSW	1998	new development			Internet	Microsoft SQL Server	PC	HTML, ASP, Javascript, VBScript, MS Site Server	Y	MS Interdev, MS Site Server	This application will allow Internet customers (both internal and external) to purchase products over the Internet using Credit Card payment.

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Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Expandable Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
<u>SUPPLY CHAIN</u>												
MATERIALS INVENTORY												
PASSPORT	Indus	1994	1997	1998 Upgrade	78,000	MVS	DB2	Mainframe & Client server	COBOL SQL	No	Analyst Workben ch DB2, VSAM	Provides a complete range of support for the supply chain, including predicting usage, reserving materials by job, seeking and recording price or delivery quotations, ordering, receiving, in addition to the traditional task of keeping inventory balances in a sub-ledger. Integrates tightly with maintenance planning, scheduling, monitoring and cost reporting; especially in a power plant environment.
PURCHASING												
PASSPORT	Indus	1994	1997	1998 Upgrade	68,250	MVS	DB2	Mainframe & Client server	COBOL SQL	No	Analyst Workben ch DB2, VSAM	Provides a complete range of support for the supply chain, including predicting usage, reserving materials by job, seeking and recording price or delivery quotations, ordering, receiving, in addition to the traditional task of keeping inventory balances in a sub-ledger. Integrates tightly with maintenance planning, scheduling, monitoring and cost reporting; especially in a power plant environment.
ACCOUNTS PAYABLE												
Accounts Payable	GEAC	1992	1996		32,000	MVS		Mainframe	COBOL Assembler		VSAM	Maintains the CSW payables sub-ledger, PO matching, expense reporting, special payment requests, credit cards, and schedules payments of approved disbursements and cuts checks just in time to maximize cash discount opportunities.

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Table 28.4
CSW Information Technology
Major Application System Inventory

Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Exp and able Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
<u>HUMAN RESOURCES MGT.</u>												
<u>TIME ENTRY</u>												
Time Entry System	CSW	1996			0	MVS		Main-frame	COBOL SQL		DB2 CICS	Provides the means for employees to enter and their managers to approve all time reports to correctly allocate CSW costs to work activities and overheads.
<u>CONTRACT INTERPRETATION</u>												
<u>PAYROLL</u>												
HR/Personnel	Peoplesoft	1994	1996		123,000	MVS Windows		Main-frame PC	COBOL SQL SQR EZ-Trieve		CICS DB2 FOCUS	Maintains HR/personnel type data including earnings calculation, check preparation, payment and history.
<u>PERSONNEL</u>												
HR/Personnel	Peoplesoft	1994	1996		Included in Payroll fee above	MVS Windows		Main-frame PC	COBOL SQL SQR EZ-Trieve		CICS DB2 FOCUS	Maintains all employee related information
Job Salary History	CSW	1996			0	MVS		Main-frame	COBOL SQL		CICS DB2	Maintains supporting archival files to compliment the Peoplesoft HR/payroll database.

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CSW Information Technology
Major Application System Inventory

Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Exp and able Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
FINANCIAL MANAGEMENT												
GL / BUDGET	GEAC				115,000 Including Millennium and PC Link	MVS		Main-frame			DB2	GEAC General Ledger Package
General ledger					0	MVS		Main-frame	COBOL		DB2	This module maintains the integrity of the books of account by rejecting account classification errors for correction before posting.
Common Account Validation Module	CSW	1992	1997		0	MVS		Main-frame	COBOL		VSAM	Provides a tool for preparing, approving tracking and reporting the budgets of work units, divisions and business entities.
Capital Budgets	CSW	1995			0	MVS		Main-frame	COBOL		VSAM	Provides a tool for preparing, approving tracking and reporting the budgets of work units, divisions and business entities.
Operations & Maintenance Budgets	CSW	1991			0	MVS		Main-frame	COBOL		IDMS & ADDS/O	Maintains the asset records to comply with SEC, FEREC, IRS and state commission requirements that all differ and would otherwise present an almost impossible clerical task.
Tax Depreciation Normalization	CSW	1989			0	MVS		Main-frame	COBOL		VSAM	Assists the Treasury staff to consolidate, transfer and order short term investments of excessive cash balance in light of projected daily requirements.
ICMS International Integrated Cash Management		1994			35,000	Window & MVS		PC & main-frame	PASCAL COBOL		DB2 & VSAM	Monitors, accumulates and reports all costs associated with a work order by activity and provides the data for closing the job to Operations & Maintenance and or to Capital accounts when completed.
PROJECT COSTING Job Cost Tracking	CSW	1994				MVS		Main-frame	COBOL			

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Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Expandable Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
FIXED ASSETS												
Land Management System	CSW	1985	N/A	N/A	30,000	MVS	IDMS	Main-frame	COBOL	No	IDMS	Tracks CSW real estate for asset leverage and protection and to ensure tax compliance.
Mining Information System	CSW	1985	N/A	N/A	obsolete	MVS	IDMS	Main-frame	COBOL	Yes	IDMS	Monitors property and royalty rights and obligations and ensures compliance with all applicable taxes and associated reporting.
Facilities Management EEMS	CSW	1997				UNIX MVS		Risc6000 Main-frame	Visual C++		ORACLE DB2	Maintain all nameplate information on all electrical distribution equipment by tracking a complete history of equipment installations and removals.

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Table 28.4 Major Application System Inventory

Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Exp and able Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
WORK MANAGEMENT												
Distribution - Electric												
Compatible Units	CSW	1992		N/A		MVS		Main-frame	COBOL		IEF FOCUS VSAM	Enumerates standard bills of material, other resources, and related activities with the cost factors for completing construction, maintenance and removal activities for planned distribution, substation and transmission facilities.
Work 2000	CSW	1994 1995	1997	N/A	951,000	MVS OS/2		Main-frame & PC	COBOL		IEF DB2	Initiates, designs, schedules, closes, and reports all field work activities that are input. Provides a focal point for planning and prioritizing all work requests and provides a list of authorized construction and service work activities for each work unit.
Tree Management System	CSW	1990		1998		MVS		Main-frame	COBOL		VSAM CICS	Tracks tree trimming history, costs and plans for specific ROW segments to better manage CSW resources at lowest practical cost.
Facilities Management System EEMS, TLM, Companion Utilities	CSW	1995		N/A		NT	C/S		Visual C++		ORACLE	Maintains an integrated database to support activities of planning, analysis, design and operation of the T & D system.
Facilities Management FRAME	INER	1995		N/A	140,000	NT	C/S		C++		ORACLE	Maintains an integrated database to support activities of planning, analysis, design and operation of the T & D system.
Customer Service												
CADOPS	Asea Brown Boveri (ABB)	1994		N/A	140,000	UNIX 95/NT MVS		C/S Main frame	C++ Vision++		ORACLE DB2	Does outage analysis to pinpoint probable causes and locations and provides crew tracking support during restoration.
CADPAD	(ABB)	1996		N/A	40,000	95/NT		C/S	C++		ORACLE	Performs feeder load analysis, considering motor start surges, line losses, etc. on connected distribution lines.

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Table 28.4 Major Application System Inventory

Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Expandable Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
Dispatch												
Geo. Information Systems												
Fleet Management												
Fleet Accounting	CSW	1995				MVS		Main-frame	COBOL		IEF DB2	Captures and stores vehicle miles, PTO hours and vehicle costs for distribution to users and work activities at periodically recalculated fixed rates. Monitors and schedules maintenance based on reported unit usage.

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Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Expandable Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
ENERGY MANAGEMENT												
System Control - Electric	Outside	of	IS	N/A	Not known	Not known	Not known	Not known	Not known	Not known	Not known	Not known
Gas Procurement Fuel works (IFMS)	CSW	1987	1987	N/A	Not known (note 1.)	AIX Netware Widows		Risc6000 PC	ACCESS ORACLE SQL		ACCESS ORACLE	Provides gas, coal, and oil fuels clients with a data repository pertaining to their business associates, contracts, bids & deals.
Coal Procurement Fuel works (IFMS)	CSW	1987	1987	N/A	Not known (note 1.)	AIX Netware Widows		Risc6000 PC	ACCESS ORACLE SQL		ACCESS ORACLE	Provides gas, coal, and oil fuels clients with a data repository pertaining to their business associates, contracts, bids & deals.
Oil Procurement Fuel works (IFMS)	CSW	1987	1987	N/A	Not known (note 1.)	AIX Netware Widows		Risc6000 PC	ACCESS ORACLE SQL		ACCESS ORACLE	Provides gas, coal, and oil fuels clients with a data repository pertaining to their business associates, contracts, bids & deals.
(Note 1.) IFMS Total Support Cost Factors	(2) Consultants (2) Contractors (1) Employee Software Lease Hardware			307,200 230,400 70,000 5,000 N/A								

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User Information Technology
Major Application System Inventory

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Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Exp and able Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
ENGINEERING STUDIES												
Powerplant / Production	EDS Energy Management Associates											Supports long range planning activities.
PROSCREEN	EDS Energy Management Associates											
PROMOD	EDS Energy Management Associates	1996		N/A	5,000	UNIX	N/A	RISC 6000	FORTRA N	NO	N/A	Supports long range engineering plant studies
Fuel Plan	EDS	1995		N/A	22,000	UNIX	N/A	RISC 6000 PC	FORTRA N	NO	N/A	Models plant fuel requirements, interfacing with PROMOD.
Transmission												
PSS/E and T-PLAN	Power Technologies	1996		N/A	8,000	NT		PC				Engineering analysis and planning studies for transmission and other power flow matters.

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CSW INFORMATION TECHNOLOGY
Major Application System Inventory

Table 28.4

Major System Area and Application Name	SOURCE (Vendor)	Year Implemented	Last Major Rev Year	Year to Replace	Annual Expense (A)	Operating System	Data base	Hardware Platform	Primary Source Language	Exp and able Yes / No ?	MEMO System Tools or Software Needed	MEMO Description
OTHER												
Power Plant Inventory, Purchasing & Work Management	INDUS	1994		1998 Upgrade	168,000	MVS	DB2	Main-frame	COBOL	No	PORTAL	Supports Inventory, Purchasing and Work Management for the Power Plants
Legal Services System	CSW	1993			0	MVS		Main-frame	COBOL		IEF DB2	Monitors and accumulates client usage of legal counsel by individual matter.
Records Management	CSW	1993			0	MVS Windows		Main-frame & PC	COBOL		VSAM	Provides an indexing and record locating capability for corporate documents.
CIMS	Platinum Technology	1997			3,000	MVS		Main-frame	COBOL SQL		EZ-Trieve	Tracks Computer Resource Unit (CRU) Usage and creates CRU billing transactions
CSS II Shareholder Services	SSI	1987	1996		35,000	MVS		Main-frame	COBOL Assembler		VSAM FOCUS EZtrieve	Performs the full range of legislated and regulated, required functions and reports expected from CSW as the Stock Registrar and Stock Transfer Agent for CSW and certain subsidiaries' common or preferred stock issues and also addresses and accounts for all dividend accounting and disbursement as well as stock purchase plans and dividend reinvestments.
Millennium/PC Link	GEAC	1985			Included with GL fee	MVS		Main-frame	COBOL		CICS DB2 VSAM	Provides the online interface between GEAC designed files and remote users accessing data through their on-line connected work stations - through special emulation.
ORACLE SQL Server	Oracle					Unix						This is a data base engine that retrieves data per the criteria supplied.
ORACLE SQL Server /NT	Oracle					Microsoft NT		PC Server				This is a data base engine that retrieves data per the criteria supplied.

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AEP/CSW
Synergies Refinement

SYNERGIES SUMMARY

Savings Area: Professional Services

AEP Position:

1997 actual recurring costs of \$105.3 million include \$14.9 million in legal fees, \$2.9 million in auditing, \$6.2 million in accounting/finance, \$46.2 million in consulting-IT, \$23.9 million in consulting-non-IT and \$11.1 million in engineering services.

CSW Position:

1997 actual recurring costs of \$42.2 million include \$18.7 million in legal fees, \$3.4 million in auditing, \$1.3 million in accounting/finance, \$3.4 million in consulting-IT, \$10.0 million in consulting-non-IT, \$3.0 million in engineering services, and \$2.3 million in other.

Rationale for Savings:

The combined company will consolidate and reduce professional services activities through economies of scope and elimination of non-recurring duplicate services and increased utilization of a broader skill base. Audit cost savings are similar with additional audit services (e.g. bond insurance letters, pension plan audits, stock issuance) reduced as a result of duplication. Similar legal expenditures (regulatory and corporate) can be reduced due to redundancy and duplication.

Ten Year Savings (\$000):

<input type="checkbox"/> O&M Savings	\$ 212,534
<input type="checkbox"/> Capital Savings	\$ 0
<input type="checkbox"/> Revenue Requirements Savings	\$ 0
<input type="checkbox"/> Total Savings	\$ 212,534

Basis for Calculation:

Savings for audit fees are based upon an estimated \$5.1 million total combined audit fees for the merged company, based on a 20% reduction in combined fees. Legal services were reduced by 20% of combined costs on the basis that duplicative activities can be eliminated, more work can be performed in-house, and external professional fees can be reduced due to increased purchasing power and internal expertise of the combined entity. Non-IT consulting is reduced by 50% of the smaller of the two fees (CSW). Accounting and finance is reduced by 50% of the smaller (CSW). Engineering services is reduced by 50% of the smaller (CSW).

Key Assumptions:

- Purchasing economies result from increased size of the combined company.
- Services are obtained on an ongoing basis at the current level.

L-1

Professional Services

\$16,689 L-3
\$0

Percentage of Savings Capitalized 0.0%
Fixed Charge Cost 0.0%
Inflation Rate 5.0%

Partial Year Savings 75%

Annual Savings

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Annual Savings Amount	\$12,517	\$17,523	\$18,399	\$19,319	\$20,285	\$21,300	\$22,365	\$23,483	\$24,657	\$25,890	\$6,796	\$212,534

O&M Savings	\$12,517	\$17,523	\$18,399	\$19,319	\$20,285	\$21,300	\$22,365	\$23,483	\$24,657	\$25,890	\$6,796	\$212,534
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Capital Savings

Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0

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Cumulative Capital Savings

Cumulative Capital Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fixed Charge Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total O&M and Fixed Charge Savings

Total O&M and Fixed Charge Savings	\$12,517	\$17,523	\$18,399	\$19,319	\$20,285	\$21,300	\$22,365	\$23,483	\$24,657	\$25,890	\$6,796	\$212,534 L-1
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Professional Services (\$000)

Escalator Number of Years	5.0% 2	AEP	CSW	Total	Savings %	1999	
						Savings	Savings
Legal		14,995	18,737	33,731	20% Combined	6,746	7,438
Auditing		2,914	3,393	6,307	20% Combined	1,261	1,391
Accounting/Finance		6,200	1,269	7,469	50% Smaller	634	699
Consulting - IT		46,206	3,433	49,640	0% See IT	0	0
Consulting - Non-IT		23,909	10,004	33,913	50% Smaller	5,002	5,515
Engineering Services		11,109	2,986	14,095	50% Smaller	1,493	1,646
Other		0	2,349	2,349	0% Smaller	0	0
Total Professional Fees		105,333	42,171	147,505	Total Savings	15,137	16,689

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	TOTAL	IT	Legal	Engin	F&A*	Non IT	Intercof Nonrecurring	Nuclear	Contract Svc	EPRI/EEI	Total
REGULATED:											
AEPS	68,892,233	45,768,532	395,110	209,712	1,148,962	5,817,444	13,240,456			314,017	68,892,233
OP, R Co	388,437,001	439,836	4,581,428	10,899,460	3,208,522	17,874,502	33,461,851	70,499,028	227,874,379	-	388,437,004
Subtotal	435,329,237	46,208,368	4,978,536	11,109,172	4,355,484	23,491,946	46,702,307	70,499,028	227,874,379	314,017	435,329,237
Legal Adjust			7,180,313			(7,180,313)					
Adj. Total	435,329,237	46,208,368	12,158,849	11,109,172	4,355,484	16,311,633	46,702,307	70,499,028	227,874,379	314,017	435,329,237
DEREGULATED:											
Note 1	15,193,878				7,598,939	7,598,939					15,193,878
Reclass Legal			2,838,000		(2,838,000)						
GRAND TOTAL	450,523,115	46,208,368	14,994,849	11,109,172	9,114,423	23,908,572	46,702,307	70,499,028	227,874,379	314,017	450,523,115

L-3 L-3 L-3
L-3 L-3 L-3
2,914,000 }
8,200,423 } L-3

AUDIT*
F & A

*\$241,000 Dereg

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Prs xls

Company	Legal	Audit/Tax	Finance & Accounting	Consulting-IT	Consulting-Non IT	Engineering Services	Other	Total
Central and South West Corporation								
1997 Professional Services Breakdown								
CSW Services	13,203,390.00	627,853.00	1,131,042.00	3,333,070.00	6,685,328.00	879,831.00	374,740.00	26,235,254.00
Non-reg	2,434,371.00	0.00	0.00	0.00	2,688,000.00	339,000.00	1,715,053.00	7,176,424.00
CPL	1,422,856.00	142,032.00	137,586.00	76,016.00	506,007.00	1,714,698.00	293.00	3,999,488.00
PSO	1,285,605.00	115,606.00	0.00	24,028.00	107,376.00	1,717.00	188,024.00	1,722,356.00
SWEPCO	330,980.00	111,237.00	0.00	200.00	8,658.00	46,049.00	70,993.00	568,117.00
WTU	59,423.00	87,769.00	0.00	0.00	9,027.00	4,620.00	0.00	160,839.00
	18,736,625.00	1,084,497.00	1,268,628.00	3,433,314.00	10,004,386.00	2,985,915.00	2,349,103.00	39,862,478.00
	L-3		L-3	L-3	L-3	L-3	L-3	(3,433,314.00)
Less Consulting IT								
Net Professional Services excluding Consulting-IT								36,429,164.00

To: Dieck
cc:
From: Lonni L. Dieck/American Electric Power
Date: 02/26/98 01:27:31 PM
Subject:

Amos, Spom and Cardinal keep their own books. Appalachian Power and Ohio Power jointly own Amos and Spom. Ohio Power jointly owns Cardinal with an outside party. The costs incurred by these plants are currently included in the APCo and OPCo columns but in most cases are not identified by vendor. The detail by vendor was not readily available. The inclusion of these amounts are NOT double counting.

For I&M, its share of Rockport costs are backed out because the detail for Rockport is separately included. If we did not back out I&M's share of Rockport we would be double counting. The detail for Rockport which is owned by I&M and AEG is in its own column. In other words, if you add the I&M column and the Rockport Column you get the contract and professional services for both I&M and AEG in detail.

The amounts below scope for category 290 was allocated to the different categories based on the subtotal of the detailed 290 activities by category.

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Footnotes for AEPSC

Source: AEPSC accounts payable distribution plus
~~#~~ sales tax adjustment plus manual journal entries.

- 1) Amounts under scope were allocated to the various categories as follows:
 - a) An amount was allocated to legal so that the grand total legal agrees with the total legal paid by AEPSC
 - b) the remaining amount under scope was allocated pro rata to the various categories

- 2) Amount ~~paid~~ for professional services provided by Mark McCollough - PG + Larry Dickerson

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Legal Detail

	<u>AEP</u>		<u>CSW</u>		<u>Combined</u>
	1996	1997	1996	1997	1997
Service Company	8,618 (1)		20,846 (1)	15,638	
Operating Company	N/A		N/A	3,099	
Total	<u>8,618</u>	<u>14,995 (2)</u>	<u>20,846</u>	<u>18,737 (3)</u>	<u>33,731</u>

Notes/Sources:

- (1) 1996 U-13-60
- (2) Supplied by AEP Legal Dept. - Includes \$2,852.8K Corporate Development Legal Fees (Non-Reg.)
- (3) 1997 CSW Analysis

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SUMMARIZATION CATEGORY
YEAR TO DATE 12/31/97

PAGE: 1

CATEGORY	SUBJECT	TOTAL AMOUNT
ANTITRUST MATTERS	ACQUISITION/SALE	1,902.02
	COMPLIANCE	53,060.65
	CONTRACTS	16,253.04
	COUNSELING	9,216.43
	DIVERSIFICATION	4,055.21
	LITIGATION	16,003.07
	MARKETING	22,907.10
	RIGHT OF WAY	11,000.14
		136,335.26
		13,619.17
CONSTRUCTION	LICENSING	1,376,603.80
	TRANSMISSION LN	1,590,302.97
CONTRACTS	ACQUISITION/SALE	15,004.62
	CONTRACTS	890.75
	LEASING	795.00
	LITIGATION	432.59
		17,922.96
CORPORATE	ACQUISITION/SALE	67,369.15
	AUDIT INQUIRY	6,030.01
	COLLECTION	119.00
	COMPLIANCE	2,665.50
	CONTRACTS	02.50
	CUSTOMER MATTERS	1,232.34
	EMPLOYEE BENEFITS	1,095,694.29
	FINANCING	4,190.00
	GENERAL	91,526.75
	LEASING	629.60
	LIABILITY CLAIM	115.50
	LICENSING	2,831.70
	LITIGATION	300.00
	PATENT	10,045.00
	RAIL	328,060.27
RESTRUCTURING	1,091.56	
	2,410,291.97	
EMISSION ALLOWANCES	EMISSION ALLOWANCES	1,791.13
		1,791.13
ENVIRONMENTAL	AIR	102,509.01
	ASBESTOS	117.50
	COMPLIANCE	35,604.06
	EMISSION ALLOWANCES	4,292.45
	GENERAL	21,201.36
	GLOBAL CLIMATE	20,014.10
	HAPPER LITIGATION	15,254.62
	LITIGATION	5,362.02
	ORMET	310,691.17

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SUMMARIZATION CATEGORY YEAR TO DATE 12/31/97

PAGE: 2

CATEGORY	SUB-JECT	TOTAL AMOUNT
ENVIRONMENTAL	REAL ESTATE	2,981.18
	SUPERFUND LITIGATION	113,843.32
	WASTE	22,941.44
	WATER	18,208.88
		673,772.31
ERISA	EMPLOYEE BENEFITS	6,267.28
		6,267.28
FERC	FERC MATTERS	5,498.42
	HYDRO	2,618.23
	LITIGATION	29,489.77
	MERGER	9,378.62
		46,975.04
FERC REGULATORY	FERC WATERMAKING	3,317.43
	LITIGATION	33,894.51
	PUCO	29,841.72
		65,893.66
FINANCING	FINANCING	829,878.77
	LEASING	16,194.67
	MORTGAGE	648.98
		845,934.34
HYDRO	FERC MATTERS	3,838.42
	HYDRO	1,778.48
	LICENSING	7,728.18
	RACINE	3,886.07
		16,555.07
INSURED LITIGATION	ASBESTOS	23,868.66
	CONTRACT DISPUTES	242,888.96
	WORKERS COMPENSATION	449,636.43
	WORKMEN COMP	19,973.15
		757,978.62
INTELLECT PROPERTY	PATENT	28,454.85
	SERVICE MARK	7,585.88
	TRADEMARK	44,751.08
		80,792.05
LABOR	ARBITRATION	86,618.28
	BLACK LUNG	172,588.94
	DISCRIMINATION	436,484.51
	EMPLOYEE BENEFITS	3,848.95
	GENERAL	17,858.16
	LABOR	148.88
		71,200.37
	LITIGATION	13,722.73
	MSHA	

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SUMMARIZATION CATEGORY YEAR TO DATE 2/31/97

PAGE: 3

CATEGORY	SUBJECT	TOTAL AMOUNT	
LABOR	MLRB	1,917.05	
	OSHA	4,895.30	
	RESTRUCTURING	3,724.20	
	SEVERANCE	17,643.01	
	UNEMPLOYMENT	1,764.06	
		832,606.94	
LEGISLATION	FRANCHISE	1,668.00	
	LITIGATION	1,613.00	
	PROPERTY RIGHTS	3,275.00	
	RATE MATTERS	3,240.31	
	RESTRUCTURING	2,075.78	
	STATE	7,396.00	
	STATE RATEMAKING	592.00	
	STRATEGIC PLANNING	790.00	
			21,650.09
			702.00
LITIGATION	AIR	10,942.11	
	ARBITRATION	500.00	
	ASBESTOS	76,032.92	
	BANKRUPTCY	4,476.79	
	COLLECTION	19,463.13	
	CONDEMNATION	97,215.93	
	CONTRACT DISPUTES	201.73	
	CUSTOMER MATTERS	19,991.71	
	ENR	48,244.33	
	GENERAL	876.00	
	KAMMER LITIGATION	2,793.91	
	LABOR	39,100.90	
	LIABILITY CLAIM	1,873,918.00	
	MEIGS INSURANCE	81,354.74	
	OSHA	429.76	
	MLRB	4,113.31	
	NUCLEAR	25,040.09	
	PERSONAL INJURY	127.00	
	POLE ATTACHMENT	62,243.20	
	PROPERTY DAMAGE	679.19	
	PROPERTY RIGHTS	6,496.03	
	PUCO	128.00	
	RATE MATTERS	102.20	
	REAL ESTATE	15,789.40	
	RIGHT OF WAY	480.90	
STATE RATEMAKING	2,570.42		
SUPERFUND LITIGATION	590.00		
TRADEMARK	12,011.90		
TRANSMISSION LN	119,705.10		
TVA	7,977.60		
WATER	2,240,428.96		

WP/FLAHERTY
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SUMMARY BY CATEGORY
YEAR TO DATE 12/31/97

PAGE:

CATEGORY	SUBJECT	TOTAL AMOUNT
MARKETING	CONTRACTS	72.40
	CUSTOMER MATTERS	921.00
	FINANCING	6,498.75
	GENERAL	972.80
	LEASING	1,597.70
MARKETING	MARKETING	59,576.75
	PUCO	15,716.18
		65,357.58
NON-CORE BUSINESSES	DIVERSIFICATION	5,669.21
	GENERAL	172.91
	LEASING	4,369.13
	LICENSING	20,310.57
	MARKETING	2,371.91
		30,833.73
NUCLEAR	COOK	7,759.30
	LITIGATION	10,808.84
	NUCLEAR	55,122.82
	WASTE	1,058.60
		74,741.56
ORDET	ARBITRATION	15,552.05
	LITIGATION	557.93
		16,109.98
PURCA	DIVERSIFICATION	59,405.71
		39,405.71
RATES-GENERAL	ACQUISITION/SALE	1,051.59
	COMPLIANCE	12,286.80
	CONTRACTS	630.80
	FUEL CASE	2,328.90
	FUEL MATTERS	596.14
	GENERAL	10,267.24
	LICENSING	88.25
	LITIGATION	29,280.20
	PUCO	116.62
	RATE MATTERS	100,988.64
	RESTRUCTURING	11,258.50
	STATE RATEMAKING	132,009.79
		500,605.67
REAL PROPERTY	ACQUISITION/SALE	122,433.41
	APPROPRIATION	17,225.81
	CONDEMNATION	40,298.58
	EASEMENT	17,800.37
	EMF	817.32
	EMINENT DOMAIN FINANCING	105.00
		12,521.56

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SUMMARY BY CATEGORY
YEAR TO DATE 12/31/97

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CATEGORY	SUBJECT	TOTAL AMOUNT
REAL PROPERTY	GENERAL	1,069.25
	HYDRO	658.44
	LEASING	6,431.65
	LIABILITY CLAIM	788.00
	LICENSING	6,482.75
	LITIGATION	1,757.16
	MARKETING	60.00
	PROPERTY DAMAGE	36.30
	PROPERTY RIGHTS	26,590.05
	REAL ESTATE	695.55
	RIGHT OF WAY	20,915.92
	SALE	9,523.34
	SOLID WASTE	4,018.00
	SUBSIDENCE	11,000.60
	TRANSMISSION LN	222.50
		303,619.48
	REGULATORY	ACQUISITION/SALE
AUDIT INQUIRY		668.70
CUSTOMER MATTERS		2,637.43
EMF		30,697.94
FERC MATTERS		124,062.40
FINANCING		6,906.57
FUEL CASE		6,293.28
FUEL MATTERS		9,541.95
GENERAL		38,376.23
LEASING		9,794.21
LICENSING		90.00
LITIGATION		16,479.99
MARKETING		16,573.65
POLE ATTACHMENT		229,444.00
PUCO		20,040.10
RATE MATTERS		60,757.11
RESTRUCTURING		14,023.26
RIGHT OF WAY		800.00
STATE		38,519.68
STATE RATEMAKING		14,600.30
TRANSMISSION LN	12,003.92	
TVA	91,128.16	
	754,912.04	
RETAINER	FRANCHISE	559.25
	GENERAL	10,071.95
	LABOR	95.00
	SEC MATTERS	7,500.00
	19,026.20	
RIGHT OF WAY	CONDENSATION	1,062.50
	EMF	825.00
	EMINENT DOMAIN	7,359.60

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CATEGORY	SUBJECT	TOTAL AMOUNT
TAX		9,297.10
	COUNSELING	6,512.15
	EMPLOYEE BENEFITS	49,224.74
	FEDERAL	16,628.01
	NUCLEAR	9,203.17
	REAL ESTATE	512.00
	STATE	167,687.48
		299,567.55

11,009,086.59

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CATEGORY	SUBJECT	TOTAL AMOUNT
CONSTRUCTION	TRANSMISSION LM	10,611.00
		10,611.00
CONSULTANTS	RIGHT OF WAY	2,859.29
		2,859.29
ENVIRONMENTAL	GLOBAL CLIMATE LITIGATION	293,495.64
	DEUT	5,793.49
	ORNET	109,231.54
	REAL ESTATE	610.88
	SUPERFUND LITIGATION	390.00
	UNAG	1,535.63
		5,764.58
		416,871.01
FERC REGULATORY	FERC MATTERS	37.11
	TVA	27,637.50
		27,674.61
FINANCING	FINANCING	110.00
	MORTGAGE	510.00
		620.00
INSURED LITIGATION	CONTRACT DISPUTES	1,018.85
	WORKERS COMPENSATION	46.50
		1,065.35
LABOR	ARBITRATION	12,772.15
	BLACK LUNG LITIGATION	45,407.00
		2,601.50
		58,940.65
LEGISLATION	PUCO	476.45
	TVA	27,637.50
		28,113.95
LITIGATION	ARBITRATION	2,214.99
	CONDEMNATION	170.00
	CONTRACT DISPUTES	7,671.40
	GENERAL	714.00
	LIABILITY CLAIM	7,507.00
	MEIGS INSURANCE	600.45
	PERSONAL INJURY	600.61
	PROPERTY DAMAGE	300.00
	PUCO	5,652.50
	TVA	27,637.50
WATER	5,200.00	
		58,364.45
MORTGAGE	ACQUISITION/SALE	500.00

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SUMMARIZATION / THEORY
YEAR TO DATE 1/97

PAGE: 8

CATEGORY	SUBJECT	TOTAL AMOUNT
		500.00
RATES-GENERAL	FUEL MATTERS	478.06
	PUCO	1,274.56
		1,752.62
REAL PROPERTY	CONDEMNATION	95.00
	LITIGATION	359.00
		454.00
REGULATORY	FERC RATEMAKING	7,352.52
	TVA	27,637.56
		34,990.02
RETAINER	LITIGATION	500.00
		500.00
TAX	STATE	103,744.82
		103,744.82
		747,042.57

TEP Legal
 [X] Excluding Non-Reg

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Payments to Legal Firms by Non-Core Companies in 1997
Excludes AEP Energy Services, Inc.

<u>Company Paying Invoice</u>	<u>Amount Paid</u>	<u>Firm</u>
AEP Pushan Power LDC	284,097.32	DEWEY BALLANTINE
	36,800.00	SUMMIT LAW OFFICE
	5,350.00	SUMMIT CONSULTATION & MANAGEMENT LTD
	5,250.00	SUMMIT CONSULTATION & MANAGEMENT LTD
	152,998.42	DEWEY BALLANTINE
	183,124.60	DEWEY BALLANTINE
	20,860.00	SUMMIT CONSULTATION & MANAGEMENT LTD
	183,124.60	DEWEY BALLANTINE
	5,310.00	SUMMIT CONSULTATION & MANAGEMENT LTD
	183,124.60	DEWEY BALLANTINE
	29,800.00	SUMMIT LAW OFFICE
	10,120.00	SUMMIT CONSULTATION & MANAGEMENT LTD
	11,240.00	SUMMIT CONSULTATION & MANAGEMENT LTD
	<u>28,830.00</u>	SUMMIT LAW OFFICE
	<u>1,140,029.54</u>	
 AEP Communications, LLC	 38,469.92	 PRESTON GATES ELLIS
	25.00	SAND & SEBOLT
	6,412.79	ROBINSON & MCELWEE
	25,367.85	PRESTON GATES ELLIS
	1,788.64	ROBINSON & MCELWEE
	<u>8,148.00</u>	SQUIRE SANDERS & DEMPSEY
	<u>80,212.20</u>	
 Grand Total	 <u>2,852,888.67</u>	

less DET (#14,780)

~~(\$1,140,029.54)~~

\$ 2,838,108.67 (2) AEP Non-Reg Legal Fees

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Payments to Legal Firms by Non-Core Companies in 1997

Excludes: AEP Energy Services, Inc.

Company Paying Invoice	Amount Paid	Firm
AEP Resources International, Ltd	2,516.65	REID & PRIEST LLP
	5,638.57	STIBBE SIMONT MONAHAN DUHOT
	3,046.67	STIBBE SIMONT MONAHAN DUHOT
	3,067.96	STIBBE SIMONT MONAHAN DUHOT
	1,125.00	STIBBE SIMONT MONAHAN DUHOT
	4,263.20	CORRS CHAMBERS WESTGARTH
	657.78	STIBBE SIMONT MONAHAN DUHOT
	<u>20,315.83</u>	
AEP Communications, Inc.	4,883.40	SQUIRE SANDERS & DEMPSEY
	6,713.45	NATIONAL ECONOMIC RESEARCH ASSOC INC
	58,690.89	PRESTON GATES ELLIS
	434.04	ROBINSON & MCELWEE
	19,072.89	PRESTON GATES ELLIS
	1,441.16	LOOMIS EWERT PARSLEY DAVIS & GOTTING
	13,545.00	SQUIRE SANDERS & DEMPSEY
	1,154.25	PRESTON GATES ELLIS
	44,762.89	PRESTON GATES ELLIS
	56,874.33	PRESTON GATES ELLIS
	65,549.34	PRESTON GATES ELLIS
	3,342.45	ROBINSON & MCELWEE
	2,436.43	ROBINSON & MCELWEE
	3,494.05	SQUIRE SANDERS & DEMPSEY
	139.77	BAKER & DANIELS
	2,533.54	SWIDLER & BERLIN
	39,269.80	PRESTON GATES ELLIS
	1,939.00	ROBINSON & MCELWEE
	34,964.01	PRESTON GATES ELLIS
	1,799.47	ROBINSON & MCELWEE
	9,310.77	SQUIRE SANDERS & DEMPSEY
	5,000.00	COMMUNICATIONS CAPITAL PARTNERS LLC
	2,214.09	HUNTON & WILLIAMS
	105.00	C T CORPORATION SYSTEM
	2,563.00	ROBINSON & MCELWEE
	8,245.94	SQUIRE SANDERS & DEMPSEY
	32,526.03	PRESTON GATES ELLIS
	975.55	C T CORPORATION SYSTEM
	2,314.65	ROBINSON & MCELWEE
	19,869.45	PRESTON GATES ELLIS
	7,014.63	SQUIRE SANDERS & DEMPSEY
	14,075.10	SQUIRE SANDERS & DEMPSEY
	<u>13,043.83</u>	SQUIRE SANDERS & DEMPSEY
	<u>480,298.20</u>	

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Payments to Legal Firms by Non-Core Companies in 1997

Excludes: AEP Energy Services, Inc.

<i>Company Paying Invoice</i>	<i>Amount Paid</i>	<i>Firm</i>
AEP Resources Services Co.	1,730.16	W S WALKER & CO
	1,100.00	W S WALKER & CO
	53.75	CROWELL & MORING LLP
	6,018.75	COLVERT, CHRISTOPHER A
	40.50	BARRETT YOU & ASSOCIATES INC
	122.50	BARRETT YOU & ASSOCIATES INC
	330.00	SAND & SEBOLT
	180.00	SAND & SEBOLT
	440.00	SAND & SEBOLT
	21,716.08	JONES DAY REAVIS & POGUE
	864.00	ROBINSON & MCELWEE
	187.87	ROBINSON & MCELWEE
	620.70	LEXIS NEXIS
	320.00	SAND & SEBOLT
	960.00	SAND & SEBOLT
	1,058.33	LEXIS NEXIS
	1,058.33	LEXIS NEXIS
	1,463.50	C T CORPORATION SYSTEM
	1,058.33	LEXIS NEXIS
	1,690.00	SAND & SEBOLT
	394.52	PORTER, WRIGHT, MORRIS & ARTHUR
	82.50	PORTER, WRIGHT, MORRIS & ARTHUR
	1,083.95	C T CORPORATION SYSTEM
	575.00	SAND & SEBOLT
	6,340.00	SAND & SEBOLT
	1,321.00	SAND & SEBOLT
	1,990.00	SAND & SEBOLT
	450.00	SAND & SEBOLT
	3,270.00	SAND & SEBOLT
	10,375.00	SAND & SEBOLT
	475.00	SAND & SEBOLT
	4,585.00	SAND & SEBOLT
	12,987.00	SAND & SEBOLT
	1,268.50	C T CORPORATION SYSTEM
	412.50	PORTER, WRIGHT, MORRIS & ARTHUR
	500.00	SAND & SEBOLT
	2,474.88	PORTER, WRIGHT, MORRIS & ARTHUR
	6,228.00	SAND & SEBOLT
	195.00	SAND & SEBOLT
	370.00	SAND & SEBOLT
	<u>96,390.65</u>	

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Payments to Legal Firms by Non-Core Companies in 1997

Excludes AEP Energy Services, Inc.

<i>Company Paying invoice</i>	<i>Amount Paid</i>	<i>Firm</i>
AEP Resources, Inc.	8,317.50	BOOLELL, URMILA BANYMANDHUB
	3,000.00	DELPHOS INTERNATIONAL
	30,667.31	SIMPSON THACHER & BARTLETT
	580.80	REID & PRIEST LLP
	16,657.20	PORTER, WRIGHT, MORRIS & ARTHUR
	7,630.00	URMILA BANYMANDHUB BOOLELL
	7,733.20	PRESTON GATES ELLIS
	179.00	PORTER, WRIGHT, MORRIS & ARTHUR
	6,713.45	NATIONAL ECONOMIC RESEARCH ASSOC INC
	3,526.55	SMITH LYONS
	1,963.61	SMITH LYONS
	4,860.00	SQUIRE SANDERS & DEMPSEY
	430.99	SMITH LYONS
	110,514.53	ALLEN & OVERY
	201,980.74	ALLEN & OVERY
	1,804.19	STIBBE SIMONT MONAHAN DUHOT
	4,440.00	SIMPSON THACHER & BARTLETT
	150.00	PRESTON GATES ELLIS
	3,494.05	SQUIRE SANDERS & DEMPSEY
	1,849.80	JACKSON & KELLY
	1,618.02	SMITH LYONS
	39,523.59	ALLEN & OVERY
	512.75	STIBBE SIMONT MONAHAN DUHOT
	1,875.00	DEWEY BALLANTINE
	7,527.70	MORRISON & FOERSTER LLP
	29,926.80	BANK OF NEW YORK
	7,768.01	COGENTRIX ENERGY INC
	4,859.19	STIBBE SIMONT MONAHAN DUHOT
	197.86	REID & PRIEST LLP
	3,281.68	SMITH LYONS
	998.81	CORRS CHAMBERS WESTGARTH
	81,174.80	STEPTOE & JOHNSON LLP
	165.00	PORTER, WRIGHT, MORRIS & ARTHUR
	40,587.40	STEPTOE & JOHNSON LLP
	434.00	XIN MIN ASSOCIATES
	1,728.00	XIN MIN ASSOCIATES
	7,516.14	SMITH LYONS
	5,030.00	SUMMIT CONSULTATION & MANAGEMENT LTD
	5,120.00	SUMMIT CONSULTATION & MANAGEMENT LTD
	170.00	C T CORPORATION SYSTEM
	4,500.00	JOSEPH, LARRY M
	5,080.00	SUMMIT CONSULTATION & MANAGEMENT LTD
	6,399.75	SMITH LYONS
<i>not incl.</i>	* 12,510.00	DELOITTE TOUCHE TOHMATSU
	12,323.19	SMITH LYONS
<i>not incl.</i>	* 2,270.00	DELOITTE TOUCHE TOHMATSU
	80.00	XIN MIN ASSOCIATES

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Payments to Legal Firms by Non-Core Companies in 1997

Excludes AEP Energy Services, Inc.

Company Paying Invoice	Amount Paid	Firm
AEP Resources, Inc.(con't)	5,390.05	COMPACT ADMINISTRATIVE SERVICES PTE LTD
	360.00	XIN MIN ASSOCIATES
	1,849.00	SAND & SEBOLT
	12,950.21	LEXIS NEXIS
	159.71	REID & PRIEST LLP
	4,571.72	REID & PRIEST LLP
	1,786.18	SIMPSON THACHER & BARTLETT
	4,280.39	SIMPSON THACHER & BARTLETT
	1,045.00	REID & PRIEST LLP
	43.64	CROWELL & MORING LLP
	150.00	PORTER, WRIGHT, MORRIS & ARTHUR
	137,869.00	SIMPSON THACHER & BARTLETT
	142,912.53	SIMPSON THACHER & BARTLETT
	5,720.25	LEXIS NEXIS
	3,822.00	WOODS ROGERS & HAZLEGROVE PLC
	2,640.00	XIN MIN ASSOCIATES
	80.00	XIN MIN ASSOCIATES
	80.00	XIN MIN ASSOCIATES
	4,558.68	LEXIS NEXIS
	<u>5,703.28</u>	SMITH LYONS
	<u>1,035,642.25</u>	

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PTS IS

Central and South West Corporation 1997 Professional Services Breakdown		Audit/Tax	Finance & Accounting	Consulting-IT	Consulting-Non IT	Engineering Services	Other	Total
Company	13,203,390.00	627,853.00	1,131,042.00	3,333,070.00	6,685,328.00	879,831.00	374,740.00	26,235,254.00
CSW Services	2,434,371.00	0.00	0.00	0.00	2,688,000.00	339,000.00	1,715,053.00	7,176,424.00
Non-reg	1,422,856.00	142,032.00	137,586.00	76,016.00	506,007.00	1,714,698.00	293.00	3,999,488.00
CPL	1,285,605.00	115,606.00	0.00	24,028.00	107,376.00	1,717.00	188,024.00	1,722,356.00
PSO	330,980.00	111,237.00	0.00	200.00	8,658.00	46,049.00	70,993.00	568,117.00
SWEPCO	59,423.00	87,769.00	0.00	0.00	9,027.00	4,620.00	0.00	160,839.00
WTU	18,736,625.00	1,084,497.00	1,268,628.00	3,433,314.00	10,004,396.00	2,985,915.00	2,349,103.00	39,862,478.00
Less Consulting T								(3,423,314.00)
Net Professional Services excluding Consulting-IT								36,429,164.00

Audit Detail

	<u>AEP</u>		<u>CSW</u>		<u>Combined</u>
	1996	1997	1996	1997	1997
Audit		2,214	701 (3)	1,636 (5)	3,850
Tax		193	662 (3)	723 (4)	916
Transactional		313	0	1,035 (4)	1,348
Other		194	956		194
Total	2,236 (1)	2,914 (2)	2,319	3,393 L - 5	6,307

Notes/Sources:

- (1) 1996 U-13-60
- (2) AEP Internal Data
- (3) 1996 Base Fee Only U-13-60
- (4) 1997 CSWS Billings Account
- (5) 1997 CSWS Billings (\$852,989) Plus 1997 Operating Company and Benefit Plan Direct Audit Costs (\$782,695)

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Central and S...
1997 GL Summary
CSWS BILLINGS - Professional Services
Service Co.

CSI Service Co.

[4], [5] W W I T T M
FEES
\$ 7,593K

Service ID	Title	CSWCON	CPL	PSO	SWEPCO	WTU	CORP
ACABC&PM	ACTIVITY BASED COSTING & PERFORMANCE MEASURE	26,394	6,145	2,342	3,328	1,210	6
ACADMINS	ACCOUNTING ADMINISTRATION	127,294	573	366	474	252	9,839
ACCASHPR	LOGOFF/PROCESSING IMPROVEMENT	779					219
ACCLOSSE	FINANCIAL CLOSING SERVICE	278,436	40,114	24,852	42,005	22,889	59,098
ACDSVFTI	CSWS FIT	[B] 16,493	6,247	1,904	2,783	1,073	8,171
ACEXTRPT	EXTERNAL REPORTING	[A] 101					
ACFERCAU	FEDERAL ENERGY REGULATORY COMMISSION AUDITS	[A] 6,758	1,677	1,677	1,677	1,677	8
ACFERGRP	FERC REPORTS	[A] 62,177	35,809	1,947	5,363	1,194	3,821
ACFINCON	FINANCIAL RESEARCH/CONSULTING	[A] 64,917	2,444	733	1,147	420	28,785
ACINRPT	INTERNAL REPORTING	[A] 49,978	2,738	637	1,204	475	30,535
ACPOLPLN	ACCOUNTING RESEARCH / CONSULTING	1					0
ACPROCDS	DEVELOP ACCOUNTING PROCEDURES	[A] 673	134	179	103	50	
ACPROPTY	PROPERTY ACCOUNTING SERVICES	284,121	63,673	20,569	28,312	10,966	48,851
ACSECRT	SEC REPORTS	351,276	77,853	52,502	85,838	30,267	124,816
ACSERSUP	"AC" FUNCTION CSW SERVICES SUPPORT	1,118,882	159,881	108,497	99,357	178,336	85,942
ACTAXCMP	FED/STATE/LOCAL TAX COMPLIANCE	294,204	78,418	42,954	62,020	24,016	13,598
ACTAXPLN	TAX PLANNING	4,450	768	417	634	338	69
ACTRAINS	ACCOUNTING TRAINING/PROCEDURES	2,897,320	476,471	259,578	314,264	271,162	415,755
AC Subtotal:		(309,309)					(333,822)
AIPAWARD	AIP	(309,309)					(333,822)
AUADMINS	AUDITS ADMINISTRATION	23,889					17,771
AUDITCSA	AUDIT SERVICE - CONTROL SELF ASSESSMENT	[A] 4,474	22,806	17,275	20,808	12,554	2,787
AUDITSCV	AUDIT SERVICES	[A] 388,078	5,389	3,629	4,204	2,134	223,533
AUSERSUP	"AU" FUNCTION CSW SERVICES SUPPORT	441,685	28,195	20,904	25,013	14,688	29,900
AU Subtotal:		(H) 270,557	[A] Audit	\$ 852,989			251,789
AVADMINS	AVIATION ADMINISTRATION	154,141					154,141
AVF283SW	N263SW-FIXED COSTS (SWEPCO)	49,770					49,770
AVF284CS	N284CS - FIXED COSTS (WTU)	25,900					25,900
AVF284WT	N284WT - FIXED COSTS (WTU)	245,746					245,746
AVF285CP	N285-FIXED COSTS (CPL)	130,860					130,860
AVF328PS	N328S-FIXED COSTS (PSO)	433,027					433,027
AVF350CS	N350CS-FIXED COSTS (DALLAS)	760,812					760,812
AVF466CS	N466CS-FIXED COSTS (DALLAS)	84,395					84,395
AVREPOSI	REPOSITION FLIGHTS FOR ALL AIRCRAFT	101,512					101,512
AVAIRUSE	AVIATION AIR USE	2,256,538					2,148,259
AV Subtotal:		203,865	509	302	408	293	181,337
BCADMINS	BUSINESS CONSULTING GROUP-ADMINISTRATION	67,392	17,608	13,451	16,108	9,647	4,691
BCMGTCOON	BUSINESS CONSULTING GROUP-MGMT CONSULTING						
BC Subtotal:							
TOTAL					\$ 2,610,670		

[B] 50% Legal

[A] Audit \$ 852,989
[B] Tax \$ 723,036
[C] Transactional \$ 1,034,645

TOTAL \$ 2,610,670

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1/30/98 From: Steve Tullos

	CSW	Corporate	CPL	PSO	SWP	WTU	SEEBARD	CSWE	CSWI	Credit	Thrift	Penaton	Death	Disability	Medical	Agent	Total
1997 Arthur Andersen Fees																	
CSW Electric	550,000																
CSW Energy	50,000																
CSW International	150,000																
CSW Credit	20,000																
Penaton Plans	75,000																
Transfer Agent Review	7,500																
Tax Return Consolidated Review	80,000																
Tax Appraisal	120,000																
International Retainer	100,000																
Benefit Plan Review Tax	10,000																
Total Recurring Fees	1,162,500																
* May be reviewed at the option of CSW in 1997 - 1998																	
Corporate	379,805	142,030	104,950	105,859	87,740	25,000	51,901	152,500	20,215	28,350	22,100	17,850	9,350	9,350	8,350	7,500	1,162,500
1997																	

↓
Audit \$788,695
Ⓟ

(1) See 1997 LSW OPCO Audit Fee Recommendation

OPCO's only

	CPL	PSO	SWPECO	WTU	TOTAL
Monthly amount per AA schedule	11,836	8,748	8,821	7,312	36,715
Annualized amount	142,032	104,952	105,852	87,744	440,580
Amount per general ledger	(1) 142,032	(1) 115,806	(1) 111,237	(1) 87,769	456,644
Difference	-	10,654	5,385	25	16,084
Amounts needing to be reclassified	-	7,754	3,315	25	11,094
Additional AA charges	-	2,900	2,070	-	4,970
	-	10,654	5,385	25	16,064

Additional AA charges were booked to the account in 3/87 business.

(1) CSW OpCo Audit Reconciliation

Central and West Corporation
 1987 G/L Bu.
 CSWS BILLINGS

Service ID	Title	C-SWCN	CPL	PSO	SWEPCO	WTU	CORP
LGERSUP	LG FUNCTION CSW SERVICES SUPPORT	9,740	3,338	2,262	2,908	1,293	(60)
LGSIJUAN	CITY OF SAN JUAN V. CPL LITIGATION	535,631	535,614	-	-	-	0
LG Subtotal		6,188,635	1,687,889	92,257	181,183	56,339	4,270,537

LOSTIME	OVERHEAD - LOST TIME						
		109,885	-	-	-	-	99,368
		109,885	-	-	-	-	99,368

MAADMINS	MERGERS & ACQUISITIONS ADMINISTRATION						
MACARLYN	PROJECT CARLYN	111,038					111,038
MADEAGLE	DOUBLE EAGLE	925,549					925,549
MADENTON	DENTON REQUEST FOR PROPOSAL (RFP)	2,111,737					2,111,737
MAPVIRGO	PROJECT VIRGO	57,702					57,702
MAROCKET	PROJECT ROCKET	127,044					127,044
MASERVIC	M & A ANALYSIS	378,458					378,458
MAVIOLET	REDVIOLET PROJECT	1,186,340					1,186,340
MAPCAJUN	CAJUN PROJECT OR PROJECT MIKE	93,892					93,892
MA Subtotal:		183,489			183,489		4,989,760

[C] \$ 1,034,648
 Subtotal 1,034,648

MARKETING ADMINISTRATION							
COMPETITIVE INTELLIGENCE		18,961				8,351	78,851
ECONOMIC DEVELOPMENT		68,507			9	3	27,799
KEY ACCOUNT MANAGEMENT		1,169		49,832	55,138	16,089	-
LOAD ANALYSIS		48,380		902	780	678	-
MARKETING - OPERATING COMPANY RATES		512		20,437	9,485	4,287	-
PRICING PRODUCTS		792,128					
SOLUTIONS DEVELOPMENT		1,454					
SOLUTIONS PLANNING		12,730					
NATIONAL ACCOUNT MANAGEMENT		489					
PRICING AND COSTING		18,958		8,282			
MARKET RESEARCH		17,650					
MK Subtotal:		1,285,430		317,004	288,862	118,142	16,083

(Assume 2% Trans network)
 Budget for Trans network 151,494

NEW BUSINESS ADMINISTRATION							
NEW BUSINESS ADMINISTRATION		9,801					9,843
NEW BUSINESS INVESTMENT AND ACQUISITIONS		549,485		1,582	931		645,471
NEW BUSINESS MARKETING & PRODUCT SUPPORT		174					
NEW BUSINESS MARKETING & PRODUCT SUPPORT		559,540		1,582	931		656,314
STP OPCO CPL SPECIFIC EFFORTS		19,213					
NUCLEAR ADMINISTRATION		312					
NU FUNCTION CSW SERVICES SUPPORT		4					
NU Subtotal:		19,529					41

OCCUPANCY - BUILDING							
OCCUPANCY - BUILDING		2,157,350		513,317	630,050	316,614	(35,382)
OVERHEAD - OCCUPANCY PERSONAL COMPUTERS		655,521		188,122	194,103	97,541	(20,382)
OC Subtotal:		2,812,871		699,439	824,153	414,155	(55,764)

STP OPCO CPL SPECIFIC EFFORTS							
STP OPCO CPL SPECIFIC EFFORTS		19,213					37
NUCLEAR ADMINISTRATION		312					4
NU FUNCTION CSW SERVICES SUPPORT		4					41
NU Subtotal:		19,529					82

OCCUPANCY - BUILDING							
OCCUPANCY - BUILDING		2,157,350		513,317	630,050	316,614	(35,382)
OVERHEAD - OCCUPANCY PERSONAL COMPUTERS		655,521		188,122	194,103	97,541	(20,382)
OC Subtotal:		2,812,871		699,439	824,153	414,155	(55,764)

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Finance & Accounting Detail

	<u>AEP</u>		<u>CSW</u>		<u>Combined</u>
	1996	1997	1996	1997	1997
Service Company	245 (1)	1,149 (2)	16,379 (1)	1,131 (4)	2,280
Operating Company	N/A	5,051 (3)	N/A	138 (4)	5,189
Total	245	6,200	16,379	1,269	7,469

Notes/Sources:

- (1) 1996 U-13-60
- (2) 1997 AEP Service Co. Analysis
- (3) 1997 AEP OpCo Analysis; Includes \$7374.7K in Non-Regulatory Fees
- (4) 1997 CSW Analysis

AEP SERVICE Co. PROFESSIONAL SERVICES
 (4) Finance & Accounting \$1,364K

WP/FLAHERTY
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AEPSC

Account	Roll Group Numbers	Roll Group Names	Vendor	Accounts Payable Amount
1	923150	335 IT	A C Coy	170,240 [2]
2	923150	335 IT	Index Research	157,121 [2]
3	923150 552 & 440	System Power Mkts & System Ops	ABB	371,813 [2]
4	923150 552, 440, 224	Sys. Pwr Mkts, Pwr Mktg & Sys Ops	ABB Power	838,015 [2]
5	923300 225, 332, 333, 781	Acctg, Outage Mgmt	Accountemps	118,777 [4]
6	923150	335 IT	Advantis	108,871 [2]
7	923150	335 IT	AIC	420,277 [2]
8	923150	335 IT	America Registry	2,152,096 [2]
9	923150	335 IT	Analysts International	240,842 [2]
10	923150	335 IT	Andersen Consulting	363,872 non-recurring
11	923150	335 IT	Applied Performance	169,690 [2]
12	923300	460 EVP - Energy Delivery	Arrington Group	106,468 non-recurring
13	923150 335, 460, 446 & others	various	ASAP Software	1,595,620 [2]
14	923300	333 Accts Pay	Bancfac	187,154 [4]
15	923300	444 Consumer Services	BBI Marketing	179,700 [3]
16	923150	335 IT	C W Costello	324,610 [2]
17	923150	335 IT	Candle Corp	591,300 [2]
18	923150	335 IT	C&P Gemini	903,188 [2]
19	923300 464, 787, 788, 465	T & D, RSO	C D I	702,871 [3]
20	923150	440 System Ops	CEGELEC	145,698 non-recurring
21	923110	781 Fossil	Charles R. ...	104,821 [1]
22	923300	781 Fossil	Charles Rose	38,885 [3]
23	923150	335 IT	Claremont	1,247,476 [2]
24	923300	331 CP&B	Clean Air Capital Mkt	124,500 [4]
25	923300	337 Corporate Services	Commercial Movers	111,333 [3]
26	923150	335 IT	Computer People	4,540,378 [2]
27	923150	335 IT	Compuware	1,627,484 [2]
28	923150	444.7 Consumer Services	Consulting Fee	184,750 non-recurring
29	923150	335 IT	Costello	225,210 [2]
30	923150 335, 460	IT and Energy Delivery	Crowe Chizek	120,766 [2]
31	923150	335.52 IT	CSC	5,454,024 non-recurring
32	923150	335.21 IT	CSC/Anex	251,829 non-recurring
33	923300 various	various	Dawson Personnel	114,240 [3]
34	923300	339 HR	DOI Customer Serv	158,572 [3]
35	923300 466430, 785700	Energy Delivery & Fossil Support	Decision Support	348,607 non-recurring
36	923300 336, 332130, 336, 551, 222	Acct, Tax, Finance & Derog	Deloitte & Touche	248,701 \$10,315(derog) [4]
37	923150	335320 IT	Diversified So	100,287 [2]
38	923150 335450, 335520	IT	DP Initiatives Inc	252,101 [2]
39	923150	781210 Fossil	EA Systems	119,759 [2]
40	923300	784 Environmental Services	EEL	98,787
41	923300 various pg 188	various	EPRJ	215,250
42	923150	335 IT	Everest Data Resear	252,138 [2]
43	923150	335450 IT	Excel Partners	136,068 [2]
44	923300	783020 Power Gen IT	Franklin Comp	291,889 [3]
45	923300	335300 IT	Gartner	131,160 [3]
46	923300 464530, 227000	Transmission & nuclear	General Research	212,003 [3]
47	923150	335520 IT	Grosh Consulting	427,838 [2]
48	923150	335 IT	IBM	2,892,565 thru 2000 only
49	923300	335350 IT	IBS	622,387 [3]
50	923150	335 IT	Indecon	1,825,598 [2]
51	923150	335 IT	Index Research	1,050,183 [2]
52	923150 & 923300 335 & 652200	IT & System Power Mkts	Information Bul	112,288 non-recurring
53	923150	335140 IT	Information Industries	258,881 [2]
54	923150	335 IT	Interactive Business	151,892 [2]
55	923300 335320, 335420, 335530	IT	International Business	104,895 [3]
56	923300 335000, 335520	IT	Kaane	117,600 non-recurring
57	923 - 110, 150, 300 465120, 335, 466130, 464510	T & D and delivery support	Linesoft	654,223 \$520000 non r [1][2][3]
58	923150 335510, 335530	IT	Manifest Solutions	317,921 [2]
59	923150	444700 Consumer Services - Mkt Support	Maintenance Agree	575,734 \$275,000 non r [2]
60	923300	444510 Consumer Services - Mkt Research	Market Strategies	238,878 [3]
61	923300	337200 Food Services	Marriott	133,151 [3]
62	923150	335 IT	Mastech	127,045 [2]
63	923150	335 IT	Maxm Group	493,523 [2]
64	923300	335 IT	Maxmotion	1,080,890 [3]
65	923150 445400, 444620, 338000	Procurement, Consumer Svc, Corp. Comm.	MC 2	113,070 non-recurring
66	923300	480000 Energy Delivery & Fossil Support	Mercer Management	405,908 non-recurring
67	923300	220000 Chairman	Mercer Management	228,920 non-recurring
68	923150	335150 IT	Mobius	439,885 [2]

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69	923150 335, 331	IT & CP&B	Newcourt	863,814 [2]
70	923150 335, 444700, 781210, 444720	IT, Consumer Svc & Fossil	Newmedia	963,448 [2]
71	923150 335380 & 335320	IT	Novadigm	243,760 [2]
72	923150 335530 & 335470	IT	Novatec	104,880 [2]
73	923300 339060, 444730 & others	HR, Consumer Svcs and others	Ohio State Univ	407,243 [2]
74	923150	335380 IT	Oracle	587,101 [2]
75	923150 55211C & 552220	System Power Mkts	Oracle	85,905 non-recurring
76	923150	335 IT	Origin Technology	136,839 [2]
77	923150	335 IT	Paros	150,115 [2]
78	923150 3354xx	IT	PeopleSoft	2,485,838 [2]

Account	Roll Group Numbers	Roll Group Names	Vendor	Accounts Payable Amount
86	923150	444700 Consumer Services - Mkt Support	Phase One Project	184,800 nonrecurring
87	923300 various	Employee Relocation Payments		1,278,252 [3]
88	923000 226000, 339560, 220990, 460020	Legal, HR, Chairman, Energy Delivery	Porter Wriggill Morris	39,922
89	923150	335520 IT	Preferred Technology	148,098 [2]
90	923150 335300, 335140, 335220	IT	Prima Consulting	143,479 [2]
91	923150 781210 & 783020	Fossil and Power Engineering	Primavera	154,015 [2]
92	923150	781210 Fossil	Project Controls	176,009 [2]
93	923150	335 IT	Protech Group	822,184 [2]
94	923150	335 IT	Quick Solutions	722,284 [2]
95	923150	335 IT	RHI Consulting	208,181 [2]
96	923300 335 & 333	IT & Accounting	Robert Half	470,830 [4]
97	923300 444400, 444730, 444410	Consumer Services	Sales Mgmt Systems	328,013 [3]
98	923150	335380 IT	Sanwa Business	370,125 [2]
99	923150	335 IT	Sarcom	1,384,817 [2]
100	923110	227000 Nuclear	SE Technologies	510,112
101	923300	444210 Consumer Services	Shaffer Sherman Sperry	185,697 [3]
102	923150	444700 Consumer Services	Siebel Systems	826,369 nonrecurring
103	923150 464000, 464430, 335510	Transmission & IT	Small World Systems	119,872 nonrecurring
104	923150	335450 IT	Software AG	219,378 [2]
105	923150	335 IT	Software Architects	367,103 [2]
106	923150	335 IT	Software Support Group	963,872 [2]
107	923300	339 HR	Spencer Stuart	131,931 [3]
108	923150	335 IT	SSG	460,068 [2]
109	923000	336000 Tax	Steeptoe & Johnson	74,243
110	923150 335 and various	IT and various	Sterling Commerce	780,770 [2]
111	923000 226030, 444600, 220990	Legal, Chairman and Consumer Services	Stites & Harbison	7,115
112	923150	335 IT	Strategic Research	1,087,039 [2]
113	923300 444810, 444210, 444400	Consumer Services	S4 Consulting	127,984 [3]
114	923150	335320 IT	Tangram Ent	266,852 [2]
115	923150 335150 & 335320	IT	Technate	168,242 [2]
116	923150 335420, 339000, 339210	IT & HR	Tesseract	103,597 [2]
117	923150	335 IT	Thomas Glover	233,041 [2]
118	923150	332010 Accounting	Usertech	263,080 [2]
119	923150	781210 Fossil	Vinkad Svcs	161,838 [2]
120	923300	339060 HR	Workforce Transform	193,200 nonrecurring
121	923150 & 923300	444210, 444510 Consumer Services	Xenergy	112,080 [2] [3]

Addition From Mark McCullough IT-Consulting \$1,535,000 [2]

[1] Engineering \$138.4K
 [2] Consulting - IT \$38,381K
 [3] Consulting Non-IT \$6,354K
 [4] Finance & Acctng \$1,364.2K

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(4) Finance & Acctg

Contract Labor and Professional Services	Cost Component	Group Incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	FSA	Other	Nuclear	Audit	InterCo/ Not Included	Contract Services	Legal
210 Contract Labor General	Trans & Generation	Company Unallocated	Pika, Floyd	6,310,664									6,310,664	
	Distribution	Company Unallocated	Boulogny, R H Inc	4,824,702									4,824,702	
	(Not Contract or Prof. Svcs.)	Chiusa & Chemical Bank	Dierbert Contractors	726,814									726,814	
	(Not Contract or Prof. Svcs.)	Intra-city Fleet	Chiusa & Chemical Bank	7,093,968									7,093,968	
	Nuclear	130 TEG Enterprises	Intra-city Fleet	610,481									610,481	
	Distribution	0 PRC Engineering	Underwater Const	307,438	353,716 (1)					307,438				
	Generation	Herry, Robert Co	0 PRC Engineering	482,768									482,768	
	Distribution	Dodson Lindheim	New River Electric	308,607									308,607	
	Company Unallocated	Unix Corp	Unix Corp	6,381,320									6,381,320	
	France	Deloitte & Touche	Deloitte & Touche	206,290									206,290	
	Energy Delivery Support	Wherthhouse Electric	Wherthhouse Electric	900,000									900,000	
	Generation	Fisher	Fisher	594,353									594,353	
	Distribution	Guritz Construction	Guritz Construction	180,000									180,000	
	Generation	Harris & Heisener	Harris & Heisener	209,332									209,332	
	Distribution	Electrical Construction	Electrical Construction	1,001,444									1,001,444	
	Distibu. & Bldg Svc	Stackhouse Inc	Stackhouse Inc	3,265,295									3,265,295	
	Transmission	Eltek, Davis H	Eltek, Davis H	21,138,002									21,138,002	
	Company Unallocated	unidentified	unidentified	1,530,221									1,530,221	
	Transmission	New River Electric	New River Electric											
		Less Share of Sporn	Less Share of Sporn											
		Less Share of Cardinal	Less Share of Cardinal											
		Less Share of Rodport	Less Share of Rodport											
		All other, incl. Share of J. pils	All other, incl. Share of J. pils	6,523,706									6,523,706	
				62,488,276										

(4) 34,000

210 Total Contract Lbr Gen

310

211 Routine Maintenance	Generation	Fossil	Fossil	Fossil	Fossil	Generation	Total
	JTM Industries I	Cardinal Plant Costs	361,093				361,093
	Sporn Plant Costs	Sporn Plant Costs	344,665				344,665
	Amos Plant Costs	Amos Plant Costs	89,877				89,877
	Cheems, Barbara	Cheems, Barbara	209,479				209,479
	Babcock & Wilcox	Babcock & Wilcox	254,716				254,716
	Unidentified	Unidentified	672,221				672,221
	Less billing to CCD partners	Less billing to CCD partners					
	Less Share of Amos	Less Share of Amos					
	Less Share of Cardinal	Less Share of Cardinal					
	Less Share of Rodport	Less Share of Rodport					
	All other, incl. Share of J. pils	All other, incl. Share of J. pils	5,678,141				5,678,141
			7,923,489				7,923,489

211 Total Routine Maint.

212 Contract Maintenance

212 Contract Maintenance	Generation	Fossil	Nuclear	Nuclear	Total
	Unidentified	Unidentified			8,186,196
	Babcock & Wilcox	Babcock & Wilcox			5,320,320
	ABB C-E Services Inc	ABB C-E Services Inc			4,105,049
	Underwater Const	Underwater Const			274,005
	Citrus & Chemical	Citrus & Chemical			8,144,176
	Unpaid Liability	Unpaid Liability			4,785,485
	Amos Plant Costs	Amos Plant Costs			200,422
	Cardinal Plant Costs	Cardinal Plant Costs			301,814
	Sporn Plant Costs	Sporn Plant Costs			321,789
	Enerfish Corp	Enerfish Corp			2,115,786
	Universal Inc	Universal Inc			293,090
	Williams Leggo	Williams Leggo			1,001,674
	Williams Power	Williams Power			2,041,054
	Williams US Serv	Williams US Serv			2,711,733

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Contract Labor and Professional Services	Cost Component	Group Incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	AudR	Not Included	InterCo/	Contract	Legal
		Fossil		3,278,520										3,278,520	
212 Total Contract Maint.				<u>3,357,447</u>										3,357,447	
				<u>44,814,897</u>											
213 Other Contract Labor - Plants				7,750,222										905,987	
		Company Unallocated	Undertified	905,987										600,436	
		Fossil	Albany Industries I	600,436										525,512	
		Fossil	Alvanta Environ	525,512										1,809,329	
		Fossil	Aluma Systems USA	1,809,329										330,256	
		Fossil	Atlas Scd	330,256										1,670,982	
		Fossil	M P W Industrial BE	1,670,982										673,045	
		Fossil	MIS Ent Gen ACO Dir	673,045										611,690	
		Fossil	Power Maintenance Inc	611,690										204,650	
		Fossil	Universal Inc	204,650										254,846	
		Fossil	DG Riley	254,846										515,391	
		Fossil	Robinson Fans BE	515,391										912,383	
		Fossil	Stone, Alan Co	912,383										737,450	
		Fossil	Schwary Steel Box	737,450										616,065	
		Fossil	Cardinal Pitt Coats	616,065										186,568	
		Fossil	Hamilton, Geo	186,568										607,001	
		Fossil	Power Maintenance Inc	607,001										222,661	
		Fossil	A C & S Inc	222,661										245,782	
		Fossil	Hydrochem In	245,782										353,265	
		Fossil	Spoon Plant Coats	353,265										511,979	
		Fossil	Wackerhut Co	511,979										492,782	
		Fossil	Walker, Ced	492,782										388,748	
		Fossil	Industrial S	388,748										672,788	
		Fossil	Misher Mechanic	672,788										887,178	
		Fossil	Williams Nitro	887,178										7,998,845	
		Fossil	3 Marley Coaling	7,998,845										712,914	
		Nuclear	Liberty Technical	712,914										3,674,412	
		Fossil	General Electric	3,674,412										407,450	
		Fossil	Williams Legge	407,450										357,891	
		Fossil	Framstone Techno	357,891										433,789	
		Fossil	Bechtel Power Co	433,789										460,451	
		Fossil	Ungeid Liability	460,451										786,979	
		Fossil	Rec Utility Maint BS PL	786,979										1,643,572	
		Fossil	Superior Electric	1,643,572										1,877,578	
		Fossil	Luburng Inc	1,877,578										523,097	
		Fossil	Brown Electric	523,097										336,090	
		Fossil	Prime Insulation	336,090											
		Fossil	Global Power												
		Fossil	Westinghouse Elect												
		Fossil, M-Other	JTM Industries I												
		Fossil	Precision												
		Fossil	Less Billing to CCD Partners												
		Fossil	Less Share of Amos												
		Fossil	Less Share of Spoom												
		Fossil	Less Share of Cardinal												
		Fossil	Less Share of Rockport												
		Fossil	All other, Ind. Share of Pfts												
213 Total Other - Pfts				<u>7,341,334</u>										7,341,334	
				<u>49,630,538</u>											
214 Outside Shop Svcs -Pft				165,208										165,208	
		Fossil	Amos Plant Coats	402,124										402,124	
		Fossil	Spoon Plant Coats	402,124											
		Fossil	Westinghouse												
		Fossil	Less Billing to CCD Partners												
		Fossil	Less Share of Amos												
		Nuclear, Fossil	Westinghouse	464,622										232,261	
		Nuclear, Fossil	Less Billing to CCD Partners												
		Nuclear, Fossil	Less Share of Amos												

(5) 7,750,222

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Cost Component	Group Incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	FAA	Other	Nuclear	Audit	Inter/Col Not Included	Contract Services	Legal
214 Total Out. Shop Svcs	Fossil	Less Share of Sporn Less Share of Cardinal Less Share of Rodport All other, Incl. Share of j pits	<u>4,710,650</u> <u>5,630,529</u>						2,066,701			4,710,650	
215 Centr. Pk Maint		all others	<u>27,468</u>									27,468	
216 Central Machine Shop	Group Incurring charge	Vendor	Total										
	Fossil	Unidentified	240,855									240,855	
	Fossil	Amos Plant Costs	355,781									355,781	
	Fossil	Cardinal Plant Costs	439,614									439,614	
	Fossil	Sporn Plant Costs	4,173,402						2,066,701			2,066,701	
	Nuclear, Fossil	Appalachian Power Co	2,078,279									2,078,279	
	Fossil	CMS Clearing Less Billing to CCD Partners Less Share of Amos Less Share of Sporn Less Share of Cardinal Less Share of Rodport All other, Incl. Share of j pits	<u>1,238,336</u> <u>13,661,373</u>									1,238,336	
216 Total Central M. Shop			<u>236,960</u>									236,960	
220 7	Finance	Unidentified	209,288										
	Nuclear	Amortize PrePd Ins all vendors below scope	<u>946,577</u> <u>1,357,765</u>						209,288				
Total 7			<u>17,878,754</u> <u>1,208,141</u> <u>355,991</u> <u>978,579</u> <u>517,849</u> <u>6,039,284</u>									17,878,754 1,208,141 355,991 978,579 517,849 6,039,284	
230 Right of Way Maint.	Dist & Trans Fossil	Nelson Tree Service Townsend Tree Se Environmental Co											
	Distribution	Barfield, F A TR											
	Transmission	Helicopter Maint -ME											
	Distribution & Bldg Svc	Asplundh Tree Less Share of Amos Less Share of Sporn Less Share of Cardinal Less Share of Rodport All other, Incl. Share of j pits	<u>663,021</u> <u>28,172,940</u>									663,021	
230 Right of Way Maint.	Fossil & Distrib		<u>3,657,514</u>									3,657,514	
231 Tree & Brush	Company Unallocated Distribution	Unidentified	134,368									134,368	
	Distribution	Nelson Tree Service	2,410,293									2,410,293	
	Dist & Gen	Barfield, F A	6,042,929									6,042,929	
	Bldg Svc, Trnn, Foss	Asplundh Tree	2,622,894									2,622,894	
	Gen, Bldg Svc	Trees, Inc. Less Share of Amos Less Share of Sporn Less Share of Cardinal Less Share of Rodport All other, Incl. Share of j pits	<u>3,309,376</u> <u>35,749,630</u>									3,309,376	
231 Total Tree & Brush			<u>3,657,514</u>									3,657,514	

(4) 236,960
(5) 946,577

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Cost Component	Group Incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	InterCo/ Not Included	Contract Services	Legal
232 Aerial Spraying			56,491									56,491	
240 1	Nuclear	Appalachian Power Co	323,270						323,270				
	Nuclear	Less Share of Rodport	225,126						225,126				
		Unidentified	24,339				[5]	24,339					
		all vendors below scope	595,277										
Total 1													
250 1	Nuclear	ABB Power Generation	(204,695)				[5]	(204,695)					
		Less Share of Rodport	1,401,601										
		all other											
260 Professional Svcs	Group Incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	InterCo/ Not Included	Contract Services	Legal
	Company Unallocated	unidentified	1,622,102		[2] 1,602,102								
	State Administrative	Ballard, Perry Advertising	140,432					140,432				(308,050)	
	Nuclear	Westinghouse	308,000						308,000				
	Other		272,659		[6] 272,659								
	Transmission	Edwards & Assoc.	121,966	[0] 121,966									
	Distribution	Credit Bureau of Co	138,967										
	9999, Acid Dept	Debitte & Touche	601,204							501,204			
	Company Unallocated	Marlet Management I	139,624										
	Other	Ohio Power	289,053	[1] 289,053						449,862		139,824	
	Other	Debitte & Touche	449,892							365,500			
	Other	Est. Acid Fees	365,900										
	Transmission	Cambridge Assoc	238,500	[1] 238,500									
	Transmission	Webb Electric	180,000	[1] 180,000									
	Other	AEPSC77777777	67,168								67,168		
	Less Billings to CCD Partners												
	Less Share of Amos												
	Less Share of Sporn												
	Less Share of Cardinal												
	Less Share of Rodport												
	All other, incl. Share of ft pts		2,813,752	[1] 1,456,881	[2] 1,456,881								
260 Total Professional Svcs			7,719,878										
261 Medical Prof Svcs	Fossil & other, HR		1,968,196									1,968,196	
		Less Share of Rodport											
		All other, incl. Share of ft pts											
		Total											
262 Legal Svcs	Other		1,418,615										
	Legal	Hurton & Williams											
	Legal	Labouef Lamb, Greene &											
	Legal, Unallocated	Porter, Wright, Morris & Arch	643,065										
	Other, Legal, Fossil	Robinson & McKeown	335,879										
	Finance	Debitte & Touche	17,000										
	Legal	Baker & Daniels	122,691										
	Legal	Reed, Smith, Shaw & M	109,528										
	Other	Simpson Thatcher	409,410										
	Other	Steglobe & Johnson	785,813										
	Company Unallocated	Silvers & Harblson	167,487										
	Other	Woods, Rogers & Hazzler	405,071										
		Less Billings to CCD Partners											
		Less Share of Amos											
		Less Share of Sporn											
		Less Share of Cardinal											
		Less Share of Rodport											
		All other, incl. Share of ft pts	3,696,315									3,696,315	
262 Total Legal Svcs			6,204,739										

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Contract Labor and Professional Services	Group Incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	Not Included	Contract Services	Legal
270 ?	Fleet Mgmtg Distrb, Trans, Nuclear	Unidentified all other	461,371 255,917 <u>717,288</u>									255,917	
Total ?													
280 ?	Nuclear	Balance of Milestone 2 0 City of South Haven Babcock & Wilcox Milestone no. 3 Milestone Pmt 2 Milestone Pmt 1 Less Share of Rockport 0 TRSF all other	2,188,200 1,048,111 3,225,000 2,742,000 280,000 198,000 201,663 <u>(36,356)</u> <u>9,848,750</u>				[5]	(36,356)	201,663				
Total ?													

Cost Component	Group Incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	Not Included	Contract Services	Legal
290 Other O/S services genl	Group Incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	Not Included	Contract Services	Legal
290	Company Unallocated	Unidentified	13,923,699	(1) 3,480,899	(2) 3,480,899		[5] 3,480,899					3,480,899	
	Transmission	Alstair, Fisher & Aaso	135,000	(1) 135,000									
	not Inrd	ABB Power	180,413	(1) 180,413									
	Fossil	AD Mill Direct	124,765										
	Energy Del. Support	Appelichien Power Co.	475,107	[2] 125,000								475,107	
	Bld Svcs	Asped Telecommunication	125,000									395,373	
	Distribution	Barcus Co. Inc	395,373										
	Fossil	Central Locating SE	1,026,364	(1) 1,026,364									
	Accounting, Finance	COAD Energy Progra	208,914	(1) 208,914									
	Company Unallocated	Computational System	174,599		[3] 174,599								
	Fleet Management	Deloitte & Touche	408,694							408,594			
	Fossil	Gurke Construction	133,914									133,914	
	Company Unallocated	Henkels & McCoy Inc	126,139	[2] 126,139									
	Company Unallocated	In-Plant Techniques	435,667	[2] 435,667									
	Fossil	International Bush	170,494									170,494	
	Fossil	Luburgh Inc	1,663,671									1,663,671	
	Distribution	Hunter Tree Service	101,617									101,617	
	Fossil	Huntington National	224,729	[2] 224,729									
	State Admin Support	Electric Power Resu	190,000								190,000		
	Company Unallocated	JTM Industries I	2,708,824	[2] 105,125								2,708,824	
	Company Unallocated	Metroweb Corp	105,125	[2] 105,125									
	Fossil	MD American Cleaning	540,897									540,897	
	Bld Svcs	North Office Equip	501,356									501,356	
	Company Unallocated	Murray Sheet Metal	258,690									258,690	
	Company Unallocated	Nelson Tree Service	347,902									347,902	
	Company Unallocated	Ohio Power Inc	427,474	(1) 27,474	[2] 133,666								
	Company Unallocated	Ohio State University	133,666	[2] 236,190									
	Company Unallocated	OP Cost Shared	713,064	[2] 236,190									
	Company Unallocated	Pyroco American Corp	236,190										
	Company Unallocated	Princeton Security	490,407									490,407	
	Company Unallocated	Power Maintenance	340,878									340,878	
	Company Unallocated	Proffica	104,261									104,261	
	Company Unallocated	Stockmeister Enterp	898,686									898,686	
	Company Unallocated	Superior Electric	198,465									198,465	
	Company Unallocated	Synaptic Design	691,248	[2] 691,248									
	Company Unallocated	Team America Inc	395,199									395,199	
Total ?													

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Contract Labor and Professional Services	Cost Component	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	Inter/Co/ Not Included	Contract Services	Legal
M&S - Purchased Rotors	Company Unallocated	Tempo Help Inc	164,317									164,317	
		Twenty First Century	100,943									183,410	
		Energy Distrib. Support	193,410									3,317,905	
		Universal Inc	3,317,905									6,012,968	
		Western Construction	6,012,968										
		Westinghouse Electric	128,738										
		Westinghouse Electric	222,044										
		Westinghouse Electric	118,921										
		Westinghouse Electric	478,107										
		Westinghouse Electric	1,255,061										
Office Svcs	Company Unallocated	Westinghouse Electric	290,003										
		Westinghouse Electric	142,931										
		Westinghouse Electric	351,494										
		Westinghouse Electric	1,404,094										
		Westinghouse Electric	812,252										
		Westinghouse Electric	199,278										
		Westinghouse Electric	226,941										
		Westinghouse Electric	156,652										
		Westinghouse Electric	100,219										
		Westinghouse Electric	435,677										
Office Svcs	Company Unallocated	Westinghouse Electric	146,316										
		Westinghouse Electric	130,681										
		Westinghouse Electric	378,436										
		Westinghouse Electric	170,304										
		Westinghouse Electric	128,678										
		Westinghouse Electric	146,271										
		Westinghouse Electric	218,678										
		Westinghouse Electric	147,901										
		Westinghouse Electric	107,252										
		Westinghouse Electric	207,641										
Office Svcs	Company Unallocated	Westinghouse Electric	311,036										
		Westinghouse Electric	9,291,396										
		Westinghouse Electric	3,993,748										
		Westinghouse Electric	528,883										
		Westinghouse Electric	378,184										
		Westinghouse Electric	132,677										
		Westinghouse Electric	232,953										
		Westinghouse Electric	908,688										
		Westinghouse Electric	1,978,781										
		Westinghouse Electric	231,934										
Office Svcs	Company Unallocated	Westinghouse Electric	1,315,304										
		Westinghouse Electric	187,239										
		Westinghouse Electric	350,000										
		Westinghouse Electric	130,546										
		Westinghouse Electric	485,471										
		Westinghouse Electric	736,970										
		Westinghouse Electric	710,183										
		Westinghouse Electric	469,648										
		Westinghouse Electric	151,784										
		Westinghouse Electric	175,000										
Office Svcs	Company Unallocated	Westinghouse Electric	175,000										
		Westinghouse Electric	141,328										
		Westinghouse Electric	179,636										
		Westinghouse Electric	168,281										
		Westinghouse Electric	114,967										
		Westinghouse Electric	106,127										
		Westinghouse Electric	151,835										
		Westinghouse Electric	151,835										
		Westinghouse Electric	127,378										
		Westinghouse Electric	270,981										
Office Svcs	Company Unallocated	Westinghouse Electric	567,868										
		Westinghouse Electric	336,033										
		Westinghouse Electric	1,113,092										
		Westinghouse Electric	151,835										
		Westinghouse Electric	127,378										
		Westinghouse Electric	270,981										
		Westinghouse Electric	567,868										
		Westinghouse Electric	336,033										
		Westinghouse Electric	1,113,092										
		Westinghouse Electric	151,835										

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Contract Labor and Professional Services	Group Incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Auxil	Inter-Cof Not Included	Contract Services	Legal
290 Total Other OS areas genit		MPW Indust	133,200						133,200			209,464	
	Nuclear	State of Michigan	2,100,305						2,100,305				
	Nuclear	Chem-Nuclear Sys	436,628						436,628				
	Nuclear	Molten Metal Tec	190,639										
	Acctg & Distribution	Flexible Pac		[2] 190,639									
		Less Billing to CCO Partners											
		Less Share of Sporn											
		Less Share of Cardinal											
		Less Share of Rodport											
		All other, Incl. Share of J pits	32,800,358	[1] 3,280,038	[2] 3,280,038	[3] 3,280,038	[5] 3,280,038				19,680,218		
			<u>108,750,185</u>										
292 Maintenance Agreement		all other	1,094,351										
292 Total Maintenance Agree			<u>1,094,351</u>										
TOTAL \$				12,317,724	12,918,644	3,867,212	270,890	20,451,106	61,874,802	1,742,190	36,676,118	210,603,028	

AEP Op Co Professional Services:

- [1] Engineering \$12,318K
- [2] Non-IT Consulting \$12,920K
- [3] IT Consulting \$3,587K
- [4] Finance & Acctg \$271K
- [5] Other \$20,451K

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 → 50% F&A \$7,374,77K
 → 50% Cons. Mkt-IT \$7,374,77K

AEP Resources, Inc.
 Comparative Income Statement
 December 31,

	Quarter Ended		* Year-to-Date Ended		Twelve-Months Ended	
	1997	1996	1997	1996	1997	1996
Product Sales	-	-	-	-	-	-
Equity Earnings 100% Sub Cos	(546,602.75)	(1,072,706.19)	(2,018,046.44)	(4,042,334.11)	(2,018,046.44)	(4,042,334.11)
Misc Nonoperating Inc - Option	(21,430,500.00)	-	33,779,500.00	-	33,779,500.00	-
Eq. in Earn of JVe-Yorkshir	33,778,500.00	-	10,667.51	1,388.71	10,667.51	1,388.71
Interest Income	75.58	11.36	-	11.36	-	11.36
Interest Income - Assoc Cos.	-	-	5,634.33	-	5,634.33	-
Foreign Curr Transaction G/L	-	-	31,777,765.40	(4,040,934.04)	31,777,765.40	(4,040,934.04)
Service & Other Income	11,802,472.83	(1,072,694.83)	31,777,765.40	(4,040,934.04)	31,777,765.40	(4,040,934.04)
TOTAL INCOME	11,802,472.83	(1,072,694.83)	31,777,765.40	(4,040,934.04)	31,777,765.40	(4,040,934.04)
Cost of Goods Sold	-	-	-	-	-	-
Salaries And Wages	-	-	1,598.28	10,834.29	1,598.28	10,834.29
Office Supplies and Expenses	-	595.63	61,568.96	15,962.25	61,568.96	15,962.25
Travel- System & Other	4,543.61	11,951.79	-	1,354.93	-	1,354.93
Travel- System & Oth-50% Deduct	10,482.75	1,995.00	21,287.58	4,263.72	21,287.58	4,263.72
Travel- Meet's, Conv's & Sem's	920.00	-	2,210.00	110.00	2,210.00	110.00
Membership Fees/Dues-Employees	1,047.77	31.20	10,349.54	2,744.63	10,349.54	2,744.63
Postage, Printing, Stationery	500.00	150.00	7,893.66	19,044.00	7,893.66	19,044.00
Books, Periodicals, Newspapers	3,604.82	-	17,775.20	-	17,775.20	-
Recruiting Expenses	2,346.47	-	58,261.33	-	58,261.33	-
Misc Materials AEPES Contracts	23,445.42	14,723.62	180,944.55	64,313.82	180,944.55	64,313.82
Office, Building, and Travel	-	(65,641.28)	193.64	105,573.53	193.64	105,573.53
Legal	4,028,700.66	1,309,040.97	7,637,765.88	1,982,781.04	7,637,765.88	1,982,781.04
AEP Service Corporation	257,562.55	289,358.90	699,817.41	368,629.29	699,817.41	368,629.29
Other Associate Companies	-	-	79,103.98	-	79,103.98	-
AEP RESCO	1,397,399.10	1,208,817.83	3,810,549.73	1,684,042.84	3,810,549.73	1,684,042.84
Other Professional Services	5,684,662.31	2,761,576.62	12,227,430.64	4,141,026.70	12,227,430.64	4,141,026.70
Outside Services Employed	-	-	572,278.00	-	572,278.00	-
Political Risk Insurance	427,425.00	-	572,278.00	-	572,278.00	-
Injuries and Damages	-	-	-	-	-	-
Employee Pensions & Benefits	-	-	-	-	-	-

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AEP Resources - International
Comparative Income Statement
December 31,

	Quarter Ended		Year-to-Date Ended		Twelve-Months Ended	
	1997	1998	1997	1998	1997	1998
Product Sales	-	-	-	-	-	-
Equity Earnings 100% Sub Cos	(352,745.80)	-	(1,799,269.05)	-	(1,799,269.05)	-
Interest Income	(352,745.80)	-	4,559.97	-	4,559.97	-
Service & Other Income	-	-	(1,794,709.08)	-	(1,794,709.08)	-
TOTAL INCOME	(352,745.80)	-	(1,794,709.08)	-	(1,794,709.08)	-
Cost of Goods Sold	-	-	-	-	-	-
Salaries And Wages	-	-	-	-	-	-
Office Supplies and Expenses	440.25	615,127.79	30.21	803,096.70	30.21	730.65
Travel- System & Other	76.50	28,721.00	3,980.16	28,721.00	3,980.16	76.50
Travel- Meets, Con's & Sem's	850.00	268,627.43	-	1,372,676.69	-	1,023.37
Postage, Printing, Stationery	23.08	-	-	-	-	625.56
Office, Building, and Travel	1,389.81	1,010,389.66	4,020.37	3,844,322.36	4,020.37	2,456.08
Legal	-	615,127.79	4,514.24	803,096.70	4,514.24	803,096.70
Auditing	(47,387.71)	28,721.00	-	28,721.00	-	28,721.00
AEP Service Corporation	7.71	268,627.43	191,803.34	1,372,676.69	191,803.34	1,372,676.69
Other Associate Companies	-	-	52.43	-	52.43	-
AEP RESCO	-	-	1,385.68	-	1,385.68	-
Other Professional Services	154,892.23	99,913.44	310,546.18	1,639,827.97	310,546.18	1,639,827.97
Outside Services Employed	107,512.23	1,010,389.66	608,301.87	3,844,322.36	608,301.87	3,844,322.36
Political Risk Insurance	-	4,166.00	-	12,500.00	-	12,500.00
Injuries and Damages	-	4,166.00	-	12,500.00	-	12,500.00
Employee Pensions & Benefits	-	-	-	-	-	-
Advertising	-	2,381.39	15.00	2,381.39	15.00	2,381.39
Prov for Uncollectible Accts	-	-	3,643.64	-	3,643.64	-
Other Misc General Expense	-	412.00	3,658.64	78,774.55	3,658.64	78,774.55
General and Administration Exp	-	2,793.39	3,658.64	81,155.94	3,658.64	81,155.94
Other Rents	-	-	-	7,136.14	-	7,136.14
Rents Expense	-	-	-	7,136.14	-	7,136.14
Maint of Structures & Equip	-	-	-	-	-	-

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AEP Pushan Power L.D.C.
Comparative Income Statement
December 31,

	Quarter Ended		Year-to-Date Ended		Twelve-Months Ended	
	1997	1996	1997	1996	1997	1996
Product Sales	-	-	-	-	-	-
Equity Earnings - Nanyang	(11,456.38)	-	(11,456.38)	-	(11,456.38)	-
Interest Income	1,204.84	-	48,643.58	-	48,643.58	-
Service & Other Income	(10,251.54)	-	37,187.20	-	37,187.20	-
TOTAL INCOME	(10,251.64)	-	37,187.20	-	37,187.20	-
Cost of Goods Sold	-	-	-	-	-	-
Salaries And Wages	-	-	-	-	-	-
Travel- Meets, Conv's & Sem's Office, Building, and Travel	-	-	21,450.00	-	21,450.00	-
AEP Service Corporation	182,310.78	-	497,507.74	-	497,507.74	-
Other Associate Companies	25,985.53	-	42,573.00	-	42,573.00	-
AEP RESCO	(41,093.67)	-	944,242.63	-	944,242.63	-
Other Professional Services	494.41	-	1,484,323.37	-	1,484,323.37	-
Outside Services Employed	167,707.05	-	-	-	-	-
Public Liability Insurance	425.00	-	425.00	-	425.00	-
Injuries and Damages	425.00	-	425.00	-	425.00	-
Employee Pensions & Benefits	-	-	-	-	-	-
Prov for Uncollectible Accts	-	-	35.00	-	35.00	-
Other Misc General Expense	(146.70)	-	97.30	-	97.30	-
General and Administration Exp	(146.70)	-	132.30	-	132.30	-
Rents Expense	-	-	-	-	-	-
Maint of Structures & Equipt	-	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-
Taxes Other than Income Taxes	-	-	-	-	-	-
TOTAL EXPENSES	167,985.35	-	1,606,330.67	-	1,606,330.67	-

AEP Resources Delaware, Inc.
 Comparative Income Statement
 December 31,

	Quarter Ended		Year-to-Date Ended		Twelve-Months Ended	
	1997	1998	1997	1998	1997	1998
Product Sales	-	-	-	-	-	-
Interest Income - Assoc Cos. Service & Other Income	582,624.60 582,624.60	- -	1,253,024.19 1,253,024.19	- -	1,253,024.19 1,253,024.19	- -
TOTAL INCOME	582,624.60	-	1,253,024.19	-	1,253,024.19	-
Cost of Goods Sold	-	-	-	-	-	-
Productive Labor	500.00	-	1,600.00	-	1,600.00	-
Salaries And Wages	500.00	-	1,600.00	-	1,600.00	-
Office Supplies and Expenses	-	-	700.00	-	700.00	-
Travel- Meets, Conv's & Sem's	-	-	161.00	-	161.00	-
Communication Services	30.19	-	224.75	-	224.75	-
Postage, Printing, Stationery	-	-	30.75	-	30.75	-
Office, Building, and Travel	30.19	-	1,116.50	-	1,116.50	-
AEP Service Corporation	2,823.61	-	6,258.60	-	6,258.60	-
Other Professional Services	650.00	-	1,996.78	-	1,996.78	-
Outside Services Employed	3,473.61	-	8,255.38	-	8,255.38	-
Injuries and Damages	-	-	-	-	-	-
Employee Pensions & Benefits	-	-	-	-	-	-
Other Misc General Expense	100.06	-	267.88	-	267.88	-
General and Administration Exp	100.06	-	267.88	-	267.88	-
Other Rents	1,875.00	-	8,245.84	-	8,245.84	-
Rents Expense	1,875.00	-	8,245.84	-	8,245.84	-
Maint of Structures & Equip	-	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-
FICA	64.05	-	176.80	-	176.80	-
Other Taxes	-	-	50.00	-	50.00	-
Taxes Other than Income Taxes	64.05	-	226.80	-	226.80	-

AEP Resources Mauritius Co.
Comparative Income Statement
December 31,

	Quarter Ended		Year-to-Date Ended		Twelve-Months Ended	
	1997	1996	1997	1996	1997	1996
Product Sales	-	-	-	-	-	-
Interest Income	21.00	-	21.00	-	21.00	-
Service & Other Income	21.00	-	21.00	-	21.00	-
TOTAL INCOME	21.00	-	21.00	-	21.00	-
Cost of Goods Sold	-	-	-	-	-	-
Salaries And Wages	-	-	-	-	-	-
Office, Building, and Travel	-	-	-	-	-	-
Other Professional Services	118,158.00	-	284,761.00	-	284,761.00	-
Outside Services Employed	118,158.00	-	284,761.00	-	284,761.00	-
Injuries and Damages	-	-	-	-	-	-
Employee Pensions & Benefits	-	-	-	-	-	-
Other Misc General Expense	59,935.00	-	63,560.00	-	63,560.00	-
General and Administration Exp	59,935.00	-	63,560.00	-	63,560.00	-
Rents Expense	-	-	-	-	-	-
Maint of Structures & Equip	-	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-
Taxes Other than Income Taxes	-	-	-	-	-	-
TOTAL EXPENSES	178,093.00	-	348,321.00	-	348,321.00	-
Income From Operations (Before Interest and Income Taxes)	(178,072.00)	-	(348,300.00)	-	(348,300.00)	-
Miscellaneous Deductions	-	-	-	-	-	-
Total Interest Expenses	-	-	-	-	-	-

AEP Energy Serv. , Inc.
Comparative Income Statement
December 31,

	Quarter Ended 1996		Year-to-Date Ended 1996		Twelve-Months Ended 1996	
	1997	1998	1997	1998	1997	1998
Commercial Gas Sales	8,900,661.45	-	8,900,661.45	-	8,900,661.45	-
Industrial Gas Sales	2,451.10	-	2,451.10	-	2,451.10	-
Public Authorities Gas Sales	23,080.00	-	23,080.00	-	23,080.00	-
Sales for Resale Coal	1,630,059.38	-	1,630,059.38	-	1,630,059.38	-
Product Sales	10,556,251.93	-	10,556,251.93	-	10,556,251.93	-
Misc Nonoperating Inc - Option	1,902,063.00	-	1,902,063.00	-	1,902,063.00	-
Interest Income	874.96	-	874.96	-	874.96	-
Svc Rend Non-Assoc Companies	(984,314.19)	-	306,778.06	-	2,209,746.02	-
Service & Other Income	918,653.77	-	2,209,746.02	-	12,765,997.95	-
TOTAL INCOME	11,474,906.70	-	12,765,997.95	-	8,968,781.89	4,935.81
Purchases Gas	8,968,781.89	-	8,968,781.89	-	1,668,684.03	-
Purchases Coal	1,668,684.03	-	1,668,684.03	-	10,633,466.92	-
Cost of Goods Sold	10,633,466.92	-	10,633,466.92	-	-	-
Salaries And Wages	-	-	311.71	-	311.71	4,935.81
Office Supplies and Expenses	139.88	-	12,669.14	-	12,669.14	-
Travel- System & Other	1,337.41	-	7,330.50	-	7,330.50	4,285.83
Travel- Meets, Conv's & Sem's	1,980.50	-	5,536.02	-	5,536.02	21,000.00
Communication Services	5,536.02	-	-	-	24.00	-
General Office Equipment	24.00	-	24.00	-	1,495.69	-
Membership Fees/Dues-Employees	-	-	1,495.69	-	7,925.00	-
Postage, Printing, Stationery	-	-	7,925.00	-	43,454.87	-
Books, Periodicals, Newspapers	7,430.00	-	43,454.87	-	109,571.53	-
Recruiting Expenses	38,294.27	-	109,571.53	-	188,318.46	-
Misc Materials AEPES Contracts	(558,199.93)	-	188,318.46	-	(13,359.51)	13,359.51
Office, Building, and Travel	(603,447.76)	-	(13,359.51)	-	(13,359.51)	224,178.97
Legal	-	-	13,359.51	-	6,177,258.94	955,387.36
Software	-	-	6,177,258.94	-	667,008.12	20,515.68
AEP Service Corporation	1,237,483.74	-	667,008.12	-	3,813,333.93	198,000.00
Other Associate Companies	184,734.89	-	3,813,333.93	-	9,644,241.48	1,411,441.52
Other Professional Services	1,139,483.90	-	9,644,241.48	-	-	-
Outside Services Employed	2,561,702.63	-	-	-	-	-
Injuries and Damages	-	-	-	-	-	-

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AEP Communications, Inc.
Comparative Income Statement
December 31,

	Quarter Ended		Year-to-Date Ended		Twelve-Months Ended	
	1997	1998	1997	1998	1997	1998
Product Sales	-	-	-	-	-	-
Equity Earnings 100% Sub Cos	(1,271,086.02)	-	(1,271,086.02)	-	(1,271,086.02)	-
Interest Income	4,485.94	-	4,485.94	-	4,485.94	-
Service & Other Income	(1,266,600.08)	-	(1,266,600.08)	-	(1,266,600.08)	-
TOTAL INCOME	(1,266,600.08)	-	(1,266,600.08)	-	(1,266,600.08)	-
Cost of Goods Sold	-	-	-	-	-	-
Salaries And Wages	-	-	667.85	-	667.85	-
Office Supplies and Expenses	596.95	-	5,364.50	-	5,364.50	-
Travel- System & Other	392.79	-	30,787.40	-	30,787.40	-
Travel- Meets, Convs & Sem's	28,222.15	-	35.00	-	35.00	-
Communication Services	1,438.12	-	1,707.79	-	1,707.79	-
Membership Fees/Dues-Employees	-	-	662.41	-	662.41	-
Postage, Printing, Stationery	-	-	6,806.00	-	6,806.00	-
Books, Periodicals, Newspapers	-	-	11,983.44	-	11,983.44	-
Recruiting Expenses	1,895.75	-	1,782.67	-	1,782.67	-
Misc Materials AEPES Contracts	30,345.76	-	69,697.06	-	69,697.06	-
Office, Building, and Travel	-	210,562.27	1,333,512.59	210,562.27	1,333,512.59	210,562.27
AEP Service Corporation	432,153.57	-	1,800.12	-	1,800.12	-
Other Associate Companies	1,800.12	-	2,175,991.09	133,599.66	2,175,991.09	133,599.66
Other Professional Services	124,591.49	-	3,511,303.80	344,161.93	3,511,303.80	344,161.93
Outside Services Employed	668,846.18	-	6,427.58	-	6,427.58	-
Public Liability Insurance	2,302.41	-	6,427.58	-	6,427.58	-
Injuries and Damages	2,302.41	-	-	-	-	-
Employee Pensions & Benefits	-	-	1,239.75	-	1,239.75	-
Advertising	170.00	-	170.00	-	170.00	-
Dues for Company Memberships	-	-	(108.57)	-	(108.57)	-
Other Misc General Expense	-	-	1,301.18	-	1,301.18	-
General and Administration Exp	170.00	-	-	-	-	-
Rents Expense	-	-	-	-	-	-

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AEP Communications, LLC
Comparative Income Statement
December 31,

	Quarter Ended		Year-to-Date Ended		Twelve-Months Ended	
	1997	1996	1997	1996	1997	1996
Product Sales	-	-	-	-	-	-
Svcs Rend Non-Asoc Companies	59,591.67	-	59,591.67	-	59,591.67	-
Service & Other Income	69,691.67	-	69,691.67	-	69,691.67	-
TOTAL INCOME	129,283.34	-	129,283.34	-	129,283.34	-
Cost of Goods Sold	-	-	-	-	-	-
Salaries And Wages	891.15	-	891.15	-	891.15	-
Travel- Meets, Conv's & Sem's	(4,896.05)	-	(4,896.05)	-	(4,896.05)	-
Misc Materials AEPES Contracts	(4,004.90)	-	(4,004.90)	-	(4,004.90)	-
Office, Building, and Travel	-	-	-	-	-	-
AEP Service Corporation	243,012.20	-	243,012.20	-	243,012.20	-
Other Associate Companies	52,584.00	-	52,584.00	-	52,584.00	-
Other Professional Services	991,932.65	-	991,932.65	-	991,932.65	-
Outside Services Employed	1,287,628.86	-	1,287,628.86	-	1,287,628.86	-
Injuries and Damages	-	-	-	-	-	-
Employee Pensions & Benefits	-	-	-	-	-	-
General and Administration Exp	-	-	-	-	-	-
Rent - Associated Companies	47,143.74	-	47,143.74	-	47,143.74	-
Rents Expense	47,143.74	-	47,143.74	-	47,143.74	-
Maint of Structures & Equipmt	-	-	-	-	-	-
Depreciation and Amortization	-	-	-	-	-	-
Other Taxes	10.00	-	10.00	-	10.00	-
Taxes Other than Income Taxes	10.00	-	10.00	-	10.00	-
TOTAL EXPENSES	1,330,677.69	-	1,330,677.69	-	1,330,677.69	-
Income From Operations (Before Interest and Income Taxes)	(1,271,086.02)	-	(1,271,086.02)	-	(1,271,086.02)	-

Run Date: 1/28/98
Run Time: 3:41 PM

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REPORT N: 002
 RUN DATE: --/26/98
 RUN TIME: 07.46.38

FRANKLIN REAL ESTATE COMPANY
 COMPARATIVE INCOME STATEMENT

	QUARTER ENDED DECEMBER 31 1997	1996	YEAR-TO-DATE ENDED DECEMBER 31 1997	1996	TWELVE MONTHS ENDED DECEMBER 31 1997	1996
INCOME:	0	0	0	0	0	0
TOTAL INCOME	150,710	152,249	351,451	341,725	351,451	341,725
EXPENSES:						
TAXES OTHER THAN INCOME TAXES						
REAL PROPERTY TAX	881	950	976	950	976	950
OTHER TAXES						
OUTSIDE SERVICES EMPLOYED	1,611	918	*1,611	918	1,611	918
OTHER PROFESSIONAL SERVICES	48,009	(949)	61,995	(948)	61,995	(948)
MISCELLANEOUS GENERAL EXPENSE						
TOTAL EXPENSES	201,211	153,168	416,033	342,645	416,033	342,645
ADMIN EXPENSE TRANSFRD-CREDIT	201,211	153,168	416,033	342,645	416,033	342,645
NET INCOME (LOSS)	0	0	0	0	0	0

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REPORT NO. 63002
 RUN DATE: 01/26/98
 RUN TIME: 07.46.38

INDIANA FRANKLIN REALTY, INC. /
 COMPARATIVE INCOME STATEMENT

	QUARTER ENDED DECEMBER 31 1997	1996	YEAR-TO-DATE ENDED DECEMBER 31 1997	1996	TWELVE MONTHS ENDED DECEMBER 31 1997	1996
INCOME:	0	0	0	0	0	0
TOTAL INCOME						
EXPENSES:						
TAXES OTHER THAN INCOME TAXES	20,633	57,212	76,563	118,392	76,563	118,392
REAL PROPERTY TAX	5,822	40	8,774	2,543	8,774	2,543
OTHER TAXES						
OUTSIDE SERVICES EMPLOYED	36,628	17,923	40,686	86,096	40,686	86,096
LEGAL	0	0	0	7,250	0	7,250
REALTOR FEES	2,450	0	3,177	12,052	3,177	12,052
OTHER PROFESSIONAL SERVICES	1,853	1,308	6,966	14,621	6,966	14,621
MISCELLANEOUS GENERAL EXPENSE	0	0	200	0	200	0
RENTS						
TOTAL EXPENSES	67,386	76,483	136,366	240,954	136,366	240,954
ADMIN EXPENSE TRANSFERD-CREDIT	67,386	76,483	136,366	240,954	136,366	240,954
NET INCOME (LOSS)	0	0	0	0	0	0

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REPORT 1 00002
 RUN DATE: 1/26/98
 RUN TIME: 07.46.38

AMERICAN ELECTRIC POWER CO., INC.
 COMPARATIVE INCOME STATEMENT

	QUARTER ENDED DECEMBER 31	1997	1996	YEAR-TO-DATE ENDED DECEMBER 31	1997	1996	TWELVE MONTHS ENDED DECEMBER 31	1997	1996
INCOME									
EQUITY IN EARNINGS OF SUBSIDIARIES	127,013,138	133,740,522	518,252,405	593,847,660	518,252,405	593,847,660	518,252,405	593,847,660	
DIVIDENDS FROM STATUTORY SUBSIDIARIES	568,575	175,560	987,525	594,510	987,525	594,510	987,525	594,510	
OTHER INCOME									
INTEREST INCOME	0	0	0	0	0	0	0	0	
TOTAL OTHER INCOME	127,581,713	133,916,082	519,239,930	594,442,170	519,239,930	594,442,170	519,239,930	594,442,170	
TOTAL INCOME									
DEDUCTIONS									
EXPENSES	0	351	553	1,556	553	1,556	553	1,556	
OTH OFFICE SUPPLIES & EXPENSES	901	1,615	2,339	9,481	2,339	9,481	2,339	9,481	
POSTAGE, PRINTING, STATIONERY	33,866	35,787	296,922	120,965	296,922	120,965	296,922	120,965	
LEGAL	48,525	55,000	106,825	149,951	106,825	149,951	106,825	149,951	
AUDITING	761,081	1,248,177	2,101,793	2,274,721	2,101,793	2,274,721	2,101,793	2,274,721	
AMERICAN ELEC POWER SERV CORP	0	0	3,067	0	3,067	0	3,067	0	
OUTSIDE SVCS EMPLOYED-AEPRESCO	15,286	1,341	22,418	61,031	22,418	61,031	22,418	61,031	
OTHER PROFESSIONAL SERVICES	1,298	1,126	5,110	5,276	5,110	5,276	5,110	5,276	
TRAVEL AND ACCIDENT INSURANCE	126,690	113,455	419,818	438,523	419,818	438,523	419,818	438,523	
DIRECTORS FEES AND EXPENSES	(133,046)	97,479	2,307,235	1,967,595	2,307,235	1,967,595	2,307,235	1,967,595	
CORPORATE & FISCAL EXPENSES	21,829	17,750	209,042	63,733	209,042	63,733	209,042	63,733	
RETIREMENT PLAN	3,824	(26,970)	23,959	(28,903)	23,959	(28,903)	23,959	(28,903)	
OTHER MISC GENERAL EXPENSE	400	0	400	3,680	400	3,680	400	3,680	
MISCELLANEOUS RENTS									
TOTAL EXPENSES	880,654	1,545,111	5,506,481	5,067,609	5,506,481	5,067,609	5,506,481	5,067,609	

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**AEP Resource
Comparative Income Statement
December 31,**

	Quarter Ended		Year-to-Date Ended		Twelve-Months Ended	
	1997	1996	1997	1996	1997	1996
Product Sales						
Interest Income	184,215.11	700.00	362,735.46	1,608.42	362,735.46	1,608.42
Royalty Income-Flash Fill	48,484.84	19,209.32	185,357.13	82,247.48	185,357.13	82,247.48
Other Miscellaneous Income	40.57	-	40.60	-	40.60	-
Serv Rendered Assoc Co's	218,874.09	104,495.95	609,756.19	104,495.95	609,756.19	104,495.95
Svcs Rend Assoc. Co-AEPR	10,787,225.52	950,376.68	13,792,607.62	12,270,048.87	13,792,607.62	12,270,048.87
Svcs Rend Non-Asoc Companies	11,236,840.13	1,074,781.95	14,950,497.00	12,468,400.70	14,950,497.00	12,468,400.70
Service & Other Income	11,236,840.13	1,074,781.95	14,950,497.00	12,468,400.70	14,950,497.00	12,468,400.70
TOTAL INCOME						
Cost of Goods Sold						
Productive Labor	190,114.37	25,000.02	797,069.38	68,541.76	797,069.38	68,541.76
Other Non-Productive Labor	13,867.68	27,166.80	(9,073.09)	34,770.77	(9,073.09)	34,770.77
Vacation Pay Accrued	13,100.60	5,896.94	58,100.60	8,848.16	58,100.60	8,848.16
Vacation Pay Used	(29,236.12)	(1,547.84)	(57,073.94)	-	(57,073.94)	-
Salaries And Wages	187,846.63	56,455.72	789,022.95	112,168.69	789,022.95	112,168.69
Office Supplies and Expenses		(1,035.88)	332.69	3,813.49	332.69	3,813.49
Travel-System & Other	47,697.33	-	121,355.65	2,423.95	121,355.65	2,423.95
Travel-System & Oth-50% Deduct	280.72	(1,535.00)	7,182.38	2,645.03	7,182.38	2,645.03
Travel-Meets, Conv's & Sem's		-		89.49		89.49
Travel-Meet, Conv & Sem-50% Ded		-		262.00		262.00
Membership Fees/Dues-Employees	343.03	(54.26)	4,977.36	11,898.68	4,977.36	11,898.68
Postage, Printing, Stationery	1,482.50	-	1,483.56	1,015.88	1,483.56	1,015.88
Books, Periodicals, Newspapers		-	8,473.38	-	8,473.38	-
Recruiting Expensu	6,135,058.18	212,333.33	7,173,777.96	5,037,232.12	7,173,777.96	5,037,232.12
Substation Contracts-Materials	2,858.19	3,319.29	111,984.91	20,423.08	111,984.91	20,423.08
Misc Materials AFPES Contracts	6,187,719.95	213,027.48	7,432,582.34	6,090,180.08	7,432,582.34	6,090,180.08
Office, Building, and Travel						
Legal		14,067.84	9,886.00	35,704.20	9,886.00	35,704.20
AEP Service Corporation	543,748.84	317,988.04	2,275,265.59	3,137,165.50	2,275,265.59	3,137,165.50
Other Associate Companies	474,090.26	166,942.01	477,709.13	824,579.71	477,709.13	824,579.71
Other Professional Services	1,289,650.24	(821,289.69)	2,381,883.71	2,110,419.40	2,381,883.71	2,110,419.40
Outside Services Employed	2,307,489.34	(122,291.80)	5,144,744.43	6,207,868.81	5,144,744.43	6,207,868.81

Company	Legal	Audit/Tax	Finance & Accounting	Consulting-IT	Consulting-Non IT	Engineering Services	Other	Total
Central and South West Corporation								
1997 Professional Services Breakdown								
CSW Services	13,203,390.00	627,853.00	1,131,042.00	3,333,070.00	6,685,328.00	879,831.00	374,740.00	26,235,254.00
Non-reg	2,434,371.00	0.00	0.00	0.00	2,688,000.00	339,000.00	1,715,053.00	7,176,424.00
CPL	1,422,856.00	142,032.00	137,586.00	76,016.00	506,007.00	1,714,698.00	293.00	3,999,488.00
PSO	1,285,605.00	115,606.00	0.00	24,028.00	107,376.00	1,717.00	188,024.00	1,722,356.00
SWEPCO	330,980.00	111,237.00	0.00	200.00	8,658.00	46,049.00	70,993.00	568,117.00
WTU	59,423.00	87,769.00	0.00	0.00	9,027.00	4,620.00	0.00	160,839.00
	18,736,625.00	1,084,497.00	1,268,628.00	3,433,314.00	10,004,396.00	2,985,915.00	2,349,103.00	39,862,478.00
Less Consulting IT								(3,433,314.00)
Net Professional Services excluding Consulting-IT								36,429,164.00

Consulting-IT Detail (1)

