

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101

ESTIMATE
06-Dec-13

UNIT 1
POWER BILL - - November, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF November, 2013
 KWH FOR THE MONTH 113,852,850

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	259,107
Return on Other Capital	53,074
Total Return	312,181
Fuel	3,041,035
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	413,539
Depreciation Expense	495,270
Taxes Other Than Federal Income Tax	138,116
Federal Income Tax	579,323
TOTAL CURRENT UNIT POWER BILL	4,976,839

Prior Month's Adjustment:

Return on Common Equity & Other Capital	(740)
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(19,283)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(20,023)

TOTAL UNIT POWER BILL	4,956,816
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AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - December 20, 2013

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus
 Diane Keegan - Columbus

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
06-Dec-13

UNIT 1
POWER BILL - - November, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF November, 2013
 KWH FOR THE MONTH 265,656,650

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		604,582
Return on Other Capital		123,840
Total Return		----- 728,422
Fuel		7,095,749
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		964,926
Depreciation Expense		1,155,630
Taxes Other Than Federal Income Tax		322,270
Federal Income Tax		1,351,752
TOTAL UNIT POWER BILL		----- 11,612,623 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		(1,727)
Fuel		0
Other Expenses (Includes taxes & interest)		(44,991)
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- (46,718) -----
TOTAL UNIT POWER BILL		=====
		11,565,905 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - December 20, 2013
 Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus Kevin Amburgey-Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 SUMMARY OF MONTHLY POWER BILL**

November, 2013

06-Dec-13

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	863,689	259,107	604,582
Return on Other Capital	176,914	53,074	123,840
Total Return	1,040,603	312,181	728,422
+ Fuel	10,136,784	3,041,035	7,095,749
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,378,465	413,539	964,926
+ Depreciation Expense	1,650,900	495,270	1,155,630
+ Taxes Other Than Federal Income Tax	460,386	138,116	322,270
+ Federal and State Income Tax	631,075	189,323	441,752
= Total Unit 1 Monthly Power Bill	15,289,462	4,586,839	10,702,623
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,040,603	312,181	728,422
+ Unit 1 Schedule M Adjustments	(653,845)	(196,153)	(457,692)
+ Unit 1 Deferred Federal Income Taxes	338,070	101,421	236,649
- Unit 1 Interest Expense Deduction *	180,676	54,203	126,473
= Subtotal	544,152	163,246	380,906
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	293,005	87,902	205,103
+ Unit 1 Def Fed & State Income Taxes	338,070	101,421	236,649
= Total Unit 1 Fed&State Income Taxes	631,075	189,323	441,752
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	15,289,462	4,586,839	10,702,623
- Operation and Maintenance Expenses	11,515,249	3,454,574	8,060,674
- Depreciation Expense	1,650,900	495,270	1,155,630
- Taxes Other Than Federal Income Tax	460,386	138,116	322,270
- Unit 1 Interest Expense Deduction *	180,676	54,203	126,473
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,491,002	447,301	1,043,701
+ Unit 1 Schedule M Adjustments	(653,845)	(196,153)	(457,692)
= Unit 1 Taxable Income	837,157	251,148	586,009
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	293,005	87,902	205,103
+ Unit 1 Def Fed & State Income Taxes	338,070	101,421	236,649
= Total Unit 1 Fed&State Income Taxes	631,075	189,323	441,752

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
OPERATING RATIO**

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<u>Line No.</u>		<u>UNIT 1 November, 2013</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	793,645,404
4	- Accumulated Depreciation	563,270,070
5	+ Materials & Supplies	69,564,364
6	+ Prepayments	121,879
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(23,513,891)
10	+ Unamortized Debt Expense (A/C 181)	176,668
11	+ Deferred ASH pond cost (A/C182.3)	2,879,258
12	- Asset Retirement Obligation (A/C 230)	4,285,163
13	- Other Deferred Credits (A/C 253)	50,694,394
14	- Accumulated Deferred FIT	35,878,573
15	- Accumulated Deferred ITC	17,905,432
16	Total Net In-Service Investment	170,840,051
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	49,829,887
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	49,829,887
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	1,639,480
25	+ Fuel Inventory Over Allowed Level ****	(3,418,579)
26	Total Non-In-Service Investment - Other	(744,999)
27	Total Investment (Lines 16+21+26)	219,924,940
28	Operating Ratio (Line 16/Line 27)	77.6811%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	22.6577%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-0.3388%
31	Total Investment	100.0000%

* As Permitted By FERC

** Excluding Amounts on Lines 7 and 8

*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and

**** Includes Rockport 1 and 2

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
NET IN-SERVICE INVESTMENT RATIO**

<u>Line No.</u>	<u>UNIT 1</u> <u>November, 2013</u>	
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	655,740,042
4	- Accumulated Depreciation	430,967,086
5	+ Materials & Supplies	36,491,472
6	+ Prepayments	60,939
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(1,452,061)
10	+ Unamortized Debt Expense (A/C 181)	88,334
11	+ Deferred ASH pond cost (A/C182.3)	1,439,629
12	- Asset Retirement Obligation (A/C 230)	2,142,581
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,818,541
15	- Accumulated Deferred ITC	11,368
16	Total Unit 1 Net In-Service Investment	215,428,778
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	137,905,362
19	- Accumulated Depreciation	132,302,984
20	+ Materials & Supplies	33,072,893
21	+ Prepayments	60,939
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(22,061,830)
25	+ Unamortized Debt Expense (A/C 181)	88,334
26	+ Deferred ASH pond cost (A/C182.3)	1,439,629
27	- Asset Retirement Obligation (A/C 230)	2,142,581
28	- Other Deferred Credits (A/C 253)	50,694,394
29	- Accumulated Deferred FIT	(7,939,969)
30	- Accumulated Deferred ITC	17,894,064
31	Total Unit 2 Net In-Service Investment	(44,588,727)
32	Total Net In-Service Investment	170,840,051
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	126.1000%
35	Unit 2 (Line 31 / Line 32)	-26.1000%
		100.0000%
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
 COMMON EQUITY & OTHER CAPITAL**

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<u>Line No.</u>		<u>UNIT 1 November, 2013</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	62,085,020
4	+ Preferred Stock	0
5	+ Common Equity	89,661,248
6	- Temporary Cash Investments	0

7	Net Capitalization	216,580,987
		=====
8	40% of Net Capitalization	86,632,395
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	86,632,395
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	877,872
13	x Operating Ratio	77.6811%
14	x Net In-Service Investment Ratio	126.1000%
15	= Subtotal	859,927
16	Excess of Line 5 Over Line 8	3,028,853
17	x Weighted Cost of Debt (Monthly Rate)	0.1268%
18	= Return on Equity over 40% of Capitalization	3,841
19	x Operating Ratio	77.6811%
20	x Net In-Service Investment Ratio	126.1000%
21	= Subtotal	3,762

22	Unit 1 Return on Equity (Line 15 + Line 21)	863,689
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	143,539
25	+ Short-Term Debt Interest Expense (a/c 430)	37,067
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	180,606
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	180,606
31	x Operating Ratio	77.6811%
32	x Net In-Service Investment Ratio	126.1000%
33	= Unit 1 Return on Other Capital	176,914
	* Line 6 x Line 19 from Pg 6 of 18	=====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETERMINATION OF WEIGHTED COST OF DEBT**

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<u>Line No.</u>		<u>UNIT 1 November, 2013</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	62,085,020
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	126,919,739
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	51.0832%
8	+ Short-Term Debt (STD bal/Total Debt bal)	48.9168%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6936%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3417%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3760%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1671%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	1.5431%

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES**

<u>Line No.</u>	<u>UNIT 1</u> <u>November, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>
2	Fuel Stock - Coal (per Line 23) 21,352,690
3	Fuel Stock Expenses - Undistributed (152) 949,381
4	Fuel Stock - Oil (151) 1,691,940
5	Plant Materials & Operating Supplies 12,497,461
6	Merchandise 0
7	Undistributed Stores Expense 0
8	Total Materials & Supplies 36,491,472
9	<u>Support of Coal Inventory Value:</u>
10	Actual Coal Inventory (a/c 151.10) 17,934,111
11	+ Equivalent Inventory re: Deferred Return 20,465,855,612
12	= Imputed Coal Inventory 20,483,789,723
13	<u>Coal Inventory W/68 Day Supply Cap</u>
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24 2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511 8031.6
16	= Tons Consumed per Hour 324.12
17	x 24 Hours per Day 24
18	= Tons Consumed Per Day 7778.88
19	x 68 days 68
20	= 68 day Supply (Tons) 528,964
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month) 40.367
22	= 68 day Coal Inventory 21,352,690
23	Lesser of Imputed or Capped Coal Inventory 21,352,690
24	Imputed Inventory Minus Line 23 20,462,437,033
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>
26	Beginning Balance 144,461,727
27	+ Current Month Return on Beginning Balance 1,026,957
28	+ Current Month Deferral 0
29	- Current Month Recovery 23,762
30	= Ending Balance ** 145,464,922

* Excludes Forced Outages,Scheduled Outages,and Curtailments
 ** May Not Be Less Than Zero

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 November, 2013</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	<u>(8,750)</u>

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF OPERATION & MAINTENANCE EXPENSES**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 November, 2013</u>
1	500,502-508	Steam Power Generation - Operation	432,560
2	501	Fuel - Operation	10,136,784
3	510-515	Steam Power Generating - Maintenance	781,169
4		Total Steam Power Generation Expenses	11,350,513
5	555-557	Other Power Supply Expenses	(21,860)
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	185,140
16	935	Administrative and General Expenses - Maintenance	1,456
17		Total Administrative & General Exp.	186,596
18		Total Operation & Maintenance Expenses	11,515,249

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF DEPRECIATION EXPENSE
 AND AMORTIZATION EXPENSES**

			UNIT 1
			November, 2013
<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,631,513
1a	403.1	ARO Depreciation Expense	3,343
	2 404	Amortization of Limited-Term Electric Plant	0
	3 405	Amortization of Other Electric Plant	0
	4 406	Amortization of Electric Plant Acquistion Adjustments	0
	5 407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
	6	Total Depreciation Exp. & Amortization	1,634,856
	7 411.10	ARO Accretion Expense	16,044
	8	Total Depreciation, Amortization & Accretion Expenses	1,650,900

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 November, 2013</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	165,231
2	409.1	State Income Taxes	295,155
3		Total Taxes Other than FIT	460,386

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 1 SCHEDULE 'M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

**UNIT 1
 November, 2013**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	(18,500)	(5,550)	(12,950)
4	N/A	Other Unit 1 Schedule 'M' Adjustments	(638,345)	(191,503)	(446,842)
5	***	Total Unit 1 Schedule 'M' Adjustments	(653,845)	(196,153)	(457,692)
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	289,997	86,999	202,998
8	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(2,639)	(792)	(1,847)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(51)	(15)	(36)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	50,763	15,229	35,534
12	***	Total Unit 1 Deferred Federal Income Tax	338,070	101,421	236,649

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

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**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

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**UNIT 1
 November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	653,952,574
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	1,787,468
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	655,740,042
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	430,495,308
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	471,778
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	430,967,086
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,044,630
22	152	Fuel Stock Expenses - Undistributed	949,381
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,497,461
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	36,491,472
29	165	Prepayments	60,939
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL** Pg 13a of 18
**OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
 AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 November, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	17,166,562
6	171	Interest and Dividends Receivable	1,034
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,970)
9	234	Accounts Payable-Associated Company	(13,720,349)
10	236	Taxes Accrued	(1,569,284)
11	237	Interest Accrued	(76,288)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,239,766)

15		Total Other Working Capital	(1,452,061)
			=====
16	181	Unamortized Debt Expense	88,334

17	253	Other Deferred Credits	0

* debit <credit>

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

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**UNIT 1
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,047,073
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,991,353
35	283	+Accumulated Deferred Income Taxes - Other	874,261
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	43,818,541
37	255	+Accumulated Deferred Investment Tax Credits	11,368
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	11,368
40		Total Net In-Service Investment - Unit 1	216,131,731

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 November, 2013</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	49,829,887
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	----- 0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 49,829,887 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,639,480
20	151.10	Fuel Inventory Over Allowed Level *	(3,418,579)
21		Total Non-In-Service Investment - Other	----- (744,999) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(3,418,579)
		UNIT 2	0
		TOTAL	----- (3,418,579) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET CAPITALIZATION**

Pg 16 of 18

**UNIT 1
 November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	83,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	83,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,799,261
21		Total Retained Earnings	5,799,261
22		Total Common Equity	89,661,248
23		<u>PREFERED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET CAPITALIZATION (Cont'd)**

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**UNIT 1
 November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,834,718
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	62,085,020
38		Total Short-Term Debt	62,085,020
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	216,580,987

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>	<u>UNIT 1</u> <u>November, 2013</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>
2	Long-Term Debt (Accts 221 thru 226) 64,834,718
3	+ Short-Term Debt (Accts 231 + 233) 62,085,020
4	+ Preferred Stock 0
5	+ Common Equity (Accts 201 thru 216) 89,661,248
6	- Capitalization Offsets 0
7	Total Capitalization Balances 216,580,987
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt (LTD/Total Capital) 29.9356%
10	+ Short-Term Debt (STD/Total Capital) 28.6660%
11	+ Preferred Stock 0.0000%
12	+ Common Equity (Common Equity/Total Capital) 41.3985%
13	- Capitalization Offsets 0.0001%
14	Total Capitalization 100.0000%
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt (avg LTD int rate) 2.6936%
17	Short-Term Debt (avg money pool STD int rate) 0.3417%
18	Preferred Stock 0.0000%
19	Common Equity (FERC fixed rate) 12.1600%
20	Capitalization Offsets (sum of weighted costs of debt) 1.5431%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt (LTD % x avg LTD int rate) 0.8063%
23	+ Short-Term Debt (STD % x avg MP STD int rate) 0.0980%
24	+ Preferred Stock 0.0000%
25	+ Common Equity (CE % x FERC fixed rate) 5.0341%
26	- Capitalization Offsets 0.0000%
27	Total Rate of Return (Net of Tax) 5.9384%
28	Weighted Net Cost of Debt 0.9043%
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.7448%
30	= Rate of Return (Pre-Tax) 8.6491%

A E P GENERATING COMPANY

**November, 2013
 ESTIMATE**

**ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

500	SUPERVISION AND ENGINEERING	116,720
501	FUEL	10,136,784
502	STEAM EXPENSES	181,559
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	67,403
506	MISC. STEAM POWER EXPENSES	66,701
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	10,569,344
510	MAINTENANCE SUPER. AND ENGINEERING	89,849
511	MAINTENANCE OF STRUCTURES	49,458
512	MAINTENANCE OF BOILER PLANT	544,593
513	MAINTENANCE OF ELECTRIC PLANT	63,263
514	MAINTENANCE OF MISC. STEAM PLANT	34,006
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	781,169
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(5,642)
557	OTHER POWER SUPPLY EXPENSES	(16,218)
	TOTAL OTHER SUPPLY EXPENSES	(21,860)

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO

0

NO OF DAYS IN CURRENT MO
 NO OF DAYS IN CURRENT YEAR
 CURRENT YEAR IS
 CURRENT MONTH IS
 THIS BILLING IS FOR MONTH OF

30
 365
 2013
 11
 November, 2013

A E P GENERATING COMPANY

**November, 2013:
 ESTIMATE**

**ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	59,006
921	OFFICE SUPPLIES AND EXPENSES	8,189
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	17,996
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,137
926	EMPLOYEE PENSIONS AND BENEFITS	87,327
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(14)
931	RENTS	746
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	185,140
935	MAINTENANCE OF GENERAL PLANT	1,456
	TOTAL ADM & GEN EXPENSES	186,596
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	11,515,249
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	11,515,249
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
06-Dec-13

UNIT 2
POWER BILL - - November, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF November, 2013
 KWH FOR THE MONTH 294,932,050

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(125,726)
Return on Other Capital	(25,753)
Total Return	(151,479)
Fuel	7,776,385
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,610,681
Depreciation Expense	685,209
Taxes Other Than Federal Income Tax	319,750
Federal Income Tax	(19,419)
TOTAL CURRENT UNIT POWER BILL	13,215,002
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	2,089
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(131,795)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(129,706)
TOTAL UNIT POWER BILL	13,085,296

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - December 20, 2013

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101

ESTIMATE
06-Dec-13

UNIT 2
POWER BILL - - November, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF November, 2013
 KWH FOR THE MONTH 126,399,450

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(53,883)
Return on Other Capital	(11,037)
Total Return	----- (64,920)
Fuel	3,332,736
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	1,976,007
Depreciation Expense	293,661
Taxes Other Than Federal Income Tax	137,036
Federal Income Tax	(8,322)
TOTAL CURRENT UNIT POWER BILL	----- 5,663,573 =====

Prior Month's Adjustment:

Return on Common Equity & Other Capital	895
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(56,483)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (55,588) -----

=====

TOTAL UNIT POWER BILL **5,607,985**

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - December 20, 2013

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft. Wayne	
Mike Giardina - Columbus	
Sid Lyons - Columbus	Michelle Howell - Columbus

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 SUMMARY OF MONTHLY POWER BILL**

November, 2013

06-Dec-13

	<u>TOTAL UNIT 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(179,609)	(53,883)	(125,726)
Return on Other Capital	(36,790)	(11,037)	(25,753)
Total Return	(216,399)	(64,920)	(151,479)
+ Fuel	11,109,121	3,332,736	7,776,385
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,586,688	1,976,007	4,610,681
+ Depreciation Expense	978,870	293,661	685,209
+ Taxes Other Than Federal Income Tax	456,786	137,036	319,750
+ Federal and State Income Tax	(27,741)	(8,322)	(19,419)
= Total Unit 2 Monthly Power Bill	18,878,575	5,663,573	13,215,002
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(216,399)	(64,920)	(151,479)
+ Unit 2 Schedule M Adjustments	(429,649)	(128,895)	(300,754)
+ Unit 2 Deferred Federal Income Taxes	194,934	58,480	136,454
- Unit 2 Interest Expense Deduction *	(37,572)	(11,272)	(26,300)
= Subtotal	(413,541)	(124,062)	(289,479)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(222,676)	(66,803)	(155,873)
+ Unit 2 Def Fed & State Income Taxes	194,934	58,480	136,454
= Total Unit 2 Fed&State Income Taxes	(27,741)	(8,322)	(19,419)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	18,878,575	5,663,573	13,215,002
- Operation and Maintenance Expenses	17,695,809	5,308,743	12,387,066
- Depreciation Expense	978,870	293,661	685,209
- Taxes Other Than Federal Income Tax	456,786	137,036	319,750
- Unit 2 Interest Expense Deduction *	(37,572)	(11,272)	(26,300)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(206,568)	(61,970)	(144,598)
+ Unit 2 Schedule M Adjustments	(429,649)	(128,895)	(300,754)
= Unit 2 Taxable Income	(636,217)	(190,865)	(445,352)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(222,676)	(66,803)	(155,873)
+ Unit 2 Def Fed & State Income Taxes	194,934	58,480	136,454
= Total Unit 2 Fed&State Income Taxes	(27,742)	(8,323)	(19,419)

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>	<u>UNIT 2 November, 2013</u>
1	Operating Ratio:
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 793,645,404
4	- Accumulated Depreciation 563,270,070
5	+ Materials & Supplies 69,564,364
6	+ Prepayments 121,879
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (23,513,891)
10	+ Unamortized Debt Expense (A/C 181) 176,668
11	+ Deferred ASH pond cost (A/C182.3) 2,879,258
12	- Asset Retirement Obligation (A/C 230) 4,285,163
13	- Other Deferred Credits (A/C 253) 50,694,394
14	- Accumulated Deferred FIT 35,878,573
15	- Accumulated Deferred ITC 17,905,432
16	Total Net In-Service Investment 170,840,051
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 49,829,887
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 49,829,887
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 0
24	+ Other Deferred Debits (A/C 186) ** 1,639,480
25	+ Fuel Inventory Over Allowed Level **** (3,418,579)
26	Total Non-In-Service Investment - Other (1,779,099)
27	Total Investment (Lines 16+21+26) 218,890,840
28	Operating Ratio (Line 16/Line 27) 78.0481%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 22.7647%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) -0.8128%
31	Total Investment 100.0000%
	* As Permitted By FERC
	** Excluding Amounts on Lines 7 and 8
	*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242
	**** Includes Rockport 1 and 2

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 NET IN-SERVICE INVESTMENT RATIO**

Pg 4 of 18

<u>Line No.</u>		<u>UNIT 2 November, 2013</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	137,905,362
4	- Accumulated Depreciation	132,302,984
5	+ Materials & Supplies	33,072,893
6	+ Prepayments	60,939
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(22,061,830)
10	+ Unamortized Debt Expense (A/C 181)	88,334
11	+ Deferred ASH pond cost (A/C182.3)	1,439,629
12	- Asset Retirement Obligation (A/C 230)	2,142,581
13	- Other Deferred Credits (A/C 253)	50,694,394
14	- Accumulated Deferred FIT	(7,939,969)
15	- Accumulated Deferred ITC	17,894,064
16	Total Unit 2 Net In-Service Investment	(44,588,727)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	655,740,042
19	- Accumulated Depreciation	430,967,086
20	+ Materials & Supplies	36,491,472
21	+ Prepayments	60,939
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(1,452,061)
25	+ Unamortized Debt Expense (A/C 181)	88,334
26	+ Deferred ASH pond cost (A/C182.3)	1,439,629
27	- Asset Retirement Obligation (A/C 230)	2,142,581
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,818,541
30	- Accumulated Deferred ITC	11,368
31	Total Unit 1 Net In-Service Investment	215,428,778
32	Total Net In-Service Investment	170,840,051
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-26.1000%
35	Unit 1 (Line 31 / Line 32)	126.1000%
		100.0000%
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
 COMMON EQUITY & OTHER CAPITAL**

Pg 5 of 18

<u>Line No.</u>		<u>UNIT 2 November, 2013</u>
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	62,085,020
4	+ Preferred Stock	0
5	+ Common Equity	89,661,248
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 216,580,987 =====
8	40% of Net Capitalization	86,632,395
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	86,632,395
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	877,872
13	x Operating Ratio	78.0481%
14	x Net In-Service Investment Ratio	-26.1000%
15	= Subtotal	(178,827)
16	Excess of Line 5 Over Line 8	3,028,853
17	x Weighted Cost of Debt (Monthly Rate)	0.1268%
18	= Return on Equity over 40% of Capitalization	3,841
19	x Operating Ratio	78.0481%
20	x Net In-Service Investment Ratio	-26.1000%
21	= Subtotal	(782)
22	Unit 2 Return on Equity (Line 15 + Line 21)	----- (179,609) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	143,539
25	+ Short-Term Debt Interest Expense (a/c 430)	37,067
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 180,606
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 180,606
31	x Operating Ratio	78.0481%
32	x Net In-Service Investment Ratio	-26.1000%
33	= Unit 2 Return on Other Capital	----- (36,790) =====

* Line 6 x Line 19 from Pg 6 of 18

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETERMINATION OF WEIGHTED COST OF DEBT**

Pg 6 of 18

<u>Line No.</u>		<u>UNIT 2 November, 2013</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	62,085,020
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	126,919,739
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	51.0832%
8	+ Short-Term Debt (STD bal/Total Debt bal)	48.9168%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6936%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3417%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3760%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1671%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.5431%
		=====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES**

Pg 7 of 18

<u>Line No.</u>	<u>INCLUDE A/C 431 ON PG 5</u>	<u>UNIT 2</u> <u>November, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	17,934,111
3	Fuel Stock Expenses - Undistributed (152)	949,381
4	Fuel Stock - Oil (151)	1,691,940
5	Plant Materials & Operating Supplies	12,497,461
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	----- 33,072,893 =====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	17,934,111
11	+ Equivalent Inventory re: Deferred Return	914,110,411
12	= Imputed Coal Inventory	----- 932,044,522 -----
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,539,993
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7927.0
16	= Tons Consumed per Hour	320.42
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7690.08
19	x 68 days	68
20	= 68 day Supply (Tons)	522,925
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	40.367
22	= 68 day Coal Inventory	----- 21,108,913 -----
23	Lesser of Imputed or Capped Coal Inventory	21,108,913
24	Imputed Inventory Minus Line 23	----- 910,935,609 =====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,452,404
27	+ Current Month Return on Beginning Balance	45,869
28	+ Current Month Deferral	22,255
29	- Current Month Recovery	0
30	= Ending Balance **	----- 6,520,528 =====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	18,633,717
	Total Unit 2 Monthly Power Bill with 68 Day Capped	18,655,972
	Difference	22,255

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

Pg 8 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2</u> <u>November, 2013</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL** Pg 9 of 18
DETAIL OF OPERATION & MAINTENANCE EXPENSES

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 November, 2013</u>
1	500,502-508	Steam Power Generation - Operation	5,977,661
2	501	Fuel - Operation	11,109,121
3	510-515	Steam Power Generating - Maintenance	285,194
4		Total Steam Power Generation Expenses	17,371,976
5	555-557	Other Power Supply Expenses	(21,860)
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expennse - Maintenance	0
11		Total Distribution Expensese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	344,237
16	935	Administrative and General Expenses - Maintenance	1,456
17		Total Administrative & General Exp.	345,693
18		Total Operation & Maintenance Expenses	17,695,809

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES**

Pg 10 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 November, 2013</u>
1	403	Depreciation Expense *	438,949
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	520,534
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			—
6		Total Depreciation Exp. & Amortization	962,826
			=
7	411.10	ARO Accretion Expense	16,044
8		Total Depreciation, Amortization & Accretion Expenses	978,870

* Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

* Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

** Rockport 2 Leasehold Improvements Amortization rate = 3.03%

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL**
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

Pg 11 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2</u> <u>November, 2013</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	161,631
2	409.1	State Income Taxes	295,155
3		Total Taxes Other than Federal Income Taxes	456,786

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

**Pg 12 of 18
 UNIT 2
 November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	128,500	38,550	89,950
4	N/A	Other Unit 2 Schedule `M' Adjustments	(561,149)	(168,345)	(392,804)
5	***	Total Unit 2 Schedule `M' Adjustments	(429,649)	(128,895)	(300,754)
<hr/>					
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(29,253)	(8,776)	(20,477)
8	10.1&411.Other Unit 2 Schedule `M' Adjustments -				
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(11,892)	(3,568)	(8,324)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(181)	(54)	(126)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	236,260	70,878	165,382
12	***	Total Unit 2 Deferred Federal Income Tax	194,934	58,480	136,454

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

Check Figure on Tax Page for Sch M	(429,649)
Check Figure on Tax Page for DFIT	194,934

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2**

Pg 13 of 18

**UNIT 2
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	116,810,846
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	21,094,516
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	137,905,362
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	111,559,197
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	20,743,787
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	132,302,984
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	19,626,051
22	152	Fuel Stock Expenses - Undistributed	949,381
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,497,461
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	33,072,893
29	165	Prepayments	60,939
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

Pg 13a of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 November, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	17,488,387
6	171	Interest and Dividends Receivable	1,034
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,970)
9	234	Accounts Payable-Associated Company	(13,660,348)
10	236	Taxes Accrued	811,140
11	237	Interest Accrued	(76,288)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(26,611,785)
15		Total Other Working Capital	(22,061,830)
			=====
16	181	Unamortized Debt Expense	88,334
17	253	Other Deferred Credits	50,694,394

*	debit <credit>		

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL**

DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2(Cont'd)

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 November, 2013</u>
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	21,106,253
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	12,179,511
35	283	+Accumulated Deferred Income Taxes - Other	986,773
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>(7,939,969)</u>
37	255	+Accumulated Deferred Investment Tax Credits	17,894,064
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>17,894,064</u>
40		Total Net In-Service Investment - Unit 2	<u><u>(43,885,775)</u></u>

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL**

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DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 November, 2013</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	49,829,887
2		<u>MATERIAL AND SUPPLIES</u>	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	49,829,887
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,639,480
20	151.10	Fuel Inventory Over Allowed Level *	(3,418,579)
21		Total Non-In-Service Investment - Other	(1,779,099)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(3,418,579)
		UNIT 2	0
		TOTAL	(3,418,579)

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

Pg 16 of 18

**UNIT 2
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	83,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	83,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	5,799,261
21		Total Retained Earnings	5,799,261
22		Total Common Equity	89,661,248
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

Pg 17 of 18

**UNIT 2
November, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,834,718
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	62,085,020
38		Total Short-Term Debt	62,085,020
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	216,580,987

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL** Page 18 of 18
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

<u>Line No.</u>	<u>UNIT 2</u> <u>November, 2013</u>
1	Capitalization Balances (Prior Month Ending) :
2	Long-Term Debt (Accts 221 thru 226) 64,834,718
3	+ Short-Term Debt (Accts 231 + 233) 62,085,020
4	+ Preferred Stock 0
5	+ Common Equity (Accts 201 thru 216) 89,661,248
6	- Capitalization Offsets 0
7	Total Capitalization Balances 216,580,987
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt (LTD/Total Capital) 29.9356%
10	+ Short-Term Debt (STD/Total Capital) 28.6660%
11	+ Preferred Stock 0.0000%
12	+ Common Equity (Common Equity/Total Capital) 41.3985%
13	- Capitalization Offsets 0.0001%
14	Total Capitalization 100.0000%
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt (avg LTD int rate) 2.6936%
17	Short-Term Debt (avg money pool STD int rate) 0.3417%
18	Preferred Stock 0.0000%
19	Common Equity (FERC fixed rate) 12.1600%
20	Capitalization Offsets (sum of weighted costs of debt) 1.5431%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt (LTD % x avg LTD int rate) 0.8063%
23	+ Short-Term Debt (STD % x avg MP STD int rate) 0.0980%
24	+ Preferred Stock 0.0000%
25	+ Common Equity (CE % x FERC fixed rate) 5.0341%
26	- Capitalization Offsets 0.0000%
27	Total Rate of Return (Net of Tax) 5.9384%
28	Weighted Net Cost of Debt 0.9043%
	(LTD Rate of Return + STD RR - Cap Offsets RR)
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.7448%
	(Common Equity Rate of Return grossed up for tax)
30	= Rate of Return (Pre-Tax) 8.6491%

