

OCT 1 1 2004



AEP. America's Energy Partner™

Date **October 1, 2004**
Subject **East Interchange Power Statement and Related Data**
From **R. L. Reed**
To **See Distribution List**

Enclosed is the East Interchange Power Statement and Related Data, issued pursuant to the AEP Interconnection Agreement, indicating actual data for the month of **August 2004**.

RL Reed / jrm

R. L. Reed

Enclosures

cc:

T. M. Dooley	- Arena3	J. Geels	- Arena3
L. L. Dieck	- Arena4	J. V. Gilbert	- Arena4
N. M. Lycakis	- Arena4	P. A. May	- Arena4
T. R. Myers	- Arena4	K. D. Pearce	- Arena4
R. P. Quaintance	- Arena4	D. B. Roberts	- Arena4
D. L. Woodruff	- Arena4	B. X. Tierney	- Arena5
C. E. Zebula	- Arena5	J. C. Baker	- 1RP23
K. W. Potts	- 1RP23	Deloitte & Touche	- 1RP26
J. H. Reif	- 1RP26	A. M. Wallace	- 1RP26
R. E. Munczinski	- 1RP28	W. S. Robinson	- 1RP28
O. J. Sever	- 1RP28	J. Sloat	- 1RP28
S. C. Weaver	- 1RP28	K. E. Walker	- 1RP30
D. E. Richey	- Canton	D. Waldo	- Charleston
K. Curry	- Ft. Wayne	M. P. Ryan	- Ft. Wayne
T. C. Mosher	- Frankfort	E. K. Wagner	- Frankfort
T. L. Stephens	- Richmond	R. G. Ronk	- Roanoke

ACTUAL

INTERCHANGE POWER STATEMENT
FOR THE MONTH OF
AUGUST 2004

STATEMENT OF SETTLEMENT TO BE MADE
FOR ELECTRIC POWER AND ENERGY RECEIVED AND DELIVERED
APPLICABLE TO AUGUST 2004 BUSINESS

Pursuant to the Interconnection Agreement, dated July 6, 1951,

as Amended

by and among

Appalachian Power Company (APCo),

Columbus Southern Power Company (CSP),

Indiana Michigan Power Company, (I&M),

Kentucky Power Company (KPCo),

Ohio Power Company (OPCo),

and with

American Electric Power Service Corporation

as Agent.

Prepared by:

AEP Energy Services
Wholesale Commercial Accounting Group

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			MWh		(\$)	
(SOURCE: PAGE 2)			MEMBER RECEIVED FROM POOL	MEMBER DELIVERED TO POOL	AMOUNT DUE TO AGENT (CHARGE)	AMOUNT DUE FROM AGENT (CREDIT)
I.	ACTUAL	APCO	1,438,048	667,295	28,363,023	12,289,425
	BILLING	KPCO	258,583	215,370	5,588,807	3,389,136
	AMOUNT	I&M	535,485	1,206,540	9,483,643	19,816,085
		OPCO	489,924	1,687,493	8,206,762	43,405,434
		CSP	1,375,461	320,803	32,937,221	5,679,376
		TOTAL	4,097,501	4,097,501	84,579,456	84,579,456
II.	PREVIOUSLY	APCO	1,438,089	667,295	28,072,719	11,876,947
	ESTIMATED	KPCO	258,588	215,367	5,529,753	3,538,728
	BILLING	I&M	535,485	1,206,505	9,319,745	19,984,417
	AMOUNT	OPCO	489,924	1,687,604	8,001,179	42,972,875
		CSP	1,375,488	320,803	32,781,543	5,331,972
		TOTAL	4,097,574	4,097,574	83,704,939	83,704,939
III.	ADJUSTMENT	APCO	(41)	0	290,304	412,478
	TO BE BOOKED	KPCO	(5)	3	59,054	(149,592)
	NEXT MONTH	I&M	0	35	163,898	(168,332)
	(I - II)	OPCO	0	(111)	205,583	432,559
		CSP	(27)	0	155,678	347,404
		TOTAL	(73)	(73)	874,517	874,517
IV.	ADJUSTMENT FOR TRANSMISSION	APCO			0	18,363
	SERVICE (PURCHASES) TO BE	KPCO			0	4,309
	BOOKED NEXT MONTH	I&M			0	12,370
	(SEE APPENDIX VI)	OPCO			46,329	0
		CSP			0	11,287
		TOTAL			46,329	46,329
V.	ADJUSTMENT TO ALLOCATION OF	APCO			(75,972)	0
	TRADING & MARKETING REALIZATION	KPCO			(17,829)	0
	TO BE BOOKED NEXT MONTH	I&M			(51,179)	0
	(SEE PAGE 6B)	OPCO			(61,772)	0
		CSP			(46,695)	0
		West. AEP			0	(253,447)
		TOTAL			(253,447)	(253,447)
VI.	ACTUAL THIS MONTH	APCO			0	38,357,199
	(SEE APPENDIX VI)	KPCO			0	9,000,992
	(Net amounts due System Agent to	I&M			0	25,841,020
	effect sharing by MLR in revenues	OPCO			0	31,188,631
	and cost of purchases for AEP System	CSP			0	23,576,054
	cash-settled transactions)	East. AEP (Co.122)			127,963,896	0
		TOTAL			127,963,896	127,963,896
VII.	ESTIMATED THIS MONTH	APCO			0	38,429,767
	(SEE APPENDIX VI)	KPCO			0	9,018,013
		I&M			0	25,889,911
		OPCO			0	31,247,644
		CSP			0	23,620,668
		East. AEP (Co.122)			128,206,003	0
		TOTAL			128,206,003	128,206,003
VIII.	ADJUSTMENT TO BE MADE NEXT MONTH	APCO			72,568	0
		KPCO			17,021	0
		I&M			48,891	0
		OPCO			59,013	0
		CSP			44,614	0
		East. AEP (Co.122)			0	242,107
		TOTAL			242,107	242,107