	<u>AEP</u>		<u>CSW</u>		<u>Combined</u>	
	1996	1997	1996	1997	1996	1997
Service Company	30,828 (2)	45,767 (3)	6,689 (2)	3,333	49,100	
Operating Company	N/A	440 (4)	N/A	100	540	
Total	<u>30,828</u>	<u>46,206</u>	<u>6,689</u>	<u>3,433 (5)</u>	<u>49,640</u>	

Notes/Sources:

- (1) Non-Nuclear
- (2) 1996 U-13-60
- (3) 1997 AEP Service Co. Analysis
- (4) 1997 AEP OpCo Analysis
- (5) 1997 CSW Analysis

AEP SERVICE Co. PROFESSIONAL SERVICES

(2) Consulting-IT # 38,381K

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AEPSC

Account	Roll Group Numbers	Roll Group Names	Vendor	Accounts Payable Amount
1	923150	335 IT	A C Coy	170,240 [2]
2	923150	335 IT	Index Research	157,121 [2]
3	923150 552 & 440	System Power Mkts & System Ops	ABB	371,813 [2]
4	923150 552, 440, 224	Sys. Pwr Mkts, Pwr Mktg & Sys Ops	ABB Power	638,015 [2]
6	923300 225, 332, 333, 781	Acctg, Outage Mgmt	Accountemps	116,777 [4]
6	923150	335 IT	Advantis	108,671 [2]
7	923150	335 IT	AIC	420,277 [2]
8	923150	335 IT	America Registry	2,152,096 [2]
9	923150	335 IT	Analysts International	240,642 [2]
10	923150	335 IT	Andersen Consulting	363,672 non-recurring
11	923150	335 IT	Applied Performance	189,690 [2]
12	923300	460 EVP - Energy Delivery	Arrington Group	106,468 non-recurring
13	923150 335, 460, 446 & others	various	ASAP Software	1,585,520 [2]
14	923300	333 Accts Pay	Banctec	187,154 [4]
15	923300	444 Consumer Services	BBI Marketing	170,700 [3]
16	923150	335 IT	C W Costello	324,610 [2]
17	923150	335 IT	Candle Corp	591,300 [2]
18	923150	335 IT	CAP Gemini	903,188 [2]
19	923300 464, 787, 788, 465	T & D, RSO	C D I	702,871 [3]
20	923150	440 System Ops	CEGELEC	145,698 non-recurring
21	923110	781 Fossil	Charles Rose	104,821 [1]
22	923300	781 Fossil	Charles Rose	38,885 [3]
23	923150	335 IT	Claremont	1,247,476 [2]
24	923300	331 CP&B	Clean Air Capital Mkt	124,500 [4]
25	923300	337 Corporate Services	Commercial Movers	111,333 [3]
26	923150	335 IT	Computer People	4,540,378 [2]
27	923150	335 IT	Compuware	1,527,484 [2]
28	923150	444.7 Consumer Services	Consulting Fee	184,750 non-recurring
29	923150	335 IT	Costello	225,210 [2]
30	923150 335, 460	IT and Energy Delivery	Crows Chizek	120,766 [2]
31	923150	335.62 IT	CSC	5,454,024 non-recurring
32	923150	335.21 IT	CSC/INDEX	251,629 non-recurring
33	923300 various	various	Dawson Personnel	114,240 [3]
34	923300	339 HR	DDI Customer Service	158,672 [3]
35	923300 466430, 785700	Energy Delivery & Fossil Support	Decision Support	348,607 non-recurring
36	923300 336, 332130, 336, 551, 222	Acct, Tax, Finance & Dereg	Deloitte & Touche	249,701 \$10,315(dereg) [4]
37	923150	335320 IT	Diversified So	100,267 [2]
38	923150 335450, 335520	IT	DP Initiatives Inc	252,101 [2]
39	923150	781210 Fossil	EA Systems	119,759 [2]
40	923300	784 Environmental Services	EEL	98,767
41	923300 various pg 198	various	EPRI	215,250
42	923150	335 IT	Everest Data Resear	252,136 [2]
43	923150	335450 IT	Excel Partners	136,068 [2]
44	923300	783020 Power Gen IT	Franklin Comp	291,669 [3]
45	923300	335300 IT	Gartner	131,160 [1]
46	923300 464530, 227000	Transmission & nuclear	General Research	212,003 [3]
47	923150	335520 IT	Grosh Consulting	427,638 [2]
48	923150	335 IT	IBM	2,692,565 thru 2000 only
49	923300	335350 IT	IBS	622,367 [3]
50	923150	335 IT	Indecon	1,825,598 [2]
51	923150	335 IT	Index Research	1,050,183 [2]
52	923150 & 923300 335 & 652200	IT & System Power Mkts	Information Bul	112,286 non-recurring
53	923150	335140 IT	Information Industries	258,881 [2]
54	923150	335 IT	Interactive Business	151,892 [2]
55	923300 335320, 335420, 335530	IT	International Business	104,895 [3]
56	923300 335000, 335520	IT	Koene	117,600 non-recurring
57	923 - 110, 150, 300 465120, 335, 466130, 464510	T & D and delivery support	Linesoft	654,223 \$520000 non r [1] [2] [3]
58	923150 335510, 335530	IT	Manifest Solutions	317,921 [2]
59	923150	444700 Consumer Services - Mkt Support	Maintenance Agree	575,734 \$275,000 non r [2]
60	923300	444510 Consumer Services - Mkt Research	Market Strategies	238,678 [3]
61	923300	337200 Food Services	Marriott	133,151 [3]
62	923150	335 IT	Mastech	127,045 [2]
63	923150	335 IT	Maxim Group	493,623 [2]
64	923300	335 IT	Madmaxion	1,060,890 [3]
65	923150 445400, 444620, 338000	Procurement, Consumer Svc, Corp. Comm.	MC 2	113,070 non-recurring
66	923300	480000 Energy Delivery & Fossil Support	Mercer Management	405,909 non-recurring
67	923300	220000 Chairman	Mercer Management	228,920 non-recurring
68	923150	335150 IT	Mobius	439,865 [2]

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69	923150 335, 331	IT & CP&B	Newcourt	863,914 [2]
70	923150 335, 444700, 781210, 444720	IT, Consumer Svc & Fossil	Newmedia	993,449 [2]
71	923150 335380 & 335320	IT	Novadigm	243,760 [2]
72	923150 335530 & 335470	IT	Novatec	104,880 [2]
73	923300 339060, 444730 & others	HR, Consumer Svcs and others	Ohio State Univ	407,243 [2]
74	923150	335380 IT	Oracle	597,101 [2]
75	923150 552110 & 552220	System Power Mkts	Oracle	85,905 non-recurring
76	923150	335 IT	Origin Technology	136,839 [2]
77	923150	335 IT	Paros	150,115 [2]
78	923150 3354xx	IT	PeopleSoft	2,485,838 [2]
79				
80				
81				
82				
83				

Account	Roll Group Numbers	Roll Group Names	Vendor	Accounts Payable Amount
84	923150	444700 Consumer Services - Mkt Support	Phase One Project	184,600 nonrecurring
85	923300 various	Employee Relocation Payments		1,278,252 [3]
86	923000 226000, 339560, 220990, 460020	Legal, HR, Chairman, Energy Delivery	Porter Wright Morris	39,922
87	923150	335520 IT	Preferred Technology	148,068 [2]
88	923150 335300, 335140, 335220	IT	Prima Consulting	143,479 [2]
89	923150 781210 & 783020	Fossil and Power Engineering	Primavera	154,015 [2]
90	923150	781210 Fossil	Project Controls	176,009 [2]
91	923150	335 IT	Protech Group	822,184 [2]
92	923150	335 IT	Quick Solutions	722,284 [2]
93	923150	335 IT	RHI Consulting	206,181 [2]
94	923300 335 & 333	IT & Accounting	Robert Half	470,830 [4]
95	923300 444400, 444730, 444410	Consumer Services	Sales Mgmt Systems	328,013 [3]
96	923150	335380 IT	Sanwa Business	370,125 [2]
97	923150	335 IT	Sarcom	1,384,817 [2]
98	923110	227000 Nuclear	SE Technologies	510,112
99	923300	444210 Consumer Services	Shaffer Sherman Sperry	185,697 [3]
100	923150	444700 Consumer Services	Siebel Systems	826,369 nonrecurring
101	923150 464000, 464430, 335510	Transmission & IT	Small World Systems	119,872 nonrecurring
102	923150	335450 IT	Software AG	219,378 [2]
103	923150	335 IT	Software Architects	367,103 [2]
104	923150	335 IT	Software Support Group	963,872 [2]
105	923300	339 HR	Spencer Stuart	131,931 [3]
106	923150	335 IT	SSG	480,068 [2]
107	923000	336000 Tax	Stephoe & Johnson	74,243
108	923150 335 and various	IT and various	Sterling Commerce	780,770 [2]
109	923000 226030, 444600, 220990	Legal, Chairman and Consumer Services	Stiles & Harbison	7,115
110	923150	335 IT	Strategic Research	1,067,039 [2]
111	923300 444810, 444210, 444400	Consumer Services	S4 Consulting	127,984 [3]
112	923150	335320 IT	Tangram Ent	266,852 [2]
113	923150 335150 & 335320	IT	Technate	168,242 [2]
114	923150 335420, 339000, 339210	IT & HR	Tesseract	103,697 [2]
115	923150	335 IT	Thomas Glover	233,041 [2]
116	923150	332010 Accounting	Useritech	263,060 [2]
117	923150	781210 Fossil	Vinkad Svcs	181,838 [2]
118	923300	339060 HR	Workforce Transform	193,200 nonrecurring
119	923150 & 923300	444210, 444510	Xenergy	112,080 [2] [3]
120				58,411,326

Addition From Mark McCullough IT-Consulting ~~XXXXXXXXXXXX~~ \$1,535,000 [2]

[1] Engineering \$138.4K
 [2] Consulting -IT \$38,381K
 [3] Consulting Non-IT \$6,354K
 [4] Finance & Acctng \$1,364.2K

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(3) Consulting - \$ 3,587K

Contract Labor and Professional Services	Group Incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Ausr	Instr/Co/ Not Included	Contract Services	Legal	
210 Contract Labor General	Trans & Generation Company Unallocated Distribution (Not Contract or Prof. Svcs. Inter-city Reel 130 TEG Enterprises Nuclear 0 PRC Engineering Henry, Robert Co Dodson Lindholm New River Electrical Ultra Corp Delcoba & Touche Weatherhouse Electric Pisnel Energy Delivery Support Generation Distribution Harris & Heivener Electrical Construction Stackhouse Inc Elliot, David H New River Electric Less Share of Spom Less Share of Cardinal Less Share of Rodport All other, incl. Share of j pits	Pisa, Floyd Boudry, R H Inc Darnert Contractors Citrus & Chemical Bank Inter-city Reel 130 TEG Enterprises Underwater Const 0 PRC Engineering Henry, Robert Co Dodson Lindholm New River Electrical Ultra Corp Delcoba & Touche Weatherhouse Electric Pisnel Energy Delivery Support Generation Distribution Harris & Heivener Electrical Construction Stackhouse Inc Elliot, David H New River Electric Less Share of Spom Less Share of Cardinal Less Share of Rodport All other, incl. Share of j pits	6,310,664 4,824,702 728,614 7,066,968 610,461 513,179 307,438 353,718 482,768 308,507 5,361,320 208,290 34,000 900,000 594,353 190,000 209,332 1,001,444 3,265,295 21,138,052 1,830,221 6,523,708 82,438,278	7,066,968 610,461 307,438 353,718 482,768 308,507 5,361,320 208,290 34,000 900,000 594,353 190,000 209,332 1,001,444 3,265,295 21,138,052 1,830,221										
211 Routine Maintenance	Generation Fossil Fossil Fossil Fossil Generation	JTM Industries I Cardinal Plant Costs Spom Plant Costs Amos Plant Costs Gheena, Barbara Babcock & Wilcox Unidentified Less billing to CCD partners Less Share of Amos Less Share of Spom Less Share of Cardinal Less Share of Rodport All other, incl. Share of j pits	361,093 344,655 69,877 269,478 254,716 672,221									361,093 344,655 69,877 269,478 254,716 672,221		
212 Contract Maintenance	Fossil Fossil Generation Nuclear Nuclear	Unidentified Babcock & Wilcox ABB C-E Services Inc Underwater Const Citrus & Chemical Unpaid Liability Amos Plant Costs Cardinal Plant Costs Spom Plant Costs Everfish Corp Universal Inc Williams Logge Williams Power Williams UB Serv	6,169,198 6,328,329 4,105,049 274,005 8,144,178 4,785,485 290,422 301,814 321,789 2,118,786 263,090 1,001,574 2,041,054 2,711,733						274,005 8,144,178 4,785,485			6,169,198 6,328,329 4,105,049 274,005 8,144,178 4,785,485 290,422 301,814 321,789 2,118,786 263,090 1,001,574 2,041,054 2,711,733		
211 Total Contract Lab Gen			6,523,708 82,438,278									6,523,708		

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Contract Labor and Professional Services	Group Incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	Not Included	Contract Services	Legal
Cost Component	Fossil	Industrial Center	3,278,820									3,278,820	
		Less Billing to CCD partners											
		Less Share of Amos											
		Less Share of Sporn											
		Less Share of Cardinal											
		Less Share of Rockport											
		All other, Incl. Share of Jt pits											
212 Total Contract Maint.			<u>3,357,447</u>									3,357,447	
			<u>44,814,687</u>										
213 Other Contract Labor - Plants	Company Unallocated	Undetermined	7,750,222				[5] 7,750,222					505,987	
	Fossil	Abraxa Environ	505,987										
	Fossil	Aluma Systems USA	630,436										
	Fossil	Altra Scarf	525,812										
	Fossil	M P W Industrial BE	1,809,329										
	Fossil	MIS Ent Gen ACG Dlx	330,256										
	Fossil	Power Maintenance Inc	1,670,962										
	Fossil	Universal Inc	873,045										
	Fossil	DB Riley	611,680										
	Fossil	Robinson Fans BE	204,850										
	Fossil	Storve, Alan Co	254,846										
	Fossil	Safeway Steel Sca	815,391										
	Fossil	Cardinal Pk Costs	812,363										
	Fossil	Hamilton, Geo	737,450										
	Fossil	Power Maintenance Inc											
	Fossil	A C & B Inc	818,065										
	Fossil	Hydrochem In	186,566										
	Fossil	Sporn Plant Costs	807,001										
	Fossil	Wackerhut Co	222,661										
	Fossil	Walker, Cad	245,782										
	Fossil	Industrial S	353,285										
	Fossil	Master Mechanic	611,979										
	Fossil	Williams Nitro	482,792										
	Fossil	3 Marley Cooling	366,749						672,768				
	Nuclear	Liberty Technical	672,768						887,179				
	Nuclear	General Electric	887,179						7,896,645				
	Fossil	Williams Leggs	390,890						712,914				
	Nuclear	Francisoma Techno	7,896,645						3,874,412				
	Nuclear	Bechtel Power Co	712,914										
	Nuclear	Unpaid Liability	3,874,412										
	Fossil	Rec Utilty Milant BS PL	407,450										
	Fossil	Superior Electric	357,891										
	Fossil	Luburgh Inc	433,789										
	Fossil	Brown Electric	480,451										
	Fossil	Prime Insulation	766,979										
	Fossil	Global Power	1,843,672										
	Fossil	Westinghouse Elect	1,877,576										
	Fossil, Nuclear	JTM Industries I	523,097										
	Fossil	Prediction	336,686										
	Fossil	Less Billing to CCD Partners											
	Fossil	Less Share of Amos											
	Fossil	Less Share of Sporn											
	Fossil	Less Share of Cardinal											
	Fossil	Less Share of Rockport											
	Fossil	All other, Incl. Share of Jt pits											
213 Total Other - Pits			<u>7,541,334</u>									7,341,334	
			<u>49,630,558</u>										
214 Outside Shop Svcs -Pit	Fossil	Amos Plant Costs	165,206										
	Fossil	Sporn Plant Costs	402,124										
	Fossil	Westinghouse	464,922										
	Nuclear, Fossil	Less Billing to CCD Partners											
	Fossil	Less Share of Amos											
									232,281				

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Contract Labor and Professional Services	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	Not Included	InterCaf	Contract Services	Legal
Cost Component	Group Incurring charge	Vendor	Total								
214 Total Out. Shop Svcs	Fossil	Less Shares of Spoom Less Shares of Cardinal Less Shares of Rodport All other, Incl. Share of J. pils	4,710,650 5,030,529							4,710,650	
215 Centr. Pfl Maint		all others	27,468							27,468	
216 Central Machine Shop	Group Incurring charge	Vendor	Total								
	Fossil	Unidentified	240,655							240,655	
	Fossil	Amos Plant Costs	355,781							355,781	
	Fossil	Cardinal Plant Costs	436,614							436,614	
	Nuclear, Fossil	Spoom Plant Costs	4,173,402		2,086,701					2,086,701	
	Fossil	Appalachian Power Co	-								
		CMS Clearing	2,078,279							2,078,279	
		Less Billing to CCD Partners	-								
		Less Shares of Amos	-								
		Less Shares of Spoom	-								
		Less Shares of Cardinal	-								
		Less Shares of Rodport	-								
		All other, Incl. Share of J. pils	1,236,336							1,236,336	
216 Total Central M. Shop			13,981,373								
220 ?	Francis	Unidentified	236,900								
	Nuclear	Less Shares of Rodport	209,298							209,298	
		Amorize Piping Inc	946,577								
		at vendors below scope	1,357,765								
Total ?			17,878,754							17,878,754	
230 Right of Way Maint.	Dist & Trans	Nelson Tree Service	1,206,141							1,206,141	
	Fossil	Townsend Tree Se	355,991							355,991	
	Distribution	Environmental Co	978,579							978,579	
	Transmission	Barlett, F. A. TR	517,648							517,648	
	Distribution	Helicopter Maint -ME	6,039,284							6,039,284	
	Distribution & Bldg Svc	Asplunch Tree	-								
		Less Shares of Amos	-								
		Less Shares of Spoom	-								
		Less Shares of Cardinal	-								
		Less Shares of Rodport	-								
		All other, Incl. Share of J. pils	663,021							663,021	
230 Right of Way Maint.	Fossil & Disrb		28,172,940								
231 Tree & Brush	Company Unallocated	Unidentified	3,057,514							3,057,514	
	Distribution	Aerial Solutions	134,368							134,368	
	Distribution	Nelson Tree Service	2,410,293							2,410,293	
	Dist & Gen	Barlett, F. A.	6,042,829							6,042,829	
	Bldg Svc, Trn, Foss	Asplunch Tree	2,622,804							2,622,804	
	Gen, Bldg Svc	Trees, Inc.	-								
		Less Shares of Amos	-								
		Less Shares of Spoom	-								
		Less Shares of Cardinal	-								
		Less Shares of Rodport	-								
		All other, Incl. Share of J. pils	3,308,376							3,308,376	
231 Total Tree & Brush			35,749,530								

[4] 236,900
[5] 946,577

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Cost Component	Group incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	Not Included	Contract Services	Legal
232 Aerial Spraying			58,491									58,491	
240 ?	Nuclear	Appalachian Power Co Less Share of Rockport Unidentified at vendors below scope	323,270				[5] 24,339		323,270				
	Nuclear		225,126						225,126				
			24,339										
			<u>585,277</u>										
250 ?	Nuclear	ABB Power Generation Less Share of Rockport all other	(204,695)				[5] (204,695)						
			<u>1,401,601</u>										
200 Professional Svcs	Group incurring charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	Not Included	Contract Services	Legal
	Company Unallocated	Unidentified	1,602,102	(2) 1,602,102			[5] 140,432					(908,090)	
	State Administrative	Bellard, Perry Advertising	140,432										
	Nuclear	Westinghouse	308,090	(6) 272,559					308,090				
	Other		272,559										
	Transmission	Edwards & Assoc.	121,866	(1) 121,866									
	Distribution	Credit Bureau of Co	138,987										
	9959, Acct Dept	Deloitte & Touche	801,204						501,204			139,624	
	Company Unallocated	Merial Management I	139,624										
	Company Unallocated	Ohio Power	289,053	(1) 289,053									
	Other	Deloitte & Touche	449,892										
	Other	Ext. Acct Fees	365,500										
	Transmission	Cambridge Assoc	238,600	(1) 238,600									
	Transmission	Webb Electric	190,000	(1) 190,000									
	Other	AEPSC?????????	87,168								87,168		
		Less Billings to CCD Partners											
		Less Share of Amos											
		Less Share of Spoom											
		Less Share of Cardinal											
		Less Share of Rockport											
		All other, Incl. Share of Jt pts	2,813,702	(1) 1,458,881	(2) 1,458,881								
			<u>7,719,878</u>										
201 Medical Prof Svcs	Fossil & other, HR	Less Share of Rockport All other, Incl. Share of Jt pts Total	1,968,198									1,968,198	
202 Legal Svcs (Use Jeff Cross Supplied Numbers)	Other Legal Legal Legal, Unallocated Other, Legal, Fossil Finance Legal Legal Other Other Company Unallocated Other	Hunton & Williams Leibov/Lamb, Greene & Porter, Wright, Morris & Arth Robinson & McInnes Deloitte & Touche Baker & Daniels Reed, Smith, Shaw & M Shannon Teascher Shapiro & Johnson Stites & Harbison Woods, Rogers & Hitzelgr Less Billings to CCD Partners Less Share of Amos Less Share of Spoom Less Share of Cardinal Less Share of Rockport All other, Incl. Share of Jt pts	1,418,515										
			643,065										
			353,928										
			17,000										
			122,891										
			109,628										
			403,410										
			785,813										
			187,497										
			405,071										
			<u>3,698,313</u>										
			<u>8,294,739</u>										

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Cost Component	Group Incurring Charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	Not Included	InterCol	Contract Services	Legal	
270 7	Fleet Mgmtg Distb, Trans, Nuclear	Unidentified all other	481,371 255,917 <u>717,288</u>										255,917		
Total 7															
280 7	Nuclear	Balance of Milestone 2 0 City of South Haven Babcock & Wilcox Milestone no. 3 Milestone Pmt 2 Milestone Pmt 1 Less Share of Rodport 0 TRSF all other	2,188,200 1,049,111 3,225,000 2,742,600 280,000 198,000 201,683 <u>(28,388)</u> <u>9,848,780</u>						2,188,200 1,049,111 3,225,000 2,742,600 280,000 198,000 201,683						
Total 7															

(5) (28,388)

Cost Component	Group Incurring Charge	Vendor	Total	Engineering	Consulting	IT Consulting	F&A	Other	Nuclear	Audit	Not Included	InterCol	Contract Services	Legal
290 Other OS services gen	Company Unallocated	unidentified	13,923,896	(1) 3,480,899	(2) 3,480,899		(5) 3,480,899						3,480,899	
	Transmission	Altkor, Fisher & Asso	135,000	(1) 135,000										
	Transmission	ABB Power	180,413	(1) 180,413										
	not listed	AD Mail Direct	124,785										473,107	
	Fossil	Appalachian Power Co.	473,107										395,373	
	Energy Del. Support	Aspact Telecommunication	125,003											
	Bld. Svcs	Barous Co. Inc	395,373											
	Distribution	Central Locating BE	1,028,364	(1) 1,028,364										
	Distribution	COAD Energy Progra.	208,914	(1) 208,914										
	Fossil	Computational System	174,899			(3) 174,899				408,594				
	Accounting, Finance	Decolta & Touche	408,594											
	Fossil	Gurite Construction	133,914											
	Company Unallocated	Henkels & McCoy Inc	126,139										170,494	
	Company Unallocated	In-Plant Techniques	435,887										1,893,571	
	Fleet Management	International Bush	170,494										101,617	
	Fossil	Luburgh Inc	1,893,571											
	Fossil	Hunter Tree Service	101,617											
	Distribution	Huntington National	224,729									190,000		
	Distribution	Electric Power Resu	190,000										2,708,824	
	Fossil	JTM Industries I	2,708,824											
	State Admin Support	Metroweb Corp	108,125										540,897	
	Company Unallocated	Mid American Clearing	840,897										891,358	
	Bld. Svcs	Morris Office Equip	801,358										258,890	
	Fossil	Murray Sheet Metal	258,890											
	Bld. Svcs	Nelson Tree Service	347,902										347,902	
	Company Unallocated	Ohio Power Inc	427,474	(1) 427,474	(2) 133,586									
	State Admin Support	Ohio State University	133,586											
	Company Unallocated	OP. Cost Shared	713,064											
	Distribution	Payco American Corp	238,180											
	Bld. Svcs	Princeton Security	480,407										480,407	
	Fossil	Power Maintenance	104,261											
	Bld. Svcs	Proffica	658,698											
	Bld. Svcs	Stockmaster Enterp	158,463											
	Fossil	Superior Electric	691,248											
	Company Unallocated	Synergistic Design	395,199											
	Distribution	Team America Inc	395,199											

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Contract Services	Legal	InterCof	Audit	Not Included	Nuclear	Other	F&A	Engineering	Consulting	IT Consulting	Total	Vendor
164,317								(2)	100,943		164,317	Tempo Help Inc
193,410											100,943	Twenty First Century
3,317,905											193,410	Universal Inc
		6,012,868									3,317,905	Wesam Construction
											6,012,868	Westinghouse Electric
											128,738	Westinghouse Electric
								(1)	222,644		222,644	Westinghouse Electric
											116,921	Westinghouse Electric
											478,107	Westinghouse Electric
											1,255,061	Westinghouse Electric
											290,003	Westinghouse Electric
											142,931	Westinghouse Electric
											351,464	Westinghouse Electric
											1,404,694	Westinghouse Electric
											812,252	Westinghouse Electric
											199,278	Westinghouse Electric
											226,941	Westinghouse Electric
											199,632	Westinghouse Electric
											100,219	Westinghouse Electric
											435,677	Westinghouse Electric
											149,315	Westinghouse Electric
											130,681	Westinghouse Electric
											378,436	Westinghouse Electric
											170,304	Westinghouse Electric
											126,578	Westinghouse Electric
											146,271	Westinghouse Electric
											216,578	Westinghouse Electric
											147,901	Westinghouse Electric
											107,252	Westinghouse Electric
											207,641	Westinghouse Electric
											311,059	Westinghouse Electric
											9,291,398	Westinghouse Electric
											3,993,748	Westinghouse Electric
											529,863	Westinghouse Electric
											378,164	Westinghouse Electric
											132,677	Westinghouse Electric
											282,653	Westinghouse Electric
											906,569	Westinghouse Electric
											1,978,781	Westinghouse Electric
											231,934	Westinghouse Electric
											1,315,304	Westinghouse Electric
											187,239	Westinghouse Electric
											330,000	Westinghouse Electric
											130,546	Westinghouse Electric
											485,471	Westinghouse Electric
											736,970	Westinghouse Electric
											710,163	Westinghouse Electric
											469,648	Westinghouse Electric
											151,794	Westinghouse Electric
											184,637	Westinghouse Electric
											175,000	Westinghouse Electric
											176,000	Westinghouse Electric
											141,328	Westinghouse Electric
											179,636	Westinghouse Electric
											169,291	Westinghouse Electric
											114,967	Westinghouse Electric
											108,127	Westinghouse Electric
											151,635	Westinghouse Electric
											101,632	Westinghouse Electric
											270,981	Westinghouse Electric
											667,696	Westinghouse Electric
											335,033	Westinghouse Electric
											1,113,092	Westinghouse Electric

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| Contract Labor and Professional Services | Group Incurring charge | Vendor                           | Total              | Engineering   | Consulting    | IT Consulting | F&A           | Other      | Nuclear    | Audit     | InterCof/ Not Included | Contract Services | Legal |
|------------------------------------------|------------------------|----------------------------------|--------------------|---------------|---------------|---------------|---------------|------------|------------|-----------|------------------------|-------------------|-------|
| Cost Component                           | Fossil                 | MP/W Indust                      |                    |               |               |               |               |            |            |           |                        | 209,454           |       |
|                                          | Nuclear                | State of Michigan                | 133,200            |               |               |               |               |            | 133,200    |           |                        |                   |       |
|                                          | Nuclear                | Chem-Nuclear Sys                 | 2,100,305          |               |               |               |               |            | 2,100,305  |           |                        |                   |       |
|                                          | Nuclear                | Wolman Metal Tec                 | 436,026            |               |               |               |               |            | 436,026    |           |                        |                   |       |
|                                          | Nuclear                | Acctg & Distribution             | 180,039            |               |               |               |               |            |            |           |                        |                   |       |
|                                          |                        | Flexible Pwr                     |                    | [2] 190,039   |               |               |               |            |            |           |                        |                   |       |
|                                          |                        | Less Billing to COCD Partners    |                    |               |               |               |               |            |            |           |                        |                   |       |
|                                          |                        | Less Share of Amos               |                    |               |               |               |               |            |            |           |                        |                   |       |
|                                          |                        | Less Share of Spoom              |                    |               |               |               |               |            |            |           |                        |                   |       |
|                                          |                        | Less Share of Cardinal           |                    |               |               |               |               |            |            |           |                        |                   |       |
|                                          |                        | Less Share of Rockport           |                    |               |               |               |               |            |            |           |                        |                   |       |
|                                          |                        | All other, incl. Share of J pits | 32,800,358         | [1] 3,280,038 | [2] 3,280,038 | [3] 3,280,038 | [5] 3,280,038 |            |            |           | 19,680,215             |                   |       |
|                                          |                        |                                  | <u>108,750,185</u> |               |               |               |               |            |            |           |                        |                   |       |
| 290 Total Other OS areas genl            |                        |                                  |                    |               |               |               |               |            |            |           |                        |                   |       |
| 292 Maintenance Agreement                |                        | all other                        | 1,094,351          |               |               |               |               |            |            |           |                        |                   |       |
| 292 Total Maintenance Agree              |                        |                                  | <u>1,094,351</u>   |               |               |               |               |            |            |           |                        |                   |       |
| TOTALS                                   |                        |                                  |                    | 12,317,724    | 12,918,644    | 3,587,212     | 270,990       | 20,451,100 | 61,874,802 | 1,742,190 | 36,676,118             | 210,603,028       |       |

AEP Op Co Professional Services:

- [1] Engineering \$12,318K
- [2] Non-IT Consulting \$12,920K
- [3] IT Consulting \$3,587K
- [4] Finance & Acctg \$271K
- [5] Other \$20,451K

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| Company                                           | Legal         | Audit/Tax    | Finance & Accounting | Consulting-IT | Consulting-Non IT | Engineering Services | Other        | Total          |
|---------------------------------------------------|---------------|--------------|----------------------|---------------|-------------------|----------------------|--------------|----------------|
|                                                   |               |              |                      |               |                   |                      |              |                |
| Central and South West Corporation                |               |              |                      |               |                   |                      |              |                |
| 1997 Professional Services Breakdown              |               |              |                      |               |                   |                      |              |                |
| CSW Services                                      | 13,203,390.00 | 627,853.00   | 1,131,042.00         | 3,333,070.00  | 6,685,328.00      | 879,831.00           | 374,740.00   | 26,235,254.00  |
| Non-reg                                           | 2,434,371.00  | 0.00         | 0.00                 | 0.00          | 2,688,000.00      | 339,000.00           | 1,715,053.00 | 7,176,424.00   |
| CPL                                               | 1,422,856.00  | 142,032.00   | 137,586.00           | 76,016.00     | 506,007.00        | 1,714,698.00         | 293.00       | 3,999,488.00   |
| PSO                                               | 1,285,605.00  | 115,606.00   | 0.00                 | 24,028.00     | 107,376.00        | 1,717.00             | 188,024.00   | 1,722,356.00   |
| SWPECO                                            | 330,980.00    | 111,237.00   | 0.00                 | 200.00        | 8,658.00          | 46,049.00            | 70,993.00    | 568,117.00     |
| WTU                                               | 59,423.00     | 87,769.00    | 0.00                 | 0.00          | 9,027.00          | 4,620.00             | 0.00         | 160,839.00     |
|                                                   | 18,736,625.00 | 1,084,497.00 | 1,268,628.00         | 3,433,314.00  | 10,004,396.00     | 2,985,915.00         | 2,349,103.00 | 39,862,478.00  |
| Less Consulting IT                                |               |              |                      |               |                   |                      |              | (3,433,314.00) |
| Net Professional Services excluding Consulting-IT |               |              |                      |               |                   |                      |              | 36,429,164.00  |

Consulting Non-IT Detail

|                   | <u>AEP</u> |            | <u>CSW</u> |            | <u>Combined</u> |
|-------------------|------------|------------|------------|------------|-----------------|
|                   | 1996       | 1997       | 1996       | 1997       | 1997            |
| Service Company   | 11,892 (1) | 5,817 (2)  | 21,579 (1) | 9,373      | 15,191          |
| Operating Company | N/A        | 18,091 (3) | N/A        | 631        | 18,722          |
| Total             | 11,892     | 23,909     | 21,579     | 10,004 (4) | 33,913          |

Notes/Sources:

- (1) 1996 U-13-60
- (2) 1997 AEP Service Co. Analysis
- (3) 1997 AEP OpCo Analysis; Includes \$7,374.7K in Non-Regulatory Fees
- (4) 1997 CSW Analysis

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AEP SERVICE Co. PROFESSIONAL SERVICES  
 (3) Consulting Mm-IT \$6,354K

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AEPSC

|    | Account                                         | Roll Group Numbers | Roll Group Names                        | Vendor                 | Accounts Payable Amount            |
|----|-------------------------------------------------|--------------------|-----------------------------------------|------------------------|------------------------------------|
| 1  | 923150                                          |                    | 335 IT                                  | A C Coy                | 170,240 [2]                        |
| 2  | 923150                                          |                    | 335 IT                                  | Index Research         | 157,121 [2]                        |
| 3  | 923150 552 & 440                                |                    | System Power Mkts & System Ops          | ABB                    | 371,813 [2]                        |
| 4  | 923150 552, 440, 224                            |                    | Sys. Pwr Mkts, Pwr Mktg & Sys Ops       | ABB Power              | 638,015 [2]                        |
| 5  | 923300 225, 332, 333, 781                       |                    | Acctg, Outage Mgmt                      | Accountemps            | 116,777 [4]                        |
| 6  | 923150                                          |                    | 335 IT                                  | Adventis               | 108,871 [2]                        |
| 7  | 923150                                          |                    | 335 IT                                  | AIC                    | 420,277 [2]                        |
| 8  | 923150                                          |                    | 335 IT                                  | America Registry       | 2,152,098 [2]                      |
| 9  | 923150                                          |                    | 335 IT                                  | Analysts International | 240,642 [2]                        |
| 10 | 923150                                          |                    | 335 IT                                  | Andersen Consulting    | 363,872 non-recurring              |
| 11 | 923150                                          |                    | 335 IT                                  | Applied Performance    | 168,690 [2]                        |
| 12 | 923300                                          |                    | 460 EVP - Energy Delivery               | Arrington Group        | 106,468 non-recurring              |
| 13 | 923150 335, 460, 448 & others                   |                    | various                                 | ASAP Software          | 1,595,620 [2]                      |
| 14 | 923300                                          |                    | 333 Accts Pay                           | BancTec                | 187,154 [4]                        |
| 15 | 923300                                          |                    | 444 Consumer Services                   | BBJ Marketing          | 179,700 [3]                        |
| 16 | 923150                                          |                    | 335 IT                                  | C W Costello           | 324,610 [2]                        |
| 17 | 923150                                          |                    | 335 IT                                  | Candle Corp            | 691,300 [2]                        |
| 18 | 923150                                          |                    | 335 IT                                  | CAP Gemini             | 903,188 [2]                        |
| 19 | 923300 464, 787, 788, 465                       |                    | T & D, RSO                              | C D I                  | 702,871 [3]                        |
| 20 | 923150                                          |                    | 440 System Ops                          | CEGELEC                | 145,698 non-recurring              |
| 21 | 923110                                          |                    | 781 Fossil                              | Charles Rose           | 104,821 [1]                        |
| 22 | 923300                                          |                    | 781 Fossil                              | Charles Rose           | 38,885 [3]                         |
| 23 | 923150                                          |                    | 335 IT                                  | Claremont              | 1,247,476 [2]                      |
| 24 | 923300                                          |                    | 331 CP&B                                | Clean Air Capital Mkt  | 124,600 [4]                        |
| 25 | 923300                                          |                    | 337 Corporate Services                  | Commercial Movers      | 111,333 [3]                        |
| 26 | 923150                                          |                    | 335 IT                                  | Computer People        | 4,540,378 [2]                      |
| 27 | 923150                                          |                    | 335 IT                                  | Computware             | 1,527,484 [2]                      |
| 28 | 923150                                          |                    | 444.7 Consumer Services                 | Consulting Fee         | 184,750 non-recurring              |
| 29 | 923150                                          |                    | 335 IT                                  | Costello               | 225,210 [2]                        |
| 30 | 923150 335, 460                                 |                    | IT and Energy Delivery                  | Crowe Chizek           | 120,768 [2]                        |
| 31 | 923150                                          |                    | 335.52 IT                               | CSC                    | 5,454,024 non-recurring            |
| 32 | 923150                                          |                    | 335.21 IT                               | CSC/Index              | 251,829 non-recurring              |
| 33 | 923300 various                                  |                    | various                                 | Dawson Personnel       | 114,240 [3]                        |
| 34 | 923300                                          |                    | 339 HR                                  | DDI Customer Service   | 158,572 [3]                        |
| 35 | 923300 466430, 785700                           |                    | Energy Delivery & Fossil Support        | Decision Support       | 348,607 non-recurring              |
| 36 | 923300 336, 332130, 336, 551, 222               |                    | Acct, Tax, Finance & Dereg              | Deloitte & Touche      | 249,701 \$10,315(dereg) [4]        |
| 37 | 923150                                          |                    | 335320 IT                               | Diversified So         | 100,267 [2]                        |
| 38 | 923150 335450, 335520                           |                    | IT                                      | DP Initiatives Inc     | 252,101 [2]                        |
| 39 | 923150                                          |                    | 781210 Fossil                           | EA Systems             | 119,759 [2]                        |
| 40 | 923300                                          |                    | 784 Environmental Services              | EI                     | 98,767                             |
| 41 | 923300 various pg 188                           |                    | various                                 | EPRI                   | 215,250                            |
| 42 | 923150                                          |                    | 335 IT                                  | Everest Data Resear    | 252,138 [2]                        |
| 43 | 923150                                          |                    | 335450 IT                               | Excel Partners         | 136,088 [2]                        |
| 44 | 923300                                          |                    | 783020 Power Gen IT                     | Franklin Comp          | 291,689 [3]                        |
| 45 | 923300                                          |                    | 335300 IT                               | Gartner                | 131,160 [1]                        |
| 46 | 923300 464530, 227000                           |                    | Transmission & nuclear                  | General Research       | 212,003 [3]                        |
| 47 | 923150                                          |                    | 335520 IT                               | Grosh Consulting       | 427,638 [2]                        |
| 48 | 923150                                          |                    | 335 IT                                  | IBM                    | 2,682,565 thru 2000 only           |
| 49 | 923300                                          |                    | 335350 IT                               | IBS                    | 622,387 [3]                        |
| 50 | 923150                                          |                    | 335 IT                                  | Indecon                | 1,825,598 [2]                      |
| 51 | 923150                                          |                    | 335 IT                                  | Index Research         | 1,050,183 [2]                      |
| 52 | 923150 & 923300 335 & 552200                    |                    | IT & System Power Mkts                  | Information Bul        | 112,288 non-recurring              |
| 53 | 923150                                          |                    | 335140 IT                               | Information Industries | 258,881 [2]                        |
| 54 | 923150                                          |                    | 335 IT                                  | Interactive Business   | 151,892 [2]                        |
| 55 | 923300 335320, 335420, 335530                   |                    | IT                                      | International Business | 104,895 [3]                        |
| 56 | 923300 335000, 335520                           |                    | IT                                      | Keane                  | 117,800 non-recurring              |
| 57 | 923 - 110, 150, 300 465120, 335, 466130, 464510 |                    | T & D and delivery support              | Linesoft               | 654,223 \$520000 non r [1] [2] [3] |
| 58 | 923150 335510, 335530                           |                    | IT                                      | Manifest Solutions     | 317,921 [2]                        |
| 59 | 923150                                          |                    | 444700 Consumer Services - Mkt Support  | Maintenance Agree      | 575,734 \$275,000 non r [2]        |
| 60 | 923300                                          |                    | 444510 Consumer Services - Mkt Research | Market Strategies      | 238,878 [3]                        |
| 61 | 923300                                          |                    | 337200 Food Services                    | Marriott               | 133,151 [3]                        |
| 62 | 923150                                          |                    | 335 IT                                  | Mastech                | 127,045 [2]                        |
| 63 | 923150                                          |                    | 335 IT                                  | Madm Group             | 493,523 [2]                        |
| 64 | 923300                                          |                    | 335 IT                                  | Madmaxion              | 1,060,890 [3]                      |
| 65 | 923150 445400, 444620, 338000                   |                    | Procurement, Consumer Svc, Corp. Comm.  | MC 2                   | 113,070 non-recurring              |
| 66 | 923300                                          |                    | 480000 Energy Delivery & Fossil Support | Mercer Management      | 405,809 non-recurring              |
| 67 | 923300                                          |                    | 220000 Chelkman                         | Mercer Management      | 228,920 non-recurring              |
| 68 | 923150                                          |                    | 335150 IT                               | Mobius                 | 439,965 [2]                        |

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|    |                                    |                              |                   |                      |
|----|------------------------------------|------------------------------|-------------------|----------------------|
| 69 | 923150 335, 331                    | IT & CP&B                    | Newcourt          | 863,914 [2]          |
| 70 | 923150 335, 444700, 781210, 444720 | IT, Consumer Svc & Fossil    | Newmedia          | 993,449 [2]          |
| 71 | 923150 335380& 335320              | IT                           | Novedigm          | 243,760 [2]          |
| 72 | 923150 335530 & 335470             | IT                           | Novatec           | 104,880 [2]          |
| 73 | 923300 339060, 444730 & others     | HR, Consumer Svcs and others | Ohio State Univ   | 407,243 [3]          |
| 74 | 923150                             | 335380 IT                    | Oracle            | 697,101 [2]          |
| 75 | 923150 652110 & 552220             | System Power Mktgs           | Oracle            | 85,905 non-recurring |
| 76 | 923150                             | 335 IT                       | Origin Technology | 136,839 [2]          |
| 77 | 923150                             | 335 IT                       | Paros             | 150,115 [2]          |
| 78 | 923150 3354xx                      | IT                           | PeopleSoft        | 2,485,838 [2]        |

| Account | Roll Group Numbers                    | Roll Group Names                       | Vendor                 | Accounts Payable Amount |
|---------|---------------------------------------|----------------------------------------|------------------------|-------------------------|
| 86      | 923150                                | 444700 Consumer Services - Mid Support | Phase One Project      | 184,600 nonrecurring    |
| 87      | 923300 various                        | Employee Relocation Payments           |                        | 1,278,252 [3]           |
| 88      | 923000 226000, 339560, 220990, 460020 | Legal, HR, Chairman, Energy Delivery   | Porter Wright Morris   | 39,922                  |
| 89      | 923150                                | 335520 IT                              | Preferred Technology   | 148,098 [2]             |
| 90      | 923150 335300, 335140, 335220         | IT                                     | Prima Consulting       | 143,479 [2]             |
| 91      | 923150 781210 & 783020                | Fossil and Power Engineering           | Primavera              | 154,015 [2]             |
| 92      | 923150                                | 781210 Fossil                          | Project Controls       | 176,009 [2]             |
| 93      | 923150                                | 335 IT                                 | Protech Group          | 822,184 [2]             |
| 94      | 923150                                | 335 IT                                 | Quick Solutions        | 722,284 [2]             |
| 95      | 923150                                | 335 IT                                 | RH Consulting          | 208,181 [2]             |
| 96      | 923300 335 & 333                      | IT & Accounting                        | Robert Half            | 470,830 [4]             |
| 97      | 923300 444400, 444730, 444410         | Consumer Services                      | Sales Mgmt Systems     | 328,013 [3]             |
| 98      | 923150                                | 335380 IT                              | Sarwa Business         | 370,125 [2]             |
| 99      | 923150                                | 335 IT                                 | Sarcom                 | 1,384,617 [2]           |
| 100     | 923110                                | 227000 Nuclear                         | SE Technologies        | 510,112                 |
| 101     | 923300                                | 444210 Consumer Services               | Shaffer Sherman Sperry | 185,697 [3]             |
| 102     | 923150                                | 444700 Consumer Services               | Siebel Systems         | 828,369 nonrecurring    |
| 103     | 923150 464000, 464430, 335510         | Transmission & IT                      | Small World Systems    | 119,872 nonrecurring    |
| 104     | 923150                                | 335450 IT                              | Software AG            | 219,378 [2]             |
| 105     | 923150                                | 335 IT                                 | Software Architects    | 367,103 [2]             |
| 106     | 923150                                | 335 IT                                 | Software Support Group | 963,872 [2]             |
| 107     | 923300                                | 339 HR                                 | Spencer Stuart         | 131,831 [3]             |
| 108     | 923150                                | 335 IT                                 | SSG                    | 460,066 [2]             |
| 109     | 923000                                | 336000 Tax                             | Staples & Johnson      | 74,243                  |
| 110     | 923150 335 and various                | IT and various                         | Sterling Commerce      | 780,770 [2]             |
| 111     | 923000 226030, 444600, 220990         | Legal, Chairman and Consumer Services  | Sites & harbison       | 7,115                   |
| 112     | 923150                                | 335 IT                                 | Strategic Research     | 1,087,039 [2]           |
| 113     | 923300 444610, 444210, 444400         | Consumer Services                      | S4 Consulting          | 127,964 [3]             |
| 114     | 923150                                | 335320 IT                              | Tangram Ent            | 286,852 [2]             |
| 115     | 923150 335150 & 335320                | IT                                     | Techmate               | 168,242 [2]             |
| 116     | 923150 335420, 339000, 339210         | IT & HR                                | Tesseract              | 103,597 [2]             |
| 117     | 923150                                | 335 IT                                 | Thomas Glover          | 233,041 [2]             |
| 118     | 923150                                | 332010 Accounting                      | Usertech               | 263,060 [2]             |
| 119     | 923150                                | 781210 Fossil                          | Vinkad Svcs            | 181,838 [2]             |
| 120     | 923300                                | 339060 HR                              | Worldcor Transform     | 193,200 nonrecurring    |
| 121     | 923150 & 923300 444210, 444510        | Consumer Services                      | Xenergy                | 112,080 [2] [3]         |
|         |                                       |                                        |                        | 68,411,328              |

Addition From Mark McCullough IT-Consulting ~~XXXXXXXXXXXX~~ \$1,535,000 [2]

- [1] Engineering \$138.4K
- [2] Consulting -IT \$38,381K
- [3] Consulting Non-IT \$6,354K
- [4] Finance & Acctng \$1,364.2K

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[2] Consulting Nm-IT \$12,920K

| Contract Labor and Professional Services | Group Incurring charge                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Vendor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Total                                                                                                                                                                                                                                                                          | Engineering | Consulting | IT Consulting | FLA | Other      | Nuclear | AudR    | Not Included | Contract Services                                                                                                                                                                                                                                                | Legal |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------|---------------|-----|------------|---------|---------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 210 Contract Labor General               | Trans & Generation Company Unallocated Distribution (Not Contract or Prof. Svcs. Inter-city Reak (Not Contract or Prof. Svcs. 150 TEQ Enterprises Underwater Const 0 PRC Engineering Henry, Robert Co Dodson Libbom New River Electrical URB Corp Delcote & Touchs Westinghouse Electric Fishel Gurite Construction Harris & Heavener Electrical Construction Stockhouse Inc Eltek, Davis H unidentified New River Electric Less Share of Amos Less Share of Sporn Less Share of Cardinal Less Share of Rodport All other, Incl. Share of J. pts | Phis, Floyd Bouligny, R H Inc Darbert Contractors Chus & Chemical Bank Inter-city Reak TEQ Enterprises Underwater Const 0 PRC Engineering Henry, Robert Co Dodson Libbom New River Electrical URB Corp Delcote & Touchs Westinghouse Electric Fishel Gurite Construction Harris & Heavener Electrical Construction Stockhouse Inc Eltek, Davis H unidentified New River Electric Less Share of Amos Less Share of Sporn Less Share of Cardinal Less Share of Rodport All other, Incl. Share of J. pts | 6,310,694<br>4,524,702<br>720,614<br>7,066,968<br>610,481<br>613,179<br>307,438<br>353,718<br>482,788<br>306,507<br>5,351,320<br>209,290<br>34,000<br>900,000<br>694,533<br>190,000<br>209,332<br>1,001,444<br>3,295,295<br>21,138,082<br>1,530,221<br>6,523,709<br>62,488,278 | 353,718 (1) |            |               |     | 34,000 (4) |         | 307,438 |              | 6,310,694<br>4,524,702<br>720,614<br>7,066,968<br>610,481<br>613,179<br>307,438<br>353,718<br>482,788<br>306,507<br>5,351,320<br>209,290<br>34,000<br>900,000<br>694,533<br>190,000<br>209,332<br>1,001,444<br>3,295,295<br>21,138,082<br>1,530,221<br>6,523,709 |       |
| 211 Routine Maintenance                  | Generation Fossil Fossil Fossil Fossil Fossil Generation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | JTM Industries I Cardinal Plant Costs Sporn Plant Costs Amos Plant Costs Cheems, Barbara Babcock & Wilcox Unidentified Less billing to CCO partners Less Share of Sporn Less Share of Cardinal Less Share of Rodport All other, Incl. Share of J. pts                                                                                                                                                                                                                                                 | 361,093<br>344,555<br>59,877<br>269,479<br>254,716<br>872,221<br>5,673,141<br>7,923,499                                                                                                                                                                                        |             |            |               |     |            |         |         |              | 361,093<br>344,555<br>59,877<br>269,479<br>254,716<br>872,221<br>5,673,141<br>7,923,499                                                                                                                                                                          |       |
| 212 Contract Maintenance                 | Fossil Fossil Nuclear Nuclear Nuclear Fossil Fossil Fossil Fossil Generation Fossil Fossil Fossil Fossil Fossil Fossil                                                                                                                                                                                                                                                                                                                                                                                                                           | Unidentified Babcock & Wilcox ABB C-E Services Inc Underwater Const Chus & Chemical Unyield Liability Amos Plant Costs Cardinal Plant Costs Sporn Plant Costs Everfib Corp Universal Inc Williams Leggs Williams Power Williams UB Serv                                                                                                                                                                                                                                                               | 8,166,198<br>5,320,329<br>4,105,049<br>274,005<br>8,144,176<br>4,785,485<br>290,422<br>301,614<br>321,789<br>2,115,788<br>293,090<br>1,001,574<br>2,041,054<br>2,711,733                                                                                                       |             |            |               |     |            |         |         |              | 8,166,198<br>5,320,329<br>4,105,049<br>274,005<br>8,144,176<br>4,785,485<br>290,422<br>301,614<br>321,789<br>2,115,788<br>293,090<br>1,001,574<br>2,041,054<br>2,711,733                                                                                         |       |
| 210 Total Contract Lbr Gen               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 62,488,278                                                                                                                                                                                                                                                                     |             |            |               |     |            |         |         |              |                                                                                                                                                                                                                                                                  |       |
| 211 Total Routine Maint.                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 12,920,000                                                                                                                                                                                                                                                                     |             |            |               |     |            |         |         |              |                                                                                                                                                                                                                                                                  |       |
| 212 Contract Maintenance                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 12,920,000                                                                                                                                                                                                                                                                     |             |            |               |     |            |         |         |              |                                                                                                                                                                                                                                                                  |       |

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| Contract Labor and Professional Services | Group Incurring charge | Vendor                           | Total             | Engineering | Consulting | IT Consulting | FAA | Other | Nuclear   | Audit | Not Included | Contract Services | Legal |
|------------------------------------------|------------------------|----------------------------------|-------------------|-------------|------------|---------------|-----|-------|-----------|-------|--------------|-------------------|-------|
| Cost Component                           | Fossil                 | Industrial Contr                 | 3,278,820         |             |            |               |     |       |           |       |              | 3,278,820         |       |
|                                          |                        | Less Billing to CCD partners     |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          |                        | Less Share of Amos               |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          |                        | Less Share of Sporn              |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          |                        | Less Share of Cardinal           |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          |                        | Less Share of Rockport           |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          |                        | All other, Incl. Share of R pits |                   |             |            |               |     |       |           |       |              |                   |       |
| 212 Total Contract Maint.                |                        |                                  | <u>3,357,447</u>  |             |            |               |     |       |           |       |              | 3,357,447         |       |
|                                          |                        |                                  | <u>44,814,897</u> |             |            |               |     |       |           |       |              |                   |       |
| 213 Other Contract Labor - Plants        | Company Unallocated    | Unidentified                     | 7,750,222         |             |            |               |     |       |           |       |              | 605,987           |       |
|                                          | Fossil                 | Abnrex Industries I              | 600,436           |             |            |               |     |       |           |       |              | 600,436           |       |
|                                          | Fossil                 | Alvasta Environ                  | 625,512           |             |            |               |     |       |           |       |              | 625,512           |       |
|                                          | Fossil                 | Aluma Systems USA                | 1,608,329         |             |            |               |     |       |           |       |              | 1,608,329         |       |
|                                          | Fossil                 | Atlas Scarf                      | 350,256           |             |            |               |     |       |           |       |              | 350,256           |       |
|                                          | Fossil                 | M P W Industrial SE              | 1,670,982         |             |            |               |     |       |           |       |              | 1,670,982         |       |
|                                          | Fossil                 | MFS Ent Gen /CG Dir              | 873,045           |             |            |               |     |       |           |       |              | 873,045           |       |
|                                          | Fossil                 | Power Maintenance Inc            | 611,680           |             |            |               |     |       |           |       |              | 611,680           |       |
|                                          | Fossil                 | Universal Inc                    | 204,850           |             |            |               |     |       |           |       |              | 204,850           |       |
|                                          | Fossil                 | DS Riley                         | 254,848           |             |            |               |     |       |           |       |              | 254,848           |       |
|                                          | Fossil                 | Robinson Fans SE                 | 818,391           |             |            |               |     |       |           |       |              | 818,391           |       |
|                                          | Fossil                 | Stone, Alan Co                   | 812,383           |             |            |               |     |       |           |       |              | 812,383           |       |
|                                          | Fossil                 | Safeway Steel Box                | 737,450           |             |            |               |     |       |           |       |              | 737,450           |       |
|                                          | Fossil                 | Cardinal PR Costs                |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          | Fossil                 | Hamilton, Geo                    |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          | Fossil                 | Power Maintenance Inc            |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          | Fossil                 | A. C. S. Inc                     | 818,065           |             |            |               |     |       |           |       |              | 818,065           |       |
|                                          | Fossil                 | Hydrochem In                     | 186,568           |             |            |               |     |       |           |       |              | 186,568           |       |
|                                          | Fossil                 | Sporn Plant Costs                | 607,001           |             |            |               |     |       |           |       |              | 607,001           |       |
|                                          | Fossil                 | Wickarhut Co                     | 222,681           |             |            |               |     |       |           |       |              | 222,681           |       |
|                                          | Fossil                 | Walker, Ccd                      | 248,782           |             |            |               |     |       |           |       |              | 248,782           |       |
|                                          | Fossil                 | Industrial S                     | 353,265           |             |            |               |     |       |           |       |              | 353,265           |       |
|                                          | Fossil                 | Master Mechanic                  | 511,979           |             |            |               |     |       |           |       |              | 511,979           |       |
|                                          | Fossil                 | Williams Nitro                   | 492,792           |             |            |               |     |       |           |       |              | 492,792           |       |
|                                          | Fossil                 | 3 Mackey Coating                 | 388,749           |             |            |               |     |       | 872,768   |       |              | 388,749           |       |
|                                          | Nuclear                | Liberty Technical                | 672,788           |             |            |               |     |       | 887,178   |       |              | 672,788           |       |
|                                          | Nuclear                | General Electric                 | 897,178           |             |            |               |     |       |           |       |              | 897,178           |       |
|                                          | Fossil                 | Williams Legge                   | 380,890           |             |            |               |     |       |           |       |              | 380,890           |       |
|                                          | Fossil                 | Framstone Techno                 | 7,895,045         |             |            |               |     |       | 7,896,845 |       |              | 7,895,045         |       |
|                                          | Nuclear                | Bechtel Power Co                 | 712,914           |             |            |               |     |       | 712,914   |       |              | 712,914           |       |
|                                          | Nuclear                | Unpaid Liability                 | 3,674,412         |             |            |               |     |       | 3,674,412 |       |              | 3,674,412         |       |
|                                          | Fossil                 | Rec Utility Maint BS PL          | 407,450           |             |            |               |     |       |           |       |              | 407,450           |       |
|                                          | Fossil                 | Superior Electric                | 357,891           |             |            |               |     |       |           |       |              | 357,891           |       |
|                                          | Fossil                 | Lubagh Inc                       | 453,789           |             |            |               |     |       |           |       |              | 453,789           |       |
|                                          | Fossil                 | Brown Electric                   | 488,451           |             |            |               |     |       |           |       |              | 488,451           |       |
|                                          | Fossil                 | Prima Insulation                 | 766,978           |             |            |               |     |       |           |       |              | 766,978           |       |
|                                          | Fossil                 | Global Power                     | 1,643,572         |             |            |               |     |       |           |       |              | 1,643,572         |       |
|                                          | Fossil                 | Westinghouse Elec                | 1,877,578         |             |            |               |     |       |           |       |              | 1,877,578         |       |
|                                          | Fossil, Nuclear        | JTM Industries I                 | 523,097           |             |            |               |     |       |           |       |              | 523,097           |       |
|                                          | Fossil                 | Precision                        | 336,688           |             |            |               |     |       |           |       |              | 336,688           |       |
|                                          |                        | Less Billing to CCD Partners     |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          |                        | Less Share of Amos               |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          |                        | Less Share of Sporn              |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          |                        | Less Share of Cardinal           |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          |                        | Less Share of Rockport           |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          |                        | All other, Incl. Share of R pits |                   |             |            |               |     |       |           |       |              |                   |       |
| 213 Total Other - Pits                   |                        |                                  | <u>7,341,334</u>  |             |            |               |     |       |           |       |              | 7,341,334         |       |
|                                          |                        |                                  | <u>49,530,558</u> |             |            |               |     |       |           |       |              |                   |       |
| 214 Outside Shop Svcs -Pt                | Fossil                 | Amos Plant Costs                 | 165,208           |             |            |               |     |       |           |       |              | 165,208           |       |
|                                          | Fossil                 | Sporn Plant Costs                | 402,124           |             |            |               |     |       |           |       |              | 402,124           |       |
|                                          | Fossil                 | Westinghouse                     | 464,522           |             |            |               |     |       |           |       |              | 464,522           |       |
|                                          | Nuclear, Fossil        | Less Billing to CCD Partners     |                   |             |            |               |     |       |           |       |              |                   |       |
|                                          |                        | Less Share of Amos               |                   |             |            |               |     |       |           |       |              |                   |       |
| 214 Total Other - Pits                   |                        |                                  | <u>1,031,854</u>  |             |            |               |     |       |           |       |              | 1,031,854         |       |

(5) 7,750,222

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| Cost Component            | Group Incurring charge  | Vendor                                                                                                                                                                           | Total                   | Engineering | Consulting | IT Consulting | F&A | Other | Nuclear   | Audit | Not Included | InterCo/ | Contract   | Legal |
|---------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------|------------|---------------|-----|-------|-----------|-------|--------------|----------|------------|-------|
|                           |                         |                                                                                                                                                                                  |                         |             |            |               |     |       |           |       |              |          | Services   |       |
| 214 Total Out. Shop Svcs  | Fossil                  | Less Share of Sporn<br>Less Share of Cardinal<br>Less Share of Rockport<br>All other, Ind. Share of Jt p/s                                                                       | 4,710,650<br>5,630,629  |             |            |               |     |       |           |       |              |          | 4,710,650  |       |
| 215 Centr. Pt. Maint      |                         | at others                                                                                                                                                                        | 27,468                  |             |            |               |     |       |           |       |              |          | 27,468     |       |
| 216 Central Machine Shop  | Group Incurring charge  | Vendor                                                                                                                                                                           | Total                   |             |            |               |     |       |           |       |              |          |            |       |
|                           | Fossil                  | Unidentified                                                                                                                                                                     | 240,655                 |             |            |               |     |       |           |       |              |          | 240,655    |       |
|                           | Fossil                  | Amos Plant Costs                                                                                                                                                                 | 355,781                 |             |            |               |     |       |           |       |              |          | 355,781    |       |
|                           | Fossil                  | Cardinal Plant Costs                                                                                                                                                             | 439,614                 |             |            |               |     |       |           |       |              |          | 439,614    |       |
|                           | Fossil                  | Sporn Plant Costs                                                                                                                                                                | 4,173,402               |             |            |               |     |       | 2,088,701 |       |              |          | 2,088,701  |       |
|                           | Nuclear, Fossil         | Appalachian Power Co                                                                                                                                                             | 2,078,279               |             |            |               |     |       |           |       |              |          | 2,078,279  |       |
|                           | Fossil                  | CMS Clearing<br>Less Billing to OGD Partners<br>Less Share of Amos<br>Less Share of Sporn<br>Less Share of Cardinal<br>Less Share of Rockport<br>All other, Ind. Share of Jt p/s | 1,238,336<br>13,861,373 |             |            |               |     |       |           |       |              |          | 1,238,336  |       |
| 218 Total Central M. Shop |                         |                                                                                                                                                                                  | 236,980                 |             |            |               |     |       |           |       |              |          | 236,980    |       |
| 220 ?                     | Finance                 | Unidentified                                                                                                                                                                     | 209,298                 |             |            |               |     |       |           |       |              |          | 209,298    |       |
|                           | Nuclear                 | Less Share of Rockport<br>Amortize PrePd Inv<br>at vendors below scope                                                                                                           | 946,577<br>1,357,765    |             |            |               |     |       |           |       |              |          | 946,577    |       |
| 220 Right of Way Maint.   | Dist & Trans            | Nelson Tree Service                                                                                                                                                              | 17,878,754              |             |            |               |     |       |           |       |              |          | 17,878,754 |       |
|                           | Fossil                  | Townsend Tree Se                                                                                                                                                                 | 1,206,141               |             |            |               |     |       |           |       |              |          | 1,206,141  |       |
|                           | Distribution            | Environmental Co                                                                                                                                                                 | 355,991                 |             |            |               |     |       |           |       |              |          | 355,991    |       |
|                           | Transmission            | Barlett, F A TR                                                                                                                                                                  | 975,978                 |             |            |               |     |       |           |       |              |          | 975,978    |       |
|                           | Distribution            | Helicopter Maint-MIE                                                                                                                                                             | 517,649                 |             |            |               |     |       |           |       |              |          | 517,649    |       |
|                           | Distribution & Bldg Svc | Aurplundh Tree                                                                                                                                                                   | 6,039,284               |             |            |               |     |       |           |       |              |          | 6,039,284  |       |
|                           |                         | Less Share of Amos<br>Less Share of Sporn<br>Less Share of Cardinal<br>Less Share of Rockport<br>All other, Ind. Share of Jt p/s                                                 | 693,021<br>28,172,940   |             |            |               |     |       |           |       |              |          | 693,021    |       |
| 220 Right of Way Maint.   | Fossil & Distrib        |                                                                                                                                                                                  | 3,657,514               |             |            |               |     |       |           |       |              |          | 3,657,514  |       |
| 231 Tree & Brush          | Company Unallocated     | Unidentified                                                                                                                                                                     | 134,368                 |             |            |               |     |       |           |       |              |          | 134,368    |       |
|                           | Distribution            | Aerial Solutions                                                                                                                                                                 | 2,410,293               |             |            |               |     |       |           |       |              |          | 2,410,293  |       |
|                           | Dist & Gen              | Barlett, F A                                                                                                                                                                     | 6,042,929               |             |            |               |     |       |           |       |              |          | 6,042,929  |       |
|                           | Bldg Svc, Trans, Foss   | Aurplundh Tree                                                                                                                                                                   | 2,622,934               |             |            |               |     |       |           |       |              |          | 2,622,934  |       |
|                           | Gen, Bldg Svc           | Trees, Inc.<br>Less Share of Amos<br>Less Share of Sporn<br>Less Share of Cardinal<br>Less Share of Rockport<br>All other, Ind. Share of Jt p/s                                  | 3,509,378<br>35,749,650 |             |            |               |     |       |           |       |              |          | 3,509,378  |       |

(4) 236,980  
(5) 946,577

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| Cost Component                                         | Group Incurring charge                                                                                                                      | Vendor                                                                                                                                                                                                                                                                                                                                                                                                                     | Total                                                                                                       | Engineering                   | Consulting    | IT Consulting | F&A           | Other       | Nuclear | AudR    | Not Included | InterCt/ Services | Contract Services | Legal     |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------|---------------|---------------|---------------|-------------|---------|---------|--------------|-------------------|-------------------|-----------|
| 232 Aerial Spraying                                    |                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                            | 58,491                                                                                                      |                               |               |               |               |             |         |         |              |                   | 58,491            |           |
| 240 ?                                                  | Nuclear                                                                                                                                     | Appalachian Power Co<br>Less Share of Rockport<br>Unidentified<br>all vendors below scope                                                                                                                                                                                                                                                                                                                                  | 323,270                                                                                                     |                               |               |               | [5] 24,339    |             | 323,270 |         |              |                   |                   |           |
|                                                        | Nuclear                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                            | 225,126                                                                                                     |                               |               |               |               |             | 225,126 |         |              |                   |                   |           |
|                                                        |                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>548,377</u>                                                                                              |                               |               |               |               |             |         |         |              |                   |                   |           |
| Total 7                                                |                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                            | (204,695)<br><u>1,401,601</u>                                                                               |                               |               |               |               |             |         |         |              |                   |                   |           |
| 250 ?                                                  | Nuclear                                                                                                                                     | ABB Power Generation<br>Less Share of Rockport<br>all other                                                                                                                                                                                                                                                                                                                                                                |                                                                                                             |                               |               |               | [5] (204,695) |             |         |         |              |                   |                   |           |
| 200 Professional Svcs                                  | Group Incurring charge                                                                                                                      | Vendor                                                                                                                                                                                                                                                                                                                                                                                                                     | Total                                                                                                       | Engineering                   | Consulting    | IT Consulting | F&A           | Other       | Nuclear | AudR    | Not Included | InterCt/ Services | Contract Services | Legal     |
| Franco, Unallocated                                    | Company Unallocated                                                                                                                         | Unidentified                                                                                                                                                                                                                                                                                                                                                                                                               | 1,602,102                                                                                                   |                               | (2) 1,602,102 |               |               |             |         |         |              |                   |                   |           |
|                                                        | State Administrative                                                                                                                        | Ballard, Perry Advertising                                                                                                                                                                                                                                                                                                                                                                                                 | 140,432                                                                                                     |                               |               |               |               | [5] 140,432 |         |         |              |                   | (308,090)         |           |
|                                                        | Nuclear                                                                                                                                     | Westinghouse                                                                                                                                                                                                                                                                                                                                                                                                               | 308,090                                                                                                     |                               | (6) 272,559   |               |               |             | 308,090 |         |              |                   |                   |           |
|                                                        | Other                                                                                                                                       | Edwards & Assoc.                                                                                                                                                                                                                                                                                                                                                                                                           | 121,999                                                                                                     | (1) 121,999                   |               |               |               |             |         |         |              |                   |                   |           |
|                                                        | Transmission                                                                                                                                | Credit Bureau of Co                                                                                                                                                                                                                                                                                                                                                                                                        | 136,987                                                                                                     |                               |               |               |               |             |         |         |              |                   |                   |           |
|                                                        | 9959, Acct Dept                                                                                                                             | Deloitte & Touche                                                                                                                                                                                                                                                                                                                                                                                                          | 501,204                                                                                                     |                               |               |               |               |             |         | 501,204 |              |                   | 139,824           |           |
|                                                        | Company Unallocated                                                                                                                         | Marl Management I                                                                                                                                                                                                                                                                                                                                                                                                          | 139,824                                                                                                     |                               |               |               |               |             |         |         |              |                   |                   |           |
|                                                        | Other                                                                                                                                       | Ohio Power                                                                                                                                                                                                                                                                                                                                                                                                                 | 289,053                                                                                                     |                               |               |               |               |             |         |         |              |                   |                   |           |
|                                                        | Other                                                                                                                                       | Deloitte & Touche                                                                                                                                                                                                                                                                                                                                                                                                          | 449,892                                                                                                     |                               |               |               |               |             |         |         | 449,892      |                   |                   |           |
|                                                        | Other                                                                                                                                       | Er. Acct Fees                                                                                                                                                                                                                                                                                                                                                                                                              | 365,500                                                                                                     |                               |               |               |               |             |         |         |              |                   |                   |           |
|                                                        | Transmission                                                                                                                                | Cambridge Assoc                                                                                                                                                                                                                                                                                                                                                                                                            | 238,500                                                                                                     |                               | (1) 238,500   |               |               |             |         |         |              |                   |                   |           |
|                                                        | Transmission                                                                                                                                | Webb Electric                                                                                                                                                                                                                                                                                                                                                                                                              | 180,000                                                                                                     |                               | (1) 180,000   |               |               |             |         |         |              |                   |                   |           |
|                                                        | Other                                                                                                                                       | AEPSC77777777                                                                                                                                                                                                                                                                                                                                                                                                              | 87,186                                                                                                      |                               |               |               |               |             |         |         |              |                   |                   |           |
|                                                        | 200 Total Professional Svcs                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                             | 2,913,792<br><u>7,719,678</u> |               | (2) 1,458,881 |               |             |         |         |              |                   |                   | 1,969,198 |
| 201 Medical Prof Svcs                                  | Fossil & other, HR                                                                                                                          | Less Share of Rockport<br>All other, incl. Share of jts<br>Total                                                                                                                                                                                                                                                                                                                                                           | 1,969,198                                                                                                   |                               |               |               |               |             |         |         |              |                   |                   |           |
| 202 Legal Svcs<br>(Use Jeff Cross<br>Supplied Numbers) | Other<br>Legal<br>Legal<br>Legal, Unallocated<br>Other, Legal, Fossil<br>Finance<br>Legal<br>Legal<br>Other<br>Other<br>Company Unallocated | Huntton & Williams<br>Leboeuf Lamb, Greene &<br>Perker, Wright, Morris & Aich<br>Robinson & Moore<br>Deloitte & Touche<br>Baker & Daniels<br>Reed, Smith, Shaw & M<br>Simpson Thacher<br>Stephens & Johnson<br>Stiles & Harbison<br>Wood, Rogers & Huzar<br>Less Bitings to CCD Partners<br>Less Share of Amos<br>Less Share of Sporn<br>Less Share of Cardinal<br>Less Share of Rockport<br>All other, incl. Share of jts | 1,418,916<br>643,095<br>355,929<br>17,000<br>122,991<br>109,528<br>403,410<br>755,915<br>167,497<br>405,071 |                               |               |               |               |             |         |         |              |                   |                   |           |
| 202 Total Legal Svcs                                   |                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                            | 3,696,313<br><u>8,204,739</u>                                                                               |                               |               |               |               |             |         |         |              |                   | 1,969,198         | 3,696,313 |

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| Cost Component             | Contract Labor and Professional Services | Group Incurring charge                                                                                                                                                        | Vendor | Total                                                                                                                    | Engineering   | Consulting  | IT Consulting | FLA           | Other        | Nuclear                                                                           | Audit   | Net Included | Contract Services | Legal |
|----------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------------|---------------|-------------|---------------|---------------|--------------|-----------------------------------------------------------------------------------|---------|--------------|-------------------|-------|
| 270 ?                      | Fleet Mgmt<br>Distri, Trans, Nuclear     | Unidentified<br>all other                                                                                                                                                     |        | 491,371<br>255,917<br><u>747,288</u>                                                                                     |               |             |               |               |              |                                                                                   |         |              | 255,917           |       |
| Total ?                    |                                          |                                                                                                                                                                               |        |                                                                                                                          |               |             |               |               |              |                                                                                   |         |              |                   |       |
| 280 ?                      | Nuclear                                  | Balance of Milestone 2<br>0 City of South Haven<br>Subcock & Wilcox<br>Milestone no. 3<br>Milestone Pmt 2<br>Milestone Pmt 1<br>Less Shares of Rodport<br>0 TRSF<br>all other |        | 2,188,200<br>1,048,111<br>3,225,000<br>2,742,800<br>280,000<br>198,000<br>201,865<br><u>(95,395)</u><br><u>9,848,760</u> |               |             |               |               | [5] (95,395) | 2,188,200<br>1,048,111<br>3,225,000<br>2,742,800<br>280,000<br>198,000<br>201,863 |         |              |                   |       |
| Total ?                    |                                          |                                                                                                                                                                               |        |                                                                                                                          |               |             |               |               |              |                                                                                   |         |              |                   |       |
| 280 Other OS services genl | Group Incurring charge                   | Vendor                                                                                                                                                                        |        | Total                                                                                                                    | Engineering   | Consulting  | IT Consulting | FLA           | Other        | Nuclear                                                                           | Audit   | Net Included | Contract Services | Legal |
| Company Unallocated        | Unallocated                              | unallocated                                                                                                                                                                   |        | 13,923,696                                                                                                               | (2) 3,480,899 |             | [3] 174,599   | [5] 3,480,899 |              |                                                                                   |         |              | 3,480,899         |       |
| Transmission               | Transmission                             | Altec, Fisher & Aaso                                                                                                                                                          |        | 135,000                                                                                                                  | (1) 135,000   |             |               |               |              |                                                                                   |         |              |                   |       |
| not listed                 | not listed                               | ABB Power                                                                                                                                                                     |        | 180,413                                                                                                                  | (1) 180,413   |             |               |               |              |                                                                                   |         |              |                   |       |
| Energy Del. Support        | Energy Del. Support                      | Appalachian Power Co.                                                                                                                                                         |        | 475,107                                                                                                                  | [2] 125,000   |             |               |               |              |                                                                                   |         |              | 475,107           |       |
| Bld. Svcs                  | Bld. Svcs                                | Aspect Telecommunication                                                                                                                                                      |        | 395,373                                                                                                                  | [2] 395,373   |             |               |               |              |                                                                                   |         |              | 395,373           |       |
| Distribution               | Distribution                             | Bancor Co. Inc                                                                                                                                                                |        | 1,078,364                                                                                                                | (1) 1,028,364 |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Central Locating SE                                                                                                                                                           |        | 208,914                                                                                                                  | (1) 208,914   |             |               |               |              |                                                                                   | 408,584 |              |                   |       |
|                            |                                          | 530 COAD Energy Progra                                                                                                                                                        |        | 174,599                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Computational System                                                                                                                                                          |        | 408,584                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Delcitta & Touche                                                                                                                                                             |        | 133,914                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Gurita Construction                                                                                                                                                           |        | 126,139                                                                                                                  | [2] 126,139   |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Henkels & McCoy Inc                                                                                                                                                           |        | 435,667                                                                                                                  | [2] 435,667   |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | In-Plant Techniques                                                                                                                                                           |        | 170,494                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | International Bush                                                                                                                                                            |        | 1,963,671                                                                                                                |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Luburgh Inc                                                                                                                                                                   |        | 101,617                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Hunter Tree Service                                                                                                                                                           |        | 224,729                                                                                                                  | [2] 224,729   |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | 530 Huntington National                                                                                                                                                       |        | 190,000                                                                                                                  |               |             |               |               |              |                                                                                   |         | 190,000      |                   |       |
|                            |                                          | Electric Power Resu                                                                                                                                                           |        | 2,708,824                                                                                                                |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | JTM Industries I                                                                                                                                                              |        | 105,125                                                                                                                  | [2] 105,125   |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Metroweb Corp                                                                                                                                                                 |        | 540,897                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Mid American Clearing                                                                                                                                                         |        | 501,358                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Morris Office Equip                                                                                                                                                           |        | 258,590                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Murray Sheet Metal                                                                                                                                                            |        | 347,802                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Nelson Tree Service                                                                                                                                                           |        | 427,474                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Ohio Power Inc                                                                                                                                                                |        | 133,585                                                                                                                  | [1] 427,474   | [2] 133,585 |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Ohio State University                                                                                                                                                         |        | 713,064                                                                                                                  | [2] 238,190   |             |               |               |              |                                                                                   |         | 713,064      |                   |       |
|                            |                                          | OP Cost Shared                                                                                                                                                                |        | 298,190                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Pyroco American Corp                                                                                                                                                          |        | 490,407                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Princeton Security                                                                                                                                                            |        | 340,878                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Power Maintenance                                                                                                                                                             |        | 104,261                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Proffica                                                                                                                                                                      |        | 858,698                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Stackmaster Enterp                                                                                                                                                            |        | 156,465                                                                                                                  | [2] 691,248   |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Superior Electric                                                                                                                                                             |        | 691,248                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Synergistic Design                                                                                                                                                            |        | 395,199                                                                                                                  |               |             |               |               |              |                                                                                   |         |              |                   |       |
|                            |                                          | Team America Inc                                                                                                                                                              |        |                                                                                                                          |               |             |               |               |              |                                                                                   |         |              |                   |       |

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| Cost Component         | Group Incurring charge  | Vendor                      | Total     | Engineering | Consulting | IT Consulting | F&A | Other | Nuclear | Audr | Not Included | Contract Services | Legal |
|------------------------|-------------------------|-----------------------------|-----------|-------------|------------|---------------|-----|-------|---------|------|--------------|-------------------|-------|
| M&S - Purchased Rotors | State Admin Support     | Tempo Help Inc              | 184,317   |             |            |               |     |       |         |      |              | 184,317           |       |
|                        | Energy Distrib. Support | Twenty First Century        | 100,943   |             |            |               |     |       |         |      |              |                   |       |
|                        | Fossil                  | Universal Inc               | 183,410   |             |            |               |     |       |         |      |              | 183,410           |       |
|                        | Company Unallocated     | Wessam Construction         | 3,317,905 |             |            |               |     |       |         |      |              | 3,317,905         |       |
|                        | Company Unallocated     | Westinghouse Electric       | 6,012,868 |             |            |               |     |       |         |      |              |                   |       |
|                        | Company Unallocated     | Westinghouse Electric       | 128,738   |             |            |               |     |       |         |      |              |                   |       |
|                        | Company Unallocated     | Westinghouse Electric       | 222,644   |             |            |               |     |       |         |      |              |                   |       |
|                        | Company Unallocated     | Westinghouse Electric       | 116,821   |             |            |               |     |       |         |      |              |                   |       |
|                        | Company Unallocated     | Burns International         | 478,107   |             |            |               |     |       |         |      |              |                   |       |
|                        | Company Unallocated     | Appalachian Mining          | 1,255,661 |             |            |               |     |       |         |      |              |                   |       |
| Office Svcs            | Fossil                  | Weckenhut Corp              | 290,603   |             |            |               |     |       |         |      |              |                   |       |
|                        | Fossil                  | Weckenhut Corp              | 142,931   |             |            |               |     |       |         |      |              |                   |       |
|                        | Fossil                  | Interim Personnel Roan      | 351,484   |             |            |               |     |       |         |      |              |                   |       |
|                        | Fossil                  | Kelly Services              | 1,404,094 |             |            |               |     |       |         |      |              |                   |       |
|                        | Fossil                  | Manpower Inc                | 812,252   |             |            |               |     |       |         |      |              |                   |       |
|                        | Fossil                  | Travelers Express Co I      | 199,278   |             |            |               |     |       |         |      |              |                   |       |
|                        | Fossil                  | United Talent Inc.          | 226,941   |             |            |               |     |       |         |      |              |                   |       |
|                        | Fossil                  | Metroweb Cor                | 156,652   |             |            |               |     |       |         |      |              |                   |       |
|                        | Fossil                  | Plazible                    | 100,219   |             |            |               |     |       |         |      |              |                   |       |
|                        | Fossil                  | Information                 | 435,677   |             |            |               |     |       |         |      |              |                   |       |
| Office Svcs, HR, Dist  | Nuclear                 | Scope Service               | 146,315   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Manpower Inc                | 130,681   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Williamson                  | 170,304   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Arvazach sof                | 128,679   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Siderific, Ecofo            | 148,271   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Utility Locations           | 216,578   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Westminster Inc             | 147,901   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Hurt Consulting             | 107,252   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Nocous Inc                  | 207,641   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Orathe Engineering          | 311,036   |             |            |               |     |       |         |      |              |                   |       |
| State Admin Support    | Nuclear                 | Williams Legge              | 9,291,396 |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | DuAe Engineering            | 3,993,748 |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Framstone TE                | 529,853   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Westinghouse Electric       | 376,194   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Starkey Smith Se            | 132,677   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Interstate Nuclear          | 252,953   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Civus & Chemical            | 903,659   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Intelligraphics             | 1,978,781 |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Crowe Chabak (non-nourning) | 231,824   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Master-Lee Engineering      | 1,315,304 |             |            |               |     |       |         |      |              |                   |       |
| Corporate Svc          | Nuclear                 | Scope Service               | 167,239   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Noviscom                    | 330,000   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Barrett Nuclear             | 130,546   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Corporate SR                | 485,471   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Electric Power Research     | 736,970   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Federal Emergency Mgmt      | 710,183   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | First Chicago Trust co      | 469,648   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Gaboneth                    | 151,764   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Leslie Partners             | 178,000   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Private Fuel Storage        | 141,326   |             |            |               |     |       |         |      |              |                   |       |
| Miscellaneous          | Nuclear                 | Bell South                  | 179,636   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Franklin Energy             | 169,291   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Honeywell                   | 114,967   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | General Electric            | 109,127   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Action Temp                 | 151,835   |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | American Fly Ash            |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Industrial Contr            |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Rural Indust                |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Bramble Lawn                |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Nuclear                 | Catholic Plant Costs        |           |             |            |               |     |       |         |      |              |                   |       |
| Corporate Svc          | Corporate Svc           | Countdown Southern Power    |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Corporate Svc           | Commerce Services Corp      |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Corporate Svc           | JUS Inc                     |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Corporate Svc           | JUS Inc                     |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Corporate Svc           | OP Cost Share From OPFO     |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Corporate Svc           | Spom Plant Costs            |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Corporate Svc           | Whitewing Power Co          |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Corporate Svc           | Whitewing Power Co          |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Corporate Svc           | Whitewing Power Co          |           |             |            |               |     |       |         |      |              |                   |       |
|                        | Corporate Svc           | Whitewing Power Co          |           |             |            |               |     |       |         |      |              |                   |       |

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| Contract Labor and Professional Services | Group Incurring charge | Vendor                           | Total              | Engineering   | Consulting    | IT Consulting | FAA     | Other      | Nuclear    | AudR      | Inter/Co/ Not Included | Contract Services | Legal |
|------------------------------------------|------------------------|----------------------------------|--------------------|---------------|---------------|---------------|---------|------------|------------|-----------|------------------------|-------------------|-------|
| Cost Component                           | Fossil                 | MPW Indust                       |                    |               |               |               |         |            |            |           |                        | 209,454           |       |
|                                          | Nuclear                | State of Michigan                | 133,206            |               |               |               |         |            | 133,206    |           |                        |                   |       |
|                                          | Nuclear                | Chem-Nuclear Bys                 | 2,100,305          |               |               |               |         |            | 2,100,305  |           |                        |                   |       |
|                                          | Nuclear                | Molten Metal Tco                 | 436,026            |               |               |               |         |            | 436,026    |           |                        |                   |       |
|                                          | Accg & Distribution    | Parable Per                      | 190,638            | [2] 190,638   |               |               |         |            |            |           |                        |                   |       |
|                                          |                        | Less Billing to CCD Partners     |                    |               |               |               |         |            |            |           |                        |                   |       |
|                                          |                        | Less Share of Amos               |                    |               |               |               |         |            |            |           |                        |                   |       |
|                                          |                        | Less Share of Sporn              |                    |               |               |               |         |            |            |           |                        |                   |       |
|                                          |                        | Less Share of Cardinal           |                    |               |               |               |         |            |            |           |                        |                   |       |
|                                          |                        | Less Share of Rockport           |                    |               |               |               |         |            |            |           |                        |                   |       |
|                                          |                        | All other, Incl. Share of Jt pts | 32,800,358         | [1] 3,260,038 | [3] 3,260,038 | [5] 3,260,038 |         |            |            |           | 19,680,218             |                   |       |
|                                          |                        |                                  | <u>106,750,165</u> |               |               |               |         |            |            |           |                        |                   |       |
| 290 Total Other OVS svcs part            |                        |                                  |                    |               |               |               |         |            |            |           |                        |                   |       |
| 292 Maintenance Agreement                |                        | at other                         | 1,094,351          |               |               |               |         |            |            |           |                        |                   |       |
| 292 Total Maintenance Agree              |                        |                                  | <u>1,094,351</u>   |               |               |               |         |            |            |           |                        |                   |       |
| TOTALS                                   |                        |                                  |                    | 12,317,724    | 12,919,844    | 3,687,212     | 270,860 | 20,481,188 | 81,874,802 | 1,742,180 | 36,678,118             | 210,603,028       |       |

AEP OpCo Professional Services:

[1] Engineering \$12,318K

[2] Non-IT Consulting \$12,920K

[3] IT Consulting \$3,587K

[4] Finance & Acctg \$271K

[5] Other \$20,451K

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→ 50% FEA \$7,374.7K

→ 50% Cons. Non-IT \$7,374.7K

AEP Resources, Inc.  
Comparative Income Statement  
December 31,

|                                | Quarter Ended   |                | Year-to-Date Ended |                | Twelve-Months Ended |                |
|--------------------------------|-----------------|----------------|--------------------|----------------|---------------------|----------------|
|                                | 1997            | 1996           | 1997               | 1996           | 1997                | 1996           |
| Product Sales                  |                 |                |                    |                |                     |                |
| Equity Earnings 100% Sub Cos   | (548,602.75)    | (1,072,708.19) | (2,018,046.44)     | (4,042,334.11) | (2,018,046.44)      | (4,042,334.11) |
| Misc Nonoperating Inc - Option | (21,430,500.00) | -              | 33,779,500.00      | -              | 33,779,500.00       | -              |
| Eq. In Earn of JVs - Yorkshire | 33,779,500.00   | -              | 10,667.51          | 1,388.71       | 10,667.51           | 1,388.71       |
| Interest Income                | 75.58           | 11.36          | -                  | 11.36          | -                   | 11.36          |
| Interest Income - Assoc Cos.   | -               | -              | 5,634.33           | -              | 5,634.33            | -              |
| Foreign Curr Transaction G/L   | -               | -              | 31,777,755.40      | (4,040,934.04) | 31,777,755.40       | (4,040,934.04) |
| Service & Other Income         | 11,802,472.83   | (1,072,694.83) | 31,777,755.40      | (4,040,934.04) | 31,777,755.40       | (4,040,934.04) |
| TOTAL INCOME                   | 11,802,472.83   | (1,072,694.83) | 31,777,755.40      | (4,040,934.04) | 31,777,755.40       | (4,040,934.04) |
| Cost of Goods Sold             | -               | -              | -                  | -              | -                   | -              |
| Salaries And Wages             | -               | -              | 1,598.28           | 10,834.29      | 1,598.28            | 10,834.29      |
| Office Supplies and Expenses   | 4,543.61        | 595.63         | 61,568.96          | 15,962.25      | 61,568.96           | 15,962.25      |
| Travel-System & Other          | -               | 1,995.00       | 21,287.58          | 4,263.72       | 21,287.58           | 4,263.72       |
| Travel-System & Oth-50% Deduct | 10,482.75       | -              | 2,210.00           | 110.00         | 2,210.00            | 110.00         |
| Travel-Meet's, Conv's & Sem's  | 920.00          | -              | 10,349.64          | 2,744.63       | 10,349.64           | 2,744.63       |
| Membership Fees/Dues-Employees | 1,047.77        | 31.20          | 7,893.66           | 19,044.00      | 7,893.66            | 19,044.00      |
| Postage, Printing, Stationery  | 500.00          | 150.00         | 17,775.20          | -              | 17,775.20           | -              |
| Books, Periodicals, Newspapers | 3,604.82        | -              | 58,261.33          | -              | 58,261.33           | -              |
| Recruiting Expenses            | 2,348.47        | -              | 180,944.56         | 54,313.82      | 180,944.56          | 54,313.82      |
| Misc Materials AEPES Contracts | 23,445.42       | 14,723.62      | -                  | -              | -                   | -              |
| Office, Building, and Travel   | -               | (65,841.28)    | 193.64             | 105,573.53     | 193.64              | 105,573.53     |
| Legal                          | 4,028,700.66    | 1,309,040.97   | 7,637,765.88       | 1,982,781.04   | 7,637,765.88        | 1,982,781.04   |
| AEP Service Corporation        | 257,562.55      | 299,358.90     | 699,817.41         | 368,629.29     | 699,817.41          | 368,629.29     |
| Other Associate Companies      | -               | -              | 79,103.98          | -              | 79,103.98           | -              |
| AEP RESCO                      | 1,397,399.10    | 1,208,817.93   | 3,810,549.73       | 1,684,042.84   | 3,810,549.73        | 1,684,042.84   |
| Other Professional Services    | 5,684,662.31    | 2,751,578.52   | 12,227,430.64      | 4,141,026.70   | 12,227,430.64       | 4,141,026.70   |
| * Outside Services Employed    | -               | -              | 572,278.00         | -              | 572,278.00          | -              |
| Political Risk Insurance       | 427,425.00      | -              | 672,278.00         | -              | 672,278.00          | -              |
| Injuries and Damages           | 427,425.00      | -              | -                  | -              | -                   | -              |
| Employee Pensions & Benefits   | -               | -              | -                  | -              | -                   | -              |

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**AEP Resources International  
Comparative Income Statement  
December 31.**

|                                    | Quarter Ended       |                     | Year-to-Date Ended    |                     | Twelve-Months Ended   |                     |
|------------------------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
|                                    | 1997                | 1996                | 1997                  | 1998                | 1997                  | 1996                |
| Product Sales                      | -                   | -                   | -                     | -                   | -                     | -                   |
| Equity Earnings 100% Sub Cos       | (352,745.80)        | -                   | (1,799,269.05)        | -                   | (1,799,269.05)        | -                   |
| Interest Income                    | -                   | -                   | 4,559.97              | -                   | 4,559.97              | -                   |
| Service & Other Income             | (352,745.80)        | -                   | (1,794,709.08)        | -                   | (1,794,709.08)        | -                   |
| <b>TOTAL INCOME</b>                | <b>(352,745.80)</b> | <b>-</b>            | <b>(1,794,709.08)</b> | <b>-</b>            | <b>(1,794,709.08)</b> | <b>-</b>            |
| Cost of Goods Sold                 | -                   | -                   | -                     | -                   | -                     | -                   |
| Salaries And Wages                 | -                   | 440.25              | 30.21                 | 730.65              | 30.21                 | 730.65              |
| Office Supplies and Expenses       | -                   | 76.50               | 3,980.16              | 76.50               | 3,980.16              | 76.50               |
| Travel- System & Other             | -                   | 850.00              | -                     | 1,023.37            | -                     | 1,023.37            |
| Travel- Meets, Convs & Sem's       | -                   | 23.08               | -                     | 625.58              | -                     | 625.58              |
| Postage, Printing, Stationery      | -                   | 1,389.81            | 4,020.37              | 2,458.08            | 4,020.37              | 2,458.08            |
| Office, Building, and Travel       | -                   | -                   | -                     | -                   | -                     | -                   |
| Legal                              | -                   | 615,127.79          | 4,514.24              | 803,096.70          | 4,514.24              | 803,096.70          |
| Auditing                           | -                   | 28,721.00           | 191,803.34            | 28,721.00           | 191,803.34            | 28,721.00           |
| AEP Service Corporation            | (47,387.71)         | 266,627.43          | 52.43                 | 1,372,676.69        | 52.43                 | 1,372,676.69        |
| Other Associate Companies          | 7.71                | -                   | -                     | -                   | -                     | -                   |
| Other RESCO                        | 154,892.23          | -                   | 1,385.68              | -                   | 1,385.68              | -                   |
| Other Professional Services        | 107,512.23          | 99,913.44           | 310,546.18            | 1,639,827.97        | 310,546.18            | 1,639,827.97        |
| <b>* Outside Services Employed</b> | <b>107,512.23</b>   | <b>1,010,389.66</b> | <b>508,301.87</b>     | <b>3,844,322.36</b> | <b>508,301.87</b>     | <b>3,844,322.36</b> |
| Political Risk Insurance           | -                   | 4,166.00            | -                     | 12,500.00           | -                     | 12,500.00           |
| Injuries and Damages               | -                   | 4,166.00            | -                     | 12,500.00           | -                     | 12,500.00           |
| Employee Pensions & Benefits       | -                   | -                   | -                     | -                   | -                     | -                   |
|                                    | -                   | 2,381.39            | -                     | 2,381.39            | -                     | 2,381.39            |
| Advertising                        | -                   | -                   | 15.00                 | -                   | 15.00                 | -                   |
| Prov for Uncollectible Accts       | -                   | 412.00              | 3,843.64              | 78,774.55           | 3,843.64              | 78,774.55           |
| Other Misc General Expense         | -                   | 2,793.39            | 3,658.64              | 81,166.94           | 3,658.64              | 81,166.94           |
| General and Administration Exp     | -                   | -                   | -                     | -                   | -                     | -                   |
| Other Rents                        | -                   | -                   | -                     | 7,136.14            | -                     | 7,136.14            |
| Rents Expense                      | -                   | -                   | -                     | 7,136.14            | -                     | 7,136.14            |
| Maint of Structures & Equip        | -                   | -                   | -                     | -                   | -                     | -                   |



**AEP Pushan Power L.D.C.**  
**Comparative Income Statement**  
**December 31,**

|                                                               | Quarter Ended      |          | Year-to-Date Ended  |          | Twelve-Months Ended |          |
|---------------------------------------------------------------|--------------------|----------|---------------------|----------|---------------------|----------|
|                                                               | 1997               | 1998     | 1997                | 1998     | 1997                | 1998     |
| Product Sales                                                 | -                  | -        | -                   | -        | -                   | -        |
| Equity Earnings - Nanyang                                     | (11,456.38)        | -        | (11,456.38)         | -        | (11,456.38)         | -        |
| Interest Income                                               | 1,204.84           | -        | 48,643.58           | -        | 48,643.58           | -        |
| Service & Other Income                                        | (10,251.54)        | -        | 37,187.20           | -        | 37,187.20           | -        |
| <b>TOTAL INCOME</b>                                           | <b>(10,251.54)</b> | <b>-</b> | <b>37,187.20</b>    | <b>-</b> | <b>37,187.20</b>    | <b>-</b> |
| Cost of Goods Sold                                            | -                  | -        | -                   | -        | -                   | -        |
| Salaries And Wages                                            | -                  | -        | -                   | -        | -                   | -        |
| Travel- Meets, Conv's & Sem's<br>Office, Building, and Travel | -                  | -        | 21,450.00           | -        | 21,450.00           | -        |
| AEP Service Corporation                                       | 182,310.78         | -        | 497,507.74          | -        | 497,507.74          | -        |
| Other Associate Companies                                     | 25,895.53          | -        | 42,573.00           | -        | 42,573.00           | -        |
| AEP RESCO                                                     | (41,093.67)        | -        | 944,242.63          | -        | 944,242.63          | -        |
| Other Professional Services                                   | 494.41             | -        | 1,484,323.37        | -        | 1,484,323.37        | -        |
| Outside Services Employed                                     | 167,707.05         | -        | -                   | -        | -                   | -        |
| Public Liability Insurance                                    | 425.00             | -        | 425.00              | -        | 425.00              | -        |
| Injuries and Damages                                          | 425.00             | -        | 425.00              | -        | 425.00              | -        |
| Employee Pensions & Benefits                                  | -                  | -        | -                   | -        | -                   | -        |
| Prov for Uncollectible Accts                                  | -                  | -        | 35.00               | -        | 35.00               | -        |
| Other Misc General Expense                                    | (146.70)           | -        | 97.30               | -        | 97.30               | -        |
| General and Administration Exp                                | (146.70)           | -        | 132.30              | -        | 132.30              | -        |
| Rents Expense                                                 | -                  | -        | -                   | -        | -                   | -        |
| Maint of Structures & Equip                                   | -                  | -        | -                   | -        | -                   | -        |
| Depreciation and Amortization                                 | -                  | -        | -                   | -        | -                   | -        |
| Taxes Other than Income Taxes                                 | -                  | -        | -                   | -        | -                   | -        |
| <b>TOTAL EXPENSES</b>                                         | <b>167,986.36</b>  | <b>-</b> | <b>1,506,330.67</b> | <b>-</b> | <b>1,506,330.67</b> | <b>-</b> |

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AEP Resources Delaware, Inc.  
 Comparative Income Statement  
 December 31,

|                                                        | Quarter Ended                   |      | Year-to-Date Ended                  |      | Twelve-Months Ended                 |      |
|--------------------------------------------------------|---------------------------------|------|-------------------------------------|------|-------------------------------------|------|
|                                                        | 1997                            | 1996 | 1997                                | 1996 | 1997                                | 1996 |
| Product Sales                                          | -                               | -    | -                                   | -    | -                                   | -    |
| Interest Income - Assoc Ccs.<br>Service & Other Income | 582,624.60<br><u>582,624.60</u> | -    | 1,253,024.19<br><u>1,253,024.19</u> | -    | 1,253,024.19<br><u>1,253,024.19</u> | -    |
| TOTAL INCOME                                           | 582,624.60                      | -    | 1,253,024.19                        | -    | 1,253,024.19                        | -    |
| Cost of Goods Sold                                     | -                               | -    | -                                   | -    | -                                   | -    |
| Productive Labor                                       | 500.00                          | -    | 1,600.00                            | -    | 1,600.00                            | -    |
| Salaries And Wages                                     | 500.00                          | -    | 1,600.00                            | -    | 1,600.00                            | -    |
| Office Supplies and Expenses                           | -                               | -    | 700.00                              | -    | 700.00                              | -    |
| Travel- Meets, Conv's & Sem's                          | -                               | -    | 161.00                              | -    | 161.00                              | -    |
| Communication Services                                 | 30.19                           | -    | 224.75                              | -    | 224.75                              | -    |
| Postage, Printing, Stationery                          | -                               | -    | 30.75                               | -    | 30.75                               | -    |
| Office, Building, and Travel                           | 30.19                           | -    | 1,116.50                            | -    | 1,116.50                            | -    |
| AEP Service Corporation                                | 2,823.61                        | -    | 6,258.60                            | -    | 6,258.60                            | -    |
| Other Professional Services                            | 650.00                          | -    | 1,996.78                            | -    | 1,996.78                            | -    |
| Outside Services Employed                              | 3,473.61                        | -    | 8,255.38                            | -    | 8,255.38                            | -    |
| Injuries and Damages                                   | -                               | -    | -                                   | -    | -                                   | -    |
| Employee Pensions & Benefits                           | -                               | -    | -                                   | -    | -                                   | -    |
| Other Misc General Expense                             | 100.06                          | -    | 267.88                              | -    | 267.88                              | -    |
| General and Administration Exp                         | 100.06                          | -    | 267.88                              | -    | 267.88                              | -    |
| Other Rents                                            | 1,875.00                        | -    | 8,245.84                            | -    | 8,245.84                            | -    |
| Rents Expense                                          | 1,875.00                        | -    | 8,245.84                            | -    | 8,245.84                            | -    |
| Maint of Structures & Equip                            | -                               | -    | -                                   | -    | -                                   | -    |
| Depreciation and Amortization                          | -                               | -    | -                                   | -    | -                                   | -    |
| FICA                                                   | 64.05                           | -    | 176.80                              | -    | 176.80                              | -    |
| Other Taxes                                            | -                               | -    | 50.00                               | -    | 50.00                               | -    |
| Taxes Other than Income Taxes                          | 64.05                           | -    | 226.80                              | -    | 226.80                              | -    |

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AEP Resources Mauritius Co.  
 Comparative Income Statement  
 December 31,

|                                                           | Quarter Ended     |          | Year-to-Date Ended |          | Twelve-Months Ended |          |
|-----------------------------------------------------------|-------------------|----------|--------------------|----------|---------------------|----------|
|                                                           | 1997              | 1996     | 1997               | 1996     | 1997                | 1996     |
| Product Sales                                             | -                 | -        | -                  | -        | -                   | -        |
| Interest Income                                           | 21.00             | -        | 21.00              | -        | 21.00               | -        |
| Service & Other Income                                    | 21.00             | -        | 21.00              | -        | 21.00               | -        |
| <b>TOTAL INCOME</b>                                       | <b>21.00</b>      | <b>-</b> | <b>21.00</b>       | <b>-</b> | <b>21.00</b>        | <b>-</b> |
| Cost of Goods Sold                                        | -                 | -        | -                  | -        | -                   | -        |
| Salaries And Wages                                        | -                 | -        | -                  | -        | -                   | -        |
| Office, Building, and Travel                              | -                 | -        | -                  | -        | -                   | -        |
| Other Professional Services                               | 118,158.00        | -        | 284,761.00         | -        | 284,761.00          | -        |
| Outside Services Employed                                 | 118,168.00        | -        | 284,761.00         | -        | 284,761.00          | -        |
| Injuries and Damages                                      | -                 | -        | -                  | -        | -                   | -        |
| Employee Pensions & Benefits                              | -                 | -        | -                  | -        | -                   | -        |
| Other Misc General Expense                                | 59,935.00         | -        | 63,560.00          | -        | 63,560.00           | -        |
| General and Administration Exp                            | 59,935.00         | -        | 63,560.00          | -        | 63,560.00           | -        |
| Rents Expense                                             | -                 | -        | -                  | -        | -                   | -        |
| Maint of Structures & Equipt                              | -                 | -        | -                  | -        | -                   | -        |
| Depreciation and Amortization                             | -                 | -        | -                  | -        | -                   | -        |
| Taxes Other than Income Taxes                             | -                 | -        | -                  | -        | -                   | -        |
| <b>TOTAL EXPENSES</b>                                     | <b>178,093.00</b> | <b>-</b> | <b>348,321.00</b>  | <b>-</b> | <b>348,321.00</b>   | <b>-</b> |
| Income From Operations (Before Interest and Income Taxes) | (178,072.00)      | -        | (348,300.00)       | -        | (348,300.00)        | -        |
| Miscellaneous Deductions                                  | -                 | -        | -                  | -        | -                   | -        |
| <b>Total Interest Expenses</b>                            | <b>-</b>          | <b>-</b> | <b>-</b>           | <b>-</b> | <b>-</b>            | <b>-</b> |

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AEP Energy Services, Inc.  
Comparative Income Statement  
December 31,

|                                | Quarter Ended        |      | Year-to-Date Ended   |      | Twelve-Months Ended |              |
|--------------------------------|----------------------|------|----------------------|------|---------------------|--------------|
|                                | 1997                 | 1998 | 1997                 | 1998 | 1997                | 1998         |
| Commercial Gas Sales           | 8,900,661.45         | -    | 8,900,661.45         | -    | 8,900,661.45        | -            |
| Industrial Gas Sales           | 2,451.10             | -    | 2,451.10             | -    | 2,451.10            | -            |
| Public Authorities Gas Sales   | 23,080.00            | -    | 23,080.00            | -    | 23,080.00           | -            |
| Sales for Resale Coal          | 1,630,059.38         | -    | 1,630,059.38         | -    | 1,630,059.38        | -            |
| Product Sales                  | 10,556,251.93        | -    | 10,556,251.93        | -    | 10,556,251.93       | -            |
| Misc Nonoperating Inc - Option | 1,902,093.00         | -    | 1,902,093.00         | -    | 1,902,093.00        | -            |
| Interest Income                | 874.96               | -    | 874.96               | -    | 874.96              | -            |
| Svcs Rend Non-Asoc Companies   | (984,314.19)         | -    | 306,778.06           | -    | 306,778.06          | -            |
| Service & Other Income         | 918,653.77           | -    | 2,209,746.02         | -    | 2,209,746.02        | -            |
| <b>TOTAL INCOME</b>            | <b>11,474,905.70</b> | -    | <b>12,765,997.95</b> | -    | <b>8,966,781.89</b> | -            |
| Purchases Gas                  | 8,966,781.89         | -    | 8,966,781.89         | -    | 1,666,684.03        | -            |
| Purchases Coal                 | 1,666,684.03         | -    | 1,666,684.03         | -    | 10,633,465.92       | -            |
| Cost of Goods Sold             | 10,633,465.92        | -    | 10,633,465.92        | -    | -                   | -            |
| Salaries And Wages             | -                    | -    | 311.71               | -    | 311.71              | 4,935.81     |
| Office Supplies and Expenses   | 139.98               | -    | 12,669.14            | -    | 7,330.50            | 4,285.83     |
| Travel- System & Other         | 1,337.41             | -    | 7,330.50             | -    | 5,536.02            | 21,000.00    |
| Travel- Meets, Conv's & Sem's  | 1,990.50             | -    | 5,536.02             | -    | -                   | -            |
| Communication Services         | 5,636.02             | -    | -                    | -    | 24.00               | -            |
| General Office Equipment       | -                    | -    | 24.00                | -    | 1,495.69            | -            |
| Membership Fees/Dues-Employees | 24.00                | -    | 1,495.69             | -    | 7,925.00            | -            |
| Postage, Printing, Stationery  | 7,430.00             | -    | 7,925.00             | -    | 43,454.87           | -            |
| Books, Periodicals, Newspapers | 38,294.27            | -    | 43,454.87            | -    | 109,571.53          | -            |
| Recruiting Expenses            | (558,199.93)         | -    | 109,571.53           | -    | 188,318.46          | -            |
| Misc Materials AEPES Contracts | (603,447.75)         | -    | 188,318.46           | -    | (13,359.51)         | 13,359.51    |
| Office, Building, and Travel   | -                    | -    | (13,359.51)          | -    | 224,178.97          | 955,387.36   |
| Legal                          | -                    | -    | 6,177,258.94         | -    | 667,008.12          | 20,515.68    |
| Software                       | 1,237,483.74         | -    | 667,008.12           | -    | 3,813,333.93        | 198,000.00   |
| AEP Service Corporation        | 184,734.89           | -    | 3,813,333.93         | -    | 9,644,241.48        | 1,411,441.52 |
| Other Associate Companies      | 1,139,483.90         | -    | 9,644,241.48         | -    | -                   | -            |
| Other Professional Services    | 2,561,702.53         | -    | -                    | -    | -                   | -            |
| Outside Services Employed      | -                    | -    | -                    | -    | -                   | -            |
| Injuries and Damages           | -                    | -    | -                    | -    | -                   | -            |

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**AEP Communications, Inc.  
Comparative Income Statement  
December 31,**

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|                                | Quarter Ended         |            | Year-to-Date Ended    |            | Twelve-Months Ended   |            |
|--------------------------------|-----------------------|------------|-----------------------|------------|-----------------------|------------|
|                                | 1997                  | 1996       | 1997                  | 1996       | 1997                  | 1996       |
| Product Sales                  | -                     | -          | -                     | -          | -                     | -          |
| Equity Earnings 100% Sub Coa   | (1,271,086.02)        | -          | (1,271,086.02)        | -          | (1,271,086.02)        | -          |
| Interest Income                | 4,485.94              | -          | 4,485.94              | -          | 4,485.94              | -          |
| Service & Other Income         | (1,266,600.08)        | -          | (1,266,600.08)        | -          | (1,266,600.08)        | -          |
| <b>TOTAL INCOME</b>            | <b>(1,266,600.08)</b> | <b>-</b>   | <b>(1,266,600.08)</b> | <b>-</b>   | <b>(1,266,600.08)</b> | <b>-</b>   |
| Cost of Goods Sold             | -                     | -          | -                     | -          | -                     | -          |
| Salaries And Wages             | 696.95                | -          | 687.85                | -          | 687.85                | -          |
| Office Supplies and Expenses   | 382.79                | -          | 5,384.50              | -          | 5,384.50              | -          |
| Travel- System & Other         | 28,222.15             | -          | 30,787.40             | -          | 30,787.40             | -          |
| Travel- Meets, Conv's & Sam's  | -                     | -          | 35.00                 | -          | 35.00                 | -          |
| Communication Services         | 1,438.12              | -          | 1,707.79              | -          | 1,707.79              | -          |
| Membership Fees/Dues-Employees | -                     | -          | 662.41                | -          | 662.41                | -          |
| Postage, Printing, Stationery  | -                     | -          | 6,606.00              | -          | 6,606.00              | -          |
| Books, Periodicals, Newspapers | -                     | -          | 11,983.44             | -          | 11,983.44             | -          |
| Recruiting Expenses            | -                     | -          | 1,782.67              | -          | 1,782.67              | -          |
| Misc Materials AEPES Contracts | 1,695.75              | -          | 59,597.06             | -          | 59,597.06             | -          |
| Office, Building, and Travel   | 30,346.76             | -          | -                     | -          | -                     | -          |
|                                |                       | 210,562.27 |                       | 210,562.27 |                       | 210,562.27 |
| AEP Service Corporation        | 432,153.57            | -          | 1,333,512.59          | -          | 1,333,512.59          | -          |
| Other Associate Companies      | 1,800.12              | -          | 1,800.12              | -          | 1,800.12              | -          |
| Other Professional Services    | 124,591.49            | -          | 2,175,991.09          | -          | 2,175,991.09          | -          |
| Outside Services Employed      | 558,546.18            | -          | 3,511,303.80          | -          | 3,511,303.80          | -          |
| Public Liability Insurance     | 2,302.41              | -          | 6,427.58              | -          | 6,427.58              | -          |
| Injuries and Damages           | 2,302.41              | -          | 6,427.58              | -          | 6,427.58              | -          |
| Employee Pensions & Benefits   | -                     | -          | -                     | -          | -                     | -          |
| Advertising                    | 170.00                | -          | 1,239.75              | -          | 1,239.75              | -          |
| Dues for Company Memberships   | -                     | -          | 170.00                | -          | 170.00                | -          |
| Other Misc General Expense     | -                     | -          | (108.57)              | -          | (108.57)              | -          |
| General and Administration Exp | 170.00                | -          | 1,301.18              | -          | 1,301.18              | -          |
| Rents Expense                  | -                     | -          | -                     | -          | -                     | -          |

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Run Date: 1/2/98  
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AEP Communications, LLC  
Comparative Income Statement  
December 31,

|                                                                  | Quarter Ended         |      | Year-to-Date Ended    |      | Twelve-Months Ended   |      |
|------------------------------------------------------------------|-----------------------|------|-----------------------|------|-----------------------|------|
|                                                                  | 1997                  | 1996 | 1997                  | 1996 | 1997                  | 1996 |
| Product Sales                                                    |                       |      |                       |      | 59,591.67             |      |
| Svcs Rend Non-Asoc Companies                                     | 59,591.67             |      | 59,591.67             |      | 59,591.67             |      |
| Service & Other Income                                           | 59,591.67             |      | 59,591.67             |      | 59,591.67             |      |
| <b>TOTAL INCOME</b>                                              | <b>59,591.67</b>      |      | <b>59,591.67</b>      |      | <b>59,591.67</b>      |      |
| Cost of Goods Sold                                               |                       |      |                       |      |                       |      |
| Salaries And Wages                                               | 891.15                |      | 891.15                |      | 891.15                |      |
| Travel- Meets, Conv's & Sem's                                    | (4,896.05)            |      | (4,896.05)            |      | (4,896.05)            |      |
| Misc Materials AEPES Contracts                                   | (4,004.90)            |      | (4,004.90)            |      | (4,004.90)            |      |
| Office, Building, and Travel                                     |                       |      |                       |      |                       |      |
| AEP Service Corporation                                          | 243,012.20            |      | 243,012.20            |      | 243,012.20            |      |
| Other Associate Companies                                        | 52,584.00             |      | 52,584.00             |      | 52,584.00             |      |
| Other Professional Services                                      | 991,932.65            |      | 991,932.65            |      | 991,932.65            |      |
| Outside Services, Employed                                       | 1,287,528.85          |      | 1,287,528.85          |      | 1,287,528.85          |      |
| Injuries and Damages                                             |                       |      |                       |      |                       |      |
| Employee Pensions & Benefits                                     |                       |      |                       |      |                       |      |
| General and Administration Exp                                   |                       |      |                       |      |                       |      |
| Rent - Associated Companies                                      | 47,143.74             |      | 47,143.74             |      | 47,143.74             |      |
| Rents Expense                                                    | 47,143.74             |      | 47,143.74             |      | 47,143.74             |      |
| Maint of Structures & Equipt                                     |                       |      |                       |      |                       |      |
| Depreciation and Amortization                                    |                       |      |                       |      | 10.00                 |      |
| Other Taxes                                                      | 10.00                 |      | 10.00                 |      | 10.00                 |      |
| Taxes Other than Income Taxes                                    | 10.00                 |      | 10.00                 |      | 10.00                 |      |
| <b>TOTAL EXPENSES</b>                                            | <b>1,330,677.69</b>   |      | <b>1,330,677.69</b>   |      | <b>1,330,677.69</b>   |      |
| <b>Income From Operations (Before Interest and Income Taxes)</b> | <b>(1,271,086.02)</b> |      | <b>(1,271,086.02)</b> |      | <b>(1,271,086.02)</b> |      |