A E P GENERATING COMPANY

**November, 2013
 ESTIMATE**

**ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

500	SUPERVISION AND ENGINEERING	115,179
501	FUEL	11,109,121
502	STEAM EXPENSES	64,672
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	41,722
506	MISC. STEAM POWER EXPENSES	65,659
507	RENTS	5,690,430
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	17,086,782
510	MAINTENANCE SUPER. AND ENGINEERING	88,846
511	MAINTENANCE OF STRUCTURES	16,330
512	MAINTENANCE OF BOILER PLANT	109,930
513	MAINTENANCE OF ELECTRIC PLANT	53,290
514	MAINTENANCE OF MISC. STEAM PLANT	16,798
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	285,194
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(5,642)
557	OTHER POWER SUPPLY EXPENSES	(16,218)
	TOTAL OTHER SUPPLY EXPENSES	(21,860)

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO

0

BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	30
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2013
CURRENT MONTH IS	11
THIS BILLING IS FOR MONTH OF	November, 2013

November, 2013
 ESTIMATE

Item No. 4
 Attachment 1
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A E P GENERATING COMPANY

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	65,923
921	OFFICE SUPPLIES AND EXPENSES	8,199
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	170,166
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,137
926	EMPLOYEE PENSIONS AND BENEFITS	87,327
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(14)
931	RENTS	746
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	344,237
935	MAINTENANCE OF GENERAL PLANT	1,456
	TOTAL ADM & GEN EXPENSES	345,693
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	17,695,809
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	17,695,809
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101

ESTIMATE
07-Jan-14

UNIT 1
POWER BILL - - December, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF December, 2013
 KWH FOR THE MONTH 137,910,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	260,055
Return on Other Capital	68,520
Total Return	328,575
Fuel	3,642,557
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	410,933
Depreciation Expense	492,334
Taxes Other Than Federal Income Tax	77,439
Federal Income Tax	(115,008)
TOTAL CURRENT UNIT POWER BILL	4,834,205

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	95,671

TOTAL PRIOR MONTH'S ADJUSTMENTS 95,671

TOTAL UNIT POWER BILL 4,929,876

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - January 20, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus
 Diane Keegan - Columbus

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
07-Jan-14

UNIT 1
POWER BILL - - December, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF December, 2013
 KWH FOR THE MONTH 321,790,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	606,796
Return on Other Capital	159,881
Total Return	766,677
Fuel	8,499,301
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	958,844
Depreciation Expense	1,148,781
Taxes Other Than Federal Income Tax	180,690
Federal Income Tax	(268,350)
TOTAL UNIT POWER BILL	11,279,817

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	223,235

TOTAL PRIOR MONTH'S ADJUSTMENTS 223,235

TOTAL UNIT POWER BILL 11,503,052

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - January 20, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus Kevin Amburgey - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 SUMMARY OF MONTHLY POWER BILL**

December, 2013

07-Jan-14

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	866,851	260,055	606,796
Return on Other Capital	228,401	68,520	159,881
Total Return	1,095,252	328,575	766,677
+ Fuel	12,141,858	3,642,557	8,499,301
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,369,777	410,933	958,844
+ Depreciation Expense	1,641,115	492,334	1,148,781
+ Taxes Other Than Federal Income Tax	258,129	77,439	180,690
+ Federal and State Income Tax	(383,357)	(115,008)	(268,350)
= Total Unit 1 Monthly Power Bill	16,114,023	4,834,205	11,279,817
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,095,252	328,575	766,677
+ Unit 1 Schedule M Adjustments	1,250,939	375,282	875,657
+ Unit 1 Deferred Federal Income Taxes	(987,639)	(296,292)	(691,348)
- Unit 1 Interest Expense Deduction *	236,313	70,894	165,419
= Subtotal	1,122,238	336,671	785,567
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	604,282	181,284	422,998
+ Unit 1 Def Fed & State Income Taxes	(987,639)	(296,292)	(691,348)
= Total Unit 1 Fed&State Income Taxes	(383,357)	(115,008)	(268,350)
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	16,114,023	4,834,205	11,279,817
- Operation and Maintenance Expenses	13,511,635	4,053,490	9,458,144
- Depreciation Expense	1,641,115	492,334	1,148,781
- Taxes Other Than Federal Income Tax	258,129	77,439	180,690
- Unit 1 Interest Expense Deduction *	236,313	70,894	165,419
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	475,582	142,673	332,908
+ Unit 1 Schedule M Adjustments	1,250,939	375,282	875,657
= Unit 1 Taxable Income	1,726,521	517,955	1,208,565
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	604,282	181,284	422,998
+ Unit 1 Def Fed & State Income Taxes	(987,640)	(296,292)	(691,348)
= Total Unit 1 Fed&State Income Taxes	(383,358)	(115,008)	(268,350)

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>		<u>UNIT 1 December, 2013</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	793,964,030
4	- Accumulated Depreciation	566,037,117
5	+ Materials & Supplies	68,405,548
6	+ Prepayments	105,669
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(26,252,221)
10	+ Unamortized Debt Expense (A/C 181)	165,137
11	+ Deferred ASH pond cost (A/C182.3)	2,871,434
12	- Asset Retirement Obligation (A/C 230)	4,312,401
13	- Other Deferred Credits (A/C 253)	50,230,148
14	- Accumulated Deferred FIT	38,205,472
15	- Accumulated Deferred ITC	17,742,471
16	Total Net In-Service Investment	162,731,989
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	52,517,778
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	52,517,778
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	1,034,099
24	+ Other Deferred Debits (A/C 186) **	1,351,129
25	+ Fuel Inventory Over Allowed Level ****	(6,879,556)
26	Total Non-In-Service Investment - Other	(4,494,328)
27	Total Investment (Lines 16+21+26)	210,755,439
28	Operating Ratio (Line 16/Line 27)	77.2137%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	24.9188%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.1325%
31	Total Investment	100.0000%

* As Permitted By FERC

** Excluding Amounts on Lines 7 and 8

*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and

**** Includes Rockport 1 and 2

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
NET IN-SERVICE INVESTMENT RATIO**

<u>Line No.</u>		<u>UNIT 1 December, 2013</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	654,831,856
4	- Accumulated Depreciation	431,947,793
5	+ Materials & Supplies	37,642,552
6	+ Prepayments	52,835
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	256,024
10	+ Unamortized Debt Expense (A/C 181)	82,569
11	+ Deferred ASH pond cost (A/C182.3)	1,435,717
12	- Asset Retirement Obligation (A/C 230)	2,156,200
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	44,653,683
15	- Accumulated Deferred ITC	12,572
16	Total Unit 1 Net In-Service Investment	----- 215,531,304
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	139,132,175
19	- Accumulated Depreciation	134,089,324
20	+ Materials & Supplies	30,762,996
21	+ Prepayments	52,835
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(26,508,244)
25	+ Unamortized Debt Expense (A/C 181)	82,569
26	+ Deferred ASH pond cost (A/C182.3)	1,435,717
27	- Asset Retirement Obligation (A/C 230)	2,156,200
28	- Other Deferred Credits (A/C 253)	50,230,148
29	- Accumulated Deferred FIT	(6,448,211)
30	- Accumulated Deferred ITC	17,729,899
31	Total Unit 2 Net In-Service Investment	----- (52,799,315)
32	Total Net In-Service Investment	----- 162,731,989 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	132.4500%
35	Unit 2 (Line 31 / Line 32)	-32.4500%
		----- 100.0000% =====
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

Pg 5 of 18

<u>Line No.</u>		<u>UNIT 1 December, 2013</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	53,776,086
4	+ Preferred Stock	0
5	+ Common Equity	88,596,624
6	- Temporary Cash Investments	0
7	Net Capitalization	207,207,428
		=====
8	40% of Net Capitalization	82,882,971
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	82,882,971
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	839,878
13	x Operating Ratio	77.2137%
14	x Net In-Service Investment Ratio	132.4500%
15	= Subtotal	858,939
16	Excess of Line 5 Over Line 8	5,713,653
17	x Weighted Cost of Debt (Monthly Rate)	0.1354%
18	= Return on Equity over 40% of Capitalization	7,736
19	x Operating Ratio	77.2137%
20	x Net In-Service Investment Ratio	132.4500%
21	= Subtotal	7,912
22	Unit 1 Return on Equity (Line 15 + Line 21)	866,851
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	148,003
25	+ Short-Term Debt Interest Expense (a/c 430)	75,329
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	223,332
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	223,332
31	x Operating Ratio	77.2137%
32	x Net In-Service Investment Ratio	132.4500%
33	= Unit 1 Return on Other Capital	228,401
	* Line 6 x Line 19 from Pg 6 of 18	=====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF WEIGHTED COST OF DEBT**

Pg 6 of 18

<u>Line No.</u>	<u>UNIT 1</u> <u>December, 2013</u>
1	<u>Debt Balances (Prior Month Ending) :</u>
2	Long-Term Debt (Accts 221 thru 226) 64,834,718
3	+ Short-Term Debt (Accts 231 + 233) 53,776,086
4	+ Other Debt (Accts 132 thru 136 + 145) 0
5	Total Debt Balances (Prior Month Ending) 118,610,804
6	<u>Weighting of Debt Balances :</u>
7	Long-Term Debt (LTD bal/Total Debt bal) 54.6617%
8	+ Short-Term Debt (STD bal/Total Debt bal) 45.3383%
9	+ Other Debt 0.0000%
10	Total Debt Balances 100.0000%
11	<u>Debt Cost Rates :</u>
12	Long-Term Debt (avg LTD int rate) 2.6878%
13	Short-Term Debt (avg Money Pool STD int rate) 0.2745%
14	Other Debt 0.0000%
15	<u>Weighted Cost of Debt :</u>
16	Long-Term Debt (LTD % x avg LTD int rate) 1.4692%
17	+ Short-Term Debt (STD % x avg MP STD int rate) 0.1245%
18	+ Other Debt 0.0000%
19	Total Weighted Cost of Debt 1.5937%

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES**

<u>Line No.</u>	<u>UNIT 1</u>	<u>December, 2013</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	22,348,200
3	Fuel Stock Expenses - Undistributed (152)	799,494
4	Fuel Stock - Oil (151)	2,033,907
5	Plant Materials & Operating Supplies	12,460,951
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	37,642,552
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	15,468,644
11	+ Equivalent Inventory re: Deferred Return	19,365,675,066
12	= Imputed Coal Inventory	19,381,143,710
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8031.6
16	= Tons Consumed per Hour	324.12
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7778.88
19	x 68 days	68
20	= 68 day Supply (Tons)	528,964
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	42.249
22	= 68 day Coal Inventory	22,348,200
23	Lesser of Imputed or Capped Coal Inventory	22,348,200
24	Imputed Inventory Minus Line 23	19,358,795,510
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	145,464,922
27	+ Current Month Return on Beginning Balance	1,100,927
28	+ Current Month Deferral	0
29	- Current Month Recovery	49,193
30	= Ending Balance **	146,516,656

* Excludes Forced Outages,Scheduled Outages,and Curtailments

** May Not Be Less Than Zero

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 December, 2013</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	(8,750)

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF OPERATION & MAINTENANCE EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 December, 2013</u>
1	500,502-508	Steam Power Generation - Operation	499,770
2	501	Fuel - Operation	12,141,858
3	510-515	Steam Power Generating - Maintenance	562,274
4		Total Steam Power Generation Expenses	13,203,903
5	555-557	Other Power Supply Expenses	(2,331)
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	294,637
16	935	Administrative and General Expenses - Maintenance	15,426
17		Total Administrative & General Exp.	310,064
18		Total Operation & Maintenance Expenses	13,511,635

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF DEPRECIATION EXPENSE
 AND AMORTIZATION EXPENSES**

			UNIT 1
			December, 2013
<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	
	1 403	Depreciation Expense	1,621,638
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			<hr/>
6		Total Depreciation Exp. & Amortization	1,624,981
			<hr/> <hr/>
7	411.10	ARO Accretion Expense	16,134
8		Total Depreciation, Amortization & Accretion Expenses	1,641,115

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL**

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DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 December, 2013</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	158,129
2	409.1	State Income Taxes	100,000
3		Total Taxes Other than FIT	----- 258,129 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 1 SCHEDULE `M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

**UNIT 1
 December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	(30,500)	(9,150)	(21,350)
4	N/A	Other Unit 1 Schedule `M' Adjustments	1,278,439	383,532	894,907
5	***	Total Unit 1 Schedule `M' Adjustments	1,250,939	375,282	875,657
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(722,191)	(216,657)	(505,534)
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(2,639)	(792)	(1,847)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(48)	(14)	(34)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	(262,762)	(78,829)	(183,933)
12	***	Total Unit 1 Deferred Federal Income Tax	(987,639)	(296,292)	(691,348)

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

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**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

Pg 13 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 December, 2013</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	654,502,699
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	329,156
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	654,831,856
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	431,476,015
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	471,778
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	431,947,793
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	24,382,107
22	152	Fuel Stock Expenses - Undistributed	799,494
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,460,951
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	37,642,552
29	165	Prepayments	52,835
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL Pg 13a of 18
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
 AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 December, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	19,892,083
6	171	Interest and Dividends Receivable	1,068
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(27,131)
9	234	Accounts Payable-Associated Company	(14,234,530)
10	236	Taxes Accrued	(2,121,917)
11	237	Interest Accrued	(138,649)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,114,899)
15		Total Other Working Capital	256,024
16	181	Unamortized Debt Expense	82,569
17	253	Other Deferred Credits	0

* debit <credit>

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 December, 2013</u>
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,043,463
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	45,827,028
35	283	+Accumulated Deferred Income Taxes - Other	870,118
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 44,653,683 -----
37	255	+Accumulated Deferred Investment Tax Credits	12,572
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 12,572 -----
40		Total Net In-Service Investment - Unit 1	----- 216,251,787 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER**

**UNIT 1
 December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	52,517,778
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	52,517,778
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,351,129
20	151.10	Fuel Inventory Over Allowed Level *	(6,879,556)
21		Total Non-In-Service Investment - Other	(4,494,328)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,879,556)
		UNIT 2	0
		TOTAL	(6,879,556)

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET CAPITALIZATION**

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**UNIT 1
 December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	87,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	734,637
21		Total Retained Earnings	734,637
22		Total Common Equity	88,596,624
23		<u>PREFERED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET CAPITALIZATION (Cont'd)**

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**UNIT 1
 December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,834,718
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	53,776,086
38		Total Short-Term Debt	53,776,086
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	207,207,428

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>	<u>UNIT 1</u> <u>December, 2013</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>
2	Long-Term Debt (Accts 221 thru 226) 64,834,718
3	+ Short-Term Debt (Accts 231 + 233) 53,776,086
4	+ Preferred Stock 0
5	+ Common Equity (Accts 201 thru 216) 88,596,624
6	- Capitalization Offsets 0
7	Total Capitalization Balances 207,207,428
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt (LTD/Total Capital) 31.2898%
10	+ Short-Term Debt (STD/Total Capital) 25.9528%
11	+ Preferred Stock 0.0000%
12	+ Common Equity (Common Equity/Total Capital) 42.7575%
13	- Capitalization Offsets 0.0001%
14	Total Capitalization 100.0000%
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt (avg LTD int rate) 2.6878%
17	Short-Term Debt (avg money pool STD int rate) 0.2745%
18	Preferred Stock 0.0000%
19	Common Equity (FERC fixed rate) 12.1600%
20	Capitalization Offsets (sum of weighted costs of debt) 1.5937%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt (LTD % x avg LTD int rate) 0.8410%
23	+ Short-Term Debt (STD % x avg MP STD int rate) 0.0712%
24	+ Preferred Stock 0.0000%
25	+ Common Equity (CE % x FERC fixed rate) 5.1993%
26	- Capitalization Offsets 0.0000%
27	Total Rate of Return (Net of Tax) 6.1115%
28	Weighted Net Cost of Debt 0.9122%
	(LTD Rate of Return + STD RR - Cap Offsets RR)
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.9989%
	(Common Equity Rate of Return grossed up for tax)
30	= Rate of Return (Pre-Tax) 8.9111%

A E P GENERATING COMPANY

**December, 2013
 ESTIMATE**

**ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

500	SUPERVISION AND ENGINEERING	141,867
501	FUEL	12,141,858
502	STEAM EXPENSES	76,061
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	76,284
506	MISC. STEAM POWER EXPENSES	205,381
507	RENTS	177
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	12,641,628
510	MAINTENANCE SUPER. AND ENGINEERING	74,987
511	MAINTENANCE OF STRUCTURES	44,225
512	MAINTENANCE OF BOILER PLANT	328,897
513	MAINTENANCE OF ELECTRIC PLANT	69,025
514	MAINTENANCE OF MISC. STEAM PLANT	45,140
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	562,274
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(1,349)
557	OTHER POWER SUPPLY EXPENSES	(983)
	TOTAL OTHER SUPPLY EXPENSES	(2,331)

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO
 0

NO OF DAYS IN CURRENT MO	31
NO OF DAYS IN CURRENT YEAR	365
CURRENT YEAR IS	2013
CURRENT MONTH IS	12
THIS BILLING IS FOR MONTH OF	December, 2013

A E P GENERATING COMPANY

**December, 2013
 ESTIMATE**

**ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	51,191
921	OFFICE SUPPLIES AND EXPENSES	11,847
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	31,863
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	2,458
926	EMPLOYEE PENSIONS AND BENEFITS	114,536
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	71,255
931	RENTS	735
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	294,637
935	MAINTENANCE OF GENERAL PLANT	15,426
	TOTAL ADM & GEN EXPENSES	310,064
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	13,511,635
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	13,511,635
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
07-Jan-14

UNIT 2
POWER BILL - - December, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF December, 2013
 KWH FOR THE MONTH 315,168,350

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(149,397)
Return on Other Capital	(39,364)
Total Return	(188,761)
Fuel	8,256,587
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,828,913
Depreciation Expense	709,642
Taxes Other Than Federal Income Tax	178,170
Federal Income Tax	514,839
TOTAL CURRENT UNIT POWER BILL	14,293,265
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	815,888
TOTAL PRIOR MONTH'S ADJUSTMENTS	815,888
TOTAL UNIT POWER BILL	15,109,153

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - January 20, 2014
 Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101

ESTIMATE
07-Jan-14

UNIT 2
POWER BILL - - December, 2013

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF December, 2013
 KWH FOR THE MONTH 135,072,150

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(64,027)
Return on Other Capital	(16,870)
Total Return	(80,897)
Fuel	3,538,537
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,069,534
Depreciation Expense	304,132
Taxes Other Than Federal Income Tax	76,359
Federal Income Tax	220,645
TOTAL CURRENT UNIT POWER BILL	6,125,685
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	349,665
TOTAL PRIOR MONTH'S ADJUSTMENTS	349,665
TOTAL UNIT POWER BILL	6,475,350

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - January 20, 2014
 Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 SUMMARY OF MONTHLY POWER BILL**

December, 2013

07-Jan-14

	<u>TOTAL UNIT 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(213,424)	(64,027)	(149,397)
Return on Other Capital	(56,234)	(16,870)	(39,364)
Total Return	(269,658)	(80,897)	(188,761)
+ Fuel	11,795,124	3,538,537	8,256,587
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,898,447	2,069,534	4,828,913
+ Depreciation Expense	1,013,774	304,132	709,642
+ Taxes Other Than Federal Income Tax	254,529	76,359	178,170
+ Federal and State Income Tax	735,484	220,645	514,839
= Total Unit 2 Monthly Power Bill	20,418,950	6,125,685	14,293,265
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(269,658)	(80,897)	(188,761)
+ Unit 2 Schedule M Adjustments	1,363,686	409,106	954,580
+ Unit 2 Deferred Federal Income Taxes	74,792	22,438	52,354
- Unit 2 Interest Expense Deduction *	(58,182)	(17,455)	(40,727)
= Subtotal	1,227,001	368,101	858,900
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	660,693	198,208	462,485
+ Unit 2 Def Fed & State Income Taxes	74,792	22,438	52,354
= Total Unit 2 Fed&State Income Taxes	735,484	220,645	514,839
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	20,418,950	6,125,685	14,293,265
- Operation and Maintenance Expenses	18,693,571	5,608,071	13,085,500
- Depreciation Expense	1,013,774	304,132	709,642
- Taxes Other Than Federal Income Tax	254,529	76,359	178,170
- Unit 2 Interest Expense Deduction *	(58,182)	(17,455)	(40,727)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	524,008	157,203	366,805
+ Unit 2 Schedule M Adjustments	1,363,686	409,106	954,580
= Unit 2 Taxable Income	1,887,694	566,309	1,321,385
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	660,693	198,208	462,485
+ Unit 2 Def Fed & State Income Taxes	74,792	22,438	52,354
= Total Unit 2 Fed&State Income Taxes	735,485	220,646	514,839

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
OPERATING RATIO**

Pg 3 of 18

<u>Line No.</u>		<u>UNIT 2</u> <u>December, 2013</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	793,964,030
4	- Accumulated Depreciation	566,037,117
5	+ Materials & Supplies	68,405,548
6	+ Prepayments	105,669
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(26,252,221)
10	+ Unamortized Debt Expense (A/C 181)	165,137
11	+ Deferred ASH pond cost (A/C182.3)	2,871,434
12	- Asset Retirement Obligation (A/C 230)	4,312,401
13	- Other Deferred Credits (A/C 253)	50,230,148
14	- Accumulated Deferred FIT	38,205,472
15	- Accumulated Deferred ITC	17,742,471
16	Total Net In-Service Investment	162,731,989
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	52,517,778
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	52,517,778
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	1,351,129
25	+ Fuel Inventory Over Allowed Level ****	(6,879,556)
26	Total Non-In-Service Investment - Other	(5,528,427)
27	Total Investment (Lines 16+21+26)	209,721,340
28	Operating Ratio (Line 16/Line 27)	77.5944%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	25.0417%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.6361%
31	Total Investment	100.0000%
	* As Permitted By FERC	
	** Excluding Amounts on Lines 7 and 8	
	*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	
	**** Includes Rockport 1 and 2	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 NET IN-SERVICE INVESTMENT RATIO**

<u>Line No.</u>	<u>UNIT 2</u> <u>December, 2013</u>	
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	139,132,175
4	- Accumulated Depreciation	134,089,324
5	+ Materials & Supplies	30,762,996
6	+ Prepayments	52,835
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(26,508,244)
10	+ Unamortized Debt Expense (A/C 181)	82,569
11	+ Deferred ASH pond cost (A/C182.3)	1,435,717
12	- Asset Retirement Obligation (A/C 230)	2,156,200
13	- Other Deferred Credits (A/C 253)	50,230,148
14	- Accumulated Deferred FIT	(6,448,211)
15	- Accumulated Deferred ITC	17,729,899
16	Total Unit 2 Net In-Service Investment	(52,799,315)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	654,831,856
19	- Accumulated Depreciation	431,947,793
20	+ Materials & Supplies	37,642,552
21	+ Prepayments	52,835
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	256,024
25	+ Unamortized Debt Expense (A/C 181)	82,569
26	+ Deferred ASH pond cost (A/C182.3)	1,435,717
27	- Asset Retirement Obligation (A/C 230)	2,156,200
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	44,653,683
30	- Accumulated Deferred ITC	12,572
31	Total Unit 1 Net In-Service Investment	215,531,304
32	Total Net In-Service Investment	162,731,989
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-32.4500%
35	Unit 1 (Line 31 / Line 32)	132.4500%
		100.0000%

* As Permitted By FERC

** Accounts 128, 131, 135, 143, 146, 171 and 174,
 Less Accounts 232-234, 236, 237, 238, 241 and 242

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
 COMMON EQUITY & OTHER CAPITAL**

Pg 5 of 18

<u>Line No.</u>		<u>UNIT 2 December, 2013</u>
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	53,776,086
4	+ Preferred Stock	0
5	+ Common Equity	88,596,624
6	- Temporary Cash Investments	0
7	Net Capitalization	207,207,428
8	40% of Net Capitalization	82,882,971
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	82,882,971
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	839,878
13	x Operating Ratio	77.5944%
14	x Net In-Service Investment Ratio	-32.4500%
15	= Subtotal	(211,476)
16	Excess of Line 5 Over Line 8	5,713,653
17	x Weighted Cost of Debt (Monthly Rate)	0.1354%
18	= Return on Equity over 40% of Capitalization	7,736
19	x Operating Ratio	77.5944%
20	x Net In-Service Investment Ratio	-32.4500%
21	= Subtotal	(1,948)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(213,424)
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	148,003
25	+ Short-Term Debt Interest Expense (a/c 430)	75,329
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	223,332
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	223,332
31	x Operating Ratio	77.5944%
32	x Net In-Service Investment Ratio	-32.4500%
33	= Unit 2 Return on Other Capital	(56,234)

* Line 6 x Line 19 from Pg 6 of 18

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETERMINATION OF WEIGHTED COST OF DEBT**

Pg 6 of 18

<u>Line No.</u>	<u>UNIT 2 December, 2013</u>
1	Debt Balances (Prior Month Ending) :
2	Long-Term Debt (Accts 221 thru 226) 64,834,718
3	+ Short-Term Debt (Accts 231 + 233) 53,776,086
4	+ Other Debt (Accts 132 thru 136 + 145) 0
5	Total Debt Balances (Prior Month Ending) 118,610,804
6	<u>Weighting of Debt Balances :</u>
7	Long-Term Debt (LTD bal/Total Debt bal) 54.6617%
8	+ Short-Term Debt (STD bal/Total Debt bal) 45.3383%
9	+ Other Debt 0.0000%
10	Total Debt Balances 100.0000%
11	<u>Debt Cost Rates :</u>
12	Long-Term Debt (avg LTD int rate) 2.6878%
13	Short-Term Debt (avg Money Pool STD int rate) 0.2745%
14	Other Debt 0.0000%
15	<u>Weighted Cost of Debt :</u>
16	Long-Term Debt (LTD % x avg LTD int rate) 1.4692%
17	+ Short-Term Debt (STD % x avg MP STD int rate) 0.1245%
18	+ Other Debt 0.0000%
19	Total Weighted Cost of Debt 1.5937%

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL**

DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES

<u>Line No.</u>	<u>INCLUDE A/C 431 ON PG 5</u>	<u>UNIT 2</u>
		<u>December, 2013</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	15,468,644
3	Fuel Stock Expenses - Undistributed (152)	799,494
4	Fuel Stock - Oil (151)	2,033,907
5	Plant Materials & Operating Supplies	12,460,951
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	30,762,996
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	15,468,644
11	+ Equivalent Inventory re: Deferred Return	868,074,755
12	= Imputed Coal Inventory	883,543,399
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,539,993
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7927.0
16	= Tons Consumed per Hour	320.42
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7690.08
19	x 68 days	68
20	= 68 day Supply (Tons)	522,925
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	42.249
22	= 68 day Coal Inventory	22,093,058
23	Lesser of Imputed or Capped Coal Inventory	22,093,058
24	Imputed Inventory Minus Line 23	861,450,341
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,520,528
27	+ Current Month Return on Beginning Balance	49,350
28	+ Current Month Deferral	48,225
29	- Current Month Recovery	0
30	= Ending Balance **	6,618,103
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	19,638,145
	Total Unit 2 Monthly Power Bill with 68 Day Capped	19,636,370
	Difference	48,225

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

Pg 8 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 December, 2013</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL** Pg 9 of 18
DETAIL OF OPERATION & MAINTENANCE EXPENSES

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 December, 2013</u>
1	500,502-508	Steam Power Generation - Operation	6,185,658
2	501	Fuel - Operation	11,795,124
3	510-515	Steam Power Generating - Maintenance	364,705
4		Total Steam Power Generation Expenses	18,345,486
5	555-557	Other Power Supply Expenses	(2,331)
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expennse - Maintenance	0
11		Total Distribution Expennse	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	334,989
16	935	Administrative and General Expenses - Maintenance	15,426
17		Total Administrative & General Exp.	350,416
18		Total Operation & Maintenance Expenses	18,693,571

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES**

Pg 10 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 December, 2013</u>
1	403	Depreciation Expense *	440,218
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	554,080
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	997,641
			=
7	411.10	ARO Accretion Expense	16,134
8		Total Depreciation, Amortization & Accretion Expenses	1,013,774

* Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

* Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

** Rockport 2 Leasehold Improvements Amortization rate = 3.03%

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

Pg 11 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 December, 2013</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	154,529
2	409.1	State Income Taxes	100,000
3		Total Taxes Other than Federal Income Taxes	----- 254,529 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