NOTE: This statement provides amounts to be booked in accounts 555 and 447 and the settlement through the System Pool Account Agent.

SYSTEM ACCOUNT
 RECAPITULATION OF CAPACITY, ENERGY, AND OTHER CHARGES

			CAPACITY (PAGE 3)		\$ CAPACITY (PAGE 3)		\$ ENERGY (PAGE 4)	
			SURPLUS/ (DEFICIT)	RATE	CHARGE A/C 555	CREDIT A/C 447	CHARGE A/C 555	CREDIT A/C 447
			KW	\$/KW	(1)	(2)	(3)	(4)
I.	ACTUAL	APCO	(1,047,100)	8.11	8,488,882	0	19,874,141	12,289,425
	BILLING	KPCO	(180,000)	8.11	1,459,267	0	4,129,540	3,389,136
	AMOUNT	I&M	420,400	12.87	0	5,410,548	9,483,643	14,405,537
		OPCO	2,481,100	7.30	0	18,112,030	8,206,762	25,293,404
		CSP	(1,674,400)	8.11	13,574,429	0	19,362,792	5,679,376
		TOTAL			23,522,578	23,522,578	61,056,878	61,056,878
II.	PREVIOUSLY	APCO			8,728,369	0	19,344,350	11,876,947
	ESTIMATED	KPCO			1,500,436	0	4,029,317	3,538,728
	BILLING	I&M			0	5,731,127	9,319,745	14,253,290
	AMOUNT	OPCO			0	18,455,066	8,001,179	24,517,809
		CSP			13,957,388	0	18,824,155	5,331,972
		TOTAL			24,186,193	24,186,193	59,518,746	59,518,746
III.	ADJUSTMENT	APCO			(239,487)	0	529,791	412,478
	TO BE BOOKED	KPCO			(41,169)	0	100,223	(149,592)
	NEXT MONTH	I&M			0	(320,579)	163,898	152,247
	(I - II)	OPCO			0	(343,036)	205,583	775,595
		CSP			(382,959)	0	538,637	347,404
		TOTAL			(663,615)	(663,615)	1,538,132	1,538,132
					ENERGY MWh		\$ TOTAL OF ALL ABOVE	
					(PAGE 4)	(PAGE 4)	(1)+(3)	(2)+(4)
					FROM POOL	TO POOL	CHARGE	CREDIT
					(7)	(8)		
I.	ACTUAL	APCO			1,438,048	667,295	28,363,023	12,289,425
	BILLING	KPCO			258,583	215,370	5,588,807	3,389,136
	AMOUNT	I&M			535,485	1,206,540	9,483,643	19,816,085
		OPCO			489,924	1,687,493	8,206,762	43,405,434
		CSP			1,375,461	320,803	32,937,221	5,679,376
		TOTAL			4,097,501	4,097,501	84,579,456	84,579,456
II.	PREVIOUSLY	APCO			1,438,089	667,295	28,072,719	11,876,947
	ESTIMATED	KPCO			258,588	215,367	5,529,753	3,538,728
	BILLING	I&M			535,485	1,206,505	9,319,745	19,984,417
	AMOUNT	OPCO			489,924	1,687,604	8,001,179	42,972,875
		CSP			1,375,488	320,803	32,781,543	5,331,972
		TOTAL			4,097,574	4,097,574	83,704,939	83,704,939
III.	ADJUSTMENT	APCO			(41)	0	290,304	412,478
	TO BE BOOKED	KPCO			(5)	3	59,054	(149,592)
	NEXT MONTH	I&M			0	35	163,898	(168,332)
	(I - II)	OPCO			0	(111)	205,583	432,559
		CSP			(27)	0	155,678	347,404
		TOTAL			(73)	(73)	874,517	874,517