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REPORT NO: J02  
 RUN DATE: 01/26/98  
 RUN TIME: 07.46.38

FRANKLIN REAL ESTATE COMPANY  
 COMPARATIVE INCOME STATEMENT

|                               | QUARTER ENDED<br>DECEMBER 31 | YEAR-TO-DATE ENDED<br>DECEMBER 31 | TWELVE MONTHS ENDED<br>DECEMBER 31 |
|-------------------------------|------------------------------|-----------------------------------|------------------------------------|
|                               | 1997                         | 1997                              | 1996                               |
| INCOME:                       | 0                            | 0                                 | 0                                  |
| TOTAL INCOME                  | 150,710                      | 351,451                           | 351,451                            |
| EXPENSES:                     |                              |                                   |                                    |
| TAXES OTHER THAN INCOME TAXES | 881                          | 976                               | 976                                |
| REAL PROPERTY TAX             | 1,611                        | 1,611                             | 1,611                              |
| OTHER TAXES                   | 48,009                       | 61,995                            | 61,995                             |
| OUTSIDE SERVICES EMPLOYED     |                              | 918                               | 918                                |
| OTHER PROFESSIONAL SERVICES   |                              | (949)                             | (948)                              |
| MISCELLANEOUS GENERAL EXPENSE | 201,211                      | 416,033                           | 416,033                            |
| TOTAL EXPENSES                | 201,211                      | 416,033                           | 416,033                            |
| ADMIN EXPENSE TRANSFRD-CREDIT | 0                            | 0                                 | 0                                  |
| NET INCOME (LOSS)             | 0                            | 0                                 | 0                                  |

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REPORT NO. 63002  
 RUN DATE: 01/26/98  
 RUN TIME: 07.46.38

INDIANA FRANKLIN REALTY, INC.  
 COMPARATIVE INCOME STATEMENT

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|                                | QUARTER ENDED<br>DECEMBER 31<br>1997 | YEAR-TO-DATE ENDED<br>DECEMBER 31<br>1997 | TWELVE MONTHS ENDED<br>DECEMBER 31<br>1997 | TWELVE MONTHS ENDED<br>DECEMBER 31<br>1996 |
|--------------------------------|--------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|
| INCOME:                        | 0                                    | 0                                         | 0                                          | 0                                          |
| TOTAL INCOME                   |                                      |                                           |                                            |                                            |
| EXPENSES:                      |                                      |                                           |                                            |                                            |
| TAXES OTHER THAN INCOME TAXES  | 20,633                               | 76,563                                    | 76,563                                     | 118,392                                    |
| REAL PROPERTY TAX              | 5,822                                | 8,774                                     | 8,774                                      | 2,543                                      |
| OTHER TAXES                    |                                      |                                           |                                            |                                            |
| OUTSIDE SERVICES EMPLOYED      | 36,628                               | 40,686                                    | 40,686                                     | 86,096                                     |
| LEGAL                          | 0                                    | 0                                         | 0                                          | 7,250                                      |
| REALTOR FEES                   | 2,450                                | 3,177                                     | 3,177                                      | 12,052                                     |
| OTHER PROFESSIONAL SERVICES    | 1,853                                | 6,966                                     | 6,966                                      | 14,621                                     |
| MISCELLANEOUS GENERAL EXPENSE  | 0                                    | 200                                       | 200                                        | 0                                          |
| RENTS                          |                                      |                                           |                                            |                                            |
| TOTAL EXPENSES                 | 67,386                               | 136,366                                   | 136,366                                    | 240,954                                    |
| ADMIN EXPENSE TRANSFERD-CREDIT | 67,386                               | 136,366                                   | 136,366                                    | 240,954                                    |
| NET INCOME (LOSS)              | 0                                    | 0                                         | 0                                          | 0                                          |

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AMERICAN ELECTRIC POWER CO., INC.  
COMPARATIVE INCOME STATEMENT

REPORT NO. 002  
RUN DATE: 12/26/98  
RUN TIME: 07.46.38

|                                          | QUARTER ENDED<br>DECEMBER 31 | YEAR-TO-DATE ENDED<br>DECEMBER 31 | TWELVE MONTHS ENDED<br>DECEMBER 31 |
|------------------------------------------|------------------------------|-----------------------------------|------------------------------------|
|                                          | 1997                         | 1997                              | 1996                               |
| <b>INCOME</b>                            |                              |                                   |                                    |
| EQUITY IN EARNINGS OF<br>SUBSIDIARIES    | 127,013,138                  | 518,252,405                       | 593,847,660                        |
| DIVIDENDS FROM STATUTORY<br>SUBSIDIARIES | 568,575                      | 987,525                           | 594,510                            |
| OTHER INCOME                             |                              |                                   |                                    |
| INTEREST INCOME                          | 0                            | 0                                 | 0                                  |
| TOTAL OTHER INCOME                       | 0                            | 0                                 | 0                                  |
| TOTAL INCOME                             | 127,581,713                  | 519,239,930                       | 594,442,170                        |
| <b>DEDUCTIONS</b>                        |                              |                                   |                                    |
| EXPENSES                                 | 0                            | 553                               | 1,556                              |
| OTH OFFICE SUPPLIES & EXPENSES           | 901                          | 2,339                             | 9,481                              |
| POSTAGE, PRINTING, STATIONERY            | 33,866                       | 296,922                           | 120,965                            |
| LEGAL                                    | 48,525                       | 106,825                           | 149,951                            |
| AUDITING                                 | 761,081                      | 2,101,793                         | 2,274,721                          |
| AMERICAN ELEC POWER SERV CORP            | 0                            | 3,067                             | 0                                  |
| OUTSIDE SVCS EMPLOYED-APRESKO            | 15,286                       | 29,418                            | 61,031                             |
| OTHER PROFESSIONAL SERVICES              | 1,298                        | 5,110                             | 5,276                              |
| TRAVEL AND ACCIDENT INSURANCE            | 126,690                      | 419,818                           | 438,523                            |
| DIRECTORS FEES AND EXPENSES              | (133,046)                    | 2,307,235                         | 1,967,595                          |
| CORPORATE & FISCAL EXPENSES              | 21,829                       | 209,042                           | 63,733                             |
| RETIREMENT PLAN                          | 3,824                        | 23,959                            | (28,903)                           |
| OTHER MISC GENERAL EXPENSE               | 400                          | 400                               | 3,680                              |
| MISCELLANEOUS RENTS                      |                              |                                   |                                    |
| TOTAL EXPENSES                           | 880,654                      | 5,506,481                         | 5,067,609                          |

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AEP Resource Service Company  
Comparative Income Statement  
December 31,

|                                  | Quarter Ended        |                     | Year-to-Date Ended   |                      | Twelve-Months Ended  |                      |
|----------------------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | 1997                 | 1996                | 1997                 | 1996                 | 1997                 | 1996                 |
| Product Sales                    | -                    | -                   | -                    | -                    | -                    | -                    |
| Interest Income                  | 184,215.11           | 700.00              | 362,735.46           | 1,608.42             | 362,735.46           | 1,608.42             |
| Royalty Income-Flash Fill        | 48,484.84            | 19,209.32           | 185,357.13           | 92,247.46            | 185,357.13           | 92,247.46            |
| Other Miscellaneous Income       | 40.57                | -                   | 40.60                | -                    | 40.60                | -                    |
| Serv Rendered Assoc Co's         | 218,874.09           | 104,495.95          | 609,756.19           | 104,495.95           | 609,756.19           | 104,495.95           |
| Svcs Rend Assoc. Co-AEPR         | -                    | 950,376.68          | 13,792,607.62        | 12,270,048.87        | 13,792,607.62        | 12,270,048.87        |
| Svcs Rend Non-Assoc Companies    | 10,787,225.52        | 1,074,781.95        | 14,950,497.00        | 12,468,400.70        | 14,950,497.00        | 12,468,400.70        |
| Service & Other Income           | 11,236,840.13        | 1,074,781.95        | 14,950,497.00        | 12,468,400.70        | 14,950,497.00        | 12,468,400.70        |
| <b>TOTAL INCOME</b>              | <b>11,236,840.13</b> | <b>1,074,781.95</b> | <b>14,950,497.00</b> | <b>12,468,400.70</b> | <b>14,950,497.00</b> | <b>12,468,400.70</b> |
| Cost of Goods Sold               | -                    | -                   | -                    | -                    | -                    | -                    |
| Productive Labor                 | 190,114.37           | 25,000.02           | 797,069.38           | 68,541.76            | 797,069.38           | 68,541.76            |
| Other Non-Productive Labor       | 13,667.66            | 27,166.60           | (9,073.09)           | 34,770.77            | (9,073.09)           | 34,770.77            |
| Vacation Pay Accrued             | 13,100.60            | 5,836.94            | 58,100.60            | 8,846.16             | 58,100.60            | 8,846.16             |
| Vacation Pay Used                | (29,236.12)          | (1,547.84)          | (57,073.94)          | -                    | (57,073.94)          | -                    |
| Salaries And Wages               | 187,848.63           | 66,456.72           | 789,022.95           | 112,168.69           | 789,022.95           | 112,168.69           |
| Office Supplies and Expenses     | -                    | (1,035.88)          | 332.69               | 3,813.49             | 332.69               | 3,813.49             |
| Travel- System & Other           | 47,697.33            | -                   | 121,355.85           | 2,423.95             | 121,355.85           | 2,423.95             |
| Travel-System & Oth-50% Deduct   | -                    | -                   | -                    | 376.40               | -                    | 376.40               |
| Travel- Meets, Conv's & Sem's    | 280.72               | (1,535.00)          | 7,182.38             | 2,845.03             | 7,182.38             | 2,845.03             |
| Travel- Meet, Conv & Sem-50% Ded | -                    | -                   | -                    | 89.49                | -                    | 89.49                |
| Membership Fees/Dues-Employees   | -                    | -                   | -                    | 262.00               | -                    | 262.00               |
| Postage, Printing, Stationery    | 343.03               | (54.26)             | 4,977.36             | 11,898.66            | 4,977.36             | 11,898.66            |
| Books, Periodicals, Newspapers   | 1,482.50             | -                   | 1,483.66             | 1,015.88             | 1,483.66             | 1,015.88             |
| Recruiting Expenses              | -                    | -                   | 8,473.38             | 8,473.38             | 8,473.38             | 8,473.38             |
| Substation Contracts-Materials   | 6,135,058.18         | 212,333.33          | 7,173,777.96         | 5,037,232.12         | 7,173,777.96         | 5,037,232.12         |
| Misc Materials AEPES Contracts   | 2,858.19             | 3,319.29            | 111,984.91           | 20,423.06            | 111,984.91           | 20,423.06            |
| Office, Building, and Travel     | 6,187,719.95         | 213,027.46          | 7,432,662.34         | 5,080,180.08         | 7,432,662.34         | 5,080,180.08         |
| Legal                            | -                    | 14,067.84           | 9,886.00             | 35,704.20            | 9,886.00             | 35,704.20            |
| AEP Service Corporation          | 543,748.84           | 317,988.04          | 2,275,265.59         | 3,137,165.50         | 2,275,265.59         | 3,137,165.50         |
| Other Associate Companies        | 474,090.26           | 168,942.01          | 477,709.13           | 924,579.71           | 477,709.13           | 924,579.71           |
| Other Professional Services      | 1,289,650.24         | (621,289.69)        | 2,381,883.71         | 2,110,419.40         | 2,381,883.71         | 2,110,419.40         |
| Outside Services Employed        | 2,307,489.34         | (122,291.80)        | 6,144,744.43         | 6,207,868.81         | 6,144,744.43         | 6,207,868.81         |

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Engineering Detail

|                   | <u>AEP</u> |            | <u>CSW</u> |           | <u>Combined</u> |      |
|-------------------|------------|------------|------------|-----------|-----------------|------|
|                   | 1996       | 1997       | 1996       | 1997      | 1996            | 1997 |
| Service Company   | 2,036 (1)  | 210 (2)    | 40 (1)     | 1,219 (4) | 1,429           |      |
| Operating Company | N/A        | 10,899 (3) | N/A        | 1,767 (4) | 12,667          |      |
| Total             | 2,036      | 11,109     | 40         | 2,986     | 14,095          |      |

Notes/Sources:

- (1) 1996 U-13-60
- (2) 1997 AEP Service Co. Analysis
- (3) 1997 AEP OpCo Analysis
- (4) 1997 CSW Analysis

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AEP SERVICE Co. PROFESSIONAL SERVICES WP/FLAHERTY  
 (2) Engineering Services \$138,4K

AEPSC

| Account | Roll Group Numbers                              | Roll Group Names                        | Vendor                 | Accounts Payable Amount          |
|---------|-------------------------------------------------|-----------------------------------------|------------------------|----------------------------------|
| 1       | 923150                                          | 335 IT                                  | A C Coy                | 170,240 [2]                      |
| 2       | 923150                                          | 335 IT                                  | Index Research         | 157,121 [2]                      |
| 3       | 923150 552 & 440                                | System Power Mirks & System Ops         | ABB                    | 371,813 [2]                      |
| 4       | 923150 552, 440, 224                            | Sys. Pwr Mirks, Pwr Mktg & Sys Ops      | ABB Power              | 838,016 [2]                      |
| 5       | 923300 225, 332, 333, 781                       | Acctg, Outage Mgmt                      | Accountemps            | 116,777 [4]                      |
| 6       | 923150                                          | 335 IT                                  | Advantis               | 108,671 [2]                      |
| 7       | 923150                                          | 335 IT                                  | AIC                    | 420,277 [2]                      |
| 8       | 923150                                          | 335 IT                                  | America Registry       | 2,152,098 [2]                    |
| 9       | 923150                                          | 335 IT                                  | Analysts International | 240,642 [2]                      |
| 10      | 923150                                          | 335 IT                                  | Andersen Consulting    | 363,672 non-recurring            |
| 11      | 923150                                          | 335 IT                                  | Applied Performance    | 189,690 [2]                      |
| 12      | 923300                                          | 460 EVP - Energy Delivery               | Arrington Group        | 106,468 non-recurring            |
| 13      | 923150 335, 460, 446 & others                   | various                                 | ASAP Software          | 1,595,520 [2]                    |
| 14      | 923300                                          | 333 Accts Pay                           | Banclec                | 187,154 [4]                      |
| 15      | 923300                                          | 444 Consumer Services                   | BBI Marketing          | 179,700 [3]                      |
| 16      | 923150                                          | 335 IT                                  | C W Costello           | 324,810 [2]                      |
| 17      | 923150                                          | 335 IT                                  | Candle Corp            | 591,300 [2]                      |
| 18      | 923150                                          | 335 IT                                  | CAP Gemini             | 903,188 [2]                      |
| 19      | 923300 464, 787, 788, 465                       | T & D, RSO                              | C D I                  | 702,871 [3]                      |
| 20      | 923150                                          | 440 System Ops                          | CEGELEC                | 145,698 non-recurring            |
| 21      | 923110                                          | 781 Fossil                              | Charles Rose           | 104,821 [1]                      |
| 22      | 923300                                          | 781 Fossil                              | Charles Rose           | 38,885 [5]                       |
| 23      | 923150                                          | 335 IT                                  | Claremont              | 1,247,476 [2]                    |
| 24      | 923300                                          | 331 CP&B                                | Clean Air Capital Mkt  | 124,500 [4]                      |
| 25      | 923300                                          | 337 Corporate Services                  | Commercial Movers      | 111,333 [3]                      |
| 26      | 923150                                          | 335 IT                                  | Computer People        | 4,540,378 [2]                    |
| 27      | 923150                                          | 335 IT                                  | Compware               | 1,527,484 [2]                    |
| 28      | 923150                                          | 444.7 Consumer Services                 | Consulting Fee         | 184,750 non-recurring            |
| 29      | 923150                                          | 335 IT                                  | Costello               | 225,210 [2]                      |
| 30      | 923150 335, 460                                 | IT and Energy Delivery                  | Crowe Chizek           | 120,768 [2]                      |
| 31      | 923150                                          | 335.62 IT                               | CSC                    | 5,454,024 non-recurring          |
| 32      | 923150                                          | 335.21 IT                               | CSCIndex               | 251,629 non-recurring            |
| 33      | 923300 various                                  | various                                 | Dawson Personnel       | 114,240 [3]                      |
| 34      | 923300                                          | 339 HR                                  | DDI Customer Service   | 158,572 [3]                      |
| 35      | 923300 466430, 785700                           | Energy Delivery & Fossil Support        | Decision Support       | 348,807 non-recurring            |
| 36      | 923300 336, 332130, 336, 551, 222               | Acct, Tax, Finance & Dereg              | Deloitte & Touche      | 249,701 \$10,315/dereg [4]       |
| 37      | 923150                                          | 335320 IT                               | Diversified So         | 100,267 [2]                      |
| 38      | 923150 335450, 335520                           | IT                                      | DP Initiatives Inc     | 252,101 [2]                      |
| 39      | 923150                                          | 781210 Fossil                           | EA Systems             | 119,759 [2]                      |
| 40      | 923300                                          | 784 Environmental Services              | EEL                    | 98,787                           |
| 41      | 923300 various pg 188                           | various                                 | EPR                    | 215,250                          |
| 42      | 923150                                          | 335 IT                                  | Everest Data Reaser    | 252,138 [2]                      |
| 43      | 923150                                          | 335450 IT                               | Excel Partners         | 136,068 [2]                      |
| 44      | 923300                                          | 783020 Power Gen IT                     | Franklin Comp          | 291,869 [3]                      |
| 45      | 923300                                          | 335300 IT                               | Gartner                | 131,160 [3]                      |
| 46      | 923300 464530, 227000                           | Transmission & nuclear                  | General Research       | 212,003 [3]                      |
| 47      | 923150                                          | 335520 IT                               | Grosh Consulting       | 427,638 [2]                      |
| 48      | 923150                                          | 335 IT                                  | IBM                    | 2,692,565 thru 2000 only         |
| 49      | 923300                                          | 335350 IT                               | IBS                    | 622,387 [3]                      |
| 50      | 923150                                          | 335 IT                                  | Indecon                | 1,825,508 [2]                    |
| 51      | 923150                                          | 335 IT                                  | Index Research         | 1,050,183 [2]                    |
| 52      | 923150 & 923300 335 & 552200                    | IT & System Power Mktg                  | Information Bul        | 112,286 non-recurring            |
| 53      | 923150                                          | 335140 IT                               | Information Industries | 258,881 [2]                      |
| 54      | 923150                                          | 335 IT                                  | Interactive Business   | 151,892 [2]                      |
| 55      | 923300 335320, 335420, 335530                   | IT                                      | International Business | 104,895 [3]                      |
| 56      | 923300 335000, 335520                           | IT                                      | Keane                  | 117,800 non-recurring            |
| 57      | 923 - 110, 150, 300 465120, 335, 466130, 464510 | T & D and delivery support              | Linesoft               | 654,223 \$520000 non r [1][2][3] |
| 58      | 923150 335510, 335530                           | IT                                      | Manifest Solutions     | 317,921 [2]                      |
| 59      | 923150                                          | 444700 Consumer Services - Mkt Support  | Maintenance Agree      | 575,734 \$275,000 non r [2]      |
| 60      | 923300                                          | 444510 Consumer Services - Mkt Research | Market Strategies      | 238,678 [3]                      |
| 61      | 923300                                          | 337200 Food Services                    | Marriott               | 133,151 [3]                      |
| 62      | 923150                                          | 335 IT                                  | Mastech                | 127,045 [2]                      |
| 63      | 923150                                          | 335 IT                                  | Mazdm Group            | 483,623 [2]                      |
| 64      | 923300                                          | 335 IT                                  | Mazdmation             | 1,080,890 [3]                    |
| 65      | 923150 445400, 444620, 338000                   | Procurement, Consumer Svc, Corp. Comm.  | MC 2                   | 113,070 non-recurring            |
| 66      | 923300                                          | 480000 Energy Delivery & Fossil Support | Mercer Management      | 405,908 non-recurring            |
| 67      | 923300                                          | 220000 Chairman                         | Mercer Management      | 228,920 non-recurring            |
| 68      | 923150                                          | 335150 IT                               | Mobius                 | 439,985 [2]                      |

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|    |                                    |                              |                   |                      |
|----|------------------------------------|------------------------------|-------------------|----------------------|
| 69 | 923150 335, 331                    | IT & CP&B                    | Newcourt          | 863,914 [2]          |
| 70 | 923150 335, 444700, 781210, 444720 | IT, Consumer Svc & Fossil    | Newmedia          | 993,449 [2]          |
| 71 | 923150 335380 & 335320             | IT                           | Novadigm          | 243,760 [2]          |
| 72 | 923150 335530 & 335470             | IT                           | Novatec           | 104,880 [2]          |
| 73 | 923300 339080, 444730 & others     | HR, Consumer Svcs and others | Ohio State Univ   | 407,243 [3]          |
| 74 | 923150 335380                      | IT                           | Oracle            | 597,101 [2]          |
| 75 | 923150 552110 & 552220             | System Power Mkts            | Oracle            | 85,905 non-recurring |
| 76 | 923150 335                         | IT                           | Origin Technology | 136,839 [2]          |
| 77 | 923150 335                         | IT                           | Paros             | 150,115 [2]          |
| 78 | 923150 3354xx                      | IT                           | PeopleSoft        | 2,485,838 [2]        |

| Account | Roll Group Numbers                    | Roll Group Names                       | Vendor                 | Accounts Payable Amount |
|---------|---------------------------------------|----------------------------------------|------------------------|-------------------------|
| 86      | 923150                                | 444700 Consumer Services - Mkt Support | Phase One Project      | 184,600 nonrecuring     |
| 87      | 923300 various                        | Employee Relocation Payments           |                        | 1,278,252 [3]           |
| 88      | 923000 228000, 339580, 220990, 460020 | Legal, HR, Chairman, Energy Delivery   | Porter Wright Morris   | 39,922                  |
| 89      | 923150                                | 335520 IT                              | Priferma Technology    | 148,098 [2]             |
| 90      | 923150 335300, 335140, 335220         | IT                                     | Prima Consulting       | 143,479 [2]             |
| 91      | 923150 781210 & 783020                | Fossil and Power Engineering           | Primevera              | 154,015 [2]             |
| 92      | 923150                                | 781210 Fossil                          | Project Controls       | 178,009 [2]             |
| 93      | 923150                                | 335 IT                                 | Protach Group          | 822,184 [2]             |
| 94      | 923150                                | 335 IT                                 | Quick Solutions        | 722,284 [2]             |
| 95      | 923150                                | 335 IT                                 | RHI Consulting         | 208,181 [2]             |
| 96      | 923300 335 & 333                      | IT & Accounting                        | Robert Half            | 470,830 [4]             |
| 97      | 923300 444400, 444730, 444410         | Consumer Services                      | Sales Mgmt Systems     | 328,013 [2]             |
| 98      | 923150                                | 335380 IT                              | Sanwa Business         | 370,125 [2]             |
| 99      | 923150                                | 335 IT                                 | Sarcom                 | 1,384,817 [2]           |
| 100     | 923110                                | 227000 Nuclear                         | SE Technologies        | 510,112                 |
| 101     | 923300                                | 444210 Consumer Services               | Shaffer Sherman Sperry | 185,897 [3]             |
| 102     | 923150                                | 444700 Consumer Services               | Siebel Systems         | 826,369 nonrecuring     |
| 103     | 923150 464000, 464430, 335510         | Transmission & IT                      | Small World Systems    | 119,872 nonrecuring     |
| 104     | 923150                                | 335450 IT                              | Software AG            | 219,378 [2]             |
| 105     | 923150                                | 335 IT                                 | Software Architects    | 367,103 [2]             |
| 106     | 923150                                | 335 IT                                 | Software Support Group | 963,872 [2]             |
| 107     | 923300                                | 339 HR                                 | Spencer Stuart         | 131,931 [3]             |
| 108     | 923150                                | 335 IT                                 | SSG                    | 460,068 [2]             |
| 109     | 923300                                | 336000 Tax                             | Stapote & Johnson      | 74,243                  |
| 110     | 923150 335 and various                | IT and various                         | Starling Commerce      | 780,770 [2]             |
| 111     | 923000 226030, 444600, 220990         | Legal, Chairman and Consumer Services  | Stites & Harbison      | 7,115                   |
| 112     | 923150                                | 335 IT                                 | Strategic Research     | 1,087,034 [2]           |
| 113     | 923300 444610, 444210, 444400         | Consumer Services                      | S4 Consulting          | 127,984 [3]             |
| 114     | 923150                                | 335320 IT                              | Tangram Ent            | 268,852 [2]             |
| 115     | 923150 335150 & 335320                | IT                                     | Techmate               | 162,242 [2]             |
| 116     | 923150 335420, 339000, 339210         | IT & HR                                | Tesseract              | 103,597 [2]             |
| 117     | 923150                                | 335 IT                                 | Thomas Glover          | 233,041 [2]             |
| 118     | 923150                                | 332010 Accounting                      | Useritech              | 263,060 [2]             |
| 119     | 923150                                | 781210 Fossil                          | Vinkad Svcs            | 181,838 [2]             |
| 120     | 923300                                | 339080 HR                              | Workforce Transform    | 193,200 nonrecuring     |
| 121     | 923150 & 923300 444210, 444510        | Consumer Services                      | Xenergy                | 112,080 [2] [3]         |

|                                  |               |                 |
|----------------------------------|---------------|-----------------|
| Addition From<br>Mark McCullough | IT-Consulting | 58,411,328      |
|                                  |               | \$1,535,000 [2] |

[1] Engineering \$138.4K  
 [2] Consulting -IT \$38,381K  
 [3] Consulting Non-IT \$6,354K  
 [4] Finance & Acctng \$1,364.2K

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[3] Engineering Services \$ 12,318K

| Contract Labor and Professional Services | Group Incurring charge                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Vendor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total                                                                                                                                                                                                                                               | Engineering | Consulting | IT Consulting | P&A | Other      | Nuclear | Audit   | Intra/Co | Contract Services                                             | Legal                                                                                                                                                                                                                                               |  |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------|---------------|-----|------------|---------|---------|----------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 210 Contract Labor General               | Trans & Generation<br>Company Unallocated<br>Distribution<br>(Not Contract or Prof. Svcs.<br>(Not Contract or Prof. Svcs.<br>130 TEG Enterprises<br>0 PRC Engineering<br>Henry, Robert Co<br>Dodon Unibom<br>New River Electrical<br>Uth Corp<br>Deloitte & Touche<br>Wrightshouse Electric<br>Fisher<br>Gurke Construction<br>Harris & Heisener<br>Electrical Construction<br>Stackhouse Inc<br>Elliot, Davis H<br>New River Electric<br>Less Share of Sporn<br>Less Share of Cardinal<br>Less Share of Rodport<br>All other, Inc. Share of J. pits | Pisa, Floyd<br>Souletry, R H Inc<br>Dierbert Contractors<br>Citrus & Chemical Bank<br>Intra-city Road<br>TEG Enterprises<br>PRC Engineering<br>Henry, Robert Co<br>Dodon Unibom<br>New River Electrical<br>Uth Corp<br>Deloitte & Touche<br>Wrightshouse Electric<br>Fisher<br>Gurke Construction<br>Harris & Heisener<br>Electrical Construction<br>Stackhouse Inc<br>Elliot, Davis H<br>New River Electric<br>Less Share of Sporn<br>Less Share of Cardinal<br>Less Share of Rodport<br>All other, Inc. Share of J. pits | 6,310,664<br>4,624,702<br>728,614<br>7,098,968<br>610,481<br>513,179<br>307,438<br>353,718<br>482,798<br>308,607<br>5,361,320<br>208,290<br>34,000<br>900,000<br>594,353<br>190,000<br>209,332<br>1,001,444<br>3,265,295<br>21,138,062<br>1,630,221 | 353,718 (1) |            |               |     | [4] 34,000 |         | 307,438 |          |                                                               | 6,310,664<br>4,624,702<br>728,614<br>7,098,968<br>610,481<br>513,179<br>307,438<br>353,718<br>482,798<br>308,607<br>5,361,320<br>208,290<br>34,000<br>900,000<br>594,353<br>190,000<br>209,332<br>1,001,444<br>3,265,295<br>21,138,062<br>1,630,221 |  |
| 210 Total Contract Lbr Gen               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 6,523,705<br>62,489,278                                                                                                                                                                                                                             |             |            |               |     |            |         |         |          | 6,523,705                                                     |                                                                                                                                                                                                                                                     |  |
| 211 Routine Maintenance                  | Generation<br>Fossil<br>Fossil<br>Fossil<br>Fossil<br>Fossil<br>Generation                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | JTM Industries I<br>Cardinal Plant Costs<br>Sporn Plant Costs<br>Amos Plant Costs<br>Cheema, Barbara<br>Babcock & Wilcox<br>Unidentified<br>Less billing to CCD partners<br>Less Share of Amos<br>Less Share of Sporn<br>Less Share of Cardinal<br>Less Share of Rodport<br>All other, Inc. Share of J. pits                                                                                                                                                                                                               | 361,093<br>344,865<br>89,677<br>289,479<br>254,716<br>872,221                                                                                                                                                                                       |             |            |               |     |            |         |         |          | 361,093<br>344,865<br>89,677<br>289,479<br>254,716<br>872,221 |                                                                                                                                                                                                                                                     |  |
| 211 Total Routine Maint.                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 5,678,141<br>7,925,489                                                                                                                                                                                                                              |             |            |               |     |            |         |         |          | 5,678,141                                                     |                                                                                                                                                                                                                                                     |  |
| 212 Contract Maintenance                 | Fossil<br>Fossil<br>Generation<br>Nuclear<br>Nuclear                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Unidentified<br>Babcock & Wilcox<br>ABB C-E Services Inc<br>Underwater Const<br>Citrus & Chemical<br>Unpaid Liability<br>Amos Plant Costs<br>Cardinal Plant Costs<br>Sporn Plant Costs<br>Everfab Corp<br>Universal Inc<br>Williams Logge<br>Williams Power<br>Williams US Serv                                                                                                                                                                                                                                            | 6,166,196<br>6,326,326<br>4,105,049<br>274,005<br>8,144,176<br>4,785,485<br>290,422<br>301,614<br>321,789<br>2,115,786<br>293,090<br>1,001,574<br>2,041,054<br>2,711,733                                                                            |             |            |               |     |            |         |         |          | 6,166,196<br>6,326,326<br>4,105,049<br>274,005<br>8,144,176   |                                                                                                                                                                                                                                                     |  |
| 212 Contract Maintenance                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4,785,485                                                                                                                                                                                                                                           |             |            |               |     |            |         |         |          | 4,785,485                                                     |                                                                                                                                                                                                                                                     |  |

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| Cost Component                    | Group Incurring charge | Vendor                          | Total      | Engineering | Consulting | IT Consulting | FSA | Other | Nuclear   | AudR | Not Included | InterCo/ | Contract  | Legal |
|-----------------------------------|------------------------|---------------------------------|------------|-------------|------------|---------------|-----|-------|-----------|------|--------------|----------|-----------|-------|
| 212 Total Contract Maint.         |                        |                                 | 3,357,447  |             |            |               |     |       |           |      |              |          | 3,357,447 |       |
|                                   |                        |                                 | 44,914,997 |             |            |               |     |       |           |      |              |          | 3,278,820 |       |
| 213 Other Contract Labor - Plants | Company Unallocated    | Unidentified                    | 7,750,222  |             |            |               |     |       |           |      |              |          | 505,987   |       |
|                                   | Fossil                 | Altrix Industries I             | 630,436    |             |            |               |     |       |           |      |              |          | 630,436   |       |
|                                   | Fossil                 | Altrix Environ                  | 825,512    |             |            |               |     |       |           |      |              |          | 825,512   |       |
|                                   | Fossil                 | Aluma Systems USA               | 1,809,329  |             |            |               |     |       |           |      |              |          | 1,809,329 |       |
|                                   | Fossil                 | Atlas Steel                     | 330,296    |             |            |               |     |       |           |      |              |          | 330,296   |       |
|                                   | Fossil                 | M P W Industrial SE             | 1,670,982  |             |            |               |     |       |           |      |              |          | 1,670,982 |       |
|                                   | Fossil                 | MIS Ent Gen ACS Dk              | 873,045    |             |            |               |     |       |           |      |              |          | 873,045   |       |
|                                   | Fossil                 | Power Maintenance Inc           | 611,680    |             |            |               |     |       |           |      |              |          | 611,680   |       |
|                                   | Fossil                 | Universal Inc                   | 204,650    |             |            |               |     |       |           |      |              |          | 204,650   |       |
|                                   | Fossil                 | DB Riley                        | 254,846    |             |            |               |     |       |           |      |              |          | 254,846   |       |
|                                   | Fossil                 | Robinson Fans SE                | 815,391    |             |            |               |     |       |           |      |              |          | 815,391   |       |
|                                   | Fossil                 | Stone, Alan Co                  | 812,383    |             |            |               |     |       |           |      |              |          | 812,383   |       |
|                                   | Fossil                 | Safeway Steel Box               | 737,450    |             |            |               |     |       |           |      |              |          | 737,450   |       |
|                                   | Fossil                 | Cardinal PR Coats               |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | Hamborn, Geo                    |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | Power Maintenance Inc           |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | A C & S Inc                     | 818,065    |             |            |               |     |       |           |      |              |          | 818,065   |       |
|                                   | Fossil                 | Hydrochem In                    | 186,586    |             |            |               |     |       |           |      |              |          | 186,586   |       |
|                                   | Fossil                 | Spoon Plant Coats               | 607,001    |             |            |               |     |       |           |      |              |          | 607,001   |       |
|                                   | Fossil                 | Wickenshul Co                   | 222,661    |             |            |               |     |       |           |      |              |          | 222,661   |       |
|                                   | Fossil                 | Walker, Caci                    | 245,782    |             |            |               |     |       |           |      |              |          | 245,782   |       |
|                                   | Fossil                 | Walters, Caci                   | 353,285    |             |            |               |     |       |           |      |              |          | 353,285   |       |
|                                   | Fossil                 | Industrial S                    | 811,979    |             |            |               |     |       |           |      |              |          | 811,979   |       |
|                                   | Fossil                 | Master Mechanic                 | 492,782    |             |            |               |     |       |           |      |              |          | 492,782   |       |
|                                   | Fossil                 | Williams Nitro                  | 366,749    |             |            |               |     |       |           |      |              |          | 366,749   |       |
|                                   | Fossil                 | Manley Cooling                  | 672,788    |             |            |               |     |       | 672,788   |      |              |          |           |       |
|                                   | Fossil                 | Liberty Technical               | 887,178    |             |            |               |     |       | 887,178   |      |              |          |           |       |
|                                   | Fossil                 | General Electric                | 380,680    |             |            |               |     |       |           |      |              |          | 380,680   |       |
|                                   | Nuclear                | Williams Legge                  | 7,966,645  |             |            |               |     |       | 7,966,645 |      |              |          |           |       |
|                                   | Fossil                 | Framstone Techno                | 712,914    |             |            |               |     |       | 712,914   |      |              |          |           |       |
|                                   | Fossil                 | Bechtel Power Co                | 3,874,412  |             |            |               |     |       | 3,874,412 |      |              |          |           |       |
|                                   | Nuclear                | Unpaid Liability                | 407,450    |             |            |               |     |       |           |      |              |          | 407,450   |       |
|                                   | Fossil                 | Rec Unwtr Maint BS PL           | 357,891    |             |            |               |     |       |           |      |              |          | 357,891   |       |
|                                   | Fossil                 | Superior Electric               | 453,789    |             |            |               |     |       |           |      |              |          | 453,789   |       |
|                                   | Fossil                 | Lubagh Inc                      | 480,451    |             |            |               |     |       |           |      |              |          | 480,451   |       |
|                                   | Fossil                 | Brown Electric                  | 786,879    |             |            |               |     |       |           |      |              |          | 786,879   |       |
|                                   | Fossil                 | Prime Insulation                | 1,643,572  |             |            |               |     |       |           |      |              |          | 1,643,572 |       |
|                                   | Fossil                 | Global Power                    | 1,877,578  |             |            |               |     |       |           |      |              |          | 1,877,578 |       |
|                                   | Fossil                 | Westinghouse Elec               | 523,097    |             |            |               |     |       |           |      |              |          | 523,097   |       |
|                                   | Fossil, Nuclear        | JTM Industries I                | 336,686    |             |            |               |     |       |           |      |              |          | 336,686   |       |
|                                   | Fossil                 | Predicon                        |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | Less Billing to CCD Partners    |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | Less Share of Amos              |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | Less Share of Sporn             |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | Less Share of Cardinal          |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | Less Share of Rockport          |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | All other, Incl. Share of J pbs |            |             |            |               |     |       |           |      |              |          |           |       |
| 213 Total Other - Pts             |                        |                                 | 7,341,334  |             |            |               |     |       |           |      |              |          | 7,341,334 |       |
|                                   |                        |                                 | 49,530,558 |             |            |               |     |       |           |      |              |          | 3,278,820 |       |
| 214 Outside Shop Svcs -Prt        |                        |                                 | 185,208    |             |            |               |     |       |           |      |              |          | 185,208   |       |
|                                   | Fossil                 | Amos Plant Coats                | 402,124    |             |            |               |     |       |           |      |              |          | 402,124   |       |
|                                   | Fossil                 | Spoon Plant Coats               |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Nuclear, Fossil        | Westinghouse                    | 464,522    |             |            |               |     |       |           |      |              |          | 464,522   |       |
|                                   | Fossil                 | Less Billing to CCD Partners    |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | Less Share of Amos              |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | Less Share of Sporn             |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | Less Share of Cardinal          |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | Less Share of Rockport          |            |             |            |               |     |       |           |      |              |          |           |       |
|                                   | Fossil                 | All other, Incl. Share of J pbs |            |             |            |               |     |       |           |      |              |          |           |       |
| 214 Total Other - Pts             |                        |                                 | 232,261    |             |            |               |     |       |           |      |              |          | 232,261   |       |

(5) 7,750,222

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| Contracted Labor and Professional Services | Engineering             | Consulting                                                                                                 | IT Consulting                  | F&A | Other | Nuclear   | Audit | Not Included | InterCo/ | Contract   | Legal |
|--------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------|-----|-------|-----------|-------|--------------|----------|------------|-------|
| Cost Component                             | Group Incurring charge  | Vendor                                                                                                     | Total                          |     |       |           |       |              |          | Services   |       |
| 214 Total Out. Shop Svcs                   | Fossil                  | Less Share of Sporn<br>Less Share of Cardinal<br>Less Share of Rodport<br>All other, Ind. Share of J. pils | 4,710,650<br><u>5,630,529</u>  |     |       | 2,086,701 |       |              |          | 4,710,650  |       |
| 215 Centr. PR Maint                        |                         | at others                                                                                                  | <u>27,468</u>                  |     |       |           |       |              |          | 27,468     |       |
| 216 Central Machine Shop                   | Group incurring charge  | Vendor                                                                                                     | Total                          |     |       |           |       |              |          |            |       |
|                                            | Fossil                  | Unidentified                                                                                               | 240,655                        |     |       |           |       |              |          | 240,655    |       |
|                                            | Fossil                  | Amos Plant Costs                                                                                           | 355,781                        |     |       |           |       |              |          | 355,781    |       |
|                                            | Fossil                  | Cardinal Plant Costs                                                                                       | 439,614                        |     |       |           |       |              |          | 439,614    |       |
|                                            | Fossil                  | Sporn Plant Costs                                                                                          | 4,173,402                      |     |       | 2,086,701 |       |              |          | 2,086,701  |       |
|                                            | Nuclear, Fossil         | Appalachian Power Co                                                                                       |                                |     |       |           |       |              |          |            |       |
|                                            | Fossil                  | CMS Clearing                                                                                               | 2,079,279                      |     |       |           |       |              |          | 2,079,279  |       |
|                                            |                         | Less Billing to CCO Partners                                                                               |                                |     |       |           |       |              |          |            |       |
|                                            |                         | Less Share of Amos                                                                                         |                                |     |       |           |       |              |          |            |       |
|                                            |                         | Less Share of Sporn                                                                                        |                                |     |       |           |       |              |          |            |       |
|                                            |                         | Less Share of Cardinal                                                                                     |                                |     |       |           |       |              |          |            |       |
|                                            |                         | Less Share of Rodport                                                                                      |                                |     |       |           |       |              |          |            |       |
|                                            |                         | All other, Ind. Share of J. pils                                                                           | 1,238,336<br><u>13,661,373</u> |     |       |           |       |              |          | 1,238,336  |       |
| 216 Total Central M. Shop                  |                         |                                                                                                            |                                |     |       |           |       |              |          | 236,960    |       |
| 220 ?                                      | Finance                 | Unidentified                                                                                               | 236,960                        |     |       |           |       |              |          | 236,960    |       |
|                                            | Nuclear                 | Less Share of Rodport                                                                                      | 209,298                        |     |       |           |       |              |          |            |       |
|                                            |                         | Amotiba Pref'd Inv                                                                                         | 946,577                        |     |       |           |       |              |          |            |       |
|                                            |                         | at vendors below scope                                                                                     | <u>1,357,765</u>               |     |       |           |       |              |          |            |       |
| Total ?                                    |                         |                                                                                                            |                                |     |       |           |       |              |          |            |       |
| 230 Right of Way Maint.                    | Dist & Trans            | Nelson Tree Service                                                                                        | 17,678,754                     |     |       |           |       |              |          | 17,678,754 |       |
|                                            | Fossil                  | Townsend Tree Se                                                                                           | 1,206,141                      |     |       |           |       |              |          | 1,206,141  |       |
|                                            | Distribution            | Environmental Co                                                                                           | 355,991                        |     |       |           |       |              |          | 355,991    |       |
|                                            | Transmission            | Barlett, F A TR                                                                                            | 975,579                        |     |       |           |       |              |          | 975,579    |       |
|                                            | Distribution            | Helicopter Maint -ME                                                                                       | 517,641                        |     |       |           |       |              |          | 517,641    |       |
|                                            | Distribution & Bldg Svc | Asplunch Tree                                                                                              | 6,039,294                      |     |       |           |       |              |          | 6,039,294  |       |
|                                            |                         | Less Share of Amos                                                                                         |                                |     |       |           |       |              |          |            |       |
|                                            |                         | Less Share of Sporn                                                                                        |                                |     |       |           |       |              |          |            |       |
|                                            |                         | Less Share of Cardinal                                                                                     |                                |     |       |           |       |              |          |            |       |
|                                            |                         | Less Share of Rodport                                                                                      |                                |     |       |           |       |              |          |            |       |
|                                            |                         | All other, Ind. Share of J. pils                                                                           | 663,021<br><u>28,172,940</u>   |     |       |           |       |              |          | 663,021    |       |
| 230 Right of Way Maint.                    | Fossil & Distrib        |                                                                                                            |                                |     |       |           |       |              |          |            |       |
| 231 Tree & Brush                           | Company Unallocated     | Unidentified                                                                                               | 3,657,514                      |     |       |           |       |              |          | 3,657,514  |       |
|                                            | Distribution            | Aerial Solutions                                                                                           | 134,368                        |     |       |           |       |              |          | 134,368    |       |
|                                            | Distr & Gen             | Nelson Tree Service                                                                                        | 2,410,293                      |     |       |           |       |              |          | 2,410,293  |       |
|                                            | Gen, Bldg Svc           | Barlett, F A                                                                                               | 6,042,929                      |     |       |           |       |              |          | 6,042,929  |       |
|                                            | Gen, Bldg Svc           | Asplunch Tree                                                                                              | 2,622,934                      |     |       |           |       |              |          | 2,622,934  |       |
|                                            |                         | Trees, Inc.                                                                                                |                                |     |       |           |       |              |          |            |       |
|                                            |                         | Less Share of Amos                                                                                         |                                |     |       |           |       |              |          |            |       |
|                                            |                         | Less Share of Sporn                                                                                        |                                |     |       |           |       |              |          |            |       |
|                                            |                         | Less Share of Cardinal                                                                                     |                                |     |       |           |       |              |          |            |       |
|                                            |                         | Less Share of Rodport                                                                                      |                                |     |       |           |       |              |          |            |       |
|                                            |                         | All other, Ind. Share of J. pils                                                                           | 3,309,378<br><u>35,749,830</u> |     |       |           |       |              |          | 3,309,378  |       |

[4] 236,960  
[5] 946,577

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| Contract Labor and Professional Services               | Group incurring charge                                                                                                                                                                                                     | Vendor                                                     | Total                  | Engineering   | Consulting    | IT Consulting | F&A           | Other | Nuclear | AudB                                                                                   | Not Included | InterCof | Contract Services | Legal   |  |  |
|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------|---------------|---------------|---------------|---------------|-------|---------|----------------------------------------------------------------------------------------|--------------|----------|-------------------|---------|--|--|
| 232 Aerial Spraying                                    |                                                                                                                                                                                                                            |                                                            | 58,491                 |               |               |               |               |       |         |                                                                                        |              |          | 58,491            |         |  |  |
| 240 ?                                                  | Nuclear                                                                                                                                                                                                                    | Appalachian Power Co<br>Less Share of Rodport              | 323,270                |               |               |               |               |       | 323,270 |                                                                                        |              |          |                   |         |  |  |
|                                                        | Nuclear                                                                                                                                                                                                                    | Unidentified<br>all vendors below scope                    | 225,128                |               |               |               | [5] 24,339    |       | 225,128 |                                                                                        |              |          |                   |         |  |  |
| Total ?                                                |                                                                                                                                                                                                                            |                                                            | 598,277                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
| 250 ?                                                  | Nuclear                                                                                                                                                                                                                    | ABB Power Generation<br>Less Share of Rodport<br>all other | (204,685)<br>1,401,601 |               |               |               | [5] (204,685) |       |         |                                                                                        |              |          |                   |         |  |  |
| 260 Professional Svcs                                  | Group incurring charge                                                                                                                                                                                                     | Vendor                                                     | Total                  | Engineering   | Consulting    | IT Consulting | F&A           | Other | Nuclear | AudB <td>Not Included</td> <td>InterCof</td> <td>Contract Services</td> <td>Legal</td> | Not Included | InterCof | Contract Services | Legal   |  |  |
| 260 Professional Svcs                                  | Company Unallocated<br>Data Administrative<br>Nuclear<br>Other<br>Transmission<br>Distribution<br>9959, Acct Dept<br>Company Unallocated<br>Company Unallocated<br>Other<br>Other<br>Transmission<br>Transmission<br>Other | unidentified                                               | 1,602,102              | [2] 1,602,102 |               |               | [5] 140,432   |       | 308,000 |                                                                                        |              |          | (308,000)         |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Balard, Parry Advertising                                  | 140,432                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Westinghouse                                               | 308,000                |               |               |               |               |       |         | 308,000                                                                                |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | 502                                                        | 272,859                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Edwards & Assoc.                                           | 121,968                |               | [1] 121,968   |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Credit Bureau of Co                                        | 136,967                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Debitto & Touche                                           | 501,204                |               |               |               |               |       |         | 501,204                                                                                |              |          |                   | 139,824 |  |  |
|                                                        |                                                                                                                                                                                                                            | Mental Management I                                        | 139,824                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Ohio Power                                                 | 289,053                |               | [1] 289,053   |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Debitto & Touche                                           | 449,892                |               |               |               |               |       |         | 449,892                                                                                |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Erl. Acct Fees                                             | 365,500                |               |               |               |               |       |         | 365,500                                                                                |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Cambridge Assoc                                            | 238,000                |               | [1] 238,000   |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Webb Electric                                              | 180,000                |               | [1] 180,000   |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | AEPSC/77777777                                             | 87,168                 |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Less Billings to CCD Partners                              |                        |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
| Less Share of Amos                                     |                                                                                                                                                                                                                            |                                                            |                        |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
| Less Share of Sporn                                    |                                                                                                                                                                                                                            |                                                            |                        |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
| Less Share of Cardinal                                 |                                                                                                                                                                                                                            |                                                            |                        |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
| Less Share of Rodport                                  |                                                                                                                                                                                                                            |                                                            |                        |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
| All other, incl. Share of J. pts                       |                                                                                                                                                                                                                            |                                                            | 2,913,762              | [1] 1,458,681 | [2] 1,458,681 |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            |                                                            | 7,716,878              |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
| 260 Total Professional Svcs                            |                                                                                                                                                                                                                            |                                                            | 1,988,196              |               |               |               |               |       |         |                                                                                        |              |          | 1,988,196         |         |  |  |
| 261 Medical Prof Svcs                                  | Fossil & other, HR                                                                                                                                                                                                         |                                                            | 1,416,515              |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
| 262 Legal Svcs<br>(Use Jeff Cross<br>Supplied Numbers) | Other<br>Legal<br>Legal<br>Legal, Unallocated<br>Other, Legal, Fossil<br>Finance<br>Legal<br>Legal<br>Other<br>Other<br>Company Unallocated<br>Other                                                                       | Hutton & Williams                                          | 643,065                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Leboeuf Lamb, Greene &<br>Porter, Wright, Morris & Arch    | 355,929                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Robinson & McInnes                                         | 17,000                 |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Debitto & Touche                                           | 122,691                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Baker & Daniels                                            | 109,528                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Read, Smith, Shaw & M                                      | 403,410                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Shimpon Thatcher                                           | 753,613                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Steples & Johnson                                          | 187,487                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Sites & Harbison                                           | 405,071                |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Woods, Rogers & Hisevgr                                    |                        |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Less Billings to CCD Partners                              |                        |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Less Share of Amos                                         |                        |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Less Share of Sporn                                        |                        |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Less Share of Cardinal                                     |                        |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
|                                                        |                                                                                                                                                                                                                            | Less Share of Rodport                                      |                        |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |
| All other, incl. Share of J. pts                       |                                                                                                                                                                                                                            |                                                            | 3,696,313              |               |               |               |               |       |         |                                                                                        |              |          | 3,696,313         |         |  |  |
| 262 Total Leg .. Svcs                                  |                                                                                                                                                                                                                            |                                                            | 5,294,739              |               |               |               |               |       |         |                                                                                        |              |          |                   |         |  |  |

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| Contract Labor and Professional Services | Contract Services      | Legal |           |       |     |             |            |               |           |                        |
|------------------------------------------|------------------------|-------|-----------|-------|-----|-------------|------------|---------------|-----------|------------------------|
| Cost Component                           | Instr/Co/ Not Included | Audit | Nuclear   | Other | F&A | Engineering | Consulting | IT Consulting | Total     | Vendor                 |
| 270 ?                                    | 255,917                |       |           |       |     |             |            |               | 461,371   | Unidentified all other |
| Total ?                                  | 255,917                |       |           |       |     |             |            |               | 717,255   |                        |
| 280 ?                                    |                        |       | 2,188,200 |       |     |             |            |               | 2,188,200 | Balance of Milestone 2 |
|                                          |                        |       | 1,049,111 |       |     |             |            |               | 1,049,111 | 0 City of South Haven  |
|                                          |                        |       | 3,225,000 |       |     |             |            |               | 3,225,000 | Babcock & Wilcox       |
|                                          |                        |       | 2,742,000 |       |     |             |            |               | 2,742,000 | Milestone no. 3        |
|                                          |                        |       | 280,000   |       |     |             |            |               | 280,000   | Milestone Pmt 2        |
|                                          |                        |       | 198,000   |       |     |             |            |               | 198,000   | Milestone Pmt 1        |
|                                          |                        |       |           |       |     |             |            |               | 201,663   | Less Share of Rodport  |
|                                          |                        |       |           |       |     |             |            |               | (26,356)  | 0 TRSF                 |
| Total ?                                  |                        |       | 201,663   |       |     |             |            |               | 9,848,780 | all other              |

[5] (26,356)

| Cost Component | Group Incurred charge   | Vendor                  | Total      | Engineering   | Consulting    | IT Consulting | F&A           | Other | Nuclear | Audit   | Instr/Co/ Not Included | Contract Services |
|----------------|-------------------------|-------------------------|------------|---------------|---------------|---------------|---------------|-------|---------|---------|------------------------|-------------------|
| 290            | Other OVS services gert |                         | 13,923,695 | (1) 3,460,899 | (2) 3,460,899 |               | [5] 3,480,899 |       |         |         |                        | 3,480,899         |
|                | Company Unallocated     | unidentified            | 135,000    | (1) 135,000   |               |               |               |       |         |         |                        |                   |
|                | Transmission            | Albac, Fisher & Aaso    | 180,413    | (1) 180,413   |               |               |               |       |         |         |                        |                   |
|                | Transmission not billed | ABB Power               | 124,765    |               |               |               |               |       |         |         |                        | 475,107           |
|                | Fossil                  | AD Mill Direct          | 475,107    |               |               |               |               |       |         |         |                        |                   |
|                | Energy Del. Support     | Appalachian Power Co.   | 125,003    | (2) 125,003   |               |               |               |       |         |         |                        |                   |
|                | Bld. Svcs               | Barcus Co. Inc          | 365,373    |               |               |               |               |       |         |         |                        | 365,373           |
|                | Distribution            | Central Locating SE     | 1,026,364  | (1) 1,026,364 |               |               |               |       |         |         |                        |                   |
|                | Fossil                  | 530 COAD Energy Progra. | 206,914    | (1) 206,914   |               |               |               |       |         |         |                        |                   |
|                | Fossil                  | Computational System    | 174,599    |               | (3) 174,599   |               |               |       |         | 408,594 |                        |                   |
|                | Accounting, Finance     | Debbie & Touche         | 406,694    |               |               |               |               |       |         |         |                        | 133,914           |
|                | Fossil                  | Gurita Construction     | 133,914    |               |               |               |               |       |         |         |                        |                   |
|                | Company Unallocated     | Henkels & McCoy Inc     | 126,139    | (2) 126,139   |               |               |               |       |         |         |                        | 170,494           |
|                | Company Unallocated     | In-Plant Techniques     | 451,667    | (3) 451,667   |               |               |               |       |         |         |                        | 1,663,571         |
|                | Fleet Management        | International Bush      | 170,494    |               |               |               |               |       |         |         |                        | 101,617           |
|                | Fossil                  | Lubburgh Inc            | 1,663,571  |               |               |               |               |       |         |         |                        |                   |
|                | Fossil                  | Hunter Tree Service     | 101,617    |               |               |               |               |       |         |         |                        |                   |
|                | Distribution            | 530 Huntington National | 224,729    | (2) 224,729   |               |               |               |       |         |         | 190,000                | 2,706,824         |
|                | Fossil                  | Electric Power Resu     | 190,000    |               |               |               |               |       |         |         |                        |                   |
|                | State Admin Support     | JTM Industries I        | 105,125    | (2) 105,125   |               |               |               |       |         |         |                        | 540,697           |
|                | Company Unallocated     | Metroweb Corp           | 540,697    |               |               |               |               |       |         |         |                        | 501,358           |
|                | Bld. Svcs               | MD American Cleaning    | 501,358    |               |               |               |               |       |         |         |                        | 258,590           |
|                | Fossil                  | Morris Office Equip     | 258,590    |               |               |               |               |       |         |         |                        | 347,902           |
|                | Company Unallocated     | Murray Sheet Metal      | 347,902    |               |               |               |               |       |         |         |                        |                   |
|                | Company Unallocated     | Nelson Tree Service     | 427,474    | (1) 427,474   | (2) 133,596   |               |               |       |         |         |                        |                   |
|                | State Admin Support     | Ohio Power Inc          | 133,596    |               |               |               |               |       |         |         |                        |                   |
|                | Company Unallocated     | Ohio State University   | 713,064    | (2) 233,190   |               |               |               |       |         |         | 713,064                | 480,407           |
|                | Distribution            | Op Cost Shared          | 233,190    |               |               |               |               |       |         |         |                        | 340,675           |
|                | Bld. Svcs               | Payco American Corp     | 340,675    |               |               |               |               |       |         |         |                        | 104,261           |
|                | Fossil                  | Pinkerton Security      | 480,407    |               |               |               |               |       |         |         |                        | 858,698           |
|                | Fossil                  | Power Maintenance       | 104,261    |               |               |               |               |       |         |         |                        | 156,465           |
|                | Bld. Svcs               | Proflia                 | 858,698    |               |               |               |               |       |         |         |                        | 681,248           |
|                | Bld. Svcs               | Stockmaster Enterp      | 156,465    |               |               |               |               |       |         |         |                        | 395,199           |
|                | Company Unallocated     | Superior Electric       | 681,248    | (2) 681,248   |               |               |               |       |         |         |                        |                   |
|                | Distribution            | Synergistic Design      | 395,199    |               |               |               |               |       |         |         |                        |                   |
|                | Distribution            | Team America Inc        |            |               |               |               |               |       |         |         |                        |                   |

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| Contract Component                       | Contract Services       | InterCo/ Not Included | AudR      | Nuclear | Other | FSA | Engineering | Consulting | IT Consulting | Total     |
|------------------------------------------|-------------------------|-----------------------|-----------|---------|-------|-----|-------------|------------|---------------|-----------|
| Contract Labor and Professional Services | Tempo Help Inc          | 184,317               |           |         |       |     |             |            |               | 184,317   |
|                                          | State Admin Support     | 100,943               |           |         |       |     |             |            |               | 100,943   |
|                                          | Energy Distrib. Support | 193,410               |           |         |       |     |             |            |               | 193,410   |
| M&S - Purchased Roton                    | Company Unallocated     | 3,317,805             |           |         |       |     |             |            |               | 3,317,805 |
|                                          | Company Unallocated     | 6,012,988             | 6,012,988 |         |       |     |             |            |               | 6,012,988 |
| Office Svcs                              | Bid. Svcs               | 118,921               |           |         |       |     |             |            |               | 118,921   |
|                                          | Fossil                  | 478,107               |           |         |       |     |             |            |               | 478,107   |
| Office Svcs                              | Fossil                  | 1,255,681             |           |         |       |     |             |            |               | 1,255,681 |
|                                          | Distribution Support    | 280,803               |           |         |       |     |             |            |               | 280,803   |
|                                          | Office Services         | 142,931               |           |         |       |     |             |            |               | 142,931   |
|                                          | Office Services         | 351,494               |           |         |       |     |             |            |               | 351,494   |
|                                          | Distr. Bldg Svc. Unall  | 1,404,694             |           |         |       |     |             |            |               | 1,404,694 |
|                                          | Distribution            | 812,252               |           |         |       |     |             |            |               | 812,252   |
|                                          | Distribution            | 199,276               |           |         |       |     |             |            |               | 199,276   |
|                                          | State Admin Support     | 228,941               |           |         |       |     |             |            |               | 228,941   |
|                                          | Accounting              | 156,652               |           |         |       |     |             |            |               | 156,652   |
|                                          | Nuclear                 | 100,219               |           |         |       |     |             |            |               | 100,219   |
| M&S - Purchased Roton                    | Scope Services          | 435,677               |           |         |       |     |             |            |               | 435,677   |
|                                          | State Admin Support     | 148,315               |           |         |       |     |             |            |               | 148,315   |
|                                          | Office Svcs, HR, Dist   | 130,861               |           |         |       |     |             |            |               | 130,861   |
|                                          | Distribution            | 378,436               |           |         |       |     |             |            |               | 378,436   |
|                                          | Nuclear                 | 170,304               |           |         |       |     |             |            |               | 170,304   |
|                                          | Nuclear                 | 128,679               |           |         |       |     |             |            |               | 128,679   |
|                                          | Nuclear                 | 148,271               |           |         |       |     |             |            |               | 148,271   |
|                                          | Nuclear                 | 216,676               |           |         |       |     |             |            |               | 216,676   |
|                                          | Nuclear                 | 147,901               |           |         |       |     |             |            |               | 147,901   |
|                                          | Nuclear                 | 207,252               |           |         |       |     |             |            |               | 207,252   |
| M&S - Purchased Roton                    | Fossil                  | 207,841               |           |         |       |     |             |            |               | 207,841   |
|                                          | Nuclear                 | 311,036               |           |         |       |     |             |            |               | 311,036   |
|                                          | Nuclear                 | 8,291,398             |           |         |       |     |             |            |               | 8,291,398 |
|                                          | Nuclear                 | 3,993,748             |           |         |       |     |             |            |               | 3,993,748 |
|                                          | State Admin Support     | 378,184               |           |         |       |     |             |            |               | 378,184   |
|                                          | Nuclear                 | 528,853               |           |         |       |     |             |            |               | 528,853   |
|                                          | Nuclear                 | 378,184               |           |         |       |     |             |            |               | 378,184   |
|                                          | Nuclear                 | 132,577               |           |         |       |     |             |            |               | 132,577   |
|                                          | Nuclear                 | 252,953               |           |         |       |     |             |            |               | 252,953   |
|                                          | Nuclear                 | 1,978,781             |           |         |       |     |             |            |               | 1,978,781 |
| M&S - Purchased Roton                    | Scope Services          | 231,834               |           |         |       |     |             |            |               | 231,834   |
|                                          | Nuclear                 | 167,239               |           |         |       |     |             |            |               | 167,239   |
|                                          | Nuclear                 | 1,315,304             |           |         |       |     |             |            |               | 1,315,304 |
|                                          | Nuclear                 | 330,000               |           |         |       |     |             |            |               | 330,000   |
|                                          | Nuclear                 | 130,846               |           |         |       |     |             |            |               | 130,846   |
|                                          | Nuclear                 | 485,471               |           |         |       |     |             |            |               | 485,471   |
|                                          | Nuclear                 | 736,970               |           |         |       |     |             |            |               | 736,970   |
|                                          | Finance                 | 710,163               |           |         |       |     |             |            |               | 710,163   |
|                                          | Corporate Svc.          | 468,648               |           |         |       |     |             |            |               | 468,648   |
|                                          | Corporate Svc.          | 151,794               |           |         |       |     |             |            |               | 151,794   |
| M&S - Purchased Roton                    | Distribution            | 175,000               |           |         |       |     |             |            |               | 175,000   |
|                                          | Fossil                  | 141,328               |           |         |       |     |             |            |               | 141,328   |
|                                          | Nuclear                 | 179,636               |           |         |       |     |             |            |               | 179,636   |
|                                          | Fossil                  | 188,291               |           |         |       |     |             |            |               | 188,291   |
|                                          | Fossil                  | 114,867               |           |         |       |     |             |            |               | 114,867   |
|                                          | Fossil                  | 108,127               |           |         |       |     |             |            |               | 108,127   |
|                                          | Transmission            | 151,835               |           |         |       |     |             |            |               | 151,835   |
|                                          | Fossil                  | 127,378               |           |         |       |     |             |            |               | 127,378   |
|                                          | Trans. Fossil, Misc     | 557,696               |           |         |       |     |             |            |               | 557,696   |
|                                          | Distribution            | 335,033               |           |         |       |     |             |            |               | 335,033   |
| Miscellaneous                            | Bld. Svcs               | 101,852               |           |         |       |     |             |            |               | 101,852   |
|                                          | Fossil                  | 270,861               |           |         |       |     |             |            |               | 270,861   |
| 9925 OP Cost Share From OPCO             | Spom Plant Costs        |                       |           |         |       |     |             |            |               |           |
| Wheeling Power Co                        |                         |                       |           |         |       |     |             |            |               |           |

[3] 132,577

[5] 612,252

[5] 3,993,748

[2] 100,943

[2] 128,738

[1] 222,644

[2] 228,941

[2] 100,219

[1] 148,315

[1] 170,304

[1] 216,676

[1] 184,667

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| Contract Labor and Professional Services | Group Incurring charge | Vendor                          | Total              | Engineering | Consulting | IT Consulting | FLA     | Other      | Nuclear    | Audit     | InterCo/ Not Included | Contract Services | Legal |
|------------------------------------------|------------------------|---------------------------------|--------------------|-------------|------------|---------------|---------|------------|------------|-----------|-----------------------|-------------------|-------|
| 290 Total Other O/S avcs genl            | Fossil                 | MPW Indust                      |                    |             |            |               |         |            |            |           |                       |                   |       |
|                                          | Nuclear                | State of Michigan               | 133,208            |             |            |               |         |            | 133,208    |           |                       |                   |       |
|                                          | Nuclear                | Cheam-Nuclear Sys               | 2,100,305          |             |            |               |         |            | 2,100,305  |           |                       |                   |       |
|                                          | Nuclear                | Moham Metal Tec                 | 438,628            |             |            |               |         |            | 438,628    |           |                       |                   |       |
|                                          | Acctg & Distribution   | Flexible Per                    | 190,639            | [2]         | 190,639    |               |         |            |            |           |                       |                   |       |
|                                          |                        | Less Billing to CCD Partners    |                    |             |            |               |         |            |            |           |                       |                   |       |
|                                          |                        | Less Share of Amos              |                    |             |            |               |         |            |            |           |                       |                   |       |
|                                          |                        | Less Share of Sporn             |                    |             |            |               |         |            |            |           |                       |                   |       |
|                                          |                        | Less Share of Cardinal          |                    |             |            |               |         |            |            |           |                       |                   |       |
|                                          |                        | Less Share of Rockport          |                    |             |            |               |         |            |            |           |                       |                   |       |
|                                          |                        | All other, Incl. Share of J pts | 32,800,358         | [1]         | 3,280,038  | [3]           | [5]     | 3,280,038  |            |           | 19,850,215            |                   |       |
|                                          |                        |                                 | <u>108,750,165</u> |             |            |               |         |            |            |           |                       |                   |       |
| 292 Maintenance Agreement                |                        | all other                       | 1,054,351          |             |            |               |         |            |            |           |                       |                   |       |
| 292 Total Maintenance Agree              |                        |                                 | <u>1,054,351</u>   |             |            |               |         |            |            |           |                       |                   |       |
| TOTALS                                   |                        |                                 |                    | 12,317,724  | 12,919,044 | 3,587,212     | 270,960 | 20,451,166 | 61,874,802 | 1,742,190 | 38,878,118            | 210,803,028       |       |

AEP OpCo Professional Services:

- [1] Engineering \$12,318K
- [2] Non-IT Consulting \$12,920K
- [3] IT Consulting \$3,587K
- [4] Finance & Acctng \$271K
- [5] Other \$20,451K

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Prs 3

| Central and South West Corporation                |       |              |                      |               |                   |                      |              |                |  |
|---------------------------------------------------|-------|--------------|----------------------|---------------|-------------------|----------------------|--------------|----------------|--|
| 1997 Professional Services Breakdown              |       |              |                      |               |                   |                      |              |                |  |
|                                                   |       | Audit/Tax    | Finance & Accounting | Consulting-IT | Consulting-Non IT | Engineering Services | Other        | Total          |  |
| Company                                           | Legal | 627,853.00   | 1,131,042.00         | 3,333,070.00  | 6,685,328.00      | 879,831.00           | 374,740.00   | 26,235,254.00  |  |
| CSW Services                                      |       | 0.00         | 0.00                 | 0.00          | 2,688,000.00      | 339,000.00           | 1,715,053.00 | 7,176,424.00   |  |
| Non-reg                                           |       |              |                      |               | 506,007.00        | 1,714,698.00         | 293.00       | 3,999,488.00   |  |
| CPL                                               |       | 142,032.00   | 137,586.00           | 76,016.00     | 107,376.00        | 1,717.00             | 188,024.00   | 1,722,356.00   |  |
| PSO                                               |       | 115,606.00   | 0.00                 | 24,028.00     | 8,658.00          | 46,049.00            | 70,993.00    | 568,117.00     |  |
| SWPECO                                            |       | 111,237.00   | 0.00                 | 200.00        | 9,027.00          | 4,620.00             | 0.00         | 160,839.00     |  |
| WTU                                               |       | 87,769.00    | 0.00                 | 0.00          | 10,004,396.00     | 2,985,915.00         | 2,349,103.00 | 39,862,478.00  |  |
|                                                   |       | 1,084,497.00 | 1,268,628.00         | 3,433,314.00  |                   |                      |              | (3,433,314.00) |  |
| Less Consulting IT                                |       |              |                      |               |                   |                      |              |                |  |
| Net Professional Services excluding Consulting-IT |       |              |                      |               |                   |                      |              | 36,429,164.00  |  |

Other Detail

|                   | <u>AEP</u> |       | <u>CSW</u> |           | <u>Combined</u> |       |
|-------------------|------------|-------|------------|-----------|-----------------|-------|
|                   | 1996       | 1997  | 1996       | 1997      | 1997            | 1997  |
| Service Company   | N/A        | 0     | N/A        | 2,090     |                 | 2,090 |
| Operating Company | N/A        | 0 (1) | N/A        | 259       |                 | 259   |
| Total             | 0          | 0     | 0          | 2,349 (2) |                 | 2,349 |

Notes/Sources:

- (1) 1997 AEP OpCo Analysis
- (2) 1997 CSW Analysis

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[1] 0. \$20,451K

| Contract Labor and Professional Services | Group Incurring charge                 | Vendor                           | Total      | Engineering | Consulting | IT Consulting | F&A | Other | Nuclear | AudR | InterCo/ Not Included | Contract Services | Legal |
|------------------------------------------|----------------------------------------|----------------------------------|------------|-------------|------------|---------------|-----|-------|---------|------|-----------------------|-------------------|-------|
| 210 Contract Labor General               | Trans & Generation Company Unallocated | Flu, Floyd                       | 6,310,664  |             |            |               |     |       |         |      |                       | 6,310,664         |       |
|                                          | Distribution                           | Bouffery, R H Inc                | 4,524,702  |             |            |               |     |       |         |      |                       | 4,524,702         |       |
|                                          | (Not Contract or Prof. Svcs.)          | Darbert Contractors              | 720,614    |             |            |               |     |       |         |      |                       | 720,614           |       |
|                                          | (Not Contract or Prof. Svcs.)          | Citrus & Chemical Bank           | 7,090,968  |             |            |               |     |       |         |      |                       | 7,090,968         |       |
|                                          | 130                                    | Inter-city Real                  | 610,481    |             |            |               |     |       |         |      |                       | 610,481           |       |
|                                          | Nuclear                                | TEG Enterprises                  | 613,179    |             |            |               |     |       |         |      |                       | 613,179           |       |
|                                          | Distribution                           | Underwater Const                 | 307,438    |             |            |               |     |       | 307,438 |      |                       |                   |       |
|                                          | Distribution                           | Henry, Robert Co                 | 363,718    | 353,718 [1] |            |               |     |       |         |      |                       |                   |       |
|                                          | Company Unallocated                    | Doolson Lymborn                  | 308,507    |             |            |               |     |       |         |      |                       | 308,507           |       |
|                                          | Distribution                           | New River Electrical             | 5,361,320  |             |            |               |     |       |         |      |                       | 5,361,320         |       |
|                                          | Finance                                | Urb Corp                         | 208,290    |             |            |               |     |       |         |      |                       | 208,290           |       |
|                                          | Generation                             | Debita & Touche                  | 34,000     |             |            |               |     |       |         |      |                       | 34,000            |       |
|                                          | Energy Delivery Support                | Westinghouse Electric            | 900,000    |             |            |               |     |       |         |      |                       | 900,000           |       |
|                                          | Distribution                           | Fisher                           | 694,353    |             |            |               |     |       |         |      |                       | 694,353           |       |
|                                          | Generation                             | Gurte Construction               | 190,000    |             |            |               |     |       |         |      |                       | 190,000           |       |
|                                          | Distribution                           | Harris & Heinwer                 | 209,332    |             |            |               |     |       |         |      |                       | 209,332           |       |
|                                          | Distrib. & Bldg Svc                    | Electrical Construction          | 1,001,444  |             |            |               |     |       |         |      |                       | 1,001,444         |       |
|                                          | Transmission                           | Stackhouse Inc                   | 3,265,295  |             |            |               |     |       |         |      |                       | 3,265,295         |       |
|                                          | Company Unallocated                    | Ebot, Denis H                    | 21,138,052 |             |            |               |     |       |         |      |                       | 21,138,052        |       |
|                                          | Transmission                           | unidentified                     | 1,530,221  |             |            |               |     |       |         |      |                       | 1,530,221         |       |
|                                          | Transmission                           | New River Electric               |            |             |            |               |     |       |         |      |                       |                   |       |
|                                          |                                        | Less Share of Amos               |            |             |            |               |     |       |         |      |                       |                   |       |
|                                          |                                        | Less Share of Sporn              |            |             |            |               |     |       |         |      |                       |                   |       |
|                                          |                                        | Less Share of Cardinal           |            |             |            |               |     |       |         |      |                       |                   |       |
|                                          |                                        | Less Share of Rodport            |            |             |            |               |     |       |         |      |                       |                   |       |
|                                          |                                        | All other, incl. Share of J pits | 6,523,706  |             |            |               |     |       |         |      |                       | 6,523,706         |       |
|                                          |                                        |                                  | 62,488,270 |             |            |               |     |       |         |      |                       |                   |       |

[9] 34,000

210 Total Contract Lbr Gen

| 211 Routine Maintenance | Generation | JTM Industries I                 | 361,093   |  |  |  |  |  |  |  |  | 361,093   |  |
|-------------------------|------------|----------------------------------|-----------|--|--|--|--|--|--|--|--|-----------|--|
|                         | Fossil     | Cardinal Plant Costs             | 344,655   |  |  |  |  |  |  |  |  | 344,655   |  |
|                         | Fossil     | Sporn Plant Costs                | 69,877    |  |  |  |  |  |  |  |  | 69,877    |  |
|                         | Fossil     | Amos Plant Costs                 |           |  |  |  |  |  |  |  |  |           |  |
|                         | Fossil     | Greens, Barbara                  | 269,479   |  |  |  |  |  |  |  |  | 269,479   |  |
|                         | Fossil     | Balcock & Wilcox                 | 254,716   |  |  |  |  |  |  |  |  | 254,716   |  |
|                         | Fossil     | Unidentified                     | 672,221   |  |  |  |  |  |  |  |  | 672,221   |  |
|                         | Generation | Less billing to CCD partners     |           |  |  |  |  |  |  |  |  |           |  |
|                         |            | Less Share of Amos               |           |  |  |  |  |  |  |  |  |           |  |
|                         |            | Less Share of Sporn              |           |  |  |  |  |  |  |  |  |           |  |
|                         |            | Less Share of Cardinal           |           |  |  |  |  |  |  |  |  |           |  |
|                         |            | Less Share of Rodport            |           |  |  |  |  |  |  |  |  |           |  |
|                         |            | All other, incl. Share of J pits | 5,678,141 |  |  |  |  |  |  |  |  | 5,678,141 |  |
|                         |            |                                  | 7,925,469 |  |  |  |  |  |  |  |  |           |  |

211 Total Routine Maint.

| 212 Contract Maintenance | Fossil                                                                                                                                                                   | Unidentified         | 8,106,196 |  |  |  |  |  |           |  |  | 8,106,196 |  |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------|--|--|--|--|--|-----------|--|--|-----------|--|
|                          | Fossil <td>Balcock &amp; Wilcox</td> <td>5,326,326</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>5,326,326</td> <td></td>     | Balcock & Wilcox     | 5,326,326 |  |  |  |  |  |           |  |  | 5,326,326 |  |
|                          | Generation <td>ABS C-E Services Inc</td> <td>4,105,049</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>4,105,049</td> <td></td> | ABS C-E Services Inc | 4,105,049 |  |  |  |  |  |           |  |  | 4,105,049 |  |
|                          | Nuclear <td>Underwater Const</td> <td>274,005</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>274,005</td> <td></td> <td></td> <td></td> <td></td>            | Underwater Const     | 274,005   |  |  |  |  |  | 274,005   |  |  |           |  |
|                          | Nuclear <td>Citrus &amp; Chemical</td> <td>8,144,170</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>8,144,170</td> <td></td> <td></td> <td></td> <td></td>   | Citrus & Chemical    | 8,144,170 |  |  |  |  |  | 8,144,170 |  |  |           |  |
|                          | Nuclear <td>Unyield Liability</td> <td>4,785,485</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>4,785,485</td> <td></td>       | Unyield Liability    | 4,785,485 |  |  |  |  |  |           |  |  | 4,785,485 |  |
|                          | Fossil <td>Amos Plant Costs</td> <td>260,422</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>260,422</td> <td></td>             | Amos Plant Costs     | 260,422   |  |  |  |  |  |           |  |  | 260,422   |  |
|                          | Fossil <td>Cardinal Plant Costs</td> <td>301,614</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>301,614</td> <td></td>         | Cardinal Plant Costs | 301,614   |  |  |  |  |  |           |  |  | 301,614   |  |
|                          | Fossil <td>Sporn Plant Costs</td> <td>321,769</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>321,769</td> <td></td>            | Sporn Plant Costs    | 321,769   |  |  |  |  |  |           |  |  | 321,769   |  |
|                          | Fossil <td>Enertab Corp</td> <td>2,115,796</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>2,115,796</td> <td></td>             | Enertab Corp         | 2,115,796 |  |  |  |  |  |           |  |  | 2,115,796 |  |
|                          | Generation <td>Universal Inc</td> <td>293,090</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>293,090</td> <td></td>            | Universal Inc        | 293,090   |  |  |  |  |  |           |  |  | 293,090   |  |
|                          | Fossil <td>Williams Legge</td> <td>1,001,674</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1,001,674</td> <td></td>           | Williams Legge       | 1,001,674 |  |  |  |  |  |           |  |  | 1,001,674 |  |
|                          | Fossil <td>Williams Power</td> <td>2,041,054</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>2,041,054</td> <td></td>           | Williams Power       | 2,041,054 |  |  |  |  |  |           |  |  | 2,041,054 |  |
|                          | Fossil <td>Williams US Serv</td> <td>2,711,733</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>2,711,733</td> <td></td>         | Williams US Serv     | 2,711,733 |  |  |  |  |  |           |  |  | 2,711,733 |  |

212 Contract Maintenance

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| Contract Labor and Professional Services | Vendor                 | Total      | Engineering | Consulting | IT Consulting | F&A | Other         | Nuclear   | Audit | Not Included | InterCo/ | Contract Services | Legal |
|------------------------------------------|------------------------|------------|-------------|------------|---------------|-----|---------------|-----------|-------|--------------|----------|-------------------|-------|
| Cost Component                           | Group Incurring charge |            |             |            |               |     |               |           |       |              |          |                   |       |
|                                          | Fossil                 |            |             |            |               |     |               |           |       |              |          |                   |       |
| 213 Total Contract Maint.                |                        | 3,357,447  |             |            |               |     |               |           |       |              |          | 3,357,447         |       |
|                                          |                        | 44,914,897 |             |            |               |     |               |           |       |              |          |                   |       |
| 213 Other Contract Labor - Plants        | Company Unallocated    | 7,750,222  |             |            |               |     | [5] 7,750,222 |           |       |              |          | 905,967           |       |
|                                          | Fossil                 | 600,436    |             |            |               |     |               |           |       |              |          | 600,436           |       |
|                                          | Fossil                 | 525,512    |             |            |               |     |               |           |       |              |          | 525,512           |       |
|                                          | Fossil                 | 1,909,329  |             |            |               |     |               |           |       |              |          | 1,909,329         |       |
|                                          | Fossil                 | 330,256    |             |            |               |     |               |           |       |              |          | 330,256           |       |
|                                          | Fossil                 | 1,670,962  |             |            |               |     |               |           |       |              |          | 1,670,962         |       |
|                                          | Fossil                 | 873,045    |             |            |               |     |               |           |       |              |          | 873,045           |       |
|                                          | Fossil                 | 611,660    |             |            |               |     |               |           |       |              |          | 611,660           |       |
|                                          | Fossil                 | 204,850    |             |            |               |     |               |           |       |              |          | 204,850           |       |
|                                          | Fossil                 | 254,846    |             |            |               |     |               |           |       |              |          | 254,846           |       |
|                                          | Fossil                 | 615,391    |             |            |               |     |               |           |       |              |          | 615,391           |       |
|                                          | Fossil                 | 812,363    |             |            |               |     |               |           |       |              |          | 812,363           |       |
|                                          | Fossil                 | 737,450    |             |            |               |     |               |           |       |              |          | 737,450           |       |
|                                          | Fossil                 | 818,065    |             |            |               |     |               |           |       |              |          | 818,065           |       |
|                                          | Fossil                 | 186,568    |             |            |               |     |               |           |       |              |          | 186,568           |       |
|                                          | Fossil                 | 607,001    |             |            |               |     |               |           |       |              |          | 607,001           |       |
|                                          | Fossil                 | 222,681    |             |            |               |     |               |           |       |              |          | 222,681           |       |
|                                          | Fossil                 | 245,782    |             |            |               |     |               |           |       |              |          | 245,782           |       |
|                                          | Fossil                 | 353,265    |             |            |               |     |               |           |       |              |          | 353,265           |       |
|                                          | Fossil                 | 511,979    |             |            |               |     |               |           |       |              |          | 511,979           |       |
|                                          | Fossil                 | 492,792    |             |            |               |     |               |           |       |              |          | 492,792           |       |
|                                          | Fossil                 | 388,749    |             |            |               |     |               |           |       |              |          | 388,749           |       |
|                                          | Fossil                 | 672,788    |             |            |               |     |               | 672,788   |       |              |          |                   |       |
|                                          | Fossil                 | 887,179    |             |            |               |     |               | 887,179   |       |              |          |                   |       |
|                                          | Nuclear                | 380,660    |             |            |               |     |               |           |       |              |          | 380,660           |       |
|                                          | Nuclear                | 7,898,645  |             |            |               |     |               | 7,898,645 |       |              |          |                   |       |
|                                          | Fossil                 | 712,914    |             |            |               |     |               |           |       |              |          |                   |       |
|                                          | Nuclear                | 3,674,412  |             |            |               |     |               | 3,674,412 |       |              |          |                   |       |
|                                          | Nuclear                | 407,450    |             |            |               |     |               |           |       |              |          | 407,450           |       |
|                                          | Fossil                 | 357,891    |             |            |               |     |               |           |       |              |          | 357,891           |       |
|                                          | Fossil                 | 433,789    |             |            |               |     |               |           |       |              |          | 433,789           |       |
|                                          | Fossil                 | 480,451    |             |            |               |     |               |           |       |              |          | 480,451           |       |
|                                          | Fossil                 | 786,879    |             |            |               |     |               |           |       |              |          | 786,879           |       |
|                                          | Fossil                 | 1,643,572  |             |            |               |     |               |           |       |              |          | 1,643,572         |       |
|                                          | Fossil                 | 1,977,578  |             |            |               |     |               |           |       |              |          | 1,977,578         |       |
|                                          | Fossil, Nuclear        | 523,097    |             |            |               |     |               |           |       |              |          | 523,097           |       |
|                                          | Fossil                 | 336,696    |             |            |               |     |               |           |       |              |          | 336,696           |       |
|                                          | Fossil                 | 868,789    |             |            |               |     |               | 868,789   |       |              |          |                   |       |
| 213 Total Other - Pits                   |                        | 7,341,334  |             |            |               |     |               |           |       |              |          | 7,341,334         |       |
|                                          |                        | 49,530,558 |             |            |               |     |               |           |       |              |          |                   |       |
| 214 Outside Shop Svcs - Pits             | Fossil                 | 185,206    |             |            |               |     |               |           |       |              |          | 185,206           |       |
|                                          | Fossil                 | 402,124    |             |            |               |     |               |           |       |              |          | 402,124           |       |
|                                          | Fossil                 | 464,522    |             |            |               |     |               |           |       |              |          | 464,522           |       |
|                                          | Nuclear, Fossil        | 232,261    |             |            |               |     |               | 232,261   |       |              |          |                   |       |

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| Contract Labor and Professional Services | Group Incurring charge  | Vendor                                                                                                     | Total                  | Engineering | Consulting | IT Consulting | F&A         | Other       | Nuclear   | Audit | Inter/Co/ Not Included | Contract Services | Legal |
|------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------|------------------------|-------------|------------|---------------|-------------|-------------|-----------|-------|------------------------|-------------------|-------|
| 214 Total Out. Shop Svcs                 | Fossil                  | Less Share of Sporn<br>Less Share of Cardinal<br>Less Share of Rodport<br>All other, Incl. Share of J, pts | 4,710,650<br>5,630,628 |             |            |               |             |             |           |       |                        | 4,710,650         |       |
| 215 Centr. PM Maint                      |                         | all others                                                                                                 | 27,488                 |             |            |               |             |             |           |       |                        | 27,488            |       |
| 216 Central Machine Shop                 | Group Incurring charge  | Vendor                                                                                                     | Total                  |             |            |               |             |             |           |       |                        |                   |       |
|                                          | Fossil                  | Unidentified                                                                                               | 240,655                |             |            |               |             |             |           |       |                        | 240,655           |       |
|                                          | Fossil                  | Amos Plant Costs                                                                                           | 355,781                |             |            |               |             |             |           |       |                        | 355,781           |       |
|                                          | Fossil                  | Cardinal Plant Costs                                                                                       | 439,814                |             |            |               |             |             |           |       |                        | 439,814           |       |
|                                          | Nuclear, Fossil         | Sporn Plant Costs                                                                                          | 4,173,402              |             |            |               |             |             | 2,088,701 |       |                        | 2,088,701         |       |
|                                          | Fossil                  | Appalachian Power Co                                                                                       | 2,078,279              |             |            |               |             |             |           |       |                        | 2,078,279         |       |
|                                          |                         | CVIS Clearing                                                                                              |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Billing to CCD Partners                                                                               |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Share of Amos                                                                                         |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Share of Sporn                                                                                        |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Share of Cardinal                                                                                     |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Share of Rodport                                                                                      |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | All other, Incl. Share of J, pts                                                                           | 1,238,336              |             |            |               |             |             |           |       |                        | 1,238,336         |       |
| 216 Total Central M. Shop                |                         |                                                                                                            | 13,961,373             |             |            |               | [4] 238,980 |             |           |       |                        | 238,980           |       |
| 220 7                                    | Finance                 | Unidentified                                                                                               | 236,900                |             |            |               |             |             |           |       |                        | 236,900           |       |
|                                          | Nuclear                 | Less Share of Rodport                                                                                      | 209,208                |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Amortize PrePd Int                                                                                         | 948,577                |             |            |               |             |             | 209,208   |       |                        |                   |       |
|                                          |                         | at vendors below scope                                                                                     | 1,357,785              |             |            |               |             | [5] 948,577 |           |       |                        |                   |       |
| 230 Right of Way Maint.                  | Dirt & Trans            | Nelson Tree Service                                                                                        | 17,878,754             |             |            |               |             |             |           |       |                        | 17,878,754        |       |
|                                          | Fossil                  | Townsend Tree Se                                                                                           | 1,206,141              |             |            |               |             |             |           |       |                        | 1,206,141         |       |
|                                          | Distribution            | Environmental Co                                                                                           | 355,991                |             |            |               |             |             |           |       |                        | 355,991           |       |
|                                          | Transmission            | Bartlett, F A TR                                                                                           | 975,579                |             |            |               |             |             |           |       |                        | 975,579           |       |
|                                          | Distribution            | Helicopter Maint -ME                                                                                       | 517,849                |             |            |               |             |             |           |       |                        | 517,849           |       |
|                                          | Distribution & Bldg Svc | Asplundh Tree                                                                                              | 6,039,284              |             |            |               |             |             |           |       |                        | 6,039,284         |       |
|                                          |                         | Less Share of Amos                                                                                         |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Share of Sporn                                                                                        |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Share of Cardinal                                                                                     |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Share of Rodport                                                                                      |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | All other, Incl. Share of J, pts                                                                           | 663,021                |             |            |               |             |             |           |       |                        | 663,021           |       |
| 230 Right of Way Maint.                  | Fos. 1 & Distrib        |                                                                                                            | 28,172,840             |             |            |               |             |             |           |       |                        |                   |       |
| 231 Tree & Brush                         | Company Unallocated     | Unidentified                                                                                               | 3,657,514              |             |            |               |             |             |           |       |                        | 3,657,514         |       |
|                                          | Distribution            | Aerial Solutions                                                                                           | 134,368                |             |            |               |             |             |           |       |                        | 134,368           |       |
|                                          | Distribution            | Nelson Tree Service                                                                                        | 2,410,293              |             |            |               |             |             |           |       |                        | 2,410,293         |       |
|                                          | Dirt & Gen              | Bartlett, F A                                                                                              | 6,042,929              |             |            |               |             |             |           |       |                        | 6,042,929         |       |
|                                          | Bldg Svc, Train, Fos    | Asplundh Tree                                                                                              | 2,922,694              |             |            |               |             |             |           |       |                        | 2,922,694         |       |
|                                          | Gen, Bldg Svc           | Trees, Inc.                                                                                                |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Share of Amos                                                                                         |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Share of Sporn                                                                                        |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Share of Cardinal                                                                                     |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | Less Share of Rodport                                                                                      |                        |             |            |               |             |             |           |       |                        |                   |       |
|                                          |                         | All other, Incl. Share of J, pts                                                                           | 3,309,378              |             |            |               |             |             |           |       |                        | 3,309,378         |       |
| 231 Total Tree & Brush                   |                         |                                                                                                            | 35,749,630             |             |            |               |             |             |           |       |                        |                   |       |

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| Contract Labor and Professional Services | Group Incurring charge | Vendor                                                     | Total     | Engineering | Consulting | IT Consulting | F&A | Other     | Nuclear | Auxil   | InterCo/ Not Included | Contract Services | Legal |
|------------------------------------------|------------------------|------------------------------------------------------------|-----------|-------------|------------|---------------|-----|-----------|---------|---------|-----------------------|-------------------|-------|
| 232 Aerial Spraying                      |                        |                                                            | 58,491    |             |            |               |     |           |         |         |                       | 58,491            |       |
| 240 ?                                    | Nuclear                | Appalachian Power Co<br>Less Share of Rodport              | 323,270   |             |            |               | [5] | 24,339    | 323,270 |         |                       |                   |       |
|                                          | Nuclear                | Unidentified<br>all vendors below scope                    | 225,126   |             |            |               | [5] |           | 225,126 |         |                       |                   |       |
|                                          |                        |                                                            | 24,339    |             |            |               |     |           |         |         |                       |                   |       |
|                                          |                        |                                                            | 590,277   |             |            |               |     |           |         |         |                       |                   |       |
| 250 ?                                    | Nuclear                | ABB Power Generation<br>Less Share of Rodport<br>all other | (204,686) |             |            |               | [5] | (204,686) |         |         |                       |                   |       |
|                                          |                        |                                                            | 1,401,001 |             |            |               |     |           |         |         |                       |                   |       |
| 200 Professional Svcs                    | Group Incurring charge | Vendor                                                     | Total     | Engineering | Consulting | IT Consulting | F&A | Other     | Nuclear | Auxil   | InterCo/ Not Included | Contract Services | Legal |
|                                          | Company Unallocated    | unidentified                                               | 1,602,102 | [2]         | 1,602,102  |               | [5] | 140,432   | 308,000 |         |                       | (308,000)         |       |
|                                          | State Administrative   | Ballard, Perry Advertising<br>Westinghouse                 | 308,000   |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Nuclear                |                                                            | 272,659   | [5]         | 272,659    |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Edwards & Assoc.                                           | 121,900   | [1]         | 121,900    |               |     |           |         | 501,204 |                       | 139,824           |       |
|                                          | Transmission           | Credit Bureau of Co                                        | 136,987   |             |            |               |     |           |         |         |                       |                   |       |
|                                          | 9959, Acid Dept        | Deloitte & Touche                                          | 501,204   |             |            |               |     |           |         | 449,892 |                       |                   |       |
|                                          | Company Unallocated    | Maral Management I                                         | 289,053   | [1]         | 289,053    |               |     |           |         | 365,500 |                       |                   |       |
|                                          | Other                  | Ohio Power                                                 | 449,892   |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Deloitte & Touche                                          | 365,500   |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Ext. Acad Fees                                             | 238,500   | [1]         | 238,500    |               |     |           |         |         |                       |                   |       |
|                                          | Transmission           | Cambridge Assoc                                            | 180,000   | [1]         | 180,000    |               |     |           |         |         |                       |                   |       |
|                                          | Transmission           | Webb Elotech                                               | 87,168    |             |            |               |     |           |         |         | 87,168                |                   |       |
|                                          | Other                  | AEPSC77777777                                              |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Less Billings to CCD Partners                              |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Less Share of Amos                                         |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Less Share of Sporn                                        |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Less Share of Cardinal                                     |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Less Share of Rodport                                      |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Less Share of Rodport                                      |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | All other, Incl. Share of J. pts                           | 2,813,782 | [1]         | 1,456,881  |               |     |           |         |         |                       |                   |       |
|                                          | Other                  |                                                            | 7,716,878 | [2]         | 1,456,881  |               |     |           |         |         |                       |                   |       |
| 200 Total Professional Svcs              |                        |                                                            | 1,968,199 |             |            |               |     |           |         |         |                       | 1,968,199         |       |
| 201 Medical Prof Svcs                    | Fossil & other, HR     | Less Share of Rodport                                      | 1,416,515 |             |            |               |     |           |         |         |                       |                   |       |
|                                          |                        | All other, Incl. Share of J. pts                           |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          |                        | Total                                                      | 643,065   |             |            |               |     |           |         |         |                       |                   |       |
| 202 Legal Svcs                           | Other                  | Hunton & Williams                                          | 365,928   |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Legal                  | Leboeuf, Lamb, Greene &                                    | 17,000    |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Legal                  | Porter, Wright, Morris & Arth                              | 122,891   |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other, Legal, Fossil   | Robinson & Mockbee                                         | 106,628   |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Finance                | Deloitte & Touche                                          | 403,410   |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Legal                  | Baker & Daniels                                            | 785,913   |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Legal                  | Read, Smith, Shaw & M                                      | 187,487   |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Simpson Thatchner                                          | 405,071   |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Stapole & Johnson                                          |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Sites & Harbison                                           |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Company Unallocated    | Woods, Rogers & Hazleg                                     |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Less Billings to CCD Partners                              |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Less Share of Amos                                         |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Less Share of Sporn                                        |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Less Share of Cardinal                                     |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | Less Share of Rodport                                      |           |             |            |               |     |           |         |         |                       |                   |       |
|                                          | Other                  | All other, Incl. Share of J. pts                           | 3,698,313 |             |            |               |     |           |         |         |                       | 3,698,313         |       |
|                                          | Other                  |                                                            | 6,294,739 |             |            |               |     |           |         |         |                       |                   |       |
| 202 Total Legal Svcs                     |                        |                                                            | 1,968,199 |             |            |               |     |           |         |         |                       | 1,968,199         |       |

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| Contract Labor and Professional Services |                                    | Vendor                 |          | Total            | Engineering | Consulting | IT Consulting | F&A | Other | Nuclear   | Audit | Not Included | InterCov | Contract Services | Legal |
|------------------------------------------|------------------------------------|------------------------|----------|------------------|-------------|------------|---------------|-----|-------|-----------|-------|--------------|----------|-------------------|-------|
| Cost Component                           | Group Incurring charge             | Undistributed          | at other |                  |             |            |               |     |       |           |       |              |          |                   |       |
| 270 ?                                    | Fixed Mgmt/ Distib, Trans, Nuclear | Undistributed          | at other | 481,371          |             |            |               |     |       |           |       |              |          | 255,917           |       |
|                                          |                                    |                        |          | <u>255,917</u>   |             |            |               |     |       |           |       |              |          |                   |       |
|                                          |                                    |                        |          | <u>717,235</u>   |             |            |               |     |       |           |       |              |          |                   |       |
| Total ?                                  |                                    |                        |          |                  |             |            |               |     |       |           |       |              |          |                   |       |
| 280 ?                                    | Nuclear                            | Balance of Milestone 2 |          | 2,188,200        |             |            |               |     |       | 2,188,200 |       |              |          |                   |       |
|                                          |                                    | 0 City of South Haven  |          | 1,048,111        |             |            |               |     |       | 1,048,111 |       |              |          |                   |       |
|                                          |                                    | Babcock & Wilcox       |          | 3,225,000        |             |            |               |     |       | 3,225,000 |       |              |          |                   |       |
|                                          |                                    | Milestone no. 3        |          | 2,742,600        |             |            |               |     |       | 2,742,600 |       |              |          |                   |       |
|                                          |                                    | Milestone Print 2      |          | 280,000          |             |            |               |     |       | 280,000   |       |              |          |                   |       |
|                                          |                                    | Milestone Print 1      |          | 198,000          |             |            |               |     |       | 198,000   |       |              |          |                   |       |
|                                          |                                    | Less Share of Rockport |          |                  |             |            |               |     |       |           |       |              |          |                   |       |
|                                          |                                    | 0 TRSF                 |          | 201,663          |             |            |               |     |       | 201,663   |       |              |          |                   |       |
|                                          |                                    | at other               |          | <u>(28,395)</u>  |             |            |               |     |       |           |       |              |          |                   |       |
|                                          |                                    |                        |          | <u>9,848,750</u> |             |            |               |     |       |           |       |              |          |                   |       |
| Total ?                                  |                                    |                        |          |                  |             |            |               |     |       |           |       |              |          |                   |       |

[5] (28,395)

| Cost Component              | Group Incurring charge | Vendor                   | Total      | Engineering   | Consulting    | IT Consulting | F&A | Other | Nuclear | Audit   | Not Included | InterCov | Contract Services |
|-----------------------------|------------------------|--------------------------|------------|---------------|---------------|---------------|-----|-------|---------|---------|--------------|----------|-------------------|
| 290 Other O/S services genl | Group Incurring charge | Vendor                   |            |               |               |               |     |       |         |         |              |          |                   |
|                             | Company Unallocated    | Undistributed            |            |               |               |               |     |       |         |         |              |          |                   |
|                             | Transmission           | Altoor, Fisher & Aliso   | 13,923,696 | (1) 3,480,899 | (2) 3,480,899 |               |     |       |         |         |              |          | 3,480,899         |
|                             | Transmission           | ABB Power                | 180,413    | (1) 135,000   |               |               |     |       |         |         |              |          |                   |
|                             | not listed             | AD Mill Direct           | 124,785    | (1) 180,413   |               |               |     |       |         |         |              |          |                   |
|                             | Fossil                 | Appalachian Power Co.    | 475,107    |               |               |               |     |       |         |         |              |          | 475,107           |
|                             | Energy Del. Support    | Aspect Telecommunication | 125,003    | (2) 125,003   |               |               |     |       |         |         |              |          |                   |
|                             | Bld. Svcs              | Barous Co. Inc           | 395,373    |               |               |               |     |       |         |         |              |          | 395,373           |
|                             | Distribution           | Central Locating BE      | 1,028,364  | (1) 1,028,364 |               |               |     |       |         |         |              |          |                   |
|                             | Fossil                 | COAD Energy Progra.      | 208,914    | (1) 208,914   |               |               |     |       |         |         |              |          |                   |
|                             | Accounting, Finance    | Computational System     | 174,599    |               | (3) 174,599   |               |     |       |         |         |              |          |                   |
|                             | Fossil                 | Deloitte & Touche        | 408,594    |               |               |               |     |       |         | 408,594 |              |          |                   |
|                             | Company Unallocated    | Gurita Construction      | 133,914    |               |               |               |     |       |         |         |              |          | 133,914           |
|                             | Company Unallocated    | Henkels & McCoy Inc      | 128,139    | (2) 128,139   |               |               |     |       |         |         |              |          |                   |
|                             | Company Unallocated    | In-Plant Techniques      | 435,687    | (2) 435,687   |               |               |     |       |         |         |              |          |                   |
|                             | Fleet Management       | International Bush       | 170,494    |               |               |               |     |       |         |         |              |          | 170,494           |
|                             | Fossil                 | Luburgh Inc              | 1,893,571  |               |               |               |     |       |         |         |              |          | 1,893,571         |
|                             | Fossil                 | Hunter Tree Service      | 101,517    |               |               |               |     |       |         |         |              |          | 101,517           |
|                             | Distribution           | Hurshytton National      | 224,729    | (2) 224,729   |               |               |     |       |         |         |              |          |                   |
|                             | Fossil                 | Electric Power Resu      | 190,000    |               |               |               |     |       |         |         | 190,000      |          |                   |
|                             | State Adm. Support     | JTM Industries I         | 2,708,824  | (2) 105,125   |               |               |     |       |         |         |              |          | 2,708,824         |
|                             | Company Unallocated    | Metrob Corp              | 105,125    |               |               |               |     |       |         |         |              |          | 105,125           |
|                             | Bld. Svcs              | Mid American Clearing    | 840,997    |               |               |               |     |       |         |         |              |          | 840,997           |
|                             | Fossil                 | Morris Office Equip      | 801,358    |               |               |               |     |       |         |         |              |          | 801,358           |
|                             | Company Unallocated    | Murray Sheet Metal       | 258,690    |               |               |               |     |       |         |         |              |          | 258,690           |
|                             | Bld. Svcs              | Nelson Tree Service      | 347,802    |               |               |               |     |       |         |         |              |          | 347,802           |
|                             | Company Unallocated    | Ohio Power Inc           | 427,474    | (1) 427,474   | (2) 133,586   |               |     |       |         |         |              |          |                   |
|                             | State Adm. Support     | Ohio State University    | 133,586    |               |               |               |     |       |         |         |              |          | 133,586           |
|                             | Company Unallocated    | OP Cost Shared           | 713,084    | (2) 238,180   |               |               |     |       |         |         |              |          |                   |
|                             | Distribution           | Payco American Corp      | 238,180    |               |               |               |     |       |         |         |              |          | 238,180           |
|                             | Bld. Svcs              | Privation Security       | 490,407    |               |               |               |     |       |         |         |              |          | 490,407           |
|                             | Fossil                 | Power Maintenance        | 340,878    |               |               |               |     |       |         |         |              |          | 340,878           |
|                             | Bld. Svcs              | Profile                  | 104,261    |               |               |               |     |       |         |         |              |          | 104,261           |
|                             | Bld. Svcs              | Stockmaster Enterp       | 858,686    |               |               |               |     |       |         |         |              |          | 858,686           |
|                             | Bld. Svcs              | Superior Electric        | 198,465    |               |               |               |     |       |         |         |              |          | 198,465           |
|                             | Fossil                 | Synergistic Design       | 691,248    | (2) 691,248   |               |               |     |       |         |         |              |          |                   |
|                             | Company Unallocated    | Team America Inc         | 395,199    |               |               |               |     |       |         |         |              |          | 395,199           |
|                             | Distribution           |                          |            |               |               |               |     |       |         |         |              |          |                   |

[5] 3,480,899

[5] 124,785

[3] 174,599

[2] 128,139

[2] 435,687

[2] 224,729

[2] 105,125

[1] 427,474

[2] 133,586

[2] 238,180

[2] 691,248

190,000

713,084

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| Contract Labor and Professional Services | Cost Component      | Group Incurring Charge | Vendor                       | Total     | Engineering | Consulting          | IT Consulting | F&A | Other | Nuclear | AudR | Not Included | InterCof | Contract Services | Legal   |           |  |
|------------------------------------------|---------------------|------------------------|------------------------------|-----------|-------------|---------------------|---------------|-----|-------|---------|------|--------------|----------|-------------------|---------|-----------|--|
| M&S - Purchased Rotors                   | Company Unallocated | Company Unallocated    | Tempo Help Inc               | 164,317   |             |                     |               |     |       |         |      |              |          | 164,317           |         |           |  |
|                                          |                     |                        | Twenty First Century         | 100,943   | [2]         | 100,943             |               |     |       |         |      |              |          |                   | 183,410 |           |  |
|                                          |                     |                        | Universal Inc                | 180,410   |             |                     |               |     |       |         |      |              |          |                   |         | 3,317,905 |  |
|                                          |                     |                        | Western Construction         | 3,317,905 |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Westinghouse Electric        | 8,012,868 |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Winnsapas Inc                | 128,736   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Xanergy Inc                  | 222,644   | [1]         | 222,644             |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Burns International          | 116,921   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Appalachian Mining           | 478,107   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Wackerhut Corp               | 1,255,681 |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| Office Svcs                              | State Admin Support | State Admin Support    | Wackerhut Corp               | 290,603   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Inferim Personnel Rcm        | 142,931   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Kelly Services               | 351,464   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Manpower Inc                 | 1,404,694 |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Travelers Express Co I       | 612,232   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | United Talent Inc            | 198,276   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Microweb Cor                 | 228,941   | [2]         | 228,941             |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Flexible Information         | 156,632   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Scope Service                | 100,219   | [2]         | 100,219             |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Manpower Inc                 | 435,677   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| Office Svcs, HR, Dnt                     | Distribution        | Nuclear                | Williamson                   | 148,316   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Arnszsch etf                 | 130,681   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Scientific Ecolo             | 378,436   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Utility Locators             | 170,304   | [1]         | 170,304             |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Westmaster Inc               | 126,579   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Hunt Consulting              | 146,271   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Nocuts Inc                   | 216,576   | [1]         | 216,576             |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Onsite Engineering           | 147,901   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Williams Logge               | 107,232   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Duke Engineering             | 207,641   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| State Admin Support                      | Nuclear             | Nuclear                | Framatome TE                 | 311,036   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Westinghouse Electric        | 9,291,396 |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Stanley Smith Se             | 529,853   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Instant Nuclear              | 378,184   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Chus & Chemical              | 132,577   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Intelligence                 | 282,963   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Crowe Chizek (non-recurring) | 908,586   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Master-Use Engineering       | 1,976,781 |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Scope Service                | 231,954   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Novacom                      | 1,315,304 |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| Corporate Svc                            | Corporate Svc       | Corporate Svc          | Bankett Nuclear              | 187,239   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Corporate SI                 | 330,000   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Electric Power Research      | 130,546   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Federal Emergency Mena       | 485,471   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | First Chicago Trust co       | 736,970   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Galbreech                    | 710,183   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Lasalle Partners             | 469,648   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Private Fuel Storage         | 151,784   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Ball South                   |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Distribution                 | Fossil    | Fossil      | 520 Franklin Energy | 175,000       |     |       |         |      |              |          |                   |         |           |  |
| 570 Honeywell                            | 141,328             |                        |                              |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| FR 973/9506                              | 179,696             |                        |                              |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| General Electric                         | 196,291             |                        |                              |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| Accion Temp                              | 114,967             |                        |                              |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| American Fly Ash                         | 108,127             |                        |                              |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| Industrial Contr                         | 151,835             |                        |                              |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| Rust Indust                              |                     |                        |                              |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| Brannick Lawn                            |                     |                        |                              |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| Cardinal Plant Costs                     |                     |                        |                              |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| Transmission                             | Fossil              | Fossil                 | Columbus Southern Power      | 151,835   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Commerce Service Corp        |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | JLUS Inc                     |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | OP Cost Share From OFCO      |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Spom Plant Costs             |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Wheeling Power Co            |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | 9925                         |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | 9925                         |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | 9925                         |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | 9925                         |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| Miscellaneous                            | Miscellaneous       | Miscellaneous          | FR 973/9506                  | 175,000   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | General Electric             | 141,328   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Accion Temp                  | 179,696   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | American Fly Ash             | 196,291   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Industrial Contr             | 114,967   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Rust Indust                  | 108,127   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Brannick Lawn                | 151,835   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Cardinal Plant Costs         |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Columbus Southern Power      |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Commerce Service Corp        |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
| Miscellaneous                            | Miscellaneous       | Miscellaneous          | JLUS Inc                     | 151,835   |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | OP Cost Share From OFCO      |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Spom Plant Costs             |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | Wheeling Power Co            |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | 9925                         |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | 9925                         |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | 9925                         |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | 9925                         |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | 9925                         |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |
|                                          |                     |                        | 9925                         |           |             |                     |               |     |       |         |      |              |          |                   |         |           |  |

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| Contract Labor and Professional Services | Group Incurring charge | Vendor                           | Total              | Engineering       | Consulting        | IT Consulting    | F&A            | Other             | Nuclear           | Audit            | InterCo/ Not Included | Contract Services  | Legal |
|------------------------------------------|------------------------|----------------------------------|--------------------|-------------------|-------------------|------------------|----------------|-------------------|-------------------|------------------|-----------------------|--------------------|-------|
| Cost Component                           | Fossil                 | MP/W Indust                      |                    |                   |                   |                  |                |                   |                   |                  |                       | 209,454            |       |
|                                          | Nuclear                | State of Michigan                | 133,206            |                   |                   |                  |                |                   | 133,206           |                  |                       |                    |       |
|                                          | Nuclear                | Chem-Nuclear Sys                 | 2,100,305          |                   |                   |                  |                |                   | 2,100,305         |                  |                       |                    |       |
|                                          | Nuclear                | Molten Metal Tec                 | 436,626            |                   |                   |                  |                |                   | 436,626           |                  |                       |                    |       |
|                                          | Acctg & Distribution   | Flexible Per                     | 180,639            | [2]               | 180,639           |                  |                |                   |                   |                  |                       |                    |       |
|                                          |                        | Less Billing to CCD Partners     |                    |                   |                   |                  |                |                   |                   |                  |                       |                    |       |
|                                          |                        | Less Share of Amos               |                    |                   |                   |                  |                |                   |                   |                  |                       |                    |       |
|                                          |                        | Less Share of Sporn              |                    |                   |                   |                  |                |                   |                   |                  |                       |                    |       |
|                                          |                        | Less Share of Cardinal           |                    |                   |                   |                  |                |                   |                   |                  |                       |                    |       |
|                                          |                        | Less Share of Rockport           |                    |                   |                   |                  |                |                   |                   |                  |                       |                    |       |
|                                          |                        | All other, incl. Share of J pits | 32,800,356         | [1]               | 3,280,036         | [3]              | [5]            | 3,280,036         |                   |                  | 19,680,216            |                    |       |
|                                          |                        |                                  | <u>108,750,165</u> |                   |                   |                  |                |                   |                   |                  |                       |                    |       |
| 290 Total Other OS svcs genl             |                        |                                  |                    |                   |                   |                  |                |                   |                   |                  |                       |                    |       |
| 292 Maintenance Agreement                |                        |                                  | <u>1,094,351</u>   |                   |                   |                  |                |                   |                   |                  |                       |                    |       |
| 292 Total Maintenance Agree              |                        |                                  | <u>1,094,351</u>   |                   |                   |                  |                |                   |                   |                  |                       |                    |       |
| TOTALS                                   |                        |                                  |                    | <u>12,317,724</u> | <u>12,919,644</u> | <u>3,567,212</u> | <u>270,960</u> | <u>20,451,196</u> | <u>61,674,602</u> | <u>1,742,180</u> | <u>36,676,118</u>     | <u>210,803,026</u> |       |

AEP OpCo Professional Services:

- [1] Engineering \$12,318K
- [2] Non-IT Consulting \$12,920K
- [3] IT Consulting \$3,587K
- [4] Finance & Acctg \$271K
- [5] other \$20,451K

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**AEP/CSW**

**Synergies Refinement**

**SYNERGIES SUMMARY**

**Savings Area: Research and Development**

**AEP Position:**

AEP's total 1998 R&D budget is \$20.5 million, including \$15.4 million in EPRI funds. In addition to EPRI, the \$5.1 million of R&D is broken out as follows: Generation - \$560K; Transmission and Distribution - \$3.6 million; Customer Driven - \$913 K.

**CSW Position:**

CSW's total 1998 R&D budget is \$15.4 million, including \$7.2 million in EPRI funds. In addition to EPRI, the \$8.2 million of R&D is broken out as follows: Generation - \$1.1 million; Transmission and Distribution - \$300K; Customer Driven - \$300K; Alternative Energy - \$ 5.4 million; Other - \$1.1 million.

**Ten Year Savings (\$000):**

|                                                       |                      |
|-------------------------------------------------------|----------------------|
| <input type="checkbox"/> O&M Savings                  | \$ 11,056            |
| <input type="checkbox"/> Capital Savings              | \$ 0                 |
| <input type="checkbox"/> Revenue Requirements Savings | \$ 0                 |
| <input type="checkbox"/> Total Savings                | \$ 11,056 <i>M-2</i> |

**Rationale for Savings:**

Savings are derived from collaborate R&D efforts in non-base EPRI research projects in the areas of generation, transmission and distribution, and customer driven work. In addition, the larger combined company will have enough leverage to lobby with EPRI to instill more capped fees in the areas of power delivery, customer systems, and environmental. The capped fees will be less than the sum of the standalone fees, resulting in a slight savings.

**Basis for Calculation:**

The following non-base R&D areas are reduced: 25% of AEP's generation, 25% of CSW's transmission & distribution, and 50% of AEP's customer driven. Savings in EPRI fees are calculated by assuming there will be a 2.5% reduction in the combined standalone EPRI fees.

**Key Assumptions:**

- 1998 EPRI project selections are indicative of future project selections.
- The combined company retains membership in EPRI.
- AEP and CSW will be able to leverage company size to lobby EPRI to instill capped fees in the areas of power delivery, customer systems, and environmental.