**UNIT 2
 December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	1,556,500	466,950	1,089,550
4	N/A	Other Unit 2 Schedule `M' Adjustments	(195,814)	(58,744)	(137,070)
5	***	Total Unit 2 Schedule `M' Adjustments	1,363,686	409,106	954,580
<hr/>					
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(62,685)	(18,806)	(43,880)
8	10.1&411. Other Unit 2 Schedule `M' Adjustments -				
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(14,322)	(4,297)	(10,025)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(183)	(55)	(128)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	151,981	45,594	106,387
12	***	Total Unit 2 Deferred Federal Income Tax	74,792	22,438	52,354

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

Check Figure on Tax Page for Sch M 1,363,686
 Check Figure on Tax Page for DFIT 74,792

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2**

Pg 13 of 18

**UNIT 2
 December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	119,458,768
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	19,673,407
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	139,132,175
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	112,953,802
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	21,135,522
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	134,089,324
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	17,502,551
22	152	Fuel Stock Expenses - Undistributed	799,494
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,460,951
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	30,762,996
29	165	Prepayments	52,835
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

Pg 13a of 18

<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description *</u>	<u>UNIT 2</u> <u>December, 2013</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	20,213,908
6	171	Interest and Dividends Receivable	1,068
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(27,131)
9	234	Accounts Payable-Associated Company	(14,174,529)
10	236	Taxes Accrued	258,506
11	237	Interest Accrued	(138,649)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(32,641,418)

15		Total Other Working Capital	(26,508,244)
			=====
16	181	Unamortized Debt Expense	82,569
17	253	Other Deferred Credits	50,230,148

*		debit <credit>	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2(Cont'd)**

Pg 14 of 18

**UNIT 2
 December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,900,003
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,470,194
35	283	+Accumulated Deferred Income Taxes - Other	981,599
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,448,211) -----
37	255	+Accumulated Deferred Investment Tax Credits	17,729,899
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 17,729,899 -----
40		Total Net In-Service Investment - Unit 2	----- (52,078,832) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL** Pg 15 of 18
DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 December, 2013</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	52,517,778
2		<u>MATERIAL AND SUPPLIES</u>	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	----- 0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 52,517,778
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,351,129
20	151.10	Fuel Inventory Over Allowed Level *	(6,879,556)
21		Total Non-In-Service Investment - Other	----- (5,528,427)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,879,556)
		UNIT 2	0
		TOTAL	----- (6,879,556)

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

Pg 16 of 18

**UNIT 2
December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	87,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	734,637
21		Total Retained Earnings	734,637
22		Total Common Equity	88,596,624
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

Pg 17 of 18

**UNIT 2
December, 2013**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,834,718
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	53,776,086
38		Total Short-Term Debt	53,776,086
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	207,207,428

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL** Page 18 of 18
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)

<u>Line No.</u>	<u>UNIT 2</u> <u>December, 2013</u>
1	Capitalization Balances (Prior Month Ending) :
2	Long-Term Debt (Accts 221 thru 226) 64,834,718
3	+ Short-Term Debt (Accts 231 + 233) 53,776,086
4	+ Preferred Stock 0
5	+ Common Equity (Accts 201 thru 216) 88,596,624
6	- Capitalization Offsets 0
7	Total Capitalization Balances 207,207,428
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt (LTD/Total Capital) 31.2898%
10	+ Short-Term Debt (STD/Total Capital) 25.9528%
11	+ Preferred Stock 0.0000%
12	+ Common Equity (Common Equity/Total Capital) 42.7575%
13	- Capitalization Offsets 0.0001%
14	Total Capitalization 100.0000%
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt (avg LTD int rate) 2.6878%
17	Short-Term Debt (avg money pool STD int rate) 0.2745%
18	Preferred Stock 0.0000%
19	Common Equity (FERC fixed rate) 12.1600%
20	Capitalization Offsets (sum of weighted costs of debt) 1.5937%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt (LTD % x avg LTD int rate) 0.8410%
23	+ Short-Term Debt (STD % x avg MP STD int rate) 0.0712%
24	+ Preferred Stock 0.0000%
25	+ Common Equity (CE % x FERC fixed rate) 5.1993%
26	- Capitalization Offsets 0.0000%
27	Total Rate of Return (Net of Tax) 6.1115%
28	Weighted Net Cost of Debt 0.9122% (LTD Rate of Return + STD RR - Cap Offsets RR)
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.9989% (Common Equity Rate of Return grossed up for tax)
30	= Rate of Return (Pre-Tax) 8.9111%

A E P GENERATING COMPANY

**December, 2013
 ESTIMATE**

**ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

500	SUPERVISION AND ENGINEERING	147,844
501	FUEL	11,795,124
502	STEAM EXPENSES	71,732
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	70,130
506	MISC. STEAM POWER EXPENSES	205,531
507	RENTS	5,690,421
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 17,980,781

510	MAINTENANCE SUPER. AND ENGINEERING	75,108
511	MAINTENANCE OF STRUCTURES	10,632
512	MAINTENANCE OF BOILER PLANT	242,584
513	MAINTENANCE OF ELECTRIC PLANT	3,636
514	MAINTENANCE OF MISC. STEAM PLANT	32,745
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 364,705

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(1,349)
557	OTHER POWER SUPPLY EXPENSES	(983)

TOTAL OTHER SUPPLY EXPENSES (2,331)

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO
 0

BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2013
CURRENT MONTH IS	12
THIS BILLING IS FOR MONTH OF	December, 2013

A E P GENERATING COMPANY

**December, 2013
 ESTIMATE**

**ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	56,027
921	OFFICE SUPPLIES AND EXPENSES	11,852
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	67,373
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	2,458
926	EMPLOYEE PENSIONS AND BENEFITS	114,536
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	71,255
931	RENTS	735
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	334,989
935	MAINTENANCE OF GENERAL PLANT	15,426
	TOTAL ADM & GEN EXPENSES	350,416
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	18,693,571
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	18,693,571
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KPSC Case No. 2014-00225
 KIUC's First Set of Data Requests
 Dated September 5, 2014
 Item No. 4
 Attachment 1
 Page 94 of 350

KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101

ESTIMATE
07-Feb-14

UNIT 1
POWER BILL - - January, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF January, 2014
 KWH FOR THE MONTH 135,241,050

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		251,680
Return on Other Capital		52,838
Total Return		----- 304,518
Fuel		3,427,731
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		344,820
Depreciation Expense		493,955
Taxes Other Than Federal Income Tax		62,056
Federal Income Tax		155,476
TOTAL CURRENT UNIT POWER BILL		----- 4,785,931 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		65,509
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- 65,509 -----
TOTAL UNIT POWER BILL		=====
		4,851,440
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - February 21, 2014
 Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus
 Diane Keegan - Columbus

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
07-Feb-14

UNIT 1
POWER BILL - - January, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF January, 2014
 KWH FOR THE MONTH 315,562,450

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	587,254
Return on Other Capital	123,287
Total Return	----- 710,541
Fuel	7,998,039
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	804,579
Depreciation Expense	1,152,560
Taxes Other Than Federal Income Tax	144,797
Federal Income Tax	362,774
TOTAL UNIT POWER BILL	----- 11,167,164 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	152,852

TOTAL PRIOR MONTH'S ADJUSTMENTS 152,852

=====

TOTAL UNIT POWER BILL 11,320,016

=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - February 21, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus Kevin Amburgey-Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

January, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	838,934	251,680	587,254
Return on Other Capital	176,125	52,838	123,287
Total Return	1,015,059	304,518	710,541
+ Fuel	11,425,769	3,427,731	7,998,039
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,149,399	344,820	804,579
+ Depreciation Expense	1,646,515	493,955	1,152,560
+ Taxes Other Than Federal Income Tax	206,853	62,056	144,797
+ Federal and State Income Tax	518,249	155,476	362,774
= Total Unit 1 Monthly Power Bill	15,953,094	4,785,931	11,167,164
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,015,059	304,518	710,541
+ Unit 1 Schedule M Adjustments	1,002,002	300,601	701,401
+ Unit 1 Deferred Federal Income Taxes	(307,466)	(92,239)	(215,226)
- Unit 1 Interest Expense Deduction *	176,125	52,838	123,287
= Subtotal	1,533,470	460,042	1,073,429
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	825,715	247,715	578,000
+ Unit 1 Def Fed & State Income Taxes	(307,466)	(92,239)	(215,226)
= Total Unit 1 Fed&State Income Taxes	518,249	155,476	362,774
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	15,953,094	4,785,931	11,167,164
- Operation and Maintenance Expenses	12,575,168	3,772,551	8,802,617
- Depreciation Expense	1,646,515	493,955	1,152,560
- Taxes Other Than Federal Income Tax	206,853	62,056	144,797
- Unit 1 Interest Expense Deduction *	176,125	52,838	123,287
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,357,183	407,156	950,028
+ Unit 1 Schedule M Adjustments	1,002,002	300,601	701,401
= Unit 1 Taxable Income	2,359,185	707,757	1,651,429
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	825,715	247,715	578,000
+ Unit 1 Def Fed & State Income Taxes	(307,465)	(92,239)	(215,226)
= Total Unit 1 Fed&State Income Taxes	518,250	155,476	362,774

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>	<u>UNIT 1</u> <u>January, 2014</u>
1	<u>Operating Ratio:</u>
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 798,689,036
4	- Accumulated Depreciation 568,360,617
5	+ Materials & Supplies 63,459,465
6	+ Prepayments 89,460
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** 4,658,195
10	+ Unamortized Debt Expense (A/C 181) 153,606
11	+ Deferred ASH pond cost (A/C182.3) 2,863,610
12	- Asset Retirement Obligation (A/C 230) 4,339,818
13	- Other Deferred Credits (A/C 253) 49,765,902
14	- Accumulated Deferred FIT 37,328,428
15	- Accumulated Deferred ITC 17,579,506
16	Total Net In-Service Investment 192,539,101
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 51,293,276
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 51,293,276
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 1,034,099
24	+ Other Deferred Debits (A/C 186) ** 1,069,483
25	+ Fuel Inventory Over Allowed Level **** (9,077,143)
26	Total Non-In-Service Investment - Other (6,973,560)
27	Total Investment (Lines 16+21+26) 236,858,816 =====
28	Operating Ratio (Line 16/Line 27) 81.2886%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 21.6556%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) -2.9442%
31	Total Investment 100.0000% =====
*	As Permitted By FERC
**	Excluding Amounts on Lines 7 and 8
***	Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and
****	Includes Rockport 1 and 2

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
NET IN-SERVICE INVESTMENT RATIO**

<u>Line No.</u>	<u>UNIT 1 January, 2014</u>	
1		<u>Net In-Service Investment Ratio:</u>
2		Unit 1 Net In-Service Investment:
3	656,556,721	Electric Plant In-Service
4	431,939,436	- Accumulated Depreciation
5	36,268,304	+ Materials & Supplies
6	44,730	+ Prepayments
7	0	+ Plant Held For Future Use (A/C 105) *
8	0	+ Other Deferred Debits (A/C 186) *
9	324,984	+ Other Working Capital **
10	76,803	+ Unamortized Debt Expense (A/C 181)
11	1,431,805	+ Deferred ASH pond cost (A/C182.3)
12	2,169,909	- Asset Retirement Obligation (A/C 230)
13	0	- Other Deferred Credits (A/C 253)
14	43,682,324	- Accumulated Deferred FIT
15	13,774	- Accumulated Deferred ITC
16	----- 216,897,904	Total Unit 1 Net In-Service Investment
17		Unit 2 Net In-Service Investment:
18	142,132,314	Electric Plant In-Service
19	136,421,181	- Accumulated Depreciation
20	27,191,161	+ Materials & Supplies
21	44,730	+ Prepayments
22	0	+ Plant Held For Future Use (A/C 105) *
23	0	+ Other Deferred Debits (A/C 186) *
24	4,333,211	+ Other Working Capital **
25	76,803	+ Unamortized Debt Expense (A/C 181)
26	1,431,805	+ Deferred ASH pond cost (A/C182.3)
27	2,169,909	- Asset Retirement Obligation (A/C 230)
28	49,765,902	- Other Deferred Credits (A/C 253)
29	(6,353,896)	- Accumulated Deferred FIT
30	17,565,732	- Accumulated Deferred ITC
31	----- (24,358,803)	Total Unit 2 Net In-Service Investment
32	----- 192,539,101 =====	Total Net In-Service Investment
33		<u>Net In-Service Investment Ratio:</u>
34	112.6500%	Unit 1 (Line 16 / Line 32)
35	-12.6500%	Unit 2 (Line 31 / Line 32)
	----- 100.0000% =====	
		* As Permitted By FERC
		** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

<u>Line No.</u>		<u>UNIT 1 January, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	78,377,649
4	+ Preferred Stock	0
5	+ Common Equity	90,409,891
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 233,622,258 =====
8	40% of Net Capitalization	93,448,903
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	90,409,891
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	916,151
13	x Operating Ratio	81.2886%
14	x Net In-Service Investment Ratio	112.6500%
15	= Subtotal	838,934
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1160%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	81.2886%
20	x Net In-Service Investment Ratio	112.6500%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	----- 838,934 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	147,326
25	+ Short-Term Debt Interest Expense (a/c 430)	45,009
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 192,335
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 192,335
31	x Operating Ratio	81.2886%
32	x Net In-Service Investment Ratio	112.6500%
33	= Unit 1 Return on Other Capital	176,125
	* Line 6 x Line 19 from Pg 6 of 18	=====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF WEIGHTED COST OF DEBT**

<u>Line No.</u>		<u>UNIT 1 January, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	78,377,649
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	143,212,367
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	45.2717%
8	+ Short-Term Debt (STD bal/Total Debt bal)	54.7283%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6755%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2834%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2112%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1551%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.3663%
		=====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES**

UNIT 1

<u>Line No.</u>		<u>January, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	21,254,831
3	Fuel Stock Expenses - Undistributed (152)	693,645
4	Fuel Stock - Oil (151)	1,946,596
5	Plant Materials & Operating Supplies	12,373,232
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	----- 36,268,304 =====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,177,688
11	+ Equivalent Inventory re: Deferred Return	21,504,092,403
12	= Imputed Coal Inventory	----- 21,516,270,091 -----
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8031.6
16	= Tons Consumed per Hour	324.12
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7778.88
19	x 68 days	68
20	= 68 day Supply (Tons)	528,964
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	40.182
22	= 68 day Coal Inventory	----- 21,254,831 -----
23	Lesser of Imputed or Capped Coal Inventory	----- 21,254,831 -----
24	Imputed Inventory Minus Line 23	----- 21,495,015,260 =====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	146,516,656
27	+ Current Month Return on Beginning Balance	1,005,130
28	+ Current Month Deferral	0
29	- Current Month Recovery	60,584
30	= Ending Balance **	----- 147,461,202 =====

* Excludes Forced Outages, Scheduled Outages, and Curtailments

** May Not Be Less Than Zero

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 <u>January, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OPERATION & MAINTENANCE EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 January, 2014
1	500,502-508	Steam Power Generation - Operation	446,610
2	501	Fuel - Operation	11,425,769
3	510-515	Steam Power Generating - Maintenance	472,659
4		Total Steam Power Generation Expenses	12,345,039
5	555-557	Other Power Supply Expenses	18,006
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	197,515
16	935	Administrative and General Expenses - Maintenance	14,608
17		Total Administrative & General Exp.	212,123
18		Total Operation & Maintenance Expenses	12,575,168

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF DEPRECIATION EXPENSE
AND AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 January, 2014</u>
1a	1 403	Depreciation Expense	1,626,948
	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,630,291
			=====
7	411.10	ARO Accretion Expense	16,224
8		Total Depreciation, Amortization & Accretion Expenses	1,646,515

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 January, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	169,353
2	409.1	State Income Taxes	37,500
3		Total Taxes Other than FIT	----- 206,853 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 1 SCHEDULE `M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

**UNIT 1
 January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	(19,500)	(5,850)	(13,650)
4	N/A	Other Unit 1 Schedule `M' Adjustments	1,018,502	305,551	712,951
5	***	Total Unit 1 Schedule `M' Adjustments	1,002,002	300,601	701,401
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(278,508)	(83,552)	(194,956)
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	2,279	684	1,595
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	51	15	36
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	(31,287)	(9,386)	(21,901)
12	***	Total Unit 1 Deferred Federal Income Tax	(307,466)	(92,239)	(215,226)

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

:=====

:=====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

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**UNIT 1
 January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	653,929,423
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	2,627,298
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	----- 656,556,721
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	431,467,658
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	471,778
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	----- 431,939,436
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,201,427
22	152	Fuel Stock Expenses - Undistributed	693,645
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,373,232
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	----- 36,268,304
29	165	Prepayments	----- 44,730
30	186	Other Deferred Debits	----- 0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 January, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	44,476
5	146	Accounts Receivable-Associated Company	17,651,298
6	171	Interest and Dividends Receivable	588
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(19,103)
9	234	Accounts Payable-Associated Company	(11,160,451)
10	236	Taxes Accrued	(2,710,445)
11	237	Interest Accrued	(190,300)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,291,079)

15		Total Other Working Capital	324,984
			=====
16	181	Unamortized Debt Expense	76,803

17	253	Other Deferred Credits	0

		* debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 January, 2014</u>
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,074,393
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,891,931
35	283	+Accumulated Deferred Income Taxes - Other	864,786
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 43,682,324 -----
37	255	+Accumulated Deferred Investment Tax Credits	13,774
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 13,774 -----
40		Total Net In-Service Investment - Unit 1	----- 217,636,008 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER**

**UNIT 1
 January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	51,293,276
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	----- 0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 51,293,276 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	1,069,483
20	151.10	Fuel Inventory Over Allowed Level *	(9,077,143)
21		Total Non-In-Service Investment - Other	----- (6,973,560) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(9,077,143)
		UNIT 2	0
		TOTAL	----- (9,077,143) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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UNIT 1
January, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	87,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	2,547,904
21		Total Retained Earnings	2,547,904
22		Total Common Equity	90,409,891
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

**UNIT 1
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	----- 64,834,718 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	78,377,649
38		Total Short-Term Debt	----- 78,377,649 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	----- 0 -----
45		NET CAPITALIZATION	----- 233,622,258 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

**UNIT 1
January, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	78,377,649
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	90,409,891
6	- Capitalization Offsets	0

7	Total Capitalization Balances	233,622,258
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	27.7519%
10	+ Short-Term Debt (STD/Total Capital)	33.5489%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	38.6992%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.6755%
17	Short-Term Debt (avg money pool STD int rate)	0.2834%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.3663%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7425%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0951%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	4.7058%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.5434%
		=====
28	Weighted Net Cost of Debt	0.8376%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.2397%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.0773%
		=====

A E P GENERATING COMPANY

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500	SUPERVISION AND ENGINEERING	110,798
501	FUEL	11,425,769
502	STEAM EXPENSES	71,500
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	72,152
506	MISC. STEAM POWER EXPENSES	192,161
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 11,872,380

510	MAINTENANCE SUPER. AND ENGINEERING	68,693
511	MAINTENANCE OF STRUCTURES	35,641
512	MAINTENANCE OF BOILER PLANT	260,272
513	MAINTENANCE OF ELECTRIC PLANT	81,927
514	MAINTENANCE OF MISC. STEAM PLANT	26,127
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 472,659

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	5,549
557	OTHER POWER SUPPLY EXPENSES	12,458

TOTAL OTHER SUPPLY EXPENSES 18,006

AMOUNT MUST BE ZERO

IS FUEL IN BALANCE 0
 ON PAGE 2 -----

NO OF DAYS IN CURRENT MO 31
 NO OF DAYS IN CURRENT YEAR 365
 CURRENT YEAR IS 2014
 CURRENT MONTH IS 1
 THIS BILLING IS FOR MONTH OF January, 2014

A E P GENERATING COMPANY

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	28,240
921	OFFICE SUPPLIES AND EXPENSES	11,519
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	39,421
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	2,759
926	EMPLOYEE PENSIONS AND BENEFITS	69,667
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	34,389
931	RENTS	766
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	197,515
935	MAINTENANCE OF GENERAL PLANT	14,608
	TOTAL ADM & GEN EXPENSES	212,123
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,575,168
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,575,168
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
07-Feb-14

UNIT 2
POWER BILL - - January, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF January, 2014
 KWH FOR THE MONTH 300,238,050

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(66,235)
Return on Other Capital	(13,905)
Total Return	----- (80,140)
Fuel	7,516,588
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,845,555
Depreciation Expense	714,366
Taxes Other Than Federal Income Tax	142,277
Federal Income Tax	(295,356)
TOTAL CURRENT UNIT POWER BILL	----- 12,837,165 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	169,995
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 169,995 -----
TOTAL UNIT POWER BILL	=====
	13,007,160 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - February 21, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724**

**KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101**

**ESTIMATE
07-Feb-14**

**UNIT 2
POWER BILL - - January, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF January, 2014
KWH FOR THE MONTH 128,673,450

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(28,386)
Return on Other Capital	(5,960)
Total Return	----- (34,346)
Fuel	3,221,395
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,076,667
Depreciation Expense	306,157
Taxes Other Than Federal Income Tax	60,976
Federal Income Tax	(126,580)
TOTAL CURRENT UNIT POWER BILL	----- 5,501,644 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	72,855
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 72,855 -----
TOTAL UNIT POWER BILL	----- 5,574,499 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - February 21, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

January, 2014

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(94,621)	(28,386)	(66,235)
Return on Other Capital	(19,865)	(5,960)	(13,905)
Total Return	(114,486)	(34,346)	(80,140)
+ Fuel	10,737,983	3,221,395	7,516,588
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,922,222	2,076,667	4,845,555
+ Depreciation Expense	1,020,523	306,157	714,366
+ Taxes Other Than Federal Income Tax	203,253	60,976	142,277
+ Federal and State Income Tax	(421,937)	(126,580)	(295,356)
= Total Unit 2 Monthly Power Bill	18,338,808	5,501,644	12,837,165
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(114,486)	(34,346)	(80,140)
+ Unit 2 Schedule M Adjustments	(164,865)	(49,459)	(115,405)
+ Unit 2 Deferred Federal Income Taxes	(183,440)	(55,032)	(128,408)
- Unit 2 Interest Expense Deduction *	(19,865)	(5,960)	(13,905)
= Subtotal	(442,925)	(132,877)	(310,048)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(238,498)	(71,549)	(166,949)
+ Unit 2 Def Fed & State Income Taxes	(183,440)	(55,032)	(128,408)
= Total Unit 2 Fed&State Income Taxes	(421,937)	(126,580)	(295,356)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	18,338,808	5,501,644	12,837,165
- Operation and Maintenance Expenses	17,660,205	5,298,062	12,362,143
- Depreciation Expense	1,020,523	306,157	714,366
- Taxes Other Than Federal Income Tax	203,253	60,976	142,277
- Unit 2 Interest Expense Deduction *	(19,865)	(5,960)	(13,905)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(516,558)	(154,966)	(361,591)
+ Unit 2 Schedule M Adjustments	(164,865)	(49,459)	(115,405)
= Unit 2 Taxable Income	(681,423)	(204,425)	(476,996)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(238,498)	(71,549)	(166,949)
+ Unit 2 Def Fed & State Income Taxes	(183,440)	(55,032)	(128,408)
= Total Unit 2 Fed&State Income Taxes	(421,938)	(126,581)	(295,357)

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>		<u>UNIT 2 January, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	798,689,036
4	- Accumulated Depreciation	568,360,617
5	+ Materials & Supplies	63,459,465
6	+ Prepayments	89,460
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	4,658,195
10	+ Unamortized Debt Expense (A/C 181)	153,606
11	+ Deferred ASH pond cost (A/C182.3)	2,863,610
12	- Asset Retirement Obligation (A/C 230)	4,339,818
13	- Other Deferred Credits (A/C 253)	49,765,902
14	- Accumulated Deferred FIT	37,328,428
15	- Accumulated Deferred ITC	17,579,506
16	Total Net In-Service Investment	192,539,101
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	51,293,276
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	51,293,276
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	1,069,483
25	+ Fuel Inventory Over Allowed Level ****	(9,077,143)
26	Total Non-In-Service Investment - Other	(8,007,660)
27	Total Investment (Lines 16+21+26)	235,824,717
28	Operating Ratio (Line 16/Line 27)	81.6450%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	21.7506%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-3.3956%
31	Total Investment	100.0000%
	* As Permitted By FERC	
	** Excluding Amounts on Lines 7 and 8	
	*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	
	**** Includes Rockport 1 and 2	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 NET IN-SERVICE INVESTMENT RATIO**

**Line
 No.**

**UNIT 2
 January, 2014**

1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	142,132,314
4	- Accumulated Depreciation	136,421,181
5	+ Materials & Supplies	27,191,161
6	+ Prepayments	44,730
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	4,333,211
10	+ Unamortized Debt Expense (A/C 181)	76,803
11	+ Deferred ASH pond cost (A/C182.3)	1,431,805
12	- Asset Retirement Obligation (A/C 230)	2,169,909
13	- Other Deferred Credits (A/C 253)	49,765,902
14	- Accumulated Deferred FIT	(6,353,896)
15	- Accumulated Deferred ITC	17,565,732
16	Total Unit 2 Net In-Service Investment	(24,358,803)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	656,556,721
19	- Accumulated Depreciation	431,939,436
20	+ Materials & Supplies	36,268,304
21	+ Prepayments	44,730
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	324,984
25	+ Unamortized Debt Expense (A/C 181)	76,803
26	+ Deferred ASH pond cost (A/C182.3)	1,431,805
27	- Asset Retirement Obligation (A/C 230)	2,169,909
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,682,324
30	- Accumulated Deferred ITC	13,774
31	Total Unit 1 Net In-Service Investment	216,897,904
32	Total Net In-Service Investment	192,539,101
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-12.6500%
35	Unit 1 (Line 31 / Line 32)	112.6500%
		100.0000%
	* As Permitted By FERC	

** Accounts 128, 131, 135, 143, 146, 171 and 174,
 Less Accounts 232-234, 236, 237, 238, 241 and 242

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

Pg 5 of 18

<u>Line No.</u>		<u>UNIT 2 January, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	78,377,649
4	+ Preferred Stock	0
5	+ Common Equity	90,409,891
6	- Temporary Cash Investments	0

7	Net Capitalization	233,622,258
		=====
8	40% of Net Capitalization	93,448,903
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	90,409,891
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	916,151
13	x Operating Ratio	81.6450%
14	x Net In-Service Investment Ratio	-12.6500%
15	= Subtotal	(94,621)
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.1160%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	81.6450%
20	x Net In-Service Investment Ratio	-12.6500%
21	= Subtotal	0

22	Unit 2 Return on Equity (Line 15 + Line 21)	(94,621)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	147,326
25	+ Short-Term Debt Interest Expense (a/c 430)	45,009
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	192,335
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	192,335
31	x Operating Ratio	81.6450%
32	x Net In-Service Investment Ratio	-12.6500%
33	= Unit 2 Return on Other Capital	(19,865)
		=====

* Line 6 x Line 19 from Pg 6 of 18

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETERMINATION OF WEIGHTED COST OF DEBT**

Pg 6 of 18

<u>Line No.</u>		<u>UNIT 2 January, 2014</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	78,377,649
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 143,212,367 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	45.2717%
8	+ Short-Term Debt (STD bal/Total Debt bal)	54.7283%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6755%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2834%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.2112%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1551%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.3663% =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES**

INCLUDE A/C 431 ON PG 5

UNIT 2

<u>Line No.</u>		<u>January, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,177,688
3	Fuel Stock Expenses - Undistributed (152)	693,645
4	Fuel Stock - Oil (151)	1,946,596
5	Plant Materials & Operating Supplies	12,373,232
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	27,191,161
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,177,688
11	+ Equivalent Inventory re: Deferred Return	971,331,877

12	= Imputed Coal Inventory	983,509,565

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,539,993
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7927.0
16	= Tons Consumed per Hour	320.42
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7690.08
19	x 68 days	68
20	= 68 day Supply (Tons)	522,925
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	40.182

22	= 68 day Coal Inventory	21,012,172

23	Lesser of Imputed or Capped Coal Inventory	21,012,172

24	Imputed Inventory Minus Line 23	962,497,393
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,618,103
27	+ Current Month Return on Beginning Balance	45,401
28	+ Current Month Deferral	59,979
29	- Current Month Recovery	0

30	= Ending Balance **	6,723,483
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	19,579,357
	Total Unit 2 Monthly Power Bill with 68 Day Capped	19,639,336
	Difference	59,979

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

**UNIT 2
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OPERATION & MAINTENANCE EXPENSES**

Pg 9 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 January, 2014
1	500,502-508	Steam Power Generation - Operation	6,137,026
2	501	Fuel - Operation	10,737,983
3	510-515	Steam Power Generating - Maintenance	565,620
4		Total Steam Power Generation Expenses	17,440,628
5	555-557	Other Power Supply Expenses	18,006
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expennse - Maintenance	0
11		Total Distribution Expensese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	186,963
16	935	Administrative and General Expenses - Maintenance	14,608
17		Total Administrative & General Exp.	201,570
18		Total Operation & Maintenance Expenses	17,660,205

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 January, 2014</u>
1	403	Depreciation Expense *	448,425
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	552,531
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,004,299
			=
7	411.10	ARO Accretion Expense	16,224
8		Total Depreciation, Amortization & Accretion Expenses	1,020,523

* Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

* Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

** Rockport 2 Leasehold Improvements Amortization rate = 3.03%

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL**
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

Pg 11 of 18

**UNIT 2
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	165,753
2	409.1	State Income Taxes	37,500

3		Total Taxes Other than Federal Income Taxes	203,253 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS
AND DEFERRED FEDERAL INCOME TAX**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	3,000	900	2,100
3	N/A	Excess Normalization Base Over Book Depreciation	247,500	74,250	173,250
4	N/A	Other Unit 2 Schedule `M' Adjustments	(415,365)	(124,609)	(290,755)
5	***	Total Unit 2 Schedule `M' Adjustments	(164,865)	(49,459)	(115,405)
			=====	=====	=====
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(31,885)	(9,566)	(22,320)
8		10.1&411.Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	12,024	3,607	8,416
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	181	54	126
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	(163,759)	(49,128)	(114,631)
			-----	-----	-----
12	***	Total Unit 2 Deferred Federal Income Tax	(183,440)	(55,032)	(128,408)
			=====	=====	=====

*** Positive Amount Denotes Increase In Taxable Income,
Negative Amount Denotes Reduction.

Check Figure on Tax Page for Sch M (164,865)
Check Figure on Tax Page for DFIT (183,440)

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2**

Pg 13 of 18

**UNIT 2
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	139,131,350
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	3,000,965
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	142,132,314
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	114,722,558
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	21,698,622
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	136,421,181
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	14,124,284
22	152	Fuel Stock Expenses - Undistributed	693,645
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,373,232
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	27,191,161
29	165	Prepayments	44,730
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

**UNIT 2
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	44,476
5	146	Accounts Receivable-Associated Company	17,973,123
6	171	Interest and Dividends Receivable	588
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(19,103)
9	234	Accounts Payable-Associated Company	(11,100,450)
10	236	Taxes Accrued	(330,021)
11	237	Interest Accrued	(190,300)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(2,045,102)

15		Total Other Working Capital	4,333,211
			=====
16	181	Unamortized Debt Expense	76,803

17	253	Other Deferred Credits	49,765,902

*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2(Cont'd)

**UNIT 2
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,731,368
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,402,235
35	283	+Accumulated Deferred Income Taxes - Other	975,238
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,353,896) -----
37	255	+Accumulated Deferred Investment Tax Credits	17,565,732
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 17,565,732 -----
40		Total Net In-Service Investment - Unit 2	----- (23,620,700) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL**
DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

Pg 15 of 18

**UNIT 2
 January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	51,293,276
2		<u>MATERIAL AND SUPPLIES</u>	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	----- 0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 51,293,276 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	1,069,483
20	151.10	Fuel Inventory Over Allowed Level *	(9,077,143)
21		Total Non-In-Service Investment - Other	----- (8,007,660) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(9,077,143)
		UNIT 2	0
		TOTAL	----- (9,077,143) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

**UNIT 2
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	87,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	2,547,904
21		Total Retained Earnings	2,547,904
22		Total Common Equity	90,409,891
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

**UNIT 2
January, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,834,718
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	78,377,649
38		Total Short-Term Debt	78,377,649
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	233,622,258

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>	<u>UNIT 2</u> <u>January, 2014</u>
1	Capitalization Balances (Prior Month Ending) :
2	Long-Term Debt (Accts 221 thru 226) 64,834,718
3	+ Short-Term Debt (Accts 231 + 233) 78,377,649
4	+ Preferred Stock 0
5	+ Common Equity (Accts 201 thru 216) 90,409,891
6	- Capitalization Offsets 0

7	Total Capitalization Balances 233,622,258
	=====
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt (LTD/Total Capital) 27.7519%
10	+ Short-Term Debt (STD/Total Capital) 33.5489%
11	+ Preferred Stock 0.0000%
12	+ Common Equity (Common Equity/Total Capital) 38.6992%
13	- Capitalization Offsets 0.0000%

14	Total Capitalization 100.0000%
	=====
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt (avg LTD int rate) 2.6755%
17	Short-Term Debt (avg money pool STD int rate) 0.2834%
18	Preferred Stock 0.0000%
19	Common Equity (FERC fixed rate) 12.1600%
20	Capitalization Offsets (sum of weighted costs of debt) 1.3663%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt (LTD % x avg LTD int rate) 0.7425%
23	+ Short-Term Debt (STD % x avg MP STD int rate) 0.0951%
24	+ Preferred Stock 0.0000%
25	+ Common Equity (CE % x FERC fixed rate) 4.7058%
26	- Capitalization Offsets 0.0000%

27	Total Rate of Return (Net of Tax) 5.5434%
	=====
28	Weighted Net Cost of Debt 0.8376%
	(LTD Rate of Return + STD RR - Cap Offsets RR)
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.2397%
	(Common Equity Rate of Return grossed up for tax) -----
30	= Rate of Return (Pre-Tax) 8.0773%
	=====

A E P GENERATING COMPANY

**January, 2014
 ESTIMATE**

**ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

500	SUPERVISION AND ENGINEERING	112,522
501	FUEL	10,737,983
502	STEAM EXPENSES	66,256
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	68,327
506	MISC. STEAM POWER EXPENSES	199,668
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 16,875,008

510	MAINTENANCE SUPER. AND ENGINEERING	68,763
511	MAINTENANCE OF STRUCTURES	14,756
512	MAINTENANCE OF BOILER PLANT	259,559
513	MAINTENANCE OF ELECTRIC PLANT	196,529
514	MAINTENANCE OF MISC. STEAM PLANT	26,012
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 565,620

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	5,549
557	OTHER POWER SUPPLY EXPENSES	12,458

TOTAL OTHER SUPPLY EXPENSES 18,006

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO

0

BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	1
THIS BILLING IS FOR MONTH OF	January, 2014

A E P GENERATING COMPANY

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	29,470
921	OFFICE SUPPLIES AND EXPENSES	11,522
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	27,636
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	2,759
926	EMPLOYEE PENSIONS AND BENEFITS	69,667
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	34,389
931	RENTS	766
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	186,963
935	MAINTENANCE OF GENERAL PLANT	14,608
	TOTAL ADM & GEN EXPENSES	201,570
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	17,660,205
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	17,660,205
	-----DIFFERENCE-----	0

**AEP GENERATING COMPANY
 ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
 TELEPHONE (614) 716-3724**

**KENTUCKY POWER COMPANY
 17TH ST. & CENTRAL AVE.
 ASHLAND, KY 41101**

**ESTIMATE
 07-Mar-14**

**UNIT 1
POWER BILL - - February, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF February, 2014
 KWH FOR THE MONTH 94,746,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	254,445
Return on Other Capital	48,457
Total Return	----- 302,902
Fuel	2,557,972
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	375,570
Depreciation Expense	494,430
Taxes Other Than Federal Income Tax	44,821
Federal Income Tax	301,544
TOTAL CURRENT UNIT POWER BILL	----- 4,074,614 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	291,196

TOTAL PRIOR MONTH'S ADJUSTMENTS -----
291,196

TOTAL UNIT POWER BILL =====
4,365,810
=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - March 21, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus
 Diane Keegan - Columbus

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
07-Mar-14

UNIT 1
POWER BILL - - February, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF February, 2014
 KWH FOR THE MONTH 221,074,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	593,705
Return on Other Capital	113,066
Total Return	----- 706,771
Fuel	5,968,602
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	876,330
Depreciation Expense	1,153,670
Taxes Other Than Federal Income Tax	104,582
Federal Income Tax	703,598
TOTAL UNIT POWER BILL	----- 9,507,428 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel	0
Other Expenses (Includes taxes & interest)	679,463
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 679,463 -----

TOTAL UNIT POWER BILL	=====
	10,186,891
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - March 21, 2014

Cc: Steve Hornyak - Columbus	Kurt C Cooper - Ft Wayne
Dave Hille - Ft. Wayne	Shannon Listebarger - Columbus
Mike Stout - Ft. Wayne	
Mike Giardina - Columbus	Kevin Amburgey-Columbus
Sid Lyons - Columbus	Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

February, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	848,150	254,445	593,705
Return on Other Capital	161,523	48,457	113,066
Total Return	1,009,673	302,902	706,771
+ Fuel	8,526,574	2,557,972	5,968,602
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,251,900	375,570	876,330
+ Depreciation Expense	1,648,100	494,430	1,153,670
+ Taxes Other Than Federal Income Tax	149,403	44,821	104,582
+ Federal and State Income Tax	1,005,141	301,544	703,598
= Total Unit 1 Monthly Power Bill	13,582,041	4,074,614	9,507,428
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,009,673	302,902	706,771
+ Unit 1 Schedule M Adjustments	264,777	79,433	185,344
+ Unit 1 Deferred Federal Income Taxes	264,973	79,493	185,481
- Unit 1 Interest Expense Deduction *	164,826	49,448	115,378
= Subtotal	1,374,596	412,380	962,218
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	740,168	222,051	518,117
+ Unit 1 Def Fed & State Income Taxes	264,973	79,493	185,481
= Total Unit 1 Fed&State Income Taxes	1,005,141	301,544	703,598
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	13,582,041	4,074,614	9,507,428
- Operation and Maintenance Expenses	9,778,474	2,933,542	6,844,932
- Depreciation Expense	1,648,100	494,430	1,153,670
- Taxes Other Than Federal Income Tax	149,403	44,821	104,582
- Unit 1 Interest Expense Deduction *	164,826	49,448	115,378
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,849,988	554,998	1,294,991
+ Unit 1 Schedule M Adjustments	264,777	79,433	185,344
= Unit 1 Taxable Income	2,114,765	634,431	1,480,335
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	740,168	222,051	518,117
+ Unit 1 Def Fed & State Income Taxes	264,974	79,493	185,481
= Total Unit 1 Fed&State Income Taxes	1,005,142	301,544	703,598

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>	<u>UNIT 1</u> <u>February, 2014</u>
1	<u>Operating Ratio:</u>
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 799,042,077
4	- Accumulated Depreciation 570,885,433
5	+ Materials & Supplies 62,709,265
6	+ Prepayments 73,250
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (9,725,074)
10	+ Unamortized Debt Expense (A/C 181) 142,075
11	+ Deferred ASH pond cost (A/C182.3) 2,855,786
12	- Asset Retirement Obligation (A/C 230) 4,367,416
13	- Other Deferred Credits (A/C 253) 49,301,656
14	- Accumulated Deferred FIT 36,806,091
15	- Accumulated Deferred ITC 17,415,105
16	Total Net In-Service Investment 176,321,680
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 54,242,465
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 54,242,465
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 1,034,099
24	+ Other Deferred Debits (A/C 186) ** 782,118
25	+ Fuel Inventory Over Allowed Level **** (8,866,760)
26	Total Non-In-Service Investment - Other (7,050,543)
27	Total Investment (Lines 16+21+26) 223,513,602 =====
28	Operating Ratio (Line 16/Line 27) 78.8863%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 24.2681%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) -3.1544%
31	Total Investment 100.0000% =====
*	As Permitted By FERC
**	Excluding Amounts on Lines 7 and 8
***	Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and
****	Includes Rockport 1 and 2

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
NET IN-SERVICE INVESTMENT RATIO**

<u>Line No.</u>		<u>UNIT 1 February, 2014</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	657,232,168
4	- Accumulated Depreciation	433,764,688
5	+ Materials & Supplies	35,788,013
6	+ Prepayments	36,625
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(3,789,401)
10	+ Unamortized Debt Expense (A/C 181)	71,037
11	+ Deferred ASH pond cost (A/C182.3)	1,427,893
12	- Asset Retirement Obligation (A/C 230)	2,183,708
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,340,852
15	- Accumulated Deferred ITC	13,538
16	Total Unit 1 Net In-Service Investment	----- 211,463,549
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	141,809,910
19	- Accumulated Depreciation	137,120,744
20	+ Materials & Supplies	26,921,252
21	+ Prepayments	36,625
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(5,935,673)
25	+ Unamortized Debt Expense (A/C 181)	71,037
26	+ Deferred ASH pond cost (A/C182.3)	1,427,893
27	- Asset Retirement Obligation (A/C 230)	2,183,708
28	- Other Deferred Credits (A/C 253)	49,301,656
29	- Accumulated Deferred FIT	(6,534,761)
30	- Accumulated Deferred ITC	17,401,567
31	Total Unit 2 Net In-Service Investment	----- (35,141,869)
32	Total Net In-Service Investment	----- 176,321,680 =====
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	119.9300%
35	Unit 2 (Line 31 / Line 32)	-19.9300%
		----- 100.0000% =====
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

<u>Line No.</u>	<u>UNIT 1 February, 2014</u>
1	<u>Net Capitalization:</u>
2	Long-Term Debt 64,834,718
3	+ Short-Term Debt 64,319,252
4	+ Preferred Stock 0
5	+ Common Equity 91,157,874
6	- Temporary Cash Investments 0
7	Net Capitalization 220,311,844
8	40% of Net Capitalization 88,124,738
9	<u>Return on Common Equity:</u>
10	Lesser of Line 5 or Line 8 88,124,738
11	x Equity Return (Monthly Rate) 1.01333%
12	= Equity Return 892,994
13	x Operating Ratio 78.8863%
14	x Net In-Service Investment Ratio 119.9300%
15	= Subtotal 844,847
16	Excess of Line 5 Over Line 8 3,033,136
17	x Weighted Cost of Debt (Monthly Rate) 0.1151%
18	= Return on Equity over 40% of Capitalization 3,491
19	x Operating Ratio 78.8863%
20	x Net In-Service Investment Ratio 119.9300%
21	= Subtotal 3,303
22	Unit 1 Return on Equity (Line 15 + Line 21) 848,150
23	<u>Return on Other Capital:</u>
24	Long-Term Debt Interest Expense (A/C 427-429) 132,903
25	+ Short-Term Debt Interest Expense (a/c 430) 37,825
26	+ Other Interest Expense (a/c 431) 0
27	- Temporary Cash Investment Income * 0
28	= Net Interest Expense 170,728
29	+ Preferred Stock Dividends (a/c 437) 0
30	= Net Cost of Other Capital 170,728
31	x Operating Ratio 78.8863%
32	x Net In-Service Investment Ratio 119.9300%
33	= Unit 1 Return on Other Capital 161,523
	* Line 6 x Line 19 from Pg 6 of 18

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF WEIGHTED COST OF DEBT**

<u>Line No.</u>	<u>UNIT 1 February, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>
2	Long-Term Debt (Accts 221 thru 226) 64,834,718
3	+ Short-Term Debt (Accts 231 + 233) 64,319,252
4	+ Other Debt (Accts 132 thru 136 + 145) 0

5	Total Debt Balances (Prior Month Ending) 129,153,970
	=====
6	<u>Weighting of Debt Balances :</u>
7	Long-Term Debt (LTD bal/Total Debt bal) 50.1996%
8	+ Short-Term Debt (STD bal/Total Debt bal) 49.8004%
9	+ Other Debt 0.0000%

10	Total Debt Balances 100.0000%
	=====
11	<u>Debt Cost Rates :</u>
12	Long-Term Debt (avg LTD int rate) 2.6722%
13	Short-Term Debt (avg Money Pool STD int rate) 0.3186%
14	Other Debt 0.0000%
15	<u>Weighted Cost of Debt :</u>
16	Long-Term Debt (LTD % x avg LTD int rate) 1.3414%
17	+ Short-Term Debt (STD % x avg MP STD int rate) 0.1587%
18	+ Other Debt 0.0000%

19	Total Weighted Cost of Debt 1.5001%
	=====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES**

UNIT 1

<u>Line No.</u>		<u>February, 2014</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	20,832,189
3	Fuel Stock Expenses - Undistributed (152)	619,542
4	Fuel Stock - Oil (151)	1,969,308
5	Plant Materials & Operating Supplies	12,366,973
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	35,788,013
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	11,965,429
11	+ Equivalent Inventory re: Deferred Return	22,447,485,535

12	= Imputed Coal Inventory	22,459,450,964

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8031.6
16	= Tons Consumed per Hour	324.12
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7778.88
19	x 68 days	68
20	= 68 day Supply (Tons)	528,964
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.383

22	= 68 day Coal Inventory	20,832,189

23	Lesser of Imputed or Capped Coal Inventory	20,832,189

24	Imputed Inventory Minus Line 23	22,438,618,775
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	147,461,202
27	+ Current Month Return on Beginning Balance	975,102
28	+ Current Month Deferral	0
29	- Current Month Recovery	61,431

30	= Ending Balance **	148,374,873
		=====

* Excludes Forced Outages, Scheduled Outages, and Curtailments

** May Not Be Less Than Zero

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 February, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OPERATION & MAINTENANCE EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 February, 2014
1	500,502-508	Steam Power Generation - Operation	626,326
2	501	Fuel - Operation	8,526,574
3	510-515	Steam Power Generating - Maintenance	507,268
4		Total Steam Power Generation Expenses	9,660,168
5	555-557	Other Power Supply Expenses	5,991
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	102,319
16	935	Administrative and General Expenses - Maintenance	9,997
17		Total Administrative & General Exp.	112,316
18		Total Operation & Maintenance Expenses	9,778,474

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF DEPRECIATION EXPENSE
AND AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 February, 2014</u>
1a	1 403	Depreciation Expense	1,628,442
	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,631,785
			=====
7	411.10	ARO Accretion Expense	16,315
8		Total Depreciation, Amortization & Accretion Expenses	1,648,100

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 February, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	164,903
2	409.1	State Income Taxes	(15,500)
3		Total Taxes Other than FIT	----- 149,403 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 1 SCHEDULE `M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

**UNIT 1
 February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	14,000	4,200	9,800
3	N/A	Excess Normalization Base Over Book Depreciation	(16,500)	(4,950)	(11,550)
4	N/A	Other Unit 1 Schedule `M' Adjustments	267,277	80,183	187,094
5	***	Total Unit 1 Schedule `M' Adjustments	264,777	79,433	185,344
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	325,699	97,710	227,989
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	2,279	684	1,595
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	51	15	36
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	(63,055)	(18,916)	(44,139)
12	***	Total Unit 1 Deferred Federal Income Tax	264,973	79,493	185,481

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

=====

=====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

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**UNIT 1
 February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	654,349,869
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	2,882,299
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	657,232,168
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	433,292,911
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	471,778
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	433,764,688
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	22,801,497
22	152	Fuel Stock Expenses - Undistributed	619,542
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,366,973
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	35,788,013
29	165	Prepayments	36,625
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

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KPSC Case No. 2014-00225
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Dated September 5, 2014
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<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 February, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	16,289,866
6	171	Interest and Dividends Receivable	588
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,149)
9	234	Accounts Payable-Associated Company	(13,176,479)
10	236	Taxes Accrued	(3,348,422)
11	237	Interest Accrued	(242,279)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,299,525)

15		Total Other Working Capital	(3,789,401)
			=====
16	181	Unamortized Debt Expense	71,037

17	253	Other Deferred Credits	0

		* debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 February, 2014</u>
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,107,085
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,588,015
35	283	+Accumulated Deferred Income Taxes - Other	859,922
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 43,340,852 -----
37	255	+Accumulated Deferred Investment Tax Credits	13,538
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 13,538 -----
40		Total Net In-Service Investment - Unit 1	----- 212,219,364 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER**

**UNIT 1
 February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	54,242,465
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	----- 0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 54,242,465 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	782,118
20	151.10	Fuel Inventory Over Allowed Level *	(8,866,760)
21		Total Non-In-Service Investment - Other	----- (7,050,543) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,866,760)
		UNIT 2	0
		TOTAL	----- (8,866,760) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	87,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,295,886
21		Total Retained Earnings	3,295,886
22		Total Common Equity	91,157,874
23		<u>PREFERED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

**UNIT 1
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	----- 64,834,718 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	64,319,252
38		Total Short-Term Debt	----- 64,319,252 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	----- 0 -----
45		NET CAPITALIZATION	----- 220,311,844 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

**UNIT 1
February, 2014**

Line No.

1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	64,319,252
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	91,157,874
6	- Capitalization Offsets	0

7	Total Capitalization Balances	220,311,844
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	29.4286%
10	+ Short-Term Debt (STD/Total Capital)	29.1946%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	41.3767%
13	- Capitalization Offsets	-0.0001%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.6722%
17	Short-Term Debt (avg money pool STD int rate)	0.3186%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5001%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7864%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0930%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.0314%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	5.9108%
		=====
28	Weighted Net Cost of Debt	0.8794%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.7406%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.6200%
		=====

A E P GENERATING COMPANY

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500	SUPERVISION AND ENGINEERING	128,016
501	FUEL	8,526,574
502	STEAM EXPENSES	53,716
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	69,913
506	MISC. STEAM POWER EXPENSES	374,681
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 9,152,900

510	MAINTENANCE SUPER. AND ENGINEERING	67,778
511	MAINTENANCE OF STRUCTURES	26,512
512	MAINTENANCE OF BOILER PLANT	246,409
513	MAINTENANCE OF ELECTRIC PLANT	134,656
514	MAINTENANCE OF MISC. STEAM PLANT	31,913
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 507,268

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,535
557	OTHER POWER SUPPLY EXPENSES	3,456

TOTAL OTHER SUPPLY EXPENSES 5,991

IS FUEL IN BALANCE ON PAGE 2 AMOUNT MUST BE ZERO 0

NO OF DAYS IN CURRENT MO 28
 NO OF DAYS IN CURRENT YEAR 365
 CURRENT YEAR IS 2014
 CURRENT MONTH IS 2
 THIS BILLING IS FOR MONTH OF February, 2014

A E P GENERATING COMPANY

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	32,494
921	OFFICE SUPPLIES AND EXPENSES	3,786
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(24,300)
924	PROPERTY INSURANCE	10,541
925	INJURIES AND DAMAGES	2,651
926	EMPLOYEE PENSIONS AND BENEFITS	71,214
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	5,174
931	RENTS	759
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	102,319
935	MAINTENANCE OF GENERAL PLANT	9,997
	TOTAL ADM & GEN EXPENSES	112,316
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	9,778,474
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	9,778,474
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
07-Mar-14

UNIT 2
POWER BILL - - February, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF February, 2014
 KWH FOR THE MONTH 222,227,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(99,120)
Return on Other Capital	(18,877)
Total Return	----- (117,997)
Fuel	6,172,151
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	5,013,039
Depreciation Expense	714,445
Taxes Other Than Federal Income Tax	102,062
Federal Income Tax	81,631
TOTAL CURRENT UNIT POWER BILL	----- 11,959,205 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(266,150)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (266,150) -----
TOTAL UNIT POWER BILL	=====
	11,693,055 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - March 21, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724**

KPSC Case No. 2014-00225
KIUC's First Set of Data Requests
Dated September 5, 2014
Item No. 4
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**KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101**

**ESTIMATE
07-Mar-14**

**UNIT 2
POWER BILL - - February, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF February, 2014
KWH FOR THE MONTH 95,240,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(42,480)
Return on Other Capital	(8,090)
Total Return	----- (50,570)
Fuel	2,645,208
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,148,445
Depreciation Expense	306,190
Taxes Other Than Federal Income Tax	43,741
Federal Income Tax	34,984
TOTAL CURRENT UNIT POWER BILL	----- 5,125,373 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(114,066)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (114,066) -----
TOTAL UNIT POWER BILL	----- 5,011,307 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - March 21, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

February, 2014

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(141,600)	(42,480)	(99,120)
Return on Other Capital	(26,967)	(8,090)	(18,877)
Total Return	(168,567)	(50,570)	(117,997)
+ Fuel	8,817,359	2,645,208	6,172,151
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	7,161,484	2,148,445	5,013,039
+ Depreciation Expense	1,020,635	306,190	714,445
+ Taxes Other Than Federal Income Tax	145,803	43,741	102,062
+ Federal and State Income Tax	116,616	34,984	81,631
= Total Unit 2 Monthly Power Bill	17,084,579	5,125,373	11,959,205
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(168,567)	(50,570)	(117,997)
+ Unit 2 Schedule M Adjustments	109,483	32,845	76,638
+ Unit 2 Deferred Federal Income Taxes	86,850	26,055	60,795
- Unit 2 Interest Expense Deduction *	(27,518)	(8,255)	(19,263)
= Subtotal	55,283	16,584	38,698
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	29,767	8,930	20,837
+ Unit 2 Def Fed & State Income Taxes	86,850	26,055	60,795
= Total Unit 2 Fed&State Income Taxes	116,616	34,984	81,631
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	17,084,579	5,125,373	11,959,205
- Operation and Maintenance Expenses	15,978,842	4,793,653	11,185,190
- Depreciation Expense	1,020,635	306,190	714,445
- Taxes Other Than Federal Income Tax	145,803	43,741	102,062
- Unit 2 Interest Expense Deduction *	(27,518)	(8,255)	(19,263)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(24,433)	(7,331)	(17,103)
+ Unit 2 Schedule M Adjustments	109,483	32,845	76,638
= Unit 2 Taxable Income	85,050	25,514	59,535
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	29,767	8,930	20,837
+ Unit 2 Def Fed & State Income Taxes	86,850	26,055	60,795
= Total Unit 2 Fed&State Income Taxes	116,617	34,985	81,632

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>		<u>UNIT 2</u> <u>February, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	799,042,077
4	- Accumulated Depreciation	570,885,433
5	+ Materials & Supplies	62,709,265
6	+ Prepayments	73,250
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(9,725,074)
10	+ Unamortized Debt Expense (A/C 181)	142,075
11	+ Deferred ASH pond cost (A/C182.3)	2,855,786
12	- Asset Retirement Obligation (A/C 230)	4,367,416
13	- Other Deferred Credits (A/C 253)	49,301,656
14	- Accumulated Deferred FIT	36,806,091
15	- Accumulated Deferred ITC	17,415,105
16	Total Net In-Service Investment	----- 176,321,680
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	54,242,465
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 54,242,465
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	782,118
25	+ Fuel Inventory Over Allowed Level ****	(8,866,760)
26	Total Non-In-Service Investment - Other	----- (8,084,642)
27	Total Investment (Lines 16+21+26)	----- 222,479,503 =====
28	Operating Ratio (Line 16/Line 27)	79.2530%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	24.3809%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-3.6339%
31	Total Investment	----- 100.0000% =====
	* As Permitted By FERC	
	** Excluding Amounts on Lines 7 and 8	
	*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	
	**** Includes Rockport 1 and 2	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 NET IN-SERVICE INVESTMENT RATIO**

<u>Line No.</u>	<u>UNIT 2 February, 2014</u>
1	Net In-Service Investment Ratio:
2	<u>Unit 2 Net In-Service Investment:</u>
3	Electric Plant In-Service 141,809,910
4	- Accumulated Depreciation 137,120,744
5	+ Materials & Supplies 26,921,252
6	+ Prepayments 36,625
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital ** (5,935,673)
10	+ Unamortized Debt Expense (A/C 181) 71,037
11	+ Deferred ASH pond cost (A/C182.3) 1,427,893
12	- Asset Retirement Obligation (A/C 230) 2,183,708
13	- Other Deferred Credits (A/C 253) 49,301,656
14	- Accumulated Deferred FIT (6,534,761)
15	- Accumulated Deferred ITC 17,401,567
16	Total Unit 2 Net In-Service Investment (35,141,869)
17	<u>Unit 1 Net In-Service Investment:</u>
18	Electric Plant In-Service 657,232,168
19	- Accumulated Depreciation 433,764,688
20	+ Materials & Supplies 35,788,013
21	+ Prepayments 36,625
22	+ Plant Held For Future Use (A/C 105) * 0
23	+ Other Deferred Debits (A/C 186) * 0
24	+ Other Working Capital ** (3,789,401)
25	+ Unamortized Debt Expense (A/C 181) 71,037
26	+ Deferred ASH pond cost (A/C182.3) 1,427,893
27	- Asset Retirement Obligation (A/C 230) 2,183,708
28	- Other Deferred Credits (A/C 253) 0
29	- Accumulated Deferred FIT 43,340,852
30	- Accumulated Deferred ITC 13,538
31	Total Unit 1 Net In-Service Investment 211,463,549
32	Total Net In-Service Investment 176,321,680
33	<u>Net In-Service Investment Ratio:</u>
34	Unit 2 (Line 16 / Line 32) -19.9300%
35	Unit 1 (Line 31 / Line 32) 119.9300%
	100.0000%
	* As Permitted By FERC

** Accounts 128, 131, 135, 143, 146, 171 and 174,
 Less Accounts 232-234, 236, 237, 238, 241 and 242

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

Pg 5 of 18

<u>Line No.</u>		<u>UNIT 2 February, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	64,319,252
4	+ Preferred Stock	0
5	+ Common Equity	91,157,874
6	- Temporary Cash Investments	0

7	Net Capitalization	220,311,844
		=====
8	40% of Net Capitalization	88,124,738
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	88,124,738
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	892,994
13	x Operating Ratio	79.2530%
14	x Net In-Service Investment Ratio	-19.9300%
15	= Subtotal	(141,049)
16	Excess of Line 5 Over Line 8	3,033,136
17	x Weighted Cost of Debt (Monthly Rate)	0.1151%
18	= Return on Equity over 40% of Capitalization	3,491
19	x Operating Ratio	79.2530%
20	x Net In-Service Investment Ratio	-19.9300%
21	= Subtotal	(551)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(141,600)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	132,903
25	+ Short-Term Debt Interest Expense (a/c 430)	37,825
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	170,728
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	170,728
31	x Operating Ratio	79.2530%
32	x Net In-Service Investment Ratio	-19.9300%
33	= Unit 2 Return on Other Capital	(26,967)
		=====