CALCULATION OF MEMBER PRIMARY CAPACITY
SURPLUS/(DEFICIT) KW AND \$ SETTLEMENT

<u>MEMBER</u>	MEMBER PRIMARY CAPACITY KW (APPENDIX II) (1)	MEMBER LOAD RATIO (APPENDIX I) (2)	PRIMARY CAPACITY KW RESERVATION (SYS. KW) * (2) (3)	SURPLUS (DEFICIT) CAPACITY KW (4) = (1) - (3)
APCO	5,899,000	0.29975	6,946,100	(1,047,100)
KPCO	1,450,000	0.07034	1,630,000	(180,000)
I&M	5,100,000	0.20194	4,679,600	420,400
OPCO	8,129,000	0.24373	5,647,900	2,481,100
CSP	2,595,000	0.18424	4,269,400	(1,674,400)
TOTAL	<u>23,173,000</u>	<u>1.00000</u>	<u>23,173,000</u>	

MEMBER CAPACITY \$ SETTLEMENT

<u>MEMBER</u>	SURPLUS (DEFICIT) CAPACITY KW (1)	CAPACITY RATE \$/KW * (2)	CREDIT (CHARGE) ** \$ (3)
APCO	(1,047,100)	***** + *****	(8,488,882)
KPCO	(180,000)	***** + *****	(1,459,267)
I&M	420,400	8.75 + 4.12	5,410,548
OPCO	2,481,100	5.18 + 2.12	18,112,030
CSP	(1,674,400)	***** + *****	(13,574,429)

EQUALIZATION CAPACITY RATE: 8.1070404963

(This is the average \$/kW rate paid by deficit members.)

NOTES:

* The sum of the Member's Primary Capacity Investment Rate (Appendix III) and the Member's Capacity Fixed Operating Rate (Appendix IV & V) applicable to Members having a Member Primary Capacity Surplus.

** Credits should be recorded in Account 447, Sales for Resale.
Charges should be recorded in Account 555, Purchased Power.