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|                                    | 1999  | 2000  | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009  | Total    |
|------------------------------------|-------|-------|---------|---------|---------|---------|---------|---------|---------|---------|-------|----------|
| <b>R&amp;D</b>                     |       |       |         |         |         |         |         |         |         |         |       |          |
| 1999 Savings (\$000)               | \$957 |       |         |         |         |         |         |         |         |         |       |          |
| Percentage of Savings Capitalized  | 0.0%  |       |         |         |         |         |         |         |         |         |       |          |
| Fixed Charge Cost                  | 0.0%  |       |         |         |         |         |         |         |         |         |       |          |
| Inflation Rate                     | 3.0%  |       |         |         |         |         |         |         |         |         |       |          |
| Partial Year Savings               | 75%   |       |         |         |         |         |         |         |         |         |       |          |
| <b>Annual Savings</b>              |       |       |         |         |         |         |         |         |         |         |       |          |
| Annual Savings Amount              | \$718 | \$986 | \$1,015 | \$1,046 | \$1,077 | \$1,110 | \$1,143 | \$1,177 | \$1,213 | \$1,249 | \$322 | \$11,056 |
| O&M Savings                        | \$718 | \$986 | \$1,015 | \$1,046 | \$1,077 | \$1,110 | \$1,143 | \$1,177 | \$1,213 | \$1,249 | \$322 | \$11,056 |
| Capital Savings                    | \$0   | \$0   | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0   | \$0      |
|                                    | 0     | 0     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0     | 0        |
|                                    | 0     | 0     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0     | 0        |
|                                    | 0     | 0     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0     | 0        |
|                                    | 0     | 0     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0     | 0        |
|                                    | 0     | 0     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0     | 0        |
|                                    | 0     | 0     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0     | 0        |
|                                    | 0     | 0     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0     | 0        |
|                                    | 0     | 0     | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0     | 0        |
| <b>Cumulative Capital Savings</b>  | \$0   | \$0   | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0   | \$0      |
| Fixed Charge Savings               | \$0   | \$0   | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0   | \$0      |
| Total O&M and Fixed Charge Savings | \$718 | \$986 | \$1,015 | \$1,046 | \$1,077 | \$1,110 | \$1,143 | \$1,177 | \$1,213 | \$1,249 | \$322 | \$11,056 |

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**Research & Development (000)**

| Escalator<br>Number of Years            | 3.0%<br>1         | 1998              |               | 1999              |            |            |
|-----------------------------------------|-------------------|-------------------|---------------|-------------------|------------|------------|
|                                         |                   | AEP               | CSW Combined  | Savings %         | Savings    | Savings    |
| <b>R&amp;D (Projected 1998 Funding)</b> |                   |                   |               |                   |            |            |
| Generation                              | 567 <i>M-10</i>   | 1,071 <i>M-16</i> | 1,638         | 25% smaller       | 142        | 146        |
| Alternative Energy                      | 0                 | 5,458 <i>M-3</i>  | 5,458         | 0%                | 0          | 0          |
| Transmission and Distribution           | 3,559 <i>M-9</i>  | 300 <i>M-17</i>   | 3,859         | 25% smaller       | 75         | 77         |
| Customer Driven                         | 913 <i>M-9</i>    | 296 <i>M-17</i>   | 1,209         | 50% smaller       | 148        | 152        |
| All Others                              | 0                 | 1,085             | 1,085         | 0%                | 0          | 0          |
| EPRI Dues                               | 15,437 <i>M-4</i> | 7,154 <i>M-11</i> | 22,590        | 2.5% combined (1) | 565        | 582        |
| <b>Total</b>                            | <b>20,476</b>     | <b>15,363</b>     | <b>35,839</b> |                   | <b>929</b> | <b>957</b> |

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Notes:  
 (1) Based on Conversation with AEP (T. Jones) and CSW (R. Walker), 2.5% Savings in EPRI Dues Based on the Following:  
 a) Reduction in Total Number of EPRI Research Program Targets Due to Collaborative R&D Effort  
 b) Lobbying with EPRI to Introduce Capped Fees in the Areas of Power Delivery, Customer Systems, and Environmental

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# 1998 EPRI TARGET SELECTION FORM

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Company Name

Company Code → **10067**

## American Electric Power Service Corporation (Custom TSF)

**Instructions:**

Complete this form either manually or electronically and return a printed copy to EPRI accompanied by the Membership Agreement or Letter of Intent. A Target list specific to your company is located under Worksheet tab "Target List" below.

This electronic form can be downloaded through EPRweb at the Membership location (www.eprweb.com). Or contact the EPRI Info-line for a diskette. The electronic version works in Excel 5.0 and higher and prints in 5 pages (portrait). Page resizing may be required to match your printer drivers.

**Completing this form manually:**

Fill in company name and code at top of page. Place an "X" next to desired targets, Group or 100% EPRI purchase. Copy the appropriate prices to the column labeled "Your Company Selection Form". Total the column for each group. Carry the group totals forward to page one. FOR AEP

**Completing this form electronically:**

Fill in the data elements (A - G) below from the printed copy of your organization-specific "1998 EPRI Dues Calculation Bases" form. Enter your purchase selections by placing an "X" in the "Select with X Here" column. Selection of a 100% EPRI Buy appears on page one. Target prices including all appropriate discounts will be computed for you. Prompts will occur as you make selections and your totals will be carried forward to page one for you.

**For Assistance:**

Call EPRI's Info-line at 1-800-313-EPRI (3774) or fax your questions to the EPRI Info-line at 1-800-314-EPRI (3774).

|                           |                                                                                                                          |                                                           |                                                                                           |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------|
|                           | Company Code / Company Name (A&B)                                                                                        | 10067                                                     | American Electric Power Service Corporation (Custom TSF)                                  |
| <b>CUSTOMER INPUT</b>     | Your 1998 EPRI Traditional Formula Dues (TFD)<br><small>(Used in CSG, EG, PDG, &amp; Cross-Group Target Pricing)</small> | \$20,394,690                                              | in US dollars (C)                                                                         |
|                           |                                                                                                                          |                                                           | APPs and IPPs Only. Place "X" Here (Set D, E, F = 0)                                      |
|                           | <b>For Purchases in the Generation Program</b>                                                                           |                                                           |                                                                                           |
|                           | Non-Nuclear/Non-Hydro Generating Capacity                                                                                | 22,598                                                    | in MW electric (D)                                                                        |
|                           | Non-Nuclear/Non-Hydro Generation                                                                                         | 116,626,923                                               | in MWhrs (E)                                                                              |
|                           | Hydro Generating Capacity                                                                                                | 824                                                       | in MW electric (F)                                                                        |
|                           | <b>To Purchase Nuclear Power Program</b>                                                                                 |                                                           |                                                                                           |
|                           | Nuclear Power Group 1998 Price (Enter 0 if Non-Nuclear)                                                                  | \$1,922,058                                               | in US dollars (G)                                                                         |
| <b>100% EPRI PURCHASE</b> | Price for 100% of EPRI's 1998 Program                                                                                    | \$19,375,141                                              | in US dollars - This price includes Cross-Group Targets and, if applicable, Nuclear Power |
|                           | Enter "X" for 100% Program Purchase                                                                                      |                                                           |                                                                                           |
| <b>EPRI PAYMENT HERE</b>  | TOTALS from subsequent pages                                                                                             |                                                           |                                                                                           |
|                           | Customer Systems Group                                                                                                   | \$3,918,398                                               | TOTAL EPRI \$15,199,282                                                                   |
|                           | Nuclear Power Group                                                                                                      | \$1,825,955                                               | TOTAL epricsg \$0                                                                         |
|                           | Generation Group                                                                                                         | \$2,228,000                                               | TOTAL eprigen \$237,500                                                                   |
|                           | Power Delivery Group                                                                                                     | \$3,510,634                                               |                                                                                           |
|                           | Environment Group                                                                                                        | \$3,080,060                                               | <b>TOTAL PAYMENT TO EPRI</b> \$15,436,782                                                 |
|                           | Cross-Group Targets                                                                                                      | \$873,735                                                 |                                                                                           |
| <b>MESSAGES</b>           | DENOTES CAPPED PURCHASE IN EFFECT FOR FULL GROUP OR . . . . . 100% EPRI BUY                                              |                                                           |                                                                                           |
|                           | QUALIFIED FOR SUSTAINING MEMBER - 5% DISCOUNT INCLUDED                                                                   |                                                           |                                                                                           |
|                           | CAPPED FULL GROUP PURCHASES WILL BE ALLOCATED BY NOVEMBER 1, 1997                                                        |                                                           |                                                                                           |
| <b>CONFIRM HERE</b>       | Completed by <u>Vincent A. Lepore</u>                                                                                    |                                                           |                                                                                           |
|                           | Da <u>8/15/97</u><br><small>(mm/ddyy)</small>                                                                            | Title <u>Vice President, Power Generation Engineering</u> |                                                                                           |

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# 1998 EPRI TARGET SELECTION FORM

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## CUSTOMER SYSTEMS GROUP

For Group-specific pricing details see the "EPRI Membership Offering 98"

|                                                                                        | Price Base                                                   | Posted Price                   | Select With "X" Here | Your Cost Will Be Computed Here     |
|----------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------|----------------------|-------------------------------------|
| <b>CUSTOMER SYSTEMS FULL GROUP PURCHASE</b>                                            |                                                              | 110% CAP LOWEST = \$ 4,124,829 | x                    | \$3,918,398                         |
| GROUP PURCHASE CAPPED AT LESSER OF 110% OF 1997 PRICE OR MAXIMUM DISCOUNTED 1998 PRICE |                                                              |                                |                      |                                     |
| SUSTAINING MEMBER DISCOUNT OF 5% APPLIED                                               |                                                              |                                |                      |                                     |
| <b>Residential Technologies &amp; Services</b>                                         |                                                              |                                |                      |                                     |
| Target 1                                                                               | Residential Heat Pump Technology                             | TFD \$326,315                  |                      | GROUP BUY                           |
| Target 2                                                                               | Residential Water Heating Technology                         | TFD \$112,171                  |                      | GROUP BUY                           |
| Target 3                                                                               | Residential Appliances                                       | TFD \$67,302                   |                      | GROUP BUY                           |
| Target 4                                                                               | Multifamily Housing                                          | TFD \$42,829                   |                      | GROUP BUY                           |
| Target 5                                                                               | Manufactured Housing                                         | TFD \$42,829                   |                      | GROUP BUY                           |
| eC Target 6                                                                            | Promoting Energy Products for Mass Markets                   | TFD \$171,315                  |                      | GROUP BUY                           |
| <b>Commercial Technologies &amp; Services</b>                                          |                                                              |                                |                      |                                     |
| Target 7                                                                               | Commercial Building Heat Pump Technology                     | TFD \$187,631                  |                      | GROUP BUY                           |
| Target 8                                                                               | Commercial Building Chillers                                 | TFD \$118,289                  |                      | GROUP BUY                           |
| Target 9                                                                               | Commercial Building Thermal Storage                          | TFD \$59,145                   |                      | GROUP BUY                           |
| Target 10                                                                              | Commercial Building Water Heating                            | TFD \$44,868                   |                      | GROUP BUY                           |
| Target 11                                                                              | Commercial Building Lighting                                 | TFD \$44,868                   |                      | GROUP BUY                           |
| eC Target 12                                                                           | Retail/Supermarket Establishment Solutions                   | TFD \$108,092                  |                      | GROUP BUY                           |
| eC Target 13                                                                           | Foodservice Facilities Solutions                             | TFD \$155,000                  |                      | GROUP BUY                           |
| eC Target 14                                                                           | Office Complexes Solutions                                   | TFD \$85,658                   |                      | GROUP BUY                           |
| eC Target 15                                                                           | Education/Public Facilities Solutions                        | TFD \$93,816                   |                      | GROUP BUY                           |
| eC Target 16                                                                           | Small Businesses Solutions                                   | TFD \$91,776                   |                      | GROUP BUY                           |
| eC Target 17                                                                           | Lodging Facility Solutions                                   | TFD \$101,973                  |                      | GROUP BUY                           |
| <b>Industrial &amp; Agricultural Technologies &amp; Services</b>                       |                                                              |                                |                      |                                     |
| Target 18                                                                              | Materials Fabrication Industries                             | TFD \$167,236                  |                      | GROUP BUY                           |
| Target 19                                                                              | Materials Production Industries                              | TFD \$148,881                  |                      | GROUP BUY                           |
| Target 20                                                                              | Municipal Water and Wastewater                               | TFD \$138,684                  |                      | GROUP BUY                           |
| Target 21                                                                              | Healthcare Industry                                          | TFD \$142,763                  |                      | GROUP BUY                           |
| Target 22                                                                              | Food Processing Industries                                   | TFD \$130,526                  |                      | GROUP BUY                           |
| Target 23                                                                              | Natural Gas, Petroleum and Chemicals Industries              | TFD \$114,210                  |                      | GROUP BUY                           |
| Target 24                                                                              | Textile Industries                                           | TFD \$99,934                   |                      | GROUP BUY                           |
| Target 25                                                                              | Pulp, Paper and Forest Products Industries                   | TFD \$99,934                   |                      | GROUP BUY                           |
| Target 26                                                                              | Agriculture                                                  | TFD \$79,539                   |                      | GROUP BUY                           |
| eC Target 27                                                                           | Electronics Industry                                         | TFD \$93,816                   |                      | GROUP BUY                           |
| <b>Electric Transportation</b>                                                         |                                                              |                                |                      |                                     |
| Target 28                                                                              | ETIP/New Project Development                                 | TFD \$15,500                   |                      | GROUP BUY                           |
| Target 29                                                                              | Transportation Energy Storage Systems                        | DBR (1) (2) \$372,796          |                      | GROUP BUY                           |
| Target 30                                                                              | Infrastructure Deployment and EV Benefits                    | Fixed (2) \$55,000             |                      | GROUP BUY                           |
| Target 31                                                                              | Public Transportation Systems                                | DBR (1) (2) \$117,803          |                      | GROUP BUY                           |
| Target 32                                                                              | Non-Road Electric Vehicles                                   | DBR (1) (2) \$171,486          |                      | GROUP BUY                           |
| Target 33                                                                              | Transportation Data Collection/Management                    | Fixed (3) (4) \$25,000         |                      | GROUP BUY                           |
| Target 34                                                                              | Airport Solutions                                            | Fixed (3) \$75,000             |                      | GROUP BUY                           |
| <b>Power Electronics End-Use Systems</b>                                               |                                                              |                                |                      |                                     |
| Target 35                                                                              | End-Use Power Quality Mitigation Systems                     | TFD \$205,986                  |                      | GROUP BUY                           |
| Target 36                                                                              | New Electric Motor/Drive Markets and Solutions               | TFD \$205,986                  |                      | GROUP BUY                           |
| eC Target 37                                                                           | Power Electronics                                            | TFD \$205,986                  |                      | GROUP BUY                           |
| <b>Information Systems &amp; Telecommunications</b>                                    |                                                              |                                |                      |                                     |
| eC Target 38                                                                           | Information and Energy Management Services for Mass Markets  | DBR (1) \$310,166              |                      | GROUP BUY                           |
| eC Target 39                                                                           | Information and Energy Management Services for C&I Customers | DBR (1) \$262,448              |                      | GROUP BUY                           |
| eC Target 40                                                                           | Wireless Applications and Services                           | DBR (1) \$55,174               |                      | GROUP BUY                           |
| eC Target 41                                                                           | Information Systems for Retail Access                        | DBR (1) \$150,609              |                      | GROUP BUY                           |
| eC Target 42                                                                           | Advanced Billing and Customer Operations Systems             | DBR (1) \$164,030              |                      | GROUP BUY                           |
| <b>Retail Market Tools &amp; Services</b>                                              |                                                              |                                |                      |                                     |
| eC Target 43                                                                           | Understanding Energy Markets                                 | TFD \$383,420                  |                      | GROUP BUY                           |
| Target 44                                                                              | Enhancing the Success of New Customer Technologies           | TFD \$201,907                  |                      | GROUP BUY                           |
| Target 45                                                                              | Producing Successful Product & Service Portfolios            | TFD \$222,302                  |                      | GROUP BUY                           |
| eC Target 46                                                                           | Technology Innovation and 21st Century Strategy              | Fixed \$45,000                 |                      | GROUP BUY                           |
|                                                                                        |                                                              |                                |                      | <b>Total Customer Systems Group</b> |
|                                                                                        |                                                              |                                |                      | <b>\$3,918,398</b>                  |

(1) Declining Block Rate  
 (2) Purchase of Target 28, ETIP required for target purchase  
 (3) Purchase of Target 28, ETIP not required for target purchase  
 (4) Included with purchase of targets 29, 30, 31, or 32

eC Denotes eprCSG Target

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|-----------------------|-----------------------------------------------------------------|--------------|

| <b>NUCLEAR POWER GROUP</b>                                               |                                   | Posted Price | Select With "X" Here | Your Cost Will Be Computed Here |
|--------------------------------------------------------------------------|-----------------------------------|--------------|----------------------|---------------------------------|
| For Group-specific pricing details see the "EPRI Membership Offering 98" |                                   |              |                      |                                 |
| Target 47                                                                | NUCLEAR POWER FULL GROUP PURCHASE | \$1,922,058  | x                    | \$1,825,955                     |
| SUSTAINING MEMBER DISCOUNT OF 5% APPLIED                                 |                                   |              |                      |                                 |
| <b>Total Nuclear Power Group</b>                                         |                                   |              |                      | <b>\$1,825,955</b>              |

| <b>GENERATION GROUP</b>                                                  |                                                                                           | Price Base            | Posted Price | Select With "X" Here | Your Cost Will Be Computed Here |
|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------|--------------|----------------------|---------------------------------|
| For Group-specific pricing details see the "EPRI Membership Offering 98" |                                                                                           |                       |              |                      |                                 |
| <b>GENERATION FULL GROUP PURCHASE</b>                                    |                                                                                           | MAX DISCOUNT LOWEST = | \$ 4,694,774 |                      | SEE BELOW                       |
| GROUP DISCOUNT CURRENTLY APPLIED = 0.00%                                 |                                                                                           |                       |              |                      |                                 |
| SUSTAINING MEMBER DISCOUNT OF 5% APPLIED                                 |                                                                                           |                       |              |                      |                                 |
| Target 48                                                                | Coal-Fired Boiler Performance Optimization and Combustion NOx Control (\$600,000 cap)     |                       | \$600,000    | x                    | \$570,000                       |
| Target 49                                                                | Gas-/Oil-Fired Boiler Performance Optimization and Combustion NOx Control (\$250,000 cap) |                       | \$250,000    |                      | \$0                             |
| Target 50                                                                | Boiler Life and Availability Improvement (\$225,000 cap)                                  |                       | \$225,000    | x                    | \$213,750                       |
| Target 51                                                                | Boiler and Turbine Steam and Cycle Chemistry (\$150,000 cap)                              |                       | \$150,000    | x                    | \$142,500                       |
| Target 52                                                                | Steam Turbines, Generators, and Balance-of-Plant (\$350,000 cap)                          |                       | \$350,000    | x                    | \$332,500                       |
| Target 53                                                                | Instrumentation and Control (\$200,000 cap)                                               |                       | \$200,000    | x                    | \$190,000                       |
| eG Target 54                                                             | Plant Maintenance Optimization (\$150,000 cap)                                            |                       | \$150,000    |                      | \$0                             |
| Target 55                                                                | Simulators, Training, and Production Automation (\$100,000 cap)                           |                       | \$100,000    | x                    | \$95,000                        |
| Target 56                                                                | Fuel Supply Management (\$140,000 cap)                                                    |                       | \$140,000    | x                    | \$133,000                       |
| Target 57                                                                | Atmospheric Fluidized Bed                                                                 | Fixed                 | \$60,000     |                      | \$0                             |
| Target 58                                                                | Cogeneration Plant O&M Cost Reduction                                                     | Fixed                 | \$60,000     |                      | \$0                             |
| Target 59                                                                | Combustion Turbine & Combined Cycle O&M (\$350,000 cap)                                   |                       | \$350,000    |                      | \$0                             |
| Target 60                                                                | Post-Combustion NOx Control (\$150,000 cap)                                               |                       | \$150,000    | x                    | \$142,500                       |
| Target 61                                                                | SO2 and Non-Particulate Opacity Control (\$75,000 cap)                                    |                       | \$75,000     | x                    | \$71,250                        |
| Target 62                                                                | Air Toxics Control (\$200,000 cap)                                                        |                       | \$200,000    |                      | \$0                             |
| Target 63                                                                | Primary Particulate Control (\$150,000 cap)                                               |                       | \$150,000    |                      | \$0                             |
| Target 64                                                                | Continuous and Predictive Emissions Monitoring (\$150,000 cap)                            |                       | \$150,000    |                      | \$0                             |
| Target 65                                                                | Combustion By-Product Use (\$200,000 cap)                                                 |                       | \$200,000    |                      | \$0                             |
| eG Target 66                                                             | Environmental Control Technology Services                                                 | Fixed                 | \$50,000     |                      | \$0                             |
| Target 67                                                                | Hydro Performance Optimization and Asset Management                                       |                       | \$309,106    |                      | \$0                             |
| eG Target 68                                                             | New Combustion Turbine/Combined Cycle Design and Risk Mitigation (\$350,000 cap)          |                       | \$350,000    |                      | \$0                             |
| eG Target 69                                                             | State-of-the-Art Coal Plant Design                                                        | Fixed                 | \$200,000    |                      | \$0                             |
| Target 70                                                                | Coal Power Systems Development                                                            |                       | \$639,361    | x                    | \$100,000                       |
| eG Target 71                                                             | Repowering Strategies (\$250,000 cap)                                                     |                       | \$250,000    |                      | \$0                             |
| eG Target 72                                                             | Generation Asset Management (\$250,000 cap)                                               |                       | \$250,000    | x                    | \$237,500                       |
| eG Target 73                                                             | Business Opportunities in Power Generation                                                | Fixed                 | \$35,000     |                      | \$0                             |
| eG Target 74                                                             | Distributed Resources Hardware Development for Retail Markets (\$225,000 cap)             | TFD                   | \$225,000    |                      | \$0                             |
| TARGET 70 SPECIAL PURCHASE                                               |                                                                                           |                       |              |                      |                                 |
| <b>Total Generation Group</b>                                            |                                                                                           |                       |              |                      | <b>\$2,228,000</b>              |

NOTE: \$100,000 in dues and \$100,000 in Tailored Collaboration funds are to be expended for the Power Systems Development Facility near Wilsonville, Alabama.

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| <b>POWER DELIVERY GROUP</b>                                              |                                     | Price Base                         | Posted Price | Select With "X" Here | Your Cost Will Be Computed Here |
|--------------------------------------------------------------------------|-------------------------------------|------------------------------------|--------------|----------------------|---------------------------------|
| For Group-specific pricing details see the "EPRI Membership Offering 98" |                                     |                                    |              |                      |                                 |
| <b>POWER DELIVERY FULL GROUP PURCHASE</b>                                |                                     | MAX DISCOUNT LOWEST = \$ 4,486,009 |              |                      | SEE BELOW                       |
| GROUP DISCOUNT CURRENTLY APPLIED = 6.07%                                 |                                     |                                    |              |                      |                                 |
| SUSTAINING MEMBER DISCOUNT OF 5% APPLIED                                 |                                     |                                    |              |                      |                                 |
| <b>Transmission &amp; Substations</b>                                    |                                     |                                    |              |                      |                                 |
| Target 75                                                                | Overhead Transmission               | TFD                                | \$768,880    | x                    | \$686,111                       |
| Target 76                                                                | Underground Transmission            | TFD                                | \$493,551    |                      | \$0                             |
| Target 77                                                                | Substations                         | TFD                                | \$1,186,971  | x                    | \$1,059,196                     |
|                                                                          |                                     |                                    |              |                      | \$669,732                       |
| Target 78                                                                | Grid Operations & Planning          | TFD                                | \$750,525    | x                    | \$669,732                       |
|                                                                          |                                     |                                    |              |                      | \$0                             |
| Target 79                                                                | Power Markets & Resource Management | DBR (1)                            | \$448,410    |                      | \$0                             |
| <b>Distribution</b>                                                      |                                     |                                    |              |                      |                                 |
| Target 80                                                                | Distribution System                 | TFD                                | \$858,616    | x                    | \$766,188                       |
| Target 81                                                                | Underground Infrastructure          | TFD                                | \$369,144    | x                    | \$329,406                       |
| (1) Declining Block Rate                                                 |                                     |                                    |              |                      |                                 |
| <b>Total Power Delivery Group</b>                                        |                                     |                                    |              |                      | <b>\$3,510,634</b>              |

| <b>ENVIRONMENT GROUP</b>                                                               |                                                               | Price Base                     | Posted Price | Select With "X" Here | Your Cost Will Be Computed Here |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------|--------------|----------------------|---------------------------------|
| For Group-specific pricing details see the "EPRI Membership Offering 98"               |                                                               |                                |              |                      |                                 |
| <b>ENVIRONMENT FULL GROUP PURCHASE</b>                                                 |                                                               | 110% CAP LOWEST = \$ 3,242,168 |              | x                    | \$3,080,060                     |
| GROUP PURCHASE CAPPED AT LESSER OF 110% OF 1997 PRICE OR MAXIMUM DISCOUNTED 1998 PRICE |                                                               |                                |              |                      |                                 |
| SUSTAINING MEMBER DISCOUNT OF 5% APPLIED                                               |                                                               |                                |              |                      |                                 |
| <b>Air Quality Health and Risk Assessment</b>                                          |                                                               |                                |              |                      |                                 |
| Target 82                                                                              | Air Toxics Health and Risk Assessment                         | DBR (1)                        | \$292,601    |                      | GROUP BUY                       |
| Target 83                                                                              | Tropospheric Ozone and Precursors                             | DBR (1)                        | \$338,320    |                      | GROUP BUY                       |
| Target 84                                                                              | Atmospheric Particulates and Precursors                       | DBR (1)                        | \$338,320    |                      | GROUP BUY                       |
| <b>Electric and Magnetic Fields Health Assessment and Management</b>                   |                                                               |                                |              |                      |                                 |
| Target 85                                                                              | Electric and Magnetic Fields Health Assessment                | DBR (1)                        | \$585,203    |                      | GROUP BUY                       |
| Target 86                                                                              | Electric and Magnetic Fields Management                       | DBR (1)                        | \$237,739    |                      | GROUP BUY                       |
| <b>Global Climate Change</b>                                                           |                                                               |                                |              |                      |                                 |
| Target 87                                                                              | Global Climate Policy Cost Analysis and Integrated Assessment | DBR (1)                        | \$548,628    |                      | GROUP BUY                       |
| Target 88                                                                              | Assessment of the Potential Impacts of Global Climate Change  | DBR (1)                        | \$274,314    |                      | GROUP BUY                       |
| Target 89                                                                              | Utility Greenhouse Gas Risk Management                        | DBR (1)                        | \$91,438     |                      | GROUP BUY                       |
| <b>Land and Groundwater Protection and Remediation</b>                                 |                                                               |                                |              |                      |                                 |
| Target 90                                                                              | Combustion Wastes and Groundwater Protection                  | DBR (1)                        | \$246,883    |                      | GROUP BUY                       |
| Target 91                                                                              | MGP Site Remediation and Health Risk                          | DBR (1)                        | \$210,307    |                      | GROUP BUY                       |
| Target 92                                                                              | Transmission and Distribution Soil and Water Issues           | DBR (1)                        | \$146,301    |                      | GROUP BUY                       |
| <b>Watershed, Ecosystem, and Power Plant Water Management</b>                          |                                                               |                                |              |                      |                                 |
| Target 93                                                                              | Water Toxics Assessment                                       | DBR (1)                        | \$274,314    |                      | GROUP BUY                       |
| Target 94                                                                              | Assessment Tools for Clean Water Act and Impoundment Issues   | DBR (1)                        | \$182,876    |                      | GROUP BUY                       |
| Target 95                                                                              | Watershed Risk Management and Ecosystem Protection            | DBR (1)                        | \$146,301    |                      | GROUP BUY                       |
| Target 96                                                                              | Power Plant Water Management                                  | DBR (1)                        | \$128,013    |                      | GROUP BUY                       |
| <b>Plant Multimedia Toxics Characterization (PISCES)</b>                               |                                                               |                                |              |                      |                                 |
| Target 97                                                                              | Plant Multimedia Toxics Characterization (PISCES)             | DBR (1)                        | \$365,752    |                      | GROUP BUY                       |
| <b>Worker Safety and Health</b>                                                        |                                                               |                                |              |                      |                                 |
| Target 98                                                                              | Worker Safety and Health                                      | DBR (1)                        | \$64,007     |                      | GROUP BUY                       |
| <b>Environmental Assets Management</b>                                                 |                                                               |                                |              |                      |                                 |
| Target 99                                                                              | Environmental Assets Management                               | DBR (1)                        | \$137,157    |                      | GROUP BUY                       |
| (1) Declining Block Rate                                                               |                                                               |                                |              |                      |                                 |
| <b>Total Environment Group</b>                                                         |                                                               |                                |              |                      | <b>\$3,080,060</b>              |

1998 EPRI TARGET SELECTION FORM

|                |                                                          |       |
|----------------|----------------------------------------------------------|-------|
| Page 5<br>V1.3 | American Electric Power Service Corporation (Custom TSF) | 10067 |
|----------------|----------------------------------------------------------|-------|

| <b>CROSS-GROUP TARGETS</b>                                             |                                                                    | Price Base          | Posted Price | Select With "X" Here | Your Cost Will Be Computed Here |
|------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------|--------------|----------------------|---------------------------------|
| For specific pricing information see the "EPRI Membership Offering 98" |                                                                    |                     |              |                      |                                 |
| SUSTAINING MEMBER DISCOUNT OF 5% APPLIED                               |                                                                    |                     |              |                      |                                 |
| Target 100                                                             | Advanced Metering                                                  | TFD                 | \$350,789    |                      | \$0                             |
| Target 101                                                             | Community Technology Solutions                                     |                     |              |                      |                                 |
|                                                                        | Community Economic Development Solutions                           | (\$40,000 cap) TFD  | \$40,000     |                      | \$0                             |
| Target 102                                                             | Disaster Planning & Mitigation Technologies                        | (\$175,000 cap) TFD | \$175,000    |                      | \$0                             |
| Target 103                                                             | Distributed Resources for Energy Services and Delivery Enhancement | (\$300,000 cap) TFD | \$300,000    | X                    | \$285,000                       |
| Target 104                                                             | District Energy/ Load Retention and Growth                         | (\$125,000 cap) TFD | \$125,000    |                      | \$0                             |
| Target 105                                                             | Energy Infrastructure for Developing Economies                     | Fixed               | \$45,000     |                      | \$0                             |
| Target 106                                                             | Power Quality                                                      | DBR (1)             | \$514,458    | X                    | \$488,735                       |
| Target 107                                                             | Renewables and Green Power Marketing                               | (\$375,000 cap) TFD | \$375,000    | X                    | \$100,000                       |
| TARGET 107 SPECIAL PURCHASE                                            |                                                                    |                     |              |                      |                                 |
| (1) Declining Block Rate                                               |                                                                    |                     |              |                      |                                 |
| <b>Total Cross-Group Targets</b>                                       |                                                                    |                     |              |                      | <b>\$873,735</b>                |

SEE

NOTE: \$100,000 in dues and \$100,000 in Tailored Collaboration funds are to be expended within this Target (107).

M-S

To: Vincent A. Lepore/AEPSC/American Electric Power  
cc: Bruce A. Renz/AEPSC/American Electric Power, Don Joslyn/American Electric Power  
From: Thomas L. Jones/American Electric Power  
Date: 08/22/97 08:25:00 AM  
Subject: R&D Budget Request - Final Version

The following R&D budget requests are based on information provided by Carl Byrd (Consumer Services), Steve Brewer (Nuclear), Tom Jones (Energy Delivery), Kelly Fuller (Power Generation), Navin Bhatt (Transmission Planning), and Jeff Laine (System Planning). Some provided information on EPRI TC funding requests; however, this information is not included below.

**R&D Budget Requests**

**Total**

**1998**  
Materials and Outside Services = \$5,121,248  
Internal Labor = \$1,383,900

**1999**  
Materials and Outside Services = \$4,178,773  
Internal Labor = \$910,100

**Consumer Services**

1998  
Materials and Outside Services = \$913,000 M-3  
Internal Labor = 0

1999  
Materials and Outside Services = \$961,000  
Internal Labor = 0

**Nuclear**

1998  
Materials and Outside Services = \$82,000  
Internal Labor = 0

1999  
Materials and Outside Services = \$50,000  
Internal Labor = 0

**Energy Delivery**

1998  
Materials and Outside Services = \$3,309,248  
Internal Labor = \$1,423,900 + 250,000 (System Planning, M10)  
M-3 3,559,248

M-9



1999  
Materials and Outside Services = \$1,542,733  
Internal Labor = ~~\$901,100~~  
710,100

**System Planning**

1998  
Materials and Outside Services = \$250,000 M-9  
Internal Labor = 0

1999  
Materials and Outside Services = \$200,000  
Internal Labor = 0

**Power Generation**

1998  
Materials and Outside Services = \$567,000 M-3  
Internal Labor = 0

1999  
Materials and Outside Services = \$1,425,000  
Internal Labor = 0

M-10

# 1998 EPRI TARGET SELECTION FORM

Page 1 V1.3 Company Name **Central & South West Corp.** Company Code **10436**

**Instructions:**  
 Complete this form either manually or electronically and return a printed copy to EPRI accompanied by the Membership Agreement or Letter of Intent. A Target list specific to your company is located under Worksheet tab "Target List" below.  
 This electronic form can be downloaded through EPRIweb at the Membership location (www.epriweb.com). Or contact the EPRI info-line for a diskette. The electronic version works in Excel 5.0 and higher and prints in 5 pages (portrait). Page resizing may be required to match your printer drivers.

**Completing this form manually:**  
 Fill in company name and code at top of page. Place an "X" next to desired targets, Group or 100% EPRI purchase. Copy the appropriate prices to the column labeled "Your Cost Will Be Computed Here". Total the column for each group. Carry the group totals forward to page one.

**Completing this form electronically:**  
 Fill in the data elements (A - G) below from the printed copy of your organization-specific "1998 EPRI Dues Calculation Bases" form. Enter your purchase selections by placing an "X" in the "Select with X Here" column. Selection of a 100% EPRI Buy appears on page one. Target prices including all appropriate discounts will be computed for you. Prompts will occur as you make selections and your totals will be carried forward to page one for you.

**For Assistance:** Call EPRI's info-line at 1-800-313-EPRI (3774) or fax your questions to the EPRI info-line at 1-800-314-EPRI (3774).

|                                                                                              |                                                                                                       |                   |                                                                                           |
|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------|
| <b>CUSTOMER INPUT</b>                                                                        | Company Code / Company Name (A&B)                                                                     | 10436             | Central & South West Corp.                                                                |
|                                                                                              | Your 1998 EPRI Traditional Formula Dues (TFD)<br>(Used in CSG, EG, PDG, & Cross-Group Target Pricing) | \$10,832,914      | in US dollars (C)                                                                         |
|                                                                                              | For Purchases in the Generation Program<br>Non-Nuclear/Non-Hydro Generating Capacity                  | 13,992            | in MW electric (D)                                                                        |
|                                                                                              | Non-Nuclear/Non-Hydro Generation                                                                      | 58,027,149        | in MWhrs (E)                                                                              |
|                                                                                              | Hydro Generating Capacity                                                                             | 10                | in MW electric (F)                                                                        |
| To Purchase Nuclear Power Program<br>Nuclear Power Group 1998 Price (Enter 0 if Non-Nuclear) | \$0                                                                                                   | in US dollars (G) |                                                                                           |
| <b>100% EPRI PURCHASE</b>                                                                    | Price for 100% of EPRI's 1998 Program                                                                 | \$10,745,513      | in US dollars - This price includes Cross-Group Targets and, if applicable, Nuclear Power |
|                                                                                              | Enter "X" for 100% Program Purchase                                                                   |                   |                                                                                           |
| <b>EPRI PAYMENT HERE</b>                                                                     | <b>TOTALS from subsequent pages</b>                                                                   |                   |                                                                                           |
|                                                                                              | Customer Systems Group                                                                                | \$2,081,310       | TOTAL EPRI \$7,398,818                                                                    |
|                                                                                              | Nuclear Power Group                                                                                   | \$0               | TOTAL epricSG \$0                                                                         |
|                                                                                              | Generation Group                                                                                      | \$2,077,174       | TOTAL eprigen \$131,538                                                                   |
|                                                                                              | Power Delivery Group                                                                                  | \$808,888         |                                                                                           |
|                                                                                              | Environment Group                                                                                     | \$1,838,016       | <b>TOTAL PAYMENT TO EPRI \$7,530,164</b>                                                  |
|                                                                                              | Cross-Group Targets                                                                                   | \$928,787         |                                                                                           |
| <b>MESSAGES</b>                                                                              | ! DENOTES CAPPED PURCHASE IN EFFECT FOR FULL GROUP OR ..... 100% EPRI BUY                             |                   |                                                                                           |
|                                                                                              | QUALIFIED FOR SUSTAINING MEMBER - 5% DISCOUNT INCLUDED                                                |                   |                                                                                           |
|                                                                                              | CAPPED FULL GROUP PURCHASES WILL BE ALLOCATED BY NOVEMBER 1, 1997                                     |                   |                                                                                           |
| <b>CONFIRM HERE</b>                                                                          | Date                                                                                                  | Completed by      |                                                                                           |
|                                                                                              |                                                                                                       | Title             |                                                                                           |

LESS 5% DISCOUNT \$ 376,508

\$ 7,153,646 M-3

1998 EPRI TARGET SELECTION FORM

| Page 2                                                                                                                                                                                                                                             | Central & South West Corp.                                   | 10436                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------|
| v1.3                                                                                                                                                                                                                                               |                                                              |                        |
| CUSTOMER SYSTEMS GROUP                                                                                                                                                                                                                             |                                                              |                        |
| Price Base                                                                                                                                                                                                                                         | Posted Price                                                 | Submit With "X" Here   |
| For Group-specific pricing details see the "EPRI Membership Offering 36"                                                                                                                                                                           |                                                              |                        |
| CUSTOMER SYSTEMS FULL GROUP PURCHASE                                                                                                                                                                                                               |                                                              |                        |
| 110% CAP LOWEST =                                                                                                                                                                                                                                  | 0 2,190,852                                                  | 11                     |
| GROUP PURCHASE CAPPED AT LESSE OF 110% OF 1997 PRICE OR MAXIMUM DISCOUNTED 1998 PRICE                                                                                                                                                              |                                                              | \$2,081,210            |
| SUSTAINING MEMBER DISCOUNT OF 8% APPLIED                                                                                                                                                                                                           |                                                              |                        |
| Residential Technologies & Services                                                                                                                                                                                                                |                                                              |                        |
| Target 1                                                                                                                                                                                                                                           | Residential Heat Pump Technology                             | TFD \$173,527          |
| Target 2                                                                                                                                                                                                                                           | Residential Water Heating Technology                         | TFD \$59,581           |
| Target 3                                                                                                                                                                                                                                           | Residential Appliances                                       | TFD \$35,749           |
| Target 4                                                                                                                                                                                                                                           | Multi-Family Housing                                         | TFD \$22,749           |
| Target 5                                                                                                                                                                                                                                           | Manufactured Housing                                         | TFD \$22,749           |
| eC Target 6                                                                                                                                                                                                                                        | Promoting Energy Products for Mass Markets                   | TFD \$90,909           |
| Commercial Technologies & Services                                                                                                                                                                                                                 |                                                              |                        |
| Target 7                                                                                                                                                                                                                                           | Commercial Building Heat Pump Technology                     | TFD \$99,893           |
| Target 8                                                                                                                                                                                                                                           | Commercial Building Chillers                                 | TFD \$82,831           |
| Target 9                                                                                                                                                                                                                                           | Commercial Building Thermal Storage                          | TFD \$31,416           |
| Target 10                                                                                                                                                                                                                                          | Commercial Building Water Heating                            | TFD \$23,832           |
| Target 11                                                                                                                                                                                                                                          | Commercial Building Lighting                                 | TFD \$23,832           |
| eC Target 12                                                                                                                                                                                                                                       | Retail/Supermarket Entertainment Solutions                   | TFD \$57,414           |
| eC Target 13                                                                                                                                                                                                                                       | Foodservice Facilities Solutions                             | TFD \$82,330           |
| eC Target 14                                                                                                                                                                                                                                       | Office Complexes Solutions                                   | TFD \$45,488           |
| eC Target 15                                                                                                                                                                                                                                       | Education/Public Facilities Solutions                        | TFD \$48,831           |
| eC Target 16                                                                                                                                                                                                                                       | Small Businesses Solutions                                   | TFD \$48,748           |
| eC Target 17                                                                                                                                                                                                                                       | Lodging Facility Solutions                                   | TFD \$54,185           |
| Industrial & Agricultural Technologies & Services                                                                                                                                                                                                  |                                                              |                        |
| Target 18                                                                                                                                                                                                                                          | Business Fabrication Industries                              | TFD \$88,830           |
| Target 19                                                                                                                                                                                                                                          | Materials Production Industries                              | TFD \$78,880           |
| Target 20                                                                                                                                                                                                                                          | Municipal Water and Wastewater                               | TFD \$73,884           |
| Target 21                                                                                                                                                                                                                                          | Healthcare Industry                                          | TFD \$75,830           |
| Target 22                                                                                                                                                                                                                                          | Food Processing Industries                                   | TFD \$88,331           |
| Target 23                                                                                                                                                                                                                                          | Natural Gas, Petroleum and Chemicals Industries              | TFD \$80,884           |
| Target 24                                                                                                                                                                                                                                          | Textile Industries                                           | TFD \$53,881           |
| Target 25                                                                                                                                                                                                                                          | Pulp, Paper and Forest Products Industries                   | TFD \$83,881           |
| Target 26                                                                                                                                                                                                                                          | Agriculture                                                  | TFD \$42,248           |
| eC Target 27                                                                                                                                                                                                                                       | Electronics Industry                                         | TFD \$48,831           |
| Electric Transportation                                                                                                                                                                                                                            |                                                              |                        |
| Target 28                                                                                                                                                                                                                                          | ETP/New Project Development                                  | TFD \$15,600           |
| Target 29                                                                                                                                                                                                                                          | Transportation Energy Storage Systems                        | D&R (1) (2) \$258,327  |
| Target 30                                                                                                                                                                                                                                          | Infrastructure Deployment and EV Benefits                    | Fixed (2) \$55,000     |
| Target 31                                                                                                                                                                                                                                          | Public Transportation Systems                                | D&R (1) (2) \$75,311   |
| Target 32                                                                                                                                                                                                                                          | Non-Road Electric Vehicles                                   | D&R (1) (2) \$108,830  |
| Target 33                                                                                                                                                                                                                                          | Transportation Data Collection/Management                    | Fixed (3) (4) \$25,000 |
| Target 34                                                                                                                                                                                                                                          | Airport Solutions                                            | Fixed (3) \$75,000     |
| Power Electronics End-Use Systems                                                                                                                                                                                                                  |                                                              |                        |
| Target 36                                                                                                                                                                                                                                          | End-Use Power Quality Mitigation Systems                     | TFD \$108,412          |
| Target 37                                                                                                                                                                                                                                          | New Electric Motor/Drive Markets and Solutions               | TFD \$108,412          |
| eC Target 37                                                                                                                                                                                                                                       | Power Electronics                                            | TFD \$108,412          |
| Information Systems & Telecommunications                                                                                                                                                                                                           |                                                              |                        |
| eC Target 39                                                                                                                                                                                                                                       | Information and Energy Management Services for Mass Markets  | D&R (1) \$198,288      |
| eC Target 40                                                                                                                                                                                                                                       | Information and Energy Management Services for C&I Customers | D&R (1) \$187,782      |
| eC Target 41                                                                                                                                                                                                                                       | Wireless Applications and Services                           | D&R (1) \$35,272       |
| eC Target 42                                                                                                                                                                                                                                       | Information Systems for Retail Access                        | D&R (1) \$88,284       |
| eC Target 42                                                                                                                                                                                                                                       | Advanced Billing and Customer Operations Systems             | D&R (1) \$104,854      |
| Retail Market Tools & Services                                                                                                                                                                                                                     |                                                              |                        |
| eC Target 43                                                                                                                                                                                                                                       | Understanding Energy Markets                                 | TFD \$203,659          |
| Target 44                                                                                                                                                                                                                                          | Enhancing the Success of New Customer Technologies           | TFD \$107,248          |
| Target 45                                                                                                                                                                                                                                          | Promoting Successful Product & Service Portfolios            | TFD \$118,079          |
| eC Target 46                                                                                                                                                                                                                                       | Technology Innovation and 21st Century Strategy              | Fixed \$45,000         |
| (1) Declining Block Rate<br>(2) Purchase of Target 28, ETP required for target purchase<br>(3) Purchase of Target 28, ETP not required for target purchase<br>(4) Included with purchase of targets 28, 30, 31, or 32<br>eC Denotes eCIC: 3 Target |                                                              |                        |
| Total Customer Systems Group                                                                                                                                                                                                                       |                                                              | \$2,081,210            |

(15,600 cap)  
 SAVINGS = \$15.5K

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# 1998 EPRI TARGET SELECTION FORM

|                                                                          |                                          |           |
|--------------------------------------------------------------------------|------------------------------------------|-----------|
| Page 3<br>v1.3                                                           | Central & South West Corp.               | 10436     |
| <b>NUCLEAR POWER GROUP</b>                                               |                                          |           |
| For Group-specific pricing details see the "EPRI Membership Offering 98" |                                          |           |
| Target 47                                                                | <b>NUCLEAR POWER FULL GROUP PURCHASE</b> | 90        |
| SUSTAINING MEMBER DISCOUNT OF 8% APPLIED                                 |                                          |           |
| <b>Total Nuclear Power Group</b>                                         |                                          | <b>90</b> |

|                                                                                      |                                                                            |                       |              |                         |                                    |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------|--------------|-------------------------|------------------------------------|
| <b>GENERATION GROUP</b>                                                              |                                                                            | Price Base            | Period Price | Select With<br>"X" Here | Year Cost Will Be<br>Computed Here |
| For Group-specific pricing details see the "EPRI Membership Offering 98"             |                                                                            |                       |              |                         |                                    |
| <b>GENERATION FULL GROUP PURCHASE</b>                                                |                                                                            | MAX DISCOUNT LOWEST = | 8            | 3,697,198               | SEE BELOW                          |
| GROUP DISCOUNT CURRENTLY APPLIED = 0.00%<br>SUSTAINING MEMBER DISCOUNT OF 8% APPLIED |                                                                            |                       |              |                         |                                    |
| Target 48                                                                            | Coal-Fired Boiler Performance Optimization and Combustion NOx Control      | (3600,000 cap)        |              |                         | \$384,000                          |
| Target 49                                                                            | Gas-Oil-Fired Boiler Performance Optimization and Combustion NOx Control   | (3250,000 cap)        |              |                         | \$164,420                          |
| Target 50                                                                            | Boiler Life and Availability Improvement                                   | (220,000 cap)         |              |                         | \$147,878                          |
| Target 51                                                                            | Boiler and Turbine Steam and Cycle Chemistry                               | (150,000 cap)         |              |                         | \$98,662                           |
| Target 52                                                                            | Steam Turbine, Generator, and Balance-of-Plant Instrumentation and Control | (3200,000 cap)        |              |                         | \$283,072                          |
| Target 53                                                                            | Plant Maintenance Optimization                                             | (150,000 cap)         |              |                         | \$131,836                          |
| eG Target 54                                                                         | Plant Simulators, Training, and Production Automation                      | (100,000 cap)         |              |                         | \$131,836                          |
| Target 55                                                                            | Fuel Supply Management                                                     | (140,000 cap)         |              |                         | 00                                 |
| Target 56                                                                            | Atmospheric Fluidized Bed Combustion                                       |                       | Fixed        |                         | 00                                 |
| Target 57                                                                            | Cogeneration Plant O&M Cost Reduction                                      |                       | Fixed        |                         | 00                                 |
| Target 58                                                                            | Combustion Turbine & Combined Cycle O&M                                    | (330,000 cap)         |              |                         | 00                                 |
| Target 59                                                                            | Post-Combustion NOx Control                                                | (150,000 cap)         |              |                         | \$115,084                          |
| Target 60                                                                            | SO2 and Non-Particulate Opacity Control                                    | (175,000 cap)         |              |                         | \$71,260                           |
| Target 61                                                                            | Air Toxics Control                                                         | (200,000 cap)         |              |                         | \$184,420                          |
| Target 62                                                                            | Primary Particulate Control                                                | (150,000 cap)         |              |                         | \$131,836                          |
| Target 63                                                                            | Continuous and Predictive Emissions Monitoring                             | (150,000 cap)         |              |                         | \$131,836                          |
| Target 64                                                                            | Combustion By-Product Use                                                  | (3200,000 cap)        |              |                         | \$131,836                          |
| eG Target 65                                                                         | Environmental Control Technology Services                                  |                       | Fixed        |                         | 00                                 |
| Target 66                                                                            | Hydro Performance Optimization and Asset Management                        |                       |              |                         | 00                                 |
| eG Target 67                                                                         | New Combustion Turbine/Combined Cycle Design and Risk Mitigation           | (350,000 cap)         |              |                         | 00                                 |
| eG Target 68                                                                         | State-of-the-Art Coal Plant Design                                         |                       | Fixed        |                         | 00                                 |
| Target 69                                                                            | Coal Power Systems Development                                             |                       |              |                         | 00                                 |
| Target 70                                                                            | Repowering Strategies                                                      | (3200,000 cap)        |              |                         | 00                                 |
| eG Target 71                                                                         | Generation Asset Management                                                | (2500,000 cap)        |              |                         | 00                                 |
| eG Target 72                                                                         | Business Opportunities in Power Generation                                 |                       | Fixed        |                         | 00                                 |
| eG Target 73                                                                         | Distributed Resource Hardware Development for Retail Markets               | (225,000 cap)         | TFD          |                         | 00                                 |
| <b>Total Generation Group</b>                                                        |                                                                            |                       |              |                         | <b>\$2,077,174</b>                 |

*Handwritten notes:*  
 - Target 48: (3600,000 cap) → \$415,577  
 - Target 49: (3250,000 cap) → \$173,074  
 - Target 50: (220,000 cap) → \$155,788  
 - Target 51: (150,000 cap) → \$103,844  
 - Target 52: (3200,000 cap) → \$270,813  
 - Target 53: (150,000 cap) → \$138,458  
 - Target 54: (100,000 cap) → \$138,458  
 - Target 55: (140,000 cap) → \$88,537  
 - Target 56: Fixed → \$80,000  
 - Target 57: Fixed → \$80,000  
 - Target 58: (330,000 cap) → \$234,225  
 - Target 59: (150,000 cap) → \$121,152  
 - Target 60: (175,000 cap) → \$75,000  
 - Target 61: (200,000 cap) → \$173,074  
 - Target 62: (150,000 cap) → \$138,458  
 - Target 63: (150,000 cap) → \$138,458  
 - Target 64: (3200,000 cap) → \$138,458  
 - Target 65: Fixed → \$50,000  
 - Target 66: → \$123,282  
 - Target 67: (350,000 cap) → \$294,225  
 - Target 68: Fixed → \$200,000  
 - Target 69: → \$328,840  
 - Target 70: (3200,000 cap) → \$173,074  
 - Target 71: (2500,000 cap) → \$242,503  
 - Target 72: Fixed → \$35,000  
 - Target 73: TFD → \$225,000

*Handwritten calculations:*  
 - Sample = \$554,608  
 - 136,728  
 - 140,400  
 - 2765K  
 - 720K  
 - 67K  
 - 67K

*Handwritten note:* M-13

# 1998 EPRI TARGET SELECTION FORM

|               |                                       |              |
|---------------|---------------------------------------|--------------|
| <b>Page 4</b> | <b>Central &amp; South West Corp.</b> | <b>10435</b> |
|---------------|---------------------------------------|--------------|

| <b>POWER DELIVERY GROUP</b>                                                                        |                                                | Price Base                   | Period Price | Select With<br>"X" Here | Year Cost Will Be<br>Computed Here |
|----------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------|--------------|-------------------------|------------------------------------|
| For Group-specific pricing details see the "EPRI Membership Offering 98"                           |                                                |                              |              |                         |                                    |
| <b>POWER DELIVERY FULL GROUP PURCHASE</b>                                                          |                                                | <b>MAX DISCOUNT LOWEST =</b> |              | <b>0</b>                | <b>2,388,876</b>                   |
| <b>GROUP DISCOUNT CURRENTLY APPLIED = 0.00%</b><br><b>SUSTAINING MEMBER DISCOUNT OF 5% APPLIED</b> |                                                |                              |              |                         |                                    |
|                                                                                                    | <b>Transmission &amp; Substations</b>          |                              |              |                         | <b>30</b>                          |
| Target 75                                                                                          | Overhead Transmission                          | TFD                          | \$408,401    |                         | 80                                 |
| Target 76                                                                                          | Underground Transmission                       | TFD                          | \$282,157    |                         | 90                                 |
| Target 77                                                                                          | Substations                                    | TFD                          | \$693,478    |                         | 90                                 |
| <b>6378,719</b>                                                                                    |                                                |                              |              |                         |                                    |
| Target 78                                                                                          | <b>Grid Operations &amp; Planning</b>          | TFD                          | \$388,651    | X                       | \$378,718                          |
| <b>\$243,898</b>                                                                                   |                                                |                              |              |                         |                                    |
| Target 79                                                                                          | <b>Power Markets &amp; Resource Management</b> | DBR (1)                      | \$258,735    | X                       | \$243,898                          |
| <b>\$188,272</b>                                                                                   |                                                |                              |              |                         |                                    |
| Target 80                                                                                          | <b>Distribution</b>                            | TFD                          | \$458,088    |                         | 90                                 |
| Target 81                                                                                          | Distribution System                            | TFD                          | \$196,078    | X                       | \$188,272                          |
| <b>\$196,078</b>                                                                                   |                                                |                              |              |                         |                                    |
| (1) Declining Block Rate                                                                           |                                                |                              |              |                         |                                    |
| <b>Total Power Delivery Group</b>                                                                  |                                                |                              |              |                         | <b>\$900,898</b>                   |

| <b>ENVIRONMENT GROUP</b>                                                                                                                         |                                                                      | Price Base               | Period Price | Select With<br>"X" Here | Year Cost Will Be<br>Computed Here |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------|--------------|-------------------------|------------------------------------|
| For Group-specific pricing details see the "EPRI Membership Offering 98"                                                                         |                                                                      |                          |              |                         |                                    |
| <b>ENVIRONMENT FULL GROUP PURCHASE</b>                                                                                                           |                                                                      | <b>110% CAP LOWEST =</b> |              | <b>0</b>                | <b>1,722,121</b>                   |
| <b>GROUP PURCHASE CAPPED AT LESSER OF 110% OF 1997 PRICE OR MAXIMUM DISCOUNTED 1998 PRICE</b><br><b>SUSTAINING MEMBER DISCOUNT OF 5% APPLIED</b> |                                                                      |                          |              |                         |                                    |
|                                                                                                                                                  | <b>Air Quality Health and Risk Assessment</b>                        |                          |              |                         | <b>GROUP BUY</b>                   |
| Target 82                                                                                                                                        | Air Toxics Health and Risk Assessment                                | DBR (1)                  | \$185,821    |                         | GROUP BUY                          |
| Target 83                                                                                                                                        | Tropospheric Ozone and Precursors                                    | DBR (1)                  | \$191,489    |                         | GROUP BUY                          |
| Target 84                                                                                                                                        | Atmospheric Particulates and Precursors                              | DBR (1)                  | \$181,489    |                         | GROUP BUY                          |
| <b>GROUP BUY</b>                                                                                                                                 |                                                                      |                          |              |                         |                                    |
| Target 85                                                                                                                                        | <b>Electric and Magnetic Fields Health Assessment and Management</b> | DBR (1)                  | \$331,242    |                         | GROUP BUY                          |
| Target 86                                                                                                                                        | Electric and Magnetic Fields Health Assessment                       | DBR (1)                  | \$134,587    |                         | GROUP BUY                          |
| <b>GROUP BUY</b>                                                                                                                                 |                                                                      |                          |              |                         |                                    |
| Target 87                                                                                                                                        | <b>Global Climate Change</b>                                         | DBR (1)                  | \$310,540    |                         | GROUP BUY                          |
| Target 88                                                                                                                                        | Global Climate Policy Cost Analysis and Integrated Assessment        | DBR (1)                  | \$155,270    |                         | GROUP BUY                          |
| Target 89                                                                                                                                        | Assessment of the Potential Impacts of Global Climate Change         | DBR (1)                  | \$51,757     |                         | GROUP BUY                          |
| <b>GROUP BUY</b>                                                                                                                                 |                                                                      |                          |              |                         |                                    |
| Target 90                                                                                                                                        | <b>Land and Groundwater Protection and Remediation</b>               | DBR (1)                  | \$158,743    |                         | GROUP BUY                          |
| Target 91                                                                                                                                        | Contaminant Wastes and Groundwater Protection                        | DBR (1)                  | \$119,040    |                         | GROUP BUY                          |
| Target 92                                                                                                                                        | MGP Site Remediation and Health Risk                                 | DBR (1)                  | \$82,811     |                         | GROUP BUY                          |
| <b>GROUP BUY</b>                                                                                                                                 |                                                                      |                          |              |                         |                                    |
| Target 93                                                                                                                                        | <b>Wastewater, Ecosystems, and Power Plant Water Management</b>      | DBR (1)                  | \$155,270    |                         | GROUP BUY                          |
| Target 94                                                                                                                                        | Water Toxics Assessment                                              | DBR (1)                  | \$108,513    |                         | GROUP BUY                          |
| Target 95                                                                                                                                        | Assessment Tools for Clean Water Act and Impoundment Issues          | DBR (1)                  | \$82,811     |                         | GROUP BUY                          |
| Target 96                                                                                                                                        | Watershed Risk Management and Ecosystem Protection                   | DBR (1)                  | \$72,499     |                         | GROUP BUY                          |
| <b>GROUP BUY</b>                                                                                                                                 |                                                                      |                          |              |                         |                                    |
| Target 97                                                                                                                                        | <b>Plant Multimedia Toxic Characterization (PISCES)</b>              | DBR (1)                  | \$207,028    |                         | GROUP BUY                          |
| <b>GROUP BUY</b>                                                                                                                                 |                                                                      |                          |              |                         |                                    |
| Target 98                                                                                                                                        | <b>Worker Safety and Health</b>                                      | DBR (1)                  | \$38,250     |                         | GROUP BUY                          |
| <b>GROUP BUY</b>                                                                                                                                 |                                                                      |                          |              |                         |                                    |
| Target 99                                                                                                                                        | <b>Environmental Assets Management</b>                               | DBR (1)                  | \$77,835     |                         | GROUP BUY                          |
| <b>GROUP BUY</b>                                                                                                                                 |                                                                      |                          |              |                         |                                    |
| (1) Declining Block Rate                                                                                                                         |                                                                      |                          |              |                         |                                    |
| <b>Total Environment Group</b>                                                                                                                   |                                                                      |                          |              |                         | <b>\$1,838,015</b>                 |

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# 1998 EPRI TARGET SELECTION FORM

| Page 3                                                                 |                                                                    | Central & South West Corp. |            | 10438          |                      |                                 |
|------------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------|------------|----------------|----------------------|---------------------------------|
| V1.3                                                                   |                                                                    |                            |            |                |                      |                                 |
| CROSS-GROUP TARGETS                                                    |                                                                    |                            | Price Base | Proposed Price | Submit With "X" Mark | Your Cost With No Computed Rate |
| For specific pricing information see the "EPRI Membership Charting 98" |                                                                    |                            |            |                |                      |                                 |
| SUSTAINING MEMBER DISCOUNT OF 5% APPLIED                               |                                                                    |                            |            |                |                      |                                 |
| Target 100                                                             | Advanced Metering                                                  |                            | TFD        | \$186,328      |                      | 50                              |
| Target 101                                                             | Community Technology Solutions                                     |                            | TFD        | \$40,000       |                      | 50                              |
| Target 102                                                             | Community Economic Development Solutions                           | (\$40,000 cost)            | TFD        | \$108,329      |                      | 50                              |
| Target 103                                                             | Customer Planning & Integration Technologies                       | (\$175,000 cost)           | TFD        | \$300,000      | X                    | \$295,000                       |
| Target 104                                                             | Distributed Resources for Energy Services and Delivery Enhancement | (\$240,000 cost)           | TFD        | \$73,850       |                      | 50                              |
| Target 105                                                             | Electric Energy Load Reduction and Growth                          | (\$125,000 cost)           | Fixed      | \$48,000       |                      | 50                              |
| Target 106                                                             | Energy Infrastructure for Developing Economies                     |                            | DBR (1)    | \$328,891      | X                    | \$312,446                       |
| Target 107                                                             | Power Quality                                                      |                            | TFD        | \$348,853      | X                    | \$329,321                       |
| Target 107                                                             | Renewable and Green Power Marketing                                | (\$75,000 cost)            |            |                |                      |                                 |
| Total Cross-Group Targets                                              |                                                                    |                            |            |                |                      | \$828,787                       |
| (1) Discount Break Rate<br>$(300+329)-(375)$                           |                                                                    |                            |            |                |                      |                                 |

270k

250k

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Data Request

16.0 RESEARCH & DEVELOPMENT

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data:

Richard Walker, CSWS Director of Research (Phone No. 818-584-4047)

| Project Name                                     | Project Description | Project Start | Project End | Project Status                | Project Budget | Project Funding | Project Location | Project Contact | Project Notes |
|--------------------------------------------------|---------------------|---------------|-------------|-------------------------------|----------------|-----------------|------------------|-----------------|---------------|
| EPRI PROJECTS                                    |                     |               |             |                               |                |                 |                  |                 |               |
| Programmable Logic Controller Test               | Acoustic Emissions  | \$1,570,000   | \$785,000   | On-going project              |                |                 |                  |                 |               |
| Acoustic Testing of Seam Welded Pipe             | Acoustic Emissions  | \$477,000     | \$238,500   | On-going project              |                |                 |                  |                 |               |
| Technical Assessment (Guide Users Group)         | Generation          | \$25,000/yr.  | \$12,500    | On-going project              |                |                 |                  |                 |               |
| Streamlined Reliability Centered Maintenance     | Generation          | \$69,000      | \$34,500    | Completed                     |                |                 |                  |                 |               |
| Oklaunion Boiler Optimization/NOx Control        | Environment         | \$74,000      | \$37,000    | On-going project              |                |                 |                  |                 |               |
| Predictive Emissions Monitoring Systems          | Environment         | \$30,000      | \$15,000    | On-going project              |                |                 |                  |                 |               |
| Ozone and Particulate Matter Research I          | Environment         | \$120,000     | \$60,000    | On-going project              |                |                 |                  |                 |               |
| Ozone and Particulate Matter Research II         | Environment         | \$383,000     | \$191,500   | On-going project              |                |                 |                  |                 |               |
| Pollution Prevention Software Users Group        | Environment         | \$10,000      | \$5,000     | On-going participation        |                |                 |                  |                 |               |
| Coal Combustion By-Products                      | Environment         | \$30,000/yr.  | \$15,000    | USWAG; On-going project       | \$40,000       |                 |                  |                 |               |
| Electric Burn Study                              | Environment         | \$60,000/yr.  | \$30,000    | On-going project              | \$30,000       |                 |                  |                 |               |
| DOE EMF Research                                 | Environment         | \$52,520/yr.  | \$26,260    | 1997 was last of 5 years      | \$25,260       |                 |                  |                 |               |
| Precipitator Chemical Injection Project          | Environment         | \$675,000     | \$337,500   | Potential 1998 Project        | \$337,500      |                 |                  |                 |               |
| Comparison of Radcon vs. Ultramax Processes      | Environment         | \$512,000     | \$256,000   | Potential 1998 Project        | \$256,000      |                 |                  |                 |               |
| CQIM Users Group                                 | Fuel - Coal         | \$9,000/yr.   | \$4,500     | On-going participation        | \$4,500        |                 |                  |                 |               |
| Evaluation of Biomass Co-firing at Coal Plants   | Alternative Energy  | \$88,000      | \$44,000    | Started IQ 1998               | \$44,000       |                 |                  |                 |               |
| 6.6 MW Wind Farm (existing)                      | Alternative Energy  | \$8,800,000   | \$3,400,000 | EPRI base funds / DOE funds   | \$3,400,000    |                 |                  |                 |               |
| 1.2 MW Wind Farm (planned for 1998)              | Alternative Energy  | \$1,750,000   | \$500,000   | DOE funds                     | \$500,000      |                 |                  |                 |               |
| CSW Solar Park (3 grid connected PV systems)     | Alternative Energy  | \$3,400,000   | \$1,700,000 | Completed in 1997             | \$1,700,000    |                 |                  |                 |               |
| Wind Farm & Solar Park Interconnection Studies   | Alternative Energy  | \$120,000     | \$60,000    | U.S. EPA funds                | \$60,000       |                 |                  |                 |               |
| PV for DSM (18 kW rooftop system)                | Alternative Energy  | \$102,000     | \$51,000    | Completed in 1997             | \$51,000       |                 |                  |                 |               |
| PV for EV (PV covered parking structures)        | Alternative Energy  | \$236,666     | \$118,333   | Completed in 1997             | \$118,333      |                 |                  |                 |               |
| South Texas Series Capacitor Study               | Transmission        | \$300,000     | \$100,000   | EPRI Base Funds               | \$100,000      |                 |                  |                 |               |
| Substation Predictive Maintenance                | Transmission        | \$360,000     | \$180,000   | Complete for LPL IQ 1998      | \$180,000      |                 |                  |                 |               |
| Convertible Static Compensator Study             | Transmission        | \$100,000     | \$50,000    | Part of NYRA Review Team      | \$50,000       |                 |                  |                 |               |
| Electric Resistance Glass Melting                | Customer            | \$40,000      | \$20,000    | Customer funds                | \$20,000       |                 |                  |                 |               |
| Community Development Evaluation                 | Customer            | \$20,000      | \$10,000    | Completed in 1997             | \$10,000       |                 |                  |                 |               |
| Heat Pump Water Heater Testing                   | Customer            | \$328,000     | \$164,000   | On-going project              | \$164,000      |                 |                  |                 |               |
| State-of-the-Art Hospital                        | Customer            | \$600,000     | \$300,000   | EPRI base funds / Cust. funds | \$300,000      |                 |                  |                 |               |
| Ajunt Electrification Project                    | Customer            | \$220,000     | \$110,000   | On-going project              | \$110,000      |                 |                  |                 |               |
| HVAC&R Needs Assessment                          | Customer            | \$100,000     | \$50,000    | 1998 Project                  | \$50,000       |                 |                  |                 |               |
| Electro-technology Market Assessment Plan        | Customer            | \$36,250      | \$18,125    | 1998 Project                  | \$18,125       |                 |                  |                 |               |
| Evaluation of Harmonics in PSO Gen. Office Bldg. | Customer            | \$42,000      | \$21,000    | 1998 Project                  | \$21,000       |                 |                  |                 |               |
| IT Requirements for Retail Access                | Information Systems | \$380,000     | \$190,000   | On-going project              | \$190,000      |                 |                  |                 |               |

Data Request

16.0 RESEARCH & DEVELOPMENT

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not.

Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data:

Richard Walker, CSWS Director of Research (Phone No. 918-584-4047)

| NON-EPRI PROJECTS / ORGANIZATIONS              | Customer           | \$25,000/yr. | \$75,000/yr. | \$10,000/yr. | \$2,000/yr. | \$100,000/yr. | \$20,000/yr. | \$15,000/yr. | \$7500/yr. | \$4000/yr. | \$1500/yr. | \$1000/yr. | Just joined at Board Member Level |
|------------------------------------------------|--------------------|--------------|--------------|--------------|-------------|---------------|--------------|--------------|------------|------------|------------|------------|-----------------------------------|
| Electric Transportation Coalition              | Customer           | \$25,000     |              |              |             |               |              |              |            |            |            |            |                                   |
| Southern Coalition for Electric Transportation | Customer           | \$7,500      |              |              |             |               |              |              |            |            |            |            |                                   |
| Central Electric Vehicle Consortium            | Customer           | \$10,000     |              |              |             |               |              |              |            |            |            |            |                                   |
| ACCT (Carbonate Fuel Cell Consortium)          | Alternative Energy | \$2,000      |              |              |             |               |              |              |            |            |            |            |                                   |
| UBBCA (Biomass Consortium)                     | Alternative Energy | \$1,000      |              |              |             |               |              |              |            |            |            |            |                                   |
| Rooftop PV Systems                             | Alternative Energy | \$100,000    |              |              |             |               |              |              |            |            |            |            |                                   |
| Texas A&M Univ. Electric Power Institute       | T&D                | \$20,000     |              |              |             |               |              |              |            |            |            |            |                                   |
| Utility Federal Technological Opportunities    | Misc.              | \$15,000     |              |              |             |               |              |              |            |            |            |            |                                   |
| PhotoVoltaics for Utility Scale Applications   | Alternative Energy | \$3,750      |              |              |             |               |              |              | \$3,750    |            |            |            |                                   |
| Utility PhotoVosaic Group                      | Alternative Energy | \$4,000      |              |              |             |               |              |              |            |            |            |            |                                   |
| American Wind Energy Association               | Alternative Energy | \$1,500      |              |              |             |               |              |              |            |            |            |            |                                   |
| Texas Renewable Energy Industries Association  | Alternative Energy | \$1,000      |              |              |             |               |              |              |            |            |            |            |                                   |

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**AEP/CSW**

**Synergies Refinement**

**SYNERGIES SUMMARY**

**Savings Area: Shareholder Services**

**AEP Position:**

AEP's total 1997 non-labor shareholder services cost was \$1.9 million. Costs consist primarily of Annual Report Costs, Proxy Solicitation, Postage, Annual Shareholder Meeting, Stock Listing Fees, Stock Transfer/Registrar Fees.

**CSW Position:**

CSW's total 1997 non-labor shareholder services cost is \$1.1 million. Costs consist primarily of Annual Report Costs, Proxy Solicitation, Postage, Annual Shareholder Meeting, Stock Listing Fees, Stock Transfer/Registrar Fees.

**Ten Year Savings (\$000):**

|                                                       |                     |
|-------------------------------------------------------|---------------------|
| <input type="checkbox"/> O&M Savings                  | \$ 9,200            |
| <input type="checkbox"/> Capital Savings              | \$ 0                |
| <input type="checkbox"/> Revenue Requirements Savings | \$ 0                |
| <input type="checkbox"/> Total Savings                | \$ 9,200 <i>N-2</i> |

**Rationale for Savings:**

Cost savings will result through the elimination of duplicative shareholder related activities such as preparing the annual report (not including variable per shareholder costs), performing stock transfers, conducting the annual shareholder meeting, and payment of stock exchange fees. Dividend processing, disbursement, postage fees, and proxy solicitation costs for the combined company will be reduced to the lower per shareholder number of the two companies.

**Basis for Calculation:**

Duplicative costs are eliminated in the following areas for CSW: annual report costs (less variable per shareholder costs), stock transfer/registrar fees, system maintenance and development costs, annual meeting costs, NYSE and Chicago Stock Exchange fees, and DRIP fees. Additionally, dividend processing, postage, and proxy costs are reduced by using AEP's smaller per shareholder costs for the combined company.

**Key Assumptions:**

10% of total shareholders own stock in both AEP and CSW.

Shareholder Services

1999 Annual Savings (\$000) \$797 *N-3*  
 1999 Capital Savings (\$000) \$0  
 Percentage of Savings Capitalized 0.0%  
 Fixed Charge Cost 0.0%  
 Inflation Rate 3.0%  
 Partial Year Savings 75%

Annual Savings

|                       | 1999  | 2000  | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007    | 2008    | 2009  | Total   |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|-------|---------|
| Annual Savings Amount | \$597 | \$820 | \$845 | \$870 | \$897 | \$923 | \$951 | \$980 | \$1,009 | \$1,039 | \$268 | \$9,200 |
| O&M Savings           | \$597 | \$820 | \$845 | \$870 | \$897 | \$923 | \$951 | \$980 | \$1,009 | \$1,039 | \$268 | \$9,200 |
| Capital Savings       | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0     | \$0     | \$0   | \$0     |
|                       |       | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0       | 0       | 0     | 0       |
|                       |       | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0       | 0       | 0     | 0       |
|                       |       | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0       | 0       | 0     | 0       |
|                       |       | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0       | 0       | 0     | 0       |
|                       |       | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0       | 0       | 0     | 0       |
|                       |       | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0       | 0       | 0     | 0       |
|                       |       | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0       | 0       | 0     | 0       |
|                       |       | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0       | 0       | 0     | 0       |
|                       |       | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0       | 0       | 0     | 0       |

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|                                    | 1999  | 2000  | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007    | 2008    | 2009  | Total              |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|-------|--------------------|
| Cumulative Capital Savings         | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0     | \$0     | \$0   | \$0                |
| Fixed Charge Savings               | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0     | \$0     | \$0   | \$0                |
| Total O&M and Fixed Charge Savings | \$597 | \$820 | \$845 | \$870 | \$897 | \$923 | \$951 | \$980 | \$1,009 | \$1,039 | \$268 | \$9,200 <i>N-1</i> |

*N-2*

**Shareholder Services (000)**

Escalator 3.0%  
Number of Years 2

1997

**AEP**  
Avg. Number of Shareholders 152,000 From AEP 1997 Shareholder Expense Information

**Costs**

|                                       |              |
|---------------------------------------|--------------|
| Annual Report                         | 424          |
| Stock Transfer/Registrar Fees         | 726          |
| System Maintenance and Development    | 0            |
| Annual Meeting                        | 41           |
| Dividends Processing and Disbursement | 25           |
| Postage                               | 523          |
| NYSE Fees                             | 71           |
| Proxy Services                        | 38           |
| DRIP                                  | 19           |
| Record Keeping                        | 7            |
| Lease Line for Phones                 | 11           |
| DTC Listings                          | 2            |
| Other                                 | 2            |
| <b>Total</b>                          | <b>1,889</b> |

N-4  
726 Outside Transfer Agent - First Chicago;  
Flat Fee Up To 225,000 Total Shareholders

(Dividends Processing and Disbursement + Postage + Proxy) / Shareholder \$ 3.85

**CSW**

Avg. Number of Shareholders 100,000 Per Conversation with Ellen Whalen (CSW)

**Costs**

|                                       |              |
|---------------------------------------|--------------|
| Annual Report                         | 402          |
| Stock Transfer/Registrar Fees         | 75           |
| System Maintenance and Development    | 30           |
| Annual Meeting                        | 28           |
| Dividends Processing and Disbursement | 14           |
| Postage                               | 395          |
| NYSE and Chicago Stock Exchange       | 120          |
| Proxy Services                        | 15           |
| DRIP                                  | 10           |
| Other                                 | 50           |
| <b>Total</b>                          | <b>1,139</b> |

N-7  
75 Internal Transfer Agent

(Dividends Processing and Disbursement + Postage + Proxy) / Shareholder \$ 4.24

**Savings**

|                                                | 1997    | 1999  |
|------------------------------------------------|---------|-------|
| CSW's Annual Report Costs                      | 402     | 427   |
| less CSW's Variable Cost per Annual Report     | \$ 1.00 |       |
| Times CSW's Number of Shareholders             | 100,000 | (100) |
| CSW's Stock Transfer/Registrar Fees            | 75      | 80    |
| CSW's System Maintenance and Development Costs | 30      | 32    |
| CSW's Annual Meeting Costs                     | 28      | 30    |
| CSW's NYSE and Chicago Stock Exchange Fees     | 120     | 127   |
| CSW's DRIP Fees                                | 10      | 11    |
| CSW's Other Costs                              | 50      | 53    |

Total Number of Shareholders 252,000  
Percentage of Shareholder Overlap 10%  
Revised Number of Shareholders 226,800  
AEP's (Div. Processing and Disbursement + Postage + Proxy) / Shareholder \$ 3.85  
Predicted Div. Processing and Disbursement + Postage + Proxy Costs 874  
Sum of AEP/CSW Dividends Processing and Disbursement + Postage + Proxy Costs 1,010

**Total Savings** 136 144  
751 797

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N-3

17.0 SH. HOLDER - SERVICES

AEF

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data:

Bette Jo Rozsa EY 2890

|                                                       |         |         |                                                                   |
|-------------------------------------------------------|---------|---------|-------------------------------------------------------------------|
| 1] Annual Report/Proxy Services                       | 357,000 | 360,000 | This is the gross, done by Corp. Comm., not required              |
| 2] Stock Transfer/Registrar Fees                      | 786,240 | 786,240 | CONTRACT PRICE THRU YEAR 2000                                     |
| System Maintenance and Development                    | 0       | 0       | NM APPLICATION; NO SYSTEMS                                        |
| Annual Meeting                                        | 40,533  | 36,000  | Meeting done in '98 should be less, because it did not take place |
| Dividends Processing and Disbursement - out of Pocket | 26,135  | 21,500  |                                                                   |
| Postage See Attached                                  | 522,845 | 672,000 | NOTE: 1998 will be higher because of size of proxy                |
| Administration                                        |         |         |                                                                   |
| NYSE Fees                                             | 71,405  | 77,500  |                                                                   |
| Information Desk-non-labor                            | 0       | 0       |                                                                   |
| Other (describe)                                      |         |         |                                                                   |
| Summary Annual Report                                 | 66,500  | 70,000  | 325,000 copies                                                    |
| PROXY SERVICES                                        | 38010   | 33710   | out of pocket                                                     |
| Div. Remittance Fees                                  | 18950   | 14500   | out of pocket                                                     |
| Other out of Pocket                                   | 22,100  | 22,200  | see Attached                                                      |

N-3 [1] A.R. \$424K N-0 N-3 [6] NYSE Fees \$71K  
 [2] Stock Transfer \$786K N-0 N-3 [7] Proxy Services \$38K  
 [3] Annual Meeting \$41K N-0 [8] DRIP \$19K  
 [4] Dividends Processing \$25K [9] Record Keeping \$7K  
 Lease line \$11K  
 Div. Listing \$9K  
 Other \$7K

11/98 \$523K  
 [5] Postage \$11-4  
 Shareholder Services

1/2/97

SHAREHOLDER SERVICE EXPENSES  
1997 ACTUAL & 1998 ESTIMATE

WP/FLAHERTY  
PAGE 414

|                                                          | 1997          | 1998          |
|----------------------------------------------------------|---------------|---------------|
| <b><u>DIVIDEND DISBURSEMENT—OUT OF POCKET COSTS:</u></b> |               |               |
| COST OF CHECKS                                           | 11,285        | 10,600        |
| COST OF ENVELOPES                                        | <u>13,860</u> | <u>11,000</u> |
|                                                          | <u>25,135</u> | <u>21,600</u> |

|                                                               |               |               |
|---------------------------------------------------------------|---------------|---------------|
| <b><u>DIVIDEND REINVESTMENT PLAN—OUT OF POCKET COSTS:</u></b> |               |               |
| COST OF STATEMENTS                                            | 6,500         | 7,000         |
| COST OF ENVELOPES                                             | 3,500         | 4,000         |
| BROKER COMMISSIONS                                            | 6,700         | 1,000         |
| STATIONERY EXPENSE                                            | <u>2,250</u>  | <u>2,500</u>  |
|                                                               | <u>18,950</u> | <u>14,600</u> |

**POSTAGE:**

|                      |                |                |                                                  |
|----------------------|----------------|----------------|--------------------------------------------------|
| DIVIDEND CHECKS      | 157,650        | 154,000        |                                                  |
| DIV. REINVEST. PLAN  | 29,395         | 33,000         |                                                  |
| RECORDKEEPING        | 16,000         | 15,000         | certificate mailing, correspondence, etc         |
| TAX COMPLIANCE       | 9,800          | 10,000         |                                                  |
| <b><u>PROXY:</u></b> |                |                |                                                  |
| initial mailing      | 90,000         | 150,000        | cost of postage re proxies will be significantly |
| broker mailings      | 190,000        | 300,000        | higher in 1998, because of merger documents.     |
| return votes         | 30,000         | 30,000         |                                                  |
| total proxy postage  | <u>310,000</u> | 480,000        |                                                  |
|                      | <u>522,845</u> | <u>692,000</u> |                                                  |

**PROXY OUT OF POCKET COSTS:**

|                   |               |               |
|-------------------|---------------|---------------|
| COST OF PROXIES   | 12,700        | 13,000        |
| COST OF ENVELOPES | 24,600        | 20,000        |
| BOX RENTAL        | 710           | 710           |
|                   | <u>38,010</u> | <u>33,710</u> |

**OTHER OUT OF POCKET COSTS:**

|                           |               |               |                  |
|---------------------------|---------------|---------------|------------------|
| RECORDKEEPING             | 6,900         | 7,000         | stationery, etc. |
| LEASE LINE FOR PHONES     | 11,400        | 11,400        |                  |
| DTC LISTINGS              | 1,800         | 1,800         |                  |
| UNCLAIMED PROPERTY COMPL. | <u>2,000</u>  | <u>2,000</u>  |                  |
|                           | <u>22,100</u> | <u>22,200</u> |                  |

AVE. # REGISTERED SHAREHOLDERS :           152,000                           142,000

11-5

AEP

To: Bette J. Rozsa/AEPSC/American Electric Power  
cc:  
From: Chris A. Amatos/AEPSC/American Electric Power  
Date: 01/23/08 05:20:00 PM  
Subject: The Numbers

BJ,  
Here are the numbers:

1997 Corp Comm Annual Meeting and Annual Report Expenses:

Annual Meeting

|                                    |                  |
|------------------------------------|------------------|
| Meeting space, reception and rooms | \$24,837.00      |
| Invitations                        | 379.00           |
| Photographer                       | 645.50           |
| Reply cards                        | 318.70           |
| Signage and name tags              | 150.00           |
| Air Charter                        | <u>10,502.70</u> |
| Total                              | \$36,832.90      |

Annual Meeting Inspection 3700  
40,533 N-4

This meeting was in Kingsport; Meetings held every other year in Columbus are less costly, because of decrease in # rooms, + transportation costs.

Annual Report

|          |                  |
|----------|------------------|
| Printing | \$196,948.74     |
| Paper    | 133,616.60       |
| Freight  | 6,375.75         |
| Photo    | <u>20,000.00</u> |
| Total    | \$356,941.09     |

+ Summary 66500  
424,000 N-4  
for 350,000 Reports

N-6

CSW

17.0 SHAREHOLDER SERVICES

**INSTRUCTIONS:** Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Ellen Whalen - 1/19/94

Person Providing Data:

| Account                                  | 1997 Actual | Planned 1998 | % Variable with % Shareholder Services | Notes/Comments                                  |
|------------------------------------------|-------------|--------------|----------------------------------------|-------------------------------------------------|
| 1) Annual Report/Proxy Services          | 312,250     | 304,000      |                                        | NOT IN OUR Budget - Paid by Corp Comm           |
| 2) Stock Transfer/Registrar Fees         | 75,000      | 75,000       |                                        |                                                 |
| 3) System Maintenance and Development    | 30,000      | 120,000      |                                        |                                                 |
| 4) Annual Meeting                        | 28,000      | 26,000       |                                        | NOT IN OUR Budget - Paid by Meeting Planning    |
| 5) Dividends Processing and Disbursement | 14,000      | 13,000       |                                        |                                                 |
| 6) Postage                               | 395,000     | 395,000      |                                        |                                                 |
| Administration                           | 137,500     | 137,500      |                                        |                                                 |
| NYSE Fees & Chicago Stock Exchange       |             |              |                                        | NOT IN OUR Budget - Paid by Financial Reporting |
| Information Desk-non-labor               |             |              |                                        |                                                 |
| Other (describe)                         | 90,000      | 90,000       |                                        |                                                 |
| Appendix A                               | 15,000      | 15,000       |                                        |                                                 |
| Proxy Services                           | 10,000      | 10,000       |                                        |                                                 |
| Divid. Reinvestment                      | 50,000      | 50,000       |                                        |                                                 |
| Misc. Out-of-Pockets                     |             |              |                                        |                                                 |

See Actual NYSE Invoice:

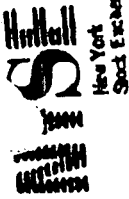
Actual = \$112,388 NYSE 0-8  
7,500 CHICAGO  
\$119,888 (7)

0-3 [1] Annual Report \$402K  
0-3 [2] Stock Transfer \$75K  
0-3 [3] System Maintenance \$30K  
0-3 [4] Annual Mtg \$28K  
0-3 [5] Div. Processing \$14K  
[6] Postage \$395K  
[7] Exchange Fees \$120K  
[8] Proxy \$15K  
[9] DRIP \$10K  
[10] OTHER \$50K

datatemp.xls

17.0 Shareholder Services





Page No. 2

\$112.38

Please forward your check for  
with this payment advice

New York  
Stock Exchange, Inc.

MAIL TO:  
NEW YORK STOCK EXCHANGE, INC.  
POST OFFICE BOX 4938  
GRAND CENTRAL STATION  
NEW YORK, N.Y. 10163

CENTRAL AND SOUTH WEST CORPORATION  
FINANCIAL LIBRARY  
MAIL STOP 6 FPL P.O. BOX 660164  
DALLAS, TX 72666-0164

1/28/98  
00055447  
7-152357

Date  
Invoice No.  
Account No.

**PAYABLE UPON RECEIPT**

**ANNUAL FEE FOR LISTING COMMON STOCK**

FEE IS BASED UPON 212,735,320 SHARES ISSUED AND  
OUTSTANDING.

( 82,865,315 SHARES EXCLUDED DUE TO  
15 YEAR POLICY).  
FEE CALCULATED AT THE RATE OF:

129,370,005 @

\$930 FOR EACH MILLION  
TOTAL ORIGINAL AMOUNT

\$107,377  
\$107,377

FEE (INITIAL) ACCRUED ON 1,431,813 ADDITIONAL  
SHARES ISSUED AND OUTSTANDING SINCE LAST BILLING.  
CALCULATED AT THE RATE OF:

1,431,813 @

\$3,500 FOR EACH MILLION

\$5,011

\$112,388

\$112,388

TOTAL CHARGES THIS ISSUE

TOTAL CHARGES THIS INVOICE

WP/FLAHERTY  
PAGE 417

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**AEP/CSW**  
Synergies Refinement

**SYNERGIES SUMMARY**

Savings Area: Facilities

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |           |                                          |      |                                                       |      |                                        |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------|------------------------------------------|------|-------------------------------------------------------|------|----------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><u>AEP Position:</u></b><br/>AEP's headquarters has 660,596 square feet of rentable space, with approximately 2,150 employees occupying that space. Lease cost per square foot for comparable space in Columbus is approximately \$18.50.<br/>AEP has a Washington, D.C. lobbying office. 1997 Washington office non-labor expenses totaled \$744,389.</p> <p><b><u>CSW Position:</u></b><br/>CSW's Dallas corporate headquarters has 291,224 square feet of rentable space with 599 employees, and its Tulsa service company location has 239,375 square feet with 870 employees. Lease cost per square foot of comparable office space in Dallas is approximately \$18.17, and for Tulsa, 17.50.<br/>CSW maintains an office in Washington, D.C. for lobbying purposes. The Washington office non-labor expenses were \$876,770.</p> <p><b><u>Ten Year Savings (\$000):</u></b></p> <table border="0"> <tr> <td><input type="checkbox"/> O&amp;M Savings</td> <td>\$ 80,661</td> </tr> <tr> <td><input type="checkbox"/> Capital Savings</td> <td>\$ 0</td> </tr> <tr> <td><input type="checkbox"/> Revenue Requirements Savings</td> <td>\$ 0</td> </tr> <tr> <td><input type="checkbox"/> Total Savings</td> <td>\$ 80,661 <i>0-2</i></td> </tr> </table> | <input type="checkbox"/> O&M Savings | \$ 80,661 | <input type="checkbox"/> Capital Savings | \$ 0 | <input type="checkbox"/> Revenue Requirements Savings | \$ 0 | <input type="checkbox"/> Total Savings | \$ 80,661 <i>0-2</i> | <p><b><u>Rationale for Savings:</u></b><br/>The combined company will only need one office in Columbus, and one office in Washington, D.C.<br/>Consolidation of corporate and administrative labor will result in less office space requirements. Savings will be realized from sublease of excess space.</p> <p><b><u>Basis for Calculation:</u></b><br/>The corporate buildings will be consolidated or used for other purposes. Savings will be realized from the elimination of operating cost of these facilities. Savings are based on the lease cost for comparable office space in the affected cities.<br/>Space savings are based on corporate labor reductions, weighted average space per corporate employee (356 sq.ft.) and weighted average cost (\$18.06).<br/>Savings will also be realized by closing one of the Companies' two Washington offices.</p> <p><b><u>Key Assumptions:</u></b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Excess office space can be sub-leased.</li> <li><input type="checkbox"/> The selected facilities (Headquarters, Service Company buildings) can be fully consolidated.</li> </ul> |
| <input type="checkbox"/> O&M Savings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$ 80,661                            |           |                                          |      |                                                       |      |                                        |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <input type="checkbox"/> Capital Savings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$ 0                                 |           |                                          |      |                                                       |      |                                        |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <input type="checkbox"/> Revenue Requirements Savings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$ 0                                 |           |                                          |      |                                                       |      |                                        |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <input type="checkbox"/> Total Savings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$ 80,661 <i>0-2</i>                 |           |                                          |      |                                                       |      |                                        |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

O-1

**Facilities**

1999 O&M Savings (\$000) \$6,984  
 1999 Capital Savings (\$000) \$0

*0-3*

Fixed Charge Cost 0.0%  
 Inflation Rate 3.0%  
 Estimated Life 40  
 Partial Year Savings 75%

**Annual Savings**

|                               | 1999    | 2000    | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | Total    |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| Annual Savings Amount         | \$5,238 | \$7,193 | \$7,409 | \$7,631 | \$7,860 | \$8,096 | \$8,339 | \$8,589 | \$8,847 | \$9,112 | \$2,346 | \$80,661 |
| O&M Savings                   | \$5,238 | \$7,193 | \$7,409 | \$7,631 | \$7,860 | \$8,096 | \$8,339 | \$8,589 | \$8,847 | \$9,112 | \$2,346 | \$80,661 |
| Capital Savings (Depreciated) | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0      |
|                               |         | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0        |
|                               |         |         | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0        |
|                               |         |         | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0        |
|                               |         |         | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0        |
|                               |         |         | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0        |
|                               |         |         | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0        |
|                               |         |         | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0        |

421

**Cumulative Capital Savings**

\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

**Fixed Charge Savings**

\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

**Total O&M and Fixed Charge Savings**

\$5,238 \$7,193 \$7,409 \$7,631 \$7,860 \$8,096 \$8,339 \$8,589 \$8,847 \$9,112 \$2,346 \$80,661

*0-1*

*0-2*

Facilities

|                                               | AEP<br>Headquarters<br>(Columbus) | CSW<br>Headquarters<br>(Dallas) | Williams Tower II<br>(Tulsa) | Average      |
|-----------------------------------------------|-----------------------------------|---------------------------------|------------------------------|--------------|
| Square Footage (RSF)                          | 660,596 <i>0-4</i>                | 291,224 <i>0-5</i>              | 239,375 <i>0-5</i>           | 397,065      |
| Occupancy                                     | 100.00%                           | 98.93%                          | 99.65%                       | 99.53%       |
| Headcount                                     | 2,150 <i>0-4</i>                  | 599                             | 870                          | 1,206        |
| Area per Person                               | 307                               | 486                             | 275                          | 356          |
| Building Services (incl. utilities, security) | 3,535,373                         | 1,085,947                       | 151,959                      |              |
| Property Taxes                                | 1,586,400                         | 561,505                         | -                            |              |
| Insurance                                     | 66,680                            | (11,060)                        | -                            |              |
| Mortgage P&I                                  | 6,831,298                         | -                               | -                            |              |
| Rents                                         | -                                 | -                               | 4,061,658                    |              |
| Depreciation                                  | -                                 | 2,330,118 <i>0-5</i>            | -                            |              |
| Total Operating Costs                         | \$ 12,019,751                     | \$ 3,966,510                    | \$ 4,213,617                 | \$ 6,733,293 |
| Operating Costs/sq.ft.                        | \$ 18.20                          | \$ 13.62                        | \$ 17.60                     | \$ 16.96     |
| Lease Costs/sq. ft.                           | \$ 18.50                          | \$ 18.17                        | \$ 17.50                     | \$ 18.06     |

Number of C&A reductions 935  
 Office space reduced (RSF) 333,041  
 Average lease cost/sq. ft. @ 356 sq. ft. per person \$18.06

1998 Corporate Facilities Savings 6,013,613  
 1998 Washington Office Savings 766,721 *0-6*  
 1998 Total Facilities Savings 6,780,334

1999 Facilities Savings \$ 6,983,744 *0-2*

Assumptions

- Space is sub-leased or lease terminated

*0-3*

To: Harry E. Vick/AEPSC/American Electric Power @ American Electric Power  
cc: Ron L. Shaw/American Electric Power @ American Electric Power  
From: Harry E. Vick/AEPSC/American Electric Power  
Date: 02/10/98 11:37:26 AM  
Subject: Expenses Related to Rental Property of 1 Riverside Plaza For the Year Ended December 31, 1997

Please provide, as in prior years, the expenses related to the rental property of 1 Riverside Plaza. The expenses should be provided by cost per square foot for the following components for 1997.

Building Services—\$3,535,373—\$5.35 sq.ft.  
Property Insurance—\$66,680—\$.10 sq. ft.  
Building Maintenance—\$487,132—\$.74 sq.ft.  
Real Estate Taxes—\$1,586,400—\$2.40 sq.ft.  
Interest on Mortgage Notes—\$6,156,250—\$9.32 sq.ft.  
1st Mortgage Notes—\$675,048—\$1.02 sq.ft.

Also, please verify the following list of tenants and the square feet rented by them for the year 1997. If there were any others, please add them to the list.

|                   |                     |
|-------------------|---------------------|
| Huntington Bank   | 1,578 sq ft—same    |
| Louis Frey Co.    | 1,867 sq ft—same    |
| Simpson & Thacher | 4,497.21 sq ft—same |

I would like to receive this information by March 1, 1998. If you have questions please contact me at 200-1530.

Total Rentable Space - 660,596 sq ft. 0-3  
Ballpark Headcount - 1,808 } 2,150 0-3  
Contractors (Ballpark) - ~ 350

0-4

5.0 FACILITIES

|                                                          |                            | CSW Center<br>Dallas | PSO General<br>Office<br>Tulsa | Tower<br>Tulsa  | Total       |                                                |
|----------------------------------------------------------|----------------------------|----------------------|--------------------------------|-----------------|-------------|------------------------------------------------|
| <b>Location</b>                                          |                            | Dallas, TX           | Tulsa, OK                      | Tulsa, OK       |             |                                                |
| <b>Square Footage (RSF)</b>                              | Corporate Services Company | 29,754               | 0                              | 255             | 30,009      | See two Spacc tables                           |
|                                                          | PSO                        | 213,761              | 109,071                        | 233,004         | 555,836     |                                                |
|                                                          | NonReg/Lessee              | 0                    | 118,111                        | 0               | 118,111     |                                                |
|                                                          | Vacant                     | 44,601               | 13,565                         | 5,282           | 63,448      |                                                |
|                                                          | <b>Total</b>               | 3,107                | 15,405                         | 834             | 19,346      |                                                |
| <b>Occupancy (%)</b>                                     |                            | 0-3 98.93%           | 93.99%                         | 0-3 99.65%      | 97.54%      |                                                |
| <b>Headcount</b>                                         |                            | 0-3 599              | 529                            | 0-3 870         | 1,998       |                                                |
| <b>Area per Person (RSF)</b>                             |                            | 0-3 486.18           | 484.22                         | 0-3 275.14      | 393.77      |                                                |
| <b>Net Book Value (if owned)</b>                         |                            | \$44,294,335         | Leased                         | Leased          |             | 12/31/96 minus 97 dcpr                         |
| <b>Recent Appraised Value or Market Value (if owned)</b> |                            | \$40,250,000         | Leased                         | Leased          |             |                                                |
| <b>Lease Payment and Term (if leased)</b>                |                            | Own                  | \$1,006,778                    | \$3,156,636     |             | 1998 Lease Amounts, see faxed info for details |
| <b>Annual External Labor Expenses (1997)</b>             |                            |                      |                                |                 |             |                                                |
|                                                          | Maintenance                | \$1,357,365          | \$760,376                      | \$43,866        | \$2,161,607 |                                                |
|                                                          | Build Out                  | \$288,419            | \$172,939                      | \$495,475       | \$956,833   |                                                |
|                                                          |                            |                      |                                |                 | \$0         |                                                |
|                                                          |                            |                      |                                |                 | \$0         |                                                |
|                                                          | <b>Total</b>               | \$1,645,784          | \$933,315                      | \$539,341       | \$3,118,440 |                                                |
| <b>Annual Labor Expenses (1997)</b>                      |                            |                      |                                |                 |             |                                                |
|                                                          | Building Services          | \$163,391            | \$480                          | \$111,454       | \$275,325   |                                                |
|                                                          | Security                   | \$5,945              | \$0                            | \$16,179        | \$22,124    |                                                |
|                                                          | Office Services            | \$0                  | \$0                            | \$23,439        | \$23,439    |                                                |
|                                                          | <b>Total</b>               | \$169,336            | \$480                          | \$151,072       | \$320,888   |                                                |
| <b>Annual Non-Labor Expenses (1997)</b>                  |                            |                      |                                |                 |             | Other telecomm expenses under CSW Telecomm     |
|                                                          | Utility                    | \$916,611            | \$28,562                       | \$887           | \$946,060   |                                                |
|                                                          | Rents                      | (\$475,275)          | \$935,499                      | 0-3 \$4,061,658 | \$4,521,882 |                                                |
|                                                          | Income                     | (\$32,589)           | \$0                            | (\$10)          | (\$32,599)  |                                                |
|                                                          | Property Taxes             | 0-3 \$561,505        | \$0                            | \$0             | \$561,505   |                                                |
|                                                          | Insurance                  | 0-3 (\$11,060)       | \$261                          | \$0             | (\$10,799)  |                                                |
|                                                          | Supplies                   | \$52,175             | \$499                          | \$2,926         | \$55,600    |                                                |
|                                                          | Employee Expenses          | \$90,954             | \$51                           | \$65,541        | \$156,546   |                                                |
|                                                          | Equipment and Furniture    | \$80,119             | \$8,661                        | \$84,408        | \$173,188   |                                                |
|                                                          | Depreciation               | 0-3 \$2,330,118      |                                |                 | \$2,330,118 |                                                |
|                                                          | <b>Total</b>               | \$3,512,558          | \$973,533                      | \$4,215,410     | \$8,701,501 |                                                |

0-5

Washington Office

|                 |       |
|-----------------|-------|
| Escalation Rate | 3.00% |
| Year            | 2     |

| CATEGORY                  | Sub-Category                                                       | 1997 AEP                                       | 1997 CSW                                                      | Savings Rationale     | Savings    |
|---------------------------|--------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------|-----------------------|------------|
| SFC Filings               | Total SEC Filings                                                  | \$159,160<br>\$159,160                         | \$50,285<br>\$50,285                                          | No Savings            | \$0        |
| Demand Side Management    | Contract Labor<br>Total Demand Side Management                     | \$0<br>\$0                                     | \$0<br>\$0                                                    |                       |            |
| Lobbying                  | In-House Labor<br>Contract Labor<br>O&M/Expenses<br>Total Lobbying | \$459,140<br>\$881<br>\$744,389<br>\$1,204,410 | \$391,289 O-7<br>\$22,729 O-7<br>\$876,770<br>\$1,290,788 O-7 |                       |            |
| TOTAL AFFECTABLE EXPENSES |                                                                    | \$ 744,389                                     | \$ 876,770                                                    | 100% of smaller costs | \$ 744,389 |

425

| Savings      |              |
|--------------|--------------|
| 1997 Savings | 1998 Savings |
| 744,389      | 766,721 O-3  |
| \$           | \$789,722    |



PAGE: 1  
RUN DATE: 01/08/98  
RUN TIME: 20:21:44

CENTRAL AND SOUTH WEST SERVICES  
BUDGET VS ACTUAL REPORT  
FOR PERIOD ENDING 12/31/97

CYCLE: BODY  
L4911  
DESC: FEDERAL AFFAIRS STAFF

|                   |        | THIS MONTH |          |      | YEAR TO DATE |        |          |      |
|-------------------|--------|------------|----------|------|--------------|--------|----------|------|
|                   | ACTUAL | BUDGET     | VARIANCE | OVER | ACTUAL       | BUDGET | VARIANCE | OVER |
| 18609900          | 74,441 |            | 74,441   |      | 315          |        | 315      |      |
| 10600000          | 74,441 |            | 74,441   |      | 74,441       |        | 74,441   |      |
| TOTAL CAPITALIZED |        | 74,441     | 74,441   |      | 74,756       |        | 74,756   |      |

\* CONTROLLABLE \*

CAPITAL ITEMS

DEF DEB - REGULATORY A  
LEASES & IMPROVEMENTS

426

EXPENSE ITEMS

|                |          |          |        |         |           |           |         |    |
|----------------|----------|----------|--------|---------|-----------|-----------|---------|----|
| 42619000       | 500      | (500)    | (100)  | 7,500   | 6,000     | 1,500     | 25      |    |
| 42643100       | 54,210   | 12,297   | 23     | 628,340 | 550,080   | (21,740)  | (3)     |    |
| 42652000       | 500      | 136      | 27     | 7,514   | 6,000     | 1,514     | 25      |    |
| 42658888       | 16,457   | 24,944   | 152    | 391,289 | 197,330   | 193,959   | 98      |    |
| 92005000       | 1,000    | 1,000    |        | 32,972  |           | 32,972    |         |    |
| 92005400       | 11,872   | 11,872   |        | 5,327   |           | 5,327     |         |    |
| 92008888       | (11,515) | (11,515) |        | 502     | 4,200     | (3,698)   | (68)    |    |
| 92008889       | 200      | (150)    | (43)   | 3,898   | 3,900     | (2)       |         |    |
| 92009000       | 850      | 525      | 162    | 1,168   |           | 1,168     |         |    |
| 92102000       | 15       | (15)     | (100)  | 180     |           | (180)     | (100)   |    |
| 92102300       | 337      | (337)    | (100)  | 4,000   |           | (2,813)   | (70)    |    |
| 92107010       | 159      | 159      |        | 3,997   |           | 3,997     |         |    |
| 92107030       | 2,587    | 834      | 48     | 84,085  | 20,893    | 63,192    | 302     |    |
| 92107110       | 230      | 368      | 160    | 17      |           | 17        |         |    |
| 92107130       | 276      | 98       | 36     | 6,954   | 2,760     | 4,194     | 152     |    |
| 92107600       | 374      | (29)     | (100)  | 4,728   | 3,312     | 1,416     | 43      |    |
| 92107620       | 915      | 915      |        | 6,416   | 161       | 6,255     | 3,885   |    |
| 92107710       | 675      | (630)    | (93)   | 7,569   |           | 7,569     |         |    |
| 92107742       | 774      | 1,634    | 211    | 1,270   |           | 1,270     |         |    |
| 92109000       | 3,074    | (3,074)  | (100)  | 4,863   | 8,100     | (3,237)   | (40)    |    |
| 92307420       | 9,248    | 1,632    | 18     | 18,596  | 9,200     | 9,396     | 102     |    |
| 92307430       | 69       | (69)     | (100)  | 36,800  | 36,800    |           |         |    |
| 92307450       | 79       | 79       |        | 20,898  | 110,811   | (89,913)  | (81)    |    |
| 93109000       | 5,604    | (5,604)  | (100)  | 211     | 22,728    | (22,517)  | (75)    |    |
| 93105200       | 499      | (499)    | (100)  | 1,620   | 67,160    | (65,540)  | (80)    |    |
| 93105400       | 368      | 126      | 34     | 13,417  | 5,966     | 7,451     | 54      |    |
| 93109000       | 494      |          |        | 4,535   | 4,416     | 119       | 3       |    |
| 93505200       | 92       | (92)     | (100)  | 17,569  | 1,049     | 16,520    | (85)    |    |
| 93507200       | 16       | (16)     | (100)  | 159     | 115       | 44        | (100)   |    |
| 93507710       |          |          |        | 819     |           | 819       |         |    |
| 93509000       |          |          |        |         |           |           |         |    |
| TOTAL EXPENSES | 129,490  | 95,401   | 34,089 | 36      | 1,290,788 | 1,143,261 | 147,527 | 13 |

0-7

06

CYCLE: 00  
16011  
DESC: FEDERAL AFFAIRS STAFF

CENTRAL AND SOUTH WEST SERVICES  
BUDGET VS ACTUAL REPORT  
FOR PERIOD ENDING 12/31/97

PAGE: 2  
RUN DATE: 01/09/98  
RUN TIME: 20:21:44

|                                 | THIS MONTH |         |          | YEAR TO DATE |           |           |         |    |
|---------------------------------|------------|---------|----------|--------------|-----------|-----------|---------|----|
|                                 | ACTUAL     | BUDGET  | VARIANCE | ACTUAL       | BUDGET    | VARIANCE  |         |    |
| TOTAL CONTROLLABLE              | 203,932    | 95,401  | 108,530  | 114          | 1,345,544 | 1,143,261 | 222,283 | 19 |
| * NON-CONTROLLABLE *            |            |         |          |              |           |           |         |    |
| CAPITAL ITEMS                   |            |         |          |              |           |           |         |    |
| LABOR LOADING                   |            |         |          |              |           |           |         |    |
| CRU LOADING                     |            |         |          |              |           |           |         |    |
| EXPENSE ITEMS                   |            |         |          |              |           |           |         |    |
| LABOR LOADING                   |            |         |          |              |           |           |         |    |
| 42645100 OTHER DED CIVIL & POL- |            | 8,169   | (8,169)  | (100)        | 98,027    | (98,027)  | (100)   |    |
| 42658888 COMPENSATED ABSENCE    |            |         |          | 1,311        |           | 1,311     |         |    |
| 92005000 A & G SALARIES         | 25,254     | 6,964   | 18,290   | 263          | 83,505    | 154,132   | 185     |    |
| 92008888 COMPENSATED ABSENCE    | (1,815)    |         | (1,815)  | (52,579)     |           | (52,579)  |         |    |
| TOTAL LABOR LOADING             | 23,439     | 15,133  | 8,306    | 55           | 186,369   | 181,532   | 4,837   | 3  |
| CRU LOADING                     |            |         |          |              |           |           |         |    |
| 92005000 A & G SALARIES         | 12         |         | 12       | 12           | 218       | 218       |         |    |
| TOTAL CRU LOADING               | 12         |         | 12       | 12           | 218       | 218       |         |    |
| TOTAL EXPENSES                  | 23,451     | 15,133  | 8,318    | 55           | 186,587   | 181,532   | 5,055   | 3  |
| TOTAL NON-CONTROLLABLE          | 23,451     | 15,133  | 8,318    | 55           | 186,587   | 181,532   | 5,055   | 3  |
| TOTAL CHARGES                   | 227,382    | 110,534 | 116,848  | 106          | 1,552,131 | 1,324,793 | 227,338 | 17 |

EXPENSE ANALYSIS, ACTUAL VS. CURRENT BUDGET  
FOR

DECEMBER 31, 1997

CURRENT PERIOD VARIANCE % VAR. DESCRIPTION YEAR TO DATE CURRENT BUDGET ACTUAL VARIANCE % VAR.

|        |         |         |        |                                                       |         |          |          |         |
|--------|---------|---------|--------|-------------------------------------------------------|---------|----------|----------|---------|
| 10,816 | 9,608   | (1,208) | (11)   | FRINGE BENEFITS                                       | 129,797 | 110,053  | (19,744) | (15)M   |
| 417    | 0       | (417)   | (100)  | DONATIONS-OTHER<br>61 426 110 440 010                 | 5,000   | 10,500   | 10,500   | 206. M  |
| 8,722  | 23,584  | 14,862  | 170    | CIVIC, POLITICAL & RELATED ACT<br>61 426 400 440 010  | 104,669 | 233,087  | 128,418  | 123 M   |
| 0      | 348     | 348     | 9999   | AMORT-WASH D.C. LEHOLD<br>61 426 403 440 010          | 0       | 4,176    | 4,176    | 9999 M  |
| 0      | 15,289  | 15,289  | 9999   | CIV, POL & REL ACT WASH DC RENT<br>61 426 451 440 010 | 0       | 165,686  | 165,686  | 9999 M  |
| 0      | 5       | 5       | 9999   | RENTS-COMPUTERS<br>61 426 432 440 010                 | 0       | 2,480    | 2,480    | 9999 M  |
| 0      | 0       | 0       | 0      | RENTS-OFF FURN & EQUIP<br>61 426 434 440 010          | 0       | 932      | 932      | 9999 M  |
| 1,589  | 5,137   | 3,548   | 223    | MISCELLANEOUS DEDUCTIONS<br>61 426 500 440 010        | 19,068  | 20,275   | 9,207    | 48 M    |
| 31,813 | 35,117  | 1,504   | 4      | SALARIES-STR TIME & SHIFT PREH<br>61 920 100 440 010  | 301,756 | 428,404  | 46,648   | 12 M    |
| 0      | (6,712) | (6,712) | (9999) | SALARIES-MISC NONPRODUCTIVE<br>61 920 110 440 010     | 0       | 12,541   | 12,541   | 9999 M  |
| 0      | 6,494   | 6,494   | 9999   | MICP ACCRUAL<br>61 920 120 440 010                    | 0       | 45,337   | 45,337   | 9999 M  |
| 0      | 5,109   | 5,109   | 9999   | PSI ACCRUAL<br>61 920 130 440 010                     | 0       | 67,601   | 67,601   | 9999 M  |
| 0      | 520     | 520     | 9999   | CIP ACCRUAL<br>61 920 160 440 010                     | 0       | 3,028    | 3,028    | 9999 M  |
| 0      | 5,913   | 5,913   | 9999   | SALARIES-VACATION PAY ACCRUED<br>61 920 300 440 010   | 0       | 39,321   | 39,321   | 9999 M  |
| 0      | (5,732) | (5,732) | (9999) | SALARIES-VACATION PAY USED<br>61 920 400 440 010      | 0       | (21,126) | (21,126) | (9999)M |

WINNUM 101

440-010  
EXPENSE ANALYSIS, ACTUAL VS. CURRENT BUDGET  
FOR

DECEMBER 31, 1997

| CURRENT BUDGET | CURRENT ACTUAL | PERIOD VARIANCE | %     | DESCRIPTION                                           | YEAR TO DATE   |        | DATE     | % VAR. |
|----------------|----------------|-----------------|-------|-------------------------------------------------------|----------------|--------|----------|--------|
|                |                |                 |       |                                                       | CURRENT BUDGET | ACTUAL |          |        |
| 292            | 0              | (292)           | (100) | OTHER OFFICE SUPPLIES & EXPENS<br>61 921 000 440 010  | 3,500          | 303    | (3,197)  | (91)%  |
| 75             | 0              | (75)            | (100) | BUILDING SERVICE EXPENSES<br>61 921 050 440 010       | 895            | 0      | (895)    | (100)% |
| 0              | 0              | 0               | 0     | TRAVEL-SYSTEM & OTHER<br>61 921 100 440 010           | 0              | 1,233  | 1,233    | 9999 % |
| 0              | 291            | 291             | 9999  | TRAVEL-MEETINGS, CONV, SEMINARS<br>61 921 110 440 010 | 0              | 542    | 542      | 9999 % |
| 818            | 1,065          | 247             | 30    | VEHICLE EXPENSE<br>61 921 150 440 010                 | 9,813          | 12,150 | 2,337    | 24 %   |
| 0              | 0              | 0               | 0     | COMMUNICATION SERVICES<br>61 921 200 440 010          | 0              | 297    | 297      | 9999   |
| 0              | 0              | 0               | 0     | COMPUTER EQUIPMENT<br>61 921 310 440 010              | 0              | 137    | 137      | 9999   |
| 65             | 0              | (65)            | (100) | EMPLOYEE MEMBERSHIP FEES/DUES<br>61 921 400 440 010   | 775            | 125    | (650)    | (84)%  |
| 625            | (26)           | (651)           | (104) | POSTAGE, PRINTING, STATIONERY<br>61 921 500 440 010   | 7,500          | (38)   | (7,538)  | (101)% |
| 1,083          | 0              | (1,083)         | (100) | BOOKS, PERIODICALS, NEWSPAPERS<br>61 921 600 440 010  | 13,000         | 9,843  | (3,157)  | (24)%  |
| 0              | 0              | 0               | 0     | SOFTWARE<br>61 923 150 440 010                        | 0              | 2,321  | 2,321    | 9999 % |
| 83             | 105            | 22              | 27    | OTHER PROFESSIONAL SERVICES<br>61 923 300 440 010     | 1,000          | 881    | (119)    | (12)   |
| 208            | 0              | (208)           | (100) | EDUCATIONAL ASSISTANCE<br>61 926 400 440 010          | 2,500          | 20,850 | 12,350   | 494 %  |
| 208            | 0              | (208)           | (100) | OTHER MISC GENERAL EXPENSES<br>61 930 200 440 010     | 2,500          | 481    | (2,019)  | (81)%  |
| 6,592          | 0              | (6,592)         | (100) | DUES FOR COMPANY MEMBERSHIPS<br>61 930 260 440 010    | 79,100         | 25,000 | (54,100) | (68)%  |

BUD001

AEP SERVICE CORPORATION

01/29/98

PAGE 3

440-010  
EXPENSE ANALYSIS, ACTUAL VS. CURRENT BUDGET  
FOR

DECEMBER 31, 1997

| CURRENT BUDGET | CURRENT ACTUAL | PERIOD   |        | DESCRIPTION     | YEAR TO DATE   |           | %             |
|----------------|----------------|----------|--------|-----------------|----------------|-----------|---------------|
|                |                | VARIANCE | % VAR. |                 | CURRENT BUDGET | ACTUAL    |               |
| 563            | (818)          | (1,381)  | (245)  | RENTS-COMPUTERS | 6,752          | 390       | (6,362) (94)% |
| 63,969         | 95,297         | 29,328   | 46     | TOTAL           | 767,625        | 1,204,410 | 436,785 57    |



**AEP/CSW**

**Synergies Refinement**

**SYNERGIES SUMMARY**

**Savings Area: Purchasing Economies (Materials & Supply Procurement, Inventory)**

**AEP Position:**

AEP's non-fuel, non-nuclear, electric inventory in transmission and distribution and generation accounts was \$152.4 million as of 12/31/97.