* Line 6 x Line 19 from Pg 6 of 18

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETERMINATION OF WEIGHTED COST OF DEBT**

Pg 6 of 18

<u>Line No.</u>		<u>UNIT 2 February, 2014</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	64,319,252
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 129,153,970 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	50.1996%
8	+ Short-Term Debt (STD bal/Total Debt bal)	49.8004%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6722%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3186%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3414%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1587%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.5001% =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES**

INCLUDE A/C 431 ON PG 5

UNIT 2

<u>Line No.</u>		<u>February, 2014</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	11,965,429
3	Fuel Stock Expenses - Undistributed (152)	619,542
4	Fuel Stock - Oil (151)	1,969,308
5	Plant Materials & Operating Supplies	12,366,973
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	26,921,252
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	11,965,429
11	+ Equivalent Inventory re: Deferred Return	1,023,491,504

12	= Imputed Coal Inventory	1,035,456,933

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,539,993
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7927.0
16	= Tons Consumed per Hour	320.42
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7690.08
19	x 68 days	68
20	= 68 day Supply (Tons)	522,925
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.383

22	= 68 day Coal Inventory	20,594,355

23	Lesser of Imputed or Capped Coal Inventory	20,594,355

24	Imputed Inventory Minus Line 23	1,014,862,578
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,723,483
27	+ Current Month Return on Beginning Balance	44,460
28	+ Current Month Deferral	59,971
29	- Current Month Recovery	0

30	= Ending Balance **	6,827,914
		=====
	* Excludes Forced Outages,Scheduled Outages,and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	16,549,027
	Total Unit 2 Monthly Power Bill with 68 Day Capped	16,608,998
	Difference	59,971

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 February, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OPERATION & MAINTENANCE EXPENSES**

Pg 9 of 18

			UNIT 2
<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>February, 2014</u>
1	500,502-508	Steam Power Generation - Operation	6,374,703
2	501	Fuel - Operation	8,817,359
3	510-515	Steam Power Generating - Maintenance	676,412
4		Total Steam Power Generation Expenses	15,868,474
5	555-557	Other Power Supply Expenses	5,991
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expennse - Maintenance	0
11		Total Distribution Expensese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	94,380
16	935	Administrative and General Expenses - Maintenance	9,997
17		Total Administrative & General Exp.	104,377
18		Total Operation & Maintenance Expenses	15,978,842

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 February, 2014</u>
1	403	Depreciation Expense *	447,851
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	553,126
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,004,320 =
7	411.10	ARO Accretion Expense	16,315
8		Total Depreciation, Amortization & Accretion Expenses	1,020,635

* Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

* Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

** Rockport 2 Leasehold Improvements Amortization rate = 3.03%

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

Pg 11 of 18

**UNIT 2
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	161,303
2	409.1	State Income Taxes	(15,500)
3		Total Taxes Other than Federal Income Taxes	----- 145,803 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS
AND DEFERRED FEDERAL INCOME TAX**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	14,000	4,200	9,800
3	N/A	Excess Normalization Base Over Book Depreciation	498,500	149,550	348,950
4	N/A	Other Unit 2 Schedule `M' Adjustments	(403,017)	(120,905)	(282,112)
5	***	Total Unit 2 Schedule `M' Adjustments	109,483	32,845	76,638
			=====	=====	=====
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(36,339)	(10,902)	(25,437)
8		10.1&411.Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	12,024	3,607	8,416
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	181	54	126
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	110,985	33,295	77,689
			-----	-----	-----
12	***	Total Unit 2 Deferred Federal Income Tax	86,850	26,055	60,795
			=====	=====	=====

*** Positive Amount Denotes Increase In Taxable Income,
Negative Amount Denotes Reduction.

Check Figure on Tax Page for Sch M	109,483
Check Figure on Tax Page for DFIT	86,850

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2**

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**UNIT 2
 February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	138,844,996
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	2,964,913
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	----- 141,809,910
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	114,894,988
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	22,225,757
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	----- 137,120,744
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	13,934,737
22	152	Fuel Stock Expenses - Undistributed	619,542
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,366,973
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	----- 26,921,252
29	165	Prepayments	----- 36,625
30	186	Other Deferred Debits	----- 0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

**UNIT 2
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	16,611,691
6	171	Interest and Dividends Receivable	588
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,149)
9	234	Accounts Payable-Associated Company	(13,116,478)
10	236	Taxes Accrued	(967,998)
11	237	Interest Accrued	(242,279)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(8,208,047)

15		Total Other Working Capital	(5,935,673)
			=====
16	181	Unamortized Debt Expense	71,037

17	253	Other Deferred Credits	49,301,656

*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

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DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2(Cont'd)

**UNIT 2
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,846,001
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,341,898
35	283	+Accumulated Deferred Income Taxes - Other	969,341
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,534,761) -----
37	255	+Accumulated Deferred Investment Tax Credits	17,401,567
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 17,401,567 -----
40		Total Net In-Service Investment - Unit 2	----- (34,386,054) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER**

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**UNIT 2
 February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	54,242,465
2		<u>MATERIAL AND SUPPLIES</u>	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	54,242,465
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	782,118
20	151.10	Fuel Inventory Over Allowed Level *	(8,866,760)
21		Total Non-In-Service Investment - Other	(8,084,642)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,866,760)
		UNIT 2	0
		TOTAL	(8,866,760)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

**UNIT 2
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	87,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	87,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,295,886
21		Total Retained Earnings	3,295,886
22		Total Common Equity	91,157,874
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

**UNIT 2
February, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	----- 64,834,718 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	64,319,252
38		Total Short-Term Debt	----- 64,319,252 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	----- 0 -----
45		NET CAPITALIZATION	----- 220,311,844 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>	<u>UNIT 2</u> <u>February, 2014</u>
1	Capitalization Balances (Prior Month Ending) :
2	Long-Term Debt (Accts 221 thru 226) 64,834,718
3	+ Short-Term Debt (Accts 231 + 233) 64,319,252
4	+ Preferred Stock 0
5	+ Common Equity (Accts 201 thru 216) 91,157,874
6	- Capitalization Offsets 0

7	Total Capitalization Balances 220,311,844
	=====
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt (LTD/Total Capital) 29.4286%
10	+ Short-Term Debt (STD/Total Capital) 29.1946%
11	+ Preferred Stock 0.0000%
12	+ Common Equity (Common Equity/Total Capital) 41.3767%
13	- Capitalization Offsets -0.0001%

14	Total Capitalization 100.0000%
	=====
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt (avg LTD int rate) 2.6722%
17	Short-Term Debt (avg money pool STD int rate) 0.3186%
18	Preferred Stock 0.0000%
19	Common Equity (FERC fixed rate) 12.1600%
20	Capitalization Offsets (sum of weighted costs of debt) 1.5001%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt (LTD % x avg LTD int rate) 0.7864%
23	+ Short-Term Debt (STD % x avg MP STD int rate) 0.0930%
24	+ Preferred Stock 0.0000%
25	+ Common Equity (CE % x FERC fixed rate) 5.0314%
26	- Capitalization Offsets 0.0000%

27	Total Rate of Return (Net of Tax) 5.9108%
	=====
28	Weighted Net Cost of Debt 0.8794%
	(LTD Rate of Return + STD RR - Cap Offsets RR)
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.7406%
	(Common Equity Rate of Return grossed up for tax) -----
30	= Rate of Return (Pre-Tax) 8.6200%
	=====

A E P GENERATING COMPANY

**February, 2014
 ESTIMATE**

**ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

500	SUPERVISION AND ENGINEERING	128,187
501	FUEL	8,817,359
502	STEAM EXPENSES	38,017
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	81,205
506	MISC. STEAM POWER EXPENSES	437,041
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 15,192,062

510	MAINTENANCE SUPER. AND ENGINEERING	69,383
511	MAINTENANCE OF STRUCTURES	7,986
512	MAINTENANCE OF BOILER PLANT	470,051
513	MAINTENANCE OF ELECTRIC PLANT	108,805
514	MAINTENANCE OF MISC. STEAM PLANT	20,186
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 676,412

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	2,535
557	OTHER POWER SUPPLY EXPENSES	3,456

TOTAL OTHER SUPPLY EXPENSES 5,991

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO
 0

BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	28
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	2
THIS BILLING IS FOR MONTH OF	February, 2014

A E P GENERATING COMPANY

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	35,082
921	OFFICE SUPPLIES AND EXPENSES	3,786
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(34,826)
924	PROPERTY INSURANCE	10,541
925	INJURIES AND DAMAGES	2,651
926	EMPLOYEE PENSIONS AND BENEFITS	71,214
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	5,174
931	RENTS	759
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	94,380
935	MAINTENANCE OF GENERAL PLANT	9,997
	TOTAL ADM & GEN EXPENSES	104,377
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	15,978,842
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	15,978,842
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KPSC Case No. 2014-00225
 KIUC's First Set of Data Requests
 Dated September 5, 2014
 Item No. 4
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KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101

ESTIMATE
05-Apr-14

UNIT 1
POWER BILL - - March, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF March, 2014
 KWH FOR THE MONTH 143,800,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		252,800
Return on Other Capital		119,135
Total Return		----- 371,935
Fuel		3,345,188
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		420,658
Depreciation Expense		495,114
Taxes Other Than Federal Income Tax		44,111
Federal Income Tax		211,152
TOTAL CURRENT UNIT POWER BILL		----- 4,885,533 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		(53,000)
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- (53,000) -----
TOTAL UNIT POWER BILL		=====
		4,832,533
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - April 18, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus
 Diane Keegan - Columbus

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
05-Apr-14

UNIT 1
POWER BILL - - March, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF March, 2014
 KWH FOR THE MONTH 335,532,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		589,866
Return on Other Capital		277,980
Total Return		----- 867,846
Fuel		7,805,440
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		981,535
Depreciation Expense		1,155,264
Taxes Other Than Federal Income Tax		102,926
Federal Income Tax		492,682
TOTAL UNIT POWER BILL		----- 11,399,568 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		(123,663)
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- (123,663) -----
TOTAL UNIT POWER BILL		=====
		11,275,905
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - April 18, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus Kevin Amburgey-Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

March, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	842,666	252,800	589,866
Return on Other Capital	397,115	119,135	277,980
Total Return	1,239,781	371,935	867,846
+ Fuel	11,150,628	3,345,188	7,805,440
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,402,193	420,658	981,535
+ Depreciation Expense	1,650,378	495,114	1,155,264
+ Taxes Other Than Federal Income Tax	147,037	44,111	102,926
+ Federal and State Income Tax	703,835	211,152	492,682
= Total Unit 1 Monthly Power Bill	16,285,102	4,885,533	11,399,568
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,239,781	371,935	867,846
+ Unit 1 Schedule M Adjustments	636,203	190,861	445,342
+ Unit 1 Deferred Federal Income Taxes	(56,768)	(17,030)	(39,739)
- Unit 1 Interest Expense Deduction *	406,667	122,000	284,667
= Subtotal	1,412,549	423,766	988,782
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	760,603	228,182	532,421
+ Unit 1 Def Fed & State Income Taxes	(56,768)	(17,030)	(39,739)
= Total Unit 1 Fed&State Income Taxes	703,835	211,152	492,682
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	16,285,102	4,885,533	11,399,568
- Operation and Maintenance Expenses	12,552,821	3,765,846	8,786,975
- Depreciation Expense	1,650,378	495,114	1,155,264
- Taxes Other Than Federal Income Tax	147,037	44,111	102,926
- Unit 1 Interest Expense Deduction *	406,667	122,000	284,667
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,536,949	461,087	1,075,861
+ Unit 1 Schedule M Adjustments	636,203	190,861	445,342
= Unit 1 Taxable Income	2,173,152	651,948	1,521,203
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	760,603	228,182	532,421
+ Unit 1 Def Fed & State Income Taxes	(56,769)	(17,030)	(39,739)
= Total Unit 1 Fed&State Income Taxes	703,834	211,152	492,682

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>	<u>UNIT 1 March, 2014</u>
1	<u>Operating Ratio:</u>
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 799,419,236
4	- Accumulated Depreciation 572,939,624
5	+ Materials & Supplies 64,613,368
6	+ Prepayments 57,041
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (21,041,228)
10	+ Unamortized Debt Expense (A/C 181) 130,544
11	+ Deferred ASH pond cost (A/C182.3) 2,847,962
12	- Asset Retirement Obligation (A/C 230) 4,395,196
13	- Other Deferred Credits (A/C 253) 48,837,410
14	- Accumulated Deferred FIT 37,127,625
15	- Accumulated Deferred ITC 17,250,704
16	Total Net In-Service Investment 165,476,366
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 58,141,178
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 58,141,178
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 1,034,099
24	+ Other Deferred Debits (A/C 186) ** 421,608
25	+ Fuel Inventory Over Allowed Level **** (7,810,283)
26	Total Non-In-Service Investment - Other (6,354,576)
27	Total Investment (Lines 16+21+26) 217,262,967 =====
28	Operating Ratio (Line 16/Line 27) 76.1641%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 26.7607%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) -2.9248%
31	Total Investment 100.0000% =====
*	As Permitted By FERC
**	Excluding Amounts on Lines 7 and 8
***	Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and
****	Includes Rockport 1 and 2

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
NET IN-SERVICE INVESTMENT RATIO**

<u>Line No.</u>		<u>UNIT 1 March, 2014</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	657,472,786
4	- Accumulated Depreciation	433,892,257
5	+ Materials & Supplies	36,211,826
6	+ Prepayments	28,520
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(6,370,228)
10	+ Unamortized Debt Expense (A/C 181)	65,272
11	+ Deferred ASH pond cost (A/C182.3)	1,423,981
12	- Asset Retirement Obligation (A/C 230)	2,197,598
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,572,752
15	- Accumulated Deferred ITC	13,302
16	Total Unit 1 Net In-Service Investment	209,156,248
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	141,946,451
19	- Accumulated Depreciation	139,047,367
20	+ Materials & Supplies	28,401,543
21	+ Prepayments	28,520
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(14,670,999)
25	+ Unamortized Debt Expense (A/C 181)	65,272
26	+ Deferred ASH pond cost (A/C182.3)	1,423,981
27	- Asset Retirement Obligation (A/C 230)	2,197,598
28	- Other Deferred Credits (A/C 253)	48,837,410
29	- Accumulated Deferred FIT	(6,445,128)
30	- Accumulated Deferred ITC	17,237,402
31	Total Unit 2 Net In-Service Investment	(43,679,882)
32	Total Net In-Service Investment	165,476,366
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	126.4000%
35	Unit 2 (Line 31 / Line 32)	-26.4000%
		100.0000%
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

<u>Line No.</u>		<u>UNIT 1 March, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	55,914,926
4	+ Preferred Stock	0
5	+ Common Equity	92,749,435
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 213,499,080 =====
8	40% of Net Capitalization	85,399,632
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	85,399,632
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	865,380
13	x Operating Ratio	76.1641%
14	x Net In-Service Investment Ratio	126.4000%
15	= Subtotal	833,114
16	Excess of Line 5 Over Line 8	7,349,803
17	x Weighted Cost of Debt (Monthly Rate)	0.1350%
18	= Return on Equity over 40% of Capitalization	9,922
19	x Operating Ratio	76.1641%
20	x Net In-Service Investment Ratio	126.4000%
21	= Subtotal	----- 9,552 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	842,666
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	147,922
25	+ Short-Term Debt Interest Expense (a/c 430)	264,573
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 412,495 -----
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	412,495
31	x Operating Ratio	76.1641%
32	x Net In-Service Investment Ratio	126.4000%
33	= Unit 1 Return on Other Capital	397,115
	* Line 6 x Line 19 from Pg 6 of 18	=====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF WEIGHTED COST OF DEBT**

<u>Line No.</u>	<u>UNIT 1 March, 2014</u>	
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	55,914,926
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	120,749,644
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	53.6935%
8	+ Short-Term Debt (STD bal/Total Debt bal)	46.3065%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6863%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3171%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.4424%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1468%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.5892%
		=====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES**

UNIT 1

**Line
No.**

March, 2014

1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	20,765,540
3	Fuel Stock Expenses - Undistributed (152)	622,296
4	Fuel Stock - Oil (151)	2,365,940
5	Plant Materials & Operating Supplies	12,458,050
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	36,211,826
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,955,257
11	+ Equivalent Inventory re: Deferred Return	19,503,724,172
12	= Imputed Coal Inventory	19,516,679,429
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8031.6
16	= Tons Consumed per Hour	324.12
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7778.88
19	x 68 days	68
20	= 68 day Supply (Tons)	528,964
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.257
22	= 68 day Coal Inventory	20,765,540
23	Lesser of Imputed or Capped Coal Inventory	20,765,540
24	Imputed Inventory Minus Line 23	19,495,913,889
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	148,374,873
27	+ Current Month Return on Beginning Balance	1,137,417
28	+ Current Month Deferral	0
29	- Current Month Recovery	63,385
30	= Ending Balance **	149,448,905

* Excludes Forced Outages, Scheduled Outages, and Curtailments

** May Not Be Less Than Zero

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 March, 2014
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OPERATION & MAINTENANCE EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 March, 2014</u>
1	500,502-508	Steam Power Generation - Operation	718,117
2	501	Fuel - Operation	11,150,628
3	510-515	Steam Power Generating - Maintenance	597,491
4		Total Steam Power Generation Expenses	12,466,235
5	555-557	Other Power Supply Expenses	442
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	81,277
16	935	Administrative and General Expenses - Maintenance	4,867
17		Total Administrative & General Exp.	86,144
18		Total Operation & Maintenance Expenses	12,552,821

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF DEPRECIATION EXPENSE
AND AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 March, 2014</u>
1a	1 403	Depreciation Expense	1,630,629
	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,633,972
			=====
7	411.10	ARO Accretion Expense	16,407
8		Total Depreciation, Amortization & Accretion Expenses	1,650,378

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

KPSC Case No. 2014-00225
KIUC's First Set of Data Requests
Dated September 5, 2014
Pg 11 of 18
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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 March, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	132,037
2	409.1	State Income Taxes	15,000
3		Total Taxes Other than FIT	----- 147,037 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 1 SCHEDULE `M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

**UNIT 1
 March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	(18,000)	(5,400)	(12,600)
4	N/A	Other Unit 1 Schedule `M' Adjustments	645,703	193,711	451,992
5	***	Total Unit 1 Schedule `M' Adjustments	636,203	190,861	445,342
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	23,129	6,939	16,190
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(2,279)	(684)	(1,595)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(51)	(15)	(36)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	(77,568)	(23,270)	(54,298)
12	***	Total Unit 1 Deferred Federal Income Tax	(56,768)	(17,030)	(39,739)

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

=====

=====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

Pg 13 of 18

**UNIT 1
 March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	654,056,412
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	3,416,373
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	657,472,786
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	433,420,479
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	471,778
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	433,892,257
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,131,480
22	152	Fuel Stock Expenses - Undistributed	622,296
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,458,050
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	36,211,826
29	165	Prepayments	28,520
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 March, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	15,061,961
6	171	Interest and Dividends Receivable	588
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(24,551)
9	234	Accounts Payable-Associated Company	(14,301,847)
10	236	Taxes Accrued	(3,614,971)
11	237	Interest Accrued	(294,494)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,196,914)

15		Total Other Working Capital	(6,370,228)
			=====
16	181	Unamortized Debt Expense	65,272

17	253	Other Deferred Credits	0

		* debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 March, 2014</u>
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,140,425
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,858,119
35	283	+Accumulated Deferred Income Taxes - Other	855,058
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 43,572,752 -----
37	255	+Accumulated Deferred Investment Tax Credits	13,302
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 13,302 -----
40		Total Net In-Service Investment - Unit 1	----- 209,929,865 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	58,141,178
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	----- 0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 58,141,178 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	421,608
20	151.10	Fuel Inventory Over Allowed Level *	(7,810,283)
21		Total Non-In-Service Investment - Other	----- (6,354,576) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,810,283)
		UNIT 2	0
		TOTAL	----- (7,810,283) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

Pg 16 of 18

**UNIT 1
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	2,887,448
21		Total Retained Earnings	2,887,448
22		Total Common Equity	92,749,435
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 March, 2014</u>
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	----- 64,834,718 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	55,914,926
38		Total Short-Term Debt	----- 55,914,926 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	----- 0 -----
45		NET CAPITALIZATION	----- 213,499,080 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>		<u>UNIT 1</u> <u>March, 2014</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	55,914,926
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	92,749,435
6	- Capitalization Offsets	0

7	Total Capitalization Balances	213,499,080
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	30.3677%
10	+ Short-Term Debt (STD/Total Capital)	26.1898%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	43.4425%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.6863%
17	Short-Term Debt (avg money pool STD int rate)	0.3171%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5892%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8158%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0830%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.2826%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.1814%
		=====
28	Weighted Net Cost of Debt	0.8988%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.1271%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	9.0259%
		=====

A E P GENERATING COMPANY

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500	SUPERVISION AND ENGINEERING	165,729
501	FUEL	11,150,628
502	STEAM EXPENSES	207,350
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	52,164
506	MISC. STEAM POWER EXPENSES	292,874
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 11,868,745

510	MAINTENANCE SUPER. AND ENGINEERING	72,774
511	MAINTENANCE OF STRUCTURES	33,384
512	MAINTENANCE OF BOILER PLANT	424,338
513	MAINTENANCE OF ELECTRIC PLANT	(12,127)
514	MAINTENANCE OF MISC. STEAM PLANT	79,123
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 597,491

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,271
557	OTHER POWER SUPPLY EXPENSES	(829)

TOTAL OTHER SUPPLY EXPENSES 442

IS FUEL IN BALANCE ON PAGE 2 AMOUNT MUST BE ZERO 0

NO OF DAYS IN CURRENT MO 31
 NO OF DAYS IN CURRENT YEAR 365
 CURRENT YEAR IS 2014
 CURRENT MONTH IS 3
 THIS BILLING IS FOR MONTH OF March, 2014

A E P GENERATING COMPANY

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	47,581
921	OFFICE SUPPLIES AND EXPENSES	7,010
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(371)
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	621
926	EMPLOYEE PENSIONS AND BENEFITS	65,672
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(50,750)
931	RENTS	761
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	81,277
935	MAINTENANCE OF GENERAL PLANT	4,867
	TOTAL ADM & GEN EXPENSES	86,144
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,552,821
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,552,821
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
05-Apr-14

UNIT 2
POWER BILL - - March, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF March, 2014
 KWH FOR THE MONTH 323,467,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(123,789)
Return on Other Capital	(58,337)
Total Return	----- (182,126)
Fuel	7,524,944
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,747,708
Depreciation Expense	715,179
Taxes Other Than Federal Income Tax	108,982
Federal Income Tax	20,325
TOTAL CURRENT UNIT POWER BILL	----- 12,928,886 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	9,604
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 9,604 -----
TOTAL UNIT POWER BILL	=====
	12,938,490 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - April 18, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724**

**KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101**

**ESTIMATE
05-Apr-14**

**UNIT 2
POWER BILL - - March, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF March, 2014
KWH FOR THE MONTH 138,629,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(53,053)
Return on Other Capital	(25,001)
Total Return	----- (78,054)
Fuel	3,224,976
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,034,732
Depreciation Expense	306,506
Taxes Other Than Federal Income Tax	46,707
Federal Income Tax	8,710
TOTAL CURRENT UNIT POWER BILL	----- 5,540,952 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	4,116
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 4,116 -----
TOTAL UNIT POWER BILL	=====
	5,545,068 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - April 18, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

March, 2014

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(176,842)	(53,053)	(123,789)
Return on Other Capital	(83,338)	(25,001)	(58,337)
Total Return	(260,180)	(78,054)	(182,126)
+ Fuel	10,749,920	3,224,976	7,524,944
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,782,440	2,034,732	4,747,708
+ Depreciation Expense	1,021,685	306,506	715,179
+ Taxes Other Than Federal Income Tax	155,689	46,707	108,982
+ Federal and State Income Tax	29,035	8,710	20,325
= Total Unit 2 Monthly Power Bill	18,469,838	5,540,952	12,928,886
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(260,180)	(78,054)	(182,126)
+ Unit 2 Schedule M Adjustments	(32,408)	(9,722)	(22,686)
+ Unit 2 Deferred Federal Income Taxes	91,409	27,423	63,986
- Unit 2 Interest Expense Deduction *	(85,343)	(25,603)	(59,740)
= Subtotal	(115,836)	(34,750)	(81,085)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(62,373)	(18,712)	(43,661)
+ Unit 2 Def Fed & State Income Taxes	91,409	27,423	63,986
= Total Unit 2 Fed&State Income Taxes	29,035	8,710	20,325
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	18,469,838	5,540,952	12,928,886
- Operation and Maintenance Expenses	17,532,360	5,259,708	12,272,652
- Depreciation Expense	1,021,685	306,506	715,179
- Taxes Other Than Federal Income Tax	155,689	46,707	108,982
- Unit 2 Interest Expense Deduction *	(85,343)	(25,603)	(59,740)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(145,802)	(43,741)	(102,061)
+ Unit 2 Schedule M Adjustments	(32,408)	(9,722)	(22,686)
= Unit 2 Taxable Income	(178,210)	(53,463)	(124,747)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(62,373)	(18,712)	(43,661)
+ Unit 2 Def Fed & State Income Taxes	91,409	27,423	63,986
= Total Unit 2 Fed&State Income Taxes	29,036	8,711	20,325

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>		<u>UNIT 2 March, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	799,419,236
4	- Accumulated Depreciation	572,939,624
5	+ Materials & Supplies	64,613,368
6	+ Prepayments	57,041
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(21,041,228)
10	+ Unamortized Debt Expense (A/C 181)	130,544
11	+ Deferred ASH pond cost (A/C182.3)	2,847,962
12	- Asset Retirement Obligation (A/C 230)	4,395,196
13	- Other Deferred Credits (A/C 253)	48,837,410
14	- Accumulated Deferred FIT	37,127,625
15	- Accumulated Deferred ITC	17,250,704
16	Total Net In-Service Investment	165,476,366
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	58,141,178
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	58,141,178
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	421,608
25	+ Fuel Inventory Over Allowed Level ****	(7,810,283)
26	Total Non-In-Service Investment - Other	(7,388,675)
27	Total Investment (Lines 16+21+26)	216,228,868
28	Operating Ratio (Line 16/Line 27)	76.5283%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	26.8887%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-3.4170%
31	Total Investment	100.0000%
	* As Permitted By FERC	
	** Excluding Amounts on Lines 7 and 8	
	*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	
	**** Includes Rockport 1 and 2	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 NET IN-SERVICE INVESTMENT RATIO**

Pg 4 of 18

<u>Line No.</u>		<u>UNIT 2 March, 2014</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	141,946,451
4	- Accumulated Depreciation	139,047,367
5	+ Materials & Supplies	28,401,543
6	+ Prepayments	28,520
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(14,670,999)
10	+ Unamortized Debt Expense (A/C 181)	65,272
11	+ Deferred ASH pond cost (A/C182.3)	1,423,981
12	- Asset Retirement Obligation (A/C 230)	2,197,598
13	- Other Deferred Credits (A/C 253)	48,837,410
14	- Accumulated Deferred FIT	(6,445,128)
15	- Accumulated Deferred ITC	17,237,402
16	Total Unit 2 Net In-Service Investment	(43,679,882)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	657,472,786
19	- Accumulated Depreciation	433,892,257
20	+ Materials & Supplies	36,211,826
21	+ Prepayments	28,520
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(6,370,228)
25	+ Unamortized Debt Expense (A/C 181)	65,272
26	+ Deferred ASH pond cost (A/C182.3)	1,423,981
27	- Asset Retirement Obligation (A/C 230)	2,197,598
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,572,752
30	- Accumulated Deferred ITC	13,302
31	Total Unit 1 Net In-Service Investment	209,156,248
32	Total Net In-Service Investment	165,476,366
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-26.4000%
35	Unit 1 (Line 31 / Line 32)	126.4000%
		100.0000%
	* As Permitted By FERC	

** Accounts 128, 131, 135, 143, 146, 171 and 174,
 Less Accounts 232-234, 236, 237, 238, 241 and 242

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

Pg 5 of 18

<u>Line No.</u>		<u>UNIT 2 March, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,834,718
3	+ Short-Term Debt	55,914,926
4	+ Preferred Stock	0
5	+ Common Equity	92,749,435
6	- Temporary Cash Investments	0

7	Net Capitalization	213,499,080
		=====
8	40% of Net Capitalization	85,399,632
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	85,399,632
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	865,380
13	x Operating Ratio	76.5283%
14	x Net In-Service Investment Ratio	-26.4000%
15	= Subtotal	(174,837)
16	Excess of Line 5 Over Line 8	7,349,803
17	x Weighted Cost of Debt (Monthly Rate)	0.1350%
18	= Return on Equity over 40% of Capitalization	9,922
19	x Operating Ratio	76.5283%
20	x Net In-Service Investment Ratio	-26.4000%
21	= Subtotal	(2,005)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(176,842)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	147,922
25	+ Short-Term Debt Interest Expense (a/c 430)	264,573
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	412,495
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	412,495
31	x Operating Ratio	76.5283%
32	x Net In-Service Investment Ratio	-26.4000%
33	= Unit 2 Return on Other Capital	(83,338)
		=====