SYSTEM ACCOUNT
SUMMARY OF ENERGY SETTLEMENT

		MWH		\$	
		RECEIVED FROM POOL (MLR SHARE)	DELIVERED TO POOL (AS SUPPLIED)	CHARGE MEMBER A/C 555 (MLR SHARE)	CREDIT MEMBER A/C 447 (AS SUPPLIED)
I. AEP EXTERNAL ENERGY					
ENERGY COST	APCO	1,248,777	1,258,464	25,463,058	27,364,625
RECOVERY AND MLR	KPCO	298,501	298,277	5,975,218	5,726,997
ALLOCATION FOR ALL	I&M	829,257	651,332	17,154,328	13,025,806
AEP SYSTEM	OPCO	1,004,581	1,349,610	20,704,291	26,100,805
DELIVERIES TO	CSP	758,713	582,146	15,650,755	12,729,417
NON-AFFILIATED COS.	AEP	4,139,829	4,139,829	84,947,650	84,947,650
ADJUSTMENT TO	APCO	(593,192)	(593,192)	(15,214,795)	(15,214,795)
PREVENT RECOGNITION	KPCO	(89,529)	(89,529)	(2,459,002)	(2,459,002)
OF SALES BY POOL	I&M	(296,087)	(296,087)	(7,829,074)	(7,829,074)
MEMBERS TO	OPCO	(517,752)	(517,752)	(12,701,311)	(12,701,311)
THEMSELVES	CSP	(262,654)	(262,654)	(7,140,219)	(7,140,219)
(PAGE 7)	AEP	(1,759,214)	(1,759,214)	(45,344,401)	(45,344,401)
SUBTOTAL	APCO	655,585	665,272	10,248,263	12,149,830
AEP EXTERNAL	KPCO	208,972	208,748	3,516,216	3,267,995
ENERGY	I&M	533,170	355,245	9,325,254	5,196,732
	OPCO	486,829	831,858	8,002,980	13,399,494
	CSP	496,059	319,492	8,510,536	5,589,198
	AEP	2,380,615	2,380,615	39,603,249	39,603,249
II. INTERNAL ENERGY AMONG POOL MEMBERS					
PRIMARY	APCO	782,193	0	9,608,916	0
ENERGY	KPCO	49,611	6,100	613,324	86,679
(PAGE 8)	I&M	0	850,446	0	9,149,948
	OPCO	184	854,839	2,031	11,839,520
	CSP	879,397	0	10,851,876	0
	AEP	1,711,385	1,711,385	21,076,147	21,076,147
ECONOMY	APCO	0	0	0	0
ENERGY	KPCO	0	0	0	0
(PAGE 9)	I&M	0	0	0	0
	OPCO	0	0	0	0
	CSP	0	0	0	0
	AEP	0	0	0	0
III. TOTAL SYSTEM ACCOUNT ENERGY					
(I + II)	APCO	1,438,048	667,295	19,874,141	12,289,425
	KPCO	258,583	215,370	4,129,540	3,389,136
	I&M	535,485	1,206,540	9,483,643	14,405,537
	OPCO	489,924	1,687,493	8,206,762	25,293,404
	CSP	1,375,461	320,803	19,362,792	5,679,376
	AEP	4,097,501	4,097,501	61,056,878	61,056,878

NOTE: (*) Source of data is "Summary - System Account Settlement for AEP System Deliveries" in the ECR#MLR report. The MWh and \$ CREDIT AMOUNTS labeled "As Supplied" correspond to the MWh and COST columns associated with the "Total All Source Allocation". The MWh and \$ CHARGE AMOUNTS labeled "MLR SHARE" correspond to the MWh and COST columns associated with the "Total All MLR Allocation". Not included are any demand charge portions of purchased power out-of-pocket costs allocated to AEP System deliveries (such demand costs would have no net effect in the System Account because they are incurred and allocated in identical MLR proportion, thus netting zero). Also, see NOTE (1), page 6.

SYSTEM ACCOUNT
 RECONCILIATION OF INTERRUPTIBLE CUSTOMERS
 BUY-THROUGH ALLOCATION OR INTERNAL CUSTOMERS IN GENERAL
 WHEREBY POOL ENERGY IS SPECIFICALLY ALLOCATED

		MWH		\$	
		RECEIVED FROM POOL	DELIVERED TO POOL (AS SUPPLIED)	CHARGE MEMBER A/C 555	CREDIT MEMBER A/C 447 (AS SUPPLIED)
I. AEP POOL ENERGY *					
ENERGY AND ENERGY	APCO	270	2,023	16,962	139,595
COST RECOVERY	KPCO	0	522	0	34,462
ALLOCATED TO	I&M	2,315	849	158,389	58,857
SPECIAL SERVICE	OPCO	2,911	796	201,751	54,390
CUSTOMERS	CSP	5	1,311	380	90,178
	AEP	<u>5,501</u>	<u>5,501</u>	<u>377,482</u>	<u>377,482</u>
PREVIOUSLY	APCO	270	2,023	16,962	139,595
ESTIMATED	KPCO	0	522	0	34,462
AMOUNT	I&M	2,315	849	158,389	58,857
	OPCO	2,911	796	201,751	54,390
	CSP	5	1,311	380	90,178
	AEP	<u>5,501</u>	<u>5,501</u>	<u>377,482</u>	<u>377,482</u>
ADJUSTMENT	APCO	0	0	0	0
TO BE BOOKED	KPCO	0	0	0	0
NEXT MONTH	I&M	0	0	0	0
	OPCO	0	0	0	0
	CSP	0	0	0	0
	AEP	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

N .E: (*) Figures on this page are carried on to "Total System Account Energy", Item III, page 4.