Annual non-fuel purchases were \$367.1 million in 1997 (excluding mines and nuclear.) AEP has several alliances with its suppliers.

**CSW Position:**

CSW' non-fuel, non-nuclear, electric inventory in transmission and distribution and generation was \$113.7 million as of 12/31/97.

Annual non-fuel purchases were \$183.3 million in 1997. CSW uses many distributors, but is exploring moving to direct purchasing.

**Ten Year Savings (\$000):**

- Non-Fuel Procurement \$294,276 *P-2*
- Inventory Reduction \$ 12,152 *Q-1*
- Total \$306,428

Note: Savings include O&M and Fixed Charge Savings

**Rationale for Savings:**

Savings will be realized in increased standardization, purchasing power, and vendor consolidation. A combined entity would also realize a one-time inventory reduction due to inventory duplication.

**Basis for Calculation:**

Transmission and distribution and generation inventories were combined; transmission and distribution inventory was reduced by 5% and generation, 2%. A weighted average, fixed charge cost of 15.0% was applied to this amount to represent variable overhead and the weighted average cost of capital. This saving results from avoiding the carrying cost of the one time reduction.

Procurement for non-fuel purchases was reduced by type of purchase. Engineered and special order items were reduced by 7.5% of CSW purchases, stock and standard items by 8% and consumables by 8% of combined purchases. This savings results from vendor consolidation and increased purchasing power due to higher volume orders for common materials. 68% of procurement savings were capitalized based on internal data.

**Key Assumptions:**

- Historical purchases are indicative of future levels.
- Inventory savings taken in 2001, once standardization is achieved.

Procurement

1999 Total Savings (\$000) \$28,368 P-3  
 Percentage of Savings Capitalized 68.0%  
 Revenue Req. Rate 17.52%  
 Inflation Rate 3.0%

Partial Year Savings 75%  
 Partial Year Revenue Req. Rate 17.52% 17.28% 16.74% 16.13% 15.55% 14.98% 14.44% 13.93% 13.42% 12.92% 12.42%

Annual Savings

|                       | 1999     | 2000     | 2001     | 2002     | 2003     | 2004     | 2005     | 2006     | 2007     | 2008     | 2009    | Total     |
|-----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|-----------|
| Annual Savings Amount | \$21,276 | \$29,219 | \$30,095 | \$30,998 | \$31,928 | \$32,886 | \$33,873 | \$34,889 | \$35,935 | \$37,013 | \$9,531 | \$327,643 |
| O&M Savings           | \$6,798  | \$9,336  | \$9,616  | \$9,905  | \$10,202 | \$10,508 | \$10,823 | \$11,148 | \$11,482 | \$11,827 | \$3,045 | \$104,689 |
| Capital Savings       | \$14,478 | \$19,883 | \$20,479 | \$21,094 | \$21,726 | \$22,378 | \$23,050 | \$23,741 | \$24,453 | \$25,187 | \$6,486 | \$222,955 |
|                       |          | 14,478   | 19,883   | 20,479   | 21,094   | 21,726   | 22,378   | 23,050   | 23,741   | 24,453   | 25,187  |           |
|                       |          |          | 14,478   | 19,883   | 20,479   | 21,094   | 21,726   | 22,378   | 23,050   | 23,741   | 24,453  |           |
|                       |          |          |          | 14,478   | 19,883   | 20,479   | 21,094   | 21,726   | 22,378   | 23,050   | 23,741  |           |
|                       |          |          |          |          | 14,478   | 19,883   | 20,479   | 21,094   | 21,726   | 22,378   | 23,050  |           |
|                       |          |          |          |          |          | 14,478   | 19,883   | 20,479   | 21,094   | 21,726   | 22,378  |           |
|                       |          |          |          |          |          |          | 14,478   | 19,883   | 20,479   | 21,094   | 21,726  |           |
|                       |          |          |          |          |          |          |          | 14,478   | 19,883   | 20,479   | 21,094  |           |
|                       |          |          |          |          |          |          |          |          | 14,478   | 19,883   | 20,479  |           |
|                       |          |          |          |          |          |          |          |          |          | 14,478   | 19,883  |           |
|                       |          |          |          |          |          |          |          |          |          |          | 14,478  |           |
|                       |          |          |          |          |          |          |          |          |          |          |         | 14,478    |

Cumulative Capital Savings

|                            | 1999     | 2000     | 2001     | 2002     | 2003     | 2004      | 2005      | 2006      | 2007      | 2008      | 2009      | Total         |
|----------------------------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------|
| Cumulative Capital Savings | \$14,478 | \$34,361 | \$54,840 | \$75,933 | \$97,660 | \$120,038 | \$143,088 | \$166,829 | \$191,282 | \$216,469 | \$222,955 | \$222,955     |
| Revenue Req. Savings       | 2,537    | 3,483    | 3,588    | 3,696    | 3,806    | 3,921     | 4,038     | 4,159     | 4,284     | 4,413     | 1,136     | 39,062        |
|                            |          | 2,502    | 3,436    | 3,539    | 3,645    | 3,754     | 3,867     | 3,983     | 4,102     | 4,226     | 1,088     | 34,142        |
|                            |          |          | 2,423    | 3,327    | 3,427    | 3,530     | 3,636     | 3,745     | 3,857     | 3,973     | 1,023     | 28,942        |
|                            |          |          |          | 2,335    | 3,207    | 3,303     | 3,402     | 3,504     | 3,610     | 3,718     | 957       | 24,037        |
|                            |          |          |          |          | 2,251    | 3,091     | 3,183     | 3,279     | 3,377     | 3,479     | 896       | 19,556        |
|                            |          |          |          |          |          | 2,169     | 2,978     | 3,068     | 3,160     | 3,255     | 838       | 15,468        |
|                            |          |          |          |          |          |           | 2,091     | 2,872     | 2,958     | 3,046     | 784       | 11,751        |
|                            |          |          |          |          |          |           |           | 2,016     | 2,769     | 2,852     | 734       | 8,372         |
|                            |          |          |          |          |          |           |           |           | 1,943     | 2,668     | 687       | 5,297         |
|                            |          |          |          |          |          |           |           |           |           | 1,870     | 642       | 2,512         |
|                            |          |          |          |          |          |           |           |           |           |           | 449       |               |
| Total Revenue Req. Savings | 2,537    | 5,985    | 9,447    | 12,897   | 16,336   | 19,768    | 23,196    | 26,627    | 30,080    | 33,499    | 9,236     | 189,587       |
| Total O&M and Fixed        |          |          |          |          |          |           |           |           |           |           |           |               |
| 10yr1 Change Savings       | \$9,315  | \$15,321 | \$19,063 | \$22,802 | \$26,538 | \$30,276  | \$34,019  | \$37,774  | \$41,542  | \$45,325  | \$12,281  | \$294,276 P-1 |



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PURCHASES

|                          | Transmission, Distribution & Other |           |            |             | Generation |           |            |           | Total       |           |            |             |
|--------------------------|------------------------------------|-----------|------------|-------------|------------|-----------|------------|-----------|-------------|-----------|------------|-------------|
|                          | Total                              | % Capital | O&M        | Capital     | Total      | % Capital | O&M        | Capital   | Total       | % Capital | O&M        | Capital     |
| Engineered/Special Order | 48,057,711                         | 72.00%    | 13,456,159 | 34,601,552  | 25,580,760 | 16.00%    | 21,487,838 | 4,092,922 | 73,638,471  | 38.68%    | 34,943,997 | 38,694,473  |
| Stock/Standard           | 77,885,452                         | 93.00%    | 5,437,982  | 72,447,470  | 21,634,718 | 22.00%    | 16,875,080 | 4,759,638 | 99,320,170  | 77.00%    | 22,313,062 | 77,007,108  |
| Consumables              | 10,865,953                         | 32.00%    | 7,388,848  | 3,477,105   | 5,408,680  | 0.00%     | 5,408,680  | -         | 16,274,633  | 3.47%     | 12,797,528 | 3,477,105   |
| Other                    | 6,010,460                          | 72.00%    | 1,682,929  | 4,327,531   | -          | -         | -          | -         | -           | -         | -          | -           |
| Total                    | 136,609,116                        | 80.76%    | 26,282,989 | 110,326,127 | 52,624,158 | 16.82%    | 43,771,598 | 8,852,560 | 189,233,274 | 11.91%    | 70,054,587 | 119,178,687 |

|                 | Transmission, Distribution & Other |           |            |             | Generation  |           |            |            | Total       |           |             |             |
|-----------------|------------------------------------|-----------|------------|-------------|-------------|-----------|------------|------------|-------------|-----------|-------------|-------------|
|                 | Total                              | % Capital | O&M        | Capital     | Total       | % Capital | O&M        | Capital    | Total       | % Capital | O&M         | Capital     |
| Engineered      | 142,184,709                        | 87.00%    | 18,484,012 | 123,700,697 | 75,336,743  | 43.00%    | 42,941,944 | 32,394,799 | 217,521,452 | 15.60%    | 61,425,956  | 156,095,496 |
| Stock           | 107,127,284                        | 87.00%    | 13,926,547 | 93,200,737  | 23,535,427  | 43.00%    | 13,415,193 | 10,120,234 | 130,662,711 | 32.30%    | 27,341,740  | 103,320,971 |
| Consumables (1) | 13,642,309                         | 0.00%     | 13,642,309 | -           | 5,305,342   | 0.00%     | 5,305,342  | -          | 18,947,651  | 0.00%     | 18,947,651  | -           |
| Other           | -                                  | -         | -          | -           | -           | -         | -          | -          | -           | -         | -           | -           |
| Total           | 262,954,302                        | 82.49%    | 46,052,868 | 216,901,434 | 104,177,512 | 40.81%    | 61,662,479 | 42,515,033 | 367,131,814 | 23.00%    | 107,715,347 | 259,416,467 |

|             | Transmission, Distribution & Other |           |            |             | Generation  |           |             |            | Total       |           |             |             |
|-------------|------------------------------------|-----------|------------|-------------|-------------|-----------|-------------|------------|-------------|-----------|-------------|-------------|
|             | Total                              | % Capital | O&M        | Capital     | Total       | % Capital | O&M         | Capital    | Total       | % Capital | O&M         | Capital     |
| Engineered  | 190,242,420                        | 83.21%    | 31,940,171 | 158,302,249 | 100,917,503 | 36.16%    | 64,429,782  | 36,487,721 | 291,159,923 | 19.40%    | 96,369,953  | 194,789,970 |
| Stock       | 184,812,736                        | 89.52%    | 19,364,529 | 165,448,207 | 45,170,145  | 32.94%    | 30,290,273  | 14,879,872 | 229,982,881 | 18.00%    | 49,654,802  | 180,328,079 |
| Consumables | 24,508,262                         | 14.19%    | 21,031,157 | 3,477,105   | 10,714,022  | 0.00%     | 10,714,022  | -          | 35,222,284  | 3.47%     | 31,745,179  | 3,477,105   |
| Other       | -                                  | -         | -          | -           | -           | -         | -           | -          | -           | -         | -           | -           |
| 1997 Costs  | 399,563,418                        | 81.90%    | 72,335,857 | 327,227,561 | 156,801,670 | 32.76%    | 105,434,077 | 51,367,593 | 556,365,088 | 19.30%    | 177,769,934 | 378,595,154 |

|             | Transmission, Distribution & Other |           |                |             | Generation  |           |                |            | Total       |           |                |             |
|-------------|------------------------------------|-----------|----------------|-------------|-------------|-----------|----------------|------------|-------------|-----------|----------------|-------------|
|             | Total                              | % Savings | Savings Amount | Capital     | Total       | % Savings | Savings Amount | Capital    | Total       | % Savings | Savings Amount | Capital     |
| Engineered  | 190,242,420                        | 7.50%     | 3,604,328      | 186,638,092 | 100,917,503 | 7.50%     | 1,918,557      | 86,720,946 | 291,159,923 | 7.50%     | 5,522,885      | 286,638,039 |
| Stock       | 184,812,736                        | 8.00%     | 14,785,019     | 170,027,717 | 45,170,145  | 8.00%     | 3,613,612      | 36,554,133 | 229,982,881 | 8.00%     | 18,398,630     | 211,584,251 |
| Consumables | 24,508,262                         | 0.00%     | 1,960,661      | 22,547,601  | 10,714,022  | 0.00%     | 857,122        | -          | 35,222,284  | 0.00%     | 2,817,783      | 32,404,501  |
| Other       | -                                  | -         | -              | -           | -           | -         | -              | -          | -           | -         | -              | -           |
| 1997 Costs  | 399,563,418                        | 5.09%     | 20,350,008     | 379,213,410 | 156,801,670 | 4.07%     | 6,389,290      | 87,285,079 | 556,365,088 | 4.81%     | 26,739,299     | 529,625,789 |

|                 |            |
|-----------------|------------|
| Escalation Rate | 3.0%       |
| Years           | 2          |
| 1999 Savings    | 28,367,722 |
| % Capitalized   | 68%        |

Notes  
 (1) Percentage split estimated from T&D vs. Generation purchases  
 (2) Capitalization percentages estimated  
 (3) Savings taken on CSW's totals due to scale differences

20.0 NON-FUEL MATERIALS & SUPPLIES PROCUREMENT CSW-T&D

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Claude Smith

| Item (Account)                                   | 1998 Expense     | Actual           | 1997 Numbers                  | N/A | Vendor | Percentage of Total (1997) | Notes (Comments)                                                                  |
|--------------------------------------------------|------------------|------------------|-------------------------------|-----|--------|----------------------------|-----------------------------------------------------------------------------------|
| Transmission & Substation                        | \$ 14,151,559.00 | \$ 26,282,519.00 | 72%                           |     |        |                            | Capitalization numbers are for 1997 only.                                         |
| Description Purchases                            | \$ 23,607,879.66 | \$ 21,775,191.66 | (P-3)                         |     |        |                            | See attached vendor list for 1996 & 1997 Vendors                                  |
|                                                  |                  | 48,057,711       |                               |     |        |                            |                                                                                   |
| Distribution Transformers                        | \$ 12,701,998.94 | \$ 15,165,872.86 | 100%                          |     |        |                            | See attached sheet for major commodity distribution                               |
| Distribution Meters                              | \$ 2,216,544.37  | \$ 4,295,728.32  | 100%                          |     |        |                            |                                                                                   |
| *S* Type Items                                   | \$ 59,243,040.64 | \$ 58,223,850.83 | (P-3)                         |     |        |                            | *C* and *S* items are capitalized if they are charged to an investment work order |
|                                                  |                  | 7,785,458        |                               |     |        |                            |                                                                                   |
| *C* Type Items                                   | \$ 5,508,835.98  | \$ 4,907,305.04  | 45,158,648 = 10,805,963 (P-3) |     | R.P-5  |                            |                                                                                   |
| Consumables                                      |                  |                  |                               |     |        |                            |                                                                                   |
| Other Purchases vehicles, software hardware, etc | \$ 11,629,037.00 | \$ 6,010,459.78  |                               |     |        |                            |                                                                                   |

P-4

Corporate Credit Card Usage - Supplies

|              | Jan            | Feb            | Mar            | Apr            | May            | Jun            | Jul            | Aug            | Sep            | Oct            | Nov            | Dec            | Total            |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| CSW          | 28,340         | 20,830         | 2,903          | 17,333         | 376            | 665            | 6,453          | 1,691          | 48,221         | 67,955         | 56,351         | 88,960         | 340,077          |
| CPL          | 84,786         | 101,845        | 81,990         | 91,761         | 86,092         | 88,165         | 76,979         | 93,832         | 94,246         | 107,965        | 106,055        | 113,719        | 1,137,435        |
| PSO          | 143,728        | 87,087         | 238,265        | 122,389        | 132,646        | 99,801         | 110,605        | 109,008        | 120,238        | 173,959        | 181,323        | 207,684        | 1,724,741        |
| SEP          | 176,115        | 158,255        | 150,431        | 180,797        | 203,717        | 134,312        | 172,781        | 194,526        | 176,394        | 189,823        | 205,870        | 172,357        | 2,113,378        |
| WTU          | 53,585         | 30,242         | 26,986         | 35,328         | 32,486         | 35,473         | 39,802         | 37,443         | 45,254         | 77,890         | 151,832        | 78,586         | 843,017          |
| <b>Total</b> | <b>498,554</b> | <b>398,259</b> | <b>498,575</b> | <b>447,618</b> | <b>455,216</b> | <b>358,518</b> | <b>408,620</b> | <b>436,488</b> | <b>484,353</b> | <b>617,592</b> | <b>701,531</b> | <b>659,318</b> | <b>5,958,648</b> |

P-4

Notes:

- \* January dollars are estimated, because this information was not available.
- \*\* Total dollar purchases ranged from about \$400,000 per month to about \$700,000 per month.
- \*\*\* Amounts include all credit card purchases charged to transaction type 'S' (supplies).
- \*\*\*\* The corporate credit card should not be used to purchase inventory products. When business circumstances require the use of the credit card, the products are recorded on INDUS, after the fact, using an 'X' type receipt. This allows the item to be recorded in inventory and then issued out of stores to the appropriate accounts. The amount and volume of inventory related purchases on a corporate credit card are deemed immaterial.

Carol - Here are the \$\$\$ for  
 credit card purchases. Royluc  
 in FSS is helping me get  
 the \$\$\$ for signature inwai  
 R.

P-5

CSWS

(27)

# FAX

REFAX 2/25

Date: 2/24/98

Number of pages including cover sheet: 1

To: Russell Davis, CSW

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Phone: \_\_\_\_\_

Fax phone: 614/223-1187

CC: \_\_\_\_\_

From: Claude Smith

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Phone: 918-594-2633

Fax phone: 918-594-3882

REMARKS:  Urgent  For your review  Reply ASAP  Please comment

Russell, Brenda Potter had a report to pull the data you needed.

'S' Type items, 93% of the 'S' type items issued during '97 were capitalized.  P-3

'C' Type items, 32% of the 'C' type items issued in '97 were capitalized directly. The balance of the 'C' type items go to holding accounts and are distributed.  P-3

If you have any questions, let us know.

NOTE: THIS IS T.O.'S ONLY.

## PROCUREMENT

P-5

20.0 NON-1

MATERIALS & SUPPLIES PROCUREMENT - CSW Generation

**INSTRUCTIONS:**

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data: Jerry K. Steger (214) 777-2228

| Category       | Item: (non-fuel)              | 1996 Expense | Planned 1997 Expense | % of Value Capitalized | Units | Vendor | Procurement Alignment Designation: (See Table 22.0) | Notes / Comments:                                                                 |
|----------------|-------------------------------|--------------|----------------------|------------------------|-------|--------|-----------------------------------------------------|-----------------------------------------------------------------------------------|
|                |                               |              |                      |                        |       |        |                                                     |                                                                                   |
| A              | Description Purchase          | 25,123,260   | 25,580,760           | 16%                    | P-3   |        |                                                     | 1. See Attached Product and Contract Discipline Listing                           |
|                | 1. Desc. Purchase 50K Total   | 18,103,156   | 19,602,864           |                        |       |        |                                                     |                                                                                   |
|                | 2. Charges to W.O.            | 20,887,736   | 19,825,865           |                        |       |        |                                                     | 2. See Attached Supplier/ Contractor Analysis Millenium & Indus. Alpa and Dollars |
| B              | Standard Stock Code Purchases | 20,192,006   | 21,634,718           | 22%                    | P-3   |        |                                                     |                                                                                   |
|                |                               |              |                      |                        |       |        |                                                     |                                                                                   |
| C              | Consumables (MRO)             | 5,048,002    | 5,408,680            | 0%                     | P-3   |        |                                                     | 3. See Attached Active & Pending Contracts Listing                                |
|                |                               |              |                      |                        |       |        |                                                     |                                                                                   |
| Total A, B & C |                               | 50,363,268   | 52,624,158           |                        |       |        |                                                     |                                                                                   |

**NOTE:**

- 1. "C" is calculated at 20% of "B" using 80-20 rule

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**MATERIAL PURCHASES 1997**

|                                                                                                   |     |                    |           |
|---------------------------------------------------------------------------------------------------|-----|--------------------|-----------|
| Purchase \$'s by Field Locations<br>(T&D-Nuclear-Generation-Mines)                                | P-8 | \$368,428,318      | } 466,383 |
| Purchase \$'s by AEPSC<br>(T&D-Nuclear-Generation-Mines)                                          | P-8 | \$97,007,092       |           |
| C-Order Purchases<br>(Purchase Less \$500-Insignificant Material)                                 | P-8 | \$947,651          |           |
| Procurement Card Purchases (Approx.)<br>(Local Purchases Field Personnel-Less \$1000 Transaction) |     | \$18,000,000       |           |
| <b>TOTAL</b>                                                                                      |     | <b>484,383,061</b> |           |

|            |                                 |               |
|------------|---------------------------------|---------------|
|            | <b>Purchases</b><br>(Stock-M&E) |               |
| T&D        | \$107,127,284                   | P-3           |
| Generation | \$23,535,427                    | P-3           |
| Nuclear    | \$3,324,337                     |               |
| Mines      | _____                           |               |
|            |                                 | \$102,004,674 |

|  |                                                             |
|--|-------------------------------------------------------------|
|  | <b>Purchases</b><br>(Non M&E/Specialty/Transformers/Meters) |
|  | \$142,184,709                                               |
|  | \$75,336,743                                                |
|  | \$13,208,743                                                |

\$ 466,722

P-7

-----DOLLARS PURCHASED-----

| NO         | COMPANY NAME                     | FORMAL P.O. WRITTEN LOC | FORMAL P.O. WRITTEN AEP | FORMAL CONTRACTS | SERVICE ORDERS | C-ORDERS | TOTAL       |
|------------|----------------------------------|-------------------------|-------------------------|------------------|----------------|----------|-------------|
| 01         | KINGSFORD POWER CO.              | 1,314,027               | 397,980                 | 1,812,978        | 200,402        | 6,906    | 3,752,293   |
| 02         | APPALACHIAN POWER CO.            | 57,552,534              | 14,089,316              | 80,545,282       | 12,994,969     | 199,871  | 165,381,972 |
| 03         | KENTUCKY POWER CO.               | 13,434,918              | 6,199,111               | 27,732,884       | 2,001,701      | 92,282   | 49,460,896  |
| 04         | INDIANA MICHIGAN POWER CO.       | 57,122,300              | 9,691,265               | 99,649,976       | 12,298,967     | 114,305  | 178,876,813 |
| 06         | WHEELING POWER CO.               | 911,074                 | 77,260                  | 1,462,948        | 305,631        | 11,601   | 2,768,514   |
| 07         | OHIO POWER CO.                   | 84,584,360              | 23,664,821              | 82,350,735       | 10,650,687     | 336,878  | 201,587,481 |
| 10         | COLUMBUS SOUTHERN POWER CO.      | 34,598,255              | 14,758,974              | 52,524,897       | 6,773,003      | 87,113   | 108,722,042 |
| 22         | CARDINAL OPERATING CO.           | 6,341,845               | 2,573,643               | 13,358,761       | 2,036,976      | 41,834   | 24,353,259  |
| 23         | NAME NOT FOUND                   |                         |                         | 1,053            |                |          | 1,053       |
| 42         | CENTRAL OHIO COAL CO.            | 13,019,830              | 2,159,915               | 1,200,137        | 468,925        | 16,862   | 16,845,669  |
| 43         | WINDSOR COAL CO.                 | 14,132,129              | 2,734,864               | 1,702,302        | 1,211,453      | 507      | 19,781,255  |
| 44         | SOUTHERN OHIO COAL CO.           | 39,512,103              | 11,052,704              | 7,198,841        | 1,440,076      | 19,998   | 59,233,722  |
| 48         | WATER TRANSPORTATION DIVISION    | 13,014,751              | 254,869                 |                  | 337,868        | 539      | 13,608,027  |
| 49         | OHIO POWER - COOK COAL - TERPHL. | 5,984,740               | 549,314                 | 2,458,928        | 163,018        |          | 7,156,000   |
| 54         | CONESVILLE COAL PREPARATION CO.  | 1,355,813               | 253,642                 | 87,666           | 430,902        |          | 2,128,023   |
| 70         | APPAL. PWR CO / OHIO PWR CO      | 7,728,233               | 3,295,599               | 14,474,458       | 978,059        | 17,967   | 26,494,316  |
| 71         | APPAL. PWR CO / OHIO PWR CO I    | 10,804,083              | 2,986,448               | 14,184,902       | 933,663        | 7,078    | 28,916,174  |
| 73         | I/A ROCKPORT OPERATIONS          | 9,017,323               | 2,285,205               | 8,256,632        | 1,916,087      | 13,132   | 21,488,379  |
| 75         | OHIO POWER COMPANY               |                         | 1,962                   | 9,763,065        | 109,578        | 778      | 9,875,383   |
| FORT WAYNE |                                  | 66,139,623              | 11,976,470              | 107,906,608      | 14,215,054     | 127,437  | 200,365,192 |
| ROANOKE    |                                  | 77,398,877              | 20,769,343              | 111,017,620      | 15,107,093     | 231,822  | 224,524,755 |
| CANTON     |                                  | 126,435,534             | 41,076,860              | 159,460,206      | 19,875,875     | 458,204  | 347,306,679 |
| ASHLAND    |                                  | 13,434,918              | 6,199,111               | 27,732,884       | 2,001,701      | 92,282   | 49,460,896  |
| LANCASTER  |                                  | 85,019,366              | 16,985,308              | 12,647,874       | 4,052,242      | 37,906   | 118,742,696 |
| UNKNOWN    |                                  |                         |                         | 1,053            |                |          | 1,053       |
| AEP TOTAL  |                                  | 368,428,318             | 97,007,092              | 418,766,245      | 55,251,984     | 947,651  | 940,401,290 |

P-7

P-7

P-7

Mines

P-8

Inventory



Inventory

2001 Savings \$9,820 2001 One-time inventory reductions Q2

Percentage of Savings Capitalized 100.0%  
Fixed Charge Cost 15.00%  
Inflation Rate 3.0%

Partial Year Savings 75%

Annual Savings

|                       | 1999 | 2000 | 2001    | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | Total   |
|-----------------------|------|------|---------|------|------|------|------|------|------|------|------|---------|
| Annual Savings Amount | \$0  | \$0  | \$9,820 | \$0  | \$0  | \$0  | \$0  | \$0  | \$0  | \$0  | \$0  | \$9,820 |
| O&M Savings           | \$0  | \$0  | \$0     | \$0  | \$0  | \$0  | \$0  | \$0  | \$0  | \$0  | \$0  | \$0     |

Capital Savings

|   |   |         |       |       |       |       |       |       |       |       |     |         |
|---|---|---------|-------|-------|-------|-------|-------|-------|-------|-------|-----|---------|
| 0 | 0 | \$9,820 | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0   | \$0 | \$9,820 |
| 0 | 0 | 0       | 9,820 | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0   | 0       |
| 0 | 0 | 0       | 0     | 9,820 | 0     | 0     | 0     | 0     | 0     | 0     | 0   | 0       |
| 0 | 0 | 0       | 0     | 0     | 9,820 | 0     | 0     | 0     | 0     | 0     | 0   | 0       |
| 0 | 0 | 0       | 0     | 0     | 0     | 9,820 | 0     | 0     | 0     | 0     | 0   | 0       |
| 0 | 0 | 0       | 0     | 0     | 0     | 0     | 9,820 | 0     | 0     | 0     | 0   | 0       |
| 0 | 0 | 0       | 0     | 0     | 0     | 0     | 0     | 9,820 | 0     | 0     | 0   | 0       |
| 0 | 0 | 0       | 0     | 0     | 0     | 0     | 0     | 0     | 9,820 | 0     | 0   | 0       |
| 0 | 0 | 0       | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 9,820 | 0   | 0       |

442

Cumulative Capital Savings

|     |     |         |         |         |         |         |         |         |         |         |         |         |
|-----|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| \$0 | \$0 | \$9,820 | \$9,820 | \$9,820 | \$9,820 | \$9,820 | \$9,820 | \$9,820 | \$9,820 | \$9,820 | \$9,820 | \$9,820 |
|-----|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|

Fixed Charge Savings

|     |     |         |         |         |         |         |         |         |         |         |         |          |
|-----|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| \$0 | \$0 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$12,152 |
|-----|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|

Total O&M and Fixed Charge Savings

|     |     |         |         |         |         |         |         |         |         |         |         |       |          |
|-----|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|----------|
| \$0 | \$0 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$1,473 | \$368 | \$12,152 |
|-----|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|----------|

R-1

AEP/Csw

INVENTORY

|      |
|------|
| 3.0% |
| 4    |
| 2%   |
| 5%   |

Escalator  
Number of Years  
Generation Savings  
Transmission & Distribution Savings

| CSW         |          |
|-------------|----------|
| Value       | Turns    |
| 68,749,000  | Q-1 0.26 |
| 44,960,906  | ✓ 2.61   |
| 113,709,906 | 1.19     |

Generation  
Transmission & Distribution

| AEP         |          |
|-------------|----------|
| Value       | Turns    |
| 83,903,727  | Q-3 1.04 |
| 68,472,814  | ✓ 3.73   |
| 152,376,541 | 4.08     |

Generation  
Transmission & Distribution

| COMBINED    |       |
|-------------|-------|
| Value       | Turns |
| 152,652,727 | 0.69  |
| 113,433,720 | 3.28  |
| 266,086,447 | 2.85  |

Generation  
Transmission & Distribution

|                                          |           |
|------------------------------------------|-----------|
| 1997 Generation Savings                  | 3,053,055 |
| 1997 Transmission & Distribution Savings | 5,671,686 |
| 1997 Combined Savings                    | 8,724,741 |

|                       |           |
|-----------------------|-----------|
| 2001 Combined Savings | 9,819,772 |
|-----------------------|-----------|

Q-2

AEP/CSW

AEP INVENTORY

|                             |                   |                   |              |
|-----------------------------|-------------------|-------------------|--------------|
| Transmission & Distribution |                   |                   |              |
| M/S (1)                     |                   | <u>1997</u>       | <u>Turns</u> |
| Cap. Spare Parts            | 47,317,483        | 68,472,814        | 3.73         |
|                             | <u>79,729,356</u> | <u>49,561,719</u> |              |
|                             | 127,046,839       | 118,034,533       |              |

|                  |                |                |              |
|------------------|----------------|----------------|--------------|
| Generation       |                |                |              |
| Fuel Supply      |                | <u>1997</u>    | <u>Turns</u> |
| M/S              | 24,566,377     | 23,579,096     | 2.43         |
| Cap. Spare Parts | <u>421,507</u> | <u>405,577</u> |              |
|                  | 24,987,884     | 23,984,673     |              |

|                  |                   |                   |  |
|------------------|-------------------|-------------------|--|
| Nuclear          |                   |                   |  |
| Cap. Spare Parts | <u>20,067,532</u> | <u>26,550,864</u> |  |
|                  | 20,067,532        | 26,550,864        |  |

444

|                  |                    |                    |      |
|------------------|--------------------|--------------------|------|
| Fossil & Hydro   |                    |                    |      |
| M/S              | 86,173,060         | 83,903,727         | 0.36 |
| Cap. Spare Parts | <u>160,209,923</u> | <u>154,328,215</u> |      |
|                  | 246,382,983        | 238,231,942        |      |

Total Inventory (Less Nuclear and Fuel Supply)

|                               |                   |                   |             |
|-------------------------------|-------------------|-------------------|-------------|
| Generation                    | 86,173,060        | 83,903,727        | 1.04        |
| Transmission and Distribution | <u>47,317,483</u> | <u>68,472,814</u> | <u>3.73</u> |
|                               | 133,490,543       | 152,376,541       | 4.08        |

Notes

(1) Includes \$26.4 million of meters and transformers classified by AEP as capitalized spare parts as follows:

|  |                     |     |
|--|---------------------|-----|
|  | \$ 19,161,025       | Q-8 |
|  | <u>\$ 7,286,922</u> | Q-9 |
|  | \$ 26,447,947       |     |

AEP/CSW

CSW INVENTORY

|                             | PSO        |       |
|-----------------------------|------------|-------|
|                             | 1997 Value | Turns |
| Generation                  | 25,549,000 | 0.32  |
| Transmission & Distribution | 10,300,670 | 2.70  |
|                             | 35,849,670 | 1.01  |

|                             | CPL        |       |
|-----------------------------|------------|-------|
|                             | 1997 Value | Turns |
| Generation                  | 19,932,000 | 0.19  |
| Transmission & Distribution | 20,077,048 | 2.20  |
|                             | 40,009,048 | 1.20  |

|                             | WTU        |       |
|-----------------------------|------------|-------|
|                             | 1997 Value | Turns |
| Generation                  | 6,099,000  | 0.41  |
| Transmission & Distribution | 6,507,530  | 2.00  |
|                             | 12,606,530 | 1.23  |

445

|                             | SEP        |       |
|-----------------------------|------------|-------|
|                             | 1997 Value | Turns |
| Generation                  | 17,169,000 | 0.19  |
| Transmission & Distribution | 8,075,658  | 4.00  |
|                             | 25,244,658 | 1.41  |

|                                 | COMBINED CSW |       |
|---------------------------------|--------------|-------|
|                                 | 1997 Value   | Turns |
| Generation                      | 68,749,000   | 0.26  |
| Transmission & Distribution (1) | 44,960,906   | 2.61  |
|                                 | 113,709,906  | 1.19  |







January 1998

December 1997

*Down-down balance; use 12/02 balance*

**\$6,976,302**

**\$19,130,391**

**Meter Inventory**

*Q-3* **\$19,161,025** *Q-10, 11*

**Transformer Inventory**

R. Waddell/W Adams

February 5, 1998

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*Q8*



VETERANS

| REGION               | ET REDUCTION PROGRESS Reviewed 1-2-88 JMW |              | REGIONAL (W.V.) |            | REDUCTION PROGRESS |            |              |            |              |            |              |            |              |            | Reduction Dollars Required | % of Target |
|----------------------|-------------------------------------------|--------------|-----------------|------------|--------------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|----------------------------|-------------|
|                      | TARGET                                    | REDUCTION    | INV \$          | INV %      | INV \$             | INV %      | INV \$       | INV %      | INV \$       | INV %      | INV \$       | INV %      | INV \$       | INV %      |                            |             |
| INDIANA              | \$35,000                                  | \$29,728     | \$439,797       | 09/03/1987 | \$405,742          | 09/07/1987 | \$390,246    | 09/29/1987 | \$387,268    | 12/02/1987 | \$427,618    | 01/02/1988 | \$345,247    | 01/02/1988 | \$29,728                   | 21.1        |
| MICHIGAN             | \$72,000                                  | \$32,061     | \$442,808       | 04/31/87   | \$428,663          | 05/01/87   | \$397,654    | 05/01/87   | \$364,753    | 05/01/87   | \$337,610    | 05/01/87   | \$331,421    | 05/01/87   | \$32,061                   | 16.1        |
| W. VA/UTAH           | \$87,000                                  | \$35,632     | \$371,022       | 03/15/87   | \$359,959          | 03/14/87   | \$339,952    | 03/14/87   | \$329,751    | 03/14/87   | \$287,708    | 03/14/87   | \$274,276    | 03/14/87   | \$35,632                   | 15.2        |
| CENTRAL OH           | \$10,000                                  | \$23,131     | \$28,531        | 02/16/88   | \$218,780          | 02/17/88   | \$195,428    | 02/17/88   | \$174,143    | 02/17/88   | \$150,841    | 02/17/88   | \$164,187    | 02/17/88   | \$23,131                   | 68.7        |
| S. WVA               | \$10,000                                  | \$151,640    | \$149,738       | 01/09/83   | \$169,553          | 01/09/83   | \$147,187    | 01/09/83   | \$130,338    | 01/09/83   | \$111,182    | 01/09/83   | \$99,811     | 01/09/83   | \$151,640                  | 52.9        |
| COLUMBUS             | \$250,000                                 | \$1,119,833  | \$1,154,122     | 01/27/80   | \$1,271,716        | 01/27/80   | \$1,091,440  | 01/27/80   | \$977,191    | 01/27/80   | \$750,659    | 01/27/80   | \$784,060    | 01/27/80   | \$1,119,833                | 135.4       |
| N. WVA               | \$72,000                                  | \$254,608    | \$251,181       | 02/07/88   | \$247,232          | 02/07/88   | \$234,569    | 02/07/88   | \$214,334    | 02/07/88   | \$197,431    | 02/07/88   | \$182,096    | 02/07/88   | \$254,608                  | 168.3       |
| S. OHIO              | \$10,000                                  | \$29,630     | \$28,508        | 02/28/88   | \$258,618          | 02/28/88   | \$234,871    | 02/28/88   | \$204,363    | 02/28/88   | \$187,431    | 02/28/88   | \$175,808    | 02/28/88   | \$29,630                   | 102.3       |
| W. OHIO              | \$10,000                                  | \$222,058    | \$221,320       | 02/10/82   | \$228,754          | 02/10/82   | \$218,590    | 02/10/82   | \$204,846    | 02/10/82   | \$187,431    | 02/10/82   | \$175,808    | 02/10/82   | \$222,058                  | 102.3       |
| CENTRAL VA           | \$10,000                                  | \$219,333    | \$180,322       | 02/13/88   | \$213,071          | 02/13/88   | \$184,188    | 02/13/88   | \$165,522    | 02/13/88   | \$153,441    | 02/13/88   | \$129,830    | 02/13/88   | \$219,333                  | 102.3       |
| E. OHIO              | \$150,000                                 | \$887,878    | \$708,198       | 08/08/88   | \$889,415          | 08/08/88   | \$821,400    | 08/08/88   | \$569,744    | 08/08/88   | \$480,911    | 08/08/88   | \$482,883    | 08/08/88   | \$887,878                  | 134.5       |
| Dir. Region Total    | \$716,000                                 | \$4,297,878  | \$4,447,884     | 04/23/84   | \$4,289,973        | 04/23/84   | \$4,181,268  | 04/23/84   | \$3,908,459  | 04/23/84   | \$3,348,813  | 04/23/84   | \$3,161,181  | 04/23/84   | \$4,297,878                | 181.7       |
| RENTUCKY             | \$294,000                                 | \$1,143,632  | \$1,290,321     | 01/29/83   | \$1,289,973        | 01/29/83   | \$1,183,281  | 01/29/83   | \$975,822    | 01/29/83   | \$802,651    | 01/29/83   | \$620,310    | 01/29/83   | \$1,143,632                | 103.1       |
| Sub-Ad Reg. & Maint. | \$710,000                                 | \$4,444,108  | \$4,124,237     | 04/19/84   | \$4,090,428        | 04/19/84   | \$4,038,087  | 04/19/84   | \$4,410,368  | 04/19/84   | \$4,218,484  | 04/19/84   | \$3,989,874  | 04/19/84   | \$4,444,108                | 181.2       |
| ROANSKOE LAB         | \$500,000                                 | \$1,668,841  | \$1,668,012     | 01/08/82   | \$1,812,148        | 01/08/82   | \$1,659,650  | 01/08/82   | \$1,488,585  | 01/08/82   | \$1,354,821  | 01/08/82   | \$1,277,104  | 01/08/82   | \$1,668,841                | 181.2       |
| FT. WAYNE LAB        | \$160,000                                 | \$1,081,380  | \$1,028,755     | 01/08/82   | \$1,070,841        | 01/08/82   | \$987,001    | 01/08/82   | \$894,004    | 01/08/82   | \$772,342    | 01/08/82   | \$768,270    | 01/08/82   | \$1,081,380                | 122.2       |
| CANTON LAB CP        | \$40,000                                  | \$1,049,018  | \$981,707       | 08/08/84   | \$972,185          | 08/08/84   | \$882,008    | 08/08/84   | \$801,107    | 08/08/84   | \$731,768    | 08/08/84   | \$713,003    | 08/08/84   | \$1,049,018                | 113.1       |
| CANTON LAB CSP       | \$60,000                                  | \$331,344    | \$285,903       | 02/12/83   | \$274,268          | 02/12/83   | \$184,139    | 02/12/83   | \$159,483    | 02/12/83   | \$160,472    | 02/12/83   | \$177,854    | 02/12/83   | \$331,344                  | 113.1       |
| Lab Sub-Total        | \$490,000                                 | \$4,240,281  | \$4,131,277     | 04/16/84   | \$4,132,653        | 04/16/84   | \$3,977,311  | 04/16/84   | \$3,378,248  | 04/16/84   | \$3,030,244  | 04/16/84   | \$2,884,331  | 04/16/84   | \$4,240,281                | 107.6       |
| CIP Estn             | \$35,000                                  | \$9,888,880  | \$10,105,868    | 01/02/80   | \$10,215,228       | 01/02/80   | \$9,814,828  | 01/02/80   | \$8,527,514  | 01/02/80   | \$7,276,708  | 01/02/80   | \$6,978,302  | 01/02/80   | \$9,888,880                | 107.6       |
| TOTAL                | \$1,488,000                               | \$49,888,880 | \$49,888,880    |            | \$49,888,880       |            | \$49,888,880 |            | \$49,888,880 |            | \$49,888,880 |            | \$49,888,880 |            | \$49,888,880               | 107.6       |

Q-3

Q-9

COLUMBIA DIVISION  
 JOB #80535  
 PGM #80541A

COLUMBUS SOUTHERN P. CO.  
 AREA 111 STOCK TRANSFORMER AS OF DEC 29-97 INVENTORY RECAP  
 FROM 12-22-97 TO 12-28-97

PAGE 10  
 DATE PREPARED 12/29/97  
 TIME 06:24

| BLOCK NO       | PRIMARY VOLTAGE | SECONDARY VOLTAGE | EQ PH | NOMENCLATURE | TAP | KVA SIZE | IN STOCK | ON ORDER | ISSUED THIS WEEK | YTD ISSUES | PREV YR ISSUES | UNIT PRICE  | TOTAL PRICE | YTD ACTIVITY |
|----------------|-----------------|-------------------|-------|--------------|-----|----------|----------|----------|------------------|------------|----------------|-------------|-------------|--------------|
| 93             | 19920/34500Y    | 240/480           | 1     | POL CON      | A   | NO 25    | 8        | 0        | 0                | 2          | 1              | \$423       | \$3,384     | \$846        |
|                |                 |                   |       |              |     | 50       | 4        | 0        | 0                | 6          | 4              | \$705       | \$2,820     | \$4,230      |
|                |                 |                   |       |              |     |          | 12       | 0        | 0                | 8          | 5              |             | \$6,204     | \$5,076      |
|                |                 |                   |       |              |     |          |          |          |                  |            |                |             |             |              |
| BLOCK TOTAL    |                 |                   |       |              |     |          |          |          |                  |            |                |             |             |              |
| 94             | 13200GRDY/7620  | 480/240           | 1     | PAD CON      | I   | NO 25    | 4        | 13       | 0                | 28         | 17             | \$616       | \$3,264     | \$22,408     |
|                |                 |                   |       |              |     |          | 4        | 13       | 0                | 28         | 17             |             | \$3,264     | \$22,408     |
| BLOCK TOTAL    |                 |                   |       |              |     |          |          |          |                  |            |                |             |             |              |
| 95             | 34500GRDY/19920 | 480/240           | 1     | PAD CON      | I   | NO 25    | 4        | 0        | 0                | 2          | 4              | \$1,620     | \$6,480     | \$3,540      |
|                |                 |                   |       |              |     |          | 4        | 0        | 0                | 2          | 4              |             | \$6,480     | \$3,540      |
| BLOCK TOTAL    |                 |                   |       |              |     |          |          |          |                  |            |                |             |             |              |
| 99             | OTHER           |                   |       |              |     |          | 5        | 1        | 0                | 0          | 0              | \$00        | \$00        | \$00         |
|                |                 |                   |       |              |     | 10       | 0        | 0        | 0                | 0          | 0              | \$186       | \$00        | \$00         |
|                |                 |                   |       |              |     | 15       | 0        | 0        | 0                | 0          | 2              | \$335       | \$00        | \$00         |
|                |                 |                   |       |              |     | 25       | 3        | 0        | 0                | 0          | 0              | \$941       | \$2,823     | \$00         |
|                |                 |                   |       |              |     | 37       | 1        | 0        | 0                | 0          | 0              | \$00        | \$00        | \$00         |
|                |                 |                   |       |              |     | 50       | 1        | 0        | 0                | 0          | 0              | \$950       | \$950       | \$00         |
|                |                 |                   |       |              |     | 75       | 0        | 0        | 0                | 4          | 1              | \$966       | \$3,864     | \$3,864      |
|                |                 |                   |       |              |     | 100      | 0        | 0        | 0                | 0          | 3              | \$1,115     | \$3,345     | \$3,345      |
|                |                 |                   |       |              |     | 150      | 0        | 0        | 0                | 0          | 0              | \$1,481     | \$00        | \$00         |
|                |                 |                   |       |              |     | 167      | 4        | 0        | 0                | 0          | 0              | \$941       | \$3,764     | \$3,764      |
|                |                 |                   |       |              |     | 225      | 0        | 0        | 0                | 0          | 1              | \$1,200     | \$1,200     | \$1,200      |
|                |                 |                   |       |              |     | 250      | 0        | 0        | 0                | 0          | 0              | \$1,508     | \$00        | \$00         |
|                |                 |                   |       |              |     | 300      | 7        | 0        | 0                | 0          | 0              | \$5,931     | \$41,517    | \$41,517     |
|                |                 |                   |       |              |     | 333      | 0        | 0        | 0                | 0          | 0              | \$1,503     | \$00        | \$00         |
|                |                 |                   |       |              |     | 500      | 20       | 0        | 0                | 0          | 0              | \$1,749     | \$34,980    | \$34,980     |
|                |                 |                   |       |              |     | 750      | 17       | 0        | 0                | 0          | 1              | \$7,224     | \$122,808   | \$122,808    |
|                |                 |                   |       |              |     | 833      | 1        | 0        | 0                | 0          | 0              | \$4,578     | \$4,578     | \$4,578      |
|                |                 |                   |       |              |     | 1000     | 13       | 0        | 0                | 0          | 1              | \$4,618     | \$60,034    | \$60,034     |
|                |                 |                   |       |              |     | 1500     | 8        | 0        | 0                | 0          | 0              | \$17,276    | \$138,208   | \$138,208    |
|                |                 |                   |       |              |     | 2000     | 3        | 0        | 0                | 0          | 0              | \$26,650    | \$79,950    | \$79,950     |
|                |                 |                   |       |              |     | 2500     | 2        | 0        | 0                | 0          | 0              | \$8,217     | \$16,434    | \$16,434     |
|                |                 |                   |       |              |     |          | 81       | 0        | 0                | 4          | 9              |             | \$506,046   | \$3,864      |
| BLOCK TOTAL    |                 |                   |       |              |     |          |          |          |                  |            |                |             |             |              |
| AREA TOTAL     |                 |                   |       |              |     |          |          |          |                  |            |                |             |             |              |
| DIVISION TOTAL |                 |                   |       |              |     |          |          |          |                  |            |                |             |             |              |
| COMPANY TOTAL  |                 |                   |       |              |     |          |          |          |                  |            |                |             |             |              |
| TOTAL AHT      |                 |                   |       |              |     |          |          |          |                  |            |                |             |             |              |
|                |                 |                   |       |              |     |          |          |          |                  |            |                | \$4,844,750 | \$9,576,276 |              |

451

Q-8

Q-10

AEP LINE TRANSFORMER IN RESERVE BALANCE ... JRT  
 CO - - - - - QUANTITY - - - - - 12 MO  
 NO ON-ORD ON-HAND REPAIR AMU USE MSOH UNIT PRICE \$ VALUE

3RD THURS. OF DECEMBER 1997 PAGE 103

| M&E NUMBER                          | CLASS | ITEMS | NO ON-ORD | ON-HAND | REPAIR | AMU | USE | MSOH UNIT PRICE \$ | VALUE |
|-------------------------------------|-------|-------|-----------|---------|--------|-----|-----|--------------------|-------|
| <b>KINGSFORT POWER TOTAL</b>        |       |       |           |         |        |     |     |                    |       |
| 91                                  | 77    | 35    | 199       | 32      | 624    |     |     | \$197,993          | \$0   |
| 92                                  | 0     | 0     | 0         | 0       | 0      |     |     | \$38,403           | \$0   |
| 93                                  | 24    | 4     | 32        | 4       | 50     |     |     | \$59,727           | \$0   |
| 94                                  | 24    | 2     | 9         | 2       | 12     |     |     | \$4,089,572        | \$0   |
| <b>APPALACHIAN POWER TOTAL</b>      |       |       |           |         |        |     |     |                    |       |
| 91                                  | 377   | 532   | 5340      | 344     | 16048  |     |     | \$227,720          | \$0   |
| 92                                  | 23    | 0     | 13        | 0       | 3      |     |     | \$838,115          | \$0   |
| 93                                  | 66    | 100   | 700       | 7       | 1370   |     |     | \$1,314,848        | \$0   |
| 94                                  | 135   | 27    | 186       | 9       | 163    |     |     | \$702,000          | \$0   |
| <b>KENTUCKY POWER TOTAL</b>         |       |       |           |         |        |     |     |                    |       |
| 91                                  | 123   | 98    | 839       | 1       | 4244   |     |     | \$5,100            | \$0   |
| 92                                  | 3     | 0     | 2         | 0       | 0      |     |     | \$36,715           | \$0   |
| 93                                  | 25    | 2     | 35        | 0       | 22     |     |     | \$128,832          | \$0   |
| 94                                  | 41    | 3     | 22        | 2       | 15     |     |     | \$1,239,646        | \$0   |
| <b>INDIANA HICHIGAN POWER TOTAL</b> |       |       |           |         |        |     |     |                    |       |
| 91                                  | 246   | 220   | 1679      | 101     | 7273   |     |     | \$413,477          | \$0   |
| 92                                  | 34    | 0     | 22        | 2       | 13     |     |     | \$193,642          | \$0   |
| 93                                  | 65    | 81    | 194       | 8       | 1340   |     |     | \$563,186          | \$0   |
| 94                                  | 86    | 30    | 99        | 2-      | 378    |     |     | \$76,460           | \$0   |
| <b>WHEELING POWER TOTAL</b>         |       |       |           |         |        |     |     |                    |       |
| 91                                  | 84    | 0     | 102       | 10      | 335    |     |     | \$25,000           | \$0   |
| 92                                  | 1     | 0     | 2         | 0       | 0      |     |     | \$13,090           | \$0   |
| 93                                  | 14    | 0     | 11        | 1       | 36     |     |     | \$26,852           | \$0   |
| 94                                  | 24    | 0     | 2         | 1       | 6      |     |     | \$2,809,585        | \$0   |
| <b>OHIO POWER TOTAL</b>             |       |       |           |         |        |     |     |                    |       |
| 91                                  | 307   | 283   | 3925      | 113     | 10638  |     |     | \$28,160           | \$0   |
| 92                                  | 2     | 0     | 2         | 0       | 0      |     |     | \$448,917          | \$0   |
| 93                                  | 62    | 104   | 436       | 1       | 1432   |     |     | \$1,139,235        | \$0   |
| 94                                  | 124   | 32    | 186       | 14      | 406    |     |     | \$14,616,275       | \$0   |
| <b>SYSTEM TOTAL</b>                 |       |       |           |         |        |     |     |                    |       |
| NO OF M&E ITEMS                     | 973   | 1553  | 14037     | 650     | 44408  |     |     |                    |       |

+ 4,544,750  
 7,161,025  
 Q-10  
 Q-3

| COMPANY NUMBER | QTY   | VALUE       |
|----------------|-------|-------------|
| 01             | 41    | \$33,992    |
| 02             | 659   | \$539,041   |
| 03             | 183   | \$74,356    |
| 04             | 331   | \$388,713   |
| 06             | 0     | \$0         |
| 07             | 419   | \$435,170   |
| AEP            | 1,553 | \$1,471,272 |

Q-11

Contract Services

**AEP/CSW**

**Synergies Refinement**

**SYNERGIES SUMMARY**

**Savings Area: Contract Services**

**AEP Position:**

Total 1997 contract services costs were \$210.6 million. This includes recurring costs and labor for vegetation control, maintenance, engineering and other services. Nuclear and IT costs are excluded.

**CSW Position:**

Total 1997 contract services costs were \$127.1 million. This includes costs for vegetation control, maintenance, engineering and other services; IT contract services were excluded from this analysis since they are counted in the IT analysis.

**Rationale for Savings:**

The combined company will consolidate and reduce contract services activities through economies of scale and associated increased purchasing power.

**Ten Year Savings (\$000):**

- O&M Savings \$ 43,612 R-2
- Capital Savings \$ 20,282 R-2
- Revenue Requirements Savings \$ 16,761 R-2
- Total Savings \$ 60,373

**Basis for Calculation:**

Savings for each of the categories (vegetation control, maintenance, engineering, inspection) were calculated using percentages ranging from 1-5%, based on estimated purchasing power with national vendors in these categories. Savings in Transmission and Distribution will result only from consolidation of tree trimming vendors, since most other vendors are local or regional in nature.

**Key Assumptions:**

- Purchasing economies result from increased size of the combined company (e.g. maintenance).
- Services are obtained on an ongoing basis at the current level.

R-1

Contract Services

1999 Total Savings (\$000) *R-3*  
\$5,017  
1999 Capital Savings (\$000)  
\$1,593

Percentage of Savings Capitalized  
Revenue Req. Rate 32%  
17.52%  
Inflation Rate 5.0%

Partial Year Savings  
Partial Year Revenue Req. Rate 75%  
17.52%  
17.28%  
16.74%  
15.98%  
15.40%  
14.84%  
14.31%  
13.80%  
13.29%  
12.79%  
12.29%

Annual Savings

|                       | 1999    | 2000    | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | Total    |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| Annual Savings Amount | \$3,763 | \$5,268 | \$5,531 | \$5,808 | \$6,098 | \$6,403 | \$6,724 | \$7,060 | \$7,413 | \$7,783 | \$2,043 | \$63,894 |
| O&M Savings           | \$2,568 | \$3,596 | \$3,776 | \$3,964 | \$4,163 | \$4,371 | \$4,589 | \$4,819 | \$5,060 | \$5,313 | \$1,395 | \$43,612 |

*R-1*

Capital Savings

|                 | 1999    | 2000    | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009  | Total    |
|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|----------|
| Capital Savings | \$1,194 | \$1,672 | \$1,756 | \$1,844 | \$1,936 | \$2,033 | \$2,134 | \$2,241 | \$2,353 | \$2,471 | \$649 | \$20,282 |

*R-1*

Cumulative Capital Savings

|  |         |         |         |         |         |          |          |          |          |          |          |
|--|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|
|  | \$1,194 | \$2,867 | \$4,623 | \$6,467 | \$8,402 | \$10,435 | \$12,569 | \$14,810 | \$17,163 | \$19,633 | \$19,088 |
|--|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|

Revenue Req. Savings

|     |     |     |     |     |     |     |     |     |     |     |     |       |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| 209 | 293 | 206 | 308 | 323 | 339 | 356 | 374 | 393 | 412 | 433 | 114 | 3,553 |
|     |     |     | 289 | 303 | 319 | 335 | 351 | 369 | 387 | 407 | 107 | 3,072 |
|     |     |     | 200 | 280 | 294 | 309 | 324 | 340 | 357 | 375 | 98  | 2,577 |
|     |     |     |     | 193 | 270 | 283 | 297 | 312 | 328 | 344 | 90  | 2,118 |
|     |     |     |     |     | 186 | 260 | 273 | 287 | 301 | 316 | 83  | 1,705 |
|     |     |     |     |     |     | 179 | 251 | 263 | 276 | 290 | 76  | 1,335 |
|     |     |     |     |     |     |     | 173 | 242 | 254 | 266 | 70  | 1,004 |
|     |     |     |     |     |     |     |     | 166 | 233 | 245 | 64  | 708   |
|     |     |     |     |     |     |     |     |     | 160 | 224 | 59  | 444   |
|     |     |     |     |     |     |     |     |     |     | 154 | 54  | 208   |
|     |     |     |     |     |     |     |     |     |     |     | 37  | 37    |

*R-1*

Total Revenue Req. Savings

|     |     |     |       |       |       |       |       |       |       |       |     |        |
|-----|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|-----|--------|
| 209 | 499 | 796 | 1,099 | 1,407 | 1,721 | 2,042 | 2,371 | 2,708 | 3,054 | 3,416 | 852 | 16,761 |
|-----|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|-----|--------|

Total O&M and Fixed Charge Savings

|         |         |         |         |         |         |         |         |         |         |         |         |          |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| \$2,778 | \$4,095 | \$4,572 | \$5,063 | \$5,570 | \$6,092 | \$6,632 | \$7,190 | \$7,768 | \$8,367 | \$8,987 | \$2,247 | \$60,373 |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|

*R-1*

*R-2*

| 5.0 NON-LABOR (UTILITY CONTRACTORS) |                        | COMBINED COSTS   |                  |                  | SAVINGS    |           |           |           |
|-------------------------------------|------------------------|------------------|------------------|------------------|------------|-----------|-----------|-----------|
| Category                            | Sub-Category           | 1997             | Capital          | O&M              | Percentage | Amount    | Capital   | O&M       |
| 5.17                                | Transmission           |                  |                  |                  | (1)        |           |           |           |
|                                     | Engineering/survey     | 1,020,301        | 1,014,179        | 6,122            | 0.0%       | -         | -         | -         |
|                                     | Maintenance            | 26,079,681       | 24,100,234       | 1,979,448        | 0.0%       | -         | -         | -         |
|                                     | Vegetation             | 5,829,332        | 504,820          | 5,324,512        | 2.0%       | 116,587   | 10,096    | 106,490   |
|                                     | Inspection             | 423,863          | 251,605          | 172,258          | 0.0%       | -         | -         | -         |
|                                     | Other                  | 4,548,068        | 3,740,786        | 807,282          | 0.0%       | -         | -         | -         |
|                                     | Total                  | 37,901,245       | 29,611,624       | 8,289,621        |            | 116,587   | 10,096    | 106,490   |
| 5.17                                | Distribution           |                  |                  |                  |            |           |           |           |
|                                     | Engineering/survey     | 438,672          | 342,866          | 95,806           | 0.0%       | -         | -         | -         |
|                                     | Maintenance            | 54,511,068       | 42,687,617       | 11,823,451       | 0.0%       | -         | -         | -         |
|                                     | Vegetation             | 23,066,586       | 3,674,507        | 19,392,079       | 2.0%       | 461,332   | 73,490    | 387,842   |
|                                     | Inspection             | 793,833          | 365,163          | 428,670          | 0.0%       | -         | -         | -         |
|                                     | Other                  | 6,843,210        | 3,147,877        | 3,695,333        | 0.0%       | -         | -         | -         |
|                                     | Total                  | 85,653,369       | 50,218,030       | 35,435,339       |            | 461,332   | 73,490    | 387,842   |
| 5.17                                | Generation             |                  |                  |                  |            |           |           |           |
|                                     | Engineering/Consulting | 1,032,819        | 361,486          | 671,332          | 5.0%       | 51,641    | 18,074    | 33,567    |
|                                     | Maintenance            | 88,822,394       | 31,087,838       | 57,734,556       | 3.0%       | 2,664,672 | 932,635   | 1,732,037 |
|                                     | Operations             | 9,295,367        | 3,253,378        | 6,041,988        | 3.0%       | 278,861   | 97,601    | 181,260   |
|                                     | Inspection             | 4,131,274        | 1,445,946        | 2,685,328        | 2.0%       | 82,625    | 28,919    | 53,707    |
|                                     | Other                  |                  |                  |                  | 2.0%       | -         | -         | -         |
|                                     | Total                  | 103,281,854      | 36,148,649       | 67,133,205       |            | 3,077,799 | 1,077,230 | 2,000,570 |
| 5.2                                 | Other                  |                  |                  |                  |            |           |           |           |
|                                     | Other                  | 127,949,969      | 40,943,990       | 87,005,979       | 4.0%       | 1,073,462 | 1,637,760 | (564,297) |
|                                     | Total                  | 127,949,969      | 40,943,990       | 87,005,979       | 4.0%       | 1,073,462 | 1,637,760 | (564,297) |
| Totals - 1997                       |                        | 354,786,436      | 156,922,293      | 197,864,144      |            | 4,729,180 | 2,798,576 | 1,930,604 |
| Escalation                          | 3%                     |                  |                  |                  |            |           |           |           |
| <b>Total Savings - 1999</b>         |                        | <b>5,017,187</b> | <b>2,969,009</b> | <b>2,048,178</b> |            |           |           |           |

Notes  
(1) Other Contract Services savings calculated as 4% of CSW totals due to scale differences.

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Privileged and Confidential - For Internal Use Only

AEP/CSW

5.0 NON-LABOR (UTILITY CONTRACTORS)

| Category                 | AEP (1)     |        |            | CSW         |        |            | Combined    |             |             |
|--------------------------|-------------|--------|------------|-------------|--------|------------|-------------|-------------|-------------|
|                          | 1997        | % Cap. | Capital    | 1997        | % Cap. | Capital    | 1997        | Capital     | O&M         |
| 5.17 Transmission        |             |        |            |             |        |            |             |             |             |
| Engineering/survey       | 490,827     | 99%    | 487,882    | 529,474     | 99%    | 526,297    | 1,020,301   | 1,014,179   | 6,122       |
| Maintenance              | 12,545,921  | 92%    | 11,593,685 | 13,533,761  | 92%    | 12,506,548 | 26,079,681  | 24,100,234  | 1,979,448   |
| Vegetation               | 2,804,265   | 9%     | 242,849    | 3,025,067   | 9%     | 2,763,096  | 5,829,332   | 504,820     | 5,324,512   |
| Inspection               | 203,904     | 59%    | 121,037    | 219,959     | 59%    | 130,568    | 423,863     | 251,605     | 172,258     |
| Other                    | 2,187,899   | 82%    | 1,799,547  | 2,360,169   | 82%    | 1,941,239  | 4,548,068   | 3,740,786   | 807,282     |
| Total                    | 18,232,815  | 81%    | 14,245,001 | 19,668,430  | 78%    | 15,366,623 | 37,901,245  | 29,611,624  | 8,289,621   |
| 5.17 Distribution        |             |        |            |             |        |            |             |             |             |
| Engineering/survey       | 181,317     | 78%    | 141,718    | 257,355     | 78%    | 201,148    | 438,672     | 342,866     | 95,806      |
| Maintenance              | 22,531,179  | 76%    | 17,644,166 | 31,979,888  | 76%    | 25,043,451 | 54,511,068  | 42,687,617  | 11,823,451  |
| Vegetation               | 9,534,163   | 16%    | 1,518,792  | 13,532,424  | 16%    | 2,155,715  | 23,066,586  | 3,674,507   | 19,392,079  |
| Inspection               | 328,117     | 46%    | 150,934    | 465,717     | 46%    | 214,230    | 793,833     | 365,163     | 428,670     |
| Other                    | 2,828,519   | 46%    | 1,301,119  | 4,014,691   | 46%    | 1,846,758  | 6,843,210   | 3,147,877   | 3,695,333   |
| Total                    | 35,403,295  | 59%    | 20,756,729 | 50,250,074  | 59%    | 29,461,302 | 85,653,369  | 50,218,030  | 35,435,339  |
| 5.17 Generation          |             |        |            |             |        |            |             |             |             |
| Engineering / Consulting | 729,249     | 35%    | 255,237    | 303,570     | 35%    | 106,250    | 1,032,819   | 361,486     | 671,332     |
| Maintenance              | 62,715,374  | 35%    | 21,950,381 | 26,107,020  | 35%    | 9,137,457  | 88,822,394  | 31,087,838  | 57,734,556  |
| Operations               | 6,563,237   | 35%    | 2,297,133  | 2,732,130   | 35%    | 956,246    | 9,295,367   | 3,253,378   | 6,041,989   |
| Inspection               | 2,916,994   | 35%    | 1,020,948  | 1,214,280   | 35%    | 424,988    | 4,131,274   | 1,445,946   | 2,685,328   |
| Other                    | 72,924,854  | 35%    | 25,523,699 | 30,357,000  | 35%    | 10,624,950 | 103,281,854 | 36,148,649  | 67,133,205  |
| Total                    | 101,113,415 | 32%    | 32,356,293 | 26,836,554  | 32%    | 8,587,697  | 127,949,969 | 40,943,990  | 87,005,979  |
| Other                    | 101,113,415 | 32%    | 32,356,293 | 26,836,554  | 32%    | 8,587,697  | 127,949,969 | 40,943,990  | 87,005,979  |
| Total                    | 227,674,379 | 40.8%  | 92,861,721 | 127,112,057 | 50.4%  | 64,040,572 | 354,786,436 | 151,922,293 | 197,864,144 |

Notes

(1) Distribution within AEP categories estimated by applying CSW percentages to totals per category.



AE/PCS

5.0 NON-LABOR (UTILITY CONTRACTORS)

| Category          | Sub-Category                  | 1996         | 1997         | % Cap. | Capital    | O&M        |
|-------------------|-------------------------------|--------------|--------------|--------|------------|------------|
| 5.17 Transmission | Engineering                   | \$709,914    | 529,474      | 99%    | 526,297    | 3,177      |
|                   | Maintenance/Construction      | \$15,081,700 | 13,533,761   | 92%    | 12,506,548 | 1,027,212  |
|                   | Vegetation                    | \$2,776,751  | 3,025,067    | 9%     | 261,971    | 2,763,096  |
|                   | Inspection                    | \$175,814    | 219,959      | 59%    | 130,568    | 89,391     |
|                   | Other (ROW, excavate, etc.)   | \$2,838,094  | 2,360,169    | 82%    | 1,941,239  | 418,930    |
|                   | Total                         | \$21,582,273 | 19,668,430   |        | 15,366,623 | 4,301,807  |
| 5.17 Distribution | Engineering                   | \$122,922    | 257,355      | 78%    | 201,148    | 56,206     |
|                   | Maintenance/Construction      | \$27,564,878 | 31,979,888   | 78%    | 25,043,451 | 6,936,438  |
|                   | Vegetation                    | \$14,496,856 | 13,532,424   | 16%    | 2,155,715  | 11,376,709 |
|                   | Inspection                    | \$339,300    | 465,717      | 46%    | 214,230    | 251,487    |
|                   | Other (ROW, excavate, etc.)   | \$5,748,638  | 4,014,691    | 46%    | 1,846,758  | 2,167,933  |
|                   | Total                         | \$48,272,594 | 50,250,074   |        | 29,461,302 | 20,788,773 |
| 5.17 Generation   | Engineering / Consulting      | \$276,290    | 303,570      | 35%    | 106,250    | 197,321    |
|                   | Maintenance                   | \$23,484,650 | 26,107,020   | 35%    | 9,137,457  | 16,969,563 |
|                   | Operations                    | \$2,762,900  | 2,732,130    | 35%    | 956,246    | 1,775,885  |
|                   | Inspection                    | \$1,105,160  | 1,214,280    | 35%    | 424,998    | 789,282    |
|                   | Other                         |              |              | 35%    |            |            |
|                   | Total                         | \$27,629,000 | 30,357,000   |        | 10,624,950 | 19,732,050 |
| 5.2 Other         | Other                         | \$39,579,058 | 38,328,314   | 32%    | 12,265,060 | 26,063,253 |
|                   | Less: IT, Telecom Contractors |              | (11,491,760) |        |            |            |
|                   | Total                         | \$39,579,058 | 26,836,554   |        | 12,265,060 | 14,571,493 |
|                   | Total                         |              | 127,112,057  |        | 67,717,935 | 59,394,123 |
|                   |                               |              |              |        | 53.3%      | 46.7%      |

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Contract Labor and Professional Services

| Cost Component             | Group Incurring Charge        | Vendor                         | Total      | Engineering | Consulting/IT Consulting | FAA    | Other | Nuclear   | Audit | InterCo/Not Included | Contract Services | Legal |
|----------------------------|-------------------------------|--------------------------------|------------|-------------|--------------------------|--------|-------|-----------|-------|----------------------|-------------------|-------|
| 210 Contract Labor General | Trans & Generation            | Phis. Floyd                    | 6,310,864  |             |                          |        |       |           |       |                      | 6,310,864         |       |
|                            | Company Unallocated           | Bouigny, R H Inc               | 4,524,702  |             |                          |        |       |           |       |                      | 4,524,702         |       |
|                            | Distribution                  | Darbert Contractors            | 726,814    |             |                          |        |       |           |       |                      | 726,814           |       |
|                            | (Not Contract or Prof. Svcs.) | Cirus & Chemical Bank          | 7,096,868  |             |                          |        |       |           |       | 7,096,868            |                   |       |
|                            | (Not Contract or Prof. Svcs.) | Intercity Rail                 | 810,481    |             |                          |        |       |           |       | 810,481              |                   |       |
|                            | 130 TEG Enterprises           |                                | 513,179    |             |                          |        |       |           |       |                      | 513,179           |       |
|                            | Nuclear                       | Underwater Const               | 307,438    |             |                          |        |       | 307,438   |       |                      |                   |       |
|                            |                               | 0 PHC Engineering              | 353,718    | 353,718     |                          |        |       |           |       |                      |                   |       |
|                            | Distribution                  | Henry, Robert Co               | 482,768    |             |                          |        |       |           |       |                      | 482,768           |       |
|                            | Distribution                  | Dobson Lindholm                | 308,507    |             |                          |        |       |           |       |                      | 308,507           |       |
|                            | Company Unallocated           | New River Electrical           | 5,381,320  |             |                          |        |       |           |       |                      | 5,381,320         |       |
|                            | Distribution                  | Unis Corp                      | 208,290    |             |                          |        |       |           |       |                      | 208,290           |       |
|                            | Finance                       | DeWette & Touche               | 34,000     |             |                          | 34,000 |       |           |       |                      |                   |       |
|                            | Generation                    | Westinghouse Electric          | 900,000    |             |                          |        |       |           |       |                      | 900,000           |       |
|                            | Energy Delivery Support       | Fisher                         | 594,353    |             |                          |        |       |           |       |                      | 594,353           |       |
|                            | Generation                    | Gunne Construction             | 190,000    |             |                          |        |       |           |       |                      | 190,000           |       |
|                            | Distribution                  | Harris & Heavener              | 209,332    |             |                          |        |       |           |       |                      | 209,332           |       |
|                            | Distribution                  | Electrical Construction        | 1,001,444  |             |                          |        |       |           |       |                      | 1,001,444         |       |
|                            | Draw & Buy Svc                | Stachnour's Inc                | 315,986    |             |                          |        |       |           |       |                      | 315,986           |       |
|                            | Transmission                  | Elec Dave H                    | 3,265,295  |             |                          |        |       |           |       |                      | 3,265,295         |       |
|                            | Company Unallocated           | unidentified                   | 21,138,082 |             |                          |        |       |           |       |                      | 21,138,082        |       |
|                            | Transmission                  | New River Electric             | 1,530,221  |             |                          |        |       |           |       |                      | 1,530,221         |       |
|                            |                               | Less Share of Anova            |            |             |                          |        |       |           |       |                      |                   |       |
|                            |                               | Less Share of Sporn            |            |             |                          |        |       |           |       |                      |                   |       |
|                            |                               | Less Share of Cardinal         |            |             |                          |        |       |           |       |                      |                   |       |
|                            |                               | Less Share of Rockport         |            |             |                          |        |       |           |       |                      |                   |       |
|                            |                               | At other, incl. Share of P/pts | (38,772)   |             |                          |        |       |           |       |                      | -38,772           |       |
|                            |                               |                                | 62,488,278 |             |                          |        |       |           |       |                      | 62,488,278        |       |
| 210 Total Contract Lbr Gen |                               |                                |            |             |                          |        |       |           |       |                      |                   |       |
| 211 Routine Maintenance    | Generation                    | JTM Industries I               | 463,778    |             |                          |        |       |           |       |                      | 463,778           |       |
|                            | Fossil                        | Cardinal Plant Costs           | 361,093    |             |                          |        |       |           |       |                      | 361,093           |       |
|                            | Fossil                        | Sporn Plant Costs              | 344,555    |             |                          |        |       |           |       |                      | 344,555           |       |
|                            | Fossil                        | Anova Plant Costs              | 59,877     |             |                          |        |       |           |       |                      | 59,877            |       |
|                            | Fossil                        | Cheems, Barbara                | 269,479    |             |                          |        |       |           |       |                      | 269,479           |       |
|                            | Fossil                        | Balcock & Wilcox               | 254,716    |             |                          |        |       |           |       |                      | 254,716           |       |
|                            | Fossil                        | Unidentified                   | 872,221    |             |                          |        |       |           |       |                      | 872,221           |       |
|                            | Generation                    | Less going to C/D purchases    | (85,771)   |             |                          |        |       |           |       |                      | -85,771           |       |
|                            |                               | Less Share of Anova            |            |             |                          |        |       |           |       |                      |                   |       |
|                            |                               | Less Share of Sporn            |            |             |                          |        |       |           |       |                      |                   |       |
|                            |                               | Less Share of Cardinal         |            |             |                          |        |       |           |       |                      |                   |       |
|                            |                               | Less Share of Rockport         |            |             |                          |        |       |           |       |                      |                   |       |
|                            |                               | At other, incl. Share of P/pts | (292,590)  |             |                          |        |       |           |       |                      | -292,590          |       |
|                            |                               |                                | 5,678,141  |             |                          |        |       |           |       |                      | 5,678,141         |       |
|                            |                               |                                | 7,925,499  |             |                          |        |       |           |       |                      | 7,925,499         |       |
| 211 Total Routine Maint    |                               |                                |            |             |                          |        |       |           |       |                      |                   |       |
| 212 Contract Maintenance   | Fossil                        | Unidentified                   | 8,166,198  |             |                          |        |       |           |       |                      | 8,166,198         |       |
|                            | Fossil                        | Balcock & Wilcox               | 260,422    |             |                          |        |       |           |       |                      | 260,422           |       |
|                            | Generation                    | ABB C E Services Inc           | 5,326,326  |             |                          |        |       |           |       |                      | 5,326,326         |       |
|                            | Nuclear                       | Underwater Const               | 4,105,049  |             |                          |        |       | 274,005   |       |                      | 4,105,049         |       |
|                            | Nuclear                       | Cirus & Chemical               | 8,144,178  |             |                          |        |       | 8,144,178 |       |                      |                   |       |
|                            | Nuclear                       | Unpaid Liability               | 4,785,485  |             |                          |        |       | 4,785,485 |       |                      |                   |       |
|                            | Fossil                        | Anova Plant Costs              | 301,614    |             |                          |        |       |           |       |                      | 301,614           |       |
|                            | Fossil                        | Cardinal Plant Costs           | 321,789    |             |                          |        |       |           |       |                      | 321,789           |       |
|                            | Fossil                        | Sporn Plant Costs              | 2,115,788  |             |                          |        |       |           |       |                      | 2,115,788         |       |
|                            | Fossil                        | Enerlab Corp                   | 293,090    |             |                          |        |       |           |       |                      | 293,090           |       |
|                            | Generation                    | Unswest Inc                    | 1,001,574  |             |                          |        |       |           |       |                      | 1,001,574         |       |
|                            | Fossil                        | Williams Leggett               |            |             |                          |        |       |           |       |                      |                   |       |

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Contract Labor and Professional Services

| Cost Component                    | Group Incurring Charge | Vendor                         | Total                                  | Engineering | Consulting/IT Consulting | F&A | Other | Nuclear   | Audit | Not Included | InterCry | Contract Services        | Legal |
|-----------------------------------|------------------------|--------------------------------|----------------------------------------|-------------|--------------------------|-----|-------|-----------|-------|--------------|----------|--------------------------|-------|
| 212 Total Contract Maint.         |                        |                                | (1,564,673)<br>3,357,447<br>44,914,897 |             |                          |     |       |           |       |              |          | (1,564,673)<br>3,357,447 |       |
| 213 Other Contract Labor - Plants | Company Unsubscribed   |                                | 7,750,222                              |             |                          |     |       |           |       |              |          | 7,750,222                |       |
|                                   | Fossil                 | Underfired                     | 505,987                                |             |                          |     |       |           |       |              |          | 505,987                  |       |
|                                   | Fossil                 | Alvesta Emerson                | 904,128                                |             |                          |     |       |           |       |              |          | 904,128                  |       |
|                                   | Fossil                 | Aluma Systems USA              | 630,436                                |             |                          |     |       |           |       |              |          | 630,436                  |       |
|                                   | Fossil                 | Altra Scalf                    | 525,512                                |             |                          |     |       |           |       |              |          | 525,512                  |       |
|                                   | Fossil                 | M P W Industrial SE            | 1,809,329                              |             |                          |     |       |           |       |              |          | 1,809,329                |       |
|                                   | Fossil                 | MIS Eng Gen ACG Da             | 330,256                                |             |                          |     |       |           |       |              |          | 330,256                  |       |
|                                   | Fossil                 | Power Maintenance Inc          | 1,670,982                              |             |                          |     |       |           |       |              |          | 1,670,982                |       |
|                                   | Fossil                 | Universal Inc                  | 873,045                                |             |                          |     |       |           |       |              |          | 873,045                  |       |
|                                   | Fossil                 | DB Riley                       | 611,660                                |             |                          |     |       |           |       |              |          | 611,660                  |       |
|                                   | Fossil                 | Robinson Fans SE               | 204,850                                |             |                          |     |       |           |       |              |          | 204,850                  |       |
|                                   | Fossil                 | Stone, Alan Co                 | 254,846                                |             |                          |     |       |           |       |              |          | 254,846                  |       |
|                                   | Fossil                 | Sherway Steel Sps              | 515,391                                |             |                          |     |       |           |       |              |          | 515,391                  |       |
|                                   | Fossil                 | Cardinal PR Costs              | 812,383                                |             |                          |     |       |           |       |              |          | 812,383                  |       |
|                                   | Fossil                 | Hamilton, Geo                  | 737,450                                |             |                          |     |       |           |       |              |          | 737,450                  |       |
|                                   | Fossil                 | Power Maintenance Inc          | 818,085                                |             |                          |     |       |           |       |              |          | 818,085                  |       |
|                                   | Fossil                 | A C & S Inc                    | 186,588                                |             |                          |     |       |           |       |              |          | 186,588                  |       |
|                                   | Fossil                 | Hydrochem In                   | 607,001                                |             |                          |     |       |           |       |              |          | 607,001                  |       |
|                                   | Fossil                 | Sporn Plant Costs              | 222,861                                |             |                          |     |       |           |       |              |          | 222,861                  |       |
|                                   | Fossil                 | Walsworth Co                   | 245,782                                |             |                          |     |       |           |       |              |          | 245,782                  |       |
|                                   | Fossil                 | Walker, Cecil                  | 353,285                                |             |                          |     |       |           |       |              |          | 353,285                  |       |
|                                   | Fossil                 | Industrial S                   | 511,979                                |             |                          |     |       |           |       |              |          | 511,979                  |       |
|                                   | Fossil                 | Master Machine                 | 492,792                                |             |                          |     |       |           |       |              |          | 492,792                  |       |
|                                   | Fossil                 | Williams Nitro                 | 388,746                                |             |                          |     |       |           |       |              |          | 388,746                  |       |
|                                   | Nuclear                | 3 Miley Cooling                | 672,788                                |             |                          |     |       | 672,788   |       |              |          |                          |       |
|                                   | Nuclear                | Lubery Technical               | 887,178                                |             |                          |     |       | 887,178   |       |              |          |                          |       |
|                                   | Nuclear                | General Electric               | 380,890                                |             |                          |     |       |           |       |              |          | 380,890                  |       |
|                                   | Nuclear                | Williams Leyge                 | 7,866,645                              |             |                          |     |       | 7,866,645 |       |              |          |                          |       |
|                                   | Nuclear                | Fransions Inc/Ino              | 712,914                                |             |                          |     |       | 712,914   |       |              |          |                          |       |
|                                   | Nuclear                | Bechtel Power Co               | 3,874,412                              |             |                          |     |       | 3,874,412 |       |              |          |                          |       |
|                                   | Nuclear                | Unipol Lobby                   | 407,450                                |             |                          |     |       |           |       |              |          | 407,450                  |       |
|                                   | Fossil                 | Flex Univ Maint BS Pl          | 357,891                                |             |                          |     |       |           |       |              |          | 357,891                  |       |
|                                   | Fossil                 | Suzer Electric                 | 433,789                                |             |                          |     |       |           |       |              |          | 433,789                  |       |
|                                   | Fossil                 | Lubough Inc                    | 480,451                                |             |                          |     |       |           |       |              |          | 480,451                  |       |
|                                   | Fossil                 | Blown Electric                 | 766,979                                |             |                          |     |       |           |       |              |          | 766,979                  |       |
|                                   | Fossil                 | Pulse Insulation               | 1,643,572                              |             |                          |     |       |           |       |              |          | 1,643,572                |       |
|                                   | Fossil/Nuclear         | Global Power                   | 1,977,578                              |             |                          |     |       |           |       |              |          | 1,977,578                |       |
|                                   | Fossil                 | Washington Elect               | 523,097                                |             |                          |     |       |           |       |              |          | 523,097                  |       |
|                                   | Fossil                 | JTM Industries I               | 336,686                                |             |                          |     |       |           |       |              |          | 336,686                  |       |
|                                   | Fossil                 | Precision                      | (51,222)                               |             |                          |     |       |           |       |              |          | (51,222)                 |       |
|                                   |                        | Less Billing to CCD Partners   |                                        |             |                          |     |       |           |       |              |          |                          |       |
|                                   |                        | Less Share of Amos             |                                        |             |                          |     |       |           |       |              |          |                          |       |
|                                   |                        | Less Share of Sporn            |                                        |             |                          |     |       |           |       |              |          |                          |       |
|                                   |                        | Less Share of Cardinal         |                                        |             |                          |     |       |           |       |              |          |                          |       |
|                                   |                        | Less Share of Rockport         |                                        |             |                          |     |       |           |       |              |          |                          |       |
|                                   |                        | At other, incl Share of J pits | (945,294)<br>7,341,334                 |             |                          |     |       |           |       |              |          | (945,294)<br>7,341,334   |       |
| 213 Total Other - Pits            |                        |                                | 48,530,558                             |             |                          |     |       |           |       |              |          |                          |       |
| 214 Outside Shop Svcs - Pits      | Fossil                 | Amos Plant Costs               | 165,206                                |             |                          |     |       |           |       |              |          | 165,206                  |       |
|                                   | Fossil                 | Sporn Plant Costs              | 402,124                                |             |                          |     |       |           |       |              |          | 402,124                  |       |

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| Contract Labor and Professional Services | Cost Component            | Group Incurring Charge  | Vendor                                                                                                                                                                       | Total                              | Engineering | Consulting/IT/Consulting | F&A     | Other | Nuclear | Audit | Not Included | InterCo | Contract Services     | Legal |
|------------------------------------------|---------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------|--------------------------|---------|-------|---------|-------|--------------|---------|-----------------------|-------|
|                                          |                           | Nuclear, Fossil         | Washington<br>Less Being to CCD Partners<br>Less Share of Amos<br>Less Share of Sporn<br>Less Share of Cardinal<br>Less Share of Rockport<br>All other, incl. Share of J Jts | 464,522<br>(64,748)                |             |                          |         |       | 232,261 |       |              |         | 232,261<br>(64,748)   |       |
|                                          | 214 Total Out. Shop Svc   | Fossil                  |                                                                                                                                                                              | (47,225)<br>4,710,650<br>5,630,529 |             |                          |         |       |         |       |              |         | (47,225)<br>4,710,650 |       |
|                                          | 215 Cost: PR Maint        |                         | All others                                                                                                                                                                   | 27,468                             |             |                          |         |       |         |       |              |         | 27,468                |       |
|                                          | 216 Central Machine Shop  | Group incurring charge  | Vendor                                                                                                                                                                       | Total                              |             |                          |         |       |         |       |              |         |                       |       |
|                                          |                           | Fossil                  | Undersized                                                                                                                                                                   | 1,775,446                          |             |                          |         |       |         |       |              |         | 1,775,446             |       |
|                                          |                           | Fossil                  | Amos Plant Costs                                                                                                                                                             | 240,655                            |             |                          |         |       |         |       |              |         | 240,655               |       |
|                                          |                           | Fossil                  | Cardinal Plant Costs                                                                                                                                                         | 355,781                            |             |                          |         |       |         |       |              |         | 355,781               |       |
|                                          |                           | Fossil                  | Sporn Plant Costs                                                                                                                                                            | 439,614                            |             |                          |         |       |         |       |              |         | 439,614               |       |
|                                          |                           | Nuclear, Fossil         | Appalachian Power Co                                                                                                                                                         | 4,173,402                          |             |                          |         |       |         |       | 4,173,402    |         |                       |       |
|                                          |                           | Fossil                  | CMS Cleaning                                                                                                                                                                 | 2,078,279                          |             |                          |         |       |         |       |              |         | 2,078,279             |       |
|                                          |                           |                         | Less Being to CCD Partners                                                                                                                                                   | (9,284)                            |             |                          |         |       |         |       |              |         | (9,284)               |       |
|                                          |                           |                         | Less Share of Amos                                                                                                                                                           |                                    |             |                          |         |       |         |       |              |         |                       |       |
|                                          |                           |                         | Less Share of Sporn                                                                                                                                                          |                                    |             |                          |         |       |         |       |              |         |                       |       |
|                                          |                           |                         | Less Share of Cardinal                                                                                                                                                       |                                    |             |                          |         |       |         |       |              |         |                       |       |
|                                          |                           |                         | Less Share of Rockport                                                                                                                                                       | (256,254)                          |             |                          |         |       |         |       |              |         | (256,254)             |       |
|                                          |                           |                         | All other, incl. Share of J Jts                                                                                                                                              | 1,238,336                          |             |                          |         |       |         |       |              |         | 1,238,336             |       |
|                                          | 216 Total Central M. Shop |                         |                                                                                                                                                                              | 10,035,963                         |             |                          |         |       |         |       |              |         |                       |       |
|                                          | 220 7                     | Finance                 | Undersized                                                                                                                                                                   | 238,960                            |             |                          | 238,960 |       |         |       |              |         |                       |       |
|                                          |                           | Nuclear                 | Less Share of Rockport                                                                                                                                                       | (35,070)                           |             |                          |         |       |         |       |              |         |                       |       |
|                                          |                           |                         | Amortize Pier/J Jts                                                                                                                                                          | 209,298                            |             |                          |         |       | 209,298 |       |              |         |                       |       |
|                                          |                           |                         | All vendors before write                                                                                                                                                     | 946,577                            |             |                          |         |       | 946,577 |       |              |         |                       |       |
|                                          |                           |                         |                                                                                                                                                                              | 1,357,765                          |             |                          |         |       |         |       |              |         |                       |       |
|                                          | Total 7                   |                         |                                                                                                                                                                              |                                    |             |                          |         |       |         |       |              |         |                       |       |
|                                          | 220 8 High of Way Maint   | Dist. & Trans Fossil    | Nepon Tree Service                                                                                                                                                           | 17,878,754                         |             |                          |         |       |         |       |              |         | 17,878,754            |       |
|                                          |                           | Dist. & Trans Fossil    | Townsend Tree Svc                                                                                                                                                            | 1,208,141                          |             |                          |         |       |         |       |              |         | 1,208,141             |       |
|                                          |                           | Dist. & Trans Fossil    | Environmental Co                                                                                                                                                             | 355,991                            |             |                          |         |       |         |       |              |         | 355,991               |       |
|                                          |                           | Transmission            | Baird, F. A. IH                                                                                                                                                              | 975,579                            |             |                          |         |       |         |       |              |         | 975,579               |       |
|                                          |                           | Distribution            | Helicopter Maint ME                                                                                                                                                          | 517,649                            |             |                          |         |       |         |       |              |         | 517,649               |       |
|                                          |                           | Distribution & Blog Svc | Aspinth Tree                                                                                                                                                                 | 6,039,284                          |             |                          |         |       |         |       |              |         | 6,039,284             |       |
|                                          |                           |                         | Less Share of Amos                                                                                                                                                           |                                    |             |                          |         |       |         |       |              |         |                       |       |
|                                          |                           |                         | Less Share of Sporn                                                                                                                                                          |                                    |             |                          |         |       |         |       |              |         |                       |       |
|                                          |                           |                         | Less Share of Cardinal                                                                                                                                                       |                                    |             |                          |         |       |         |       |              |         |                       |       |
|                                          |                           |                         | Less Share of Rockport                                                                                                                                                       |                                    |             |                          |         |       |         |       |              |         |                       |       |
|                                          |                           |                         | All other, incl. Share of J Jts                                                                                                                                              | (7,478)                            |             |                          |         |       |         |       |              |         | (7,478)               |       |
|                                          | 220 Right of Way Maint.   | Fossil & Dual           |                                                                                                                                                                              | 683,021                            |             |                          |         |       |         |       |              |         | 683,021               |       |
|                                          |                           |                         |                                                                                                                                                                              | 27,836,940                         |             |                          |         |       |         |       |              |         |                       |       |
|                                          | 231 Tree & Brush          | Company Unallocated     | Undersized                                                                                                                                                                   | 3,657,514                          |             |                          |         |       |         |       |              |         | 3,657,514             |       |
|                                          |                           | Distribution            | Aerial Solutions                                                                                                                                                             | 300,929                            |             |                          |         |       |         |       |              |         | 300,929               |       |
|                                          |                           | Distribution            | Neilon Tree Service                                                                                                                                                          | 134,368                            |             |                          |         |       |         |       |              |         | 134,368               |       |
|                                          |                           | Data & Gen              | Baird, F. A                                                                                                                                                                  | 2,410,293                          |             |                          |         |       |         |       |              |         | 2,410,293             |       |
|                                          |                           | Blog Svc, Trans, Foss   | Aspinth Tree                                                                                                                                                                 | 6,042,929                          |             |                          |         |       |         |       |              |         | 6,042,929             |       |
|                                          |                           | Gen, Blog Svc           | Trees, Inc                                                                                                                                                                   | 2,822,934                          |             |                          |         |       |         |       |              |         | 2,822,934             |       |
|                                          |                           |                         | Less Share of Amos                                                                                                                                                           |                                    |             |                          |         |       |         |       |              |         |                       |       |

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Contract Labor and Professional Services

| Cost Component                                         | Group Incurring Charge | Vendor                                                                                                     | Total                                              | Engineering | Consulting IT Consulting | FAA | Other   | Nuclear                            | Audi    | IntraCor Not Included | Contract Services | Legal     |
|--------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------|--------------------------|-----|---------|------------------------------------|---------|-----------------------|-------------------|-----------|
| 231 Total Tree & Brush                                 |                        | Less Share of Spinn<br>Less Share of Cardinal<br>Less Share of Rockport<br>At other, incl. Share of # pits | 3,309,376<br>18,478,343                            |             |                          |     |         |                                    |         |                       | 3,309,376         |           |
| 232 Aerial Spraying                                    |                        |                                                                                                            | 58,491                                             |             |                          |     |         |                                    |         |                       | 58,491            |           |
| 240 ?                                                  | Nuclear                | Appalachian Power Co<br>Less Share of Rockport<br>Undefined<br># vendors below scope                       | 323,270<br>(6,458)<br>225,126<br>24,339<br>566,277 |             |                          |     |         | 225,126<br>24,339                  |         | 323,270               | (6,458)           |           |
| 250 ?                                                  | Nuclear                | ABB Power Generation<br>Less Share of Rockport<br># other                                                  | 1,606,296<br>(13,268)<br>(191,427)<br>1,401,601    |             |                          |     |         | 1,606,296<br>(13,268)<br>(191,427) |         |                       |                   |           |
| 260 Professional Svcs                                  | Group Incurring charge | Vendor                                                                                                     | Total                                              | Engineering | Consulting IT Consulting | FAA | Other   | Nuclear                            | Audi    | IntraCor Not Included | Contract Services | Legal     |
| 260 Professional Svcs                                  | Company Unallocated    | undefined                                                                                                  | 1,602,102                                          | 1,602,102   |                          |     |         |                                    |         |                       |                   |           |
|                                                        | State Administrative   | Balduf Party Advertising                                                                                   | 140,432                                            |             |                          |     | 140,432 |                                    |         |                       |                   |           |
|                                                        | Nuclear                | Washingtons                                                                                                | 308,060                                            |             |                          |     |         | 308,060                            |         |                       |                   |           |
|                                                        | Other                  | 502                                                                                                        | 272,559                                            |             | 272,559                  |     |         |                                    |         |                       |                   |           |
|                                                        | Transmission           | Ebewoods & Assoc                                                                                           | 121,966                                            | 121,966     |                          |     |         |                                    |         |                       |                   |           |
|                                                        | Distribution           | Credit Bureau of Co                                                                                        | 138,987                                            |             | 138,987                  |     |         |                                    |         |                       |                   |           |
|                                                        | 9559 Acct Dept         | Delorme & Touche                                                                                           | 501,204                                            |             |                          |     |         |                                    | 501,204 |                       |                   |           |
|                                                        | Company Unallocated    | Market Management I                                                                                        | 139,824                                            |             |                          |     |         |                                    |         | 289,053               | 139,824           |           |
|                                                        | Company Unallocated    | Ohio Power                                                                                                 | 289,053                                            |             |                          |     |         |                                    |         | 289,053               |                   |           |
|                                                        | Other                  | Dreuther & Touche                                                                                          | 449,892                                            |             |                          |     |         |                                    | 449,892 |                       |                   |           |
|                                                        | Other                  | Est Acct Fees                                                                                              | 385,500                                            |             |                          |     |         |                                    | 385,500 |                       |                   |           |
|                                                        | Transmission           | Cambridge Assoc                                                                                            | 238,500                                            | 238,500     |                          |     |         |                                    |         |                       |                   |           |
|                                                        | Transmission           | Webb Electric                                                                                              | 180,000                                            | 180,000     |                          |     |         |                                    |         |                       |                   |           |
|                                                        | Other                  | AEPSC77777777                                                                                              | 87,168                                             |             |                          |     |         |                                    |         | 87,168                |                   |           |
|                                                        |                        | Less Billing to CCD Partners                                                                               | (13,183)                                           | (13,183)    |                          |     |         |                                    |         |                       |                   |           |
|                                                        |                        | Less Share of Amco                                                                                         |                                                    |             |                          |     |         |                                    |         |                       |                   |           |
|                                                        |                        | Less Share of Spinn                                                                                        |                                                    |             |                          |     |         |                                    |         |                       |                   |           |
|                                                        |                        | Less Share of Cardinal                                                                                     | (18,948)                                           | (18,948)    |                          |     |         |                                    |         |                       |                   |           |
|                                                        |                        | Less Share of Rockport                                                                                     | 2,913,762                                          |             |                          |     |         |                                    |         |                       |                   |           |
|                                                        |                        | At other, incl. Share of # pits                                                                            | 1,456,881                                          | 1,456,881   |                          |     |         |                                    |         |                       |                   |           |
| 260 Total Professional Svcs                            |                        |                                                                                                            | 7,716,878                                          |             |                          |     |         |                                    |         |                       |                   |           |
| 261 Medical Prof Svcs                                  | Fossil & other, HR     | Less Share of Rockport<br>At other, incl. Share of # pits                                                  | 1,968,196                                          |             |                          |     |         |                                    |         |                       | 1,968,196         |           |
| 262 Legal Svcs<br>(Use Jeff Cross<br>Supplied Numbers) | Other                  | Huntin & Williams                                                                                          | 1,418,515                                          |             |                          |     |         |                                    |         |                       |                   | 1,418,515 |
|                                                        | Legal                  | Leibovitz Lamb, Greene &                                                                                   | 110,651                                            |             |                          |     |         |                                    |         |                       |                   | 110,651   |
|                                                        | Legal                  | Porter, Wright, Murray & Ault                                                                              | 102,205                                            |             |                          |     |         |                                    |         |                       |                   | 102,205   |
|                                                        | Legal, Unallocated     | Robinson & McBeese                                                                                         | 643,085                                            |             |                          |     |         |                                    |         |                       |                   | 643,085   |
|                                                        | Other, Legal, Fossil   | Delorme & Touche                                                                                           | 355,929                                            |             |                          |     |         |                                    |         |                       |                   | 355,929   |
|                                                        | Finance                | Baker & Dineen                                                                                             | 17,000                                             |             |                          |     |         |                                    | 17,000  |                       |                   |           |
|                                                        | Legal                  | Reed Smith, Shaw & M                                                                                       | 122,891                                            |             |                          |     |         |                                    |         |                       |                   | 122,891   |
|                                                        | Legal                  | Simpson Thacher                                                                                            | 109,528                                            |             |                          |     |         |                                    |         |                       |                   | 109,528   |
|                                                        | Other                  | Stepos & Johnson                                                                                           | 403,410                                            |             |                          |     |         |                                    |         |                       |                   | 403,410   |
|                                                        | Other                  | Slees & Harbison                                                                                           | 755,813                                            |             |                          |     |         |                                    |         |                       |                   | 755,813   |
|                                                        | Company Unallocated    | Woods, Rogers & Hazleg                                                                                     | 167,497                                            |             |                          |     |         |                                    |         |                       |                   | 167,497   |
|                                                        | Other                  |                                                                                                            | 405,071                                            |             |                          |     |         |                                    |         |                       |                   | 405,071   |

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Contract Labor and Professional Services

| Cost Component       | Group Incurring Charge                | Vendor                                                                                                                                                                        | Total (8,963)                                                                                                       | Engineering | Consulting/IT Consulting | FEA     | Other | Nuclear                                                                                                | Audit | Not Included | InterCo Services | Legal (8,963) |
|----------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------|--------------------------|---------|-------|--------------------------------------------------------------------------------------------------------|-------|--------------|------------------|---------------|
| 262 Total Legal Svcs |                                       | Less: Belongs to CCD Partners<br>Less: Share of Amos<br>Less: Share of Sporn<br>Less: Share of Cardinal<br>Less: Share of Rockport<br>At other, incl. Share of J. Pitts       | (4,006)<br>3,696,313<br>8,294,739                                                                                   |             |                          |         |       |                                                                                                        |       |              | 3,696,313        | (4,006)       |
| 270 7                | Fleet Mgmtg<br>Distri. Trans. Nuclear | Undersified<br>at other                                                                                                                                                       | 461,371<br>255,917<br>717,288                                                                                       |             |                          | 461,371 |       |                                                                                                        |       |              | 255,917          |               |
| 280 7                | Nuclear                               | Balance of Milestone 2<br>O City of South Haven<br>Babcock & Wilcox<br>Milestone no. 3<br>Milestone Pmt 2<br>Milestone Pmt 1<br>Less: Share of Rockport<br>O TRSF<br>at other | 2,188,200<br>1,048,111<br>3,225,000<br>2,742,600<br>280,000<br>198,000<br>(581)<br>201,683<br>(35,233)<br>9,848,780 |             |                          |         |       | 2,188,200<br>1,048,111<br>3,225,000<br>2,742,600<br>280,000<br>198,000<br>(581)<br>201,683<br>(35,233) |       |              |                  |               |
| Total 7              |                                       |                                                                                                                                                                               |                                                                                                                     |             |                          |         |       |                                                                                                        |       |              |                  |               |

| Cost Component              | Group Incurring Charge | Vendor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Total                                                                                                                                                                                                                                                                                    | Engineering                                                                              | Consulting/IT Consulting | FEA       | Other | Nuclear | Audit | Not Included | InterCo Services | Legal (8,963) |
|-----------------------------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------|-----------|-------|---------|-------|--------------|------------------|---------------|
| 290 Other O/S services paid | Company Unallocated    | underrified<br>Altran, Fisher & Also<br>ABB Power<br>All Mad Diesel<br>Applied Human Power Co<br>Aspen Telecommunications<br>Bevus Co. Inc<br>Central Locating SE<br>S30 CONAD Energy Progra.<br>Computational System<br>Jenkins & Touche<br>Gunite Construction<br>Henkels & McCoy Inc<br>In Plant Technica<br>International Burn<br>Lubugh Inc<br>Hunter Tree Service<br>530 Huntington National<br>Electric Power Reau<br>JTM Industries I<br>Mellor Corp<br>Mid American Cleaning<br>Moore Office Equip<br>Murray Sheet Metal<br>Nelson Tree Service<br>Ohio Power Inc | 13,923,506<br>135,000<br>180,413<br>124,765<br>475,107<br>125,003<br>395,513<br>1,026,384<br>208,914<br>174,599<br>468,594<br>133,914<br>126,139<br>435,687<br>1,663,571<br>101,617<br>224,729<br>180,000<br>2,708,824<br>105,125<br>540,597<br>501,358<br>258,590<br>347,802<br>427,474 | 3,480,888<br>135,000<br>180,413<br>124,765<br>125,003<br>1,026,384<br>208,914<br>174,599 | 3,480,888                | 3,480,888 |       |         |       |              | 3,480,888        |               |
|                             | Company Unallocated    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Transmission           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | not listed             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Fossil                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Energy Del. Support    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Bid Svcs               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Distribution           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Fossil                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Accounting, Finance    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Fossil                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Company Unallocated    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Fleet Management       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Fossil                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Fossil                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Distribution           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Fossil                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | State Admin Support    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Company Unallocated    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Bid Svcs               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Fossil                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Bid Svcs               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |
|                             | Company Unallocated    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                          |                                                                                          |                          |           |       |         |       |              |                  |               |

P-10

Contract Labor and Professional Services

| Cost Component         | Group Incurred Charge       | Vendor                 | Total                 | Engineering | Consulting/IT Consulting | F&A     | Other   | Nuclear   | Audit   | InterCo Not Included | Contract Services | Legal     |           |
|------------------------|-----------------------------|------------------------|-----------------------|-------------|--------------------------|---------|---------|-----------|---------|----------------------|-------------------|-----------|-----------|
| 290                    | State Admin Support         | Ohio State University  | 133,586               |             |                          |         |         |           |         |                      |                   |           |           |
|                        | Company Unallocated         | OP Cost Shared         | 713,064               |             |                          |         |         |           |         | 713,064              |                   |           |           |
|                        | Distribution                | Payco American Corp    | 238,190               | 238,190     |                          |         |         |           |         |                      |                   |           |           |
|                        | BU Svcs                     | Princeton Security     | 490,407               |             |                          |         |         |           |         |                      | 490,407           |           |           |
|                        | Fossil                      | Power Maintenance      | 340,876               |             |                          |         |         |           |         |                      | 340,876           |           |           |
|                        | BU Svcs                     | Profills               | 104,261               |             |                          |         |         |           |         |                      | 104,261           |           |           |
|                        | BU Svcs                     | Stuckmaster Engrg      | 856,686               |             |                          |         |         |           |         |                      | 856,686           |           |           |
|                        | Fossil                      | Superior Electric      | 156,465               |             |                          |         |         |           |         |                      | 156,465           |           |           |
|                        | Company Unallocated         | Synergistic Design     | 691,248               |             | 691,248                  |         |         |           |         |                      |                   |           |           |
|                        | Distribution                | Team America Inc       | 395,199               |             |                          |         |         |           |         |                      |                   | 395,199   |           |
|                        | State Admin Support         | Tempo Help Inc         | 184,317               |             |                          |         |         |           |         |                      |                   | 184,317   |           |
|                        | Energy Distrib. Support     | Twenty First Century   | 100,943               |             | 100,943                  |         |         |           |         |                      |                   | 100,943   |           |
|                        | Fossil                      | Universal Inc          | 193,410               |             |                          |         |         |           |         |                      |                   | 193,410   |           |
|                        | Company Unallocated         | Wayam Construction     | 3,317,905             |             |                          |         |         |           |         |                      |                   | 3,317,905 |           |
|                        | M&S Purchased Robots        | Company Unallocated    | Washinghouse Electric | 6,012,988   |                          |         |         |           |         |                      | 6,012,988         |           |           |
|                        |                             | Company Unallocated    | Winncapas Inc         | 128,738     |                          | 128,738 |         |           |         |                      |                   |           |           |
|                        |                             | BU Svcs                | Burns International   | 222,644     | 222,644                  |         |         |           |         |                      |                   |           |           |
|                        |                             | Fossil                 | Applebeach Mining     | 478,107     |                          |         |         |           |         |                      |                   |           | 478,107   |
|                        |                             | Fossil                 | Wackenhut Corp        | 1,255,661   |                          |         |         |           |         |                      |                   |           | 1,255,661 |
|                        |                             | Office Services        | Wackenhut Corp        | 290,603     |                          |         |         |           |         |                      |                   |           | 290,603   |
| Distribution Support   |                             | Interim Personnel Rm   | 142,931               |             |                          |         |         |           |         |                      |                   | 142,931   |           |
| Office Services        |                             | Kelly Services         | 351,484               |             |                          |         |         |           |         |                      |                   | 351,484   |           |
| Dist. Bldg Svcs. Unit  |                             | Margowal Inc           | 1,404,694             |             |                          |         |         |           |         |                      |                   | 1,404,694 |           |
| Distribution           |                             | Travelers Express Co J | 812,252               |             |                          |         | 812,252 |           |         |                      |                   |           |           |
| Distribution           |                             | United Labels Inc      | 199,276               |             |                          |         |         |           |         |                      |                   | 199,276   |           |
| State Admin Support    |                             | Manrowd Cur            | 228,941               |             | 228,941                  |         |         |           |         |                      |                   |           |           |
| Accounting             |                             | Praxair                | 190,639               |             |                          |         |         |           |         |                      |                   | 190,639   |           |
| Nuclear                |                             | Information            | 156,652               |             |                          |         |         | 156,652   |         |                      |                   |           |           |
| State Admin Support    |                             | Scope Service          | 100,219               |             | 100,219                  |         |         |           |         |                      |                   |           |           |
| Office Svcs. JHR, Dist |                             | Margowal Inc           | 435,677               |             |                          |         |         |           |         |                      |                   | 435,677   |           |
| Distribution           |                             | Whitman, Inc           | 146,315               |             | 146,315                  |         |         |           |         |                      |                   |           |           |
| Nuclear                |                             | Amerscan Int'l         | 130,691               |             |                          |         |         |           | 130,691 |                      |                   |           |           |
| Nuclear                |                             | Scientific Ecob        | 378,436               |             |                          |         |         |           | 378,436 |                      |                   |           |           |
| Distribution           |                             | Utility Locators       | 170,304               |             | 170,304                  |         |         |           |         |                      |                   |           |           |
| Nuclear                | Westmaster Inc              | 126,578                |                       |             |                          |         |         | 126,578   |         |                      |                   |           |           |
| Nuclear                | Hurst Consulting            | 146,271                |                       |             |                          |         |         | 146,271   |         |                      |                   |           |           |
| Distribution           | Nuclech Inc                 | 216,576                |                       | 216,576     |                          |         |         |           |         |                      |                   |           |           |
| Nuclear                | Onsite Engineering          | 147,901                |                       |             |                          |         |         | 147,901   |         |                      |                   |           |           |
| Fossil                 | Williams Leggs              | 107,252                |                       |             |                          |         |         |           |         |                      | 107,252           |           |           |
| Nuclear                | Duke Engineering            | 207,641                |                       |             |                          |         |         | 207,641   |         |                      |                   |           |           |
| Nuclear                | Framatome IE                | 311,036                |                       |             |                          |         |         | 311,036   |         |                      |                   |           |           |
| Nuclear                | Washinghouse Electric       | 9,291,396              |                       |             |                          |         |         | 9,291,396 |         |                      |                   |           |           |
| State Admin Support    | Staley Smith Sr             | 3,993,748              |                       | 3,993,748   |                          |         |         |           |         |                      |                   |           |           |
| Nuclear                | Interstate Nuclear          | 529,883                |                       |             |                          |         |         | 529,883   |         |                      |                   |           |           |
| Nuclear                | Cetus & Chemical            | 376,184                |                       |             |                          |         |         | 376,184   |         |                      |                   |           |           |
| Distribution           | Intelligraphs               | 132,577                |                       | 132,577     |                          |         |         |           |         |                      |                   |           |           |
| Accounting             | Crowe Chizek (non-securing) | 252,953                |                       |             |                          |         |         |           |         | 252,953              |                   |           |           |
| Nuclear                | Master Lee Engineering      | 906,589                |                       |             |                          |         |         |           |         |                      | 906,589           |           |           |
| Nuclear                | Scope Service               | 1,978,781              |                       |             |                          |         |         |           |         |                      | 1,978,781         |           |           |
| Nuclear                | Novacon                     | 231,934                |                       |             |                          |         |         |           |         |                      | 231,934           |           |           |
| Nuclear                | Barron Nuclear              | 1,315,304              |                       |             |                          |         |         |           |         |                      | 1,315,304         |           |           |
| Nuclear                | Corporate SI                | 167,239                |                       |             |                          |         |         |           |         |                      | 167,239           |           |           |
| Nuclear                | Electric Power Research     | 330,000                |                       |             |                          |         |         |           |         |                      | 330,000           |           |           |
| Nuclear                | Federal Emergency Mana      | 130,546                |                       |             |                          |         |         |           |         |                      | 130,546           |           |           |
| Finance                | First Chicago Trust co      | 485,471                |                       |             |                          |         |         |           |         |                      | 485,471           |           |           |
| Corporate Svc          | Gubrecht                    | 738,970                |                       |             |                          |         |         |           |         |                      | 738,970           |           |           |
| Corporate Svc          | Levitt Printers             | 710,183                |                       |             |                          |         |         |           |         |                      | 710,183           |           |           |
| Distribution           | Private Fuel Storage        | 469,648                |                       |             |                          |         |         |           |         |                      | 469,648           |           |           |
| Distribution           | Ball South                  | 151,784                |                       |             |                          |         |         |           |         |                      | 151,784           |           |           |
| Fossil                 | 520 Franko Energy           | 184,667                |                       |             |                          |         |         |           |         |                      | 184,667           |           |           |
| Nuclear                | 520 Honeywell               | 198,120                |                       |             |                          |         |         |           |         |                      | 198,120           |           |           |
| Nuclear                | FR 8739505                  | 175,000                |                       |             |                          |         |         |           |         |                      | 175,000           |           |           |
| Nuclear                | General Electric            | 175,000                |                       |             |                          |         |         |           |         |                      | 175,000           |           |           |

R-11

Contract Labor and Professional Services

| Cost Component              | Group Incurring Charge | Vendor                          | Total       | Engineering | Consulting/IT/Consulting | FEA     | Other   | Nuclear   | Audit     | InterCo Not Included | Contact Services | Legal     |
|-----------------------------|------------------------|---------------------------------|-------------|-------------|--------------------------|---------|---------|-----------|-----------|----------------------|------------------|-----------|
| Fossil                      |                        | Action Temp                     | 141,328     |             |                          |         |         |           |           |                      | 141,328          |           |
| Fossil                      |                        | American Fly Ash                | 179,636     |             |                          |         |         |           |           |                      | 179,636          |           |
| Fossil                      |                        | Industrial Conts                | 166,291     |             |                          |         |         |           |           |                      | 166,291          |           |
| Fossil                      |                        | Rip/Industrial                  | 114,967     |             |                          |         |         |           |           |                      | 114,967          |           |
| Transmission                |                        | Burrows/Lawn                    | 108,127     |             |                          |         |         |           |           |                      | 108,127          |           |
| Fossil                      |                        | Carroll/Paint Coats             | 151,835     |             |                          |         |         |           |           | 127,378              | 24,457           |           |
| Trans Fossil Misc           |                        | Colombus Southern Power         | 127,378     |             |                          |         |         |           |           |                      | 127,378          |           |
| Distribution                |                        | Commerce Service Corp           | 101,932     |             |                          |         |         |           |           |                      | 101,932          |           |
| BD Svcs                     |                        | JJS Inc                         | 270,981     |             |                          |         |         |           |           | 557,896              | 270,981          |           |
|                             |                        | 9925 OP Cost Share from DPLCO   | 557,896     |             |                          |         |         |           |           |                      |                  |           |
|                             |                        | Spartan Plant Costs             | 335,033     |             |                          |         |         |           |           |                      | 335,033          |           |
|                             |                        | Wheeling Power Co               | 1,113,092   |             |                          |         |         |           |           | 1,113,092            |                  |           |
|                             |                        | MPN/Industrial                  | 269,454     |             |                          |         |         |           |           |                      | 269,454          |           |
|                             |                        | State of Michigan               | 133,206     |             |                          |         |         | 133,206   |           |                      |                  |           |
|                             |                        | Chem Nuclear Sys                | 2,100,305   |             |                          |         |         | 2,100,305 |           |                      |                  |           |
|                             |                        | Mulhern Metal Inc               | 436,626     |             |                          |         |         | 436,626   |           |                      |                  |           |
|                             |                        | Fordale Pwr                     | 190,639     | 190,639     |                          |         |         |           |           |                      |                  |           |
|                             |                        | Less Billing to CCD Partners    | (259,526)   | (259,526)   |                          |         |         |           |           |                      |                  |           |
|                             |                        | Less Share of Amos              |             |             |                          |         |         |           |           |                      |                  |           |
|                             |                        | Less Share of Sporn             |             |             |                          |         |         |           |           |                      |                  |           |
|                             |                        | Less Share of Cardinal          |             |             |                          |         |         |           |           |                      |                  |           |
|                             |                        | Less Share of Rockport          |             |             |                          |         |         |           |           |                      |                  |           |
|                             |                        | At other, incl. Share of # jobs | 32,800,358  | 2,578,299   | 4,293,780                | 132,660 | 306,713 | 1,854,078 | 8,713,317 | 178,459              | 4,265,525        | (658,075) |
|                             |                        |                                 | 100,750,165 |             |                          |         |         |           |           |                      | 10,482,527       |           |
| 290 Total/Other O/S         |                        |                                 |             |             |                          |         |         |           |           |                      |                  |           |
| 292 Maintenance Agreement   |                        | at other                        | 1,094,351   |             |                          |         |         |           |           |                      | 1,094,351        |           |
| 292 Total Maintenance/Agree |                        |                                 |             |             |                          |         |         |           |           |                      |                  |           |

|        |            |            |         |           |           |            |           |            |             |           |
|--------|------------|------------|---------|-----------|-----------|------------|-----------|------------|-------------|-----------|
| TOTALS | 10,899,460 | 17,871,562 | 438,836 | 1,287,877 | 6,746,022 | 70,889,028 | 1,816,848 | 26,712,819 | 227,674,378 | 4,581,428 |
|--------|------------|------------|---------|-----------|-----------|------------|-----------|------------|-------------|-----------|

Generation Fossil 6,824,135  
 66,100,716  
 Transmission Distribution 18,232,815  
 35,403,295  
 Other 4,710,109  
 Company Unallocated 49,931,045  
 Other Unallocated 46,452,261  
**Total Contract Services 227,674,378**

77,924,854 R-4  
 R-4  
 101,113,415 R-4

R-12



FOSSIL GENERATION  
TRANSACTION TYPE 0 - OUTSIDE SERVICES - *CSW-Generation*

| COMPANY             | 1988         |                            | 1987         |                            |
|---------------------|--------------|----------------------------|--------------|----------------------------|
|                     | Operations   | Maintenance Invest/Retire. | Operations   | Maintenance Invest/Retire. |
| Descript. Purchases | 0            | 7,433,000                  | 6,940,000    | 4,310,000                  |
| CPL                 | \$ 513,000   | \$ 1,654,000               | \$ 499,000   | \$ 3,108,000               |
| PSO                 | \$ 147,000   | \$ 3,874,000               | \$ 397,000   | \$ 3,691,000               |
| SWEPCO              | \$ 444,000   | \$ 2,448,000               | \$ 380,000   | \$ 2,327,000               |
| WTU                 | \$ 111,000   | \$ 258,000                 | \$ 149,000   | \$ 724,000                 |
| TOTAL OPERATING CO. | \$ 1,215,000 | \$ 16,685,000              | \$ 1,425,000 | \$ 16,788,000              |
| DALLAS              | \$ 1,634,000 |                            | \$ 1,419,000 | \$ 300,000                 |

Most of the Operations-related Outside Services would be for Environmental Permits, Janitorial Services, etc. Therefore in response to the Information request related to Contract Labor the following should be provided:

|                           |               |                           |               |
|---------------------------|---------------|---------------------------|---------------|
| Total 1986                | \$ 27,629,000 | Total 1987                | \$ 30,357,000 |
| Percent Capitalized       | 33%           | Percent Capitalized       | 35%           |
| Percent Labor             | 90%           | Percent Labor             | 90%           |
| Percent Parts & Materials | 10%           | Percent Parts & Materials | 10%           |
| Percent Operations        | 10%           | Percent Operations        | 8%            |
| Percent Maintenance       | 85%           | Percent Maintenance       | 86%           |
| Percent Engineering       | 17%           | Percent Engineering       | 4%            |
| Percent Inspection        | 4%            | Percent Inspection        | 4%            |
| Percent Gas Plants        | 59%           | Percent Gas Plants        | 60%           |
| Percent Coal Plants       | 35%           | Percent Coal Plants       | 35%           |
| Percent Miscellaneous     | 6%            | Percent Miscellaneous     | 6%            |

*R-5*  
 2,739,130  
 29,107,020  
 303,570  
 1,214,280

*R-13*

1/28/98  
conlabor

Privileged & Confidential

19.0 CONTRACT SERVICES

INSTRUCTIONS:

Please provide the data requested below as specifically and completely as possible. If data requested is not applicable, please provide a complete explanation of why not. Also, please inform us of notable exceptions to or anticipated changes in the data being provided during the forecasted study period.