* Line 6 x Line 19 from Pg 6 of 18

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETERMINATION OF WEIGHTED COST OF DEBT**

Pg 6 of 18

<u>Line No.</u>		<u>UNIT 2 March, 2014</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	55,914,926
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	120,749,644
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	53.6935%
8	+ Short-Term Debt (STD bal/Total Debt bal)	46.3065%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6863%
13	Short-Term Debt (avg Money Pool STD int rate)	0.3171%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.4424%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1468%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.5892%
		=====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES**

Pg 7 of 18

UNIT 2

March, 2014

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,955,257
3	Fuel Stock Expenses - Undistributed (152)	622,296
4	Fuel Stock - Oil (151)	2,365,940
5	Plant Materials & Operating Supplies	12,458,050
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	28,401,543
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,955,257
11	+ Equivalent Inventory re: Deferred Return	897,522,260

12	= Imputed Coal Inventory	910,477,517

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,539,993
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7927.0
16	= Tons Consumed per Hour	320.42
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7690.08
19	x 68 days	68
20	= 68 day Supply (Tons)	522,925
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.257

22	= 68 day Coal Inventory	20,528,467

23	Lesser of Imputed or Capped Coal Inventory	20,528,467

24	Imputed Inventory Minus Line 23	889,949,050
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,827,914
27	+ Current Month Return on Beginning Balance	52,342
28	+ Current Month Deferral	61,542
29	- Current Month Recovery	0

30	= Ending Balance **	6,941,798
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	16,413,251
	Total Unit 2 Monthly Power Bill with 68 Day Capped	16,474,793
	Difference	61,542

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

**UNIT 2
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OPERATION & MAINTENANCE EXPENSES**

Pg 9 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 March, 2014
1	500,502-508	Steam Power Generation - Operation	6,183,780
2	501	Fuel - Operation	10,749,920
3	510-515	Steam Power Generating - Maintenance	451,841
4		Total Steam Power Generation Expenses	----- 17,385,541
5	555-557	Other Power Supply Expenses	442
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	----- 0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expennse - Maintenance	0
11		Total Distribution Expensese	----- 0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	141,510
16	935	Administrative and General Expenses - Maintenance	4,867
17		Total Administrative & General Exp.	----- 146,377
18		Total Operation & Maintenance Expenses	----- 17,532,360 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 March, 2014</u>
1	403	Depreciation Expense *	448,699
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	553,236
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			—
6		Total Depreciation Exp. & Amortization	1,005,279
			=
7	411.10	ARO Accretion Expense	16,407
8		Total Depreciation, Amortization & Accretion Expenses	1,021,685

* Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

* Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

** Rockport 2 Leasehold Improvements Amortization rate = 3.03%

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

Pg 11 of 18

**UNIT 2
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	140,689
2	409.1	State Income Taxes	15,000
3		Total Taxes Other than Federal Income Taxes	----- 155,689 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS
AND DEFERRED FEDERAL INCOME TAX**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	373,000	111,900	261,100
4	N/A	Other Unit 2 Schedule `M' Adjustments	(413,908)	(124,172)	(289,736)
5	***	Total Unit 2 Schedule `M' Adjustments	(32,408)	(9,722)	(22,686)
			=====	=====	=====
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(34,112)	(10,234)	(23,878)
8	10.1&411.Other Unit 2 Schedule `M' Adjustments -				
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(12,024)	(3,607)	(8,416)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(181)	(54)	(126)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	137,725	41,317	96,407
			-----	-----	-----
12	***	Total Unit 2 Deferred Federal Income Tax	91,409	27,423	63,986
			=====	=====	=====

*** Positive Amount Denotes Increase In Taxable Income,
Negative Amount Denotes Reduction.

Check Figure on Tax Page for Sch M	(32,408)
Check Figure on Tax Page for DFIT	91,409

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2**

Pg 13 of 18

**UNIT 2
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	138,803,844
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	3,142,607
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	----- 141,946,451
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	116,247,991
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	22,799,376
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	----- 139,047,367
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	15,321,197
22	152	Fuel Stock Expenses - Undistributed	622,296
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,458,050
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	----- 28,401,543
29	165	Prepayments	----- 28,520
30	186	Other Deferred Debits	----- 0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

Pg 13a of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 March, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	15,383,786
6	171	Interest and Dividends Receivable	588
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(24,551)
9	234	Accounts Payable-Associated Company	(14,241,845)
10	236	Taxes Accrued	(1,234,547)
11	237	Interest Accrued	(294,494)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(14,259,935)

15		Total Other Working Capital	(14,670,999)
			=====
16	181	Unamortized Debt Expense	65,272

17	253	Other Deferred Credits	48,837,410

*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

Pg 14 of 18

DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2(Cont'd)

**UNIT 2
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,682,069
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,273,495
35	283	+Accumulated Deferred Income Taxes - Other	963,446
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,445,128) -----
37	255	+Accumulated Deferred Investment Tax Credits	17,237,402
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 17,237,402 -----
40		Total Net In-Service Investment - Unit 2	----- (42,906,265) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER**

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**UNIT 2
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	58,141,178
2		<u>MATERIAL AND SUPPLIES</u>	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	----- 0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 58,141,178 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	421,608
20	151.10	Fuel Inventory Over Allowed Level *	(7,810,283)
21		Total Non-In-Service Investment - Other	----- (7,388,675) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,810,283)
		UNIT 2	0
		TOTAL	----- (7,810,283) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

Pg 16 of 18
UNIT 2
March, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	2,887,448
21		Total Retained Earnings	2,887,448
22		Total Common Equity	92,749,435
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

**UNIT 2
March, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,834,718
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,834,718
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	55,914,926
38		Total Short-Term Debt	55,914,926
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	213,499,080

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>		<u>UNIT 2 March, 2014</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,834,718
3	+ Short-Term Debt (Accts 231 + 233)	55,914,926
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	92,749,435
6	- Capitalization Offsets	0

7	Total Capitalization Balances	213,499,080
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	30.3677%
10	+ Short-Term Debt (STD/Total Capital)	26.1898%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	43.4425%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.6863%
17	Short-Term Debt (avg money pool STD int rate)	0.3171%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5892%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8158%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0830%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.2826%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.1814%
		=====
28	Weighted Net Cost of Debt	0.8988%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.1271%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	9.0259%
		=====

A E P GENERATING COMPANY

**March, 2014
 ESTIMATE**

**ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

500	SUPERVISION AND ENGINEERING	152,140
501	FUEL	10,749,920
502	STEAM EXPENSES	66,181
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	50,070
506	MISC. STEAM POWER EXPENSES	225,136
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	16,933,700

510	MAINTENANCE SUPER. AND ENGINEERING	73,519
511	MAINTENANCE OF STRUCTURES	10,395
512	MAINTENANCE OF BOILER PLANT	280,009
513	MAINTENANCE OF ELECTRIC PLANT	33,111
514	MAINTENANCE OF MISC. STEAM PLANT	54,806
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	451,841

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	1,271
557	OTHER POWER SUPPLY EXPENSES	(829)
	TOTAL OTHER SUPPLY EXPENSES	442

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO
 0

BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	3
THIS BILLING IS FOR MONTH OF	March, 2014

A E P GENERATING COMPANY

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	56,191
921	OFFICE SUPPLIES AND EXPENSES	7,018
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	51,244
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	621
926	EMPLOYEE PENSIONS AND BENEFITS	65,672
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(50,750)
931	RENTS	761
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	141,510
935	MAINTENANCE OF GENERAL PLANT	4,867
	TOTAL ADM & GEN EXPENSES	146,377
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	17,532,360
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	17,532,360
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101

ESTIMATE
07-May-14

UNIT 1
POWER BILL - - April, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF April, 2014
 KWH FOR THE MONTH 109,938,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	254,330
Return on Other Capital	49,741
Total Return	----- 304,071
Fuel	2,889,005
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	542,275
Depreciation Expense	495,273
Taxes Other Than Federal Income Tax	41,156
Federal Income Tax	212,423
TOTAL CURRENT UNIT POWER BILL	----- 4,481,578 -----

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	(47,794)
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- (47,794) -----

TOTAL UNIT POWER BILL	=====
	4,433,784
	=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - May 19, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus
 Diane Keegan - Columbus

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KPSC Case No. 2014-00225
 KIUC's First Set of Data Requests
 Dated September 5, 2014
 Item No. 4
 Attachment 1
 Page 237 of 350

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
07-May-14

UNIT 1
POWER BILL - - April, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF April, 2014
 KWH FOR THE MONTH 256,522,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		593,436
Return on Other Capital		116,062
Total Return		----- 709,498
Fuel		6,741,013
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		1,265,307
Depreciation Expense		1,155,637
Taxes Other Than Federal Income Tax		96,032
Federal Income Tax		495,653
TOTAL UNIT POWER BILL		----- 10,457,014 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		(111,514)
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- (111,514) -----
TOTAL UNIT POWER BILL		=====
		10,345,500
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - May 19, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus Kevin Amburgey-Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

April, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	847,766	254,330	593,436
Return on Other Capital	165,803	49,741	116,062
Total Return	1,013,569	304,071	709,498
+ Fuel	9,630,018	2,889,005	6,741,013
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	1,807,582	542,275	1,265,307
+ Depreciation Expense	1,650,910	495,273	1,155,637
+ Taxes Other Than Federal Income Tax	137,188	41,156	96,032
+ Federal and State Income Tax	708,076	212,423	495,653
= Total Unit 1 Monthly Power Bill	14,938,592	4,481,578	10,457,014
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,013,569	304,071	709,498
+ Unit 1 Schedule M Adjustments	630,886	189,266	441,620
+ Unit 1 Deferred Federal Income Taxes	(54,875)	(16,463)	(38,413)
- Unit 1 Interest Expense Deduction *	172,668	51,800	120,868
= Subtotal	1,416,911	425,074	991,837
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	762,952	228,886	534,066
+ Unit 1 Def Fed & State Income Taxes	(54,875)	(16,463)	(38,413)
= Total Unit 1 Fed&State Income Taxes	708,076	212,423	495,653
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	14,938,592	4,481,578	10,457,014
- Operation and Maintenance Expenses	11,437,600	3,431,280	8,006,320
- Depreciation Expense	1,650,910	495,273	1,155,637
- Taxes Other Than Federal Income Tax	137,188	41,156	96,032
- Unit 1 Interest Expense Deduction *	172,668	51,800	120,868
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,548,977	464,694	1,084,283
+ Unit 1 Schedule M Adjustments	630,886	189,266	441,620
= Unit 1 Taxable Income	2,179,863	653,960	1,525,903
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	762,952	228,886	534,066
+ Unit 1 Def Fed & State Income Taxes	(54,875)	(16,463)	(38,413)
= Total Unit 1 Fed&State Income Taxes	708,076	212,423	495,653

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>	<u>UNIT 1 April, 2014</u>
1	<u>Operating Ratio:</u>
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 800,105,537
4	- Accumulated Depreciation 575,386,688
5	+ Materials & Supplies 64,972,045
6	+ Prepayments 42,781
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (22,107,737)
10	+ Unamortized Debt Expense (A/C 181) 119,013
11	+ Deferred ASH pond cost (A/C182.3) 2,840,138
12	- Asset Retirement Obligation (A/C 230) 4,423,159
13	- Other Deferred Credits (A/C 253) 48,373,164
14	- Accumulated Deferred FIT 37,170,707
15	- Accumulated Deferred ITC 17,086,303
16	Total Net In-Service Investment 163,531,755
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 63,389,481
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 63,389,481
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 1,034,099
24	+ Other Deferred Debits (A/C 186) ** 3,059,194
25	+ Fuel Inventory Over Allowed Level **** (8,163,032)
26	Total Non-In-Service Investment - Other (4,069,739)
27	Total Investment (Lines 16+21+26) 222,851,497
28	Operating Ratio (Line 16/Line 27) 73.3815%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 28.4447%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) -1.8262%
31	Total Investment 100.0000%
* As Permitted By FERC	=====
** Excluding Amounts on Lines 7 and 8	
*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and	
**** Includes Rockport 1 and 2	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
NET IN-SERVICE INVESTMENT RATIO**

<u>Line No.</u>	<u>UNIT 1 April, 2014</u>	
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	658,142,325
4	- Accumulated Depreciation	435,491,981
5	+ Materials & Supplies	36,567,538
6	+ Prepayments	21,390
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(3,826,233)
10	+ Unamortized Debt Expense (A/C 181)	59,506
11	+ Deferred ASH pond cost (A/C182.3)	1,420,069
12	- Asset Retirement Obligation (A/C 230)	2,211,579
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,518,548
15	- Accumulated Deferred ITC	13,066
16	Total Unit 1 Net In-Service Investment	211,149,422
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	141,963,211
19	- Accumulated Depreciation	139,894,707
20	+ Materials & Supplies	28,404,506
21	+ Prepayments	21,390
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(18,281,503)
25	+ Unamortized Debt Expense (A/C 181)	59,506
26	+ Deferred ASH pond cost (A/C182.3)	1,420,069
27	- Asset Retirement Obligation (A/C 230)	2,211,579
28	- Other Deferred Credits (A/C 253)	48,373,164
29	- Accumulated Deferred FIT	(6,347,841)
30	- Accumulated Deferred ITC	17,073,237
31	Total Unit 2 Net In-Service Investment	(47,617,666)
32	Total Net In-Service Investment	163,531,755
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	129.1200%
35	Unit 2 (Line 31 / Line 32)	-29.1200%
		100.0000%
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

Pg 5 of 18

<u>Line No.</u>		<u>UNIT 1 April, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	61,140,909
4	+ Preferred Stock	0
5	+ Common Equity	93,392,100
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 218,954,504 =====
8	40% of Net Capitalization	87,581,802
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	87,581,802
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	887,493
13	x Operating Ratio	73.3815%
14	x Net In-Service Investment Ratio	129.1200%
15	= Subtotal	840,901
16	Excess of Line 5 Over Line 8	5,810,298
17	x Weighted Cost of Debt (Monthly Rate)	0.1247%
18	= Return on Equity over 40% of Capitalization	7,245
19	x Operating Ratio	73.3815%
20	x Net In-Service Investment Ratio	129.1200%
21	= Subtotal	----- 6,865 =====
22	Unit 1 Return on Equity (Line 15 + Line 21)	847,766 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	142,776
25	+ Short-Term Debt Interest Expense (a/c 430)	32,214
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 174,990 -----
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	174,990
31	x Operating Ratio	73.3815%
32	x Net In-Service Investment Ratio	129.1200%
33	= Unit 1 Return on Other Capital	165,803 =====
	* Line 6 x Line 19 from Pg 6 of 18	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF WEIGHTED COST OF DEBT**

<u>Line No.</u>		<u>UNIT 1 April, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	61,140,909
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	125,562,404
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	51.3064%
8	+ Short-Term Debt (STD bal/Total Debt bal)	48.6936%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6965%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2745%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3835%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1337%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.5172%
		=====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES**

UNIT 1

**Line
No.**

April, 2014

1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	21,034,253
3	Fuel Stock Expenses - Undistributed (152)	584,441
4	Fuel Stock - Oil (151)	2,312,430
5	Plant Materials & Operating Supplies	12,636,414
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	36,567,538
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,871,221
11	+ Equivalent Inventory re: Deferred Return	20,696,083,904
12	= Imputed Coal Inventory	20,708,955,125
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8031.6
16	= Tons Consumed per Hour	324.12
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7778.88
19	x 68 days	68
20	= 68 day Supply (Tons)	528,964
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.765
22	= 68 day Coal Inventory	21,034,253
23	Lesser of Imputed or Capped Coal Inventory	21,034,253
24	Imputed Inventory Minus Line 23	20,687,920,872
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	149,448,905
27	+ Current Month Return on Beginning Balance	1,087,038
28	+ Current Month Deferral	0
29	- Current Month Recovery	56,617
30	= Ending Balance **	150,479,326

* Excludes Forced Outages, Scheduled Outages, and Curtailments

** May Not Be Less Than Zero

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 <u>April, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OPERATION & MAINTENANCE EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 <u>April, 2014</u>
1	500,502-508	Steam Power Generation - Operation	493,996
2	501	Fuel - Operation	9,630,018
3	510-515	Steam Power Generating - Maintenance	1,173,011
4		Total Steam Power Generation Expenses	11,297,025
5	555-557	Other Power Supply Expenses	2,572
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	130,422
16	935	Administrative and General Expenses - Maintenance	7,580
17		Total Administrative & General Exp.	138,003
18		Total Operation & Maintenance Expenses	11,437,600

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF DEPRECIATION EXPENSE
AND AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 April, 2014</u>
1a	1 403	Depreciation Expense	1,631,068
	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,634,411
			=====
7	411.10	ARO Accretion Expense	16,499
8		Total Depreciation, Amortization & Accretion Expenses	1,650,910

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 April, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	141,688
2	409.1	State Income Taxes	(4,500)
3		Total Taxes Other than FIT	----- 137,188 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 1 SCHEDULE `M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

**UNIT 1
 April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	(18,000)	(5,400)	(12,600)
4	N/A	Other Unit 1 Schedule `M' Adjustments	640,386	192,116	448,270
5	***	Total Unit 1 Schedule `M' Adjustments	630,886	189,266	441,620
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	23,129	6,939	16,190
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(2,279)	(684)	(1,595)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(51)	(15)	(36)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	(75,675)	(22,703)	(52,972)
12	***	Total Unit 1 Deferred Federal Income Tax	(54,875)	(16,463)	(38,413)

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

=====

=====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

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**UNIT 1
 April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	653,967,849
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	4,174,476
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	----- 658,142,325
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	435,020,203
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	471,778
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	----- 435,491,981
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	23,346,683
22	152	Fuel Stock Expenses - Undistributed	584,441
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,636,414
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	----- 36,567,538
29	165	Prepayments	----- 21,390
30	186	Other Deferred Debits	----- 0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 April, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	21,387,986
6	171	Interest and Dividends Receivable	600
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(17,663)
9	234	Accounts Payable-Associated Company	(16,673,714)
10	236	Taxes Accrued	(5,360,632)
11	237	Interest Accrued	(33,891)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(3,128,919)

15		Total Other Working Capital	(3,826,233)
			=====
16	181	Unamortized Debt Expense	59,506

17	253	Other Deferred Credits	0

		* debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 April, 2014</u>
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,174,082
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,842,438
35	283	+Accumulated Deferred Income Taxes - Other	850,193
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 43,518,548 -----
37	255	+Accumulated Deferred Investment Tax Credits	13,066
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 13,066 -----
40		Total Net In-Service Investment - Unit 1	----- 211,940,932 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER**

UNIT 1
April, 2014

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	63,389,481
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	----- 0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 63,389,481 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	3,059,194
20	151.10	Fuel Inventory Over Allowed Level *	(8,163,032)
21		Total Non-In-Service Investment - Other	----- (4,069,739) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,163,032)
		UNIT 2	0
		TOTAL	----- (8,163,032) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,530,113
21		Total Retained Earnings	3,530,113
22		Total Common Equity	93,392,100
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

**UNIT 1
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,421,495
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	----- 64,421,495 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	61,140,909
38		Total Short-Term Debt	----- 61,140,909 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	----- 0 -----
45		NET CAPITALIZATION	----- 218,954,504 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>		<u>UNIT 1</u> <u>April, 2014</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	61,140,909
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	93,392,100
6	- Capitalization Offsets	0

7	Total Capitalization Balances	218,954,504
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	29.4223%
10	+ Short-Term Debt (STD/Total Capital)	27.9240%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	42.6537%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.6965%
17	Short-Term Debt (avg money pool STD int rate)	0.2745%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.5172%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.7934%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0767%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.1867%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.0568%
		=====
28	Weighted Net Cost of Debt	0.8701%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.9795%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	8.8496%
		=====

A E P GENERATING COMPANY

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1

50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500	SUPERVISION AND ENGINEERING	139,549
501	FUEL	9,630,018
502	STEAM EXPENSES	118,030
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	80,579
506	MISC. STEAM POWER EXPENSES	155,838
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 10,124,014

510	MAINTENANCE SUPER. AND ENGINEERING	72,227
511	MAINTENANCE OF STRUCTURES	42,813
512	MAINTENANCE OF BOILER PLANT	734,592
513	MAINTENANCE OF ELECTRIC PLANT	259,049
514	MAINTENANCE OF MISC. STEAM PLANT	64,331
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 1,173,011

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	582
557	OTHER POWER SUPPLY EXPENSES	1,990

TOTAL OTHER SUPPLY EXPENSES 2,572

IS FUEL IN BALANCE ON PAGE 2 AMOUNT MUST BE ZERO 0

NO OF DAYS IN CURRENT MO 30
 NO OF DAYS IN CURRENT YEAR 365
 CURRENT YEAR IS 2014
 CURRENT MONTH IS 4
 THIS BILLING IS FOR MONTH OF April, 2014

A E P GENERATING COMPANY

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	41,097
921	OFFICE SUPPLIES AND EXPENSES	7,115
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	11,727
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,970
926	EMPLOYEE PENSIONS AND BENEFITS	57,586
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(578)
931	RENTS	753
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	130,422
935	MAINTENANCE OF GENERAL PLANT	7,580
	TOTAL ADM & GEN EXPENSES	138,003
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	11,437,600
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	11,437,600
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
07-May-14

UNIT 2
POWER BILL - - April, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF April, 2014
 KWH FOR THE MONTH

210,056,350

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	(134,459)
Return on Other Capital	(26,297)
Total Return	(160,756)
Fuel	5,715,516
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,876,991
Depreciation Expense	714,901
Taxes Other Than Federal Income Tax	102,088
Federal Income Tax	14,443
TOTAL CURRENT UNIT POWER BILL	11,257,058

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	61,168

TOTAL PRIOR MONTH'S ADJUSTMENTS **61,168**

TOTAL UNIT POWER BILL **11,318,226**

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - May 19, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101

ESTIMATE
07-May-14

UNIT 2
POWER BILL - - April, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF April, 2014
 KWH FOR THE MONTH 90,024,150

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(57,626)
Return on Other Capital	(11,270)
Total Return	----- (68,896)
Fuel	2,449,507
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,090,139
Depreciation Expense	306,386
Taxes Other Than Federal Income Tax	43,752
Federal Income Tax	6,190
TOTAL CURRENT UNIT POWER BILL	----- 4,824,453 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	26,214
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 26,214 -----
TOTAL UNIT POWER BILL	----- 4,850,667 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - May 19, 2014
 Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 SUMMARY OF MONTHLY POWER BILL**

April, 2014

07-May-14

	<u>TOTAL UNIT 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(192,085)	(57,626)	(134,459)
Return on Other Capital	(37,567)	(11,270)	(26,297)
Total Return	(229,652)	(68,896)	(160,756)
+ Fuel	8,165,023	2,449,507	5,715,516
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,967,130	2,090,139	4,876,991
+ Depreciation Expense	1,021,287	306,386	714,901
+ Taxes Other Than Federal Income Tax	145,840	43,752	102,088
+ Federal and State Income Tax	20,634	6,190	14,443
= Total Unit 2 Monthly Power Bill	16,081,512	4,824,453	11,257,058
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(229,652)	(68,896)	(160,756)
+ Unit 2 Schedule M Adjustments	(49,225)	(14,767)	(34,457)
+ Unit 2 Deferred Federal Income Taxes	97,326	29,198	68,128
- Unit 2 Interest Expense Deduction *	(39,122)	(11,737)	(27,385)
= Subtotal	(142,428)	(42,728)	(99,700)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(76,692)	(23,007)	(53,685)
+ Unit 2 Def Fed & State Income Taxes	97,326	29,198	68,128
= Total Unit 2 Fed&State Income Taxes	20,634	6,190	14,443
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	16,081,512	4,824,453	11,257,058
- Operation and Maintenance Expenses	15,132,153	4,539,646	10,592,507
- Depreciation Expense	1,021,287	306,386	714,901
- Taxes Other Than Federal Income Tax	145,840	43,752	102,088
- Unit 2 Interest Expense Deduction *	(39,122)	(11,737)	(27,385)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(169,896)	(50,969)	(118,928)
+ Unit 2 Schedule M Adjustments	(49,225)	(14,767)	(34,457)
= Unit 2 Taxable Income	(219,121)	(65,736)	(153,385)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(76,693)	(23,008)	(53,685)
+ Unit 2 Def Fed & State Income Taxes	97,326	29,198	68,128
= Total Unit 2 Fed&State Income Taxes	20,633	6,190	14,443

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>		<u>UNIT 2</u> <u>April, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,105,537
4	- Accumulated Depreciation	575,386,688
5	+ Materials & Supplies	64,972,045
6	+ Prepayments	42,781
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(22,107,737)
10	+ Unamortized Debt Expense (A/C 181)	119,013
11	+ Deferred ASH pond cost (A/C182.3)	2,840,138
12	- Asset Retirement Obligation (A/C 230)	4,423,159
13	- Other Deferred Credits (A/C 253)	48,373,164
14	- Accumulated Deferred FIT	37,170,707
15	- Accumulated Deferred ITC	17,086,303
16	Total Net In-Service Investment	163,531,755
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	63,389,481
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	63,389,481
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	3,059,194
25	+ Fuel Inventory Over Allowed Level ****	(8,163,032)
26	Total Non-In-Service Investment - Other	(5,103,838)
27	Total Investment (Lines 16+21+26)	221,817,398
28	Operating Ratio (Line 16/Line 27)	73.7236%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	28.5773%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-2.3009%
31	Total Investment	100.0000%
	* As Permitted By FERC	
	** Excluding Amounts on Lines 7 and 8	
	*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	
	**** Includes Rockport 1 and 2	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 NET IN-SERVICE INVESTMENT RATIO**

Pg 4 of 18

<u>Line No.</u>		<u>UNIT 2 April, 2014</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	141,963,211
4	- Accumulated Depreciation	139,894,707
5	+ Materials & Supplies	28,404,506
6	+ Prepayments	21,390
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(18,281,503)
10	+ Unamortized Debt Expense (A/C 181)	59,506
11	+ Deferred ASH pond cost (A/C182.3)	1,420,069
12	- Asset Retirement Obligation (A/C 230)	2,211,579
13	- Other Deferred Credits (A/C 253)	48,373,164
14	- Accumulated Deferred FIT	(6,347,841)
15	- Accumulated Deferred ITC	17,073,237
16	Total Unit 2 Net In-Service Investment	(47,617,666)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	658,142,325
19	- Accumulated Depreciation	435,491,981
20	+ Materials & Supplies	36,567,538
21	+ Prepayments	21,390
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(3,826,233)
25	+ Unamortized Debt Expense (A/C 181)	59,506
26	+ Deferred ASH pond cost (A/C182.3)	1,420,069
27	- Asset Retirement Obligation (A/C 230)	2,211,579
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,518,548
30	- Accumulated Deferred ITC	13,066
31	Total Unit 1 Net In-Service Investment	211,149,422
32	Total Net In-Service Investment	163,531,755
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-29.1200%
35	Unit 1 (Line 31 / Line 32)	129.1200%
		100.0000%
	* As Permitted By FERC	=====

** Accounts 128, 131, 135, 143, 146, 171 and 174,
 Less Accounts 232-234, 236, 237, 238, 241 and 242

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

<u>Line No.</u>		<u>UNIT 2 April, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	61,140,909
4	+ Preferred Stock	0
5	+ Common Equity	93,392,100
6	- Temporary Cash Investments	0
7	Net Capitalization	----- 218,954,504 =====
8	40% of Net Capitalization	87,581,802
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	87,581,802
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	887,493
13	x Operating Ratio	73.7236%
14	x Net In-Service Investment Ratio	-29.1200%
15	= Subtotal	(190,530)
16	Excess of Line 5 Over Line 8	5,810,298
17	x Weighted Cost of Debt (Monthly Rate)	0.1247%
18	= Return on Equity over 40% of Capitalization	7,245
19	x Operating Ratio	73.7236%
20	x Net In-Service Investment Ratio	-29.1200%
21	= Subtotal	(1,555)
22	Unit 2 Return on Equity (Line 15 + Line 21)	----- (192,085) =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	142,776
25	+ Short-Term Debt Interest Expense (a/c 430)	32,214
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	----- 174,990
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	----- 174,990
31	x Operating Ratio	73.7236%
32	x Net In-Service Investment Ratio	-29.1200%
33	= Unit 2 Return on Other Capital	----- (37,567) =====

* Line 6 x Line 19 from Pg 6 of 18

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETERMINATION OF WEIGHTED COST OF DEBT**

Pg 6 of 18

Item No. 4
 Attachment 1
 Page 266 of 350

<u>Line No.</u>		<u>UNIT 2</u> <u>April, 2014</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	61,140,909
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	125,562,404
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	51.3064%
8	+ Short-Term Debt (STD bal/Total Debt bal)	48.6936%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6965%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2745%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3835%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1337%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.5172%
		=====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES**

