

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

<u>Line No.</u>		<u>Amount</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	
3	+ Short-Term Debt	
4	+ Preferred Stock	
5	+ Common Equity	
6	- Capitalization Offsets	

7	Total Capitalization Balances	=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt	
10	+ Short-Term Debt	
11	+ Preferred Stock	
12	+ Common Equity	
13	- Capitalization Offsets	

14	Total Capitalization	=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt	
17	Short-Term Debt	
18	Preferred Stock	
19	Common Equity	
20	Capitalization Offsets	
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt	
23	+ Short-Term Debt	
24	+ Preferred Stock	
25	+ Common Equity	
26	- Capitalization Offsets	

27	Total Rate of Return (Net of Tax)	=====
28	Weighted Net Cost of Debt	
29	+ Pre-Tax Common Equity (Line 25 / .65)	

30	= Rate of Return (Pre-Tax)	=====