Person Providing Data:

SEE ATTACHED DOCUMENTS

| Category                 | 1996 Contract Labor Expenses | 1996 Contract Charge for Materials & Supplies | Planned 1997 Contract Labor Expenses | Planned 1997 Contract Charge for Materials & Supplies | Percent Capitalized | Nature of Work Performed | Notes/Comments     |
|--------------------------|------------------------------|-----------------------------------------------|--------------------------------------|-------------------------------------------------------|---------------------|--------------------------|--------------------|
| Transmission Engineering |                              |                                               |                                      |                                                       |                     |                          |                    |
| Maintenance              |                              |                                               |                                      |                                                       |                     |                          |                    |
| Vegetation Control       |                              |                                               |                                      |                                                       |                     |                          |                    |
| Inspection               |                              |                                               |                                      |                                                       |                     |                          |                    |
| Other (describe)         |                              |                                               |                                      |                                                       |                     |                          |                    |
| Engineering              |                              |                                               |                                      |                                                       |                     |                          |                    |
| Maintenance              |                              |                                               |                                      |                                                       |                     |                          |                    |
| Vegetation Control       |                              |                                               |                                      |                                                       |                     |                          |                    |
| Inspection               |                              |                                               |                                      |                                                       |                     |                          |                    |
| Other (describe)         |                              |                                               |                                      |                                                       |                     |                          |                    |
| Engineering              |                              |                                               |                                      |                                                       |                     |                          | PROVIDED BY OTHERS |
| Maintenance              |                              |                                               |                                      |                                                       |                     |                          | PROVIDED BY OTHERS |
| Inspection               |                              |                                               |                                      |                                                       |                     |                          | PROVIDED BY OTHERS |
| Other (describe)         |                              |                                               |                                      |                                                       |                     |                          | PROVIDED BY OTHERS |

R-14  
19.0 Contract Services

| 19.0 Contract Services<br>Persons providing data: | John Peterson, Director T&S Engineering, 918 594-4128<br>Susan Stautzenberger, Manager Accounts Payable, 918 594-2052                                                                                                                                                  | 1996                                      |                                           | 1997                                      |                                           | 1996 and 1997         |                       | Percent<br>Capitalized |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-----------------------|-----------------------|------------------------|
|                                                   |                                                                                                                                                                                                                                                                        | Contract Labor<br>and Material<br>Charges | Contract Labor<br>and Material<br>Charges | Contract Labor<br>and Material<br>Charges | Contract Labor<br>and Material<br>Charges | Amount<br>Capitalized | Amount<br>Capitalized |                        |
| Transmission                                      |                                                                                                                                                                                                                                                                        |                                           |                                           |                                           |                                           |                       |                       |                        |
| Engineering                                       |                                                                                                                                                                                                                                                                        | 709,913.82                                | 529,473.79                                | 1,239,387.61                              | 1,231,916.48                              | 99.40                 |                       |                        |
| Maintenance/Construction                          |                                                                                                                                                                                                                                                                        | 15,081,700.31                             | 13,533,760.81                             | 28,615,461.12                             | 26,443,464.79                             | 92.41                 |                       |                        |
| Vegetation Control                                |                                                                                                                                                                                                                                                                        | 2,776,751.34                              | 3,025,066.92                              | 5,801,818.26                              | 502,556.95                                | 8.68                  |                       |                        |
| Inspection                                        |                                                                                                                                                                                                                                                                        | 175,814.34                                | 219,958.89                                | 395,773.23                                | 234,939.57                                | 59.36                 |                       |                        |
| Other (ROW, excavate, etc.)                       |                                                                                                                                                                                                                                                                        | 2,838,093.67                              | 2,360,169.35                              | 5,198,263.02                              | 4,275,701.33                              | 82.25                 |                       |                        |
|                                                   |                                                                                                                                                                                                                                                                        | 21,582,273.48                             | 19,668,429.76                             | 41,250,703.24                             | 32,688,378.10                             | 79.24                 |                       |                        |
| Distribution                                      |                                                                                                                                                                                                                                                                        |                                           |                                           |                                           |                                           |                       |                       |                        |
| Engineering                                       |                                                                                                                                                                                                                                                                        | 122,922.00                                | 257,354.62                                | 380,276.62                                | 297,229.62                                | 78.16                 |                       |                        |
| Maintenance/Construction                          |                                                                                                                                                                                                                                                                        | 27,564,878.29                             | 31,979,888.46                             | 59,544,766.75                             | 46,631,186.00                             | 78.31                 |                       |                        |
| Vegetation Control                                |                                                                                                                                                                                                                                                                        | 14,496,856.43                             | 13,532,423.58                             | 28,029,280.01                             | 4,465,124.86                              | 15.93                 |                       |                        |
| Inspection                                        |                                                                                                                                                                                                                                                                        | 339,299.54                                | 465,716.55                                | 805,016.09                                | 154,486.45                                | 19.19                 |                       |                        |
| Other (ROW, excavate, etc.)                       |                                                                                                                                                                                                                                                                        | 5,748,637.86                              | 4,014,690.95                              | 9,763,328.81                              | 4,485,758.01                              | 45.74                 |                       |                        |
|                                                   |                                                                                                                                                                                                                                                                        | 48,272,594.12                             | 50,250,074.16                             | 98,522,668.28                             | 56,013,784.94                             | 56.85                 |                       |                        |
| Other<br>(Telecom I/S, Misc.)                     |                                                                                                                                                                                                                                                                        | 39,578,058.02                             | 38,328,313.57                             | 77,907,371.59                             | 24,928,189.24                             | 32.00                 |                       |                        |
|                                                   |                                                                                                                                                                                                                                                                        | 109,433,925.62                            | 108,246,817.49                            | 217,680,743.11                            | 113,630,563.28                            | 52.20                 |                       |                        |
| Notes:                                            | This information was compiled using accounts payable information, contract reports and JCA reports.<br>Contract listings by vendor are attached for each operating company for each year.<br>Contract services information for generation is being provided by others. |                                           |                                           |                                           |                                           |                       |                       |                        |

R-15

| 19.0 Contract Services 1997 | John Peterson, Director T&S Engineering, 918 594-4128        |               |               |              |              |               | Capital       | Non- |
|-----------------------------|--------------------------------------------------------------|---------------|---------------|--------------|--------------|---------------|---------------|------|
| Persons providing data:     | Susan Stautzenberger, Manager Accounts Payable, 918 594-2052 |               |               |              |              |               | Capital       |      |
|                             | CPL                                                          | PSO           | SEP           | WTU          | CSW          | Capital       |               |      |
| Transmission                |                                                              |               |               |              |              |               |               |      |
| Engineering                 | 333,817.93                                                   | 13,907.59     | 153,751.40    | 21,075.72    | 0.00         | 522,552.64    | 6,921.15      |      |
| Maintenance/Construction    | 2,647,844.39                                                 | 2,275,006.54  | 5,304,595.36  | 2,085,628.41 | 0.00         | 12,311,074.70 | 1,222,686.11  |      |
| Vegetation Control          | 23,595.55                                                    | 31,713.29     | 21,394.78     | 124,654.37   | 1,468.17     | 202,824.16    | 2,822,242.76  |      |
| Inspection                  | 2,047.55                                                     | 134,022.29    | 4,238.00      | 2,393.52     | 0.00         | 142,701.36    | 77,257.53     |      |
| Other (ROW, excavate, etc.) | 81,241.96                                                    | 254,099.48    | 1,536,109.12  | 291,683.38   | 2,288.45     | 2,165,302.39  | 194,866.96    |      |
|                             | 3,088,547.38                                                 | 2,708,749.19  | 7,020,088.66  | 2,525,315.40 | 3,754.62     | 15,344,455.25 | 4,323,974.50  |      |
| Distribution                |                                                              |               |               |              |              |               |               |      |
| Engineering                 | 159,089.41                                                   | 36,671.36     | 18,260.94     | 10,587.10    | 0.00         | 224,568.81    | 32,765.81     |      |
| Maintenance/Construction    | 7,827,800.70                                                 | 7,275,869.45  | 7,130,709.35  | 756,436.59   | 179,441.68   | 23,170,257.75 | 8,809,630.71  |      |
| Vegetation Control          | 341,755.92                                                   | 580,550.76    | 891,406.29    | 0.00         | 13,195.51    | 1,826,908.48  | 11,705,515.10 |      |
| Inspection                  | 97,345.33                                                    | 56,692.72     | 0.00          | 448.40       | 0.00         | 154,486.45    | 311,230.10    |      |
| Other (ROW, excavate, etc.) | 189,944.24                                                   | 1,537,051.52  | 427,113.76    | 8,365.51     | 19,233.72    | 2,182,708.75  | 1,831,982.20  |      |
|                             | 8,615,935.60                                                 | 9,486,835.81  | 8,467,490.34  | 776,817.60   | 211,870.89   | 27,558,950.24 | 22,691,123.93 |      |
| Other                       |                                                              |               |               |              |              |               |               |      |
| (Telecom I/S, Misc.)        | 501,411.55                                                   | 888,451.42    | 2,313,465.54  | 215,152.32   | 6,168,213.90 | 10,086,694.73 | 28,241,618.84 |      |
|                             | 12,205,894.53                                                | 13,082,036.42 | 17,801,044.54 | 3,517,285.32 | 6,383,839.41 | 52,990,100.22 | 55,256,717.27 |      |

R-5  
539,474  
13,533.76  
3,025,067  
2,19,959  
2,369,169

R-5  
257,355  
31,478,888  
135,324.42  
4,014,691

R-16

| CONTRACTOR NAME                    | CPL        |              | CSW        |            | PSO        |              | SEP        |              | WTU        |           | Total        |
|------------------------------------|------------|--------------|------------|------------|------------|--------------|------------|--------------|------------|-----------|--------------|
|                                    | Capital    | Other        | Capital    | Other      | Capital    | Other        | Capital    | Other        | Capital    | Other     |              |
| G. Hill Power, Inc.                | 605,741.34 | 1,111,867.32 |            |            |            |              |            |              |            |           | 1,717,608.66 |
| HB Power T & D Company, Inc.       |            |              | 179,441.66 | 151,313.08 |            |              |            |              |            |           | 330,754.74   |
| HE Transportation                  |            | 20,999.05    |            |            |            |              |            |              |            | 681.00    | 21,680.05    |
| JE Cash Express                    |            |              |            |            |            |              |            |              |            |           | 82,854.94    |
| JE RT, Inc.                        |            | 21,613.88    |            |            |            |              |            |              |            |           | 21,613.88    |
| JE CC                              |            |              |            |            | 165.89     | 4,488.05     |            |              |            |           | 4,488.05     |
| JE rital Data Service, Inc.        |            |              |            |            |            | 582.85       | 3,992.00   |              |            | 3,125.00  | 7,865.74     |
| JE let, Fenner, Jolly & McClelland |            |              |            |            |            |              | 10,407.45  |              |            |           | 10,407.45    |
| JE go                              |            | 16,758.89    |            |            |            |              |            |              |            |           | 16,758.89    |
| JE ard Place Joint Venture         |            |              |            | 17,013.98  |            |              |            |              |            |           | 19,852.32    |
| JE Stalter and Associates          |            |              | 239,702.18 | 40,874.90  |            |              |            |              |            |           | 280,577.08   |
| JE any tower                       |            |              |            |            |            |              |            |              |            | 3,900.00  | 3,900.00     |
| JE waste Environmental             | 6,297.50   | 117,571.52   |            |            | 806.00     | 372,883.39   |            | 2,169,042.47 |            | 45,051.01 | 2,711,651.89 |
| JE ndahl Corporation               |            |              |            | 121,915.48 |            |              |            |              |            |           | 121,915.48   |
| JE nican Ecology Corporation       |            |              |            |            |            |              |            |              |            |           | 3,705.60     |
| JE nican Energy                    |            |              |            |            |            | 66,648.85    |            |              |            |           | 66,648.85    |
| JE nican Filter Service            |            |              |            |            |            |              |            | 10,225.53    |            |           | 10,225.53    |
| JE nican Tower Corporation         | 1,323.60   | 40,682.02    |            |            |            | 9,836.86     |            |              |            | 9,170.00  | 61,012.58    |
| JE nalysts International           |            |              |            | 155,845.00 |            |              |            |              |            |           | 155,845.00   |
| JE ndrews Tower, Inc.              | 14,635.46  | 444.00       |            |            | 11,773.40  |              |            |              |            | 1,135.20  | 158,183.45   |
| JE ill-Pest Company, Inc.          |            |              |            |            |            |              |            |              |            |           | 158,183.45   |
| JE ogee Interactive                |            |              |            | 158,193.45 |            |              |            |              |            |           | 158,193.45   |
| JE mstrong Laing, Inc.             |            |              |            | 6,136.85   |            |              |            |              |            |           | 6,136.85     |
| JE bestos Handlers, Inc.           |            |              |            |            | 865.00     | 28,523.54    |            |              |            |           | 29,388.54    |
| JE pect Telecommunications         | 48,284.81  | 130,110.68   |            | 1,408.00   | 2,439.43   | 3,076.24     | 23,144.26  | 20,203.06    |            |           | 229,668.48   |
| JE plundh                          | 308,218.26 | 3,219,610.54 |            |            | 267,772.49 | 2,792,103.68 | 532,859.89 | 2,183,530.37 |            |           | 9,304,065.23 |
| JE romatic Protection Systems      | 8,782.50   | 13,274.56    |            |            |            | 1,746.18     |            |              |            |           | 23,703.24    |
| JE B Construction                  |            |              |            |            |            |              |            |              | 308,144.28 |           | 308,144.28   |
| JE D Decker Enterprises            |            |              |            |            |            |              | 151.50     | 6,154.10     |            |           | 6,305.60     |
| JE L Poliline Construction         | 227,120.37 |              |            |            | 19,827.26  | 88,238.90    | 15,348.54  | 27,459.58    | 26,087.99  | 8,736.64  | 276,763.37   |
| JE dger                            |            | 858.50       |            |            |            |              |            | 95.00        |            |           | 953.50       |
| JE r Air Patrol, Inc.              | 137,410.28 | 298,054.33   |            |            | 248,974.15 | 388,458.10   | 2,804.60   |              |            |           | 1,107,361.98 |
| JE sk Industries, Inc.             |            |              |            |            | 18,822.50  | 14,709.76    |            |              |            |           | 34,532.26    |
| JE lger Cartage, Inc.              |            |              |            |            |            |              | 72,029.31  | 73,957.97    |            |           | 145,987.28   |
| JE rging Services Berg Inc.        |            |              |            |            |            |              |            |              |            |           |              |

| SW Contracts                              | 997 Payment History By Vendor | CPL        |              | CSW          |              | PSO        |            | SEP        |            | WTU        |           | Total        |
|-------------------------------------------|-------------------------------|------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|-----------|--------------|
|                                           |                               | Capital    | Other        | Capital      | Other        | Capital    | Other      | Capital    | Other      | Capital    | Other     |              |
| emhard Construction                       | 22,039.13                     | 8,224.24   |              |              |              |            |            |            |            |            |           | 30,263.37    |
| ill Cowden                                |                               |            |              |              |              |            |            |            |            |            |           | 3,250.00     |
| son Electric                              | 188,617.18                    |            |              |              | 1,508,124.74 | 847,661.16 |            |            |            | 377,287.68 |           | 2,901,690.77 |
| ack & Veatch                              |                               |            |              |              | 10,772.16    |            |            |            |            |            |           | 10,772.16    |
| ard Of Regents U.T., System               |                               |            |              |              |              |            |            |            |            |            | 1,050.00  | 1,050.00     |
| essler Garage Doors                       |                               |            |              |              |              |            |            | 5,588.93   |            |            |           | 5,588.93     |
| adley Company                             |                               |            |              | 4,815.00     |              |            |            |            |            |            |           | 4,815.00     |
| ian Davis d/b/a Davis Electrical Services |                               |            |              | 2,725.76     |              |            |            |            |            |            |           | 2,725.76     |
| once Environmental Services, Inc.         |                               |            |              |              |              |            |            | 1,595.57   |            |            |           | 1,595.57     |
| ddy Clark                                 |                               |            |              |              |              |            |            |            |            | 2,200.00   |           | 2,200.00     |
| illock Tower Service                      |                               |            |              |              |              |            |            | 50,803.00  | 4,852.00   |            |           | 55,655.00    |
| irms & McDonnell                          |                               |            |              |              |              |            |            | 38,928.78  | 3,358.00   |            |           | 42,284.78    |
| A. Short                                  |                               | 30,586.26  |              |              |              |            | 5,839.87   |            | 18,358.94  |            | 19,367.36 | 74,152.43    |
| I.R. Electric                             |                               |            |              |              | 29,120.87    | 29,226.88  | 94.41      |            |            |            |           | 58,347.76    |
| iblecom of Hobart                         |                               |            |              |              |              |            |            |            |            |            |           | 94.41        |
| india Corporation                         |                               |            |              | 30,488.61    |              |            |            |            |            |            |           | 30,488.61    |
| ipitol Hill Software                      |                               | 3,333.00   |              | 9,161.65     |              |            | 3,333.00   |            | 3,334.00   |            |           | 22,485.65    |
| istle Tower Corp.                         |                               |            |              |              |              |            |            |            |            | 3,960.00   |           | 3,960.00     |
| IT Systems USA, LTD                       |                               |            |              |              |              |            |            |            |            |            |           | 38,700.00    |
| entral Construction Company               |                               |            |              |              |              |            |            |            |            |            |           | 576,131.47   |
| sco Systems                               |                               |            |              |              |              |            |            | 286,155.00 | 289,878.47 |            |           | 383,695.39   |
| y of Wellington, TX                       |                               |            |              |              |              |            |            |            |            |            | 514.82    | 514.82       |
| il Eng. Services, Inc. Design             | 134,844.98                    | 5,532.72   |              |              |              |            |            |            |            |            |           | 140,377.70   |
| assic Cable                               |                               | 3,979.18   |              |              |              |            | 349.77     |            |            |            |           | 4,328.95     |
| ates Field Surveying                      |                               |            |              |              | 7,628.17     |            |            |            |            | 227,938.00 |           | 1,289,871.31 |
| er Eng. & Surveying                       |                               |            |              |              | 404,026.25   | 221,087.33 |            | 429,181.58 |            | 34,320.72  |           | 34,320.72    |
| le Waddell                                |                               |            |              |              |              |            |            |            |            |            | 1,200.00  | 1,200.00     |
| leman County Elec Coop                    |                               | 2,952.17   |              |              |              |            |            |            |            |            | 2,683.48  | 5,635.63     |
| hwell & Associates, Inc.                  |                               | 3,000.00   |              |              |              |            |            |            |            |            |           | 3,000.00     |
| mdisco, Inc.                              |                               |            |              |              |              |            |            |            |            |            |           | 2,042,465.50 |
| munications Associates                    |                               |            |              |              |              |            | 4,477.11   |            |            |            |           | 4,477.11     |
| mputer Associates                         |                               |            |              |              |              |            |            |            |            |            |           | 656,890.02   |
| mputer People                             |                               |            |              |              |              |            |            |            |            |            |           | 30,464.00    |
| mputerland                                | 135,014.74                    | 192,358.15 | 2,351,853.41 | 1,041,605.14 | 647,468.78   | 82,705.82  | 800,111.37 | 73,814.30  | 130,968.78 | 227,187.82 |           | 5,683,097.31 |
| mputware Corporation                      |                               |            |              |              |              |            |            |            |            |            |           | 432,571.19   |
| ntrol Data Systems, Inc.                  |                               |            | 157,127.04   |              |              |            |            |            |            |            |           | 157,127.04   |

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| CONTRACTOR NAME                                      | CPL        |            | CSW        |       | PSO          |              | SEP     |            | WTU        |            | Total        |
|------------------------------------------------------|------------|------------|------------|-------|--------------|--------------|---------|------------|------------|------------|--------------|
|                                                      | Capital    | Other      | Capital    | Other | Capital      | Other        | Capital | Other      | Capital    | Other      |              |
| 197 Payment History By Vendor                        |            |            |            |       |              |              |         |            |            |            |              |
| oppers & Lybrand                                     |            |            | 62,245.21  |       |              |              |         |            |            |            | 62,245.21    |
| g's Antenna Svc                                      |            |            | 10,630.86  |       |              |              |         |            |            |            | 10,630.86    |
| 3W Communications, Inc.                              |            | 56,982.00  |            |       |              |              |         |            |            |            | 56,982.00    |
| IF Industries, Inc.                                  | 17,061.92  |            |            |       |              |              |         |            |            |            | 17,061.92    |
| ina Commercial Credit                                |            |            | 12,190.47  |       |              |              |         |            |            |            | 12,190.47    |
| ita Dynamics                                         |            |            | 221,017.50 |       |              |              |         |            |            |            | 221,017.50   |
| itabase Administration, Inc.                         |            |            | 94,090.00  |       |              |              |         |            |            |            | 94,090.00    |
| itapiex Corp.                                        |            |            | 14,661.68  |       | 67,249.74    | 342,248.68   |         | 25,491.78  |            | 89,293.94  | 485,358.44   |
| ivley Tree                                           |            |            |            |       |              |              |         | 3,464.68   |            |            | 3,464.68     |
| ivid Carol Draperies                                 |            |            |            |       | 2,171,672.93 | 1,369,388.20 |         |            |            |            | 3,541,061.13 |
| ivis H. Elliot                                       |            |            |            |       |              |              |         |            |            |            | 45,151.29    |
| ivision Associates                                   | 15,051.00  |            |            |       | 15,051.00    |              |         | 15,049.29  |            |            | 45,151.29    |
| ivmond L. Transports                                 |            |            |            |       |              |              |         |            |            |            | 9,048.00     |
| iv-Rite                                              |            |            |            |       |              |              |         |            |            |            | 1,950.00     |
| ivm Technology Group, Inc.                           |            |            | 55,085.33  |       |              |              |         |            |            |            | 55,085.33    |
| ivsh Consulting Engineers                            | 34,442.78  |            |            |       |              |              |         | 11,545.00  |            |            | 45,987.78    |
| ivpont Building, Inc.                                | 1,583.38   | 91,110.30  |            |       |              |              |         |            |            |            | 92,693.68    |
| ivgile Construction & Environment                    |            |            |            |       |              |              |         |            |            |            | 5,139.00     |
| ivStewart                                            |            |            |            |       |              |              |         |            |            |            | 1,200.00     |
| ivS                                                  |            |            | 5,574.88   |       | 202,598.39   | 25,938.38    |         |            |            |            | 208,171.27   |
| ivCamino Resources, LTD, Electrical ENvr. Associates |            |            |            |       |              |              |         |            |            |            | 25,938.38    |
| ivcdrical Testing Specialist                         |            |            |            |       |              |              |         | 10,224.22  |            |            | 10,224.22    |
| ivcdrotrek Concepts, Inc.                            |            |            | 30,570.00  |       |              |              |         |            |            |            | 30,570.00    |
| ivAC                                                 |            |            | 3,373.83   |       |              | 11,250.00    |         |            |            |            | 14,623.83    |
| ivergy Packaging Solutions                           |            |            | 11,500.00  |       |              |              |         |            |            |            | 11,500.00    |
| ivsemble Corporation Ensemble Systems                | 19,024.94  |            | 147,607.77 |       | 20,450.00    |              |         | 22,014.27  |            |            | 280,596.98   |
| ivitex                                               | 532,503.25 |            | 5,600.00   |       | 414,558.58   |              |         | 441,715.74 |            | 304,668.44 | 1,717,291.89 |
| ivironmental Evolutions, Inc.                        | 6,524.71   | 331,923.14 |            |       |              |              |         |            |            |            | 338,447.85   |
| ivironmental Protection Associates, Inc.             |            |            | 95.40      |       |              |              |         | 190,193.33 |            |            | 190,288.73   |
| ivS Solutions, Inc.                                  |            |            | 45.00      |       |              |              |         |            |            |            | 45.00        |
| ivrbarm Electric, Inc.                               | 126,388.19 | 19,780.22  |            |       |              |              |         |            | 172,179.50 |            | 320,327.91   |
| ivTech Systems                                       |            |            |            |       |              |              |         | 1,610.00   |            |            | 1,610.00     |
| ivst National Bank of Sterling City                  |            |            |            |       |              |              |         |            |            |            | 6,000.00     |
| ivur D Energy                                        |            |            |            |       | 6,827.90     | 47,246.24    |         |            |            |            | 54,074.14    |
| ivbles Excavating                                    |            |            |            |       | 838,175.21   | 608,388.76   |         |            |            |            | 1,446,563.97 |
| ivme Evans                                           |            | 100.00     |            |       |              |              |         |            |            |            | 1,300.00     |

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| CONTRACTOR NAME                       | CPL          |           |           | CSW     |           |       | PSO     |           |       | SEP        |            |          | WTU       |           |              |
|---------------------------------------|--------------|-----------|-----------|---------|-----------|-------|---------|-----------|-------|------------|------------|----------|-----------|-----------|--------------|
|                                       | Capital      | Other     | Total     | Capital | Other     | Total | Capital | Other     | Total | Capital    | Other      | Total    | Capital   | Other     | Total        |
| George M. Construction, Inc.          |              | 17,841.06 | 17,841.06 |         |           |       |         |           |       |            |            |          |           |           | 17,841.06    |
| FRC Shellers                          |              |           | 42,035.00 |         |           |       |         |           |       | 5,688.35   | 3,278.44   | 8,966.79 | 25,942.50 | 46,875.09 | 123,919.38   |
| Ill Electric Service, Inc.            | 99,133.11    |           |           |         |           |       |         |           |       |            |            |          | 79,715.40 | 2,651.00  | 82,366.40    |
| oldson Engineering                    | 78,710.30    | 8,152.41  |           |         | 260.00    |       |         |           |       |            |            |          | 18,575.32 |           | 99,133.11    |
| ovind & Associates, Inc.              |              |           |           |         |           |       |         |           |       | 385,633.76 | 4,534.64   |          |           |           | 105,698.03   |
| race Construction Co.                 |              |           |           |         | 645.00    |       |         |           |       |            |            |          |           |           | 390,168.40   |
| reg Tillman                           |              |           |           |         |           |       |         |           |       |            |            |          |           |           | 645.00       |
| iffin Commercial Janitorial Serv      |              | 728.00    |           |         |           |       |         |           |       |            |            |          |           |           | 728.00       |
| risham Construction Co., Inc.         |              |           |           |         |           |       | 215.00  | 10,655.00 |       |            |            |          |           |           | 10,870.00    |
| ritz Tower                            | 7,296.30     | 9,715.88  |           |         |           |       |         |           |       |            |            |          |           |           | 17,012.18    |
| roup-1 Software                       |              |           |           |         | 20,970.87 |       |         |           |       |            |            |          |           |           | 20,970.87    |
| uajillo Investments                   |              | 17,253.50 |           |         |           |       |         |           |       |            |            |          |           |           | 17,253.50    |
| ulf Coast Broadcasting                |              | 7,824.00  |           |         |           |       |         |           |       |            |            |          |           |           | 7,824.00     |
| unco Construction, Inc.               |              |           |           |         |           |       |         |           |       | 123,861.50 |            |          |           |           | 123,861.50   |
| ustavo Torres Concrete                | 63,160.00    |           |           |         |           |       |         |           |       | 6,352.75   | 1,035.70   |          |           |           | 63,160.00    |
| ampton & Associates, Inc.             |              |           |           |         |           |       |         |           |       | 3,948.80   | 3,425.00   |          |           |           | 7,373.80     |
| arcrow Air Conditioning               |              |           |           |         |           |       |         |           |       | 2,448.02   | 3,280.10   |          |           |           | 5,728.12     |
| art Engineering Company, Inc.         |              |           |           |         |           |       |         |           |       |            |            |          |           | 5,204.33  | 5,204.33     |
| asty Fowler Construction, Inc.        |              |           |           |         |           |       |         |           |       | 128,519.59 | 5,175.13   |          |           |           | 133,694.72   |
| eckathorn Const                       |              |           |           |         |           |       |         |           |       |            |            |          |           |           | 3,600.00     |
| elen R. Crawford                      |              |           |           |         |           |       |         |           |       | 5,070.00   | 168,044.11 |          |           |           | 173,114.11   |
| enkels & McCoy, Inc.                  |              |           |           |         |           |       |         |           |       | 6,984.30   |            |          |           |           | 128,938.52   |
| ewlett Packard                        |              |           |           |         |           |       |         |           |       |            | 15,908.10  |          |           |           | 15,908.10    |
| ickman Trenching Company              |              |           |           |         |           |       |         |           |       |            |            |          |           |           | 28,628.87    |
| igh Man Tower, Inc.                   | 21,605.13    | 4,951.11  |           |         | 2,072.63  |       |         |           |       |            |            |          |           |           | 3,600.00     |
| igh West Construction Services, Inc.  |              |           |           |         |           |       |         |           |       |            |            |          |           |           | 18,000.00    |
| oliday Enterprises                    |              |           |           |         |           |       |         |           |       |            |            |          |           |           | 1,845.00     |
| onorable Gary Baugh                   |              | 6,312.00  |           |         |           |       |         |           |       |            |            |          |           |           | 6,312.00     |
| usky Tower Co.                        |              | 2,168.93  |           |         |           |       |         |           |       |            |            |          |           |           | 1,317,538.19 |
| VEIC, Inc.                            | 1,315,369.26 | 40,987.53 |           |         |           |       |         |           |       |            |            |          |           |           | 589,256.40   |
| IM                                    |              |           |           |         |           |       |         |           |       |            |            |          |           |           | 13,054.24    |
| AI Systems                            |              |           |           |         |           |       |         |           |       |            |            |          |           |           | 7,418.25     |
| Industrial Electric Corp IEC of Texas |              | 7,418.25  |           |         |           |       |         |           |       |            |            |          |           |           | 2,600.00     |
| Industrial Telephone Service          |              |           |           |         |           |       |         |           |       |            |            |          |           |           | 2,600.00     |
| Information Builders, Inc.            |              | 2,177.27  |           |         |           |       |         |           |       | 2,792.59   |            |          |           |           | 4,969.86     |
| fosystems Corp                        |              |           |           |         |           |       |         |           |       |            |            |          |           |           | 153,994.92   |

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| CONTRACTOR NAME                          | CPL          |            | CSW        |              | PSO         |            | SEP        |              | WTU       |            | Total        |
|------------------------------------------|--------------|------------|------------|--------------|-------------|------------|------------|--------------|-----------|------------|--------------|
|                                          | Capital      | Other      | Capital    | Other        | Capital     | Other      | Capital    | Other        | Capital   | Other      |              |
| SW Contracts                             |              |            |            |              |             |            |            |              |           |            |              |
| 997 Payment History By Vendor            |              |            |            |              |             |            |            |              |           |            |              |
| innovative Technology Group, L.L.C.      | 12,720.16    | 23,801.81  | 26,097.50  | 15,098.25    | (95,901.15) | 38,940.18  | 364,451.49 |              |           |            | 41,193.75    |
| Mergraph Corporation                     |              |            | 156,539.95 | 65,383.14    |             |            |            |              |           | 16,288.91  | 568,035.58   |
| Merlin Personnel, Inc.                   |              |            |            | 8,660.00     |             |            | 34,598.93  |              |           |            | 50,897.84    |
| International Software Product           |              |            |            |              |             |            | 981,588.61 |              |           |            | 8,660.00     |
| by Construction Company                  |              |            |            |              |             |            | 70,554.52  | 18,808.40    |           |            | 981,588.61   |
| Davidson, Inc.                           | 148,448.68   |            |            |              |             |            |            |              |           |            | 89,350.92    |
| M. Davidson, Inc.                        | 1,128,104.50 | 1,500.00   |            | 98,618.81    | 656,566.83  |            |            |              |           |            | 148,448.68   |
| W. Buck Construction Company             |              |            |            |              | 88,377.10   | 14,648.85  | 43,319.45  |              | 79.30     |            | 1,894,790.14 |
| R. S. Communications, Inc.               |              |            |            | 1,451,225.42 |             |            |            |              |           | 4,650.00   | 1,451,225.42 |
| James Martin & Co.                       |              |            |            |              |             |            |            |              |           |            | 4,650.00     |
| VK Holdings Management Co., Ltd.         |              |            |            |              |             |            |            |              |           |            | 3,687.20     |
| John Scoggins Company                    | 1,570.20     | 2,117.00   |            |              | 33,207.50   | 13,460.00  | 198,137.14 |              |           |            | 242,804.84   |
| Johnny Carr Grad. & Buldoz               |              |            |            |              |             |            |            | 44,887.87    |           |            | 44,887.87    |
| Johnson Construction                     |              |            |            |              | 115,694.30  | 62,217.89  |            |              |           |            | 177,911.98   |
| A. D. Contractors, Inc.                  |              |            |            | 71,723.37    |             |            |            |              |           |            | 71,723.37    |
| James, Inc.                              |              |            |            |              |             | 23,790.00  |            |              |           |            | 23,790.00    |
| OTV                                      |              |            |            |              |             |            |            |              |           |            | 1,030,649.51 |
| E. Meyers The Myers Co                   |              |            | 13,894.00  | 17,028.12    | 771,364.71  | 49,400.00  | 31,850.00  | 178,034.80   |           |            | 329,909.36   |
| Midlaw Environmental Services,           | 35,483.25    | 107,962.37 |            |              | 8,818.24    | 45,243.72  | 4,137.64   | 74,719.13    | 4,778.47  | 18,046.12  | 372,454.00   |
| Imbda Construction                       | 372,454.00   |            |            |              |             |            |            |              |           |            | 16,312.32    |
| Imp Recyclers                            |              |            |            |              | 11,521.83   |            | 38,877.77  |              | 11,262.77 |            | 72,332.28    |
| Iw Engineering                           | 10,669.91    |            |            |              |             |            |            |              |           |            | 5,421.50     |
| Iwton Communications                     |              |            |            |              |             | 5,421.50   |            |              |           | 3,000.00   | 3,401.00     |
| JRA                                      |              | 401.00     |            |              |             |            |            |              |           |            | 66,843.28    |
| Richard & White                          | 4,904.86     |            |            |              | 4,858.00    |            | 53,000.42  |              | 4,080.00  | 83.33      | 83.33        |
| Luise Lightner, Kay Woolford, Nancy File |              |            |            |              |             |            |            |              |           |            | 515,100.00   |
| 31 Systems, Inc.                         |              |            | 482,200.00 | 32,900.00    |             |            |            |              |           |            | 502,835.08   |
| ainControl, Inc.                         |              |            | 491,965.22 | 10,889.88    |             |            |            |              |           |            | 1,267.44     |
| ardin Electric Company, Inc.             | 385.60       | 881.84     |            |              |             |            |            |              |           |            | 44,228.94    |
| ardinez Paving company, Inc.             | 39,280.76    | 4,949.18   |            |              |             |            |            |              |           |            | 221.99       |
| arvin L. Weavers Drywall, Inc.           |              |            |            |              |             |            | 221.99     |              |           |            | 9,528.75     |
| atum Technologies, Inc./southwestern I   |              |            |            | 2,232.00     |             |            | 543.75     | 4,174.00     | 2,578.00  |            | 1,650,100.03 |
| ccoy Tree                                |              |            |            |              | 12,905.01   | 211,194.00 | 80,018.28  | 1,335,984.74 |           |            | 2,611,046.52 |
| CI Telecommunications                    |              | 815,112.63 |            | 625,472.81   |             | 536,615.78 |            |              |           | 171,625.39 | 2,798.79     |
| emorex Telex                             |              |            |            | 2,863.62     |             |            |            |              |           |            | 1,076,781.20 |
| eridian Leasing Corporation              |              |            |            | 10,055.38    |             |            | 25,427.88  | 1,043,297.94 |           |            |              |

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| SW Contracts                         |            | CPL        |            |            | CSW        |            |           | PSO        |        |            | SEP       |            |           | WTU      |              |  |
|--------------------------------------|------------|------------|------------|------------|------------|------------|-----------|------------|--------|------------|-----------|------------|-----------|----------|--------------|--|
| CONTRACTOR NAME                      | Capital    | Other      | Total      | Capital    | Other      | Total      | Capital   | Other      | Total  | Capital    | Other     | Total      | Capital   | Other    | Total        |  |
| eshek and Associates, Inc.           |            |            | 18,358.24  |            |            | 18,358.24  |           |            |        |            |           |            |           |          | 18,358.24    |  |
| ETA Group META Inc.                  |            |            | 12,000.00  |            |            | 12,000.00  |           |            |        |            |           |            |           |          | 12,000.00    |  |
| icrage Computer Centers              | 27,357.98  | 10,695.41  | 38,053.39  | 609,864.84 | 168,551.38 | 778,416.22 |           |            |        | 65,300.00  | 49,519.97 | 114,819.97 |           |          | 128,819.97   |  |
| icrosoft Corporation                 |            |            | 48,263.23  | 162,039.00 |            | 210,302.23 |           |            |        | 269,993.63 | 4,111.41  | 274,105.04 | 12,074.94 |          | 1,102,849.59 |  |
| idwestern Power Line                 |            |            |            |            |            |            | 38,467.88 | 214,241.60 |        |            |           |            |           |          | 252,709.48   |  |
| ike J. Thiel, Inc.                   | 339,382.76 |            |            |            |            |            |           |            |        |            |           |            |           |          | 339,382.76   |  |
| inerva Technology                    |            |            | 72,419.00  |            |            | 72,419.00  |           |            |        |            |           |            |           |          | 72,419.00    |  |
| obile Relays                         |            | 19,840.00  |            |            |            | 19,840.00  |           |            |        |            |           |            |           |          | 19,840.00    |  |
| odem Construction                    | 58,501.62  | 3,572.00   |            |            |            | 62,073.62  |           |            |        |            |           |            |           |          | 62,073.62    |  |
| onroe Information Technology, L.L.C. |            |            | 4,875.00   |            |            | 4,875.00   |           |            |        |            |           |            |           |          | 4,875.00     |  |
| otorola, Inc.                        |            | 13,408.87  |            |            |            | 13,408.87  |           | 3,319.82   | 240.00 |            |           |            |           |          | 16,965.69    |  |
| urray, Thomas, & Griffin, Inc.       |            |            |            |            |            |            |           |            |        |            |           |            |           |          | 82,978.45    |  |
| ismith Engineering, Inc.             | 22,508.31  | 17,825.73  |            |            |            | 40,334.04  |           |            |        |            |           |            |           |          | 40,334.04    |  |
| idata Strategies                     |            |            | 17,470.00  |            |            | 17,470.00  |           |            |        |            |           |            |           |          | 17,470.00    |  |
| ram Utility Services, Inc.           |            |            |            | 113,080.00 |            | 113,080.00 |           |            |        |            |           |            |           |          | 113,080.00   |  |
| FB, Inc.                             |            |            |            |            |            |            |           |            |        | 15,351.25  |           |            |           |          | 15,351.25    |  |
| acle Corporation                     |            |            | 160,711.91 | 53,890.00  |            | 214,601.91 |           |            |        |            |           |            |           |          | 214,601.91   |  |
| imose Wood Preserving                |            | 306,252.68 |            |            |            | 306,252.68 |           |            |        |            | 80,034.95 |            |           |          | 386,287.63   |  |
| isper Co.                            |            |            | 39,681.51  |            |            | 39,681.51  |           |            |        |            |           |            |           |          | 39,681.51    |  |
| irick L. Slavin                      |            |            |            |            |            |            |           |            |        |            |           |            |           | 640.00   | 640.00       |  |
| lak USA Energy Services, LTD         |            | 2,844.12   |            |            |            | 2,844.12   |           |            |        |            |           |            |           | 500.59   | 3,344.71     |  |
| arson Consulting, Inc.               |            |            | 10,739.75  |            |            | 10,739.75  |           |            |        |            | 1,104.98  |            |           |          | 11,844.73    |  |
| idus Building Service, Inc.          |            | 186,224.12 |            |            |            | 186,224.12 |           |            |        |            |           |            |           |          | 186,224.12   |  |
| otal Software                        |            |            | 330,520.00 | 19,500.00  |            | 350,020.00 |           |            |        |            |           |            |           |          | 350,020.00   |  |
| alum Technology, Inc.                |            |            | 74,130.37  | 2,970.95   |            | 77,101.32  |           |            |        |            |           |            |           |          | 77,101.32    |  |
| wer Engineers                        |            |            | 3,035.00   | 350.00     |            | 3,385.00   |           |            |        |            |           |            |           |          | 3,385.00     |  |
| wer Technologies, Inc.               |            |            | 62,567.50  | 163,036.92 |            | 225,604.42 |           |            |        |            | 1,075.00  |            |           |          | 226,679.42   |  |
| werPlan Consultants, Inc.            |            |            |            |            |            |            |           |            |        |            |           |            |           | 350.00   | 350.00       |  |
| wers Foundation Plering Co.          |            |            |            |            |            |            |           |            |        |            |           |            |           | 3,168.00 | 3,168.00     |  |
| ime Communication Site, LLC          |            |            |            |            |            |            |           |            |        |            |           |            |           |          |              |  |
| obandt Leasing Inc.                  |            |            |            |            |            |            | 8,437.00  |            |        |            |           |            |           |          | 8,437.00     |  |
| oline, Inc.                          |            | 736.00     |            |            |            | 736.00     |           |            |        |            |           |            |           |          | 736.00       |  |
| il, Inc. Environmental               |            |            |            |            |            |            |           | 69.00      |        |            |           |            |           |          | 69.00        |  |
| 5 R Environmental Emergency Response |            |            |            |            |            |            |           |            |        |            |           |            | 3,927.10  |          | 3,927.10     |  |
| dio Electronics Inc.                 |            |            |            |            |            |            |           |            |        |            |           |            |           | 2,480.00 | 2,480.00     |  |
| nger Communication, Inc.             |            |            |            |            |            |            |           |            |        |            |           |            |           | 3,000.00 | 3,000.00     |  |

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| CONTRACTOR NAME                   | CPL          |              | CSW     |            | PSO        |            | SEP          |              | WTU       |           | Total         |
|-----------------------------------|--------------|--------------|---------|------------|------------|------------|--------------|--------------|-----------|-----------|---------------|
|                                   | Capital      | Other        | Capital | Other      | Capital    | Other      | Capital      | Other        | Capital   | Other     |               |
| 97 Payment History By Vendor      |              |              |         |            |            |            |              |              |           |           |               |
| and Simpson                       | 2,425,838.89 | 2,120,181.79 |         |            | 297,878.90 | 101,304.32 | 4,553,315.88 | 1,834,223.27 |           | 7,746.05  | 11,340,488.90 |
| John                              |              |              |         | 88.48      |            | 8,870.59   |              |              |           |           | 8,937.07      |
| Idle Surveying D L Riddle         |              |              |         |            | 58,198.66  | 5,087.85   | 158,194.80   |              |           |           | 221,481.11    |
| Light of Way Service, Inc.        | 92,075.08    | 3,270.25     |         |            |            |            |              |              |           |           | 95,345.34     |
| Robert L. McMillan                |              |              |         |            |            |            |              |              |           | 3,850.00  | 3,850.00      |
| J. Inc.                           |              |              |         | 112,835.00 |            |            |              |              |           |           | 112,835.00    |
| S. "Ted" Harper and Wife          |              |              |         |            |            |            |              |              |           |           |               |
| Safety-Kleen Corp                 |              | 2,113.88     |         |            |            | 13,448.58  |              |              |           | 12,000.00 | 12,000.00     |
| tesco Systems USA                 | 15,888.28    |              |         |            | 4,150.39   | 19,336.50  |              | 22,462.96    |           |           | 38,025.42     |
| Arnon Medical Center              |              |              |         |            |            |            |              |              |           | 40.00     | 40.00         |
| Liner, Moseley & Assoc., Inc.     | 2,312.00     | 1,280.00     |         |            |            |            |              |              |           |           | 3,592.00      |
| Complex Time Recorder             |              |              |         |            |            |            |              |              | 14,918.00 |           | 14,918.00     |
| Wilwick Construction              |              |              |         |            |            | 1,460.00   |              | 4,040.00     |           |           | 5,500.00      |
| Hi-Tech System                    |              | 146,822.13   |         | 800.00     |            | 180,891.40 |              |              |           |           | 759,385.59    |
| Floware Solutions, Inc.           |              |              |         | 59,627.25  |            |            |              |              |           |           | 59,627.25     |
| IAFC, Inc.                        |              |              |         | 19,760.00  |            |            |              |              |           |           | 19,760.00     |
| Uttern Research                   |              |              |         |            |            |            |              |              |           |           |               |
| Northwestern Bell Mobile Systems  |              | 202,241.31   |         | 21,876.70  |            | 10,080.20  |              | 202,632.10   |           |           | 202,632.10    |
| Print                             |              | 701,766.44   |         | 39.78      |            |            |              |              |           | 1,580.70  | 703,816.92    |
| C Systems, Inc.                   |              |              |         | 3,610.00   |            |            |              |              |           |           | 3,610.00      |
| TEK Services, Inc.                |              |              |         | 53,839.00  |            |            |              |              |           |           | 53,839.00     |
| Rel Painting Corporation          |              | 7,488.00     |         |            |            |            |              |              |           |           | 7,488.00      |
| Phenson Industrial Electric, Inc. | 460.06       |              |         |            |            |            |              |              |           |           | 460.06        |
| Print Cons. Inc.                  | 2,493.00     |              |         | 195,851.91 |            | 21,175.00  |              | 407,382.95   |           | 18,315.82 | 653,718.68    |
| Print Helicopters, Inc.           |              |              |         |            |            | 101,185.00 |              |              |           |           | 101,185.00    |
| Print Electric                    |              |              |         |            |            |            |              |              |           | 31,602.73 | 31,602.73     |
| Microsystems Inc.                 |              |              |         |            |            | 1,981.38   |              |              |           |           | 1,981.38      |
| Systems & Progr. Res., Inc.       |              |              |         | 80,733.99  | 131,670.61 | 318.75     |              |              |           |           | 212,723.35    |
| S. Erectors & Crane Serv.         |              |              |         |            |            | 8,685.25   |              | 1,766.00     |           | 793.00    | 2,649.00      |
| Consulting, Inc.                  |              |              |         |            |            | 31,018.11  |              |              |           |           | 31,018.11     |
| Tracon Environmental, Inc.        |              |              |         |            |            | 6,086.67   |              |              |           |           | 6,086.67      |
| Gas Meter and Device Co.          |              | 28,140.34    |         |            |            | 27,783.37  |              |              |           | 79,065.52 | 125,949.23    |
| Fieldston Company, Inc.           |              |              |         | 25,120.53  |            |            |              |              |           |           | 25,120.53     |
| Indus Group, Inc.                 | 13,500.00    |              |         | 91,216.00  | 10,500.00  |            |              | 17,000.00    |           |           | 112,216.00    |
| Inter Group                       |              |              |         | 802,485.48 |            |            |              |              | 9,000.00  |           | 811,485.48    |
|                                   |              |              |         |            |            | 133,638.01 |              |              |           |           | 133,638.01    |

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| Contract Name                         | CPL           |               | CSW           |               | PSO           |               | SEP           |              | WTU          |           | Total          |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|-----------|----------------|
|                                       | Capital       | Other         | Capital       | Other         | Capital       | Other         | Capital       | Other        | Capital      | Other     |                |
| 3W Contracts                          |               |               |               |               |               |               |               |              |              |           |                |
| 97 Payment History By Vendor          |               |               |               |               |               |               |               |              |              |           |                |
| INTRACTOR NAME                        | Capital       | Other         | Capital       | Other         | Capital       | Other         | Capital       | Other        | Capital      | Other     | Total          |
| e Staubach Company                    |               | 3,250.00      |               |               |               |               |               |              |              |           | 76,554.30      |
| bin Surveys                           |               |               |               | 216.00        |               |               |               |              |              | 138.00    | 3,250.00       |
| pographic Land Surv. of Ok.           |               | 14,409.60     |               |               |               |               |               |              |              |           | 352.00         |
| land Helicopter                       |               |               |               |               |               |               |               |              | 9,168.00     | 58,360.00 | 14,409.60      |
| re, Inc.                              | 2,457.40      | 91,020.65     |               |               | 18,313.02     | 424,898.44    |               | 73,138.20    |              |           | 65,548.00      |
| -State Drilling                       |               |               |               |               | 66,835.10     |               |               |              |              |           | 609,818.71     |
| -State Elevator Company               |               |               |               |               |               |               |               | 11,889.88    |              |           | 66,835.10      |
| ity Engineering Testing Corpora'ion   |               |               |               |               |               |               |               |              | 923.00       | 60.00     | 11,889.88      |
| Electric                              |               |               | 800,092.89    |               |               |               |               |              | 28,828.10    |           | 983.00         |
| sa Electrical Contractors             |               |               |               |               | 61,969.50     | 16,279.00     |               |              |              |           | 828,920.99     |
| ner H. Construction                   |               |               |               |               | 319,178.40    |               |               |              |              |           | 78,248.50      |
| Comm Of San Angelo                    |               |               |               |               |               |               |               |              |              | 3,960.00  | 319,178.40     |
| Communications, Inc.                  |               |               |               |               |               |               |               |              |              | 2,520.00  | 3,960.00       |
| s; Filter Recovery Services, In       | 409.18        |               |               |               |               |               | 12,949.25     |              |              | 990.00    | 2,520.00       |
| ICS, Inc.                             |               |               |               |               | 60,860.00     |               |               |              |              |           | 14,348.44      |
| imis Corp. License - Eye Spy Software |               |               | 25,350.00     |               |               |               |               |              |              |           | 60,860.00      |
| Cellular                              | 20,977.28     |               | 5,052.18      |               |               |               |               |              |              | 2,444.00  | 25,350.00      |
| ilities International, Inc.           |               |               | 138,095.43    |               |               | 35,415.74     |               |              |              |           | 63,899.18      |
| ity Meter Services, Inc.              |               | 812,350.72    |               |               |               |               | 83,128.50     | 35,583.50    |              |           | 139,095.43     |
| x Corporation                         |               |               |               |               | 27,728.25     | 131,586.72    |               |              |              |           | 931,070.72     |
| ero Transmission Co.                  |               | 526.00        |               |               |               |               |               |              |              |           | 159,312.97     |
| N. Couch                              |               |               |               |               | 6,500.00      |               |               |              |              |           | 528.00         |
| stem Towers                           |               |               |               |               |               |               |               |              |              | 3,699.80  | 6,500.00       |
| liam Leach Builder Leach Williams     |               |               |               |               |               |               | 1,450.00      | 2,942.90     |              |           | 3,699.80       |
| ilex Construction, Inc.               |               |               |               |               | 148,429.73    | 125,130.34    |               |              |              |           | 4,382.90       |
| throp Resource                        |               | 76,025.35     |               |               |               |               |               |              |              |           | 273,560.07     |
| ght Tree Svc                          |               | 12,444.40     |               |               | 188,102.39    | 2,541,893.39  |               |              |              |           | 76,025.35      |
| al Contracts                          | 3,830,578.74  | 647,815.65    | 1,997,330.43  | 3,913,680.29  | 627,193.24    | 6,822,592.39  | 651,773.15    | 808,690.31   | 27,000.00    | 43,634.60 | 3,816,703.63   |
|                                       | 12,205,894.53 | 12,854,711.27 | 14,588,758.07 | 13,082,036.42 | 13,281,047.32 | 17,801,044.64 | 12,822,947.84 | 3,517,285.32 | 1,729,252.77 |           | 18,431,857.27  |
| SUM OF CAPITAL                        |               |               |               |               |               |               |               |              |              |           | 108,248,817.49 |
| SUM OF OTHER                          |               |               |               |               |               |               |               |              |              |           | 52,990,100.22  |
|                                       |               |               |               |               |               |               |               |              |              |           | 65,258,717.27  |

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| 19.0 Contract Services 1996 |  | John Peterson, Director T&S Engineering, 918 594-4128        |               |               |              |              |               |               |  |  |  |  |  |
|-----------------------------|--|--------------------------------------------------------------|---------------|---------------|--------------|--------------|---------------|---------------|--|--|--|--|--|
| Persons providing data:     |  | Susan Stautzenberger, Manager Accounts Payable, 918 594-2052 |               |               |              |              |               |               |  |  |  |  |  |
|                             |  | CPL                                                          | PSO           | SEP           | WTU          | CSW          | Capital       | Non-Capital   |  |  |  |  |  |
| Transmission                |  |                                                              |               |               |              |              |               |               |  |  |  |  |  |
| Engineering                 |  | 363,949.38                                                   | 103,632.15    | 153,581.16    | 88,201.13    | 0.00         | 709,363.82    | 550.00        |  |  |  |  |  |
| Maintenance/Construction    |  | 4,424,626.97                                                 | 2,790,142.95  | 5,489,992.23  | 1,427,627.94 | 0.00         | 14,132,390.09 | 949,310.22    |  |  |  |  |  |
| Vegetation Control          |  | 7,171.22                                                     | 2,298.10      | 230,350.93    | 59,912.54    | 0.00         | 299,732.79    | 2,477,018.55  |  |  |  |  |  |
| Inspection                  |  | 89,823.78                                                    | 0.00          | 0.00          | 2,414.43     | 0.00         | 92,238.21     | 83,578.13     |  |  |  |  |  |
| Other (ROW, excavate, etc.) |  | 58,303.37                                                    | 377,838.34    | 801,222.32    | 497,421.44   | 375,613.47   | 2,110,398.94  | 727,694.73    |  |  |  |  |  |
|                             |  | 4,943,874.72                                                 | 3,273,911.54  | 6,675,146.64  | 2,075,577.48 | 375,613.47   | 17,344,123.85 | 4,238,149.63  |  |  |  |  |  |
| Distribution                |  |                                                              |               |               |              |              |               |               |  |  |  |  |  |
| Engineering                 |  | 67,625.09                                                    | 3,456.94      | 1,558.78      | 0.00         | 0.00         | 72,640.81     | 50,281.19     |  |  |  |  |  |
| Maintenance/Construction    |  | 9,824,955.71                                                 | 5,684,532.94  | 7,318,717.49  | 652,722.11   | 0.00         | 23,460,928.25 | 4,103,950.04  |  |  |  |  |  |
| Vegetation Control          |  | 332,994.77                                                   | 690,811.43    | 1,614,410.18  | 0.00         | 0.00         | 2,638,216.38  | 11,858,640.05 |  |  |  |  |  |
| Inspection                  |  | 0.00                                                         | 0.00          | 0.00          | 0.00         | 0.00         | 0.00          | 339,289.54    |  |  |  |  |  |
| Other (ROW, excavate, etc.) |  | 71,047.72                                                    | 1,979,438.50  | 205,324.91    | 11,508.41    | 15,731.72    | 2,283,049.26  | 3,465,588.60  |  |  |  |  |  |
|                             |  | 10,296,623.29                                                | 8,338,239.81  | 9,140,011.36  | 664,228.52   | 15,731.72    | 28,454,834.70 | 19,817,759.41 |  |  |  |  |  |
| Other                       |  |                                                              |               |               |              |              |               |               |  |  |  |  |  |
| (Telecom I/S, Misc.)        |  | 3,214,063.72                                                 | 2,785,193.68  | 3,480,157.86  | 549,170.01   | 4,812,919.24 | 14,841,504.51 | 24,737,553.53 |  |  |  |  |  |
|                             |  | 18,454,561.73                                                | 14,397,345.03 | 19,295,315.86 | 3,288,976.01 | 5,204,284.43 | 60,640,463.06 | 48,793,462.57 |  |  |  |  |  |

R-5  
707,914  
15,081,70  
2,776,51  
175,814  
383,804  
R-5  
122,922  
275,487  
144,916  
339,200  
5,748,638

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| CONTRACTOR NAME                   | SPL          |              | CSW        |       | PSO          |              | SEP        |              | WTU        |            | Total        |
|-----------------------------------|--------------|--------------|------------|-------|--------------|--------------|------------|--------------|------------|------------|--------------|
|                                   | Capital      | Other        | Capital    | Other | Capital      | Other        | Capital    | Other        | Capital    | Other      |              |
| G. Hill Power, Inc.               | 2,783,798.49 | 47,356.71    |            |       |              |              |            |              |            |            | 2,831,155.20 |
| BB Power T & D Company, Inc.      |              |              | 25,000.00  |       |              |              |            |              |            |            | 25,000.00    |
| ce Cash Express                   |              |              | 5,134.70   |       | 1,424.15     |              | 2,284.40   |              | 313,530.95 |            | 2,284.40     |
| erial Data Service, Inc.          |              |              |            |       | 7,393.73     |              | 13,518.54  |              |            |            | 341,000.07   |
| illat, Fenner, Jolly & McClelland |              |              |            |       |              |              | 37,908.31  |              |            |            | 37,908.31    |
| lrgo                              |              | 8,176.00     |            |       |              |              |            |              |            | 30,000.00  | 38,176.00    |
| kard Place Joint Venture          |              |              | 17,604.21  |       |              |              |            |              |            |            | 17,604.21    |
| linary tower                      |              |              |            |       |              |              |            |              |            | 3,300.00   | 3,300.00     |
| llywaste Environmental            |              | 104,258.03   |            |       | 19,255.50    | 234,613.88   |            | 2,082,176.55 |            | 341,888.18 | 2,782,202.14 |
| mdahl Corporation                 |              |              | 152,135.92 |       |              |              |            |              |            | 1,688.00   | 1,688.00     |
| merican Ecology Corporation       |              |              |            |       |              |              |            |              |            |            | 1,688.00     |
| merican Energy                    |              |              |            |       | 721.10       | 34,854.30    |            |              |            |            | 35,575.40    |
| merican Filler Service            |              | 5,530.93     |            |       |              |              |            | 5,988.40     |            |            | 11,528.33    |
| merican Tower Corporation         |              | 12,080.12    |            |       |              |              |            |              |            | 486.00     | 12,566.12    |
| nalysts International             |              |              | 152,084.00 |       |              |              |            |              |            |            | 152,084.00   |
| ndrews Tower, Inc.                |              |              |            |       | 12,618.29    | 1,539.83     | 301,594.73 |              |            |            | 315,752.65   |
| nu-Past Company, Inc.             |              |              |            |       |              |              |            | 991.60       |            |            | 991.60       |
| ogee Interactive                  |              | 1,000.00     |            |       |              |              |            |              |            |            | 39,450.00    |
| rmstrong Leing, Inc.              |              |              | 38,450.00  |       |              |              |            |              |            |            | 7,876.00     |
| sbestos Handlers, Inc.            |              |              | 7,876.00   |       |              |              |            |              |            |            | 16,040.82    |
| speed Telecommunications          | 375,908.74   | 92,556.33    |            |       | 16,040.82    |              | 487,393.12 | 102,349.58   | 14,935.00  |            | 1,233,491.25 |
| splundh                           | 336,444.19   | 3,244,387.41 |            |       | 59,840.00    | 100,508.50   | 707,888.57 | 1,695,997.96 |            |            | 9,941,428.77 |
| T&T systems Leasing               |              |              |            |       | 518,961.70   | 3,437,848.84 |            |              |            |            | 11,311.08    |
| utomatic Protection Systems       |              | 8,627.05     |            |       | 22,237.51    |              |            |              |            |            | 30,864.56    |
| VP Products, Inc.                 |              |              | 7,095.00   |       |              |              |            |              |            |            | 7,095.00     |
| &L Peline Construction            |              |              |            |       | 54,683.94    | 216,349.20   | 168,139.74 | 20,496.71    | 393,791.27 | 28,661.88  | 422,453.13   |
| adger                             | 59,350.52    | 16,027.82    | 538,016.12 |       |              |              |            | 180.00       |            | 1,666.00   | 1,856.00     |
| air Air Patrol, Inc.              |              |              |            |       | 72,728.91    | 428,600.69   |            |              |            |            | 646,795.72   |
| astic Industries, Inc.            | 1,290.28     | 144,145.84   |            |       | 37,007.00    | 43,129.77    |            | 5,887.00     |            |            | 86,003.77    |
| elger Cartage, Inc.               |              |              |            |       | 29,871.90    | 15,000.00    |            |              |            |            | 44,871.90    |
| enham Group                       |              |              |            |       |              | 1,300.00     |            |              |            |            | 37,637.59    |
| emhard Construction               | 33,948.54    | 2,389.05     |            |       |              |              |            |              |            |            | 816.63       |
| lg D Environmental Services       |              |              |            |       | 2,142,402.61 | 73,895.54    |            |              |            |            | 2,408,487.09 |
| ison Electric                     |              |              |            |       | 31,218.73    |              |            | 1,800.00     |            |            | 171,616.73   |
| lack & Veatch                     | 135,000.00   | 800.00       | 3,000.00   |       |              |              |            |              |            |            |              |

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| CONTRACTOR NAME                             |              | CPL       |              | CSW          |            | PSO        |              | SEP        |            | WTU          |              |
|---------------------------------------------|--------------|-----------|--------------|--------------|------------|------------|--------------|------------|------------|--------------|--------------|
| Capital                                     | Other        | Capital   | Other        | Capital      | Other      | Capital    | Other        | Capital    | Other      | Capital      | Other        |
| Board Of Regents U.T., System               |              |           |              |              |            |            |              |            |            |              | 25.00        |
| Brian Davis db/a/ Davis Electrical Services |              |           |              |              | 350.00     |            |              |            |            |              | 350.00       |
| Brink Electric Construction Comp            | 80,288.00    |           |              |              |            |            |              |            |            |              | 80,288.00    |
| Buddy Clark                                 |              |           |              |              |            |            |              | 580.00     |            |              | 2,400.00     |
| Bullock Tower Service                       |              |           |              |              |            |            |              |            |            |              | 580.00       |
| Burns & McDonnell                           | 1,038.99     |           |              | 550.00       |            |            |              | 8,720.29   |            |              | 10,309.28    |
| Business Information Tech., Inc.            |              |           |              | 50,915.53    |            |            |              |            |            |              | 50,915.53    |
| C. A. Short                                 | 25,013.89    |           |              |              |            | 10,438.14  |              | 16,788.99  |            |              | 52,239.02    |
| C.I.R. Electric                             |              |           |              |              |            | 1,002.09   |              |            |            |              | 173,348.87   |
| Cablecom of Hobart                          |              |           |              |              |            | 284.22     |              |            |            |              | 284.22       |
| Candle Corporation                          |              |           |              | 85,074.49    |            |            |              |            |            |              | 85,074.49    |
| Castle Tower Corp.                          |              |           |              |              |            |            |              |            | 1,980.00   |              | 1,980.00     |
| CBT Systems USA, LTD                        |              |           |              | 38,880.00    |            |            |              |            |            |              | 38,880.00    |
| Central Construction Company                |              |           |              |              |            |            |              | 633,738.11 |            | 79,584.87    | 613,322.98   |
| Cisco Systems                               | 131,183.79   | 28,952.44 | 14,834.68    | 89,354.91    | 43,170.32  | 144,200.38 | 31,928.08    | 31,681.70  | 12,584.47  | 19,985.76    | 647,844.53   |
| City of Wellington, TX                      |              |           |              |              |            |            |              |            |            | 348.00       | 348.00       |
| Classic Cable                               | 3,340.45     |           |              |              | 288.18     |            |              |            |            | 111.82       | 3,720.25     |
| Coates Field Surveying                      |              |           |              | 51,488.22    |            | 463,511.49 | 322,311.99   | 224,030.98 | 5,535.20   | 42,884.20    | 1,120,479.89 |
| Coler Eng. & Surveying                      |              |           |              |              |            |            |              |            |            | 16,700.00    | 16,700.00    |
| Cole Waddell                                |              |           |              |              |            |            |              |            |            |              | 1,200.00     |
| Coleman County Elec Coop                    |              |           |              |              |            |            |              |            |            | 1,122.52     | 1,122.52     |
| Cobwell & Associates, Inc.                  | 3,875.00     |           |              |              |            |            |              |            |            |              | 3,875.00     |
| Comdisco, Inc.                              |              |           |              | 2,122,878.50 |            |            |              |            |            |              | 2,122,878.50 |
| Communications Associates                   |              |           |              | 4,332.42     |            |            |              | 1,243.00   |            |              | 27,024.36    |
| Computer Associates                         |              |           |              | 748,811.88   |            |            |              |            |            |              | 748,811.88   |
| Computer People                             |              |           |              | 77,737.00    |            |            |              |            |            |              | 77,737.00    |
| Computerland                                | 1,112,883.28 | 96,363.20 | 2,694,310.53 | 368,875.70   | 883,421.00 | 62,284.30  | 1,784,069.64 | 30,627.02  | 170,807.07 | 1,398,558.52 | 8,602,089.28 |
| Computare Corporation                       |              |           |              |              |            |            |              |            |            |              | 10,814.18    |
| Coopers & Lybrand                           |              |           |              | 10,814.18    |            |            |              |            |            |              | 10,814.18    |
| CSW Communications, Inc.                    |              |           |              | 74,894.08    |            |            |              |            |            |              | 74,894.08    |
| Cutler/Williams, Inc.                       |              |           |              |              |            |            |              |            |            |              | 113,964.00   |
| Dana Commercial Credit                      |              |           |              | 58,375.00    |            |            |              |            |            |              | 58,375.00    |
| Data Dynamics                               |              |           |              | 13,369.47    |            |            |              |            |            |              | 13,369.47    |
| Database Administration, Inc.               |              |           |              | 319,422.85   |            |            |              |            |            |              | 319,422.85   |
| Dataplex Corp.                              | 424.95       | 1,843.83  |              | 11,270.00    |            |            |              |            |            |              | 11,270.00    |
| Davey Tree                                  |              |           |              | 15,919.15    | 1,083.28   |            |              |            |            |              | 19,271.19    |
|                                             |              |           |              | 2,812.54     | 683,274.78 | 35,725.98  |              |            |            | 37,841.40    | 1,278,785.85 |

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| CONTRACTOR NAME                           | CPL        |            | CSW        |            | PSO          |            | SEP        |           | WTU        |            | Total        |
|-------------------------------------------|------------|------------|------------|------------|--------------|------------|------------|-----------|------------|------------|--------------|
|                                           | Capital    | Other      | Capital    | Other      | Capital      | Other      | Capital    | Other     | Capital    | Other      |              |
| David Carrol Draperies                    |            |            |            |            |              |            | 6,126.16   | 212.73    |            |            | 6,338.89     |
| David H. Elliot                           |            |            |            |            | 3,629,568.39 | 459,455.33 |            |           |            |            | 4,089,023.72 |
| Dash Consulting Engineers                 | 49,394.50  |            |            |            |              |            | 10,043.50  |           |            |            | 59,438.00    |
| DePont Building, Inc.                     |            | 501.32     |            |            |              |            | 8,140.00   |           |            | 1,000.00   | 8,641.32     |
| Di Stewart                                |            |            |            |            |              |            |            |           |            |            | 1,000.00     |
| Camino Resources, LTD.                    |            | 95,186.34  |            | 19,391.85  |              |            |            |           |            |            | 114,578.19   |
| Electrical Envir. Associates              |            |            |            |            |              |            |            |           | 41,532.50  | 11,127.50  | 52,660.00    |
| Electrical Testing Specialist             |            |            |            |            |              |            |            |           | 7,235.00   |            | 7,235.00     |
| EMC                                       |            |            | 778,663.90 |            |              | 6,918.33   |            |           |            |            | 785,582.23   |
| Energy Packaging Solutions                |            |            |            | 20,250.00  |              |            |            |           |            |            | 20,250.00    |
| Enviroplex                                | 698.87     | 437,036.81 | 53,363.44  | 469,690.43 | 4,160.00     | 32,863.76  | 5,375.17   | 41,429.77 | 39,348.49  | 180,446.83 | 1,284,413.57 |
| Environmental Evolutions, Inc.            | 9,428.81   | 492,682.55 |            |            |              |            |            |           |            |            | 502,109.36   |
| Environmental Protection Associates, Inc. |            |            |            | 91.75      |              |            | 199,777.60 | 13,724.11 |            |            | 213,503.46   |
| ES Solutions, Inc.                        |            |            |            | 29,545.00  |              |            |            |           | 98,573.03  |            | 128,118.03   |
| Libbair Electric, Inc.                    | 388,741.40 | 13,700.00  |            |            |              |            |            |           |            | 5,500.00   | 392,441.40   |
| Re Tech Systems                           |            |            |            |            |              |            |            |           |            |            | 5,500.00     |
| First National Bank of Sterling City      |            |            |            |            |              |            |            |           |            |            | 5,500.00     |
| Sur D Energy                              |            |            |            |            | 4,444.34     | 415.00     |            |           |            |            | 4,859.34     |
| Stables Excavating                        |            |            |            |            | 1,739,587.34 | 54,485.39  |            |           |            | 1,100.00   | 1,794,072.73 |
| Stone Evans                               |            |            |            |            |              |            |            |           |            |            | 1,100.00     |
| FRC Shelters                              |            |            |            |            | 13,587.51    |            | 260,958.60 | 42,233.80 |            |            | 316,777.61   |
| Ill Electric Service, Inc.                |            |            |            |            |              |            |            |           | 343,813.05 | 547.00     | 344,360.05   |
| Oldston Engineering                       | 93,298.75  |            |            |            |              |            |            |           |            |            | 93,298.75    |
| Overind & Associates, Inc.                | 401,785.75 | 27,892.59  |            |            |              |            |            |           | 62,721.47  |            | 462,399.61   |
| Race Construction Co.                     |            |            |            |            |              |            | 391,559.09 | 22,145.81 |            |            | 413,704.90   |
| Riffin Commercial Janitorial Serv         |            | 130.00     |            |            |              |            |            |           |            |            | 130.00       |
| Risham Construction Co., Inc.             |            |            |            |            | 12,085.00    |            |            |           |            |            | 12,085.00    |
| Ritz Tower                                |            | 750.00     |            |            |              |            |            |           |            |            | 750.00       |
| Group-1 Software                          |            |            |            | 25,417.15  |              |            |            |           |            |            | 25,417.15    |
| Guajillo Investments                      |            | 11,228.50  |            |            |              |            |            |           |            |            | 11,228.50    |
| Gulf Coast Broadcasting                   |            | 7,172.00   |            |            |              |            |            |           |            |            | 7,172.00     |
| Justavo Torres Concrete                   | 1,100.00   |            |            |            |              |            |            |           |            |            | 1,100.00     |
| Mapleton & Associates, Inc.               |            |            |            |            |              |            | 16,234.56  | 1,010.50  |            |            | 17,245.06    |
| Marcrow Air Conditioning                  |            |            |            |            |              |            |            | 9,588.50  |            |            | 9,588.50     |
| Mar Engineering Company, Inc.             |            |            |            |            |              |            |            | 1,866.83  |            |            | 1,866.83     |
| Masterly Fowler Construction, Inc.        |            |            |            |            |              |            |            |           | 6,743.08   |            | 6,743.08     |

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| CONTRACTOR NAME                         | CPL          |           | CSW     |       | PSO       |           | SEP        |           | WTU       |           | Total        |
|-----------------------------------------|--------------|-----------|---------|-------|-----------|-----------|------------|-----------|-----------|-----------|--------------|
|                                         | Capital      | Other     | Capital | Other | Capital   | Other     | Capital    | Other     | Capital   | Other     |              |
| 96 Payment History By Vendor            |              |           |         |       |           |           |            |           |           |           |              |
| ackalton Const                          |              |           |         |       |           |           | 31,614.12  | 328.00    |           | 3,600.00  | 31,442.12    |
| len R. Crawford                         |              |           |         |       | 16,158.72 |           | 101,871.50 |           |           |           | 3,600.00     |
| nkels & McCoy, Inc.                     |              |           |         |       | 3,354.00  | 25,586.98 | 43,055.38  | 11,652.03 | 70,600.68 |           | 118,030.22   |
| hlett Packard                           | 34,384.81    | 3,102.91  |         |       |           |           |            |           |           |           | 183,248.77   |
| h Man Tower, Inc.                       | 20,250.70    |           |         |       |           |           |            |           |           |           | 20,250.70    |
| orable Gary Baugh                       |              |           |         |       |           |           |            |           |           | 2,435.60  |              |
| sky Tower Co.                           |              | 6,312.00  |         |       |           |           |            |           |           |           | 6,312.00     |
| Industrial Electric Corp IEC of Te      | 275,380.72   | 49,760.93 |         |       |           | 3,418.64  |            | 25,817.22 |           | 18,704.90 | 1,213,228.01 |
| Industrial Telephone Service            |              | 2,990.00  |         |       |           |           |            |           |           | 246.03    | 246.03       |
| ormalion Builders, Inc.                 |              |           |         |       |           |           |            |           |           |           | 232,882.98   |
| osystems Corp                           |              |           |         |       |           |           |            |           |           |           | 141,825.00   |
| ovative Technology Group, L.L.C.        |              |           |         |       |           |           |            | 3,169.57  |           |           | 3,169.57     |
| ergraph Corporation                     | 1,220,451.12 | 1,100.00  |         |       |           |           |            |           |           |           | 2,590,782.97 |
| erim Personnel, Inc.                    |              | 6,167.52  |         |       |           |           |            |           |           | 95,141.72 | 101,308.24   |
| emational Software Product              |              |           |         |       |           |           |            |           |           |           | 8,250.00     |
| M. Davidson, Inc.                       | 534,644.25   |           |         |       |           |           |            |           |           |           | 534,644.25   |
| M. Buck Construction Compan             | 2,784,024.41 |           |         |       |           |           |            |           |           |           | 3,893,825.67 |
| t.S. Communications, Inc.               |              |           |         |       |           |           |            |           |           |           | 7,100.00     |
| nes Marlin & Co.                        |              |           |         |       |           |           |            |           |           |           | 904,215.57   |
| in Scoggins Company                     |              | 27,634.70 |         |       |           |           |            |           |           |           | 27,634.70    |
| enny Carr Grad. & Buldoz                |              |           |         |       |           |           |            |           |           |           | 113,303.00   |
| inson Construction                      |              |           |         |       |           |           |            |           |           |           | 295,322.10   |
| A.D. Contractors, Inc.                  |              |           |         |       |           |           |            |           |           |           | 173,419.93   |
| TV                                      |              |           |         |       |           |           |            |           |           |           | 24,797.50    |
| E. Meyers                               |              |           |         |       |           |           |            |           |           |           | 591,161.65   |
| dlaw Environmental Services, Inc.       |              | 8,954.76  |         |       |           |           |            |           |           |           | 51,374.64    |
| mbda Construction                       | 546,181.70   |           |         |       |           |           |            |           |           |           | 546,181.70   |
| * Engineering                           |              |           |         |       |           |           |            |           |           |           | 63,230.91    |
| aton Communications                     |              |           |         |       |           |           |            |           |           |           | 5,156.00     |
| RA                                      |              |           |         |       |           |           |            |           |           |           | 3,000.00     |
| card & White                            |              | 2,406.00  |         |       |           |           |            |           |           |           | 63,550.00    |
| ren Cariberg Aerial Patrol              |              |           |         |       |           |           |            |           |           |           | 28,053.02    |
| ulse Lightner, Kay Woodford, Nancy File |              |           |         |       |           |           |            |           |           |           | 916.63       |
| il Systems, Inc.                        |              | 56,728.02 |         |       |           |           |            |           |           |           | 18,601.84    |
| rlin Electric Company, Inc.             | 374.76       | 169.08    |         |       |           |           |            |           |           |           | 543.84       |

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| CSW Contracts                           |            | CPL        |         |            | CSW       |            |         | PSO   |         |       | SEP     |       |         | WTU   |            |  |
|-----------------------------------------|------------|------------|---------|------------|-----------|------------|---------|-------|---------|-------|---------|-------|---------|-------|------------|--|
| CONTRACTOR NAME                         | Capital    | Other      | Capital | Other      | Capital   | Other      | Capital | Other | Capital | Other | Capital | Other | Capital | Other | Total      |  |
| 1998 Payment History By Vendor          |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Marlitz Paving Company, Inc.            | 42,698.16  | 0.00       |         |            |           |            |         |       |         |       |         |       |         |       | 42,698.16  |  |
| Marvin L. Weavers Drywall, Inc.         |            |            |         |            | 15,967.00 |            |         |       |         |       |         |       |         |       | 15,967.00  |  |
| Maxim Technologies, Inc./southwestern I |            | 26,598.40  |         |            |           |            |         |       |         |       |         |       |         |       | 26,598.40  |  |
| McCoy Tree                              |            | 693,907.62 |         |            |           |            |         |       |         |       |         |       |         |       | 693,907.62 |  |
| ACI Telecommunications                  |            |            |         | 781,059.03 |           |            |         |       |         |       |         |       |         |       | 781,059.03 |  |
| Med Loz Lease Service, Inc.             |            | 29,953.67  |         |            |           |            |         |       |         |       |         |       |         |       | 29,953.67  |  |
| Memorex Telex                           |            |            |         | 559.32     |           |            |         |       |         |       |         |       |         |       | 559.32     |  |
| META Group                              |            |            |         | 37,867.50  |           |            |         |       |         |       |         |       |         |       | 37,867.50  |  |
| METRO Computer Centers                  | 195,609.04 | 19,459.31  |         | 21,269.42  |           |            |         |       |         |       |         |       |         |       | 215,337.77 |  |
| Microsoft Corporation                   | 4,300.00   |            |         |            | 30,195.00 |            |         |       |         |       |         |       |         |       | 34,495.00  |  |
| Midwestern Power Line                   |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Minnerva Technology                     |            |            |         |            |           | 188,785.00 |         |       |         |       |         |       |         |       | 188,785.00 |  |
| Mobile Relays                           |            | 28,637.75  |         |            |           |            |         |       |         |       |         |       |         |       | 28,637.75  |  |
| Modern Construction                     | 3,925.00   |            |         |            |           |            |         |       |         |       |         |       |         |       | 3,925.00   |  |
| Montare International                   |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Motorola, Inc.                          |            | 8,829.60   |         |            |           |            |         |       |         |       |         |       |         |       | 8,829.60   |  |
| Murray, Thomas, & Griffin, Inc.         |            | 20,721.77  |         |            |           |            |         |       |         |       |         |       |         |       | 20,721.77  |  |
| Nalsmith Engineering, Inc.              |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Nevdata Strategies                      |            |            |         |            |           | 84,909.00  |         |       |         |       |         |       |         |       | 84,909.00  |  |
| NTB, Inc.                               |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| One Printing Systems                    |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Oklahoma Cadestral Library              |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Oracle Corporation                      |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Ormos Wood Preserving                   |            | 324,333.12 |         |            | 60,502.61 |            |         |       |         |       |         |       |         |       | 384,835.73 |  |
| Ostrick L. Slavin                       |            | 182,034.48 |         |            |           |            |         |       |         |       |         |       |         |       | 182,034.48 |  |
| Oxus Building Service, Inc.             |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Oxy Construction Co.                    |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| People's Cellular                       |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Palladium Technology, Inc.              |            |            |         |            | 24,996.42 |            |         |       |         |       |         |       |         |       | 24,996.42  |  |
| Pogue & Associates, Inc.                |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Porter & Associates                     |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Power Engineers                         |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Power Technologies, Inc.                |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Power Foundation Plying Co.             |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |
| Prime Communication Site, LLC           |            | 7,817.97   |         |            |           |            |         |       |         |       |         |       |         |       | 7,817.97   |  |
| Proband Leasing Inc.                    |            |            |         |            |           |            |         |       |         |       |         |       |         |       |            |  |

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| CONTRACTOR NAME                      | CPL          |              | CSW        |            | PSO        |           | SEP          |            | WTU        |            | Total         |
|--------------------------------------|--------------|--------------|------------|------------|------------|-----------|--------------|------------|------------|------------|---------------|
|                                      | Capital      | Other        | Capital    | Other      | Capital    | Other     | Capital      | Other      | Capital    | Other      |               |
| SW Contracts                         |              |              |            |            |            |           |              |            |            |            |               |
| 996 Payment History By Vendor        |              |              |            |            |            |           |              |            |            |            |               |
| & R Environmental Emergency Response |              | 34,494.28    |            |            |            |           |              |            |            |            | 34,494.28     |
| ad Electronics Inc.                  |              | 204.00       |            |            |            |           |              |            |            |            | 14,987.41     |
| anger Communication, Inc.            |              |              |            |            |            |           |              |            |            |            | 3,000.00      |
| ed Simpson                           | 3,957,907.76 | 1,897,528.48 |            |            |            |           |              |            |            |            | 13,985,548.29 |
| icoh                                 |              |              | 284,428.80 | 14,780.75  | 212,164.76 | 34,877.89 | 6,336,466.76 | 876,034.79 | 125,087.85 |            | 338,911.54    |
| iddle Surveying D L Riddle           |              |              |            |            | 83,724.28  | 2,083.87  | 65,437.21    |            |            |            | 141,245.14    |
| ight of Way Service, Inc.            | 102,263.07   | 9,831.87     |            |            |            |           |              |            |            | 400.00     | 112,494.94    |
| obert L. McMillan                    |              |              |            |            |            |           |              |            |            | 4,200.00   | 4,200.00      |
| & J Inc.                             |              |              |            | 110,342.50 |            |           |              |            |            |            | 110,342.50    |
| afety-Kleen Corp                     |              | 1,854.90     |            |            |            | 8,752.09  |              | 41,678.20  |            |            | 52,285.19     |
| alesco Systems USA                   |              | 21,288.02    |            |            |            |           |              |            |            |            | 21,288.02     |
| argent & Lundy                       | 24,993.95    | 0.00         |            | 3,725.58   |            |           |              |            |            | 1,288.00   | 28,719.53     |
| annon Medical Center                 |              |              |            |            |            |           |              |            |            |            | 1,258.00      |
| lner, Moseley & Assoc, Inc.          | 7,360.00     | 1,450.00     |            |            |            |           |              |            |            |            | 8,810.00      |
| mplex Time Recorder                  |              | 115.46       |            |            |            |           |              |            |            |            | 15,070.22     |
| nithwick Construction                |              |              |            |            |            |           | 104.00       | 14,850.76  |            |            | 335,152.48    |
| nR-Tech System                       | 13,993.82    | 277,884.84   |            |            |            |           |              | 4,070.57   |            |            | 453,773.98    |
| nibase Systems, Inc.                 |              |              |            | 15,080.00  |            |           |              |            |            |            | 15,080.00     |
| nftware Solutions, Inc.              |              |              |            | 110,407.25 |            |           |              |            |            |            | 110,407.25    |
| nArc, Inc.                           |              |              | 53,065.61  |            | 2,125.00   |           |              |            |            |            | 55,190.61     |
| nthern Research                      |              |              |            |            |            |           |              |            |            | 141,321.34 | 141,321.34    |
| nthwestern Bell Mobile Syste         | 194.60       | 312,764.60   |            |            |            | 1,827.01  |              |            |            |            | 539,877.99    |
| nrint                                |              | 532,749.03   |            |            |            |           |              | 24,253.08  |            |            | 589,872.84    |
| n of TEK Services, Inc.              |              |              |            |            | 188,590.00 |           |              |            |            |            | 188,590.00    |
| eel Painting Corporation             |              | 11,455.00    |            |            |            |           |              |            |            | 688.00     | 11,455.00     |
| ephenson Floor Covering              |              |              |            |            |            |           |              |            |            |            | 688.00        |
| erage Plus                           |              |              |            | 4,299.70   |            |           |              |            |            |            | 4,299.70      |
| ermit Cons. Inc.                     |              |              |            | 8,341.15   |            |           | 488,190.29   | 20,009.54  |            |            | 488,540.98    |
| in Electric                          |              |              |            |            |            |           |              |            | 176,571.69 | 1,098.24   | 179,669.93    |
| in Microsystems Inc.                 |              |              |            |            |            | 1,942.51  |              |            |            |            | 1,942.51      |
| ystems & Progr. Res., Inc.           |              |              |            |            | 74,495.67  | 64,871.00 |              |            |            |            | 1,307,121.87  |
| J.S. Erectors & Crane Serv.          |              |              |            |            |            |           | 5,183.60     | 2,622.00   |            |            | 7,805.60      |
| J                                    |              | 85,848.14    |            |            |            | 10,238.82 |              |            |            |            | 96,084.96     |
| am Consulting, Inc.                  |              |              |            | 228,550.08 |            |           |              |            |            |            | 228,550.08    |
| lamagic, Inc.                        |              |              |            | 4,390.00   |            |           |              |            |            |            | 4,390.00      |
| as Meter and Device Co.              |              | 34,251.83    |            |            |            |           |              | 96,882.62  |            | 38,839.29  | 185,973.74    |

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Cost To Achieve

**AEP/CSW**

**Synergies Refinement**

**SYNERGIES SUMMARY**

**Savings Area: Costs to Achieve**

**AEP Position:**

Not applicable as stand alone.

**CSW Position:**

Not applicable as stand alone.

**Rationale for Costs:**

Merger savings, in some instances, require a certain level of out of pocket expenditures in order to be achieved. Transaction costs were included in analysis.

**Total Cost (\$000):**

O&M and Fixed Charge - Costs

**\$ 248,080 5-a**

**Basis for Calculation:**

- Separation - \$36.8 million from 1999-2001, considering non-attrition labor reductions of 675, 34 weeks of severance pay at an average of \$39,472, payroll taxes of 9.0% and medical benefits of 10.30%.
- Systems Integration - \$106.8 million in 1990-2008 for systems needing minor and major integration efforts.
- Directors and Officers Tail Coverage Liability - \$3.6 million in 1999 for continuing liability coverage for former directors.
- Internal & External Communications - \$5.0 million in 1999 to educate customers, employees regarding combinations.
- Facilities - \$5.0 million in 1999 to consolidate corporate facilities.
- Retention - \$10.0 million in 1999 to retrain employees (meter readers, customer service, etc.) as a result of new positions.
- Transition Costs - \$15.0 million in 1999 for external assistance to facilitate integration of individual entities.
- Transaction costs - \$49.9 million for banker's, legal, and other fees.
- Relocation costs - \$12.0 million in 1999 for relocation of employees based on an estimated 300 affected personnel at \$40,000 per relocation.
- Telecommunications - \$4.0 million from 1999-2008 from telecommunications integration efforts.

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Costs to Achieve  
(Dollars in thousands)

|                                                     | 1999          | 2000     | 2001     | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | Total       |
|-----------------------------------------------------|---------------|----------|----------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|
| Separation Costs                                    |               |          |          |         |         |         |         |         |         |         |         |             |
| Separation Programs                                 | S-4 \$10,658  | \$19,850 | \$2,674  | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$33,182    |
| Executive Separation (1)                            | S-3 \$531     | \$531    | \$531    | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$1,592     |
| Separation Assistance (2)                           | S-6 \$2,000   | \$0      | \$0      | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$2,000     |
| Total Separation Costs - Merger                     | \$13,188      | \$20,380 | \$3,205  | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$36,773    |
| Retention Costs                                     | S-7 \$10,000  | \$0      | \$0      | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$10,000    |
| System Integration Costs (5)                        | K-5 \$8,695   | \$29,199 | \$14,924 | \$7,264 | \$7,443 | \$7,610 | \$7,713 | \$7,372 | \$7,372 | \$7,372 | \$1,843 | \$106,806   |
| Transaction Costs                                   | S-13 \$35,320 | \$0      | \$0      | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$35,320    |
| Regulatory Process Costs                            | S-14 \$17,633 | \$0      | \$0      | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$17,633    |
| Relocation Costs (3)                                | S-8 \$4,000   | \$4,000  | \$4,000  | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$12,000    |
| Directors and Officers' Liability Tail Coverage (4) | S-10 \$3,640  | \$0      | \$0      | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$3,640     |
| Telecommunications Costs                            | S-9 \$360     | \$360    | \$360    | \$360   | \$360   | \$360   | \$360   | \$360   | \$360   | \$360   | \$360   | \$3,960     |
| Internal/External Communications (2)                | S-10 \$5,000  | \$0      | \$0      | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$5,000     |
| Transition Costs (2)                                | S-11 \$11,448 | \$5,500  | \$0      | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$0     | \$16,948    |
| TOTAL COSTS TO ACHIEVE                              | \$109,284     | \$59,440 | \$22,489 | \$7,624 | \$7,803 | \$7,970 | \$8,073 | \$7,732 | \$7,732 | \$7,732 | \$2,203 | 248,080 S-1 |

- (1) Assumes 4 executive separations with three years compensation for separation
- (2) Based on previous transactions
- (3) Assumes 300 relocations at \$40,000 per relocation
- (4) Estimated at 1.5 times AEP's and CSW's D&O premium
- (5) Includes O&M and revenue requirements costs

S-2

**Executive Separation Costs**  
(Dollars in thousands)

Assumptions:

- (1) Three years' compensation for executives
  - (2) Average compensation is \$132,640/year
  - (3) Three executives will be separated
- TOTAL EXECUTIVE SEPARATION**

|                 |          |
|-----------------|----------|
| <b>1999</b>     | <b>3</b> |
| \$ 132.64       |          |
| \$ <u>1,592</u> | <b>4</b> |
| \$ 531          | per year |

Amortized over three years



Separation Costs  
(Dollars in thousands)

|                                    | 1999          | 2000          | 2001         | Totals     |
|------------------------------------|---------------|---------------|--------------|------------|
| Labor Reductions                   | 360           | 530           | 171          | 1,061      |
| Less: Attrition of affectable base | 137           | 130           | 119          | 386        |
| Net Severance Reductions           | 223           | 400           | 52           | 675        |
| Severance per Reduction            | \$ 47,728     | \$ 49,637     | \$ 51,623    | 148,988    |
| Total Severance                    | \$ 10,657,672 | \$ 19,849,903 | \$ 2,674,053 | 33,181,629 |

Severance Package Assumptions:  
(1) 34 weeks' pay (2 weeks per year of service,  
17 year average service assumed) at average salary  
and nine months of medical benefits (1997).

| Average Salary  | Average Service | Weeks/Year | Separation |
|-----------------|-----------------|------------|------------|
| \$ 60,402       | 17              | 2          | \$ 39,494  |
| Tax Rate        | Separation Cost |            | Tax Cost   |
| 9.0%            | \$ 39,494       |            | \$ 3,554   |
| Medical Loading | Annual Benefits | Years      | Benefits   |
| 10.3%           | \$ 6,240        | 0.75       | \$ 4,680   |
| Total Severance |                 |            | \$ 47,728  |

4.00%

escalation\_rate, labor

|                                      |           | <u>1999</u>   | <u>Extended</u> |
|--------------------------------------|-----------|---------------|-----------------|
| Executive Staff                      | 8         | 39,820        | 318,560         |
| Legal                                | 8         | 97,361        | 778,888         |
| Administrative & Support Services    | 46        | 59,140        | 2,720,440       |
| Retail Marketing & Sales             | 162       | 61,362        | 9,940,644       |
| Customer Service                     | 148       | 52,547        | 7,776,956       |
| External Relations                   | 20        | 69,697        | 1,393,940       |
| Finance                              | 170       | 57,380        | 9,754,600       |
| Procurement                          | 50        | 58,470        | 2,923,500       |
| Human Resources                      | 65        | 65,156        | 4,235,140       |
| Information Services & Telecom       | 254       | 60,902        | 15,469,108      |
| Oil and Gas Generation               | 0         | 59,581        | -               |
| Nuclear Generation                   | 2         | 72,308        | 144,616         |
| Coal                                 | 70        | 68,540        | 4,797,800       |
| Electrical Systems Technical Support | 11        | 67,840        | 746,240         |
| Transmission                         | 33        | 67,124        | 2,215,092       |
| Distribution                         | <u>10</u> | <u>62,987</u> | <u>629,870</u>  |
| Executives                           | 1,057     |               | 63,845,394      |
| Total                                | 4         | 132,642       | 530,568         |
|                                      | 1,061     |               | 64,375,962      |
| Average per Employee                 |           |               | \$ 60,402       |
| Health Benefits Loading              |           |               | 10.3%           |
| Payroll Tax Loading                  |           |               | 9.0%            |
| Average Loaded Salary                |           |               | \$ 72,078       |

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**Separation Assistance Costs**  
(Dollars in thousands)

Assumptions:

Separation assistance costs estimated at \$2 million based on previous transactions

**Separation Assistance Costs**

\$ 2,000 5-2

**Retention Costs**  
(Dollars in thousands)

TOTAL RETENTION COSTS

\$ 10,000 S-2

**Relocation Costs**  
(Dollars in thousands)

Assumptions:

- (1) 300 corporate and administrative employees will be relocated
- (2) Cost of relocation is \$40,000 per employee

Calculation

|                               |                             |
|-------------------------------|-----------------------------|
| Corporate and Admin employees | 300                         |
| Cost per employee             | <u>40</u>                   |
| TOTAL RELOCATION COSTS        | <u><u>\$ 12,000</u></u> S-2 |

**Telecommunications Costs**  
(Dollars in thousands)

Assumptions:

Costs to bridge the two companies' systems estimated at \$360,000 annually based on internal data

**Telecommunication Costs**

\$ 360 S-2

**Communications Costs**  
(Dollars in thousands)

Assumptions:

External/Internal Communications estimated at \$5 million  
based on previous transactions

**Communication Costs**

\$ 5,000 S-2

**Transition Costs**  
(Dollars in thousands)

| <b>Transition Costs</b> | <b>1999</b>  | <b>2000</b> | <b>Total</b> |
|-------------------------|--------------|-------------|--------------|
| Travel and Meals        | 2,448        | 2,000       | 4,448        |
| Transition Advisors     | 3,000        | 2,000       | 5,000        |
| Facilities Integration  | 4,000        | 1,000       | 5,000        |
| Miscellaneous           | <u>2,000</u> | <u>500</u>  | <u>2,500</u> |
| Total Transition Costs  | \$-2 11,448  | \$-2 5,500  | \$-2 6,948   |



**D&O Tail Coverage Cost**  
(Dollars in thousands)

Assumptions:

- (1) Coverage estimated at 1.5 times AEP's and CSW's D&O premium
  - (2) A.P 1997 D&O premium: 1,134,000
  - (3) CSW 1997 D&O premium: 1,292,997
- 2,426,997

Calculation:

|                           |                         |
|---------------------------|-------------------------|
| Combined Premium Coverage | 2,427                   |
|                           | <u>1.5</u>              |
| D&O Tail Coverage         | <u><u>3,640</u></u> S-2 |

**Transaction Costs**  
(Dollars in thousands)

Assumptions:

Transaction costs estimated

**Transaction Costs (in \$000)**

|                     |              |
|---------------------|--------------|
| Bankers' Fees       | 30,800       |
| Corporate Attorneys | <u>4,520</u> |
|                     | 35,320       |

*S-2*

**Regulatory Process Costs**  
(Dollars in thousands)

Assumptions:

Regulatory Process costs estimated

**Regulatory Process Costs (in \$000)**

|                  |              |
|------------------|--------------|
| Legal Fees       | 10,161       |
| Advisors' Fees   | 3,113        |
| Proxy            | 2,509        |
| Registration Fee | <u>1,850</u> |
|                  | 17,633 S-2   |

**AEP / CSW Merger  
Transaction and Transition Budget  
(\$000)**

|                                              | <u>1999</u>    | <u>2000</u>   | <u>Future</u> | <u>Total<br/>Project</u> |
|----------------------------------------------|----------------|---------------|---------------|--------------------------|
| <b><u>Transaction Costs:</u></b>             |                |               |               |                          |
| Total Bankers                                | 30,800         | -             | -             | 30,800                   |
| Total Corporate Lawyers                      | 4,520          | -             | -             | 4,520                    |
| <b>Total Transaction Costs</b>               | <b>35,320</b>  | <b>-</b>      | <b>-</b>      | <b>35,320</b>            |
| <b><u>Regulatory Process Costs:</u></b>      |                |               |               |                          |
| Total Regulatory Lawyers                     | 10,161         | -             | -             | 10,161                   |
| Total Advisors                               | 3,113          | -             | -             | 3,113                    |
| Total Proxy                                  | 2,509          | -             | -             | 2,509                    |
| Registration Fees                            | 1,850          | -             | -             | 1,850                    |
| <b>Total Regulatory Process Costs</b>        | <b>17,633</b>  | <b>-</b>      | <b>-</b>      | <b>17,633</b>            |
| <b><u>Transaction Costs:</u></b>             |                |               |               |                          |
| <b><u>Analysis:</u></b>                      |                |               |               |                          |
| Travel & Meals                               | 2,448          | 2,000         | -             | 4,448                    |
| Transition Advisors - D&T / Others           | 3,000          | 2,000         | -             | 5,000                    |
| Facilities Integration Costs                 | 4,000          | 1,000         | -             | 5,000                    |
| Other Advisors, Miscellaneous                | 2,000          | 500           | -             | 2,500                    |
| <b>Total Analysis</b>                        | <b>11,448</b>  | <b>5,500</b>  | <b>-</b>      | <b>16,948</b>            |
| <b><u>Implementation Costs:</u></b>          |                |               |               |                          |
| Separation Costs - Basic Plan                | 13,188         | 20,380        | 3,205         | 36,773                   |
| Separation Costs - CSW Retention Plan        | 10,000         | -             | -             | 10,000                   |
| Relocation Cost / Outplacement Costs         | 4,000          | 4,000         | 4,000         | 12,000                   |
| Systems Integration (IT) Costs               | 8,695          | 29,199        | 68,912        | 106,806                  |
| Telecommunications Integration Costs         | 360            | 360           | 3,240         | 3,960                    |
| Internal / External Communications Costs     | 5,000          | -             | -             | 5,000                    |
| Directors & Officers Liability Tail Coverage | 3,640          | -             | -             | 3,640                    |
| <b>Total Implementation Costs</b>            | <b>44,883</b>  | <b>53,939</b> | <b>79,357</b> | <b>178,179</b>           |
| <b>Total Transaction Costs</b>               | <b>56,331</b>  | <b>59,439</b> | <b>79,357</b> | <b>195,127</b>           |
| <b>Grand Total Budget</b>                    | <b>109,284</b> | <b>59,439</b> | <b>79,357</b> | <b>248,080</b>           |

S-15



Pre-Merger Initiatives

|                                   | 1999    | 2000    | 2001    | 2002     | 2003     | 2004     | 2005     | 2006     | 2007     | 2008     | 2009     | Total     |
|-----------------------------------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Percentage of Expense Capitalized |         |         |         |          |          |          |          |          |          |          |          |           |
| Rev. Req. Rate                    | 17.52%  | 17.20%  | 16.58%  | 15.98%   | 15.40%   | 14.84%   | 14.31%   | 13.80%   | 13.29%   | 12.79%   | 12.29%   |           |
| Partial Year Savings              | 75%     |         |         |          |          |          |          |          |          |          |          |           |
| Partial Year Revenue Req. Rate    | 17.52%  | 17.28%  | 16.74%  | 16.13%   | 15.55%   | 14.98%   | 14.44%   | 13.93%   | 13.42%   | 12.92%   | 12.42%   |           |
| Full Year PMI - O&M               | 2,267   | 4,803   | 7,387   | 10,229   | 13,136   | 16,165   | 19,245   | 22,491   | 22,491   | 22,491   | 22,491   |           |
| Full Year PMI - Capital           | (1,161) | 2,889   | 4,853   | 8,531    | 10,631   | 11,780   | 11,474   | 14,030   | 14,030   | 14,030   | 14,030   |           |
| Partial Year PMI - O&M            | 1,700   | 4,169   | 6,741   | 9,518    | 12,409   | 15,408   | 18,475   | 21,679   | 22,491   | 22,491   | 5,623    |           |
| Partial Year PMI - Capital        | (871)   | 1,876   | 2,889   | 4,853    | 8,531    | 10,631   | 11,780   | 11,474   | 14,030   | 14,030   | 3,508    |           |
| <u>Annual Expense</u>             |         |         |         |          |          |          |          |          |          |          |          |           |
| Annual Expense Amount             | \$829   | \$6,045 | \$9,630 | \$14,371 | \$20,940 | \$26,038 | \$30,255 | \$33,153 | \$36,521 | \$36,521 | \$9,130  |           |
| O&M Expense                       | \$1,700 | \$4,169 | \$6,741 | \$9,518  | \$12,409 | \$15,408 | \$18,475 | \$21,679 | \$22,491 | \$22,491 | \$5,623  |           |
| Capital Expense                   | (\$871) | \$1,876 | \$2,889 | \$4,853  | \$8,531  | \$10,631 | \$11,780 | \$11,474 | \$14,030 | \$14,030 | \$3,508  |           |
| Cumulative Capital Expense        | (\$871) | \$1,005 | \$3,894 | \$8,747  | \$17,278 | \$27,908 | \$39,689 | \$51,162 | \$65,193 | \$79,223 | \$82,731 |           |
| Fixed Charge Expense              | (\$153) | \$329   | \$506   | \$850    | \$1,495  | \$1,862  | \$2,064  | \$2,010  | \$2,458  | \$2,458  | \$615    |           |
| Total Fixed Charge Expense        | (\$153) | \$178   | \$685   | \$1,523  | \$2,984  | \$4,776  | \$6,716  | \$8,538  | \$10,742 | \$12,877 | \$3,758  |           |
| Total O&M and Fixed               | \$1,548 | \$4,347 | \$7,426 | \$11,041 | \$15,393 | \$20,183 | \$25,191 | \$30,217 | \$33,233 | \$35,368 | \$9,381  |           |
| 10yr Charge Expense               |         |         |         |          |          |          |          |          |          |          |          | \$193,327 |

T-1

CSW At 2.0% O&M Forecasts - Post 1998, CapX at 2.75%

"MAGICPM14.XLS"  
Project Magic II - Pre-Merger Initiatives Analysis  
Date: March 24, 1998 - Gross Savings \$2,356B, 1,061 FTE

| CYPRESS                   | Percentage Change |         |         |         |         |         |         |         |         |         |         |
|---------------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                           | 1996              | 1997    | 1998    | 1999    | 2000    | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    |
| <b>Baseline Forecasts</b> |                   |         |         |         |         |         |         |         |         |         |         |
| <b>O&amp;M</b>            |                   |         |         |         |         |         |         |         |         |         |         |
| CPL                       | 274.8             | 280.3   | 285.9   | 291.6   | 297.5   | 303.4   | 309.5   | 315.7   | 322.0   | 328.4   | 334.8   |
| PSO                       | 172.7             | 160.7   | 163.9   | 167.2   | 170.5   | 173.9   | 177.4   | 181.0   | 184.6   | 188.3   | 192.0   |
| SWECO                     | 184.5             | 182.6   | 186.3   | 190.0   | 193.8   | 197.7   | 201.6   | 205.6   | 209.8   | 213.9   | 218.0   |
| WTU                       | 82.8              | 83.4    | 85.1    | 86.8    | 88.5    | 90.3    | 92.1    | 93.9    | 95.8    | 97.7    | 99.6    |
| Services (Allocated)      | 0.0               | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Corp                      | 62.9              | 28.0    | 28.6    | 29.1    | 29.7    | 30.3    | 30.9    | 31.5    | 32.2    | 32.8    | 33.4    |
| Total CSW In-Scope        | 777.7             | 735.0   | 749.7   | 764.7   | 780.0   | 795.6   | 811.5   | 827.7   | 844.3   | 861.2   | 877.8   |
| <b>Capital</b>            |                   |         |         |         |         |         |         |         |         |         |         |
| CPL                       | 124.5             | 143.4   | 153.6   | 144.6   | 151.7   | 166.6   | 164.3   | 167.7   | 201.3   | 186.8   | 186.8   |
| PSO                       | 91.7              | 83.0    | 96.0    | 98.8    | 102.3   | 103.1   | 105.0   | 110.4   | 114.1   | 118.4   | 122.7   |
| SWECO                     | 121.9             | 101.3   | 113.6   | 107.2   | 108.1   | 103.6   | 100.4   | 106.6   | 108.2   | 106.3   | 106.3   |
| WTU                       | 35.6              | 42.3    | 43.1    | 41.3    | 41.1    | 45.0    | 43.1    | 40.8    | 41.9    | 43.0    | 43.0    |
| Services                  | 8.4               | 6.3     | 6.4     | 6.6     | 6.7     | 6.8     | 7.0     | 7.1     | 7.2     | 7.4     | 7.4     |
| Corp                      | 0.0               | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Total CSW In-Scope        | 382.1             | 376.3   | 412.7   | 398.5   | 409.9   | 425.1   | 419.8   | 432.6   | 472.7   | 461.9   | 461.9   |
| <b>Total</b>              |                   |         |         |         |         |         |         |         |         |         |         |
| CPL                       | 399.3             | 423.7   | 439.5   | 436.2   | 449.2   | 470.0   | 473.8   | 483.4   | 523.3   | 515.2   | 515.2   |
| PSO                       | 264.4             | 243.7   | 259.9   | 266.0   | 272.8   | 277.0   | 282.4   | 291.4   | 298.7   | 306.7   | 306.7   |
| SWECO                     | 306.4             | 283.9   | 299.9   | 297.2   | 301.9   | 301.3   | 302.0   | 312.2   | 318.0   | 320.2   | 320.2   |
| WTU                       | 118.4             | 125.7   | 128.2   | 128.1   | 129.6   | 135.3   | 135.2   | 134.7   | 137.7   | 140.7   | 140.7   |
| Services                  | 8.4               | 6.3     | 6.4     | 6.6     | 6.7     | 6.8     | 7.0     | 7.1     | 7.2     | 7.4     | 7.4     |
| Corp                      | 62.9              | 28.0    | 28.6    | 29.1    | 29.7    | 30.3    | 30.9    | 31.5    | 32.2    | 32.8    | 33.4    |
| Total CSW In-Scope        | 1,159.8           | 1,111.3 | 1,162.4 | 1,163.2 | 1,189.9 | 1,220.7 | 1,231.3 | 1,260.3 | 1,317.0 | 1,323.1 | 1,323.1 |

Reference

Volume (MWh)  
CPL  
PSO  
SWECO  
WTU

Capital By Function  
Generation  
Transmission  
Distribution  
Fuel  
Other

2.0%  
1.7%  
2.2%  
0.5%

F2

AEPCSW

CYPRESS

Initiation - Aggregate

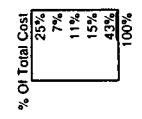
|         |       |
|---------|-------|
| O&M     | 3.50% |
| Capital | 2.75% |

Initiation - Cost Elements

|                       |      |
|-----------------------|------|
| Labor                 | 4.0% |
| Contract Services     | 2.5% |
| Professional Services | 3.0% |
| Materials & Supplies  | 2.0% |
| Other                 | 2.0% |

Fixed/Variable Impact By Function - O&M

|                        |      |                     |     |
|------------------------|------|---------------------|-----|
| Generation (excl Fuel) | 47%  | Vol. Sensitivity(%) | 20% |
| Transmission           | 4%   |                     | 5%  |
| Distribution           | 21%  |                     | 10% |
| Customer Services      | 9%   |                     | 30% |
| Corporate Services     | 18%  |                     | 5%  |
| Total                  | 100% |                     | 15% |



|        |      |
|--------|------|
| 0.094  | 25%  |
| 0.002  | 7%   |
| 0.021  | 11%  |
| 0.027  | 15%  |
| 0.0095 | 43%  |
| 0.1535 | 100% |

Fixed/Variable Impact - Capital Aggregate

|         |      |
|---------|------|
| Capital | 0.0% |
|---------|------|

Cost Composition - O&M

|                       |      |
|-----------------------|------|
| Labor                 | 10%  |
| Contract Services     | 65%  |
| Professional Services | 10%  |
| Materials & Supplies  | 10%  |
| Other                 | 3%   |
| Total                 | 100% |

Salary/Wage Analysis

|     |                 |
|-----|-----------------|
| 18% | <-- Use Augusta |
| 28% | <-- Use Augusta |
| 0%  | <-- Use Augusta |
| 38% | <-- Use Augusta |
| 15% | <-- Use Augusta |
| 9%  |                 |

Cost Composition - Capital

|                       |     |
|-----------------------|-----|
| Labor                 | 18% |
| Contract Services     | 28% |
| Professional Services | 0%  |
| Materials & Supplies  | 38% |
| Other                 | 15% |
| Total                 | 99% |

Cost Compressibility - O&M Percent Of Total

|                       |  |
|-----------------------|--|
| Labor                 |  |
| Contract Services     |  |
| Professional Services |  |
| Materials & Supplies  |  |
| Other                 |  |

Cost Compressibility - Capital Percent Of Total

|                       |  |
|-----------------------|--|
| Labor                 |  |
| Contract Services     |  |
| Professional Services |  |
| Materials & Supplies  |  |
| Other                 |  |