INCLUDE A/C 431 ON PG 5

UNIT 2

**Line
 No.**

April, 2014

1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,871,221
3	Fuel Stock Expenses - Undistributed (152)	584,441
4	Fuel Stock - Oil (151)	2,312,430
5	Plant Materials & Operating Supplies	12,636,414
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	28,404,506
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,871,221
11	+ Equivalent Inventory re: Deferred Return	961,318,745
12	= Imputed Coal Inventory	974,189,966
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,539,993
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7927.0
16	= Tons Consumed per Hour	320.42
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7690.08
19	x 68 days	68
20	= 68 day Supply (Tons)	522,925
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.765
22	= 68 day Coal Inventory	20,794,113
23	Lesser of Imputed or Capped Coal Inventory	20,794,113
24	Imputed Inventory Minus Line 23	953,395,853
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,941,798
27	+ Current Month Return on Beginning Balance	50,492
28	+ Current Month Deferral	55,319
29	- Current Month Recovery	0
30	= Ending Balance **	7,047,609
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	18,666,409
	Total Unit 2 Monthly Power Bill with 68 Day Capped	18,721,728
	Difference	55,319

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2</u> <u>April, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL** Pg 9 of 18
DETAIL OF OPERATION & MAINTENANCE EXPENSES

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 April, 2014</u>
1	500,502-508	Steam Power Generation - Operation	6,128,791
2	501	Fuel - Operation	8,165,023
3	510-515	Steam Power Generating - Maintenance	666,392
4		Total Steam Power Generation Expenses	14,960,205
5	555-557	Other Power Supply Expenses	2,572
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expensse - Maintenance	0
11		Total Distribution Expensse	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	161,796
16	935	Administrative and General Expenses - Maintenance	7,580
17		Total Administrative & General Exp.	169,376
18		Total Operation & Maintenance Expenses	15,132,153

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 April, 2014</u>
1	403	Depreciation Expense *	448,338
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	553,108
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,004,789
			=
7	411.10	ARO Accretion Expense	16,499
8		Total Depreciation, Amortization & Accretion Expenses	1,021,287

* Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

* Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

** Rockport 2 Leasehold Improvements Amortization rate = 3.03%

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2</u> <u>April, 2014</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	150,340
2	409.1	State Income Taxes	(4,500)

3		Total Taxes Other than Federal Income Taxes	145,840 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	373,000	111,900	261,100
4	N/A	Other Unit 2 Schedule `M' Adjustments	(430,725)	(129,217)	(301,507)
5	***	Total Unit 2 Schedule `M' Adjustments	<u>(49,225)</u>	<u>(14,767)</u>	<u>(34,457)</u>
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(34,112)	(10,234)	(23,878)
8	10.1&411.	Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(12,024)	(3,607)	(8,416)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(181)	(54)	(126)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	143,642	43,093	100,549
12	***	Total Unit 2 Deferred Federal Income Tax	<u>97,326</u>	<u>29,198</u>	<u>68,128</u>

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

Check Figure on Tax Page for Sch M (49,225)
 Check Figure on Tax Page for DFIT 97,326

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2**

**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	138,824,938
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	3,138,274
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	141,963,211
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	116,559,894
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	23,334,814
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	139,894,707
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	15,183,651
22	152	Fuel Stock Expenses - Undistributed	584,441
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,636,414
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	28,404,506
29	165	Prepayments	21,390
30	186	Other Deferred Debits	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL** Pg 13a of 18
**OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
 AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 April, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	21,709,811
6	171	Interest and Dividends Receivable	600
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(17,663)
9	234	Accounts Payable-Associated Company	(16,613,713)
10	236	Taxes Accrued	(2,980,208)
11	237	Interest Accrued	(33,891)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(20,346,439)

15		Total Other Working Capital	(18,281,503)
			=====
16	181	Unamortized Debt Expense	59,506

17	253	Other Deferred Credits	48,373,164

*		debit <credit>	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2(Cont'd)**

**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,516,463
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,211,069
35	283	+Accumulated Deferred Income Taxes - Other	957,552
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,347,841) -----
37	255	+Accumulated Deferred Investment Tax Credits	17,073,237
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 17,073,237 -----
40		Total Net In-Service Investment - Unit 2	----- (46,826,156) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL**

Pg 15 of 18

DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 April, 2014</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	63,389,481
2		<u>MATERIAL AND SUPPLIES</u>	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	63,389,481
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	3,059,194
20	151.10	Fuel Inventory Over Allowed Level *	(8,163,032)
21		Total Non-In-Service Investment - Other	(5,103,838)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,163,032)
		UNIT 2	0
		TOTAL	(8,163,032)

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,530,113
21		Total Retained Earnings	3,530,113
22		Total Common Equity	93,392,100
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,421,495
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,421,495
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	61,140,909
38		Total Short-Term Debt	61,140,909
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	218,954,504

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>	<u>UNIT 2</u> <u>April, 2014</u>
1	Capitalization Balances (Prior Month Ending) :
2	Long-Term Debt (Accts 221 thru 226) 64,421,495
3	+ Short-Term Debt (Accts 231 + 233) 61,140,909
4	+ Preferred Stock 0
5	+ Common Equity (Accts 201 thru 216) 93,392,100
6	- Capitalization Offsets 0
7	Total Capitalization Balances 218,954,504
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt (LTD/Total Capital) 29.4223%
10	+ Short-Term Debt (STD/Total Capital) 27.9240%
11	+ Preferred Stock 0.0000%
12	+ Common Equity (Common Equity/Total Capital) 42.6537%
13	- Capitalization Offsets 0.0000%
14	Total Capitalization 100.0000%
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt (avg LTD int rate) 2.6965%
17	Short-Term Debt (avg money pool STD int rate) 0.2745%
18	Preferred Stock 0.0000%
19	Common Equity (FERC fixed rate) 12.1600%
20	Capitalization Offsets (sum of weighted costs of debt) 1.5172%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt (LTD % x avg LTD int rate) 0.7934%
23	+ Short-Term Debt (STD % x avg MP STD int rate) 0.0767%
24	+ Preferred Stock 0.0000%
25	+ Common Equity (CE % x FERC fixed rate) 5.1867%
26	- Capitalization Offsets 0.0000%
27	Total Rate of Return (Net of Tax) 6.0568%
28	Weighted Net Cost of Debt 0.8701%
	(LTD Rate of Return + STD RR - Cap Offsets RR)
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.9795%
	(Common Equity Rate of Return grossed up for tax)
30	= Rate of Return (Pre-Tax) 8.8496%

A E P GENERATING COMPANY

**April, 2014
 ESTIMATE**

**ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

500	SUPERVISION AND ENGINEERING	137,083
501	FUEL	8,165,023
502	STEAM EXPENSES	66,314
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	78,225
506	MISC. STEAM POWER EXPENSES	156,916
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 14,293,813

510	MAINTENANCE SUPER. AND ENGINEERING	70,927
511	MAINTENANCE OF STRUCTURES	14,738
512	MAINTENANCE OF BOILER PLANT	503,332
513	MAINTENANCE OF ELECTRIC PLANT	45,983
514	MAINTENANCE OF MISC. STEAM PLANT	31,412
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 666,392

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	582
557	OTHER POWER SUPPLY EXPENSES	1,990

TOTAL OTHER SUPPLY EXPENSES 2,572

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO
 0

BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	30
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	4
THIS BILLING IS FOR MONTH OF	April, 2014

April, 2014
 ESTIMATE

Item No. 4
 Attachment 1
 Page 281 of 350

A E P GENERATING COMPANY

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	46,813
921	OFFICE SUPPLIES AND EXPENSES	7,119
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	37,380
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,970
926	EMPLOYEE PENSIONS AND BENEFITS	57,586
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(578)
931	RENTS	753
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	161,796
935	MAINTENANCE OF GENERAL PLANT	7,580
	TOTAL ADM & GEN EXPENSES	169,376
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	15,132,153
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	15,132,153
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101

ESTIMATE
06-Jun-14

UNIT 1
POWER BILL - - May, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF May, 2014
 KWH FOR THE MONTH 0

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		258,229
Return on Other Capital		55,412
Total Return		----- 313,641
Fuel		46,273
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		1,274,909
Depreciation Expense		495,325
Taxes Other Than Federal Income Tax		48,152
Federal Income Tax		213,269
TOTAL CURRENT UNIT POWER BILL		----- 2,388,944 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses (Includes taxes & interest)		6,393
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- 6,393 -----
TOTAL UNIT POWER BILL		=====
		2,395,337
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - June 20, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus
 Diane Keegan - Columbus

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KPSC Case No. 2014-00225
 KIUC's First Set of Data Requests
 Dated September 5, 2014
 Item No. 4
 Attachment 1
 Page 284 of 350

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
06-Jun-14

UNIT 1
POWER BILL - - May, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF May, 2014
 KWH FOR THE MONTH 0

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		602,534
Return on Other Capital		129,296
Total Return		----- 731,830
Fuel		107,970
Purchased Power		0
Other Operating Revenues		(6,125)
Other Operation and Maintenance Exp		2,974,788
Depreciation Expense		1,155,758
Taxes Other Than Federal Income Tax		112,354
Federal Income Tax		497,626
TOTAL UNIT POWER BILL		----- 5,574,201 -----
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel		0
Other Expenses (Includes taxes & interest)		14,915
TOTAL PRIOR MONTH'S ADJUSTMENTS		----- 14,915 -----
TOTAL UNIT POWER BILL		=====
		5,589,116
		=====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - - June 20, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus Kevin Amburgey-Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

May, 2014

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	860,763	258,229	602,534
Return on Other Capital	184,708	55,412	129,296
Total Return	1,045,471	313,641	731,830
+ Fuel	154,243	46,273	107,970
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	4,249,697	1,274,909	2,974,788
+ Depreciation Expense	1,651,083	495,325	1,155,758
+ Taxes Other Than Federal Income Tax	160,506	48,152	112,354
+ Federal and State Income Tax	710,896	213,269	497,626
= Total Unit 1 Monthly Power Bill	7,963,146	2,388,944	5,574,201
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,045,471	313,641	731,830
+ Unit 1 Schedule M Adjustments	611,567	183,470	428,097
+ Unit 1 Deferred Federal Income Taxes	(47,961)	(14,388)	(33,574)
- Unit 1 Interest Expense Deduction *	199,769	59,931	139,838
= Subtotal	1,409,308	422,792	986,515
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	758,857	227,657	531,200
+ Unit 1 Def Fed & State Income Taxes	(47,961)	(14,388)	(33,574)
= Total Unit 1 Fed&State Income Taxes	710,896	213,269	497,626
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	7,963,146	2,388,944	5,574,201
- Operation and Maintenance Expenses	4,403,940	1,321,182	3,082,758
- Depreciation Expense	1,651,083	495,325	1,155,758
- Taxes Other Than Federal Income Tax	160,506	48,152	112,354
- Unit 1 Interest Expense Deduction *	199,769	59,931	139,838
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,556,598	466,979	1,089,618
+ Unit 1 Schedule M Adjustments	611,567	183,470	428,097
= Unit 1 Taxable Income	2,168,165	650,449	1,517,715
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	758,857	227,657	531,200
+ Unit 1 Def Fed & State Income Taxes	(47,962)	(14,388)	(33,574)
= Total Unit 1 Fed&State Income Taxes	710,895	213,269	497,626

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>	<u>UNIT 1</u> <u>May, 2014</u>
1	<u>Operating Ratio:</u>
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 800,156,616
4	- Accumulated Depreciation 577,852,789
5	+ Materials & Supplies 65,222,266
6	+ Prepayments 28,520
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (31,763,980)
10	+ Unamortized Debt Expense (A/C 181) 118,578
11	+ Deferred ASH pond cost (A/C182.3) 2,832,314
12	- Asset Retirement Obligation (A/C 230) 4,451,307
13	- Other Deferred Credits (A/C 253) 47,908,918
14	- Accumulated Deferred FIT 37,218,195
15	- Accumulated Deferred ITC 16,921,902
16	Total Net In-Service Investment 152,241,204
17	<u>Non-In-Service Investment - CWIP :</u>
18	Construction Work In Progress 67,394,104
19	+ Materials & Supplies 0
20	- Accumulated Deferred FIT 0
21	Total Non-In-Service Investment - CWIP 67,394,104
22	<u>Non-In-Service Investment - Other :</u>
23	Plant Held for Future Use (A/C 105) ** 1,034,099
24	+ Other Deferred Debits (A/C 186) ** 2,796,939
25	+ Fuel Inventory Over Allowed Level **** (10,343,068)
26	Total Non-In-Service Investment - Other (6,512,030)
27	Total Investment (Lines 16+21+26) 213,123,278
28	Operating Ratio (Line 16/Line 27) 71.4334%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27) 31.6221%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27) -3.0555%
31	Total Investment 100.0000%
*	As Permitted By FERC
**	Excluding Amounts on Lines 7 and 8
***	Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and
****	Includes Rockport 1 and 2

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
NET IN-SERVICE INVESTMENT RATIO**

<u>Line No.</u>		<u>UNIT 1 May, 2014</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	658,169,003
4	- Accumulated Depreciation	436,993,399
5	+ Materials & Supplies	37,782,667
6	+ Prepayments	14,260
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(2,499,856)
10	+ Unamortized Debt Expense (A/C 181)	59,289
11	+ Deferred ASH pond cost (A/C182.3)	1,416,157
12	- Asset Retirement Obligation (A/C 230)	2,225,653
13	- Other Deferred Credits (A/C 253)	0
14	- Accumulated Deferred FIT	43,464,280
15	- Accumulated Deferred ITC	12,830
16	Total Unit 1 Net In-Service Investment	212,245,358
17	Unit 2 Net In-Service Investment:	
18	Electric Plant In-Service	141,987,613
19	- Accumulated Depreciation	140,859,390
20	+ Materials & Supplies	27,439,599
21	+ Prepayments	14,260
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(29,264,124)
25	+ Unamortized Debt Expense (A/C 181)	59,289
26	+ Deferred ASH pond cost (A/C182.3)	1,416,157
27	- Asset Retirement Obligation (A/C 230)	2,225,653
28	- Other Deferred Credits (A/C 253)	47,908,918
29	- Accumulated Deferred FIT	(6,246,085)
30	- Accumulated Deferred ITC	16,909,072
31	Total Unit 2 Net In-Service Investment	(60,004,154)
32	Total Net In-Service Investment	152,241,204
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 1 (Line 16 / Line 32)	139.4100%
35	Unit 2 (Line 31 / Line 32)	-39.4100%
		100.0000%
	* As Permitted By FERC	=====
	** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

Pg 5 of 18

<u>Line No.</u>		<u>UNIT 1 May, 2014</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	50,984,194
4	+ Preferred Stock	0
5	+ Common Equity	94,107,538
6	- Temporary Cash Investments	0

7	Net Capitalization	209,513,226
		=====
8	40% of Net Capitalization	83,805,291
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	83,805,291
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	849,224
13	x Operating Ratio	71.4334%
14	x Net In-Service Investment Ratio	139.4100%
15	= Subtotal	845,702
16	Excess of Line 5 Over Line 8	10,302,247
17	x Weighted Cost of Debt (Monthly Rate)	0.1468%
18	= Return on Equity over 40% of Capitalization	15,124
19	x Operating Ratio	71.4334%
20	x Net In-Service Investment Ratio	139.4100%
21	= Subtotal	15,061

22	Unit 1 Return on Equity (Line 15 + Line 21)	860,763
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	158,630
25	+ Short-Term Debt Interest Expense (a/c 430)	26,847
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	185,477
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	185,477
31	x Operating Ratio	71.4334%
32	x Net In-Service Investment Ratio	139.4100%
33	= Unit 1 Return on Other Capital	184,708
	* Line 6 x Line 19 from Pg 6 of 18	=====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF WEIGHTED COST OF DEBT**

<u>Line No.</u>		<u>UNIT 1 May, 2014</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	50,984,194
4	+ Other Debt (Accts 132 thru 136 + 145)	0

5	Total Debt Balances (Prior Month Ending)	115,405,689
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	55.8218%
8	+ Short-Term Debt (STD bal/Total Debt bal)	44.1782%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8993%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2499%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.6184%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1104%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	1.7288%
		=====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES**

UNIT 1

**Line
No.**

May, 2014

1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	22,579,886
3	Fuel Stock Expenses - Undistributed (152)	569,787
4	Fuel Stock - Oil (151)	2,054,512
5	Plant Materials & Operating Supplies	12,578,482
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	37,782,667
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,236,818
11	+ Equivalent Inventory re: Deferred Return	19,089,387,199
12	= Imputed Coal Inventory	19,101,624,017
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,603,238
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	8031.6
16	= Tons Consumed per Hour	324.12
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7778.88
19	x 68 days	68
20	= 68 day Supply (Tons)	528,964
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	42.687
22	= 68 day Coal Inventory	22,579,886
23	Lesser of Imputed or Capped Coal Inventory	22,579,886
24	Imputed Inventory Minus Line 23	19,079,044,131
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	150,479,326
27	+ Current Month Return on Beginning Balance	1,195,635
28	+ Current Month Deferral	0
29	- Current Month Recovery	73,008
30	= Ending Balance **	151,601,953

* Excludes Forced Outages, Scheduled Outages, and Curtailments

** May Not Be Less Than Zero

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 <u>May, 2014</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OPERATION & MAINTENANCE EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 May, 2014
1	500,502-508	Steam Power Generation - Operation	482,463
2	501	Fuel - Operation	154,243
3	510-515	Steam Power Generating - Maintenance	3,651,909
4		Total Steam Power Generation Expenses	4,288,614
5	555-557	Other Power Supply Expenses	(15,012)
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	112,113
16	935	Administrative and General Expenses - Maintenance	18,224
17		Total Administrative & General Exp.	130,337
18		Total Operation & Maintenance Expenses	4,403,940

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF DEPRECIATION EXPENSE
AND AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 May, 2014</u>
1a	1 403	Depreciation Expense	1,631,148
	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant	0
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0

6		Total Depreciation Exp. & Amortization	1,634,491
			=====
7	411.10	ARO Accretion Expense	16,592
8		Total Depreciation, Amortization & Accretion Expenses	1,651,083

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 May, 2014</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	155,506
2	409.1	State Income Taxes	5,000
3		Total Taxes Other than FIT	----- 160,506 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 1 SCHEDULE `M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

**UNIT 1
 May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	(18,000)	(5,400)	(12,600)
4	N/A	Other Unit 1 Schedule `M' Adjustments	621,067	186,320	434,747
5	***	Total Unit 1 Schedule `M' Adjustments	611,567	183,470	428,097
6		<u>Unit 1 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	23,129	6,939	16,190
8	410.1&411.1	Other Unit 1 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(2,279)	(684)	(1,595)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(51)	(15)	(36)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	(68,761)	(20,628)	(48,133)
12	***	Total Unit 1 Deferred Federal Income Tax	(47,961)	(14,388)	(33,574)

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

=====

=====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

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**UNIT 1
 May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	653,974,053
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	4,194,951
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	----- 658,169,003
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	436,521,622
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	471,778
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	----- 436,993,399
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	24,634,398
22	152	Fuel Stock Expenses - Undistributed	569,787
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,578,482
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	----- 37,782,667
29	165	Prepayments	----- 14,260
30	186	Other Deferred Debits	----- 0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1 May, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	14,790,850
6	171	Interest and Dividends Receivable	600
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,151)
9	234	Accounts Payable-Associated Company	(11,948,283)
10	236	Taxes Accrued	(5,035,666)
11	237	Interest Accrued	(86,040)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(208,166)

15		Total Other Working Capital	(2,499,856)
			=====
16	181	Unamortized Debt Expense	59,289

17	253	Other Deferred Credits	0

		* debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 1 May, 2014
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	2,208,855
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	44,827,807
35	283	+Accumulated Deferred Income Taxes - Other	845,328
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 43,464,280 -----
37	255	+Accumulated Deferred Investment Tax Credits	12,830
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 12,830 -----
40		Total Net In-Service Investment - Unit 1	----- 213,054,854 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>May, 2014</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	67,394,104
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	----- 0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	67,394,104 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,034,099
19	186	Other Deferred Debits	2,796,939
20	151.10	Fuel Inventory Over Allowed Level *	(10,343,068)
21		Total Non-In-Service Investment - Other	----- (6,512,030) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(10,343,068)
		UNIT 2	0
		TOTAL	----- (10,343,068) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,245,550
21		Total Retained Earnings	4,245,550
22		Total Common Equity	94,107,538
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 May, 2014</u>
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,421,495
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	----- 64,421,495 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
37	233.00	Notes Payable, Assoc Co(Money Pool)	50,984,194
38		Total Short-Term Debt	----- 50,984,194 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	----- 0 -----
45		NET CAPITALIZATION	----- 209,513,226 =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>	<u>UNIT 1</u> <u>May, 2014</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>
2	Long-Term Debt (Accts 221 thru 226) 64,421,495
3	+ Short-Term Debt (Accts 231 + 233) 50,984,194
4	+ Preferred Stock 0
5	+ Common Equity (Accts 201 thru 216) 94,107,538
6	- Capitalization Offsets 0
7	Total Capitalization Balances 209,513,226
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt (LTD/Total Capital) 30.7482%
10	+ Short-Term Debt (STD/Total Capital) 24.3346%
11	+ Preferred Stock 0.0000%
12	+ Common Equity (Common Equity/Total Capital) 44.9172%
13	- Capitalization Offsets 0.0000%
14	Total Capitalization 100.0000%
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt (avg LTD int rate) 2.8993%
17	Short-Term Debt (avg money pool STD int rate) 0.2499%
18	Preferred Stock 0.0000%
19	Common Equity (FERC fixed rate) 12.1600%
20	Capitalization Offsets (sum of weighted costs of debt) 1.7288%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt (LTD % x avg LTD int rate) 0.8915%
23	+ Short-Term Debt (STD % x avg MP STD int rate) 0.0608%
24	+ Preferred Stock 0.0000%
25	+ Common Equity (CE % x FERC fixed rate) 5.4619%
26	- Capitalization Offsets 0.0000%
27	Total Rate of Return (Net of Tax) 6.4142%
28	Weighted Net Cost of Debt 0.9523%
	(LTD Rate of Return + STD RR - Cap Offsets RR)
29	+ Pre-Tax Common Equity (Line 25 / .65) 8.4029%
	(Common Equity Rate of Return grossed up for tax)
30	= Rate of Return (Pre-Tax) 9.3552%

May, 2014
ESTIMATE

A E P GENERATING COMPANY

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500	SUPERVISION AND ENGINEERING	130,873
501	FUEL	154,243
502	STEAM EXPENSES	182,032
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	79,133
506	MISC. STEAM POWER EXPENSES	90,425
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 636,705

510	MAINTENANCE SUPER. AND ENGINEERING	103,958
511	MAINTENANCE OF STRUCTURES	37,333
512	MAINTENANCE OF BOILER PLANT	2,566,570
513	MAINTENANCE OF ELECTRIC PLANT	882,667
514	MAINTENANCE OF MISC. STEAM PLANT	61,381
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 3,651,909

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(4,718)
557	OTHER POWER SUPPLY EXPENSES	(10,294)

TOTAL OTHER SUPPLY EXPENSES (15,012)

AMOUNT MUST BE ZERO

IS FUEL IN BALANCE 0
ON PAGE 2 -----

NO OF DAYS IN CURRENT MO 31
NO OF DAYS IN CURRENT YEAR 365
CURRENT YEAR IS 2014
CURRENT MONTH IS 5
THIS BILLING IS FOR MONTH OF May, 2014

A E P GENERATING COMPANY

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	39,948
921	OFFICE SUPPLIES AND EXPENSES	4,978
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(20,179)
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,800
926	EMPLOYEE PENSIONS AND BENEFITS	73,823
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(36)
931	RENTS	1,025
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	112,113
935	MAINTENANCE OF GENERAL PLANT	18,224
	TOTAL ADM & GEN EXPENSES	130,337
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	4,403,940
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	4,403,940
	-----DIFFERENCE-----	0

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

INDIANA MICHIGAN POWER COMPANY
P. O. BOX 60
FORT WAYNE, IN 46801

ESTIMATE
07-May-14

UNIT 2
POWER BILL - - April, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF April, 2014
 KWH FOR THE MONTH 210,056,350

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(134,459)
Return on Other Capital	(26,297)
Total Return	----- (160,756)
Fuel	5,715,516
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,876,991
Depreciation Expense	714,901
Taxes Other Than Federal Income Tax	102,088
Federal Income Tax	14,443
TOTAL CURRENT UNIT POWER BILL	----- 11,257,058 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	61,168
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 61,168 -----
TOTAL UNIT POWER BILL	=====
	11,318,226 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - May 19, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724**

KPSC Case No. 2014-00225
KIUC's First Set of Data Requests
Dated September 5, 2014
Item No. 4
Attachment 1
Page 308 of 350

**KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101**

**ESTIMATE
07-May-14**

**UNIT 2
POWER BILL - - April, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF April, 2014
KWH FOR THE MONTH 90,024,150

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(57,626)
Return on Other Capital	(11,270)
Total Return	----- (68,896)
Fuel	2,449,507
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	2,090,139
Depreciation Expense	306,386
Taxes Other Than Federal Income Tax	43,752
Federal Income Tax	6,190
TOTAL CURRENT UNIT POWER BILL	----- 4,824,453 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	26,214
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 26,214 -----
TOTAL UNIT POWER BILL	----- 4,850,667 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - May 19, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

April, 2014

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(192,085)	(57,626)	(134,459)
Return on Other Capital	(37,567)	(11,270)	(26,297)
Total Return	(229,652)	(68,896)	(160,756)
+ Fuel	8,165,023	2,449,507	5,715,516
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,967,130	2,090,139	4,876,991
+ Depreciation Expense	1,021,287	306,386	714,901
+ Taxes Other Than Federal Income Tax	145,840	43,752	102,088
+ Federal and State Income Tax	20,634	6,190	14,443
= Total Unit 2 Monthly Power Bill	16,081,512	4,824,453	11,257,058
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(229,652)	(68,896)	(160,756)
+ Unit 2 Schedule M Adjustments	(49,225)	(14,767)	(34,457)
+ Unit 2 Deferred Federal Income Taxes	97,326	29,198	68,128
- Unit 2 Interest Expense Deduction *	(39,122)	(11,737)	(27,385)
= Subtotal	(142,428)	(42,728)	(99,700)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(76,692)	(23,007)	(53,685)
+ Unit 2 Def Fed & State Income Taxes	97,326	29,198	68,128
= Total Unit 2 Fed&State Income Taxes	20,634	6,190	14,443
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	16,081,512	4,824,453	11,257,058
- Operation and Maintenance Expenses	15,132,153	4,539,646	10,592,507
- Depreciation Expense	1,021,287	306,386	714,901
- Taxes Other Than Federal Income Tax	145,840	43,752	102,088
- Unit 2 Interest Expense Deduction *	(39,122)	(11,737)	(27,385)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(169,896)	(50,969)	(118,928)
+ Unit 2 Schedule M Adjustments	(49,225)	(14,767)	(34,457)
= Unit 2 Taxable Income	(219,121)	(65,736)	(153,385)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(76,693)	(23,008)	(53,685)
+ Unit 2 Def Fed & State Income Taxes	97,326	29,198	68,128
= Total Unit 2 Fed&State Income Taxes	20,633	6,190	14,443

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>		<u>UNIT 2 April, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,105,537
4	- Accumulated Depreciation	575,386,688
5	+ Materials & Supplies	64,972,045
6	+ Prepayments	42,781
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(22,107,737)
10	+ Unamortized Debt Expense (A/C 181)	119,013
11	+ Deferred ASH pond cost (A/C182.3)	2,840,138
12	- Asset Retirement Obligation (A/C 230)	4,423,159
13	- Other Deferred Credits (A/C 253)	48,373,164
14	- Accumulated Deferred FIT	37,170,707
15	- Accumulated Deferred ITC	17,086,303
16	Total Net In-Service Investment	----- 163,531,755 -----
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	63,389,481
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	----- 63,389,481 -----
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	3,059,194
25	+ Fuel Inventory Over Allowed Level ****	(8,163,032)
26	Total Non-In-Service Investment - Other	----- (5,103,838) -----
27	Total Investment (Lines 16+21+26)	----- 221,817,398 =====
28	Operating Ratio (Line 16/Line 27)	73.7236%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	28.5773%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	----- -2.3009%
31	Total Investment	----- 100.0000% =====
	* As Permitted By FERC	
	** Excluding Amounts on Lines 7 and 8	
	*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	
	**** Includes Rockport 1 and 2	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 NET IN-SERVICE INVESTMENT RATIO**

<u>Line No.</u>		<u>UNIT 2 April, 2014</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	141,963,211
4	- Accumulated Depreciation	139,894,707
5	+ Materials & Supplies	28,404,506
6	+ Prepayments	21,390
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(18,281,503)
10	+ Unamortized Debt Expense (A/C 181)	59,506
11	+ Deferred ASH pond cost (A/C182.3)	1,420,069
12	- Asset Retirement Obligation (A/C 230)	2,211,579
13	- Other Deferred Credits (A/C 253)	48,373,164
14	- Accumulated Deferred FIT	(6,347,841)
15	- Accumulated Deferred ITC	17,073,237
16	Total Unit 2 Net In-Service Investment	(47,617,666)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	658,142,325
19	- Accumulated Depreciation	435,491,981
20	+ Materials & Supplies	36,567,538
21	+ Prepayments	21,390
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(3,826,233)
25	+ Unamortized Debt Expense (A/C 181)	59,506
26	+ Deferred ASH pond cost (A/C182.3)	1,420,069
27	- Asset Retirement Obligation (A/C 230)	2,211,579
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,518,548
30	- Accumulated Deferred ITC	13,066
31	Total Unit 1 Net In-Service Investment	211,149,422
32	Total Net In-Service Investment	163,531,755
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-29.1200%
35	Unit 1 (Line 31 / Line 32)	129.1200%
		100.0000%
	* As Permitted By FERC	