T-3



CYPRESS Base Year 1998

|                    | 1998   | 1999   | 2000   | 2001   | 2002  | 2003  | 2004  | 2005  | 2006  |       |
|--------------------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-------|
| <b>Unamortized</b> |        |        |        |        |       |       |       |       |       |       |
| OMM                | 274.6  | 280.7  | 291.0  | 302.1  | 313.6 | 325.6 | 338.1 | 351.0 | 364.4 | 378.3 |
| PSO                | 172.7  | 180.7  | 186.8  | 193.0  | 199.4 | 206.1 | 212.9 | 219.7 | 226.6 | 233.5 |
| SWE/CO             | 184.5  | 187.6  | 189.6  | 191.5  | 193.4 | 195.3 | 197.2 | 199.1 | 201.0 | 202.9 |
| WTU                | 82.8   | 83.4   | 84.0   | 84.6   | 85.2  | 85.8  | 86.4  | 87.0  | 87.6  | 88.2  |
| Services           | 62.9   | 28     | 29.0   | 30.0   | 31.0  | 32.1  | 33.2  | 34.3  | 35.4  | 36.5  |
| Corp               | 777.7  | 735    | 708.8  | 671.6  | 634.4 | 597.2 | 560.0 | 522.8 | 485.6 | 448.4 |
| Total CSM in Scope | 1345   | 1344   | 1343   | 1342   | 1341  | 1340  | 1339  | 1338  | 1337  | 1336  |
| Capital            | 134.5  | 134.4  | 134.3  | 134.2  | 134.1 | 134.0 | 133.9 | 133.8 | 133.7 | 133.6 |
| CU                 | 83     | 83     | 83     | 83     | 83    | 83    | 83    | 83    | 83    | 83    |
| PSU                | 121.9  | 121.9  | 121.9  | 121.9  | 121.9 | 121.9 | 121.9 | 121.9 | 121.9 | 121.9 |
| SWE/CO             | 35.6   | 35.6   | 35.6   | 35.6   | 35.6  | 35.6  | 35.6  | 35.6  | 35.6  | 35.6  |
| WTU                | 18     | 18     | 18     | 18     | 18    | 18    | 18    | 18    | 18    | 18    |
| Services           | 62.9   | 28     | 29.0   | 30.0   | 31.0  | 32.1  | 33.2  | 34.3  | 35.4  | 36.5  |
| Corp               | 387.1  | 376.5  | 365.8  | 355.2  | 344.6 | 334.0 | 323.4 | 312.8 | 302.2 | 291.6 |
| Total CSM in Scope | 309.3  | 302.1  | 295.0  | 287.9  | 280.8 | 273.7 | 266.6 | 259.5 | 252.4 | 245.3 |
| Total              | 309.3  | 302.1  | 295.0  | 287.9  | 280.8 | 273.7 | 266.6 | 259.5 | 252.4 | 245.3 |
| PSU                | 306.4  | 293.9  | 279.7  | 263.9  | 246.4 | 228.9 | 211.4 | 193.9 | 176.4 | 158.9 |
| SWE/CO             | 118.4  | 125.7  | 129.8  | 134.1  | 138.4 | 142.7 | 147.0 | 151.3 | 155.6 | 159.9 |
| WTU                | 84     | 83     | 82     | 81     | 80    | 79    | 78    | 77    | 76    | 75    |
| Services           | 62.9   | 28     | 29.0   | 30.0   | 31.0  | 32.1  | 33.2  | 34.3  | 35.4  | 36.5  |
| Corp               | 1159.8 | 1113.3 | 1066.8 | 1020.3 | 973.8 | 927.3 | 880.8 | 834.3 | 787.8 | 741.3 |
| Total CSM in Scope | 1159.8 | 1113.3 | 1066.8 | 1020.3 | 973.8 | 927.3 | 880.8 | 834.3 | 787.8 | 741.3 |

Details (Unamortized, Unamortized)

|                    |     |     |     |     |     |     |      |      |      |      |
|--------------------|-----|-----|-----|-----|-----|-----|------|------|------|------|
| OMM                | 51  | 105 | 162 | 222 | 286 | 353 | 424  | 498  | 576  | 658  |
| PSO                | 28  | 58  | 86  | 124 | 159 | 201 | 248  | 301  | 360  | 424  |
| SWE/CO             | 13  | 27  | 42  | 57  | 74  | 91  | 109  | 128  | 148  | 169  |
| WTU                | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    | 0    | 0    |
| Services           | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    | 0    | 0    |
| Corp               | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    | 0    | 0    |
| Total CSM in Scope | 131 | 269 | 415 | 568 | 732 | 903 | 1083 | 1276 | 1482 | 1716 |
| Capital            | 63  | 68  | 73  | 78  | 83  | 88  | 93   | 98   | 103  | 108  |
| PSO                | 107 | 112 | 117 | 122 | 127 | 132 | 137  | 142  | 147  | 152  |
| SWE/CO             | 55  | 55  | 55  | 55  | 55  | 55  | 55   | 55   | 55   | 55   |
| WTU                | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    | 0    | 0    |
| Services           | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    | 0    | 0    |
| Corp               | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    | 0    | 0    |
| Total CSM in Scope | 261 | 261 | 261 | 261 | 261 | 261 | 261  | 261  | 261  | 261  |
| Total              | 12  | 17  | 20  | 15  | 25  | 36  | 48   | 61   | 76   | 91   |
| PSO                | 79  | 53  | 32  | 18  | 60  | 70  | 99   | 125  | 155  | 190  |
| SWE/CO             | 91  | 87  | 84  | 81  | 78  | 75  | 72   | 69   | 66   | 63   |
| WTU                | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    | 0    | 0    |
| Services           | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    | 0    | 0    |
| Corp               | 0   | 0   | 0   | 0   | 0   | 0   | 0    | 0    | 0    | 0    |
| Total CSM in Scope | 130 | 256 | 398 | 512 | 643 | 806 | 1006 | 1242 | 1512 | 1821 |

Equity Impact (Unamortized)

|                                        |        |       |       |       |       |       |       |        |        |        |
|----------------------------------------|--------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| Equity Impact (Unamortized)            | 78.6   | 79.7  | 82.9  | 86.2  | 89.6  | 93.2  | 96.9  | 100.8  | 104.8  | 109.0  |
| Fully Loaded FTE (000)                 | 45.8   | 200.1 | 297.3 | 385.8 | 511.4 | 680.8 | 842.1 | 1005.5 | 1181.1 | 1367.1 |
| FTE Impact (Labor FTE)                 | -131   |       |       |       |       |       |       |        |        |        |
| Non-Labor (Depreciation, Amortization) | 580.8  | 580.8 | 580.8 | 580.8 | 580.8 | 580.8 | 580.8 | 580.8  | 580.8  | 580.8  |
| Standard Dollars                       | 1189.6 |       |       |       |       |       |       |        |        |        |
| Labor                                  |        |       |       |       |       |       |       |        |        |        |
| Non-Labor                              |        |       |       |       |       |       |       |        |        |        |

T-4

| AUGUSTA                                          | Percentage Change |         |         |         |         |         |         |         |         |         |         |         |         |
|--------------------------------------------------|-------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                                  | 1996              | 1997    | 1998    | 1999    | 2000    | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 97-98   | 97-01   |
| <b>Baseline Forecasts</b>                        |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| <b>O&amp;M</b>                                   | 36.0%             | 64.1    | 65.3    | 66.1    | 66.6    | 67.0    | 68.3    | 69.1    | 69.2    | 70.7    | 71.8    | 1.3%    | 1.3%    |
| FossilHydro                                      | 11.4%             | 202.7   | 210.8   | 218.2   | 224.8   | 232.3   | 239.4   | 246.8   | 255.0   | 264.3   | 273.8   | 3.4%    | 3.5%    |
| Nuclear                                          | 24.7%             | 440.5   | 442.3   | 444.1   | 445.9   | 447.8   | 450.0   | 458.5   | 475.2   | 484.4   | 494.4   | 1.3%    | 0.4%    |
| Energy Delivery                                  | 8.5%              | 150.5   | 157.0   | 163.7   | 170.5   | 177.7   | 183.0   | 188.5   | 194.2   | 200.0   | 206.0   | 3.5%    | 4.2%    |
| Marketing                                        | 19.4%             | 345.1   | 355.0   | 365.0   | 375.1   | 385.3   | 391.3   | 397.3   | 403.3   | 409.4   | 415.6   | 2.1%    | 2.8%    |
| Corporate                                        | 0.0%              | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 1.9%    | 1.9%    |
| Other                                            |                   | 1,780.6 | 1,817.3 | 1,852.2 | 1,884.9 | 1,920.1 | 1,953.6 | 1,985.5 | 2,026.8 | 2,067.1 | 2,108.2 | 1.9%    | 1.9%    |
| Total AEP In-Scope                               |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| <b>Capital</b>                                   |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| FossilHydro                                      | Estimated         | 210.0   | 214.0   | 230.0   | 159.0   | 166.0   | 154.0   | 154.0   | 154.0   | 154.0   | 154.0   | -3.4%   | -5.7%   |
| Nuclear                                          |                   | 60.0    | 64.6    | 62.0    | 59.5    | 20.0    | 20.0    | 20.0    | 20.0    | 20.0    | 20.0    | -11.5%  | -24.0%  |
| Energy Delivery                                  |                   | 373.0   | 385.5   | 386.2   | 433.5   | 450.0   | 412.2   | 412.2   | 412.2   | 412.2   | 412.2   | 1.1%    | 3.4%    |
| Marketing                                        |                   |         |         |         |         |         |         |         |         |         |         | #DIV/0! | #DIV/0! |
| Corporate (excl IS)                              |                   | 29.0    | 27.9    | 27.8    | 25.0    | 25.0    | 24.8    | 24.8    | 24.8    | 24.8    | 24.8    | -1.7%   | -3.6%   |
| Other (excl Comm/Coal)                           |                   | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | -1.1%   | -0.4%   |
| Total AEP In-Scope                               |                   | 672.0   | 692.0   | 706.0   | 677.0   | 661.0   | 611.0   | 611.0   | 611.0   | 611.0   | 611.0   | 1.2%    | 1.3%    |
| <b>Total</b>                                     |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| FossilHydro                                      |                   | 851.8   | 866.3   | 891.3   | 827.6   | 843.0   | 837.9   | 845.1   | 853.2   | 862.7   | 872.4   | 0.3%    | -0.3%   |
| Nuclear                                          |                   | 202.7   | 215.4   | 200.2   | 264.3   | 252.3   | 259.4   | 266.8   | 275.0   | 284.3   | 293.8   | 1.3%    | -1.0%   |
| Energy Delivery                                  |                   | 813.5   | 827.8   | 830.3   | 879.4   | 897.6   | 888.2   | 878.0   | 887.4   | 896.6   | 906.6   | 1.2%    | 1.8%    |
| Marketing                                        |                   | 150.5   | 157.0   | 163.7   | 170.5   | 177.7   | 183.0   | 188.5   | 194.2   | 200.0   | 206.0   | 3.5%    | 4.2%    |
| Corporate                                        |                   | 374.1   | 382.9   | 392.8   | 400.1   | 410.3   | 416.1   | 422.1   | 428.1   | 434.2   | 440.4   | 1.8%    | 2.3%    |
| Other                                            |                   | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 1.8%    | 2.3%    |
| Total AEP In-Scope                               |                   | 2,452.6 | 2,509.3 | 2,556.2 | 2,561.9 | 2,581.1 | 2,564.6 | 2,600.5 | 2,637.8 | 2,678.1 | 2,719.2 | 1.2%    | 1.3%    |
| <b>Reference</b>                                 |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| <b>Volume</b>                                    |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| AEP System                                       |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| <b>O&amp;M Nominal Inputs</b>                    |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| Other Production                                 |                   | 571.5   | 588.5   | 603.4   | 615.7   | 630.0   | 642.9   | 656.4   | 671.6   | 689.3   | 707.4   | 2.4%    | 2.5%    |
| T&D                                              |                   | 387.0   | 387.0   | 387.0   | 387.0   | 387.0   | 384.0   | 402.6   | 410.7   | 418.9   | 427.3   | 1.1%    | 0.0%    |
| Other O&M (Incl Mkting)                          |                   | 595.7   | 615.4   | 635.4   | 655.8   | 676.7   | 690.3   | 704.1   | 718.1   | 732.5   | 747.1   | 2.5%    | 3.2%    |
| <b>O&amp;M Allocated (S. From Other O&amp;M)</b> |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| Production                                       |                   | 46.6    | 48.1    | 49.7    | 51.3    | 52.9    | 54.0    | 55.1    | 56.2    | 57.3    | 58.4    | 2.5%    | 3.2%    |
| Energy Delivery                                  |                   | 53.5    | 55.3    | 57.1    | 58.9    | 60.8    | 62.0    | 63.2    | 64.5    | 65.8    | 67.1    | 2.5%    | 3.2%    |
| <b>O&amp;M Initiators - Derived</b>              |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| T&D                                              |                   | 3.0%    | 3.0%    | 2.5%    | 2.0%    | 2.3%    | 2.0%    | 2.1%    | 2.3%    | 2.6%    | 2.6%    | 2.0%    | 2.0%    |
| Other O&M (Incl Mkting)                          |                   | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 1.8%    | 2.2%    | 2.2%    | 2.0%    | 2.0%    | 2.0%    | 2.0%    |
| Other O&M (Incl Mkting)                          |                   | 3.3%    | 3.3%    | 3.2%    | 3.2%    | 3.2%    | 2.0%    | 2.0%    | 2.0%    | 2.0%    | 2.0%    | 2.0%    | 2.0%    |
| <b>O&amp;M Initiators - Calculated</b>           |                   |         |         |         |         |         |         |         |         |         |         |         |         |
| FossilHydro                                      |                   | 1.6%    | 1.4%    | 1.4%    | 1.1%    | 1.3%    | 1.0%    | 1.0%    | 1.2%    | 1.4%    | 1.4%    | 1.4%    | 1.4%    |
| Nuclear (1)                                      |                   | 4.0%    | 3.5%    | 3.0%    | 3.0%    | 3.3%    | 3.0%    | 3.1%    | 3.3%    | 3.6%    | 3.6%    | 3.6%    | 3.6%    |
| Energy Delivery                                  |                   | 0.4%    | 0.4%    | 0.4%    | 0.4%    | 0.4%    | 0.4%    | 0.4%    | 0.4%    | 0.4%    | 0.4%    | 0.4%    | 0.4%    |
| Marketing (2)                                    |                   | 4.3%    | 4.2%    | 4.2%    | 4.2%    | 4.2%    | 3.0%    | 3.0%    | 3.0%    | 3.0%    | 3.0%    | 3.0%    | 3.0%    |
| Corporate                                        |                   | 2.9%    | 2.8%    | 2.8%    | 2.8%    | 2.7%    | 1.5%    | 1.5%    | 1.5%    | 1.5%    | 1.5%    | 1.5%    | 1.5%    |
| Other                                            |                   |         |         |         |         |         |         |         |         |         |         |         |         |

1.8%

FS

(1) Nuclear Initiator = Production Initiator + 1.0%  
(2) Marketing Initiator = Other O&M + 1.0%

AEP/CSW

AUGUSTA

Initiation - Aggregate

O&M 3.50%  
Capital 2.75%

Initiation - Cost Elements

Labor 4.0%  
Contract Services 2.5%  
Professional Services 5.0%  
Materials & Supplies 2.0%  
Other 2.0%

Fixed/Variable Impact By Function - O&M

| Function               | % of Total Cost | Vol. Sensitivity (%) |
|------------------------|-----------------|----------------------|
| Generation (excl Fuel) | 47%             | 20%                  |
| Transmission           | 4%              | 5%                   |
| Distribution           | 21%             | 10%                  |
| Customer Services      | 9%              | 30%                  |
| Corporate Services     | 19%             | 5%                   |
| Total                  | 100%            | 15%                  |

Fixed/Variable Impact - Capital Aggregate

Capital 0.0%

Cost Composition - O&M

Labor (Salary/Wage Analysis ->) 59%  
Contract Services 10%  
Professional Services 10%  
Materials & Supplies 11%  
Other 10%  
Total 100%

Cost Composition - Capital

Labor 18%  
Contract Services 28%  
Professional Services 38%  
Materials & Supplies 15%  
Other 10%  
Total 100%

Cost Competitively - O&M Percent of Total

| Function              | F/H  | Nuclear | I&D  | General | Total |
|-----------------------|------|---------|------|---------|-------|
| Labor                 | 25%  | 40%     | 71%  | 8%      | 8%    |
| Contract Services     | 30%  | 30%     | 8%   | 8%      | 8%    |
| Professional Services | 5%   | 13%     | 13%  | 13%     | 13%   |
| Materials & Supplies  | 100% | 100%    | 100% | 100%    | 100%  |

Cost Competitively - Capital Percent of Total

| Function              | F/H  | Nuclear | I&D  | General | Total |
|-----------------------|------|---------|------|---------|-------|
| Labor                 | 50%  | 45%     | 46%  | 10%     | 58%   |
| Contract Services     | 40%  | 40%     | 40%  | 9%      | 24%   |
| Professional Services | 5%   | 5%      | 5%   | 5%      | 9%    |
| Materials & Supplies  | 100% | 100%    | 100% | 100%    | 100%  |

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APPCSW

| AUGUSTA                            | Base Year 1998 |               |               |               |               |               |               |               |               |               |               |
|------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                    | 1928           | 1927          | 1926          | 1925          | 2000          | 2001          | 2002          | 2003          | 2004          | 2005          | 2006          |
| <b>Unmanned</b>                    |                |               |               |               |               |               |               |               |               |               |               |
| <b>OGM</b>                         | 641.6          | 652.3         | 677.0         | 702.6         | 729.2         | 756.8         | 785.5         | 815.2         | 846.1         | 878.1         | 911.9         |
| Fixed/Hydro                        | 202.7          | 210.8         | 218.7         | 227.0         | 235.8         | 245.5         | 255.8         | 263.4         | 273.4         | 283.7         | 294.4         |
| Nuclear                            | 440.5          | 442.3         | 458.0         | 476.4         | 494.4         | 511.3         | 526.6         | 537.7         | 547.7         | 555.4         | 561.5         |
| Energy Delivery                    | 134.5          | 135.0         | 136.4         | 137.8         | 139.1         | 140.4         | 141.7         | 142.9         | 144.0         | 145.1         | 146.2         |
| Maintenance                        | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Corporate                          | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Total AEP in Scope</b>          | <b>1780.6</b>  | <b>1817.3</b> | <b>1860.1</b> | <b>1907.5</b> | <b>1957.5</b> | <b>2011.6</b> | <b>2068.4</b> | <b>2128.4</b> | <b>2191.2</b> | <b>2257.2</b> | <b>2448.4</b> |
| <b>Capital</b>                     | 2100.0         | 2140.0        | 2189.0        | 2252.9        | 2321.1        | 2385.5        | 2451.1        | 2518.8        | 2588.9        | 2659.9        | 2732.0        |
| Fixed/Hydro                        | 600.0          | 646.6         | 664.4         | 682.2         | 701.1         | 720.0         | 740.0         | 760.0         | 781.1         | 803.3         | 826.6         |
| Nuclear                            | 3720.0         | 3853.5        | 3981.1        | 4070.0        | 4182.2        | 4297.7        | 4415.3        | 4534.6        | 4661.1        | 4788.9        | 4919.9        |
| Energy Delivery                    | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Maintenance                        | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Corporate                          | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Total AEP in Scope</b>          | <b>6720.0</b>  | <b>6920.0</b> | <b>7110.0</b> | <b>7305.8</b> | <b>7507.7</b> | <b>7713.3</b> | <b>7923.3</b> | <b>8143.3</b> | <b>8367.7</b> | <b>8597.7</b> | <b>8832.0</b> |
| <b>Total</b>                       | 8518.6         | 8862.3        | 9069.9        | 9360.5        | 9614.6        | 9905.2        | 10206.6       | 10527.0       | 10848.8       | 11180.0       | 11540.4       |
| Fixed/Hydro                        | 2847.7         | 2774.4        | 2851.1        | 2932.2        | 3017.5        | 3105.5        | 3196.8        | 3291.4        | 3389.4        | 3490.4        | 3594.0        |
| Nuclear                            | 8133.5         | 8278.8        | 8531.1        | 8824.4        | 9126.8        | 9428.7        | 9741.1        | 10064.0       | 10398.0       | 10743.3       | 11099.9       |
| Energy Delivery                    | 150.5          | 157.0         | 162.9         | 169.1         | 175.5         | 182.1         | 188.9         | 195.2         | 200.8         | 205.8         | 210.3         |
| Maintenance                        | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Corporate                          | 2432.6         | 2509.3        | 2597.1        | 2688.1        | 2782.3        | 2879.9        | 2980.9        | 3085.5        | 3193.9        | 3306.2        | 3422.4        |
| <b>Total AEP in Scope</b>          | <b>2432.6</b>  | <b>2509.3</b> | <b>2597.1</b> | <b>2688.1</b> | <b>2782.3</b> | <b>2879.9</b> | <b>2980.9</b> | <b>3085.5</b> | <b>3193.9</b> | <b>3306.2</b> | <b>3422.4</b> |
| <b>Delta (Forecast - Unmanned)</b> |                |               |               |               |               |               |               |               |               |               |               |
| <b>OGM</b>                         | -15.7          | -34.0         | -52.2         | -72.9         | -94.4         | -116.0        | -137.3        | -158.2        | -179.7        | -198.7        | -215.9        |
| Fixed/Hydro                        | 0.5            | 2.2           | 3.7           | 5.2           | 6.7           | 8.2           | 9.7           | 11.2          | 12.7          | 14.2          | 15.7          |
| Nuclear                            | 0.7            | 1.5           | 2.2           | 2.9           | 3.7           | 4.6           | 5.5           | 6.4           | 7.3           | 8.2           | 9.1           |
| Energy Delivery                    | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Maintenance                        | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Corporate                          | 3.5            | 7.3           | 11.6          | 20.6          | 30.2          | 40.4          | 51.1          | 62.4          | 74.2          | 86.9          | 99.9          |
| Other                              | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Total AEP in Scope</b>          | <b>319</b>     | <b>726</b>    | <b>1115</b>   | <b>1549</b>   | <b>1989</b>   | <b>2444</b>   | <b>2901</b>   | <b>3357</b>   | <b>3814</b>   | <b>4271</b>   | <b>4728</b>   |
| <b>Capital</b>                     | 10.1           | 66.9          | 66.1          | 84.3          | 91.1          | 97.8          | 104.8         | 111.9         | 119.0         | 126.1         | 133.2         |
| Fixed/Hydro                        | 4.4            | 8.7           | 9.0           | 12.0          | 13.0          | 14.0          | 15.0          | 16.0          | 17.0          | 18.0          | 19.0          |
| Nuclear                            | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Energy Delivery                    | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Maintenance                        | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Corporate                          | 0.9            | 4.5           | 5.3           | 8.3           | 8.3           | 7.2           | 8.0           | 8.9           | 9.9           | 10.9          | 11.9          |
| Other                              | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Total AEP in Scope</b>          | <b>5.0</b>     | <b>53.6</b>   | <b>89.7</b>   | <b>160.3</b>  | <b>180.3</b>  | <b>181.5</b>  | <b>203.3</b>  | <b>225.7</b>  | <b>248.7</b>  | <b>271.7</b>  | <b>294.7</b>  |
| <b>Total</b>                       | 5.6            | 101.0         | 118.3         | 157.4         | 185.5         | 213.8         | 242.1         | 271.0         | 300.7         | 330.9         | 361.6         |
| Fixed/Hydro                        | 4.9            | 10.9          | 13.4          | 17.2          | 20.0          | 22.8          | 25.7          | 28.6          | 31.5          | 34.4          | 37.3          |
| Nuclear                            | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Energy Delivery                    | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Maintenance                        | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Corporate                          | 4.1            | 11.8          | 16.8          | 26.9          | 31.4          | 34.4          | 38.4          | 42.4          | 46.4          | 50.4          | 54.4          |
| Other                              | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Total AEP in Scope</b>          | <b>8.9</b>     | <b>176.2</b>  | <b>201.2</b>  | <b>315.3</b>  | <b>360.8</b>  | <b>407.7</b>  | <b>454.6</b>  | <b>501.5</b>  | <b>548.4</b>  | <b>595.3</b>  | <b>642.2</b>  |
| <b>EO Elements/Coal Elements</b>   |                |               |               |               |               |               |               |               |               |               |               |
| EO Elements                        | 20.9           | 52.7          | 82.3          | 120.9         | 150.7         | 181.6         | 212.7         | 245.3         | 279.1         | 313.9         | 349.7         |
| Coal Elements                      | 4.8            | 22.5          | 36.6          | 51.0          | 65.7          | 80.6          | 95.7          | 110.8         | 126.0         | 141.3         | 156.6         |
| Contract Services                  | 3.4            | 7.3           | 11.2          | 15.3          | 19.9          | 24.4          | 29.0          | 33.6          | 38.2          | 42.8          | 47.4          |
| Professional Services              | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Materials & Supplies               | 0.0            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| Other                              | 4.5            | 10.5          | 28.0          | 31.2          | 31.2          | 31.2          | 31.2          | 31.2          | 31.2          | 31.2          | 31.2          |
| <b>Total</b>                       | <b>34.9</b>    | <b>126.2</b>  | <b>201.2</b>  | <b>315.3</b>  | <b>360.8</b>  | <b>407.7</b>  | <b>454.6</b>  | <b>501.5</b>  | <b>548.4</b>  | <b>595.3</b>  | <b>642.2</b>  |
| <b>EO Elements/Non-EO Elements</b> |                |               |               |               |               |               |               |               |               |               |               |
| EO Elements                        | 78.8           | 83.0          | 86.3          | 89.8          | 93.4          | 97.1          | 101.0         | 105.0         | 109.2         | 113.6         | 118.0         |
| FTE Impact (\$'E (000)             |                |               |               |               |               |               |               |               |               |               |               |
| FTE Impact (Labor FTE)             |                |               |               |               |               |               |               |               |               |               |               |
| <b>Total</b>                       | <b>78.8</b>    | <b>83.0</b>   | <b>86.3</b>   | <b>89.8</b>   | <b>93.4</b>   | <b>97.1</b>   | <b>101.0</b>  | <b>105.0</b>  | <b>109.2</b>  | <b>113.6</b>  | <b>118.0</b>  |
| <b>EO Elements/Non-EO Elements</b> |                |               |               |               |               |               |               |               |               |               |               |
| EO Elements                        | 1254.4         | 1302.7        | 1351.1        | 1400.0        | 1449.4        | 1499.3        | 1549.7        | 1600.6        | 1652.0        | 1703.9        | 1756.2        |
| EO Elements                        |                |               |               |               |               |               |               |               |               |               |               |
| <b>Total</b>                       | <b>1254.4</b>  | <b>1302.7</b> | <b>1351.1</b> | <b>1400.0</b> | <b>1449.4</b> | <b>1499.3</b> | <b>1549.7</b> | <b>1600.6</b> | <b>1652.0</b> | <b>1703.9</b> | <b>1756.2</b> |

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PMI Overlap (\$ Millions)

|                            | 1997 | 1998 | 1999   | 2000  | 2001  | 2002  | 2003  | 2004  | 2005   | 2006  | 2007  | 2008  | '99 - '08 |
|----------------------------|------|------|--------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-----------|
| <u>Base Year 1998</u>      |      |      |        |       |       |       |       |       |        |       |       |       |           |
| <u>Cypress Delta</u>       |      |      |        |       |       |       |       |       |        |       |       |       |           |
| O&M                        |      |      | 13.1   | 26.9  | 41.5  | 56.9  | 73.2  | 90.3  | 108.5  | 127.6 | 127.6 | 127.6 | 792.9     |
| Capital                    |      |      | (26.1) | (1.2) | (1.7) | (5.7) | 11.2  | 10.2  | (17.7) | 5.6   | 5.6   | 5.6   | (14.1)    |
|                            |      |      |        |       |       |       |       |       |        |       |       |       | 778.8     |
| <u>Augusta Delta</u>       |      |      |        |       |       |       |       |       |        |       |       |       |           |
| O&M                        |      |      | 33.9   | 72.6  | 111.5 | 154.9 | 198.9 | 244.4 | 290.1  | 338.2 | 338.2 | 338.2 | 2,121.1   |
| Capital                    |      |      | 5.0    | 53.6  | 89.7  | 160.3 | 181.5 | 203.3 | 225.7  | 248.7 | 248.7 | 248.7 | 1,665.4   |
|                            |      |      |        |       |       |       |       |       |        |       |       |       | 3,786.5   |
| <u>Combined Pre-Merger</u> |      |      |        |       |       |       |       |       |        |       |       |       |           |
| O&M                        |      |      | 47.0   | 99.5  | 153.0 | 211.8 | 272.0 | 334.8 | 398.6  | 465.8 | 465.8 | 465.8 | 2,914.0   |
| Capital                    |      |      | (21.0) | 52.4  | 88.0  | 154.6 | 192.7 | 213.5 | 208.0  | 254.3 | 254.3 | 254.3 | 1,651.2   |
| Total                      |      |      | 25.9   | 151.8 | 241.0 | 366.5 | 464.7 | 548.3 | 606.6  | 720.1 | 720.1 | 720.1 | 4,565.2   |

Overlap Inputs  
Labor 4.19%  
Non-Labor 5.82%

Overlap Calculation

|                                   |              |              |              |              |              |              |              |              |              |              |              |              |              |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| O&M-Labor Overlap (\$)            | 1.2          | 2.5          | 3.9          | 5.4          | 6.9          | 8.5          | 10.1         | 11.8         | 11.8         | 11.8         | 11.8         | 11.8         | 74.0         |
| O&M-Non-Labor Overlap (\$)        | 1.1          | 2.3          | 3.5          | 4.9          | 6.2          | 7.7          | 9.1          | 10.7         | 10.7         | 10.7         | 10.7         | 10.7         | 66.7         |
| <b>Total O&amp;M Overlap (\$)</b> | <b>2.3</b>   | <b>4.8</b>   | <b>7.4</b>   | <b>10.2</b>  | <b>13.1</b>  | <b>16.2</b>  | <b>19.2</b>  | <b>22.5</b>  | <b>22.5</b>  | <b>22.5</b>  | <b>22.5</b>  | <b>22.5</b>  | <b>140.7</b> |
| O&M-Labor Overlap (%)             | 2.54%        | 2.54%        | 2.54%        | 2.54%        | 2.54%        | 2.54%        | 2.54%        | 2.54%        | 2.54%        | 2.54%        | 2.54%        | 2.54%        | 2.54%        |
| O&M-Non-Labor Overlap (%)         | 2.29%        | 2.29%        | 2.29%        | 2.29%        | 2.29%        | 2.29%        | 2.29%        | 2.29%        | 2.29%        | 2.29%        | 2.29%        | 2.29%        | 2.29%        |
| <b>Total O&amp;M Overlap (%)</b>  | <b>4.83%</b> | <b>4.83%</b> | <b>4.83%</b> | <b>4.83%</b> | <b>4.83%</b> | <b>4.83%</b> | <b>4.83%</b> | <b>4.83%</b> | <b>4.83%</b> | <b>4.83%</b> | <b>4.83%</b> | <b>4.83%</b> | <b>4.83%</b> |
| Capital-Labor Overlap (\$)        | (0.2)        | 0.4          | 0.7          | 1.2          | 1.5          | 1.6          | 1.6          | 1.6          | 1.6          | 2.0          | 2.0          | 2.0          | 12.7         |
| Capital-Non-Labor Overlap (\$)    | (1.0)        | 2.5          | 4.2          | 7.3          | 9.1          | 10.1         | 9.9          | 12.1         | 12.1         | 12.1         | 12.1         | 12.1         | 78.4         |
| <b>Total Capital Overlap (\$)</b> | <b>(1.2)</b> | <b>2.9</b>   | <b>4.9</b>   | <b>8.5</b>   | <b>10.6</b>  | <b>11.8</b>  | <b>11.5</b>  | <b>14.0</b>  | <b>14.0</b>  | <b>14.0</b>  | <b>14.0</b>  | <b>14.0</b>  | <b>91.1</b>  |
| Capital-Labor Overlap (%)         | 0.77%        | 0.77%        | 0.77%        | 0.77%        | 0.77%        | 0.77%        | 0.77%        | 0.77%        | 0.77%        | 0.77%        | 0.77%        | 0.77%        | 0.77%        |
| Capital-Non-Labor Overlap (%)     | 4.77%        | 4.75%        | 4.75%        | 4.75%        | 4.75%        | 4.75%        | 4.75%        | 4.75%        | 4.75%        | 4.75%        | 4.75%        | 4.75%        | 4.75%        |
| <b>Total Capital Overlap (%)</b>  | <b>5.52%</b> | <b>5.52%</b> | <b>5.52%</b> | <b>5.52%</b> | <b>5.52%</b> | <b>5.52%</b> | <b>5.52%</b> | <b>5.52%</b> | <b>5.52%</b> | <b>5.52%</b> | <b>5.52%</b> | <b>5.52%</b> | <b>5.52%</b> |

|                                                          |  |  |             |
|----------------------------------------------------------|--|--|-------------|
| "M2_PR14.XLS"                                            |  |  |             |
| Magic II Presentation Back-Up Calculation Worksheet      |  |  |             |
| Date: March 24, 1998 - Gross Savings \$2.356B, FTE 1,061 |  |  |             |
|                                                          |  |  |             |
| <u>Labor Savings</u>                                     |  |  |             |
|                                                          |  |  |             |
| Augusta                                                  |  |  |             |
| Total Labor                                              |  |  |             |
| Affectable Base                                          |  |  |             |
|                                                          |  |  |             |
| Cypress                                                  |  |  |             |
| Total Labor                                              |  |  |             |
| Affectable Base                                          |  |  |             |
|                                                          |  |  |             |
| Combined                                                 |  |  |             |
| Total Labor                                              |  |  | 25,336      |
| Affectable Base                                          |  |  | -           |
|                                                          |  |  |             |
| Pre-Merger Initiatives                                   |  |  |             |
| Pre-10 Year                                              |  |  |             |
| 10 Year                                                  |  |  | 2,930       |
|                                                          |  |  |             |
| Affectable Base                                          |  |  |             |
| Merger Savings                                           |  |  | 1,061       |
| Pre-Merger Initiatives                                   |  |  |             |
| 10 Year                                                  |  |  |             |
| Overlap                                                  |  |  | 123         |
| Net Reductions                                           |  |  | 1,184       |
|                                                          |  |  |             |
| Non-Affected Base                                        |  |  |             |
| Pre-Merger Initiatives                                   |  |  |             |
| 10 Year                                                  |  |  |             |
|                                                          |  |  |             |
| <u>Labor Savings Percentages</u>                         |  |  |             |
|                                                          |  |  |             |
|                                                          |  |  | Merger      |
|                                                          |  |  | Pre -Merger |
|                                                          |  |  | Total       |
|                                                          |  |  | Savings     |
|                                                          |  |  | Initatives  |
|                                                          |  |  | Reductions  |
|                                                          |  |  |             |
| % of total combined                                      |  |  |             |
| % of combined affected base                              |  |  |             |

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|                                                                                     |         |         |  |
|-------------------------------------------------------------------------------------|---------|---------|--|
| Date: Revised 3/24/98                                                               |         |         |  |
| <b>Labor Overlap (Cumulative total vs. base year view)</b>                          |         |         |  |
| Total headcount                                                                     | 25,336  |         |  |
| Less: PMI before 10 year analysis                                                   | -       |         |  |
| Adjusted headcount                                                                  | 25,336  | 100.00% |  |
| Combined affected base                                                              | -       | 0.00%   |  |
| Gross merger labor savings                                                          | 1,061   | 4.19%   |  |
| Pre-merger initiative savings                                                       | 2,930   | 11.56%  |  |
| Labor overlap                                                                       | 123     | 0.48%   |  |
| <b>Non-Labor Overlap (\$ millions) (Single year 2001 at end of transition)</b>      |         |         |  |
| Non-Fuel O&M and capital non-labor                                                  | 1,935.8 | 100.00% |  |
| Gross merger non-labor savings(1)(3)                                                | 112.6   | 5.82%   |  |
| Pre-merger initiative savings(2)                                                    | 132.1   | 6.82%   |  |
| Non-labor overlap                                                                   | 7.7     | 0.40%   |  |
| <b>Total Overlap</b>                                                                |         |         |  |
| Notes: (1) On a cash basis - not revenue requirements                               |         |         |  |
| Total Non-Fuel, Non-Labor O&M and capital                                           |         |         |  |
| 2001 C&A O&M                                                                        | 57.9    |         |  |
| 2001 C&A Capital (excl IS Capital)                                                  | 0.0     |         |  |
| 2001 Purchasing Economies O&M                                                       | 13.4    |         |  |
| 2001 Purchasing Economies Capital<br>(excluding Inventory)                          | 22.2    |         |  |
| Levelized IS Capital(3)                                                             | 19.1    |         |  |
| Total Non-Labor                                                                     | 112.6   |         |  |
| (2) 2001 Non-labor using 1998 base year                                             |         |         |  |
| (3) IS Capital is levelized over all ten years (cash basis) to smooth test year 200 |         |         |  |
| Ten-year IS Capital total \$ (cash basis)                                           |         |         |  |

T-10





CapStructure

| AEP       |         |         |           |           |         |       |
|-----------|---------|---------|-----------|-----------|---------|-------|
|           | Pre-Tax | Pre-Tax | After Tax | After Tax | Weight  | WACC  |
| Tax Rate  | Cost    | Cost    | Cost      | Cost      |         |       |
| Equity    | 37.66%  | 4,677   | 582       | 12.45%    | 48.31%  | 6.02% |
| Preferred |         | 11,158  | 24        | 22%       | 1.63%   | 0.12% |
| LTD (1)   |         | 1,847   | 380       | 20.84%    | 50.06%  | 2.45% |
|           |         | 9,682   |           |           | 100.00% | 8.58% |

(1) Excluding Nuclear Fuel Disposal Fund

| CSW       |         |         |           |           |         |       |
|-----------|---------|---------|-----------|-----------|---------|-------|
|           | Pre-Tax | Pre-Tax | After Tax | After Tax | Weight  | WACC  |
| Tax Rate  | Cost    | Cost    | Cost      | Cost      |         |       |
| Equity    | 36.25%  | 841     | 227       | 11.50%    | 48.24%  | 5.55% |
| Preferred |         | 206     | 10        | 4.92%     | 3.49%   | 0.17% |
| LTD       |         | 2,843   | 227       | 7.98%     | 48.27%  | 2.46% |
|           |         | 5,889   |           |           | 100.00% | 8.17% |

| NEWCO          |         |         |           |           |         |       |
|----------------|---------|---------|-----------|-----------|---------|-------|
|                | Pre-Tax | Pre-Tax | After Tax | After Tax | Weight  | WACC  |
| Tax Rate       | Cost    | Cost    | Cost      | Cost      |         |       |
| Equity         | 37.13%  | 7,518   | 909       | 12.09%    | 48.28%  | 5.84% |
| Preferred      |         | 363     | 22        | 5.92%     | 2.33%   | 0.14% |
| Long Term Debt |         | 7,682   | 607       | 7.89%     | 49.38%  | 2.45% |
|                |         | 15,571  | 1,537     |           | 100.00% | 8.43% |

LOAN FOR PLANT INVESTMENT

| Cost of Capital                                                        | Equity | Preferred | STD   | LTD    |
|------------------------------------------------------------------------|--------|-----------|-------|--------|
| Cost                                                                   | 12.00% | 5.00%     | 7.00% | 7.00%  |
| Rate                                                                   | 48.23% | 2.31%     | 0.00% | 10.00% |
| Before Tax <td>5.81%</td> <td>0.14%</td> <td>0.00%</td> <td>3.50%</td> | 5.81%  | 0.14%     | 0.00% | 3.50%  |
| After Tax <td>5.81%</td> <td>0.14%</td> <td>0.00%</td> <td>3.50%</td>  | 5.81%  | 0.14%     | 0.00% | 3.50%  |

Carrying Charge Rate

|                                    |        |
|------------------------------------|--------|
| Return Requirement                 | 4.00%  |
| Depreciation Requirement           | 20.00% |
| Property Tax                       | 37.55% |
| Total Capital Requirement          | 61.55% |
| Cost of Debt (incl. int. expenses) | 1.17%  |
| Property Taxes                     | 1.17%  |
| Total LUMP                         | 28.55% |

4/15/88

| Time Period | Year | Capital Expend | AFUDC | Total CHIP | Plant in Service | Plant BOY | Plant in Service | Average in Service | Acc. Dep. | Income Tax | Deprec. Expense | Book Value | Rate of Return (Debt) | Rate of Return (Equity) | Average Rate | Rate Base | Rate | Income Tax | Deprec. Expense | Book Value | Rate of Return (Debt) | Rate of Return (Equity) | Average Rate | Rate Base | Rate | Income Tax | Deprec. Expense | Book Value | PV of Revenue | PV of Debt | PV of Property | PV of Operating Exp. | PV of AFUDC | PV of Income Tax |   |   |
|-------------|------|----------------|-------|------------|------------------|-----------|------------------|--------------------|-----------|------------|-----------------|------------|-----------------------|-------------------------|--------------|-----------|------|------------|-----------------|------------|-----------------------|-------------------------|--------------|-----------|------|------------|-----------------|------------|---------------|------------|----------------|----------------------|-------------|------------------|---|---|
| 0           | 1988 | 100,000        |       | 100,000    | 0                | 0         | 0                | 0                  | 0         | 0          | 0               | 100,000    | 2.78%                 | 4.04%                   | 43.14%       | 43,144    | 1.56 | 0          | 0               | 100,000    | 1.81%                 | 2.78%                   | 4.04%        | 43,144    | 1.56 | 0          | 0               | 100,000    | 15,32         | 2,78       | 0              | 0                    | 0           | 0                | 0 |   |
| 1           | 2009 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 5,840     | 4,000      | 20,000          | 79,260     | 2.85%                 | 3.10%                   | 4.00%        | 4,000     | 1.81 | 0          | 0               | 79,260     | 1.81%                 | 2.85%                   | 4.00%        | 4,000     | 1.81 | 0          | 0               | 79,260     | 18,44         | 4,04       | 0              | 0                    | 0           | 0                | 0 |   |
| 2           | 2011 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 11,680    | 8,000      | 20,000          | 67,620     | 2.08%                 | 3.07%                   | 4.00%        | 8,000     | 1.81 | 0          | 0               | 67,620     | 1.81%                 | 2.08%                   | 4.00%        | 8,000     | 1.81 | 0          | 0               | 67,620     | 17,01         | 4,04       | 0              | 0                    | 0           | 0                | 0 |   |
| 3           | 2013 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 17,520    | 12,000     | 20,000          | 55,580     | 1.54%                 | 3.04%                   | 4.00%        | 12,000    | 1.81 | 0          | 0               | 55,580     | 1.81%                 | 1.54%                   | 4.00%        | 12,000    | 1.81 | 0          | 0               | 55,580     | 15,32         | 4,04       | 0              | 0                    | 0           | 0                | 0 |   |
| 4           | 2015 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 23,360    | 16,000     | 20,000          | 43,540     | 1.07%                 | 3.01%                   | 4.00%        | 16,000    | 1.81 | 0          | 0               | 43,540     | 1.81%                 | 1.07%                   | 4.00%        | 16,000    | 1.81 | 0          | 0               | 43,540     | 13,63         | 4,04       | 0              | 0                    | 0           | 0                | 0 |   |
| 5           | 2017 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 29,200    | 20,000     | 20,000          | 31,500     | 0.60%                 | 2.98%                   | 4.00%        | 20,000    | 1.81 | 0          | 0               | 31,500     | 1.81%                 | 0.60%                   | 4.00%        | 20,000    | 1.81 | 0          | 0               | 31,500     | 12,00         | 4,04       | 0              | 0                    | 0           | 0                | 0 |   |
| 6           | 2019 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 35,040    | 24,000     | 20,000          | 19,560     | 0.14%                 | 2.95%                   | 4.00%        | 24,000    | 1.81 | 0          | 0               | 19,560     | 1.81%                 | 0.14%                   | 4.00%        | 24,000    | 1.81 | 0          | 0               | 19,560     | 10,47         | 4,04       | 0              | 0                    | 0           | 0                | 0 |   |
| 7           | 2021 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 40,880    | 28,000     | 20,000          | 8,520      | 0.00%                 | 2.92%                   | 4.00%        | 28,000    | 1.81 | 0          | 0               | 8,520      | 1.81%                 | 0.00%                   | 4.00%        | 28,000    | 1.81 | 0          | 0               | 8,520      | 8,92          | 4,04       | 0              | 0                    | 0           | 0                | 0 |   |
| 8           | 2023 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 46,720    | 32,000     | 20,000          | 0          | 0.00%                 | 2.89%                   | 4.00%        | 32,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 32,000    | 1.81 | 0          | 0               | 0          | 7,36          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 9           | 2025 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 52,560    | 36,000     | 20,000          | 0          | 0.00%                 | 2.86%                   | 4.00%        | 36,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 36,000    | 1.81 | 0          | 0               | 0          | 5,80          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 10          | 2027 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 58,400    | 40,000     | 20,000          | 0          | 0.00%                 | 2.83%                   | 4.00%        | 40,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 40,000    | 1.81 | 0          | 0               | 0          | 4,54          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 11          | 2029 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 64,240    | 44,000     | 20,000          | 0          | 0.00%                 | 2.80%                   | 4.00%        | 44,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 44,000    | 1.81 | 0          | 0               | 0          | 3,28          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 12          | 2031 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 70,080    | 48,000     | 20,000          | 0          | 0.00%                 | 2.77%                   | 4.00%        | 48,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 48,000    | 1.81 | 0          | 0               | 0          | 2,02          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 13          | 2033 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 75,920    | 52,000     | 20,000          | 0          | 0.00%                 | 2.74%                   | 4.00%        | 52,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 52,000    | 1.81 | 0          | 0               | 0          | 7,76          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 14          | 2035 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 81,760    | 56,000     | 20,000          | 0          | 0.00%                 | 2.71%                   | 4.00%        | 56,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 56,000    | 1.81 | 0          | 0               | 0          | 6,50          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 15          | 2037 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 87,600    | 60,000     | 20,000          | 0          | 0.00%                 | 2.68%                   | 4.00%        | 60,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 60,000    | 1.81 | 0          | 0               | 0          | 5,24          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 16          | 2039 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 93,440    | 64,000     | 20,000          | 0          | 0.00%                 | 2.65%                   | 4.00%        | 64,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 64,000    | 1.81 | 0          | 0               | 0          | 3,98          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 17          | 2041 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 99,280    | 68,000     | 20,000          | 0          | 0.00%                 | 2.62%                   | 4.00%        | 68,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 68,000    | 1.81 | 0          | 0               | 0          | 2,72          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 18          | 2043 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 105,120   | 72,000     | 20,000          | 0          | 0.00%                 | 2.59%                   | 4.00%        | 72,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 72,000    | 1.81 | 0          | 0               | 0          | 1,46          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 19          | 2045 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 110,960   | 76,000     | 20,000          | 0          | 0.00%                 | 2.56%                   | 4.00%        | 76,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 76,000    | 1.81 | 0          | 0               | 0          | 2,20          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 20          | 2047 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 116,800   | 80,000     | 20,000          | 0          | 0.00%                 | 2.53%                   | 4.00%        | 80,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 80,000    | 1.81 | 0          | 0               | 0          | 9,44          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 21          | 2049 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 122,640   | 84,000     | 20,000          | 0          | 0.00%                 | 2.50%                   | 4.00%        | 84,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 84,000    | 1.81 | 0          | 0               | 0          | 8,18          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 22          | 2051 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 128,480   | 88,000     | 20,000          | 0          | 0.00%                 | 2.47%                   | 4.00%        | 88,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 88,000    | 1.81 | 0          | 0               | 0          | 6,92          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 23          | 2053 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 134,320   | 92,000     | 20,000          | 0          | 0.00%                 | 2.44%                   | 4.00%        | 92,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 92,000    | 1.81 | 0          | 0               | 0          | 5,66          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 24          | 2055 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 140,160   | 96,000     | 20,000          | 0          | 0.00%                 | 2.41%                   | 4.00%        | 96,000    | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 96,000    | 1.81 | 0          | 0               | 0          | 4,40          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 25          | 2057 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 146,000   | 100,000    | 20,000          | 0          | 0.00%                 | 2.38%                   | 4.00%        | 100,000   | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 100,000   | 1.81 | 0          | 0               | 0          | 3,14          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 26          | 2059 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 151,840   | 104,000    | 20,000          | 0          | 0.00%                 | 2.35%                   | 4.00%        | 104,000   | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 104,000   | 1.81 | 0          | 0               | 0          | 1,88          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 27          | 2061 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 157,680   | 108,000    | 20,000          | 0          | 0.00%                 | 2.32%                   | 4.00%        | 108,000   | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 108,000   | 1.81 | 0          | 0               | 0          | 6,62          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 28          | 2063 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 163,520   | 112,000    | 20,000          | 0          | 0.00%                 | 2.29%                   | 4.00%        | 112,000   | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 112,000   | 1.81 | 0          | 0               | 0          | 5,36          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 29          | 2065 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 169,360   | 116,000    | 20,000          | 0          | 0.00%                 | 2.26%                   | 4.00%        | 116,000   | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 116,000   | 1.81 | 0          | 0               | 0          | 4,10          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 30          | 2067 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 175,200   | 120,000    | 20,000          | 0          | 0.00%                 | 2.23%                   | 4.00%        | 120,000   | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 120,000   | 1.81 | 0          | 0               | 0          | 2,84          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 31          | 2069 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 181,040   | 124,000    | 20,000          | 0          | 0.00%                 | 2.20%                   | 4.00%        | 124,000   | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 124,000   | 1.81 | 0          | 0               | 0          | 1,58          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 32          | 2071 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 186,880   | 128,000    | 20,000          | 0          | 0.00%                 | 2.17%                   | 4.00%        | 128,000   | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 128,000   | 1.81 | 0          | 0               | 0          | 3,32          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 33          | 2073 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 192,720   | 132,000    | 20,000          | 0          | 0.00%                 | 2.14%                   | 4.00%        | 132,000   | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 132,000   | 1.81 | 0          | 0               | 0          | 2,06          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 34          | 2075 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 198,560   | 136,000    | 20,000          | 0          | 0.00%                 | 2.11%                   | 4.00%        | 136,000   | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 136,000   | 1.81 | 0          | 0               | 0          | 8,00          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 35          | 2077 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 204,400   | 140,000    | 20,000          | 0          | 0.00%                 | 2.08%                   | 4.00%        | 140,000   | 1.81 | 0          | 0               | 0          | 1.81%                 | 0.00%                   | 4.00%        | 140,000   | 1.81 | 0          | 0               | 0          | 6,74          | 4,04       | 0              | 0                    | 0           | 0                | 0 | 0 |
| 36          | 2079 |                |       |            | 100,000          | 100,000   | 100,000          | 100,000            | 210,240   | 144,000    | 20,000          | 0          | 0.00%                 | 2.05%                   | 4.00%        | 144,000   | 1.81 | 0          | 0               | 0          | 1.81%</               |                         |              |           |      |            |                 |            |               |            |                |                      |             |                  |   |   |





U-5

AGE FOR PLANT IN  
198 US

Column 1: Year  
 Column 2: FUDC Rate  
 Column 3: Age in Service  
 Column 4: Age at Life

| me | and  | Year |
|----|------|------|
| 0  | 1998 | 1    |
| 1  | 2000 | 2    |
| 2  | 2001 | 3    |
| 3  | 2002 | 4    |
| 4  | 2003 | 5    |
| 5  | 2004 | 6    |
| 6  | 2005 | 7    |
| 7  | 2006 | 8    |
| 8  | 2007 | 9    |
| 9  | 2008 | 10   |
| 10 | 2009 | 11   |
| 11 | 2010 | 12   |
| 12 | 2011 | 13   |
| 13 | 2012 | 14   |
| 14 | 2013 | 15   |
| 15 | 2014 | 16   |
| 16 | 2015 | 17   |
| 17 | 2016 | 18   |
| 18 | 2017 | 19   |
| 19 | 2018 | 20   |
| 20 | 2019 | 21   |
| 21 | 2020 | 22   |
| 22 | 2021 | 23   |
| 23 | 2022 | 24   |
| 24 | 2023 | 25   |
| 25 | 2024 | 26   |
| 26 | 2025 | 27   |
| 27 | 2026 | 28   |
| 28 | 2027 | 29   |
| 29 | 2028 | 30   |
| 30 | 2029 | 31   |
| 31 | 2030 | 32   |
| 32 | 2031 | 33   |
| 33 | 2032 | 34   |
| 34 | 2033 | 35   |
| 35 | 2034 | 36   |
| 36 | 2035 | 37   |
| 37 | 2036 | 38   |
| 38 | 2037 | 39   |
| 39 | 2038 | 40   |
| 40 | 2039 | 41   |
| 41 | 2040 | 42   |
| 42 | 2041 | 43   |
| 43 | 2042 | 44   |
| 44 | 2043 | 45   |
| 45 | 2044 | 46   |
| 46 | 2045 | 47   |
| 47 | 2046 | 48   |
| 48 | 2047 | 49   |

26

ANN FOR PLANT IN  
PRIMS

Income Tax Rate  
FUDC Rate  
Average Inflation  
Rate of Service  
Average Return  
on Lib  
Cost Life

| Time Period | Year | Depreciation | Tax    | 3 year | 5 year | 7 year | 10 year | 15 year | 20 year |
|-------------|------|--------------|--------|--------|--------|--------|---------|---------|---------|
| 0           | 1998 | 10.00%       | 20.00% | 33.33% | 20.00% | 14.29% | 10.00%  | 5.00%   | 2.75%   |
| 1           | 1999 | 20.00%       | 32.00% | 44.45% | 32.00% | 24.49% | 18.00%  | 9.50%   | 7.25%   |
| 2           | 2000 | 20.00%       | 18.00% | 14.81% | 19.20% | 17.49% | 14.40%  | 8.55%   | 6.88%   |
| 3           | 2001 | 20.00%       | 11.50% | 7.41%  | 11.50% | 8.33%  | 6.25%   | 3.75%   | 3.75%   |
| 4           | 2002 | 10.00%       | 5.78%  | 5.78%  | 5.78%  | 5.78%  | 5.78%   | 5.78%   | 5.78%   |
| 5           | 2003 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 6           | 2004 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 7           | 2005 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 8           | 2006 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 9           | 2007 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 10          | 2008 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 11          | 2009 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 12          | 2010 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 13          | 2011 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 14          | 2012 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 15          | 2013 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 16          | 2014 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 17          | 2015 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 18          | 2016 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 19          | 2017 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 20          | 2018 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 21          | 2019 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 22          | 2020 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 23          | 2021 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 24          | 2022 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 25          | 2023 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 26          | 2024 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 27          | 2025 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 28          | 2026 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 29          | 2027 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 30          | 2028 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 31          | 2029 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 32          | 2030 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 33          | 2031 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 34          | 2032 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 35          | 2033 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 36          | 2034 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 37          | 2035 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 38          | 2036 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 39          | 2037 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 40          | 2038 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 41          | 2039 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 42          | 2040 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 43          | 2041 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 44          | 2042 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 45          | 2043 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 46          | 2044 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 47          | 2045 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 48          | 2046 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |
| 49          | 2047 | 0.00%        | 0.00%  | 0.00%  | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00%   |

AGE FOR PLANT IN  
1984  
Income Tax Rate  
of UDC Plan  
beginning Year  
see in Section  
of Internal Revenue  
Code

| Year | Rate |
|------|------|
| 1989 | 0    |
| 1990 | 1    |
| 1991 | 2    |
| 1992 | 3    |
| 1993 | 4    |
| 1994 | 5    |
| 1995 | 6    |
| 1996 | 7    |
| 1997 | 8    |
| 1998 | 9    |
| 1999 | 10   |
| 2000 | 11   |
| 2001 | 12   |
| 2002 | 13   |
| 2003 | 14   |
| 2004 | 15   |
| 2005 | 16   |
| 2006 | 17   |
| 2007 | 18   |
| 2008 | 19   |
| 2009 | 20   |
| 2010 | 21   |
| 2011 | 22   |
| 2012 | 23   |
| 2013 | 24   |
| 2014 | 25   |
| 2015 | 26   |
| 2016 | 27   |
| 2017 | 28   |
| 2018 | 29   |
| 2019 | 30   |
| 2020 | 31   |
| 2021 | 32   |
| 2022 | 33   |
| 2023 | 34   |
| 2024 | 35   |
| 2025 | 36   |
| 2026 | 37   |
| 2027 | 38   |
| 2028 | 39   |
| 2029 | 40   |
| 2030 | 41   |
| 2031 | 42   |
| 2032 | 43   |
| 2033 | 44   |
| 2034 | 45   |
| 2035 | 46   |
| 2036 | 47   |
| 2037 | 48   |
| 2038 | 49   |
| 2039 | 50   |
| 2040 | 51   |
| 2041 | 52   |
| 2042 | 53   |
| 2043 | 54   |
| 2044 | 55   |
| 2045 | 56   |
| 2046 | 57   |
| 2047 | 58   |
| 2048 | 59   |
| 2049 | 60   |
| 2050 | 61   |

U-7

LAOY FOR PLANT INVEST.

|                    |          |
|--------------------|----------|
| Income Tax Rate    | 37.1%    |
| AFUDC Rate         | 0.00%    |
| Beginning Year     | 1988     |
| Year in Service    | 0        |
| Life (Depreciable) | 20 Years |
| Book Life          | 30 Years |

|                 |        |
|-----------------|--------|
| Cost of Capital | 12.00% |
| Equity          | 5.84%  |
| Preferred       | 7.37%  |
| STD             | 0.00%  |
| LTD             | 18.28% |
| Average         | 9.37%  |

|                           |        |
|---------------------------|--------|
| Carrying Charge Rate      | 0.30%  |
| Return Requirement        | 2.47%  |
| Depreciation Requirement  | 1.11%  |
| AFUDC                     | 0.00%  |
| Cost of Capital           | 12.00% |
| Total Capital Requirement | 13.18% |
| GM (incl. fuel interest)  | 0.00%  |
| Property Tax              | 1.17%  |
| Total LAOR                | 13.35% |

411508

| Time Period | Year | Capital Expended | AFUDC | Total CFYR | Point in Service BOT | Point in Service EOT | Average in Service | Average Plant Account | Average Net Plant | Average Income | Average Rate | Rate of Return (Equity) | Rate of Return (Debt) | Operating Expenses | Book Depreciation | Deferred Income Taxes | Salvage | Income Taxes | Property Taxes | Reserve | Reserve | PV Reserve | PV Residual | PV of Debt | PV of Equity | PV of Return | PV of AFUDC | PV of Operating Expenses |
|-------------|------|------------------|-------|------------|----------------------|----------------------|--------------------|-----------------------|-------------------|----------------|--------------|-------------------------|-----------------------|--------------------|-------------------|-----------------------|---------|--------------|----------------|---------|---------|------------|-------------|------------|--------------|--------------|-------------|--------------------------|
| 1           | 1988 | 100,000          | 0     | 100,000    | 0                    | 100,000              | 100,000            | 100,000               | 49,187            | 3,333          | 14,782       | 2,815                   | 1,900                 | 0                  | 1,887             | 771                   | 0       | 84           | 1,816          | 8,204   | 8,204   | 16,037     | 16,037      | 1,816      | 5,248        | 3,432        | 0           |                          |
| 2           | 2000 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 49,187            | 3,333          | 14,782       | 2,815                   | 1,900                 | 0                  | 1,887             | 771                   | 0       | 84           | 1,816          | 8,204   | 8,204   | 16,037     | 16,037      | 1,816      | 5,248        | 3,432        | 0           |                          |
| 3           | 2001 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 4           | 2002 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 5           | 2003 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 6           | 2004 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 7           | 2005 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 8           | 2006 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 9           | 2007 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 10          | 2008 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 11          | 2009 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 12          | 2010 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 13          | 2011 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 14          | 2012 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 15          | 2013 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 16          | 2014 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 17          | 2015 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 18          | 2016 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 19          | 2017 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 20          | 2018 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 21          | 2019 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 22          | 2020 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 23          | 2021 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 24          | 2022 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 25          | 2023 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 26          | 2024 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 27          | 2025 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 28          | 2026 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 29          | 2027 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 30          | 2028 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 31          | 2029 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 32          | 2030 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 33          | 2031 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 34          | 2032 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 35          | 2033 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 36          | 2034 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 37          | 2035 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 38          | 2036 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 39          | 2037 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 40          | 2038 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 41          | 2039 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 42          | 2040 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 43          | 2041 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 44          | 2042 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 45          | 2043 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       | 168          | 3,648          | 16,418  | 16,418  | 32,074     | 32,074      | 3,648      | 10,496       | 6,848        | 0           |                          |
| 46          | 2044 | 0                | 0     | 0          | 0                    | 0                    | 0                  | 0                     | 98,374            | 6,666          | 29,564       | 5,630                   | 3,800                 | 0                  | 3,774             | 1,542                 | 0       |              |                |         |         |            |             |            |              |              |             |                          |





LARGE FOR PLANT IN  
1998

Income Tax Rate  
AFUCR Rate  
Beginning Year  
Ending Year  
Schedule  
Tax Life  
Bank Life

| Time | Year | PV of<br>Property<br>Tax | PV of<br>Dist.<br>Tax | PV of<br>Income<br>Tax |
|------|------|--------------------------|-----------------------|------------------------|
| 0    | 1998 | 0                        | 773                   | 848                    |
| 1    | 1999 | 0                        | 1330                  | 1767                   |
| 2    | 2000 | 0                        | 1068                  | 1441                   |
| 3    | 2001 | 0                        | 828                   | 1053                   |
| 4    | 2002 | 0                        | 639                   | 847                    |
| 5    | 2003 | 0                        | 494                   | 643                    |
| 6    | 2004 | 0                        | 374                   | 494                    |
| 7    | 2005 | 0                        | 280                   | 374                    |
| 8    | 2006 | 0                        | 219                   | 280                    |
| 9    | 2007 | 0                        | 168                   | 219                    |
| 10   | 2008 | 0                        | 127                   | 168                    |
| 11   | 2009 | 0                        | 96                    | 127                    |
| 12   | 2010 | 0                        | 72                    | 96                     |
| 13   | 2011 | 0                        | 54                    | 72                     |
| 14   | 2012 | 0                        | 41                    | 54                     |
| 15   | 2013 | 0                        | 31                    | 41                     |
| 16   | 2014 | 0                        | 24                    | 31                     |
| 17   | 2015 | 0                        | 18                    | 24                     |
| 18   | 2016 | 0                        | 14                    | 18                     |
| 19   | 2017 | 0                        | 10                    | 14                     |
| 20   | 2018 | 0                        | 8                     | 10                     |
| 21   | 2019 | 0                        | 6                     | 8                      |
| 22   | 2020 | 0                        | 5                     | 6                      |
| 23   | 2021 | 0                        | 4                     | 5                      |
| 24   | 2022 | 0                        | 3                     | 4                      |
| 25   | 2023 | 0                        | 3                     | 3                      |
| 26   | 2024 | 0                        | 2                     | 3                      |
| 27   | 2025 | 0                        | 2                     | 2                      |
| 28   | 2026 | 0                        | 2                     | 2                      |
| 29   | 2027 | 0                        | 2                     | 2                      |
| 30   | 2028 | 0                        | 2                     | 2                      |
| 31   | 2029 | 0                        | 2                     | 2                      |
| 32   | 2030 | 0                        | 2                     | 2                      |
| 33   | 2031 | 0                        | 2                     | 2                      |
| 34   | 2032 | 0                        | 2                     | 2                      |
| 35   | 2033 | 0                        | 2                     | 2                      |
| 36   | 2034 | 0                        | 2                     | 2                      |
| 37   | 2035 | 0                        | 2                     | 2                      |
| 38   | 2036 | 0                        | 2                     | 2                      |
| 39   | 2037 | 0                        | 2                     | 2                      |
| 40   | 2038 | 0                        | 2                     | 2                      |
| 41   | 2039 | 0                        | 2                     | 2                      |
| 42   | 2040 | 0                        | 2                     | 2                      |
| 43   | 2041 | 0                        | 2                     | 2                      |
| 44   | 2042 | 0                        | 2                     | 2                      |
| 45   | 2043 | 0                        | 2                     | 2                      |
| 46   | 2044 | 0                        | 2                     | 2                      |
| 47   | 2045 | 0                        | 2                     | 2                      |
| 48   | 2046 | 0                        | 2                     | 2                      |
| 49   | 2047 | 0                        | 2                     | 2                      |
| 50   | 2048 | 0                        | 2                     | 2                      |
| 51   | 2049 | 0                        | 2                     | 2                      |
| 52   | 2050 | 0                        | 2                     | 2                      |
| 53   | 2051 | 0                        | 2                     | 2                      |
| 54   | 2052 | 0                        | 2                     | 2                      |
| 55   | 2053 | 0                        | 2                     | 2                      |
| 56   | 2054 | 0                        | 2                     | 2                      |
| 57   | 2055 | 0                        | 2                     | 2                      |
| 58   | 2056 | 0                        | 2                     | 2                      |
| 59   | 2057 | 0                        | 2                     | 2                      |
| 60   | 2058 | 0                        | 2                     | 2                      |
| 61   | 2059 | 0                        | 2                     | 2                      |
| 62   | 2060 | 0                        | 2                     | 2                      |
| 63   | 2061 | 0                        | 2                     | 2                      |
| 64   | 2062 | 0                        | 2                     | 2                      |
| 65   | 2063 | 0                        | 2                     | 2                      |
| 66   | 2064 | 0                        | 2                     | 2                      |
| 67   | 2065 | 0                        | 2                     | 2                      |
| 68   | 2066 | 0                        | 2                     | 2                      |
| 69   | 2067 | 0                        | 2                     | 2                      |
| 70   | 2068 | 0                        | 2                     | 2                      |
| 71   | 2069 | 0                        | 2                     | 2                      |
| 72   | 2070 | 0                        | 2                     | 2                      |
| 73   | 2071 | 0                        | 2                     | 2                      |
| 74   | 2072 | 0                        | 2                     | 2                      |
| 75   | 2073 | 0                        | 2                     | 2                      |
| 76   | 2074 | 0                        | 2                     | 2                      |
| 77   | 2075 | 0                        | 2                     | 2                      |
| 78   | 2076 | 0                        | 2                     | 2                      |
| 79   | 2077 | 0                        | 2                     | 2                      |
| 80   | 2078 | 0                        | 2                     | 2                      |
| 81   | 2079 | 0                        | 2                     | 2                      |
| 82   | 2080 | 0                        | 2                     | 2                      |
| 83   | 2081 | 0                        | 2                     | 2                      |
| 84   | 2082 | 0                        | 2                     | 2                      |
| 85   | 2083 | 0                        | 2                     | 2                      |
| 86   | 2084 | 0                        | 2                     | 2                      |
| 87   | 2085 | 0                        | 2                     | 2                      |
| 88   | 2086 | 0                        | 2                     | 2                      |
| 89   | 2087 | 0                        | 2                     | 2                      |
| 90   | 2088 | 0                        | 2                     | 2                      |
| 91   | 2089 | 0                        | 2                     | 2                      |
| 92   | 2090 | 0                        | 2                     | 2                      |
| 93   | 2091 | 0                        | 2                     | 2                      |
| 94   | 2092 | 0                        | 2                     | 2                      |
| 95   | 2093 | 0                        | 2                     | 2                      |
| 96   | 2094 | 0                        | 2                     | 2                      |
| 97   | 2095 | 0                        | 2                     | 2                      |
| 98   | 2096 | 0                        | 2                     | 2                      |
| 99   | 2097 | 0                        | 2                     | 2                      |
| 100  | 2098 | 0                        | 2                     | 2                      |
| 101  | 2099 | 0                        | 2                     | 2                      |
| 102  | 2100 | 0                        | 2                     | 2                      |
| 103  | 2101 | 0                        | 2                     | 2                      |
| 104  | 2102 | 0                        | 2                     | 2                      |
| 105  | 2103 | 0                        | 2                     | 2                      |
| 106  | 2104 | 0                        | 2                     | 2                      |
| 107  | 2105 | 0                        | 2                     | 2                      |
| 108  | 2106 | 0                        | 2                     | 2                      |
| 109  | 2107 | 0                        | 2                     | 2                      |
| 110  | 2108 | 0                        | 2                     | 2                      |
| 111  | 2109 | 0                        | 2                     | 2                      |
| 112  | 2110 | 0                        | 2                     | 2                      |
| 113  | 2111 | 0                        | 2                     | 2                      |
| 114  | 2112 | 0                        | 2                     | 2                      |
| 115  | 2113 | 0                        | 2                     | 2                      |
| 116  | 2114 | 0                        | 2                     | 2                      |
| 117  | 2115 | 0                        | 2                     | 2                      |
| 118  | 2116 | 0                        | 2                     | 2                      |
| 119  | 2117 | 0                        | 2                     | 2                      |
| 120  | 2118 | 0                        | 2                     | 2                      |
| 121  | 2119 | 0                        | 2                     | 2                      |
| 122  | 2120 | 0                        | 2                     | 2                      |
| 123  | 2121 | 0                        | 2                     | 2                      |
| 124  | 2122 | 0                        | 2                     | 2                      |
| 125  | 2123 | 0                        | 2                     | 2                      |
| 126  | 2124 | 0                        | 2                     | 2                      |
| 127  | 2125 | 0                        | 2                     | 2                      |
| 128  | 2126 | 0                        | 2                     | 2                      |
| 129  | 2127 | 0                        | 2                     | 2                      |
| 130  | 2128 | 0                        | 2                     | 2                      |
| 131  | 2129 | 0                        | 2                     | 2                      |
| 132  | 2130 | 0                        | 2                     | 2                      |
| 133  | 2131 | 0                        | 2                     | 2                      |
| 134  | 2132 | 0                        | 2                     | 2                      |
| 135  | 2133 | 0                        | 2                     | 2                      |
| 136  | 2134 | 0                        | 2                     | 2                      |
| 137  | 2135 | 0                        | 2                     | 2                      |
| 138  | 2136 | 0                        | 2                     | 2                      |
| 139  | 2137 | 0                        | 2                     | 2                      |
| 140  | 2138 | 0                        | 2                     | 2                      |
| 141  | 2139 | 0                        | 2                     | 2                      |
| 142  | 2140 | 0                        | 2                     | 2                      |
| 143  | 2141 | 0                        | 2                     | 2                      |
| 144  | 2142 | 0                        | 2                     | 2                      |
| 145  | 2143 | 0                        | 2                     | 2                      |
| 146  | 2144 | 0                        | 2                     | 2                      |
| 147  | 2145 | 0                        | 2                     | 2                      |
| 148  | 2146 | 0                        | 2                     | 2                      |
| 149  | 2147 | 0                        | 2                     | 2                      |
| 150  | 2148 | 0                        | 2                     | 2                      |
| 151  | 2149 | 0                        | 2                     | 2                      |
| 152  | 2150 | 0                        | 2                     | 2                      |
| 153  | 2151 | 0                        | 2                     | 2                      |
| 154  | 2152 | 0                        | 2                     | 2                      |
| 155  | 2153 | 0                        | 2                     | 2                      |
| 156  | 2154 | 0                        | 2                     | 2                      |
| 157  | 2155 | 0                        | 2                     | 2                      |
| 158  | 2156 | 0                        | 2                     | 2                      |
| 159  | 2157 | 0                        | 2                     | 2                      |
| 160  | 2158 | 0                        | 2                     | 2                      |
| 161  | 2159 | 0                        | 2                     | 2                      |
| 162  | 2160 | 0                        | 2                     | 2                      |
| 163  | 2161 | 0                        | 2                     | 2                      |
| 164  | 2162 | 0                        | 2                     | 2                      |
| 165  | 2163 | 0                        | 2                     | 2                      |
| 166  | 2164 | 0                        | 2                     | 2                      |
| 167  | 2165 | 0                        | 2                     | 2                      |
| 168  | 2166 | 0                        | 2                     | 2                      |
| 169  | 2167 | 0                        | 2                     | 2                      |
| 170  | 2168 | 0                        | 2                     | 2                      |
| 171  | 2169 | 0                        | 2                     | 2                      |
| 172  | 2170 | 0                        | 2                     | 2                      |
| 173  | 2171 | 0                        | 2                     | 2                      |
| 174  | 2172 | 0                        | 2                     | 2                      |
| 175  | 2173 | 0                        | 2                     | 2                      |
| 176  | 2174 | 0                        | 2                     | 2                      |
| 177  | 2175 | 0                        | 2                     | 2                      |
| 178  | 2176 | 0                        | 2                     | 2                      |
| 179  | 2177 | 0                        | 2                     | 2                      |
| 180  | 2178 | 0                        | 2                     | 2                      |
| 181  | 2179 | 0                        | 2                     | 2                      |
| 182  | 2180 | 0                        | 2                     | 2                      |
| 183  | 2181 | 0                        | 2                     | 2                      |
| 184  | 2182 | 0                        | 2                     | 2                      |
| 185  | 2183 | 0                        | 2                     | 2                      |
| 186  | 2184 | 0                        | 2                     | 2                      |
| 187  | 2185 | 0                        | 2                     | 2                      |
| 188  | 2186 | 0                        | 2                     | 2                      |
| 189  | 2187 | 0                        | 2                     | 2                      |
| 190  | 2188 | 0                        | 2                     | 2                      |
| 191  | 2189 | 0                        | 2                     | 2                      |
| 192  | 2190 | 0                        | 2                     | 2                      |
| 193  | 2191 | 0                        | 2                     | 2                      |
| 194  | 2192 | 0                        | 2                     | 2                      |
| 195  | 2193 | 0                        | 2                     | 2                      |
| 196  | 2194 | 0                        | 2                     | 2                      |
| 197  | 2195 | 0                        | 2                     | 2                      |
| 198  | 2196 | 0                        | 2                     | 2                      |
| 199  | 2197 | 0                        | 2                     | 2                      |
| 200  | 2198 | 0                        | 2                     | 2                      |
| 201  | 2199 | 0                        | 2                     | 2                      |
| 202  | 2200 | 0                        | 2                     | 2                      |
| 203  | 2201 | 0                        | 2                     | 2                      |
| 204  | 2202 | 0                        | 2                     | 2                      |
| 205  | 2203 | 0                        | 2                     | 2                      |
| 206  | 2204 | 0                        | 2                     | 2                      |
| 207  | 2205 | 0                        | 2                     | 2                      |
| 208  | 2206 | 0                        | 2                     | 2                      |
| 209  | 2207 | 0                        | 2                     | 2                      |
| 210  | 2208 | 0                        | 2                     | 2                      |
| 211  | 2209 | 0                        | 2                     | 2                      |
| 212  | 2210 | 0                        | 2                     | 2                      |
| 213  | 2211 | 0                        | 2                     | 2                      |
| 214  | 2212 | 0                        | 2                     | 2                      |
| 215  | 2213 | 0                        | 2                     | 2                      |
| 216  | 2214 | 0                        | 2                     | 2                      |
| 217  | 2215 | 0                        | 2                     | 2                      |
| 218  | 2216 | 0                        | 2                     | 2                      |
| 219  | 2217 | 0                        | 2                     | 2                      |
| 220  | 2218 | 0                        | 2                     | 2                      |
| 221  | 2219 | 0                        | 2                     | 2                      |
| 222  | 2220 | 0                        | 2                     | 2                      |
| 223  | 2221 | 0                        | 2                     | 2                      |
| 224  | 2222 | 0                        | 2                     | 2                      |
| 225  | 2223 | 0                        | 2                     | 2                      |
| 226  | 2224 | 0                        | 2                     | 2                      |
| 227  | 2225 | 0                        | 2                     | 2                      |
| 228  | 2226 | 0                        | 2                     | 2                      |
| 229  | 2227 | 0                        | 2                     | 2                      |
| 230  | 2228 | 0                        | 2                     | 2                      |
| 231  | 2229 | 0                        | 2                     | 2                      |
| 232  | 2230 | 0                        | 2                     | 2                      |
| 233  | 2231 | 0                        | 2                     | 2                      |
| 234  | 2232 | 0                        | 2                     | 2                      |
| 235  | 2233 | 0                        | 2                     | 2                      |
| 236  | 2234 | 0                        | 2                     | 2                      |
| 237  | 2235 | 0                        | 2                     | 2                      |
| 238  | 2236 | 0                        | 2                     | 2                      |
| 239  | 2237 | 0                        | 2                     | 2                      |
| 240  | 2238 | 0                        | 2                     | 2                      |
| 241  | 2239 | 0                        | 2                     | 2                      |
| 242  | 2240 | 0                        | 2                     | 2                      |
| 243  | 2241 | 0                        | 2                     | 2                      |
| 244  | 2242 | 0                        | 2                     | 2                      |
| 245  | 2243 | 0                        | 2                     | 2                      |
| 246  | 2244 | 0                        | 2                     | 2                      |
| 247  | 2245 | 0                        | 2                     | 2                      |
| 248  | 2246 | 0                        | 2                     | 2                      |
| 249  | 2247 | 0                        | 2                     | 2                      |
| 250  | 2248 | 0                        | 2                     | 2                      |
| 251  | 2249 | 0                        | 2                     | 2                      |
| 252  | 2250 | 0                        | 2                     | 2                      |
| 253  | 2251 | 0                        | 2                     | 2                      |
| 254  | 2252 | 0                        | 2                     | 2                      |
| 255  | 2253 | 0                        | 2                     | 2                      |
| 256  | 2254 | 0                        | 2                     | 2                      |
| 257  | 2255 | 0                        | 2                     | 2                      |
| 258  | 2256 | 0                        | 2                     | 2                      |
| 259  | 2257 | 0                        | 2                     | 2                      |
| 260  | 2258 | 0                        | 2                     | 2                      |
| 261  | 2259 | 0                        | 2                     | 2                      |
| 262  | 2260 | 0                        | 2                     | 2                      |
| 263  | 2261 | 0                        | 2                     | 2                      |
| 264  | 2262 | 0                        | 2                     | 2                      |
| 265  | 2263 | 0                        | 2                     | 2                      |
| 266  | 2264 | 0                        | 2                     | 2                      |
| 267  | 2265 | 0                        | 2                     | 2                      |
| 268  | 2266 | 0                        | 2                     | 2                      |
| 269  | 2267 | 0                        | 2                     | 2                      |
| 270  | 2268 | 0                        | 2                     | 2                      |
| 271  | 2269 | 0                        | 2                     | 2                      |
| 272  | 2270 | 0                        | 2                     | 2                      |
| 273  | 2271 | 0                        | 2                     | 2                      |
| 274  | 2272 | 0                        | 2                     | 2                      |
| 275  | 2273 | 0                        | 2                     | 2                      |
| 276  | 2274 | 0                        | 2                     | 2                      |
| 277  | 2275 | 0                        | 2                     | 2                      |
| 278  | 2276 | 0                        | 2                     | 2                      |
| 279  | 2277 | 0                        | 2                     | 2                      |
| 280  | 2278 | 0                        | 2                     | 2                      |
| 281  | 2279 | 0                        | 2                     | 2                      |
| 282  | 2280 | 0                        | 2                     | 2                      |
| 283  | 2281 | 0                        | 2                     | 2                      |
| 284  | 2282 | 0                        | 2                     | 2                      |
| 285  | 2283 | 0                        | 2                     | 2                      |
| 286  | 2284 | 0                        | 2                     | 2                      |
| 287  | 2285 | 0                        | 2                     | 2                      |
| 288  | 2286 | 0                        | 2                     | 2                      |
| 289  | 2287 | 0                        | 2                     | 2                      |
| 290  | 2288 | 0                        | 2                     | 2                      |
| 291  | 2289 | 0                        | 2                     | 2                      |
| 292  | 2290 | 0                        | 2                     | 2                      |
| 293  | 2291 | 0                        | 2                     | 2                      |
| 294  | 2292 | 0                        | 2                     | 2                      |
| 295  | 2293 | 0                        | 2                     | 2                      |
| 296  | 2294 | 0                        | 2                     | 2                      |
| 297  | 2295 | 0                        | 2                     | 2                      |
| 298  | 2296 | 0                        | 2                     | 2                      |
| 299  | 2297 | 0                        | 2                     | 2                      |
| 300  | 2298 | 0                        | 2                     | 2                      |
| 301  | 2299 | 0                        | 2                     | 2                      |
| 302  | 2300 | 0                        | 2                     | 2                      |
| 303  | 2301 | 0                        | 2                     | 2                      |
| 304  | 2302 | 0                        | 2                     | 2                      |

LOANS FOR PLANT IN

| Time Period | Year | Revenue Req. |
|-------------|------|--------------|
| 0           | 1998 | 17,327       |
| 1           | 1999 | 17,207       |
| 2           | 2000 | 16,584       |
| 3           | 2001 | 15,961       |
| 4           | 2002 | 15,338       |
| 5           | 2003 | 14,715       |
| 6           | 2004 | 14,092       |
| 7           | 2005 | 13,469       |
| 8           | 2006 | 12,846       |
| 9           | 2007 | 12,223       |
| 10          | 2008 | 11,600       |
| 11          | 2009 | 10,977       |
| 12          | 2010 | 10,354       |
| 13          | 2011 | 9,731        |
| 14          | 2012 | 9,108        |
| 15          | 2013 | 8,485        |
| 16          | 2014 | 7,862        |
| 17          | 2015 | 7,239        |
| 18          | 2016 | 6,616        |
| 19          | 2017 | 5,993        |
| 20          | 2018 | 5,370        |
| 21          | 2019 | 4,747        |
| 22          | 2020 | 4,124        |
| 23          | 2021 | 3,501        |
| 24          | 2022 | 2,878        |
| 25          | 2023 | 2,255        |
| 26          | 2024 | 1,632        |
| 27          | 2025 | 1,009        |
| 28          | 2026 | 486          |
| 29          | 2027 | 43           |
| 30          | 2028 | 0            |
| 31          | 2029 | 0            |
| 32          | 2030 | 0            |
| 33          | 2031 | 0            |
| 34          | 2032 | 0            |
| 35          | 2033 | 0            |
| 36          | 2034 | 0            |
| 37          | 2035 | 0            |
| 38          | 2036 | 0            |
| 39          | 2037 | 0            |
| 40          | 2038 | 0            |
| 41          | 2039 | 0            |
| 42          | 2040 | 0            |
| 43          | 2041 | 0            |
| 44          | 2042 | 0            |
| 45          | 2043 | 0            |
| 46          | 2044 | 0            |
| 47          | 2045 | 0            |
| 48          | 2046 | 0            |
| 49          | 2047 | 0            |

2-11

May 1992

LARR FOR PLANT IN  
1998

Income Tax Plus  
AFUC Rate  
Beginning Year  
Ending Year  
Savings/Bonus  
Tax Life  
Book Life

| Time Period | Year | Average | Salvage | Unretd | BOY    | EOT    | Accum  | Accum  | Accum  | Accum  | Depreciation | 3 year       | 5 year       | 7 year       | 10 year      | 15 year      | 20 year      |
|-------------|------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|             |      |         |         | Unretd | Unretd | Unretd | Unretd | Unretd | Unretd | Unretd | Unretd       | Depreciation | Depreciation | Depreciation | Depreciation | Depreciation | Depreciation |
| 1           | 1998 | 43      | 0       | 773    | 0      | 773    | 0      | 773    | 0      | 773    | 1.6%         | 3.75%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 2           | 1999 | 3,333   | 0       | 1,443  | 773    | 2,216  | 0      | 2,216  | 1,495  | 3,711  | 3.3%         | 7.22%        | 32.00%       | 16.00%       | 10.00%       | 5.00%        | 2.75%        |
| 3           | 2000 | 6,667   | 0       | 1,741  | 2,216  | 3,457  | 0      | 3,457  | 2,837  | 6,294  | 3.3%         | 8.64%        | 14.61%       | 14.60%       | 14.60%       | 14.60%       | 14.60%       |
| 4           | 2001 | 10,000  | 0       | 1,056  | 3,457  | 4,513  | 0      | 4,513  | 3,965  | 8,478  | 3.3%         | 6.18%        | 19.20%       | 17.49%       | 17.49%       | 17.49%       | 17.49%       |
| 5           | 2002 | 13,333  | 0       | 683    | 4,513  | 5,197  | 0      | 5,197  | 4,955  | 10,153 | 3.3%         | 7.11%        | 11.50%       | 12.49%       | 11.50%       | 7.70%        | 6.19%        |
| 6           | 2003 | 16,667  | 0       | 577    | 5,197  | 5,774  | 0      | 5,774  | 5,378  | 11,152 | 3.3%         | 4.89%        | 8.82%        | 9.22%        | 8.82%        | 6.33%        | 5.71%        |
| 7           | 2004 | 20,000  | 0       | 577    | 5,774  | 6,351  | 0      | 6,351  | 5,951  | 12,151 | 3.3%         | 4.89%        | 8.82%        | 8.82%        | 8.82%        | 6.33%        | 4.89%        |
| 8           | 2005 | 23,333  | 0       | 441    | 6,351  | 6,792  | 0      | 6,792  | 6,351  | 13,150 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 9           | 2006 | 26,667  | 0       | 419    | 7,140  | 7,559  | 0      | 7,559  | 7,140  | 14,149 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 10          | 2007 | 30,000  | 0       | 419    | 7,559  | 7,977  | 0      | 7,977  | 7,559  | 15,148 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 11          | 2008 | 33,333  | 0       | 419    | 7,977  | 8,396  | 0      | 8,396  | 8,137  | 16,147 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 12          | 2009 | 36,667  | 0       | 419    | 8,396  | 8,815  | 0      | 8,815  | 8,556  | 17,146 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 13          | 2010 | 40,000  | 0       | 419    | 8,815  | 9,234  | 0      | 9,234  | 8,975  | 18,145 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 14          | 2011 | 43,333  | 0       | 419    | 9,234  | 9,653  | 0      | 9,653  | 9,413  | 19,144 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 15          | 2012 | 46,667  | 0       | 419    | 9,653  | 10,072 | 0      | 10,072 | 9,862  | 20,143 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 16          | 2013 | 50,000  | 0       | 419    | 10,072 | 10,490 | 0      | 10,490 | 10,281 | 21,142 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 17          | 2014 | 53,333  | 0       | 419    | 10,490 | 10,909 | 0      | 10,909 | 10,700 | 22,141 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 18          | 2015 | 56,667  | 0       | 419    | 10,909 | 11,328 | 0      | 11,328 | 11,119 | 23,140 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 19          | 2016 | 60,000  | 0       | 419    | 11,328 | 11,747 | 0      | 11,747 | 11,538 | 24,139 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 20          | 2017 | 63,333  | 0       | 419    | 11,747 | 12,166 | 0      | 12,166 | 11,956 | 25,138 | 3.3%         | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        | 4.40%        |
| 21          | 2018 | 66,667  | 0       | 1,091  | 12,166 | 11,756 | 0      | 11,756 | 11,961 | 26,137 | 3.3%         | 2.23%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 22          | 2019 | 70,000  | 0       | 1,238  | 11,756 | 10,519 | 0      | 10,519 | 11,138 | 27,136 | 3.3%         | 3.33%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 23          | 2020 | 73,333  | 0       | 1,238  | 10,519 | 9,281  | 0      | 9,281  | 9,900  | 28,135 | 3.3%         | 3.33%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 24          | 2021 | 76,667  | 0       | 1,238  | 9,281  | 8,044  | 0      | 8,044  | 8,663  | 29,134 | 3.3%         | 3.33%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 25          | 2022 | 80,000  | 0       | 1,238  | 8,044  | 6,806  | 0      | 6,806  | 7,425  | 30,133 | 3.3%         | 3.33%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 26          | 2023 | 83,333  | 0       | 1,238  | 6,806  | 5,568  | 0      | 5,568  | 6,187  | 31,132 | 3.3%         | 3.33%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 27          | 2024 | 86,667  | 0       | 1,238  | 5,568  | 4,331  | 0      | 4,331  | 4,950  | 32,131 | 3.3%         | 3.33%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 28          | 2025 | 90,000  | 0       | 1,238  | 4,331  | 3,094  | 0      | 3,094  | 3,713  | 33,130 | 3.3%         | 3.33%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 29          | 2026 | 93,333  | 0       | 1,238  | 3,094  | 1,856  | 0      | 1,856  | 2,475  | 34,129 | 3.3%         | 3.33%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 30          | 2027 | 96,667  | 0       | 1,238  | 1,856  | 619    | 0      | 619    | 1,238  | 35,128 | 3.3%         | 3.33%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 31          | 2028 | 100,000 | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 36,127 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 32          | 2029 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 37,126 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 33          | 2030 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 38,125 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 34          | 2031 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 39,124 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 35          | 2032 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 40,123 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 36          | 2033 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 41,122 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 37          | 2034 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 42,121 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 38          | 2035 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 43,120 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 39          | 2036 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 44,119 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 40          | 2037 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 45,118 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 41          | 2038 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 46,117 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 42          | 2039 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 47,116 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 43          | 2040 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 48,115 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 44          | 2041 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 49,114 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 45          | 2042 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 50,113 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 46          | 2043 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 51,112 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 47          | 2044 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 52,111 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 48          | 2045 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 53,110 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 49          | 2046 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 54,109 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| 50          | 2047 | 0       | 0       | 0      | 0      | 0      | 0      | 0      | 0      | 55,108 | 0.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |

U-12

U-13

LAIR FOR PLANT IN

1998  
Year in Plant  
6/1/1998  
Beginning Year  
Year in Service  
Savings (Removal)  
Tax Life  
Book Life

| Time Period | Year |
|-------------|------|
| 0           | 1998 |
| 1           | 1999 |
| 2           | 2000 |
| 3           | 2001 |
| 4           | 2002 |
| 5           | 2003 |
| 6           | 2004 |
| 7           | 2005 |
| 8           | 2006 |
| 9           | 2007 |
| 10          | 2008 |
| 11          | 2009 |
| 12          | 2010 |
| 13          | 2011 |
| 14          | 2012 |
| 15          | 2013 |
| 16          | 2014 |
| 17          | 2015 |
| 18          | 2016 |
| 19          | 2017 |
| 20          | 2018 |
| 21          | 2019 |
| 22          | 2020 |
| 23          | 2021 |
| 24          | 2022 |
| 25          | 2023 |
| 26          | 2024 |
| 27          | 2025 |
| 28          | 2026 |
| 29          | 2027 |
| 30          | 2028 |
| 31          | 2029 |
| 32          | 2030 |
| 33          | 2031 |
| 34          | 2032 |
| 35          | 2033 |
| 36          | 2034 |
| 37          | 2035 |
| 38          | 2036 |
| 39          | 2037 |
| 40          | 2038 |
| 41          | 2039 |
| 42          | 2040 |
| 43          | 2041 |
| 44          | 2042 |
| 45          | 2043 |
| 46          | 2044 |
| 47          | 2045 |
| 48          | 2046 |
| 49          | 2047 |

|                                             | NewCo        | AEP          | CSW          |
|---------------------------------------------|--------------|--------------|--------------|
| [A] Income Before Income Taxes              | 100.00%      | 100.00%      | 100.00%      |
| [B] Less: Composite Municipal Excise Taxes  |              |              |              |
| [C] State Revenue Business Tax              |              |              |              |
| [D] Federal Income Tax Base [A]-[B]-[C]     |              |              |              |
| [E] Federal Income Tax Rate                 | 35.00%       |              |              |
| [F] Federal Income Tax [D]*[E]              |              |              |              |
| [G] Effective Income Tax Rate [B]+[C]+[F]   | 37.13%       | 37.66%       | 36.25%       |
| [H] Income After FIT, State And MET [A]-[G] | 62.87%       | 62.34%       | 63.75%       |
| [1] Property Tax                            | 1.12%        | 1.23%        | 0.93%        |
| [2] Insurance                               | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> |
| [3] Effective Property Tax Rate             | 1.12%        | 1.23%        | 0.93%        |
| EPIS                                        |              |              | 11022        |
| Total Equity                                | 7518.1       | 4677.3       | 2840.8       |

[2] Based on Conversation with AEP (Karabolous) and CSW (Sartin), No Fixed Charge Rate for Insurance.

U-14

| <u>AEP Generating</u> | Amount  | Percentage | Rate    | Weighted Rate | Gross Up<br>Tax Factor | Pre-Tax<br>ROR |
|-----------------------|---------|------------|---------|---------------|------------------------|----------------|
| Long-Term Debt        | 63,670  | 59.822%    | 5.889%  | 3.523%        | 1                      | 3.523%         |
| Preferred Stock       | 0       | 0.000%     | 0.000%  | 0.000%        | 1.538462               | 0.000%         |
| Common Equity         | 42,763  | 40.178%    | 11.500% | 4.621%        | 1.538462               | 7.108%         |
| Total                 | 106,433 | 100.000%   |         | 8.143%        |                        | 10.631%        |

| <u>Appalachian Power</u> | Amount | Percentage | Rate    | Weighted Rate | Gross Up<br>Tax Factor | Pre-Tax<br>ROR |
|--------------------------|--------|------------|---------|---------------|------------------------|----------------|
| Long-Term Debt           | #####  | 56.837%    | 7.815%  | 4.442%        | 1                      | 4.442%         |
| Preferred Stock          | 32,807 | 1.271%     | 9.418%  | 0.120%        | 1.572258               | 0.188%         |
| Common Equity            | #####  | 41.892%    | 11.760% | 4.926%        | 1.572258               | 7.746%         |
| Total                    | #####  | 100.000%   |         | 9.488%        |                        | 12.376%        |

| <u>Columbus Southern</u> | Amount  | Percentage | Rate    | Weighted Rate | Gross Up<br>Tax Factor | Pre-Tax<br>ROR |
|--------------------------|---------|------------|---------|---------------|------------------------|----------------|
| Long-Term Debt           | 936,370 | 54.706%    | 8.243%  | 4.509%        | 1                      | 4.509%         |
| Preferred Stock          | 23,964  | 1.400%     | 7.303%  | 0.102%        | 1.6235                 | 0.166%         |
| Common Equity            | 751,309 | 43.894%    | 12.460% | 5.469%        | 1.6235                 | 8.879%         |
| Total                    | #####   | 100.000%   |         | 10.081%       |                        | 13.555%        |

| <u>Indiana Michigan Power</u> | Amount  | Percentage | Rate    | Weighted Rate | Gross Up<br>Tax Factor | Pre-Tax<br>ROR |
|-------------------------------|---------|------------|---------|---------------|------------------------|----------------|
| Long-Term Debt                | 847,760 | 42.623%    | 7.486%  | 3.191%        | 1                      | 3.191%         |
| Preferred Stock               | 73,351  | 3.688%     | 6.752%  | 0.249%        | 1.6128                 | 0.402%         |
| Common Equity                 | #####   | 53.689%    | 12.500% | 6.711%        | 1.6218                 | 10.884%        |
| Total                         | #####   | 100.000%   |         | 10.151%       |                        | 14.477%        |

| <u>Kentucky Power</u> | Amount  | Percentage | Rate    | Weighted Rate | Gross Up<br>Tax Factor | Pre-Tax<br>ROR |
|-----------------------|---------|------------|---------|---------------|------------------------|----------------|
| Long-Term Debt        | 339,465 | 56.886%    | 7.738%  | 4.402%        | 1                      | 4.402%         |
| Preferred Stock       | 0       | 0.000%     | 0.000%  | 0.000%        | 1.6801                 | 0.000%         |
| Common Equity         | 257,276 | 43.114%    | 13.500% | 5.820%        | 1.6801                 | 9.779%         |
| Total                 | 596,741 | 100.000%   |         | 10.222%       |                        | 14.181%        |

| <u>Kingsport Power</u> | Amount | Percentage | Rate    | Weighted Rate | Gross Up<br>Tax Factor | Pre-Tax<br>ROR |
|------------------------|--------|------------|---------|---------------|------------------------|----------------|
| Long-Term Debt         | 25,000 | 52.891%    | 8.616%  | 4.557%        | 1                      | 4.557%         |
| Preferred Stock        | 0      | 0.000%     | 0.000%  | 0.000%        | 1.587733               | 0.000%         |
| Common Equity          | 22,267 | 47.109%    | 11.400% | 5.370%        | 1.587733               | 8.527%         |
| Total                  | 47,267 | 100.000%   |         | 9.928%        |                        | 13.084%        |

| <u>Ohio Power</u> | Amount | Percentage | Rate    | Weighted Rate | Gross Up<br>Tax Factor | Pre-Tax<br>ROR |
|-------------------|--------|------------|---------|---------------|------------------------|----------------|
| Long-Term Debt    | #####  | 41.806%    | 7.740%  | 3.236%        | 1                      | 3.236%         |
| Preferred Stock   | 27,563 | 1.145%     | 5.846%  | 0.067%        | 1.632626               | 0.109%         |
| Common Equity     | #####  | 57.050%    | 12.810% | 7.308%        | 1.632626               | 11.931%        |
| Total             | #####  | 100.000%   |         | 10.611%       |                        | 15.276%        |

| <u>Wheeling Power</u> | Amount | Percentage | Rate    | Weighted Rate | Gross Up<br>Tax Factor | Pre-Tax<br>ROR |
|-----------------------|--------|------------|---------|---------------|------------------------|----------------|
| Long-Term Debt        | 26,000 | 54.225%    | 8.359%  | 4.533%        | 1                      | 4.533%         |
| Preferred Stock       | 0      | 0.000%     | 0.000%  | 0.000%        | 1.690109               | 0.000%         |
| Common Equity         | 21,948 | 45.775%    | 12.000% | 5.493%        | 1.690109               | 9.284%         |
| Total                 | 47,948 | 100.000%   |         | 10.026%       |                        | 13.816%        |

AEP Consolidated

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|                 |         |          |                |         |
|-----------------|---------|----------|----------------|---------|
| Long-Term Debt  | #####   | 50.060%  | 7.836%         | 3.923%  |
| Preferred Stock | 157,685 | 1.629%   | 7.223%         | 0.118%  |
| Common Equity   | #####   | 48.311%  | <b>12.451%</b> | 6.015%  |
| Total           | #####   | 100.000% |                | 10.056% |

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| Income Tax Factor | Consolidated Weight | Consolidated Inc. Tax Factor | Calc For Overall |           |
|-------------------|---------------------|------------------------------|------------------|-----------|
|                   | 0.014               |                              |                  |           |
| 0.000%            | 0                   | 0.0000%                      |                  |           |
| 2.488%            | 0.009               | 0.0224%                      | 42,763           | 4917.745  |
| <u>2.488%</u>     | 0.011               |                              |                  |           |
| 0.000%            | 0.311               |                              |                  |           |
| 0.069%            | 0.208               | 0.0142%                      |                  |           |
| 2.757%            | 0.234               | 0.6451%                      | 1,081,050        | 127131.48 |
| <u>2.825%</u>     | 0.272               |                              |                  |           |
| 0.000%            | 0.199               |                              |                  |           |
| 0.064%            | 0.152               | 0.0097%                      |                  |           |
| 3.147%            | 0.163               | 0.5130%                      | 751,309          | 93613.101 |
| <u>3.211%</u>     | 0.18                |                              |                  |           |
| 0.000%            | 0.18                |                              |                  |           |
| 0.154%            | 0.465               | 0.0716%                      |                  |           |
| 3.784%            | 0.231               | 0.8740%                      | 1,067,871        | 133483.88 |
| <u>3.938%</u>     | 0.21                |                              |                  |           |
| 0.000%            | 0.072               |                              |                  |           |
| 0.000%            | 0                   | 0.0000%                      |                  |           |
| 3.372%            | 0.056               | 0.1888%                      | 257,276          | 34732.26  |
| <u>3.372%</u>     | 0.053               |                              |                  |           |
| 0.000%            | 0.005               |                              |                  |           |
| 0.000%            | 0                   | 0.0000%                      |                  |           |
| 3.184%            | 0.005               | 0.0159%                      | 22,267           | 2538.438  |
| <u>3.184%</u>     | 0.005               |                              |                  |           |
| 0.000%            | 0.214               |                              |                  |           |
| 0.042%            | 0.175               | 0.0074%                      |                  |           |
| 4.152%            | 0.297               | 1.2333%                      | 1,373,648        | 175964.31 |
| <u>4.195%</u>     | 0.254               |                              |                  |           |
| 0.000%            | 0.006               |                              |                  |           |
| 0.000%            | 0                   | 0.0000%                      |                  |           |
| 3.633%            | 0.005               | 0.0182%                      | 21,948           | 2633.76   |
| <u>3.633%</u>     | 0.005               |                              |                  |           |

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1.029

4,618,132 575,015

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|       |         |
|-------|---------|
| Total | 3.6136% |
|-------|---------|

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AEP Allowed Returns

AEP Allowed Return Calculation

|                     | Equity<br>(96 Form 1) | States  | Rate Weighting | Op Co         | Calc         |
|---------------------|-----------------------|---------|----------------|---------------|--------------|
| AEP Gen             | 43                    | Various | 11.50%         | 11.50%        | 4.9          |
|                     |                       | VA      | 11.40%         | 4.56%         |              |
|                     |                       | WVA     | 12.00%         | 7.20%         |              |
|                     |                       | KY      | 13.50%         | 0.00%         |              |
| APCo                | 1061                  |         |                | 11.76%        | 124.8        |
| CSPC                | 751                   | OH      | 12.46%         | 12.46%        | 93.6         |
|                     |                       | IN      | 12.00%         | 6.00%         |              |
|                     |                       | MI      | 13.00%         | 6.50%         |              |
| IMPC                | 1068                  |         |                | 12.50%        | 133.5        |
| KPC                 | 257                   | KY      | 13.50%         | 13.50%        | 34.7         |
| OPC                 | 1374                  | OH      | 12.81%         | 12.81%        | 176.0        |
| KPK                 | 22                    | VA      | 11.40%         | 11.40%        | 2.5          |
| WPC                 | 22                    | WVA     | 12.00%         | 12.00%        | 2.6          |
| <b>Total OpCo's</b> | <b>4598</b>           |         |                | <b>12.45%</b> | <b>572.6</b> |
| AEP Consol          | 4677                  |         |                |               |              |

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Summary

WP/FLAHERTY  
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Central & South West Operating Companies  
Fixed Charge Rate for Long Lived Assets  
Summary Page

| <u>Description</u>                         | <u>Rate</u>                                    |
|--------------------------------------------|------------------------------------------------|
| <u>3.1 Long-Lived Assets Composite:</u>    |                                                |
| Depreciation                               | 3.0110% Based on Annualized 12/31/17           |
| Property Tax                               | 0.9263% Based on 1996 Information              |
| Income Tax                                 | 3.2519% Statutory Rate - Excludes Equity AFUDC |
| WACC                                       | 9.5702% Based on 12/31/97 - 11.5% F.OE         |
| Total                                      | <u>16.7594%</u>                                |
| <u>3.2 Information System Assets:</u>      |                                                |
| Depreciation                               | 14.2857% Based on 7 Year Life                  |
| Property Tax                               | 0.0000% Based on 1996 Information              |
| Income Tax                                 | 3.2519% Statutory Rate - Excludes Equity AFUDC |
| WACC                                       | 9.5702% Based on 12/31/97 - 11.5% F.OE         |
| Total                                      | <u>27.1078%</u>                                |
| <u>3.3 Fixed Charge Rate for Insurance</u> | <u>0.0000%</u>                                 |

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**AEP OPERATING COMPANIES  
FIXED CHARGE RATE FOR ASSETS  
SUMMARY PAGE**

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| <u>Description</u>                                    | <u>Rate</u>     |                                            |
|-------------------------------------------------------|-----------------|--------------------------------------------|
| <b><u>Long-Lived Assets Composite - 11.5% ROE</u></b> |                 |                                            |
| Depreciation                                          | 3.2350%         | Based on Annualized 11/30/97 (Attach. 3)   |
| Property Tax                                          | 1.2309%         | Based on 1996 Information (Attach. 2)      |
| Income Tax                                            | 3.6136%         | Weighted Gross-up Factor (Attach. 1a)      |
| WACC                                                  | 9.5961%         | Based on 12/31/97 - 11.5% ROE (Attach. 1a) |
| Total                                                 | <u>17.6756%</u> |                                            |
| <b><u>Long-Lived Assets Composite - 12% ROE</u></b>   |                 |                                            |
| Depreciation                                          | 3.2350%         | Based on Annualized 11/30/97 (Attach. 3)   |
| Property Tax                                          | 1.2309%         | Based on 1996 Information (Attach. 2)      |
| Income Tax                                            | 3.7662%         | Weighted Gross-up Factor (Attach. 1b)      |
| WACC                                                  | 9.8377%         | Based on 12/31/97 - 12% ROE (Attach. 1b)   |
| Total                                                 | <u>18.0698%</u> |                                            |

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**American Electric Power Companies**  
**Fixed Charge Rate for Long Lived Assets**  
**Cost of Capital: 12/31/97**

Attach. 1a

| Description                      | Amount           | Percentage       | Rate     | Weighted Rate  | Gross Up Tax Factor | Before Tax Overall ROR | Income Tax Factor | Consolidated Weight | Consol. Inc. Tax Factor |
|----------------------------------|------------------|------------------|----------|----------------|---------------------|------------------------|-------------------|---------------------|-------------------------|
| <b>EP Generating Company</b>     |                  |                  |          |                |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 63,670           | 59.8217%         | 5.8890%  | 3.5229%        |                     | 3.5229%                | 0.0000%           | 0.014               |                         |
| Preferred Stock                  | 0                | 0.0000%          | 0.0000%  | 0.0000%        | 1.538482            | 0.0000%                | 0.0000%           | 0.000               |                         |
| Common Equity                    | 42,763           | 40.1783%         | 11.5000% | 4.6205%        | 1.538482            | 7.1085%                | 2.4880%           | 0.009               | 0.0224%                 |
| <b>Total</b>                     | <b>106,433</b>   | <b>100.0000%</b> |          | <b>8.1434%</b> |                     | <b>10.6314%</b>        | <b>2.4880%</b>    | <b>0.011</b>        |                         |
| <b>Appalachian Power Company</b> |                  |                  |          |                |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 1,466,719        | 56.8369%         | 7.8150%  | 4.4430%        |                     | 4.4430%                | 0.0000%           | 0.311               |                         |
| Preferred Stock                  | 32,807           | 1.2713%          | 9.4180%  | 0.1197%        | 1.572258            | 0.1892%                | 0.0885%           | 0.208               | 0.0143%                 |
| Common Equity                    | 1,081,050        | 41.8918%         | 11.5000% | 4.8170%        | 1.572258            | 7.5744%                | 2.7569%           | 0.234               | 0.6451%                 |
| <b>Total</b>                     | <b>2,580,578</b> | <b>100.0000%</b> |          | <b>9.3603%</b> |                     | <b>12.2057%</b>        | <b>2.8254%</b>    | <b>0.272</b>        |                         |
| <b>Columbus Southern Power</b>   |                  |                  |          |                |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 636,370          | 54.7059%         | 8.2430%  | 4.5094%        |                     | 4.5094%                | 0.0000%           | 0.199               |                         |
| Preferred Stock                  | 23,964           | 1.4001%          | 7.3030%  | 0.1022%        | 1.623500            | 0.1890%                | 0.0638%           | 0.152               | 0.0097%                 |
| Common Equity                    | 751,309          | 43.8940%         | 11.5000% | 5.0479%        | 1.623500            | 8.1951%                | 3.1473%           | 0.163               | 0.5130%                 |
| <b>Total</b>                     | <b>1,711,643</b> | <b>100.0000%</b> |          | <b>9.6595%</b> |                     | <b>12.8705%</b>        | <b>3.2111%</b>    | <b>0.180</b>        |                         |
| <b>Indiana Michigan Power</b>    |                  |                  |          |                |                     |                        |                   |                     |                         |
| Long-Term Debt (A)               | 647,780          | 42.8228%         | 7.4890%  | 3.1907%        |                     | 3.1907%                | 0.0000%           | 0.180               |                         |
| Preferred Stock                  | 73,351           | 3.6679%          | 6.7520%  | 0.2511%        | 1.612800            | 0.4050%                | 0.1639%           | 0.465               | 0.0716%                 |
| Common Equity                    | 1,067,871        | 63.6993%         | 11.5000% | 6.1743%        | 1.612800            | 8.9579%                | 3.7836%           | 0.231               | 0.8740%                 |
| <b>Total</b>                     | <b>1,988,982</b> | <b>100.0000%</b> |          | <b>9.6181%</b> |                     | <b>13.6536%</b>        | <b>3.6378%</b>    | <b>0.210</b>        |                         |
| <b>Kentucky Power</b>            |                  |                  |          |                |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 336,466          | 56.8985%         | 7.7380%  | 4.4019%        |                     | 4.4019%                | 0.0000%           | 0.072               |                         |
| Preferred Stock                  | 0                | 0.0000%          | 0.0000%  | 0.0000%        | 1.680100            | 0.0000%                | 0.0000%           | 0.000               |                         |
| Common Equity                    | 257,276          | 43.1135%         | 11.5000% | 4.9581%        | 1.680100            | 8.3300%                | 3.3720%           | 0.056               | 0.1888%                 |
| <b>Total</b>                     | <b>593,741</b>   | <b>100.0000%</b> |          | <b>9.3599%</b> |                     | <b>12.7319%</b>        | <b>3.3720%</b>    | <b>0.063</b>        |                         |
| <b>Kingsport Power Company</b>   |                  |                  |          |                |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 25,000           | 62.8916%         | 8.6180%  | 4.5571%        |                     | 4.5571%                | 0.0000%           | 0.005               |                         |
| Preferred Stock                  | 0                | 0.0000%          | 0.0000%  | 0.0000%        | 1.587733            | 0.0000%                | 0.0000%           | 0.000               |                         |
| Common Equity                    | 22,267           | 47.1084%         | 11.5000% | 6.4175%        | 1.587733            | 8.6015%                | 3.1840%           | 0.006               | 0.0159%                 |
| <b>Total</b>                     | <b>47,267</b>    | <b>100.0000%</b> |          | <b>9.9746%</b> |                     | <b>13.1586%</b>        | <b>3.1840%</b>    | <b>0.005</b>        |                         |
| <b>Ohio Power Company</b>        |                  |                  |          |                |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 1,006,602        | 41.8057%         | 7.7400%  | 3.2358%        |                     | 3.2358%                | 0.0000%           | 0.214               |                         |
| Preferred Stock                  | 27,563           | 1.1447%          | 5.8460%  | 0.0889%        | 1.632826            | 0.1093%                | 0.0423%           | 0.175               | 0.0074%                 |
| Common Equity                    | 1,373,548        | 57.0496%         | 11.5000% | 6.5817%        | 1.632826            | 10.7141%               | 4.1824%           | 0.297               | 1.2333%                 |
| <b>Total</b>                     | <b>2,407,813</b> | <b>100.0000%</b> |          | <b>9.8644%</b> |                     | <b>14.0592%</b>        | <b>4.1948%</b>    | <b>0.254</b>        |                         |
| <b>Wheeling Power Company</b>    |                  |                  |          |                |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 28,000           | 54.2269%         | 8.3690%  | 4.6311%        |                     | 4.6311%                | 0.0000%           | 0.006               |                         |
| Preferred Stock                  | 0                | 0.0000%          | 0.0000%  | 0.0000%        | 1.690109            | 0.0000%                | 0.0000%           | 0.000               |                         |
| Common Equity                    | 21,948           | 45.7741%         | 11.5000% | 5.2640%        | 1.690109            | 8.8968%                | 3.6328%           | 0.005               | 0.0182%                 |
| <b>Total</b>                     | <b>47,948</b>    | <b>100.0000%</b> |          | <b>9.7952%</b> |                     | <b>13.4279%</b>        | <b>3.6328%</b>    | <b>0.005</b>        |                         |
| <b>AEP Consolidated*</b>         |                  |                  |          |                |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 4,846,590        | 50.0802%         | 7.8360%  | 3.9227%        |                     |                        |                   | 1.029               |                         |
| Preferred Stock                  | 157,885          | 1.6287%          | 7.2230%  | 0.1178%        |                     |                        |                   | 1.000               |                         |
| Common Equity                    | 4,677,247        | 48.3111%         | 11.5000% | 5.5558%        |                     |                        |                   | 1.013               |                         |
| <b>Total</b>                     | <b>9,681,522</b> | <b>100.0000%</b> |          | <b>9.5981%</b> |                     |                        |                   | <b>1.020</b>        | <b>3.6136%</b>          |

\*Includes AEPSC and regulated coal companies.

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American Electric Power Companies  
 Fixed Charge Ratio for Long Lived Assets  
 Cost of Capital: 12/31/87

Attach. 1b

| Description                      | Amount           | Percentage       | Rate     | Weighted Rate   | Gross Up Tax Factor | Before Tax Overall ROR | Income Tax Factor | Consolidated Weight | Consol. Inc. Tax Factor |
|----------------------------------|------------------|------------------|----------|-----------------|---------------------|------------------------|-------------------|---------------------|-------------------------|
| <b>EP Generating Company</b>     |                  |                  |          |                 |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 63,670           | 59.8217%         | 5.8890%  | 3.5229%         |                     | 3.5229%                | 0.0000%           | 0.014               |                         |
| Preferred Stock                  | 0                | 0.0000%          | 0.0000%  | 0.0000%         | 1.538462            | 0.0000%                | 0.0000%           | 0.000               |                         |
| Common Equity                    | 42,763           | 40.1783%         | 12.0000% | 4.8214%         | 1.538462            | 7.4175%                | 2.5981%           | 0.009               | 0.0234%                 |
| <b>Total</b>                     | <b>106,433</b>   | <b>100.0000%</b> |          | <b>8.3443%</b>  |                     | <b>10.9454%</b>        | <b>2.5981%</b>    | <b>0.011</b>        |                         |
| <b>Appalachian Power Company</b> |                  |                  |          |                 |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 1,466,719        | 56.8369%         | 7.8150%  | 4.4430%         |                     | 4.4430%                | 0.0000%           | 0.311               |                         |
| Preferred Stock                  | 32,807           | 1.2713%          | 9.4180%  | 0.1197%         | 1.572258            | 0.1882%                | 0.0685%           | 0.208               | 0.0143%                 |
| Common Equity                    | 1,081,050        | 41.8918%         | 12.0000% | 6.0270%         | 1.572258            | 7.8038%                | 2.6767%           | 0.234               | 0.6732%                 |
| <b>Total</b>                     | <b>2,580,576</b> | <b>100.0000%</b> |          | <b>9.5868%</b>  |                     | <b>12.6380%</b>        | <b>2.9453%</b>    | <b>0.272</b>        |                         |
| <b>Columbus Southern Power</b>   |                  |                  |          |                 |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 936,370          | 54.7059%         | 8.2430%  | 4.5094%         |                     | 4.5094%                | 0.0000%           | 0.189               |                         |
| Preferred Stock                  | 23,964           | 1.4001%          | 7.3030%  | 0.1022%         | 1.623500            | 0.1660%                | 0.0638%           | 0.152               | 0.0097%                 |
| Common Equity                    | 751,309          | 43.8940%         | 12.0000% | 5.2673%         | 1.623500            | 8.5514%                | 3.2842%           | 0.163               | 0.5353%                 |
| <b>Total</b>                     | <b>1,711,643</b> | <b>100.0000%</b> |          | <b>9.8789%</b>  |                     | <b>13.2258%</b>        | <b>3.3479%</b>    | <b>0.180</b>        |                         |
| <b>Indiana Michigan Power</b>    |                  |                  |          |                 |                     |                        |                   |                     |                         |
| Long-Term Debt (A)               | 847,760          | 42.8228%         | 7.4860%  | 3.1907%         |                     | 3.1907%                | 0.0000%           | 0.180               |                         |
| Preferred Stock                  | 73,351           | 3.6879%          | 6.7520%  | 0.2511%         | 1.612800            | 0.4050%                | 0.1539%           | 0.485               | 0.0716%                 |
| Common Equity                    | 1,067,871        | 53.6893%         | 12.0000% | 6.4427%         | 1.612800            | 10.3806%               | 3.9481%           | 0.231               | 0.9120%                 |
| <b>Total</b>                     | <b>1,988,982</b> | <b>100.0000%</b> |          | <b>8.8846%</b>  |                     | <b>13.9885%</b>        | <b>4.1020%</b>    | <b>0.210</b>        |                         |
| <b>Kentucky Power</b>            |                  |                  |          |                 |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 339,465          | 56.8865%         | 7.7380%  | 4.4019%         |                     | 4.4019%                | 0.0000%           | 0.072               |                         |
| Preferred Stock                  | 0                | 0.0000%          | 0.0000%  | 0.0000%         | 1.680100            | 0.0000%                | 0.0000%           | 0.000               |                         |
| Common Equity                    | 257,276          | 43.1135%         | 12.0000% | 5.1738%         | 1.680100            | 8.6922%                | 3.5188%           | 0.056               | 0.1870%                 |
| <b>Total</b>                     | <b>596,741</b>   | <b>100.0000%</b> |          | <b>9.5755%</b>  |                     | <b>13.0841%</b>        | <b>3.5188%</b>    | <b>0.083</b>        |                         |
| <b>Kingdom Power Company</b>     |                  |                  |          |                 |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 25,000           | 52.8918%         | 8.6180%  | 4.5571%         |                     | 4.5571%                | 0.0000%           | 0.005               |                         |
| Preferred Stock                  | 0                | 0.0000%          | 0.0000%  | 0.0000%         | 1.587733            | 0.0000%                | 0.0000%           | 0.000               |                         |
| Common Equity                    | 22,287           | 47.1084%         | 12.0000% | 5.8930%         | 1.587733            | 8.9755%                | 3.3225%           | 0.005               | 0.0166%                 |
| <b>Total</b>                     | <b>47,287</b>    | <b>100.0000%</b> |          | <b>10.2101%</b> |                     | <b>13.5326%</b>        | <b>3.3225%</b>    | <b>0.005</b>        |                         |
| <b>Ohio Power Company</b>        |                  |                  |          |                 |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 1,006,602        | 41.8057%         | 7.7400%  | 3.2358%         |                     | 3.2358%                | 0.0000%           | 0.214               |                         |
| Preferred Stock                  | 27,563           | 1.1447%          | 5.8460%  | 0.0669%         | 1.632826            | 0.1093%                | 0.0423%           | 0.175               | 0.0074%                 |
| Common Equity                    | 1,373,648        | 57.0488%         | 12.0000% | 6.8470%         | 1.632826            | 11.1799%               | 4.3329%           | 0.297               | 1.2989%                 |
| <b>Total</b>                     | <b>2,407,813</b> | <b>100.0000%</b> |          | <b>10.1489%</b> |                     | <b>14.5246%</b>        | <b>4.5753%</b>    | <b>0.254</b>        |                         |
| <b>Wheeling Power Company</b>    |                  |                  |          |                 |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 26,000           | 54.2258%         | 8.3590%  | 4.5311%         |                     | 4.5311%                | 0.0000%           | 0.006               |                         |
| Preferred Stock                  | 0                | 0.0000%          | 0.0000%  | 0.0000%         | 1.690109            | 0.0000%                | 0.0000%           | 0.000               |                         |
| Common Equity                    | 21,948           | 45.7741%         | 12.0000% | 5.4629%         | 1.690109            | 9.2636%                | 3.7907%           | 0.005               | 0.0190%                 |
| <b>Total</b>                     | <b>47,948</b>    | <b>100.0000%</b> |          | <b>10.0240%</b> |                     | <b>13.8147%</b>        | <b>3.7907%</b>    | <b>0.005</b>        |                         |
| <b>AEP Consolidated*</b>         |                  |                  |          |                 |                     |                        |                   |                     |                         |
| Long-Term Debt                   | 4,846,590        | 50.0602%         | 7.8360%  | 3.9227%         |                     |                        |                   | 1.029               |                         |
| Preferred Stock                  | 157,685          | 1.6287%          | 7.2230%  | 0.1176%         |                     |                        |                   | 1.000               |                         |
| Common Equity                    | 4,677,247        | 48.3111%         | 12.0000% | 5.7973%         |                     |                        |                   | 1.013               |                         |
| <b>Total</b>                     | <b>9,681,522</b> | <b>100.0000%</b> |          | <b>9.8377%</b>  |                     |                        |                   | <b>1.020</b>        | <b>3.7882%</b>          |

\*Includes AEPSC and regulated coal companies.

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AA JI ELECTRIC POWER COMPANY  
PROPERTY TAX FACTOR  
BASED ON 1970-76 DATA

| Property Taxes paid in 1968          | Form 11pg 262 | INDC             | CBDC              | IMDC              | KECO             | KPECO          | CECO              | WPECO          | TOTAL              |
|--------------------------------------|---------------|------------------|-------------------|-------------------|------------------|----------------|-------------------|----------------|--------------------|
| Indiana                              |               | 18,874,058       |                   |                   |                  |                |                   |                |                    |
| West Virginia                        |               |                  |                   |                   |                  |                |                   |                |                    |
| Virginia                             |               |                  |                   |                   |                  |                |                   |                |                    |
| Tennessee                            |               |                  |                   |                   |                  |                |                   |                |                    |
| North Carolina                       |               |                  |                   |                   |                  |                |                   |                |                    |
| Ohio                                 |               |                  |                   |                   |                  |                |                   |                |                    |
| Kentucky                             |               |                  |                   |                   |                  |                |                   |                |                    |
| Michigan                             |               |                  |                   |                   |                  |                |                   |                |                    |
| Illinois                             |               |                  |                   |                   |                  |                |                   |                |                    |
| <b>Total</b>                         |               | <b>4,640,432</b> | <b>31,808,428</b> | <b>57,908,853</b> | <b>4,721,888</b> | <b>953,443</b> | <b>78,310,804</b> | <b>824,204</b> | <b>214,709,285</b> |
| Electric Plant in Service @ 12-31-68 | Form 11pg 207 | 628,141,431      | 4,532,864,107     | 4,139,888,884     | 878,278,000      | 75,824,887     | 4,308,152,833     | 87,886,248     | 17,443,149,880     |
| Property Taxes/EPIS                  |               | 0.74112%         | 0.68960%          | 2.06887%          | 0.53861%         | 1.25377%       | 1.76384%          | 0.93761%       | 1.23813%           |

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AMERICAN ELECTRIC POWER  
FOUR DEPRECIATION COMPUTE MATR. BY FUNCTION  
FOR OPERATING COMPANIES AS OF NOVEMBER 30, 1997

DEPRECIABLE PLANT BALANCE @ 11-30-97

|                      | AEG       | ASCO      | CS&C      | MEC       | ROD     | WEC    | WPC       | WPC    | COMBINED   |
|----------------------|-----------|-----------|-----------|-----------|---------|--------|-----------|--------|------------|
| STEAM PRODUCTION     | 1,721,808 | 1,783,705 | 1,514,600 | 952,412   | 245,000 | 0      | 2,453,081 | 0      | 8,154,088  |
| HYDRAULIC PRODUCTION | 0         | 148,438   | 0         | 40,073    | 0       | 0      | 109,894   | 0      | 298,353    |
| NUCLEAR PRODUCTION   | 0         | 0         | 1,024,676 | 0         | 0       | 0      | 0         | 0      | 1,024,676  |
| OTHER PRODUCTION     | 0         | 0         | 0         | 130       | 0       | 0      | 0         | 0      | 130        |
| TOTAL PRODUCTION     | 1,722,808 | 1,932,143 | 2,514,600 | 2,517,001 | 245,000 | 0      | 2,562,975 | 0      | 9,977,448  |
| TRANSMISSION         | 0         | 1,001,784 | 508,123   | 881,001   | 278,987 | 11,292 | 778,713   | 21,178 | 3,280,024  |
| DISTRIBUTION         | 0         | 1,538,440 | 818,056   | 708,298   | 337,194 | 88,219 | 888,834   | 81,565 | 4,629,978  |
| GENERAL              | 1,067     | 98,628    | 58,338    | 51,581    | 36,900  | 2,188  | 78,548    | 4,103  | 342,843    |
| TOTAL ALL FUNCTIONS  | 1,724,875 | 4,547,175 | 2,558,119 | 4,187,878 | 689,970 | 78,779 | 4,319,461 | 89,882 | 18,127,820 |

ANNUALIZED DEPRECIATION PROVISION (201083)  
BASED ON 11-30-97 DEPRECIABLE PLANT BALANCES (6)

|                      | AEG    | ASCO    | CS&C   | MEC     | ROD    | WEC   | WPC     | WPC   | COMBINED |
|----------------------|--------|---------|--------|---------|--------|-------|---------|-------|----------|
| STEAM PRODUCTION     | 40,634 | 98,685  | 48,142 | 61,876  | 8,280  | 0     | 87,946  | 0     | 281,321  |
| HYDRAULIC PRODUCTION | 0      | 4,208   | 0      | 1,276   | 0      | 0     | 2,814   | 0     | 8,293    |
| NUCLEAR PRODUCTION   | 0      | 0       | 0      | 51,571  | 0      | 0     | 0       | 0     | 51,571   |
| OTHER PRODUCTION     | 0      | 0       | 0      | 0       | 0      | 0     | 0       | 0     | 0        |
| TOTAL PRODUCTION     | 40,634 | 102,893 | 48,142 | 113,727 | 8,280  | 0     | 90,760  | 0     | 341,247  |
| TRANSMISSION         | 0      | 22,789  | 7,124  | 16,418  | 4,871  | 783   | 17,650  | 689   | 68,843   |
| DISTRIBUTION         | 0      | 59,872  | 31,531 | 28,177  | 11,815 | 2,288 | 36,822  | 2,086 | 185,548  |
| GENERAL              | 36     | 3,618   | 2,108  | 1,780   | 932    | 68    | 1,589   | 143   | 10,784   |
| TOTAL ALL FUNCTIONS  | 40,689 | 138,360 | 81,034 | 141,805 | 20,798 | 2,827 | 147,433 | 2,797 | 588,401  |

(6) A column AEG depreciation only

ANNUAL EFFECTIVE DEPRECIATION RATE @ 11-30-97

|                      | AEG    | ASCO   | CS&C   | MEC    | ROD    | WEC    | WPC    | WPC    | COMPOSITE |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| STEAM PRODUCTION     | 3.321% | 3.377% | 3.178% | 4.371% | 3.779% |        | 3.380% |        | 3.480%    |
| HYDRAULIC PRODUCTION |        | 2.872% |        | 1.187% |        |        | 2.657% |        | 2.839%    |
| NUCLEAR PRODUCTION   |        |        |        | 3.920% |        |        |        |        | 0.000%    |
| OTHER PRODUCTION     |        |        |        | 0.000% |        |        |        |        | 0.000%    |
| TOTAL PRODUCTION     | 3.321% | 3.293% | 3.179% | 3.757% | 3.779% |        | 3.349% |        | 3.421%    |
| TRANSMISSION         |        | 2.214% | 2.317% | 1.842% | 1.651% | 2.597% | 2.287% | 2.689% | 2.162%    |
| DISTRIBUTION         |        | 3.290% | 3.667% | 4.119% | 3.834% | 3.471% | 4.072% | 3.369% | 3.807%    |
| GENERAL              | 3.361% | 3.881% | 3.706% | 3.482% | 2.618% | 3.089% | 2.533% | 3.482% | 3.141%    |
| TOTAL ALL FUNCTIONS  | 3.321% | 3.085% | 3.240% | 3.402% | 3.278% | 3.231% | 3.277% | 3.220% | 3.288%    |

Note: Cost of software is not capitalized

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ACTING POWER COMPANY  
 PROPERTY TAX FACTOR  
 BASE ON CONSUMPTION DATA

| Property Taxes paid in 1996           | Form 11pg 262 | ALSO        | APCA          | CBPCA         | INDCA         | KSCA        | IAPCA      | OPCA          | YPCA       | TOTAL          |
|---------------------------------------|---------------|-------------|---------------|---------------|---------------|-------------|------------|---------------|------------|----------------|
| Indiana                               |               | 4,040,432   | 21,455,846    |               | 18,874,058    |             |            | 9,382,834     | 824,204    |                |
| West Virginia                         |               |             | 9,457,502     |               |               |             |            |               |            |                |
| Virginia                              |               |             | 752,069       |               |               |             | 923,443    |               |            |                |
| Tennessee                             |               |             | 1,211         |               |               |             |            |               |            |                |
| North Carolina                        |               |             |               | 57,824,968    |               | 4,721,488   |            | 66,319,019    |            |                |
| Ohio                                  |               |             |               | 41,964        |               |             |            | 696,751       |            |                |
| Kentucky                              |               |             |               | 18,751,757    |               |             |            | 78,310,604    |            |                |
| Michigan                              |               |             |               | 37,825,613    |               | 4,721,488   | 823,443    |               | 824,204    | 214,739,200    |
| Illinois                              |               |             | 31,869,428    | 57,900,653    |               |             |            |               |            |                |
| <b>Total</b>                          |               |             |               |               |               |             |            |               |            |                |
| Elaborate Plans in Service @ 12-31-96 | Form 11pg 207 | 628,141,431 | 4,632,864,107 | 2,778,898,204 | 4,139,053,892 | 670,278,000 | 73,924,697 | 4,328,152,633 | 87,898,246 | 17,443,149,600 |
| Property Taxes/CFPS                   |               | 0.74112%    | 0.09960%      | 2.06967%      | 0.80905%      | 0.53981%    | 1.25377%   | 1.70349%      | 0.83761%   | 1.23811%       |

Attach. 2

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CSW  
 CPL  
 Tax

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From Dave Santin (CSW) X1470

Summary

WP/FLAHERTY

PAGE 539

Central & South West Operating Companies  
Fixed Charge Rate for Long Lived Assets  
Summary Page

| <u>Description</u>                         | <u>Rate</u>                                    |
|--------------------------------------------|------------------------------------------------|
| <u>3.1 Long-Lived Assets Composite:</u>    |                                                |
| Depreciation                               | 3.0110% Based on Annualized 12/31/97           |
| Property Tax                               | 0.9263% Based on 1996 Information              |
| Income Tax                                 | 3.2519% Statutory Rate - Excludes Equity AFUDC |
| WACC                                       | 9.5702% Based on 12/31/97 - 11.5% ROE          |
| Total                                      | <u>16.7594%</u>                                |
| <u>3.2 Information System Assets:</u>      |                                                |
| Depreciation                               | 14.2857% Based on 7 Year Life                  |
| Property Tax                               | 0.0000% Based on 1996 Information              |
| Income Tax                                 | 3.2519% Statutory Rate - Excludes Equity AFUDC |
| WACC                                       | 9.5702% Based on 12/31/97 - 11.5% ROE          |
| Total                                      | <u>27.1078%</u>                                |
| <u>3.3 Fixed Charge Rate for Insurance</u> | <u>0.0000%</u>                                 |

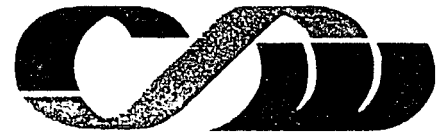
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Cost of Capital

Central & South West Operating Companies  
Fixed Charge Rate for Long Lived Assets  
Cost of Capital

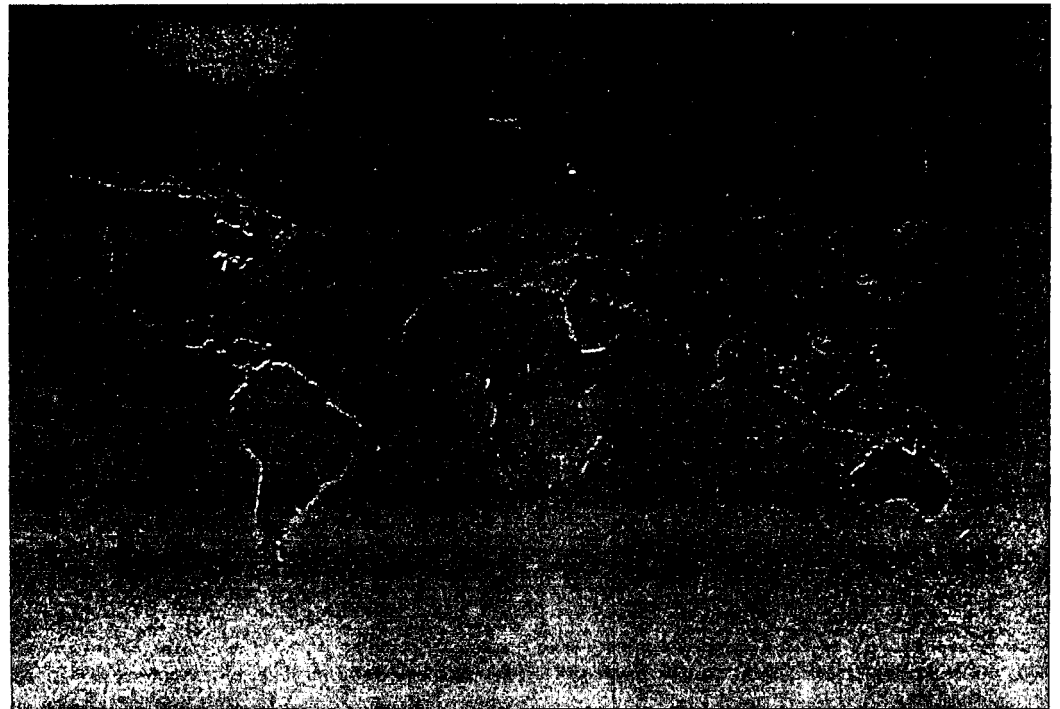
| Description              | Amount        | Percentage | Cost        | Rate     | Weighted Rate |
|--------------------------|---------------|------------|-------------|----------|---------------|
| <u>CPL (12/31/97)</u>    |               |            |             |          |               |
| Long-Term Debt           | 1,434,049,219 | 47.7313%   | 113,538,873 | 7.9174%  | 3.7791%       |
| Preferred Stock          | 165,125,897   | 5.4961%    | 7,718,465   | 4.6743%  | 0.2569%       |
| Common Stock Equity      | 1,405,248,601 | 46.7727%   | 161,603,589 | 11.5000% | 5.3789%       |
| Total                    | 3,004,423,717 | 100.0000%  | 282,860,927 |          | 9.4148%       |
| <u>PSO (12/31/97)</u>    |               |            |             |          |               |
| Long-Term Debt           | 493,153,240   | 50.7012%   | 37,858,359  | 7.6768%  | 3.8922%       |
| Preferred Stock          | 9,497,341     | 0.9764%    | 107,794     | 1.1350%  | 0.0111%       |
| Common Stock Equity      | 470,015,292   | 48.3224%   | 54,051,759  | 11.5000% | 5.5571%       |
| Total                    | 972,665,873   | 100.0000%  | 92,017,912  |          | 9.4604%       |
| <u>SWEPCO (12/31/97)</u> |               |            |             |          |               |
| Long-Term Debt           | 639,379,230   | 46.5095%   | 51,377,112  | 8.0355%  | 3.7373%       |
| Preferred Stock          | 29,171,158    | 2.1220%    | 2,144,412   | 7.3511%  | 0.1560%       |
| Common Stock Equity      | 706,176,956   | 51.3685%   | 81,210,350  | 11.5000% | 5.9074%       |
| Total                    | 1,374,727,344 | 100.0000%  | 134,731,874 |          | 9.8006%       |
| <u>WTU</u>               |               |            |             |          |               |
| Long-Term Debt           | 276,259,594   | 51.3808%   | 24,044,980  | 8.7038%  | 4.4721%       |
| Preferred Stock          | 2,008,352     | 0.3735%    | 148,460     | 7.3921%  | 0.0276%       |
| Common Stock Equity      | 259,403,358   | 48.2457%   | 29,831,386  | 11.5000% | 5.5483%       |
| Total                    | 537,671,304   | 100.0000%  | 54,024,826  |          | 10.0479%      |
| <u>Composite</u>         |               |            |             |          |               |
| Long-Term Debt           | 2,842,841,283 | 48.2698%   | 228,819,324 | 7.9786%  | 3.8513%       |
| Preferred Stock          | 205,802,748   | 3.4944%    | 10,119,131  | 4.9169%  | 0.1718%       |
| Common Stock Equity      | 2,840,844,207 | 48.2358%   | 326,697,084 | 11.5000% | 5.5471%       |
| Total                    | 5,889,488,238 | 100.0000%  | 563,635,539 |          | 9.5702%       |

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Central and South West

# Labor Synergies



Back-Up  
Book

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# Overall Assumptions

Financial Assumptions

|                             | AEP                                                          | CSW    | Newco                                                                 | Comments                                   |
|-----------------------------|--------------------------------------------------------------|--------|-----------------------------------------------------------------------|--------------------------------------------|
| <b>Salary</b>               |                                                              |        |                                                                       |                                            |
| Corporate                   |                                                              |        |                                                                       |                                            |
| Generation                  |                                                              |        |                                                                       |                                            |
| Field                       |                                                              |        |                                                                       |                                            |
| <b>Escalation Rate</b>      |                                                              |        |                                                                       |                                            |
| General                     | 3.0%                                                         | 3.0%   | 3.0%                                                                  |                                            |
| Professional Services       | 5.0%                                                         | 5.0%   | 5.0%                                                                  |                                            |
| Advertising                 | 5.0%                                                         | 5.0%   | 5.0%                                                                  |                                            |
| Contract Services           | 5.0%                                                         | 5.0%   | 5.0%                                                                  |                                            |
| Insurance                   | 4.0%                                                         | 4.0%   | 4.0%                                                                  |                                            |
| Labor                       | 4.0%                                                         | 4.0%   | 4.0%                                                                  |                                            |
| Benefits                    | 4.0%                                                         | 4.0%   | 4.0%                                                                  |                                            |
| Blended Labor and Benefits  | 4.5%                                                         | 4.5%   | 4.5%                                                                  |                                            |
| <b>Loading Rate</b>         |                                                              |        |                                                                       |                                            |
| Savings Plans               | 3.20%                                                        | 2.97%  | 2.85%                                                                 |                                            |
| Medical                     | 10.50%                                                       | 10.15% | 10.33%                                                                |                                            |
| Insurance                   | 1.30%                                                        | 1.12%  | 1.50%                                                                 |                                            |
| Long Term Disability        | 1.40%                                                        | 0.00%  |                                                                       |                                            |
| Pensions                    | 0.20%                                                        | 0.00%  | 5.35%                                                                 |                                            |
| Unemployment Insurance      | 0.30%                                                        | 0.32%  | 0.31%                                                                 |                                            |
| Vacation Policy             | 7.70%                                                        |        |                                                                       |                                            |
| Holiday Pay                 | 2.80%                                                        |        |                                                                       |                                            |
| Sick Pay                    | 1.70%                                                        |        |                                                                       |                                            |
| Other                       | 0.00%                                                        | 10.27% |                                                                       |                                            |
| Payroll Taxes               | 7.50%                                                        | 7.34%  | 7.90%                                                                 |                                            |
|                             | 36.60%                                                       | 32.17% | 34.40%                                                                | Weighted avg. based on total 1997 payrolls |
| <b>Employees</b>            |                                                              |        |                                                                       |                                            |
|                             | 18,185                                                       | 7,506  | 25,691                                                                |                                            |
| Affectable Employees        | 4,231                                                        | 2,581  | 6,812                                                                 |                                            |
| <b>Capitalization</b>       |                                                              |        |                                                                       |                                            |
| Labor                       |                                                              |        |                                                                       |                                            |
| Corporate Employees         |                                                              |        | 10.5%                                                                 |                                            |
| Field Employees             |                                                              |        | 42.2%                                                                 |                                            |
| Generation                  |                                                              |        | 4.1%                                                                  |                                            |
| Benefits                    |                                                              |        | 23.1%                                                                 |                                            |
| Contract Services           |                                                              |        | 40.0%                                                                 |                                            |
| Inventory                   |                                                              |        | 100.0%                                                                |                                            |
| Procurement                 |                                                              |        | 70.0%                                                                 |                                            |
| MIS Project Development     |                                                              |        | 100.0%                                                                |                                            |
| <b>Revenue Requirements</b> |                                                              |        |                                                                       |                                            |
| Capital                     | Use declining scale                                          |        | 34.88% 33.24% 30.29% 27.84% 25.58% 24.45%                             |                                            |
| MIS                         | Use declining scale                                          |        | 17.52% 17.20% 16.58% 15.98% 15.40% 14.84% 14.31% 13.80% 13.29% 12.79% |                                            |
| <b>Carrying Cost</b>        |                                                              |        |                                                                       |                                            |
|                             |                                                              |        | 15%                                                                   |                                            |
|                             | Includes variable overhead, weighted average cost of capital |        |                                                                       |                                            |

# Weighted Average Salaries



A3, A4 - A7

Project Magic 2  
Labor Analysis  
**Headcount Summary**

| Function                                        | Weighted Average Salary |                       |                        |
|-------------------------------------------------|-------------------------|-----------------------|------------------------|
|                                                 | Cypress                 | Augusta               | Weighted Salary        |
| Executive Management & Staff                    | \$200,218               | \$71,420              | \$6,790,968            |
| Legal                                           | \$69,236                | \$103,548             | \$5,938,996            |
| External Relations                              | \$59,933                | \$76,172              | \$14,774,309           |
| Finance, Accounting, & Planning                 | \$60,247                | \$60,419              | \$49,786,299           |
| Human Resources                                 | \$55,139                | \$70,073              | \$28,203,672           |
| Information Systems                             | \$59,987                | \$61,368              | \$65,544,789           |
| Administration & Support                        | \$54,103                | \$61,234              | \$54,448,194           |
| Purchasing and Materials Management             | \$54,444                | \$61,234              | \$35,348,927           |
| Retail Marketing & Sales                        | \$59,341                | \$59,414              | \$59,739,663           |
| <b>TOTAL CORPORATE AND ADMINISTRATIVE LABOR</b> |                         |                       |                        |
| Customer Service                                | \$39,486                | \$60,801              | \$148,681,728          |
| Gas Supply                                      |                         |                       | \$0                    |
| Electric Transmission                           | \$73,464                | \$63,790              | \$137,171,201          |
| Electric Distribution                           | \$61,822                | \$63,790              | \$365,260,691          |
| Coal Power Supply                               | \$73,902                | \$67,004              | \$373,881,146          |
| Oil/Gas Power Supply                            | \$59,581                | \$50,125              | \$45,638,840           |
| Nuclear Power                                   | \$74,454                | \$69,305              | \$77,310,674           |
| Gas Turbine Power Supply                        |                         |                       | \$0                    |
| Electric System Technical Support               | \$59,049                | \$72,133              | \$13,320,516           |
| Hydro Power Supply                              | \$37,575                | \$52,959              | \$4,682,617            |
| <b>TOTAL FIELD LABOR</b>                        |                         |                       | <b>\$1,486,523,230</b> |
| Total Utility                                   |                         | Average Salary        | \$57,862               |
| Unregulated/Coal Mine                           |                         | Average Loaded Salary | \$77,779               |
| <b>Total Company</b>                            |                         |                       |                        |

A2



Avg. Salary-Exempt\_Non-exempt

| Survey Title                                               | Average Salary |           | # of Employees |           | Grand Total |
|------------------------------------------------------------|----------------|-----------|----------------|-----------|-------------|
|                                                            | Exempt         | Nonexempt | Exempt         | Nonexempt |             |
| A01 Executive Council                                      | \$ 383,114     | \$ 44,276 | 7              | 0         | 7           |
| A03 Support Staff                                          | \$ 106,355     | \$        | 3              | 6         | 9           |
| B01 Attorneys                                              | \$ 123,135     | \$        | 3              | 0         | 3           |
| B02 Support Staff                                          | \$ 45,363      | \$ 32,592 | 4              | 4         | 8           |
| C01 Public Relations External                              | \$ 54,145      | \$ 27,879 | 53             | 6         | 59          |
| C02 Governmental Affairs                                   | \$ 83,750      | \$ 27,808 | 32             | 7         | 39          |
| D01 Financing, Treasury & Trust Management                 | \$ 63,476      | \$ 28,811 | 16             | 3         | 19          |
| D02 Payroll Accounting & Administration                    | \$ 51,331      | \$ 24,057 | 5              | 5         | 10          |
| D03 Accounts Payable & Accounts Receivable                 | \$ 48,096      | \$ 25,042 | 10             | 33        | 43          |
| D04 Property Accounting                                    | \$ 58,435      | \$ 28,160 | 11             | 4         | 15          |
| D05 GL & Corporate Accounting                              | \$ 55,215      | \$ 25,545 | 54             | 11        | 65          |
| D06 Internal Audit                                         | \$ 60,048      | \$ 31,910 | 31             | 2         | 33          |
| D07 Tax                                                    | \$ 60,330      | \$ 23,000 | 24             | 1         | 25          |
| D08A Budgeting                                             | \$ 56,388      | \$        | 28             | 0         | 28          |
| D08B Fin. Analysis, Spec Proj., Bus. Unit 10 Yr. Fin. Plan | \$ 64,311      | \$ 18,264 | 27             | 2         | 29          |
| D09 Financial Planning                                     | \$ 64,417      | \$ 25,047 | 7              | 2         | 9           |
| D10 Corporate Planning                                     | \$ 73,371      | \$ 33,925 | 8              | 1         | 9           |
| D11 Corporate Performance                                  | \$ 72,188      | \$ 28,954 | 26             | 5         | 31          |
| D12 Investor Relations                                     | \$ 65,825      | \$ 28,703 | 5              | 7         | 12          |
| D13 Other, Accounting System Support                       | \$ 68,521      | \$ 30,667 | 14             | 3         | 17          |
| E01 Compensation                                           | \$ 71,762      | \$        | 8              | 0         | 8           |
| E02 Benefits                                               | \$ 48,422      | \$ 24,287 | 13             | 7         | 20          |
| E03 Staffing                                               | \$ 47,775      | \$        | 18             | 0         | 18          |
| E04 Labor Relations                                        | \$ 86,265      | \$ 29,460 | 2              | 1         | 3           |
| E05 Skills Training                                        | \$ 55,481      | \$ 27,720 | 10             | 1         | 11          |
| E06 Management Development                                 | \$ 62,507      | \$ 27,851 | 10             | 2         | 12          |
| E07 Employee Relations                                     | \$ 50,725      | \$ 26,251 | 0              | 12        | 12          |
| E08 Organizational Planning & Design                       | \$ 58,308      | \$        | 11             | 0         | 11          |
| E10 Safety                                                 | \$ 66,790      | \$ 31,797 | 23             | 4         | 27          |
| E11 HR Administration, Aviation, Events Planning and Other | \$ 49,368      | \$ 29,856 | 6              | 0         | 6           |
| E12 Internal Communications                                | \$ 58,889      | \$        | 125            | 4         | 129         |
| F01 Applications Systems Development                       | \$ 57,717      | \$        | 16             | 0         | 16          |
| F02 Database Administration and Security                   |                |           |                |           |             |

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Avg. Salary-Exempt, Non-exempt

| Survey Title                                         | Average Salary |           | # of Employees |           | Grand Total |
|------------------------------------------------------|----------------|-----------|----------------|-----------|-------------|
|                                                      | Exempt         | Nonexempt | Exempt         | Nonexempt |             |
| F03 Computer Operations ✓                            | \$ 63,815      | \$ 28,708 | 24             | 15        | 39          |
| F04 End User/Information Center ✓                    | \$ 49,075      | \$ 24,558 | 85             | 5         | 90          |
| F05 Telecomm ✓                                       | \$ 61,962      | \$ 41,604 | 47             | 66        | 113         |
| F06 I/S & Telecomm: Other ✓                          | \$ 80,779      | \$ 34,938 | 9              | 1         | 10          |
| G01 Transportation ✓                                 | \$ 54,164      | \$ 39,534 | 17             | 86        | 103         |
| G02 Real Estate ✓                                    | \$ 56,566      | \$ 23,652 | 5              | 1         | 6           |
| G03 Facilities Maintenance ✓                         | \$ 52,242      | \$ 27,544 | 22             | 50        | 72          |
| G04 Security ✓                                       | \$ 63,900      | \$ 63,900 | 1              | 0         | 1           |
| G05 Claims & Insurance Admin ✓                       | \$ 57,795      | \$ 27,118 | 11             | 5         | 16          |
| G06 Office Services ✓                                | \$ 49,803      | \$ 22,612 | 6              | 39        | 45          |
| G07 Records Management ✓                             | \$ 44,434      | \$ 25,803 | 1              | 5         | 6           |
| G09 Other ✓                                          | \$ 49,621      | \$ 25,720 | 5              | 2         | 7           |
| H01 Load and Sales Forecasting ✓                     | \$ 50,665      | \$ 16,640 | 15             | 2         | 17          |
| H02 Market, Products & Sales Planning ✓              | \$ 60,074      | \$ 60,074 | 25             | 0         | 25          |
| H03 Market and Customer Research ✓                   | \$ 59,357      | \$ 59,357 | 14             | 0         | 14          |
| H04 Rates & Regulatory Affairs/Pricing ✓             | \$ 60,114      | \$ 28,634 | 77             | 13        | 90          |
| H05 Advertising and Promotion ✓                      | \$ 67,799      | \$ 67,799 | 3              | 0         | 3           |
| H07A Managed Account Reps - Marketing ✓              | \$ 69,956      | \$ 28,320 | 28             | 1         | 29          |
| H07B Other Field Reps - Marketing ✓                  | \$ 43,585      | \$ 43,585 | 99             | 0         | 99          |
| H07D Support for representatives ✓                   | \$ 42,970      | \$ 26,496 | 1              | 26        | 27          |
| H08 Economic Development/Area Development ✓          | \$ 60,313      | \$ 60,313 | 29             | 1         | 30          |
| H09 Management and Admin ✓                           | \$ 92,531      | \$ 27,765 | 27             | 2         | 29          |
| H10 Other ✓                                          | \$ 64,717      | \$ 20,696 | 5              | 40        | 45          |
| I01 Meter Reading ✓                                  | \$ 42,014      | \$ 21,665 | 15             | 292       | 307         |
| I02 Customer/Revenue Accounting ✓                    | \$ 53,495      | \$ 25,116 | 4              | 45        | 49          |
| I03 Cash Remittance/Bill Processing ✓                | \$ 44,441      | \$ 25,386 | 12             | 34        | 46          |
| I04 Customer Inquiry (Telephone & Walk-In) ✓         | \$ 44,739      | \$ 23,325 | 137            | 431       | 568         |
| I05 Credit and Collections ✓                         | \$ 40,289      | \$ 40,289 | 5              | 0         | 5           |
| I07 Revenue Protection ✓                             | \$ 71,091      | \$ 27,119 | 126            | 40        | 166         |
| I08 Management & Admin Other ✓                       | \$ 47,793      | \$ 29,809 | 60             | 7         | 67          |
| I09 Other (Operations Analysis/Support/Technology) ✓ | \$ 45,581      | \$ 45,581 | 33             | 0         | 33          |
| J01 Buyers                                           | \$ 62,770      | \$ 30,070 | 10             | 3         | 13          |
| J02 Purchasing Management & Administration           |                |           |                |           |             |

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Avg. Salary-Exem. Non-exempt

| Survey Title                                 | Average Salary |           | # of Employees |           | Grand Total |
|----------------------------------------------|----------------|-----------|----------------|-----------|-------------|
|                                              | Exempt         | Nonexempt | Exempt         | Nonexempt |             |
| J03 Inventory Control and Planning           | \$ 54,076      | \$ 34,721 | 21             | 0         | 21          |
| J04 Storeroom Personnel                      | \$ 56,416      | \$ 36,940 | 18             | 160       | 178         |
| J06 Materials Management & Admin             | \$ 63,573      | \$ 23,978 | 4              | 1         | 5           |
| K01 Bulk System Planning                     | \$ 60,256      | \$ 19,474 | 32             | 1         | 33          |
| K02 Transmission Engineering & Support       | \$ 60,351      | \$ 30,208 | 37             | 14        | 51          |
| K03 Transmission Facilities Construction     | \$ 60,980      | \$ 50,082 | 12             | 2         | 14          |
| K04 Transmission Line Crew & Management      | \$ 54,900      | \$ 41,656 | 1              | 9         | 10          |
| K05 Transmission Line Clearance              | \$ 50,297      | \$ 50,297 | 2              | 0         | 2           |
| K08 Transformer & Substation Maintenance     | \$ 57,481      | \$ 43,837 | 14             | 99        | 113         |
| K07 Transmission Relay & System Protection   | \$ 63,610      | \$ 46,187 | 5              | 28        | 33          |
| K08 System Operations                        | \$ 59,285      | \$ 41,583 | 77             | 68        | 145         |
| K09 SCADA Technicians                        | \$ 50,424      | \$ 50,424 | 12             | 0         | 12          |
| K10 Interconnections                         | \$ 68,314      | \$ 26,317 | 5              | 1         | 6           |
| K11 Bulk Power Marketing and Sales           | \$ 74,961      | \$ 74,961 | 28             | 2         | 31          |
| K12 Management & Admin                       | \$ 116,479     | \$ 31,373 | 11             | 3         | 14          |
| L01 Distribution System Planning             | \$ 65,663      | \$ 98,242 | 10             | 0         | 10          |
| L02 Distribution Engineering & Support       | \$ 50,032      | \$ 27,141 | 218            | 77        | 295         |
| L03 Distribution Facilities Construction     | \$ 57,867      | \$ 43,909 | 76             | 521       | 597         |
| L04 Distribution Line Crews & Management     | \$ 57,102      | \$ 40,961 | 66             | 825       | 891         |
| L05 Distribution Line Clearance              | \$ 45,323      | \$ 21,320 | 16             | 1         | 17          |
| L06 Transformer & Substation Maintenance     | \$ 60,752      | \$ 43,889 | 5              | 57        | 62          |
| L07 Relay and System Protection-Distribution | \$ 57,483      | \$ 41,754 | 4              | 25        | 29          |
| L08 Meter Shop & Testing                     | \$ 55,519      | \$ 42,722 | 12             | 121       | 133         |
| L09 Streetlight Personnel                    |                | \$ 44,169 | 0              | 26        | 26          |
| L10 Management & Admin, Other                | \$ 82,111      | \$ 25,597 | 32             | 6         | 38          |
| L11 Electric Distribution: Other             | \$ 63,565      | \$ 31,380 | 7              | 1         | 8           |
| M01A Plant Operations                        | \$ 60,084      | \$ 41,301 | 43             | 146       | 189         |
| M01B Plant Engineering                       | \$ 39,332      | \$ 39,332 | 2              | 0         | 2           |
| M01C Plant Maintenance                       | \$ 58,688      | \$ 41,200 | 38             | 209       | 247         |
| M01D Fuel Handling                           | \$ 58,424      | \$ 42,769 | 8              | 85        | 93          |
| M01E Chemistry                               |                | \$ 43,583 | 0              | 19        | 19          |
| M01F Plant Administration & Other            | \$ 38,400      | \$ 22,081 | 1              | 18        | 19          |
| M02 Coal Fired Plant Engineering and Support | \$ 68,742      | \$ 43,041 | 33             | 3         | 36          |

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CSW Confidential

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Avg. Salary-Exe. Non-exempt

| Survey Title                            | Average Salary |           | # of Employees |           | Grand Total |
|-----------------------------------------|----------------|-----------|----------------|-----------|-------------|
|                                         | Exempt         | Nonexempt | Exempt         | Nonexempt |             |
| M05 Fuel Procurement & Management       | \$ 72,766      | \$ 38,174 | 17             | 35        | 52          |
| M06 Management and Administration       | \$ 123,190     | \$ 31,599 | 8              | 5         | 13          |
| N01 Plant Operations                    | \$ 55,399      | \$ 42,716 | 97             | 255       | 352         |
| N02 Plant Engineering                   | \$ 41,323      | \$ 41,323 | 2              | 0         | 2           |
| N03 Plant Maintenance                   | \$ 59,359      | \$ 43,489 | 28             | 194       | 222         |
| N04 Chemistry                           |                | \$ 43,082 | 0              | 22        | 22          |
| N05 Plant Administration & Other        |                | \$ 25,781 | 0              | 24        | 24          |
| N06 Engineering & Support               | \$ 62,841      | \$ 28,584 | 51             | 1         | 52          |
| N07 Central Maintenance                 | \$ 58,875      | \$ 34,910 | 3              | 15        | 18          |
| N08 Fuel Procurement & Management       | \$ 64,550      | \$ 32,955 | 12             | 5         | 17          |
| N09 Management & Administration         | \$ 74,240      | \$ 28,476 | 52             | 5         | 57          |
| NR01 CSW Energy: Domestic/International | \$ 88,750      | \$ 35,907 | 65             | 53        | 118         |
| NR02 CSW Communications & Telecomm      | \$ 81,009      | \$ 30,789 | 79             | 19        | 98          |
| NR03 CSW EnerShop                       | \$ 66,917      | \$ 31,500 | 24             | 1         | 25          |
| NR04 CSW Ventures                       | \$ 100,247     | \$ 30,768 | 10             | 2         | 12          |
| NR07 ChoiceCom                          |                |           | 0              | 0         | 1           |
| NU01 Management and Admin               | \$ 88,662      | \$ 28,912 | 5              | 2         | 7           |
| S01 Environmental Affairs               | \$ 60,532      | \$ 26,927 | 44             | 5         | 49          |
| S02 Test Laboratory                     | \$ 42,120      | \$ 42,120 | 13             | 0         | 13          |
| S03 Electric Research & Development     | \$ 61,250      | \$ 61,250 | 6              | 0         | 6           |
| T05 Other                               | \$ 49,016      | \$ 36,130 | 0              | 2         | 2           |
| U01 Redeployment/Interim Assignment     | \$ 60,616      | \$ 24,750 | 19             | 48        | 67          |
| Grand Total                             | \$             | \$ 36,486 | 2967           | 4605      | 7574        |
|                                         |                | \$ 45,855 |                |           |             |

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# Benefit Loading Rate

Project Magic 2  
Labor Analysis

**Benefits Loading Rates**

|                                          | CYPRESS      | 1997<br>AUGUSTA | COMBINED                   |
|------------------------------------------|--------------|-----------------|----------------------------|
| <b>BASE PAYROLL</b>                      |              |                 |                            |
| Retirement Plan                          | 6.69%        | 4.14%           | Overfunded pension for CSW |
| Savings Plan                             | 2.97%        | 3.20%           |                            |
| Long Term Disability Plan                |              | 1.40%           |                            |
| Medical Plan                             | 10.15%       | 9.80%           | 10.33%                     |
| Dental Plan                              |              | 0.70%           |                            |
| Group Life Insurance                     | 1.12%        | 1.30%           | A9, A10, A11               |
| FICA Tax                                 | 7.34%        | 7.50%           |                            |
| State Unemployment Insurance             | 0.20%        | 0.20%           |                            |
| Federal Unemployment Insurance           | 0.12%        | 0.10%           |                            |
| Vacation Policy                          |              |                 |                            |
| Holiday Pay                              |              |                 |                            |
| Other                                    | 1.08%        |                 |                            |
| Post Retirement Benefits                 | 9.18%        | 1.65%           |                            |
| <b>BENEFITS LOADING RATE</b>             | <b>38.9%</b> | <b>30.0%</b>    | <b>34.4%</b>               |
| <b>BENEFITS LOADING RATE LESS FAS 10</b> | <b>0.0%</b>  |                 |                            |
| <b>BENEFITS GROWTH RATE</b>              | <b>4.1%</b>  |                 |                            |
| Total 1999 Savings                       | \$           | 88,666          |                            |
| Total 10 Year Savings                    | \$           | 952,659         |                            |

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ARP

Benefits Loading Rates

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|                                |      |
|--------------------------------|------|
| Retirement Plan                | .2%  |
| Savings Plan                   | 3.2% |
| Long Term Disability Plan      | 1.4% |
| Medical Plan                   | 9.8% |
| Dental Plan                    | .7%  |
| Group Life Insurance           | 1.3% |
| FICA Tax                       | 7.5% |
| State Unemployment Insurance   | .2%  |
| Federal Unemployment Insurance | .1%  |
| Vacation Policy                | 7.7% |
| Holiday Pay                    | 2.8% |
| Sick Pay Plan                  | 1.7% |

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**American Electric Power**  
**Postretirement Benefits Cost**  
in thousands of dollars

|                      | 1997             |              |                |                     | 1998                 |                  |              |                |                     |                      |
|----------------------|------------------|--------------|----------------|---------------------|----------------------|------------------|--------------|----------------|---------------------|----------------------|
|                      | Non-UMWA Medical | UMWA Medical | Life Insurance | Total SFAS 106 Cost | Components for Study | Non-UMWA Medical | UMWA Medical | Life Insurance | Total SFAS 106 Cost | Components for Study |
| Service Cost         | 11,250           | 300          | 2,400          | 13,950              | 13,950               | 11,900           | 450          | 2,550          | 14,900              | 14,900               |
| Interest Cost        | 34,950           | 10,850       | 10,200         | 56,000              | 56,000               | 36,600           | 11,750       | 10,650         | 59,000              | 59,000               |
| Expected Return      | (22,200)         | -            | -              | (22,200)            |                      | (27,650)         | -            | -              | (27,650)            |                      |
| Amortization         | 20,100           | 6,400        | 5,100          | 31,600              |                      | 20,100           | 6,800        | 5,100          | 32,000              |                      |
| Total SFAS 106 Cost  | 44,100           | 17,550       | 17,700         | 79,350              | 69,950               | 40,950           | 19,000       | 18,300         | 78,250              | 73,900               |
| Less Pay-As-You-Go * | (24,650)         | (6,650)      | (6,200)        | (37,500)            | (37,500)             | (25,550)         | (7,000)      | (6,500)        | (39,050)            | (39,050)             |
| Incremental Cost     | 19,450           | 10,900       | 11,500         | 41,850              | 32,450               | 15,400           | 12,000       | 11,800         | 39,200              | 34,850               |

\* Included with cost of current employees' benefits.

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AMERICAN ELECTRIC POWER COMPANY RETIREMENT PLAN  
1997 NET PERIODIC PENSION COST

| Company                       | Service Cost | Projected Benefit Obligation | Market-Related Value of Assets | Interest Cost | Expected Return on Assets | Amortization Charges/ (Credits) | Net Periodic Pension Cost |
|-------------------------------|--------------|------------------------------|--------------------------------|---------------|---------------------------|---------------------------------|---------------------------|
| AEP Service Corp.             | 8,811,838    | 304,287,119                  | 320,608,056                    | 23,338,842    | (27,986,628)              | (139,924)                       | 4,024,128                 |
| Appalachian Power Co.         | 7,352,572    | 340,507,955                  | 358,771,657                    | 26,116,983    | (31,318,015)              | (156,582)                       | 1,994,958                 |
| Cedar Coal Co.                | 81           | 4,716,605                    | 4,969,588                      | 361,764       | (433,807)                 | (2,169)                         | (74,131)                  |
| Central Appalachian Coal Co.  | 0            | 461,784                      | 486,553                        | 35,419        | (42,472)                  | (212)                           | (7,265)                   |
| Central Coal Co.              | 0            | 10,970                       | 11,558                         | 841           | (1,009)                   | (5)                             | (173)                     |
| Central Ohio Coal Co.         | 174,461      | 11,717,540                   | 12,346,029                     | 898,736       | (1,077,714)               | (5,388)                         | (9,905)                   |
| Central Operating Co.         | 537,913      | 24,135,940                   | 25,430,511                     | 1,851,228     | (2,219,889)               | (11,099)                        | 158,153                   |
| Columbus Southern Power Co.   | 3,815,586    | 265,326,587                  | 279,557,812                    | 20,350,567    | (24,403,256)              | (122,009)                       | (359,112)                 |
| Conesville Coal Prep. Co.     | 35,254       | 1,047,031                    | 1,103,190                      | 80,307        | (96,300)                  | (481)                           | 18,780                    |
| Indiana Michigan Power Co.    | 5,777,027    | 247,129,826                  | 260,385,038                    | 18,954,874    | (22,729,619)              | (113,641)                       | 1,888,641                 |
| I&M River Transportation Div. | 425,630      | 13,043,314                   | 13,742,913                     | 1,000,423     | (1,199,651)               | (5,998)                         | 220,404                   |
| Kanawha Valley Power Co.      | 0            | 211,399                      | 222,738                        | 16,214        | (19,443)                  | (97)                            | (3,326)                   |
| Kentucky Power Co.            | 1,279,384    | 54,336,055                   | 57,250,458                     | 4,167,579     | (4,997,526)               | (24,986)                        | 424,451                   |
| Kingsport Power Co.           | 157,350      | 9,190,498                    | 9,683,445                      | 704,912       | (845,291)                 | (4,226)                         | 12,745                    |
| Ohio Power Co.                | 5,870,735    | 317,082,297                  | 334,089,524                    | 24,320,233    | (29,163,457)              | (145,808)                       | 881,703                   |
| Ohio Power - Cardinal         | 697,749      | 30,177,509                   | 31,796,129                     | 2,314,617     | (2,775,559)               | (13,877)                        | 222,930                   |
| Ohio Power - Cook             | 41,736       | 779,212                      | 821,006                        | 59,766        | (71,668)                  | (358)                           | 29,476                    |
| Ohio Power - Kammer Station   | 0            | 1,896,181                    | 1,997,886                      | 145,437       | (174,400)                 | (872)                           | (29,835)                  |
| Ohio Power - Tidd             | 0            | 1,402,866                    | 1,478,111                      | 107,600       | (129,028)                 | (645)                           | (22,073)                  |
| Price River Coal Co.          | 0            | 830,117                      | 874,642                        | 63,670        | (76,350)                  | (382)                           | (13,062)                  |
| Southern Appalachian Coal Co. | 0            | 1,134,837                    | 1,195,706                      | 87,042        | (104,376)                 | (522)                           | (17,856)                  |
| Southern Ohio Coal - Martinka | 148          | 5,586,453                    | 5,886,092                      | 428,481       | (513,811)                 | (2,569)                         | (87,751)                  |
| Southern Ohio Coal - Meigs    | 650,064      | 21,416,117                   | 22,564,805                     | 1,642,618     | (1,969,735)               | (9,848)                         | 313,099                   |
| Wheeling Power Co.            | 180,603      | 14,314,632                   | 15,082,421                     | 1,097,933     | (1,316,580)               | (6,582)                         | (44,626)                  |
| Windsor Coal Co.              | 181,602      | 5,504,969                    | 5,800,237                      | 422,231       | (506,316)                 | (2,531)                         | 94,986                    |
| Total                         | \$35,989,733 | \$1,676,247,813              | \$1,766,156,105                | \$128,568,317 | (\$154,171,900)           | (\$770,811)                     | \$9,615,339               |

ALL

Sheet1

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**CP&L**  
**Analysis of Overhead Rates**

| Overhead              | 1997           | 1998          | Difference   |
|-----------------------|----------------|---------------|--------------|
| AD&D                  | 0.04%          | 0.05%         | 0.01%        |
| Comp Absence          | 13.00%         | 14.54%        | 1.54%        |
| FICA-Medicare         | 1.85%          | 1.43%         | -0.42%       |
| FICA-OASDI            | 7.46%          | 5.95%         | -1.51%       |
| FUTA                  | 0.14%          | 0.12%         | -0.02%       |
| SUTA                  | 0.19%          | 0.33%         | 0.14%        |
| Insurance-Inj. & Dam. | 1.24%          | 0.00%         | -1.24%       |
| Insurance-Liability   | 10.42%         | 0.00%         | -10.42%      |
| Medical Plan          | 5.12%          | 9.83%         | 4.71%        |
| PENSION PLAN          | -3.79%         | -3.48%        | 0.31%        |
| POST EMP. BENEFITS    | 1.08%          | 0.49%         | -0.59%       |
| RETIREE-LIFE          | 0.04%          | 0.01%         | -0.03%       |
| RETIREE-MEDICAL       | 12.24%         | 9.76%         | -2.48%       |
| Thrift Plan           | 3.57%          | 2.96%         | -0.61%       |
| Group Life Ins.       | 0.00%          | 1.08%         | 1.08%        |
| Worker's Comp.        | 0.00%          | 1.01%         | 1.01%        |
| <b>Total</b>          | <b>52.60%</b>  | <b>44.08%</b> | <b>8.52%</b> |
|                       | <u>- 13.00</u> | <u>14.54</u>  |              |

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Sheet2

**PSO**  
**Analysis of Overhead Rates**

| Overhead              | 1997          | 1998          | Difference    |
|-----------------------|---------------|---------------|---------------|
| AD&D                  | 0.00%         | 0.05%         | 0.05%         |
| Comp Absence          | 13.00%        | 15.31%        | 2.31%         |
| FICA-Medicare         | 1.54%         | 1.43%         | -0.11%        |
| FICA-OASDI            | 6.59%         | 5.90%         | -0.69%        |
| FUTA                  | 0.80%         | 0.13%         | -0.67%        |
| SUTA                  | 0.40%         | 0.12%         | -0.28%        |
| Insurance-Inj. & Dam. | 0.25%         | 0.00%         | -0.25%        |
| Insurance-Liability   | 6.60%         | 0.00%         | -6.60%        |
| Medical Plan          | 5.17%         | 10.16%        | 4.99%         |
| PENSION PLAN          | -8.65%        | -4.38%        | 4.27%         |
| POST EMP. BENEFITS    | 0.00%         | 0.30%         | 0.30%         |
| RETIREE-LIFE          | 0.00%         | -0.02%        | -0.02%        |
| RETIREE-MEDICAL       | 0.00%         | 9.51%         | 9.51%         |
| Thrift Plan           | 2.75%         | 3.08%         | 0.33%         |
| Group Life Ins.       | 0.00%         | 1.12%         | 1.12%         |
| Worker's Comp.        | 0.00%         | 1.64%         | 1.64%         |
| <b>Total</b>          | <b>28.45%</b> | <b>44.35%</b> | <b>15.90%</b> |

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Sheet3

**SWEPCO**  
**Analysis of Overhead Rates**

| Overhead              | 1997          | 1998          | Difference    |
|-----------------------|---------------|---------------|---------------|
| AD&D                  | 0.06%         | 0.05%         | -0.01%        |
| Comp Absence          | 13.00%        | 14.90%        | 1.90%         |
| FICA-Medicare         | 1.54%         | 1.43%         | -0.11%        |
| FICA-OASDI            | 6.59%         | 5.89%         | -0.70%        |
| FUTA                  | 0.80%         | 0.12%         | -0.68%        |
| SUTA                  | 0.04%         | 0.11%         | 0.07%         |
| Insurance-Inj. & Dam. | 0.13%         | 0.00%         | -0.13%        |
| Insurance-Liability   | 3.42%         | 0.00%         | -3.42%        |
| Medical Plan          | 8.52%         | 10.11%        | 1.59%         |
| PENSION PLAN          | -2.86%        | -3.56%        | -0.70%        |
| POST EMP. BENEFITS    | 0.77%         | 0.45%         | -0.32%        |
| RETIREE-LIFE          | 0.04%         | 0.04%         | 0.00%         |
| RETIREE-MEDICAL       | 8.50%         | 6.93%         | -1.57%        |
| Thrift Plan           | 2.64%         | 2.87%         | 0.23%         |
| Group Life Ins.       | 0.00%         | 1.12%         | 1.12%         |
| Worker's Comp.        | 0.00%         | 0.55%         | 0.55%         |
| <b>Total</b>          | <b>43.19%</b> | <b>41.01%</b> | <b>-2.18%</b> |

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Sheet4

**WTU**  
**Analysis of Overhead Rates**

| Overhead              | 1997          | 1998          | Difference   |
|-----------------------|---------------|---------------|--------------|
| AD&D                  | 0.07%         | 0.05%         | 0.02%        |
| Comp Absence          | 13.00%        | 13.87%        | 0.87%        |
| FICA-Medicare         | 1.42%         | 1.42%         | 0.00%        |
| FICA-OASDI            | 6.01%         | 5.87%         | 0.14%        |
| FUTA                  | 0.29%         | 0.13%         | 0.16%        |
| SUTA                  | 0.59%         | 0.23%         | 0.36%        |
| Insurance-Inj. & Dam. | 1.69%         | 0.00%         | 1.69%        |
| Insurance-Liability   | 2.43%         | 0.00%         | 2.43%        |
| Medical Plan          | 9.73%         | 10.82%        | 1.09%        |
| PENSION PLAN          | -4.00%        | -4.00%        | 0.00%        |
| POST EMP. BENEFITS    | 0.95%         | 0.28%         | 0.67%        |
| RETIREE-LIFE          | 0.00%         | 0.07%         | 0.07%        |
| RETIREE-MEDICAL       | 9.37%         | 8.96%         | 0.41%        |
| Thrift Plan           | 2.97%         | 3.00%         | 0.03%        |
| Group Life Ins.       | 0.00%         | 1.19%         | 1.19%        |
| Worker's Comp.        | 0.00%         | 1.04%         | 1.04%        |
| <b>Total</b>          | <b>44.52%</b> | <b>42.93%</b> | <b>1.59%</b> |

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**Accounting Requirements (Amounts in Thousands)**

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**Net Periodic Pension Cost**

| All Companies                      | 1996      | 1997*       |
|------------------------------------|-----------|-------------|
| Service Cost                       | \$ 22,741 | \$ 19,767   |
| Interest Cost                      | 68,704    | 64,802      |
| Actual Return on Assets            | (110,161) | (163,371)   |
| Net Deferred Asset Gain or (Loss)  | 26,602    | 71,714      |
| Amortization of:                   |           |             |
| Unrecognized Transition Obligation | 1,517     | 1,517       |
| Unrecognized Prior Service Cost    | (574)     | (6,009)     |
| Unrecognized Net Loss (Gain)       | <u>0</u>  | <u>0</u>    |
| Net Periodic Pension Cost          | \$ 8,829  | \$ (11,580) |

**Reconciliation of Funded Status**

| All Companies                         | 12/31/96       | 12/31/97*        |
|---------------------------------------|----------------|------------------|
| Actuarial Present Value, 9/30         |                |                  |
| Vested Benefit Obligation, 9/30       | \$(710,930)    | \$ (880,955)     |
| Accumulated Benefit Obligation, 9/30  | \$(781,140)    | \$ (895,956)     |
| Projected Benefit Obligation, 9/30    | \$(922,490)    | \$ (930,639)     |
| Plans Assets at Fair Value, 9/30      | <u>985,491</u> | <u>1,109,125</u> |
| Funded Status, 9/30                   | \$ 63,001      | \$ 178,486       |
| 4th Quarter Contributions             | 6,424          | 0                |
| Unrecognized:                         |                |                  |
| Transition Obligation                 | 12,137         | 10,620           |
| Prior Service Cost                    | (7,461)        | (88,411)         |
| Net Loss (Gain)                       | <u>27,068</u>  | <u>12,054</u>    |
| Prepaid (Accrued) Pension Cost, 12/31 | \$ 101,169     | \$ 112,749       |

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\* All 1997 results in this section of the report reflect plan change to Cash Balance and decrease in Projected Benefit Obligation of \$86,959.

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## Accounting Requirements (Amounts in Thousands)

| <b>Development of 1997 Asset Loss (Gain)</b>                               |              | <b>All Companies</b> |
|----------------------------------------------------------------------------|--------------|----------------------|
| The following details the determination of the asset loss (gain) for 1997: |              |                      |
| (1) Market Value, 9/30/96                                                  |              | \$ 985,491           |
| (2) Contributions for 10/1/96 through 9/30/97                              |              | 6,424                |
| (3) Benefit Payments for 10/1/96 through 9/30/97                           |              | 46,161               |
| (4) Expected Return on Assets (9.5%)                                       |              |                      |
| (a) Market Value                                                           | \$ 93,622    |                      |
| (b) Expected Contributions                                                 | 458          |                      |
| (c) Expected Benefit Payments (\$51,000)                                   | <u>2,423</u> |                      |
| (d) Total, (a)+(b)-(c)                                                     |              | <u>91,657</u>        |
| (5) Expected Market Value of Assets, 12/31/96, (1)+(2)-(3)+(4)             |              | \$ 1,037,411         |
| (6) Actual Market Value, 9/30/97                                           |              | <u>1,109,125</u>     |
| (7) Asset Loss (Gain), (6) - (5)                                           |              | \$ (71,714)          |

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## Accounting Requirements (Amounts in Thousands)

| 1997 Loss (Gain)                                                                                                      | All Companies |
|-----------------------------------------------------------------------------------------------------------------------|---------------|
| The total loss (gain) during 1997 as defined by FASB Statement No. 87 was \$ (15,014). The gain is the net result of: |               |
| (1) Asset Loss (Gain)                                                                                                 | \$ (71,714)   |
| (2) Liability Loss (Gain)                                                                                             | <u>56,700</u> |
| (3) Total Loss (Gain), (1)+(2)                                                                                        | \$ (15,014)   |

### Corridor Test

FASB Statement No. 87 requires amortization of that portion of the cumulative unrecognized loss (gain) in excess of the greater of 10% of the projected benefit obligation or 10% of the market-related value of assets. The following calculation tests these limits:

|                                                 |                 |
|-------------------------------------------------|-----------------|
| (1) Unrecognized Net Loss (Gain) as of 12/31/97 |                 |
| (a) Unrecognized from Prior Years               | \$ 27,068       |
| (b) Recognized in 1997                          | 0               |
| (c) 1997 Loss (Gain)                            | <u>(15,014)</u> |
| (d) Total                                       | \$ 12,054       |
| (2) Corridor Limit                              |                 |
| (a) 10% of Projected Benefit Obligation         | \$ 93,064       |
| (b) 10% of Market Related Value                 | \$ 110,913      |
| (c) Greater of (a) and (b)                      | \$ 110,913      |
| (3) Loss (Gain) Subject to Amortization in 1998 | \$ 0            |
| (4) Average Remaining Service                   | 16 years        |

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### Accounting Requirements (Amounts in Thousands)

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| <b>Development of Prepaid (Accrued) Pension Cost</b>  | <b>All Companies</b> |
|-------------------------------------------------------|----------------------|
| Prepaid (Accrued) Pension Cost, 12/31/95              | \$ 82,279            |
| Pension Income (Cost) Accrued during 1996 Fiscal Year | (8,829)              |
| Contribution Paid during 1996 Fiscal Year             | <u>27,719</u>        |
| Prepaid (Accrued) Pension Cost, 12/31/96              | \$ 101,169           |
| Pension Income (Cost) Accrued during 1997 Fiscal Year | 11,580               |
| Contribution Paid during 1997 Fiscal Year             | <u>0</u>             |
| Prepaid (Accrued) Pension Cost, 12/31/97              | \$ 112,749           |

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**Accounting Requirements (Amounts in Thousands)**

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| <b>Net Periodic Pension Cost for Fiscal Year Ended December 31, 1997</b> |               | <b>All Companies</b> |
|--------------------------------------------------------------------------|---------------|----------------------|
| (1) Service Cost                                                         |               | \$ 19,767            |
| (2) Interest Cost                                                        |               | 64,802               |
| (3) Actual Return on Plan Assets                                         | \$ (163,371)  |                      |
| (4) Net Deferred Asset Gain (Loss)                                       | <u>71,714</u> |                      |
| (5) Expected Return on Assets, (3)+(4)                                   |               | (91,657)             |
| (6) Amortization of Unrecognized Transition Liability                    |               | 1,517                |
| (7) Amortization of Unrecognized Prior Service Cost                      |               | (6,009)              |
| (8) Amortization of Net Loss (Gain)                                      |               | <u>0</u>             |
| (9) Total, (1)+(2)+(5)+(6)+(7)+(8)                                       |               | \$ (11,580)          |

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**Accounting Requirements (Amounts in Thousands)**

**Reconciliation of Funded Status and Statement of Financial Position for Fiscal Year Ending December 31, 1997**

**All Companies**

**Actuarial Present Value of:**

|                                          |                  |
|------------------------------------------|------------------|
| Vested Benefit Obligation, 9/30/97       | \$ (880,955)     |
| Accumulated Benefit Obligation, 9/30/97  | \$ (895,956)     |
| Projected Benefit Obligation, 9/30/97    | \$ (930,639)     |
| Fair Value of Plan Assets, 9/30/97       | <u>1,109,125</u> |
| Funded Status, 9/30/97                   | \$ 178,486       |
| 4th Quarter Contributions                | 0                |
| <b>Unrecognized:</b>                     |                  |
| Transition Obligation                    | 10,620           |
| Prior Service Cost                       | (88,411)         |
| Net Loss (Gain)                          | <u>12,054</u>    |
| Prepaid (Accrued) Pension Cost, 12/31/97 | \$ 112,749       |

**Additional Disclosure Items**

| Disclosure Date                      | 12/31/96 | 12/31/97 |
|--------------------------------------|----------|----------|
| Measurement Date                     | 9/30/96  | 9/30/97  |
| Discount Rate                        | 8.00%    | 7.50%    |
| Cash Balance Interest Crediting Rate | N/A      | 6.50%    |
| Rate of Compensation Increase        | 5.46%    | 5.46%    |
| Long-Term Rate of Return             | 9.50%    | 9.00%    |

**Plan Changes**

The plan was amended to become a Cash Balance plan effective July 1, 1997. All 1997 results reflect this change.

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**Accounting Requirements (Amounts in Thousands)**

**Allocation of 1997 Net Periodic Pension Cost by Company**

|                                          | (1)                       | (2)                    | (3)                      |
|------------------------------------------|---------------------------|------------------------|--------------------------|
|                                          | Valuation<br>Compensation | Allocation<br>Fraction | 1997 Net<br>Pension Cost |
| Central Power and<br>Light Company       | \$ 76,394,417             | 0.232790               | (2,696)                  |
| Public Service Company<br>of Oklahoma    | 56,790,087                | 0.173051               | (2,004)                  |
| Southwestern Electric<br>Power Company   | 70,716,720                | 0.215495               | (2,495)                  |
| West Texas Utilities<br>Company          | 41,302,876                | 0.125859               | (1,457)                  |
| Central and South<br>West Energy         | 5,495,903                 | 0.016747               | (194)                    |
| Central and South West<br>Services, Inc. | 75,536,235                | 0.230175               | (2,665)                  |
| CSW Communications                       | 1,360,906                 | 0.004147               | (48)                     |
| Enershop                                 | <u>569,845</u>            | <u>0.001736</u>        | <u>(21)</u>              |
| Total                                    | \$ 328,168,989            | 1.000000               | (11,580)                 |

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**Accounting Requirements (Amounts in Thousands)**

**Allocation of 1997 Net Periodic Pension Cost for Each Company by Component**

|                                       | Service Cost | Interest Cost | Actual Return on Assets | Net Amortization and Deferrals | Total       |
|---------------------------------------|--------------|---------------|-------------------------|--------------------------------|-------------|
| Central Power and Light Company       | \$ 4,602     | \$ 15,085     | \$ (38,031)             | \$ 15,648                      | \$ (2,696)  |
| Public Service Company of Oklahoma    | 3,421        | 11,214        | (28,272)                | 11,633                         | (2,004)     |
| Southwestern Electric Power Company   | 4,260        | 13,965        | (35,206)                | 14,486                         | (2,495)     |
| West Texas Utilities Company          | 2,488        | 8,156         | (20,561)                | 8,460                          | (1,457)     |
| Central and South West Energy         | 331          | 1,085         | (2,736)                 | 1,126                          | (194)       |
| Central and South West Services, Inc. | 4,550        | 14,916        | (37,604)                | 15,473                         | (2,665)     |
| CSW Communications                    | 81           | 269           | (677)                   | 279                            | (48)        |
| Enershop                              | <u>34</u>    | <u>112</u>    | <u>(284)</u>            | <u>117</u>                     | <u>(21)</u> |
| Total                                 | \$ 19,767    | \$ 64,802     | \$ (163,371)            | \$ 67,222                      | \$ (11,580) |

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**Accounting Requirements (Amounts in Thousands)**

**Estimated 1998 Net Periodic Pension Cost**

|                                                       |             |
|-------------------------------------------------------|-------------|
| (1) Service Cost                                      | \$ 20,958   |
| (2) Interest Cost                                     | 67,848      |
| (3) Expected Return on Assets                         | (97,481)    |
| (4) Amortization of Unrecognized Transition Liability | 1,517       |
| (5) Amortization of Unrecognized Prior Service Cost   | (6,009)     |
| (6) Amortization of Net Loss (Gain)                   | <u>0</u>    |
| (7) Total, (1)+(2)+(3)+(4)+(5)+(6)                    | \$ (13,167) |

**Allocation of Estimated 1998 Net Periodic Pension Cost**

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|                                       | Valuation<br>Compensation | Allocation<br>Fraction | Net 1998<br>Pension Cost |
|---------------------------------------|---------------------------|------------------------|--------------------------|
| Central Power and Light Company       | \$ 82,743,671             | 0.227472               | \$ (2,994)               |
| Public Service Company of Oklahoma    | 65,050,168                | 0.178831               | (2,355)                  |
| Southwestern Electric Power Company   | 77,054,042                | 0.211831               | (2,789)                  |
| West Texas Utilities Company          | 44,798,620                | 0.123157               | (1,622)                  |
| Central and South West Energy         | 6,797,350                 | 0.018687               | (246)                    |
| Central and South West Services, Inc. | 84,415,076                | 0.232066               | (3,056)                  |
| CSW Communications                    | 1,855,903                 | 0.005102               | (67)                     |
| Enershop                              | <u>1,038,066</u>          | <u>0.002854</u>        | <u>(38)</u>              |
| Total                                 | \$ 363,752,897            | 1.000000               | \$ (13,167)              |

The net periodic pension cost is allocated among the companies based on valuation compensation ratios as of January 1, 1997. The allocation will change when January 1, 1998 valuation compensations are available.



**Summary**

**Summary of Accounting Valuation Results**  
1997 FAS 106 Disclosure (in 000s)

|                                                          | Medical         | Life            | Total            |
|----------------------------------------------------------|-----------------|-----------------|------------------|
| <b>Net Periodic Postretirement Benefit Cost for 1997</b> |                 |                 |                  |
| Service Cost                                             | \$ 6,765        | \$ 1,048        | \$ 7,813         |
| Interest Cost                                            | 15,950          | 2,348           | 18,298           |
| Actual (Return) /Loss on Assets                          | (14,662)        | (7,398)         | (22,060)         |
| Amortization of Unrecognized Transition Obligation       | <u>9,166</u>    | <u>(182)</u>    | <u>8,984</u>     |
| <b>Other Components</b>                                  |                 |                 |                  |
| Net Deferred Asset Gain/(Loss)                           | \$ 7,013        | \$ 4,517        | \$ 11,530        |
| Amort. of Unrec. Prior Svc. Cost                         | 0               | 0               | 0                |
| Amort. of Unrec. (Gain)/Loss                             | <u>(844)</u>    | <u>0</u>        | <u>(844)</u>     |
| Total of Other Components                                | \$ <u>6,169</u> | \$ <u>4,517</u> | \$ <u>10,686</u> |
| Benefit Cost for 1997                                    | \$ 23,388       | \$ 333          | \$ 23,721        |

**Reconciliation of Funded Status as of December 31, 1997**

|                                                                           |                 |                |                 |
|---------------------------------------------------------------------------|-----------------|----------------|-----------------|
| <b>Accumulated Postretirement Benefit Obligation (APBO) as of 9/30/97</b> |                 |                |                 |
| Retirees and Beneficiaries                                                | \$ (137,346)    | \$ (20,975)    | \$ (158,321)    |
| Fully Eligible Actives                                                    | (19,713)        | (3,818)        | (23,531)        |
| Other Actives                                                             | <u>(50,057)</u> | <u>(8,897)</u> | <u>(58,954)</u> |
| Total APBO                                                                | \$ (207,116)    | (33,690)       | (240,806)       |
| <b>Assets</b>                                                             |                 |                |                 |
|                                                                           | <u>113,922</u>  | <u>36,883</u>  | <u>150,805</u>  |
| Funded Status                                                             | \$ (93,194)     | \$ 3,193       | \$ (90,001)     |
| Fourth Quarter Contributions                                              | 8,448           | 0              | 8,448           |
| <b>Unrecognized:</b>                                                      |                 |                |                 |
| Transition Obligation                                                     | 137,493         | (2,721)        | 134,772         |
| Net Loss/(Gain)                                                           | (51,498)        | (1,896)        | (53,394)        |
| Prior Service Cost                                                        | <u>0</u>        | <u>0</u>       | <u>0</u>        |
| (Accrued)/Prepaid Postretirement Benefit Cost as of December 31, 1997     | \$ 1,249        | \$ (1,424)     | \$ (175)        |

**Effect of a One Percentage Point Increase in Assumed Health Care Cost Trend Rate on:**

|                                             |           |      |           |
|---------------------------------------------|-----------|------|-----------|
| Aggregate of Service Cost and Interest Cost | \$ 3,582  | \$ 0 | \$ 3,582  |
| APBO                                        | \$ 25,184 | \$ 0 | \$ 25,184 |

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**Accounting Requirements (in 000s)**

| <u>Total Medical</u> | <u>Total Life</u> | <u>Total</u>     |
|----------------------|-------------------|------------------|
| \$ 6,765             | \$ 1,048          | \$ 7,813         |
| 15,950               | 2,348             | 18,298           |
| (14,662)             | (7,398)           | (22,060)         |
| 9,166                | (182)             | 8,984            |
| <u>      </u>        | <u>      </u>     | <u>      </u>    |
| \$ 7,013             | \$ 4,517          | \$ 11,530        |
| 0                    | 0                 | 0                |
| <u>(844)</u>         | <u>0</u>          | <u>(844)</u>     |
| <u>\$ 6,169</u>      | <u>\$ 4,517</u>   | <u>\$ 10,686</u> |
| \$ 23,388            | \$ 333            | \$ 23,721        |

**1997 Disclosure**

Net Periodic Postretirement Benefit Cost for 1997

Service Cost

Interest Cost

Actual (Return)/Loss on Assets

Amortization of Unrecognized Transition Obligation

Other Components:

Net Deferred Asset Gain/(Loss)

Amortization of Unrecognized Prior Service Cost

Amortization of Unrecognized (Gain)/Loss

Total of Other Components

Benefit Cost for 1997

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**Accounting Requirements (In 000s)**

| <u>CP&amp;L Medical</u> | <u>CP&amp;L LHe</u> | <u>CP&amp;L Total</u> |                                                          |
|-------------------------|---------------------|-----------------------|----------------------------------------------------------|
|                         |                     |                       | <b>1997 Disclosure</b>                                   |
|                         |                     |                       | <b>Net Periodic Postretirement Benefit Cost for 1997</b> |
| \$ 1,816                | \$ 260              | \$ 2,076              | Service Cost                                             |
| 4,979                   | 684                 | 5,663                 | Interest Cost                                            |
| (2,713)                 | (2,235)             | (4,948)               | Actual (Return)/Loss on Assets                           |
| 2,964                   | (64)                | 2,900                 | Amortization of Unrecognized Transition Obligation       |
| <u>844</u>              | <u>1,365</u>        | <u>2,209</u>          | <b>Other Components:</b>                                 |
|                         |                     |                       | Net Deferred Asset Gain/(Loss)                           |
| 0                       | 0                   | 0                     | Amortization of Unrecognized Prior Service Cost          |
| <u>(162)</u>            | <u>0</u>            | <u>(162)</u>          | Amortization of Unrecognized (Gain)/Loss                 |
| <u>\$ 682</u>           | <u>\$ 1,365</u>     | <u>\$ 2,047</u>       | <b>Total of Other Components</b>                         |
| \$ 7,728                | \$ 10               | \$ 7,738              | <b>Benefit Cost for 1997</b>                             |

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**Accounting Requirements (in 000s)**

| <b>PSO Medical</b> | <b>PSO Life</b>   | <b>PSO Total</b>  |
|--------------------|-------------------|-------------------|
| \$ 1,476           | \$ 218            | \$ 1,694          |
| 4,195              | 599               | 4,794             |
| (4,696)            | (2,011)           | (6,707)           |
| 2,574              | (46)              | 2,528             |
| <u>          </u>  | <u>          </u> | <u>          </u> |
| \$ 2,481           | \$1,228           | \$ 3,709          |
| 0                  | 0                 | 0                 |
| <u>(365)</u>       | <u>0</u>          | <u>(365)</u>      |
| \$ 2,116           | \$1,228           | \$ 3,344          |
| \$ 5,665           | \$ (12)           | \$ 5,653          |

**1997 Disclosure**

**Net Periodic Postretirement Benefit Cost for 1997**

Service Cost

Interest Cost

Actual (Return)/Loss on Assets

Amortization of Unrecognized Transition Obligation

**Other Components:**

Net Deferred Asset Gain/(Loss)

Amortization of Unrecognized Prior Service Cost

Amortization of Unrecognized (Gain)/Loss

Total of Other Components

**Benefit Cost for 1997**

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**Accounting  
Requirements (In 000s)**

| <b>SWEPCO<br/>Medical</b> | <b>SWEPCO<br/>Life</b> | <b>SWEPCO<br/>Total</b> |                                                                  |
|---------------------------|------------------------|-------------------------|------------------------------------------------------------------|
|                           |                        |                         | <b>1997 Disclosure</b>                                           |
|                           |                        |                         | <b>Net Periodic<br/>Postretirement<br/>Benefit Cost for 1997</b> |
| \$ 1,550                  | \$ 221                 | \$ 1,771                | Service Cost                                                     |
| 3,656                     | 534                    | 4,190                   | Interest Cost                                                    |
| (4,983)                   | (1,754)                | (6,737)                 | Actual (Return)/Loss on<br>Assets                                |
| 2,013                     | (46)                   | 1,967                   | Amortization of<br>Unrecognized Transition<br>Obligation         |
| <u>          </u>         | <u>          </u>      | <u>          </u>       | <b>Other Components:</b>                                         |
| \$ 2,879                  | \$1,071                | \$ 3,950                | Net Deferred Asset<br>Gain/(Loss)                                |
| 0                         | 0                      | 0                       | Amortization of<br>Unrecognized Prior<br>Service Cost            |
| <u>(181)</u>              | <u>0</u>               | <u>(181)</u>            | Amortization of<br>Unrecognized<br>(Gain)/Loss                   |
| <u>\$ 2,698</u>           | <u>\$ 1,071</u>        | <u>\$ 3,769</u>         | Total of Other<br>Components                                     |
| \$ 4,934                  | \$ 26                  | \$ 4,960                | <b>Benefit Cost for 1997</b>                                     |

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**Accounting Requirements (in 000s)**

| <b>WTU<br/>Medical</b> | <b>WTU<br/>Life</b> | <b>WTU<br/>Total</b> |
|------------------------|---------------------|----------------------|
| \$ 983                 | 137                 | 1,120                |
| 2,272                  | 292                 | 2,564                |
| (1,314)                | (952)               | (2,266)              |
| 1,255                  | (30)                | 1,225                |
| <u>          </u>      | <u>          </u>   | <u>          </u>    |
| \$ 428                 | \$ 581              | \$ 1,009             |
| 0                      | 0                   | 0                    |
| <u>          </u>      | <u>          </u>   | <u>          </u>    |
| \$ 428                 | \$ 581              | \$ 1,009             |
| \$ 3,624               | \$ 28               | \$ 3,652             |

**1997 Disclosure**

**Net Periodic Postretirement Benefit Cost for 1997**

Service Cost

Interest Cost

Actual (Return)/Loss on Assets

Amortization of Unrecognized Transition Obligation

**Other Components:**

Net Deferred Asset Gain/(Loss)

Amortization of Unrecognized Prior Service Cost

Amortization of Unrecognized (Gain)/Loss

Total of Other Components

Benefit Cost for 1997

WP/FLAHERTY  
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**Accounting Requirements (In 000s)**

| CSW Energy Medical | CSW Energy Life | CSW Energy Total |
|--------------------|-----------------|------------------|
| \$60               | \$18            | \$78             |
| 26                 | 9               | 35               |
| (29)               | (9)             | (38)             |
| 3                  | 0               | 3                |
| <u>13</u>          | <u>6</u>        | <u>19</u>        |
| 0                  | 0               | 0                |
| <u>6</u>           | <u>0</u>        | <u>6</u>         |
| <u>\$19</u>        | <u>\$6</u>      | <u>\$25</u>      |
| \$79               | \$24            | \$103            |

**1997 Disclosure**

Net Periodic Postretirement Benefit Cost for 1997

Service Cost

Interest Cost

Actual (Return)/Loss on Assets

Amortization of Unrecognized Transition Obligation

Other Components:

Net Deferred Asset Gain/(Loss)

Amortization of Unrecognized Prior Service Cost

Amortization of Unrecognized (Gain)/Loss

Total of Other Components

Benefit Cost for 1997

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**Accounting  
Requirements (in 000s)**

| <u>CSWS<br/>Medical*</u> | <u>CSWS<br/>Life*</u> | <u>CSWS<br/>Total*</u> |                                                                  |
|--------------------------|-----------------------|------------------------|------------------------------------------------------------------|
|                          |                       |                        | <b>1997 Disclosure</b>                                           |
|                          |                       |                        | <b>Net Periodic<br/>Postretirement<br/>Benefit Cost for 1997</b> |
| \$ 850                   | \$ 187                | \$1,037                | Service Cost                                                     |
| 799                      | 223                   | 1,022                  | Interest Cost                                                    |
| (925)                    | (437)                 | (1,362)                | Actual (Return)/Loss on<br>Assets                                |
| 351                      | 4                     | 355                    | Amortization of<br>Unrecognized Transition<br>Obligation         |
| <u>      </u>            | <u>      </u>         | <u>      </u>          | Other Components:                                                |
| \$ 377                   | \$ 269                | \$ 646                 | Net Deferred Asset<br>Gain/(Loss)                                |
| 0                        | 0                     | 0                      | Amortization of<br>Unrecognized Prior<br>Service Cost            |
| <u>(144)</u>             | <u>  0</u>            | <u>(144)</u>           | Amortization of<br>Unrecognized<br>(Gain)/Loss                   |
| <u>\$ 233</u>            | <u>\$ 269</u>         | <u>\$ 502</u>          | Total of Other<br>Components                                     |
| \$1,308                  | \$ 246                | \$1,554                | Benefit Cost for 1997                                            |

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\*All remaining Transok liabilities have been incorporated into CSWS.



**Accounting Requirements (in 000s)**

| <b>COMM<br/>Medical</b> | <b>COMM<br/>Life</b> | <b>COMM<br/>Total</b> |
|-------------------------|----------------------|-----------------------|
| \$ 24                   | \$ 5                 | \$ 29                 |
| 18                      | 6                    | 24                    |
| (1)                     | 0                    | (1)                   |
| 5                       | 0                    | 5                     |
| <u>    </u>             | <u>    </u>          | <u>    </u>           |
| \$ (9)                  | \$ (2)               | \$ (11)               |
| 0                       | 0                    | 0                     |
| <u>  2</u>              | <u>  0</u>           | <u>  2</u>            |
| \$ (7)                  | \$ (2)               | \$ (9)                |
| \$ 39                   | \$ 9                 | \$ 48                 |

**1997 Disclosure**

**Net Periodic Postretirement Benefit Cost for 1997**

Service Cost

Interest Cost

Actual (Return)/Loss on Assets

Amortization of Unrecognized Transition Obligation

Other Components:

Net Deferred Asset Gain/(Loss)

Amortization of Unrecognized Prior Service Cost

Amortization of Unrecognized (Gain)/Loss

Total of Other Components

**Benefit Cost for 1997**

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**Accounting Requirements (In 000s)**

| <b>CSWS Medical*</b> | <b>CSWS Life*</b> | <b>CSWS Total*</b> |
|----------------------|-------------------|--------------------|
| \$ (5,157)           | \$ (1,493)        | \$ (6,650)         |
| (1,984)              | (595)             | (2,579)            |
| <u>(7,776)</u>       | <u>(1,956)</u>    | <u>(9,732)</u>     |
| \$ (14,917)          | \$ (4,044)        | \$ (18,961)        |
| <u>8,768</u>         | <u>2,175</u>      | <u>10,943</u>      |
| \$ (6,149)           | \$ (1,869)        | \$ (8,018)         |
| 292                  | 0                 | 292                |
| 5,343                | 69                | 5,412              |
| 1,171                | 897               | 2,068              |
| <u>0</u>             | <u>0</u>          | <u>0</u>           |
| \$ 657               | \$ (903)          | \$ (246)           |
| \$ 423               | \$ 0              | \$ 423             |
| \$ 2,260             | \$ 0              | \$ 2,260           |

**1997 Disclosure**

**Reconciliation of Funded Status as of September 30, 1997**

**Accumulated Postretirement Benefit Obligation (APBO) as of 9/30/97**

Retirees

Fully Eligible Actives

Other Actives

Total APBO

Assets, 9/30/97

Funded Status, 9/30/97

Fourth Quarter Contributions

Unrecognized: Transition Obligation

Net Loss/(Gain)

Prior Service Cost

(Accrued)/Prepaid Postretirement Benefit Cost as of December 31, 1997

Effect of a One Percentage Point Increase in Assumed Health Care Cost Trend Rate on:

Aggregate of Service Cost and Interest Cost

APBO

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\*All remaining Transok liabilities have been incorporated into CSWS.

**Accounting Requirements (In 000s)**

| <b>COMM<br/>Medical</b> | <b>COMM<br/>Life</b> | <b>COMM<br/>Total</b> |
|-------------------------|----------------------|-----------------------|
| \$ 0                    | \$ 0                 | 0                     |
| 0                       | 0                    | 0                     |
| <u>(69)</u>             | <u>(23)</u>          | <u>(92)</u>           |
| \$ (69)                 | \$ (23)              | \$ (92)               |
| <u>37</u>               | <u>0</u>             | <u>37</u>             |
| \$ (32)                 | \$ (23)              | \$ (55)               |
| 12                      | 0                    | 12                    |
| 0                       | 0                    | 0                     |
| 29                      | 14                   | 43                    |
| <u>0</u>                | <u>0</u>             | <u>0</u>              |
| \$ 9                    | \$ (9)               | \$ 0                  |
| \$ 4                    | \$ 0                 | \$ 4                  |
| \$ 14                   | \$ 0                 | \$ 14                 |

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**1997 Disclosure**

**Reconciliation of Funded Status as of September 30, 1997**

**Accumulated Postretirement Benefit Obligation (APBO) as of 9/30/97**

Retirees

Fully Eligible Actives

Other Actives

**Total APBO**

**Assets, 9/30/97**

**Funded Status, 9/30/97**

**Fourth Quarter Contributions**

**Unrecognized: Transition Obligation**

**Net Loss/(Gain)**

**Prior Service Cost**

**(Accrued)/Prepaid Postretirement Benefit Cost as of December 31, 1997**

**Effect of a One Percentage Point Increase in Assumed Health Care Cost Trend Rate on:**

**Aggregate of Service Cost and Interest Cost**

**APBO**

### Accounting Requirements (In 000s)

| Total Medical   | Total Life     | Total           |
|-----------------|----------------|-----------------|
| \$ (137,346)    | \$ (20,975)    | \$ (158,321)    |
| (19,713)        | (3,818)        | (23,531)        |
| <u>(50,057)</u> | <u>(8,897)</u> | <u>(58,954)</u> |
| \$ (207,116)    | \$ (33,690)    | \$ (240,806)    |
| <u>113,922</u>  | <u>36,883</u>  | <u>150,805</u>  |
| \$ (93,194)     | \$ 3,193       | \$ (90,001)     |
| 8,448           | 0              | 8,448           |
| 137,493         | (2,721)        | 134,772         |
| (51,498)        | (1,896)        | (53,394)        |
| <u>0</u>        | <u>0</u>       | <u>0</u>        |
| \$ 1,249        | \$ (1,424)     | \$ (175)        |
| \$ 3,582        | \$ 0           | \$ 3,582        |
| \$ 25,184       | \$ 0           | \$ 25,184       |

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#### 1997 Disclosure

Reconciliation of Funded Status as of September 30, 1997

Accumulated Postretirement Benefit Obligation (APBO) as of 9/30/97

Retirees

Fully Eligible Actives

Other Actives

Total APBO

Assets, 9/30/97

Funded Status, 9/30/97

Fourth Quarter Contributions

Unrecognized: Transition Obligation

Net Loss/(Gain)

Prior Service Cost

(Accrued)/Prepaid Postretirement Benefit Cost as of December 31, 1997

Effect of a One Percentage Point Increase in Assumed Health Care Cost Trend Rate on:

Aggregate of Service Cost and Interest Cost

APBO

**Accounting Requirements (in 000s)**

| CP&L Medical    | CP&L Lifo      | CP&L Total      |
|-----------------|----------------|-----------------|
| \$ (44,948)     | \$ (6,478)     | \$ (51,426)     |
| (4,612)         | (837)          | (5,449)         |
| <u>(13,894)</u> | <u>(2,222)</u> | <u>(16,116)</u> |
| \$ (63,454)     | \$ (9,537)     | \$ (72,991)     |
| <u>30,794</u>   | <u>11,139</u>  | <u>41,933</u>   |
| \$ (32,660)     | \$ 1,602       | \$ (31,058)     |
| 2,235           | 0              | 2,235           |
| 44,468          | (960)          | 43,508          |
| (14,734)        | (709)          | (15,443)        |
| <u>0</u>        | <u>0</u>       | <u>0</u>        |
| \$ (691)        | \$ (67)        | \$ (758)        |
| \$ 937          | \$ 0           | \$ 937          |
| \$ 7,068        | \$ 0           | \$ 7,068        |

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**1997 Disclosure**

**Reconciliation of Funded Status as of September 30, 1997**

**Accumulated Postretirement Benefit Obligation (APBO) as of 9/30/97**

- Retirees
- Fully Eligible Actives
- Other Actives
- Total APBO
- Assets, 9/30/97
- Funded Status, 9/30/97
- Fourth Quarter Contributions
- Unrecognized:
  - Transition Obligation
  - Net Loss/(Gain)
  - Prior Service Cost

(Accrued)/Prepaid Postretirement Benefit Cost as of December 31, 1997

**Effect of a One Percentage Point Increase in Assumed Health Care Cost Trend Rate on:**

Aggregate of Service Cost and Interest Cost

APBO

**Accounting Requirements (in 000s)**

| <b>PSO Medical</b> | <b>PSO Life</b> | <b>PSO Total</b> |
|--------------------|-----------------|------------------|
| \$ (38,006)        | \$ (5,726)      | \$ (43,732)      |
| (4,865)            | (842)           | (5,707)          |
| <u>(10,282)</u>    | <u>(1,713)</u>  | <u>(11,995)</u>  |
| \$ (53,153)        | \$ (8,281)      | \$ (61,434)      |
| <u>30,019</u>      | <u>10,020</u>   | <u>40,039</u>    |
| \$ (23,134)        | \$ 1,739        | \$ (21,395)      |
| 3,327              | 0               | 3,327            |
| 38,622             | (694)           | 37,928           |
| (17,792)           | (1,226)         | (19,018)         |
| <u>0</u>           | <u>0</u>        | <u>0</u>         |
| \$ 1,023           | \$ (181)        | \$ 842           |
| \$ 719             | \$ 0            | \$ 719           |
| \$ 5,690           | \$ 0            | \$ 5,690         |

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**1997 Disclosure**

**Reconciliation of Funded Status as of September 30, 1997**

**Accumulated Postretirement Benefit Obligation (APBO) as of 9/30/97**

- Retirees
- Fully Eligible Actives
- Other Actives
- Total APBO

Assets, 9/30/97

Funded Status, 9/30/97

Fourth Quarter Contributions

Unrecognized: Transition Obligation

Net Loss/(Gain)

Prior Service Cost

(Accrued)/Prepaid Postretirement Benefit Cost as of December 31, 1997

**Effect of a One Percentage Point Increase in Assumed Health Care Cost Trend Rate on:**

Aggregate of Service Cost and Interest Cost

APBO

*Handwritten:*  
 43,366  
 18,068

*Handwritten:* A38

**Accounting Requirements (in 000s)**

| <b>SWEPCO Medical</b> | <b>SWEPCO Life</b> | <b>SWEPCO Total</b> |
|-----------------------|--------------------|---------------------|
| \$ (30,160)           | \$(4,746)          | \$ (34,906)         |
| (5,499)               | (1,060)            | (6,559)             |
| <u>(10,917)</u>       | <u>(1,832)</u>     | <u>(12,749)</u>     |
| \$ (46,576)           | \$(7,638)          | \$ (54,214)         |
| <u>29,397</u>         | <u>8,751</u>       | <u>38,148</u>       |
| \$ (17,179)           | \$ 1,113           | (16,066)            |
| 1,482                 | 0                  | 1,482               |
| 30,188                | (686)              | 29,502              |
| (14,161)              | (554)              | (14,715)            |
| <u>0</u>              | <u>0</u>           | <u>0</u>            |
| \$ 330                | \$ (127)           | \$ 203              |
| \$ 1,022              | \$ 0               | \$ 1,022            |
| \$ 6,864              | \$ 0               | \$ 6,864            |

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**1997 Disclosure**

**Reconciliation of Funded Status as of September 30, 1997**

**Accumulated Postretirement Benefit Obligation (APBO) as of 9/30/97**

- Retirees
- Fully Eligible Actives
- Other Actives
- Total APBO

Assets, 9/30/97

Funded Status, 9/30/97

Fourth Quarter Contributions

Unrecognized: Transition Obligation

Net Loss/(Gain)

Prior Service Cost

(Accrued)/Prepaid Postretirement Benefit Cost as of December 31, 1997

Effect of a One Percentage Point Increase in Assumed Health Care Cost Trend Rate on:

Aggregate of Service Cost and Interest Cost

APBO

*Handwritten:* 14,584, 39,630, 1,482

*Handwritten:* A39

**Accounting Requirements (In 000s)**

| WTU Medical    | WTU Life       | WTU Total      |
|----------------|----------------|----------------|
| \$ (19,075)    | \$ (2,532)     | \$ (21,607)    |
| (2,717)        | (467)          | (3,184)        |
| <u>(6,723)</u> | <u>(1,002)</u> | <u>(7,725)</u> |
| \$ (28,515)    | \$ (4,001)     | \$ (32,516)    |
| <u>14,586</u>  | <u>4,754</u>   | <u>19,340</u>  |
| \$ (13,929)    | \$ 753         | \$ (13,176)    |
| 1,071          | 0              | 1,071          |
| 18,820         | (448)          | 18,372         |
| (6,115)        | (388)          | (6,503)        |
| <u>0</u>       | <u>0</u>       | <u>0</u>       |
| \$ (153)       | \$ (83)        | \$ (236)       |
| \$ 453         | \$ 0           | \$ 453         |
| \$ 3,199       | \$ 0           | \$ 3,199       |

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*(12,105)* *20,411*

**1997 Disclosure**

**Reconciliation of Funded Status as of September 30, 1997**

**Accumulated Postretirement Benefit Obligation (APBO) as of 9/30/97**

Retirees  
Fully Eligible Actives  
Other Actives  
Total APBO

Assets, 9/30/97

Funded Status, 9/30/97

Fourth Quarter Contributions

Unrecognized: Transition Obligation

Net Loss/(Gain)

Prior Service Cost

(Accrued)/Prepaid Postretirement Benefit Cost as of December 31, 1997

Effect of a One Percentage Point Increase in Assumed Health Care Cost Trend Rate on:

Aggregate of Service Cost and Interest Cost

APBO

*A40*



**Accounting Requirements (In 000s)**

| <b>CSW Energy Medical</b> | <b>CSW Energy Life</b> | <b>CSW Energy Total</b> |
|---------------------------|------------------------|-------------------------|
| \$ 0                      | \$ 0                   | \$ 0                    |
| (36)                      | (17)                   | (53)                    |
| <u>(373)</u>              | <u>(143)</u>           | <u>(516)</u>            |
| \$ (409)                  | \$(160)                | \$ (569)                |
| <u>298</u>                | <u>44</u>              | <u>342</u>              |
| \$ (111)                  | \$(116)                | \$ (227)                |
| 26                        | 0                      | 26                      |
| 52                        | (2)                    | 50                      |
| 105                       | 66                     | 171                     |
| <u>0</u>                  | <u>0</u>               | <u>0</u>                |
| \$ 72                     | \$(52)                 | \$ 20                   |
| \$ 22                     | \$ 0                   | \$ 22                   |
| \$ 83                     | \$ 0                   | \$ 83                   |

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**1997 Disclosure**

**Reconciliation of Funded Status as of September 30, 1997**

**Accumulated Postretirement Benefit Obligation (APBO) as of 9/30/97**

- Retirees
- Fully Eligible Actives
- Other Actives
- Total APBO
- Assets, 9/30/97
- Funded Status, 9/30/97
- Fourth Quarter Contributions
- Unrecognized:
  - Transition Obligation
  - Net Loss/(Gain)
  - Prior Service Cost
- (Accrued)/Prepaid Postretirement Benefit Cost as of December 31, 1997
- Effect of a One Percentage Point Increase in Assumed Health Care Cost Trend Rate on:
  - Aggregate of Service Cost and Interest Cost
  - APBO

**Accounting Requirements (in 000s)**

| CSWS Medical*  | CSWS Life*     | CSWS Total*    |
|----------------|----------------|----------------|
| \$ (5,157)     | \$(1,493)      | \$ (6,650)     |
| (1,984)        | (595)          | (2,579)        |
| <u>(7,776)</u> | <u>(1,956)</u> | <u>(9,732)</u> |
| \$ (14,917)    | \$(4,044)      | \$ (18,961)    |
| <u>8,768</u>   | <u>2,175</u>   | <u>10,943</u>  |
| \$ (6,149)     | \$(1,869)      | \$ (8,018)     |
| 292            | 0              | 292            |
| 5,343          | 69             | 5,412          |
| 1,171          | 897            | 2,068          |
| <u>0</u>       | <u>0</u>       | <u>0</u>       |
| \$ 657         | \$ (903)       | \$ (246)       |
| \$ 423         | \$ 0           | \$ 423         |
| \$ 2,260       | \$ 0           | \$ 2,260       |

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**1997 Disclosure**

**Reconciliation of Funded Status as of September 30, 1997**

Accumulated Postretirement Benefit Obligation (APBO) as of 9/30/97

Retirees

Fully Eligible Actives

Other Actives

Total APBO

Assets, 9/30/97

Funded Status, 9/30/97

Fourth Quarter Contributions

Unrecognized: Transition Obligation

Net Loss/(Gain)

Prior Service Cost

(Accrued)/Prepaid Postretirement Benefit Cost as of December 31, 1997

Effect of a One Percentage Point Increase in Assumed Health Care Cost Trend Rate on:

Aggregate of Service Cost and Interest Cost

APBO

\*All remaining Transok liabilities have been incorporated into CSWS.

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**Accounting  
 Requirments (in 000s)**

| <b>COMM<br/>Medical</b> | <b>COMM<br/>Life</b> | <b>COMM<br/>Total</b> |
|-------------------------|----------------------|-----------------------|
| \$ 0                    | \$ 0                 | 0                     |
| 0                       | 0                    | 0                     |
| <u>(69)</u>             | <u>(23)</u>          | <u>(92)</u>           |
| \$ (69)                 | \$ (23)              | \$ (92)               |
| <u>37</u>               | <u>0</u>             | <u>37</u>             |
| \$ (32)                 | \$ (23)              | \$ (55)               |
| 12                      | 0                    | 12                    |
| 0                       | 0                    | 0                     |
| 29                      | 14                   | 43                    |
| <u>0</u>                | <u>0</u>             | <u>0</u>              |
| \$ 9                    | \$ (9)               | \$ 0                  |
| \$ 4                    | \$ 0                 | \$ 4                  |
| \$ 14                   | \$ 0                 | \$ 14                 |

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**1997 Disclosure**

**Reconciliation of Funded  
 Status as of  
 September 30, 1997**

Accumulated  
 Postretirement Benefit  
 Obligation (APBO) as of  
 9/30/97

- Retirees
- Fully Eligible Actives
- Other Actives
- Total APBO

Assets, 9/30/97

Funded Status, 9/30/97

Fourth Quarter  
 Contributions

Unrecognized:  
 Transition Obligation

Net Loss/(Gain)

Prior Service Cost

(Accrued)/Prepaid  
 Postretirement  
 Benefit Cost as of  
 December 31, 1997

Effect of a One Percentage  
 Point Increase in Assumed  
 Health Care Cost Trend  
 Rate on:

Aggregate of Service Cost  
 and Interest Cost

APBO

**Accounting  
 Requirements (In 000s)**

| <b>Enershop<br/>Medical</b> | <b>Enershop<br/>LIFE</b> | <b>Enershop<br/>Total</b> |
|-----------------------------|--------------------------|---------------------------|
| \$ 6                        | \$ 2                     | \$ 8                      |
| 5                           | 1                        | 6                         |
| (1)                         | 0                        | (1)                       |
| 1                           | 0                        | 1                         |
| <u>    </u>                 | <u>    </u>              | <u>    </u>               |
| \$ 0                        | \$ (1)                   | \$ (1)                    |
| 0                           | 0                        | 0                         |
| <u>  0  </u>                | <u>  0  </u>             | <u>  0  </u>              |
| <u>\$ 0</u>                 | <u>\$ (1)</u>            | <u>\$ (1)</u>             |
| \$ 11                       | \$ 2                     | \$ 13                     |

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**Accounting  
Requirements (In 000s)**

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**1997 Disclosure**

**Net Periodic  
Postretirement  
Benefit Cost for 1997**

Service Cost

Interest Cost

Actual (Return)/Loss on  
Assets

Amortization of  
Unrecognized Transition  
Obligation

Other Components:

Net Deferred Asset  
Gain/(Loss)

Amortization of  
Unrecognized Prior  
Service Cost

Amortization of  
Unrecognized  
(Gain)/Loss

Total of Other  
Components

**Benefit Cost for 1997**

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**Accounting Requirements (in 000s)**

| <b>Evershop Medical</b> | <b>Evershop Life</b> | <b>Evershop Total</b> |
|-------------------------|----------------------|-----------------------|
|-------------------------|----------------------|-----------------------|

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|             |            |             |
|-------------|------------|-------------|
| \$ 0        | \$ 0       | 0           |
| 0           | 0          | 0           |
| <u>(23)</u> | <u>(6)</u> | <u>(29)</u> |
| \$ (23)     | \$ (6)     | \$ (29)     |
| <u>23</u>   | <u>0</u>   | <u>23</u>   |
| \$ 0        | \$ (6)     | \$ (6)      |
| 3           | 0          | 3           |
| 0           | 0          | 0           |
| (1)         | 4          | 3           |
| <u>0</u>    | <u>0</u>   | <u>0</u>    |
| \$ 2        | \$ (2)     | \$ 0        |
| \$ 2        | \$ 0       | \$ 2        |
| \$ 6        | \$ 0       | \$ 6        |

**Accounting Requirements (in 000s)**

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**1997 Disclosure**

**Reconciliation of Funded Status as of September 30, 1997**

Accumulated Postretirement Benefit Obligation (APBO) as of 9/30/97

Retirees

Fully Eligible Actives

Other Actives

Total APBO

Assets, 9/30/97

Funded Status, 9/30/97

Fourth Quarter Contributions

Unrecognized: Transition Obligation

Net Loss/(Gain)

Prior Service Cost

(Accrued)/Prepaid Postretirement Benefit Cost as of December 31, 1997

Effect of a One Percentage Point Increase in Assumed Health Care Cost Trend Rate on:

Aggregate of Service Cost and Interest Cost

APBO

A47

# Inflation Rates



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Wage Escalation Rate

|                          | 1997    |         | COMBINED | Escalation Weighted |              |
|--------------------------|---------|---------|----------|---------------------|--------------|
|                          | CYPRESS | AUGUSTA |          | Escalation          | Weighted     |
| Retirement Plan          | 6.69%   | 4.14%   | 5.41%    | 4.00%               | 0.27%        |
| Savings Plan             | 2.97%   | 3.20%   | 3.08%    | 4.00%               | 0.12%        |
| Long Term Disability Pl: | 0.00%   | 1.40%   | 0.70%    | 4.00%               | 0.00%        |
| Medical Plan             | 10.15%  | 9.80%   | 9.98%    | 6.00%               | 0.61%        |
| Dental Plan              | 0.00%   | 0.70%   | 0.35%    | 9.80%               | 0.00%        |
| Group Life Insurance     | 1.12%   | 1.30%   | 1.21%    | 4.00%               | 0.04%        |
| FICA Tax                 | 7.34%   | 7.50%   | 7.42%    | 0.00%               | 0.00%        |
| State Unemployment Ins   | 0.20%   | 0.20%   | 0.20%    | 0.00%               | 0.00%        |
| Federal Unemployment I   | 0.12%   | 0.10%   | 0.11%    | 0.00%               | 0.00%        |
| Vacation Policy          | 0.00%   | 0.00%   | 0.00%    | 4.00%               | 0.00%        |
| Holiday Pay              | 0.00%   | 0.00%   | 0.00%    | 4.00%               | 0.00%        |
| Sick Pay Plan            | 1.08%   | 0.00%   | 0.54%    | 4.00%               | 0.04%        |
| Other                    | 9.18%   | 1.65%   | 5.42%    | 6.00%               | 0.55%        |
| Total                    | 38.85%  | 29.99%  | 34.42%   |                     |              |
| Wages                    | 61.15%  |         |          | 4.00%               | 2.45%        |
|                          |         |         |          |                     | <u>4.08%</u> |

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ASD

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Central and South West Corporation

FOR COMPANY BUSINESS ONLY

WP/FLAHERTY

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SUBJECT: 1998 CSW SALARY RANGES

TO: VENITA MCELLEN-ALLEN  
LANA HILLEBRAND  
PAUL DOUTY

FROM: KAREN JAVINE *Karen*

DATE: NOVEMBER 20, 1997

I have reviewed market data regarding trends in salary range adjustments for 1998. Attached are recommendations regarding the 1998 salary ranges and salary guidelines for 1998. These recommendations have been developed with the consideration that we will be looking to significantly change the CSW compensation structure during 1998.

I recommend that managers be allowed to use merit guidelines rather than a matrix to determine merit increases in 1998. Control over merit increases are built into the budgeting process. Overall merit budget guidelines were 4% for 1998. This process would not give managers more budgeted salary dollars to spend but rather would give them greater flexibility in the distribution of those dollars.

If I have approval from each of you, it would be my intent to notify the other Chairman Council members of these recommendations by way of a memo. I would hope that these recommendations could be approved by December 12.

If you have any questions or concerns regarding these recommendations, I will be happy to discuss.

A49

## 1998 SALARY PROGRAM RECOMMENDATIONS

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### Salary Structure

- Recommend 3.0% increase over 1997 salary ranges
- Competitive Structure Increases  
Hewitt Associates 1997-1998 Salary Increase Survey  
1,244 participants

|                  | <u>Executive</u> | <u>Exempt</u> | <u>Nonexempt</u> |
|------------------|------------------|---------------|------------------|
| Total U.S. Firms | 3.2              | 3.1           | 3.0              |
| Utilities        | 3.0              | 2.7           | 2.8              |
| Regional         | 2.8              | 2.9           | 2.8              |

American Compensation Association 1997-1998 Total Salary Increase Budget Survey - 2,602 participants

|                  | <u>Executive</u> | <u>Exempt</u> | <u>Nonexempt</u> |
|------------------|------------------|---------------|------------------|
| Total U.S. Firms | 2.7              | 2.8           | 2.7              |
| Utilities        | 2.7              | 2.7           | 2.6              |
| Regional         | 2.7              | 2.8           | 3.0              |

- Rationale
  - Market indicates range adjustments for 1998 are tracking around 3%
  - A new corporate structure will be implemented during 1998. Adjusting the ranges effective 1/1/98 will allow for better transition in regard to merit increase being given throughout the year, i.e. employees at maximum of current ranges.
  - Minimum adjustment cost is a little over \$396,000. As a comparison a structure adjustment of 2.5% creates a minimum adjustment cost of around \$322,000.

### Salary Increase Budget

- Merit budget guidelines - 4%
- Market data indicates:

Hewitt Associates 1997-1998 Salary Increase Survey  
1,244 participants

|                  | <u>Executive</u> | <u>Exempt</u> | <u>Nonexempt</u> |
|------------------|------------------|---------------|------------------|
| Total U.S. Firms | 4.3              | 4.1           | 4.0              |
| Utilities        | 4.0              | 3.9           | 3.7              |
| Regional         | 4.3              | 4.0           | 4.0              |

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American Compensation Association 1997-1998 Total Salary Increase Budget Survey - 2,602 participants

|                  | <u>Executive</u> | <u>Exempt</u> | <u>Nonexempt</u> |
|------------------|------------------|---------------|------------------|
| Total U.S. Firms | 4.4              | 4.3           | 4.2              |
| Utilities        | 4.1              | 3.8           | 3.8              |
| Regional         | 4.4              | 4.2           | 4.1              |

**Merit Guidelines**

- Adapt use of merit increase guidelines instead of a merit matrix
- Guidelines for 1998 would be a slight increase over 1997
- Revise guidelines to focus on performance - not position in range
- Revise guidelines to coincide with new performance management system ratings
  
- Rationale
  - Increased budget of 4% allows for more latitude in spreading dollars
  - New matrix provides first step in having supervisors focus on paying for performance/key employees
  
- Recommended guidelines:

| <u>Performance Category</u> | <u>Merit Guidelines</u> |
|-----------------------------|-------------------------|
| Exceeds expectations        | 0 to 7%                 |
| Meets all expectations      | 0 to 5%                 |
| Meets most expectations     | 0 to 3%                 |
| Below expectations          | No increase             |

These guidelines will require communication to managers how it is to be used. Attached is the written communication that would be distributed regarding salary ranges and guidelines.

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## CENTRAL AND SOUTH WEST 1998 MERIT BUDGET GUIDELINES

CSW's 1998 merit budget guidelines are 4%. These merit guidelines are competitive with the market for utility companies as well as general industry. To help supervisors administer their merit increases, the following guidelines have been defined. These guidelines focus on performance.

With increased competition for hard-to-replace skills, concern over not being able to retain key employees and unemployment rates being the lowest in almost 30 years, it is very important that each supervisor recognize the level of performance and ensure that those making the most contributions to the success of their organization are being effectively recognized for their efforts.

**Instructions:**

1. Identify the amount of payroll dollars available to your area.
2. Identify performance category of employee. Review performance of employee against position in salary range and performance of other employees within your area.
3. Apply the following guidelines:

| <u>Performance Category</u> | <u>Merit Guidelines</u> |
|-----------------------------|-------------------------|
| Exceeds expectations        | 0 to 7%                 |
| Meets all expectations      | 0 to 5%                 |
| Meets most expectations     | 0 to 3%                 |
| Below expectations          | No increase             |

4. Identify the impact of the merit increase you have indicated against the budget dollars available.
5. Employees who are at or above the range maximum are not eligible for a salary increase.
6. Employees who are in the below expectations performance category are not eligible for a salary increase.

AS2

**To:** Karen Javine  
Paul Douty  
**From:** Lou Ann Lane  
**Date:** November 14, 1997  
**Subject:** Economic Impact of Proposed Range Increases

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Karen,

The following represents pre-tax income impact for bringing employees up to the minimum of the proposed range:

|                   | 2.5% Increase | 3.0% Increase |
|-------------------|---------------|---------------|
| Exempt            | \$ 253,781    | \$ 313,684    |
| Dallas Non Exempt | 451           | 802           |
| Other Non Exempt  | <u>68,734</u> | <u>82,025</u> |
| Total             | \$ 322,966    | \$ 396,511    |

I have attached the tables showing both the 2.5% and 3% change. Please call if you have any questions.

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