** Accounts 128, 131, 135, 143, 146, 171 and 174,
 Less Accounts 232-234, 236, 237, 238, 241 and 242

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

Pg 5 of 18

<u>Line No.</u>		<u>UNIT 2 April, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	61,140,909
4	+ Preferred Stock	0
5	+ Common Equity	93,392,100
6	- Temporary Cash Investments	0

7	Net Capitalization	218,954,504
		=====
8	40% of Net Capitalization	87,581,802
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	87,581,802
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	887,493
13	x Operating Ratio	73.7236%
14	x Net In-Service Investment Ratio	-29.1200%
15	= Subtotal	(190,530)
16	Excess of Line 5 Over Line 8	5,810,298
17	x Weighted Cost of Debt (Monthly Rate)	0.1247%
18	= Return on Equity over 40% of Capitalization	7,245
19	x Operating Ratio	73.7236%
20	x Net In-Service Investment Ratio	-29.1200%
21	= Subtotal	(1,555)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(192,085)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	142,776
25	+ Short-Term Debt Interest Expense (a/c 430)	32,214
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	174,990
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	174,990
31	x Operating Ratio	73.7236%
32	x Net In-Service Investment Ratio	-29.1200%
33	= Unit 2 Return on Other Capital	(37,567)
		=====

* Line 6 x Line 19 from Pg 6 of 18

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETERMINATION OF WEIGHTED COST OF DEBT**

Pg 6 of 18

<u>Line No.</u>		<u>UNIT 2 April, 2014</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	61,140,909
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 125,562,404 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	51.3064%
8	+ Short-Term Debt (STD bal/Total Debt bal)	48.6936%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.6965%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2745%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.3835%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1337%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.5172% =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES**

Pg 7 of 18

UNIT 2

April, 2014

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,871,221
3	Fuel Stock Expenses - Undistributed (152)	584,441
4	Fuel Stock - Oil (151)	2,312,430
5	Plant Materials & Operating Supplies	12,636,414
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	28,404,506
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,871,221
11	+ Equivalent Inventory re: Deferred Return	961,318,745

12	= Imputed Coal Inventory	974,189,966

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,539,993
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7927.0
16	= Tons Consumed per Hour	320.42
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7690.08
19	x 68 days	68
20	= 68 day Supply (Tons)	522,925
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	39.765

22	= 68 day Coal Inventory	20,794,113

23	Lesser of Imputed or Capped Coal Inventory	20,794,113

24	Imputed Inventory Minus Line 23	953,395,853
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	6,941,798
27	+ Current Month Return on Beginning Balance	50,492
28	+ Current Month Deferral	55,319
29	- Current Month Recovery	0

30	= Ending Balance **	7,047,609
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	18,666,409
	Total Unit 2 Monthly Power Bill with 68 Day Capped	18,721,728
	Difference	55,319

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OPERATION & MAINTENANCE EXPENSES**

Pg 9 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 April, 2014
1	500,502-508	Steam Power Generation - Operation	6,128,791
2	501	Fuel - Operation	8,165,023
3	510-515	Steam Power Generating - Maintenance	666,392
4		Total Steam Power Generation Expenses	14,960,205
5	555-557	Other Power Supply Expenses	2,572
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expennse - Maintenance	0
11		Total Distribution Expensese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	161,796
16	935	Administrative and General Expenses - Maintenance	7,580
17		Total Administrative & General Exp.	169,376
18		Total Operation & Maintenance Expenses	15,132,153

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 April, 2014</u>
1	403	Depreciation Expense *	448,338
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	553,108
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,004,789
			=
7	411.10	ARO Accretion Expense	16,499
8		Total Depreciation, Amortization & Accretion Expenses	1,021,287

* Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

* Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

** Rockport 2 Leasehold Improvements Amortization rate = 3.03%

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

Pg 11 of 18

**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	150,340
2	409.1	State Income Taxes	(4,500)
3		Total Taxes Other than Federal Income Taxes	----- 145,840 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	373,000	111,900	261,100
4	N/A	Other Unit 2 Schedule `M' Adjustments	(430,725)	(129,217)	(301,507)
5	***	Total Unit 2 Schedule `M' Adjustments	(49,225)	(14,767)	(34,457)
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(34,112)	(10,234)	(23,878)
8	10.1&411.	Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(12,024)	(3,607)	(8,416)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(181)	(54)	(126)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	143,642	43,093	100,549
12	***	Total Unit 2 Deferred Federal Income Tax	97,326	29,198	68,128

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

Check Figure on Tax Page for Sch M (49,225)
 Check Figure on Tax Page for DFIT 97,326

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2**

Pg 13 of 18

**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	138,824,938
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	3,138,274
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	----- 141,963,211
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	116,559,894
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	23,334,814
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	----- 139,894,707
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	15,183,651
22	152	Fuel Stock Expenses - Undistributed	584,441
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,636,414
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	----- 28,404,506
29	165	Prepayments	----- 21,390
30	186	Other Deferred Debits	----- 0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 April, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	21,709,811
6	171	Interest and Dividends Receivable	600
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(17,663)
9	234	Accounts Payable-Associated Company	(16,613,713)
10	236	Taxes Accrued	(2,980,208)
11	237	Interest Accrued	(33,891)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(20,346,439)

15		Total Other Working Capital	(18,281,503)
			=====
16	181	Unamortized Debt Expense	59,506

17	253	Other Deferred Credits	48,373,164

*		debit <credit>	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL**

Pg 14 of 18

DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2(Cont'd)

**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,516,463
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,211,069
35	283	+Accumulated Deferred Income Taxes - Other	957,552
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,347,841) -----
37	255	+Accumulated Deferred Investment Tax Credits	17,073,237
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 17,073,237 -----
40		Total Net In-Service Investment - Unit 2	----- (46,826,156) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL**
Pg 15 of 18
DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 April, 2014</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	63,389,481
2		<u>MATERIAL AND SUPPLIES</u>	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	----- 0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 63,389,481 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	3,059,194
20	151.10	Fuel Inventory Over Allowed Level *	(8,163,032)
21		Total Non-In-Service Investment - Other	----- (5,103,838) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(8,163,032)
		UNIT 2	0
		TOTAL	----- (8,163,032) =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

Pg 16 of 18

**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	3,530,113
21		Total Retained Earnings	3,530,113
22		Total Common Equity	93,392,100
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

**UNIT 2
April, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,421,495
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	----- 64,421,495 -----
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	61,140,909
38		Total Short-Term Debt	----- 61,140,909 -----
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	----- 0 -----
45		NET CAPITALIZATION	----- 218,954,504 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>	<u>UNIT 2</u> <u>April, 2014</u>
1	Capitalization Balances (Prior Month Ending) :
2	Long-Term Debt (Accts 221 thru 226) 64,421,495
3	+ Short-Term Debt (Accts 231 + 233) 61,140,909
4	+ Preferred Stock 0
5	+ Common Equity (Accts 201 thru 216) 93,392,100
6	- Capitalization Offsets 0
7	----- Total Capitalization Balances 218,954,504 =====
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt (LTD/Total Capital) 29.4223%
10	+ Short-Term Debt (STD/Total Capital) 27.9240%
11	+ Preferred Stock 0.0000%
12	+ Common Equity (Common Equity/Total Capital) 42.6537%
13	- Capitalization Offsets 0.0000%
14	----- Total Capitalization 100.0000% =====
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt (avg LTD int rate) 2.6965%
17	Short-Term Debt (avg money pool STD int rate) 0.2745%
18	Preferred Stock 0.0000%
19	Common Equity (FERC fixed rate) 12.1600%
20	Capitalization Offsets (sum of weighted costs of debt) 1.5172%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt (LTD % x avg LTD int rate) 0.7934%
23	+ Short-Term Debt (STD % x avg MP STD int rate) 0.0767%
24	+ Preferred Stock 0.0000%
25	+ Common Equity (CE % x FERC fixed rate) 5.1867%
26	- Capitalization Offsets 0.0000%
27	----- Total Rate of Return (Net of Tax) 6.0568% =====
28	Weighted Net Cost of Debt 0.8701%
	(LTD Rate of Return + STD RR - Cap Offsets RR)
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.9795%
	(Common Equity Rate of Return grossed up for tax) -----
30	= Rate of Return (Pre-Tax) 8.8496% =====

A E P GENERATING COMPANY

**April, 2014
 ESTIMATE**

**ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

500	SUPERVISION AND ENGINEERING	137,083
501	FUEL	8,165,023
502	STEAM EXPENSES	66,314
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	78,225
506	MISC. STEAM POWER EXPENSES	156,916
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 14,293,813

510	MAINTENANCE SUPER. AND ENGINEERING	70,927
511	MAINTENANCE OF STRUCTURES	14,738
512	MAINTENANCE OF BOILER PLANT	503,332
513	MAINTENANCE OF ELECTRIC PLANT	45,983
514	MAINTENANCE OF MISC. STEAM PLANT	31,412
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 666,392

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	582
557	OTHER POWER SUPPLY EXPENSES	1,990

TOTAL OTHER SUPPLY EXPENSES 2,572

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO

0

BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	30
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	4
THIS BILLING IS FOR MONTH OF	April, 2014

April, 2014
ESTIMATE

A E P GENERATING COMPANY

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	46,813
921	OFFICE SUPPLIES AND EXPENSES	7,119
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	37,380
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,970
926	EMPLOYEE PENSIONS AND BENEFITS	57,586
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(578)
931	RENTS	753
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	161,796
935	MAINTENANCE OF GENERAL PLANT	7,580
	TOTAL ADM & GEN EXPENSES	169,376
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	15,132,153
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	15,132,153
	-----DIFFERENCE-----	0

**AEP GENERATING COMPANY
 ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
 TELEPHONE (614) 716-3724**

**INDIANA MICHIGAN POWER COMPANY
 P. O. BOX 60
 FORT WAYNE, IN 46801**

**ESTIMATE
 06-Jun-14**

**UNIT 2
POWER BILL - - May, 2014**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF May, 2014
 KWH FOR THE MONTH 321,995,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(171,161)
Return on Other Capital	(36,729)
Total Return	----- (207,890)
Fuel	8,748,453
Purchased Power	0
Other Operating Revenues	(6,125)
Other Operation and Maintenance Exp	4,595,812
Depreciation Expense	715,210
Taxes Other Than Federal Income Tax	118,411
Federal Income Tax	(4,126)
TOTAL CURRENT UNIT POWER BILL	----- 13,959,745 -----
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	2,772
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 2,772 -----
TOTAL UNIT POWER BILL	=====
	13,962,517 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - June 20, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724

KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101

ESTIMATE
06-Jun-14

UNIT 2
POWER BILL - - May, 2014

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF May, 2014
 KWH FOR THE MONTH 137,998,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(73,355)
Return on Other Capital	(15,741)
Total Return	----- (89,096)
Fuel	3,749,337
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	1,969,633
Depreciation Expense	306,518
Taxes Other Than Federal Income Tax	50,747
Federal Income Tax	(1,768)
TOTAL CURRENT UNIT POWER BILL	----- 5,982,746 =====
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses (Includes taxes & interest)	1,187
TOTAL PRIOR MONTH'S ADJUSTMENTS	----- 1,187 -----
TOTAL UNIT POWER BILL	=====
	5,983,933 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - June 20, 2014

Cc: Steve Hornyak - Columbus Kurt C Cooper - Ft Wayne
 Dave Hille - Ft. Wayne Shannon Listebarger - Columbus
 Mike Stout - Ft. Wayne
 Mike Giardina - Columbus
 Sid Lyons - Columbus Michelle Howell - Columbus

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

May, 2014

	TOTAL UNIT 2 POWER BILL	KPCO SHARE	I&M SHARE
Return on Common Equity	(244,516)	(73,355)	(171,161)
Return on Other Capital	(52,470)	(15,741)	(36,729)
Total Return	(296,986)	(89,096)	(207,890)
+ Fuel	12,497,791	3,749,337	8,748,453
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,565,445	1,969,633	4,595,812
+ Depreciation Expense	1,021,728	306,518	715,210
+ Taxes Other Than Federal Income Tax	169,158	50,747	118,411
+ Federal and State Income Tax	(5,895)	(1,768)	(4,126)
= Total Unit 2 Monthly Power Bill	19,942,490	5,982,746	13,959,745
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(296,986)	(89,096)	(207,890)
+ Unit 2 Schedule M Adjustments	(71,105)	(21,331)	(49,773)
+ Unit 2 Deferred Federal Income Taxes	105,137	31,541	73,596
- Unit 2 Interest Expense Deduction *	(56,748)	(17,024)	(39,724)
= Subtotal	(206,205)	(61,862)	(144,343)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(111,033)	(33,310)	(77,723)
+ Unit 2 Def Fed & State Income Taxes	105,137	31,541	73,596
= Total Unit 2 Fed&State Income Taxes	(5,895)	(1,768)	(4,126)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	19,942,490	5,982,746	13,959,745
- Operation and Maintenance Expenses	19,063,235	5,718,970	13,344,265
- Depreciation Expense	1,021,728	306,518	715,210
- Taxes Other Than Federal Income Tax	169,158	50,747	118,411
- Unit 2 Interest Expense Deduction *	(56,748)	(17,024)	(39,724)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(246,133)	(73,840)	(172,292)
+ Unit 2 Schedule M Adjustments	(71,105)	(21,331)	(49,773)
= Unit 2 Taxable Income	(317,238)	(95,171)	(222,065)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(111,033)	(33,310)	(77,723)
+ Unit 2 Def Fed & State Income Taxes	105,137	31,541	73,596
= Total Unit 2 Fed&State Income Taxes	(5,896)	(1,769)	(4,127)

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO**

<u>Line No.</u>		<u>UNIT 2 May, 2014</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	800,156,616
4	- Accumulated Depreciation	577,852,789
5	+ Materials & Supplies	65,222,266
6	+ Prepayments	28,520
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(31,763,980)
10	+ Unamortized Debt Expense (A/C 181)	118,578
11	+ Deferred ASH pond cost (A/C182.3)	2,832,314
12	- Asset Retirement Obligation (A/C 230)	4,451,307
13	- Other Deferred Credits (A/C 253)	47,908,918
14	- Accumulated Deferred FIT	37,218,195
15	- Accumulated Deferred ITC	16,921,902
16	Total Net In-Service Investment	152,241,204
17	<u>Non-In-Service Investment - CWIP :</u>	
18	Construction Work In Progress	67,394,104
19	+ Materials & Supplies	0
20	- Accumulated Deferred FIT	0
21	Total Non-In-Service Investment - CWIP	67,394,104
22	<u>Non-In-Service Investment - Other :</u>	
23	Plant Held for Future Use (A/C 105) **	0
24	+ Other Deferred Debits (A/C 186) **	2,796,939
25	+ Fuel Inventory Over Allowed Level ****	(10,343,068)
26	Total Non-In-Service Investment - Other	(7,546,129)
27	Total Investment (Lines 16+21+26)	212,089,179
28	Operating Ratio (Line 16/Line 27)	71.7817%
29	Non-In-Service Investment-CWIP Ratio (Line 21/Line 27)	31.7763%
30	Non-In-Service Investment-Other Ratio (Line 26/Line 27)	-3.5580%
31	Total Investment	100.0000%
	* As Permitted By FERC	
	** Excluding Amounts on Lines 7 and 8	
	*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	
	**** Includes Rockport 1 and 2	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 NET IN-SERVICE INVESTMENT RATIO**

Pg 4 of 18

<u>Line No.</u>		<u>UNIT 2</u> <u>May, 2014</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	141,987,613
4	- Accumulated Depreciation	140,859,390
5	+ Materials & Supplies	27,439,599
6	+ Prepayments	14,260
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(29,264,124)
10	+ Unamortized Debt Expense (A/C 181)	59,289
11	+ Deferred ASH pond cost (A/C182.3)	1,416,157
12	- Asset Retirement Obligation (A/C 230)	2,225,653
13	- Other Deferred Credits (A/C 253)	47,908,918
14	- Accumulated Deferred FIT	(6,246,085)
15	- Accumulated Deferred ITC	16,909,072
16	Total Unit 2 Net In-Service Investment	(60,004,154)
17	<u>Unit 1 Net In-Service Investment:</u>	
18	Electric Plant In-Service	658,169,003
19	- Accumulated Depreciation	436,993,399
20	+ Materials & Supplies	37,782,667
21	+ Prepayments	14,260
22	+ Plant Held For Future Use (A/C 105) *	0
23	+ Other Deferred Debits (A/C 186) *	0
24	+ Other Working Capital **	(2,499,856)
25	+ Unamortized Debt Expense (A/C 181)	59,289
26	+ Deferred ASH pond cost (A/C182.3)	1,416,157
27	- Asset Retirement Obligation (A/C 230)	2,225,653
28	- Other Deferred Credits (A/C 253)	0
29	- Accumulated Deferred FIT	43,464,280
30	- Accumulated Deferred ITC	12,830
31	Total Unit 1 Net In-Service Investment	212,245,358
32	Total Net In-Service Investment	152,241,204
33	<u>Net In-Service Investment Ratio:</u>	
34	Unit 2 (Line 16 / Line 32)	-39.4100%
35	Unit 1 (Line 31 / Line 32)	139.4100%
		100.0000%
	* As Permitted By FERC	

** Accounts 128, 131, 135, 143, 146, 171 and 174,
 Less Accounts 232-234, 236, 237, 238, 241 and 242

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 CALCULATION OF RETURNS ON
COMMON EQUITY & OTHER CAPITAL**

Pg 5 of 18

<u>Line No.</u>		<u>UNIT 2 May, 2014</u>
1	Net Capitalization:	
2	Long-Term Debt	64,421,495
3	+ Short-Term Debt	50,984,194
4	+ Preferred Stock	0
5	+ Common Equity	94,107,538
6	- Temporary Cash Investments	0

7	Net Capitalization	209,513,226
		=====
8	40% of Net Capitalization	83,805,291
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	83,805,291
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	849,224
13	x Operating Ratio	71.7817%
14	x Net In-Service Investment Ratio	-39.4100%
15	= Subtotal	(240,238)
16	Excess of Line 5 Over Line 8	10,302,247
17	x Weighted Cost of Debt (Monthly Rate)	0.1468%
18	= Return on Equity over 40% of Capitalization	15,124
19	x Operating Ratio	71.7817%
20	x Net In-Service Investment Ratio	-39.4100%
21	= Subtotal	(4,278)

22	Unit 2 Return on Equity (Line 15 + Line 21)	(244,516)
		=====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (A/C 427-429)	158,630
25	+ Short-Term Debt Interest Expense (a/c 430)	26,847
26	+ Other Interest Expense (a/c 431)	0
27	- Temporary Cash Investment Income *	0

28	= Net Interest Expense	185,477
29	+ Preferred Stock Dividends (a/c 437)	0

30	= Net Cost of Other Capital	185,477
31	x Operating Ratio	71.7817%
32	x Net In-Service Investment Ratio	-39.4100%
33	= Unit 2 Return on Other Capital	(52,470)
		=====

* Line 6 x Line 19 from Pg 6 of 18

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETERMINATION OF WEIGHTED COST OF DEBT**

Pg 6 of 18

<u>Line No.</u>		<u>UNIT 2 May, 2014</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	50,984,194
4	+ Other Debt (Accts 132 thru 136 + 145)	0
5	Total Debt Balances (Prior Month Ending)	----- 115,405,689 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt (LTD bal/Total Debt bal)	55.8218%
8	+ Short-Term Debt (STD bal/Total Debt bal)	44.1782%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt (avg LTD int rate)	2.8993%
13	Short-Term Debt (avg Money Pool STD int rate)	0.2499%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt (LTD % x avg LTD int rate)	1.6184%
17	+ Short-Term Debt (STD % x avg MP STD int rate)	0.1104%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 1.7288% =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES**

Pg 7 of 18

UNIT 2

May, 2014

INCLUDE A/C 431 ON PG 5

<u>Line No.</u>		
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	12,236,818
3	Fuel Stock Expenses - Undistributed (152)	569,787
4	Fuel Stock - Oil (151)	2,054,512
5	Plant Materials & Operating Supplies	12,578,482
6	Merchandise	0
7	Undistributed Stores Expense	0

8	Total Materials & Supplies	27,439,599
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	12,236,818
11	+ Equivalent Inventory re: Deferred Return	894,040,003

12	= Imputed Coal Inventory	906,276,821

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed - CHANGE ANNUALLY FROM DEC PG 24	2,539,993
15	/ Hours Available * CHG ANNUALLY FROM GADS RPT 511	7927.0
16	= Tons Consumed per Hour	320.42
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7690.08
19	x 68 days	68
20	= 68 day Supply (Tons)	522,925
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	42.687

22	= 68 day Coal Inventory	22,322,099

23	Lesser of Imputed or Capped Coal Inventory	22,322,099

24	Imputed Inventory Minus Line 23	883,954,722
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	7,047,609
27	+ Current Month Return on Beginning Balance	55,997
28	+ Current Month Deferral	71,646
29	- Current Month Recovery	0

30	= Ending Balance **	7,175,252
		=====
	* Excludes Forced Outages, Scheduled Outages, and Curtailments	
	** May Not Be Less Than Zero	
	Total Unit 2 Monthly Power Bill with Actual	19,942,255
	Total Unit 2 Monthly Power Bill with 68 Day Capped	20,013,901
	Difference	71,646

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 May, 2014
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/Gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	----- (8,750) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OPERATION & MAINTENANCE EXPENSES**

Pg 9 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	UNIT 2 May, 2014
1	500,502-508	Steam Power Generation - Operation	5,992,447
2	501	Fuel - Operation	12,497,791
3	510-515	Steam Power Generating - Maintenance	447,112
4		Total Steam Power Generation Expenses	18,937,350
5	555-557	Other Power Supply Expenses	(15,012)
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expennse - Maintenance	0
11		Total Distribution Expensese	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	122,673
16	935	Administrative and General Expenses - Maintenance	18,224
17		Total Administrative & General Exp.	140,897
18		Total Operation & Maintenance Expenses	19,063,235

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 May, 2014</u>
1	403	Depreciation Expense *	448,386
1a	403.1	ARO Depreciation Expense	3,343
2	404	Amortization of Limited-Term Electric Plant **	553,407
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
			-
6		Total Depreciation Exp. & Amortization	1,005,136 =
7	411.10	ARO Accretion Expense	16,592
8		Total Depreciation, Amortization & Accretion Expenses	1,021,728

* Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

* Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

** Rockport 2 Leasehold Improvements Amortization rate = 3.03%

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES**

Pg 11 of 18

**UNIT 2
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	164,158
2	409.1	State Income Taxes	5,000
3		Total Taxes Other than Federal Income Taxes	----- 169,158 =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 2 SCHEDULE `M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 2 Schedule `M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	8,500	2,550	5,950
3	N/A	Excess Normalization Base Over Book Depreciation	373,000	111,900	261,100
4	N/A	Other Unit 2 Schedule `M' Adjustments	(452,605)	(135,781)	(316,823)
5	***	Total Unit 2 Schedule `M' Adjustments	(71,105)	(21,331)	(49,773)
6		<u>Unit 2 Deferred Federal Income Tax</u>			
7	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	(34,112)	(10,234)	(23,878)
8	10.1&411.	Other Unit 2 Schedule `M' Adjustments -			
9	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(12,024)	(3,607)	(8,416)
10	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(181)	(54)	(126)
11	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	151,453	45,436	106,017
12	***	Total Unit 2 Deferred Federal Income Tax	105,137	31,541	73,596

*** Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

Check Figure on Tax Page for Sch M (71,105)
 Check Figure on Tax Page for DFIT 105,137

NOTE: If the words SEE NOTE appear in this schedule, then the bill has not been properly identified as the ESTIMATE or ACTUAL on the INSTRUCTIONS tab (L6), and should be type in all capital lett

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2**

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**UNIT 2
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	139,088,521
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	2,899,092
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	----- 141,987,613
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	116,995,321
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	23,864,069
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	----- 140,859,390
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	14,291,330
22	152	Fuel Stock Expenses - Undistributed	569,787
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	12,578,482
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	----- 27,439,599
29	165	Prepayments	----- 14,260
30	186	Other Deferred Debits	----- 0

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS**

<u>Line No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 2 May, 2014</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	15,112,675
6	171	Interest and Dividends Receivable	600
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(13,151)
9	234	Accounts Payable-Associated Company	(11,888,282)
10	236	Taxes Accrued	(2,655,242)
11	237	Interest Accrued	(86,040)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(29,734,684)

15		Total Other Working Capital	(29,264,124)
			=====
16	181	Unamortized Debt Expense	59,289

17	253	Other Deferred Credits	47,908,918

*		debit <credit>	

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2(Cont'd)**

**UNIT 2
 May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	20,348,849
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	13,151,107
35	283	+Accumulated Deferred Income Taxes - Other	951,657
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- (6,246,085) -----
37	255	+Accumulated Deferred Investment Tax Credits	16,909,072
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 16,909,072 -----
40		Total Net In-Service Investment - Unit 2	----- (59,194,658) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL**
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DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 May, 2014</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	67,394,104
2		<u>MATERIAL AND SUPPLIES</u>	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	----- 0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	----- 0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	----- 67,394,104 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	2,796,939
20	151.10	Fuel Inventory Over Allowed Level *	(10,343,068)
21		Total Non-In-Service Investment - Other	----- (7,546,129) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(10,343,068)
		UNIT 2	0
		TOTAL	----- (10,343,068) =====

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 2
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	383,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	383,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	89,478,987
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other Paid-In Capital	89,478,987
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	4,245,550
21		Total Retained Earnings	4,245,550
22		Total Common Equity	94,107,538
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)**

**UNIT 2
May, 2014**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	64,421,495
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	0
35		Total Long-Term Debt	64,421,495
		<u>SHORT-TERM DEBT</u>	
36a	231.02	Notes Payable (Short-Term Debt)	0
36b	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	50,984,194
38		Total Short-Term Debt	50,984,194
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	0
45		NET CAPITALIZATION	209,513,226

**AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>		<u>UNIT 2 May, 2014</u>
1	Capitalization Balances (Prior Month Ending) :	
2	Long-Term Debt (Accts 221 thru 226)	64,421,495
3	+ Short-Term Debt (Accts 231 + 233)	50,984,194
4	+ Preferred Stock	0
5	+ Common Equity (Accts 201 thru 216)	94,107,538
6	- Capitalization Offsets	0

7	Total Capitalization Balances	209,513,226
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt (LTD/Total Capital)	30.7482%
10	+ Short-Term Debt (STD/Total Capital)	24.3346%
11	+ Preferred Stock	0.0000%
12	+ Common Equity (Common Equity/Total Capital)	44.9172%
13	- Capitalization Offsets	0.0000%

14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt (avg LTD int rate)	2.8993%
17	Short-Term Debt (avg money pool STD int rate)	0.2499%
18	Preferred Stock	0.0000%
19	Common Equity (FERC fixed rate)	12.1600%
20	Capitalization Offsets (sum of weighted costs of debt)	1.7288%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt (LTD % x avg LTD int rate)	0.8915%
23	+ Short-Term Debt (STD % x avg MP STD int rate)	0.0608%
24	+ Preferred Stock	0.0000%
25	+ Common Equity (CE % x FERC fixed rate)	5.4619%
26	- Capitalization Offsets	0.0000%

27	Total Rate of Return (Net of Tax)	6.4142%
		=====
28	Weighted Net Cost of Debt	0.9523%
	(LTD Rate of Return + STD RR - Cap Offsets RR)	
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.4029%
	(Common Equity Rate of Return grossed up for tax)	-----
30	= Rate of Return (Pre-Tax)	9.3552%
		=====

A E P GENERATING COMPANY

**May, 2014
 ESTIMATE**

**ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT**

500	SUPERVISION AND ENGINEERING	125,080
501	FUEL	12,497,791
502	STEAM EXPENSES	62,170
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	60,795
506	MISC. STEAM POWER EXPENSES	54,149
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0
	TOTAL OPERATION EXPENSE	18,490,237
510	MAINTENANCE SUPER. AND ENGINEERING	100,248
511	MAINTENANCE OF STRUCTURES	14
512	MAINTENANCE OF BOILER PLANT	254,431
513	MAINTENANCE OF ELECTRIC PLANT	56,411
514	MAINTENANCE OF MISC. STEAM PLANT	36,008
515	MAINTENANCE NORMALIZING	0
	TOTAL MAINTENANCE EXPENSES	447,112
555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	(4,718)
557	OTHER POWER SUPPLY EXPENSES	(10,294)
	TOTAL OTHER SUPPLY EXPENSES	(15,012)

IS FUEL IN BALANCE
 ON PAGE 2

AMOUNT MUST BE ZERO

0

BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2014
CURRENT MONTH IS	5
THIS BILLING IS FOR MONTH OF	May, 2014

A E P GENERATING COMPANY

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	41,938
921	OFFICE SUPPLIES AND EXPENSES	4,978
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	(11,609)
924	PROPERTY INSURANCE	10,753
925	INJURIES AND DAMAGES	1,800
926	EMPLOYEE PENSIONS AND BENEFITS	73,823
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	(36)
931	RENTS	1,025
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	122,673
935	MAINTENANCE OF GENERAL PLANT	18,224
	TOTAL ADM & GEN EXPENSES	140,897
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	19,063,235
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	19,063,235
	-----DIFFERENCE-----	0