AEP SYSTEM DELIVERIES TO OTHER COMPANIES
RECONCILIATION OF SYSTEM ACCOUNT COST EQUALIZATION
TOTAL AND NET REVENUES

Cost Equalization for AEP System Deliveries
in the System Account (Page 4, Item 1)

	CHARGE MEMBER (MLR * COL. 2 TOT.) (\$) <u>(1)</u>	CREDIT MEMBER (1) COST RECOVERY (\$) <u>(2)</u>	CREDIT MEMBER (2) SYSTEM SALES REVENUES (\$) <u>(3)</u>	EXCESS OF REVENUE OVER ENERGY COSTS (\$) <u>(4)=(3)-(1)</u>
APCO	25,463,058	27,364,625	40,700,379	15,237,321
KPCO	5,975,218	5,726,997	9,550,839	3,575,621
I&M	17,154,328	13,025,806	27,419,596	10,265,268
OPCO	20,704,291	26,100,805	33,093,875	12,389,584
CSP	15,650,755	12,729,417	25,016,278	9,365,523
TOTAL	84,947,650	84,947,650	135,780,967	50,833,317

	DEMAND CHARGE PAID TO THIRD PARTIES (\$) <u>(5)</u>	NET REVENUE REALIZED BY THE MEMBERS (I.E., EXCESS OF REVENUE OVER INCURRED COSTS) (\$) <u>(6)=(4)-(5)</u>	(MLR) MEMBER LOAD RATIO THIS MONTH <u>(7)</u>
APCO	365,945	14,871,376	0.29975
KPCO	85,873	3,489,748	0.07034
I&M	246,535	10,018,733	0.20194
OPCO	297,553	12,092,031	0.24373
CSP	224,926	9,140,597	0.18424
TOTAL	1,220,832	49,612,485	1.00000

NOTES:

(1) The variable energy costs, which are incurred by the members in supplying energy for AEP System deliveries to non-affiliated companies are recovered as credits. Includes adjustment to account for the difference between market price of \$529.10/ton for SO2 emission allowance used in dispatch versus operating companies inventory costs (see page 11).

(2) The total of the credits reported in the ECR#MLR report for System Sales for Resale (A/C 447).

RECONCILIATION OF ALLOCATION OF TRADING AND MARKETING REALIZATIONS (Schedule DS)

BASE YEAR REALIZATION:		BASE YEAR REALIZATION	AEP % SHARING RATIO
EASTERN AEP:	\$252,860,378	90.97%	(1)
WESTERN AEP:	\$25,095,575	9.03%	(2)
TOTAL:	\$277,955,953	100.00%	

CAPACITY REALIZATION:		CAPACITY REALIZATION	AEP % SHARING RATIO
EASTERN AEP:	23,969,000	71.01%	(1)
WESTERN AEP:	9,784,000	28.99%	(2)
TOTAL:	33,753,000	100.00%	

NET REVENUE REALIZED BY THE MEMBERS (Page 6, Col. 4)	ADJUSTMENT TO NET REVENUE FOR SO2 ALLOWANCES (\$ x MLR) (3)	NET REVENUE FROM DEDICATED TRANSACTIONS (EXCLUDABLE) (APPX VIII, PG 6) (\$ x MLR) (4)	THIRD PARTY TRANSMISSION PURCH. (APPENDIX VI, PG 2) (\$)	OFF SYSTEM ENERGY SALES (APPENDIX VII, PG 1) (\$)	BOOKOUT MARGIN RECLASSIFICATION (APPENDIX VIII, PG 7) (\$ x MLR) (5)
(1)	(2)	(3)	(4)	(5)	(6)
APCO	14,871,376	35,369	302,120	8,261,538	(206,159)
BPCC	3,489,748	8,300	70,896	1,938,670	(48,378)
I&M	10,018,733	23,828	203,536	5,565,754	(138,889)
OPCO	12,082,031	28,759	245,658	6,717,547	(167,631)
CSP	9,140,597	21,740	185,896	5,077,917	(126,715)
TOTAL	49,612,465	117,996	1,007,906	27,561,426	(687,772)

EXERCISED OPTION PREMIUMS (APPENDIX VIII, PG 7) (\$)	EXERCISED OPTIONS (APPENDIX VII, PG 1) (\$)	POWER BROKERS' COMMISSIONS (APPENDIX VII, PG 2) (\$)	POWER SWAPS NET (APPENDIX VII, PG 3) (\$)	FINANCIAL SPARK GAS (APPENDIX VIII, PG 7) (\$)	DOW PURCHASES ASSOCIATED (APPX VIII, PAGE 7) (\$)	DOW SALES ASSOCIATED (APPX VIII, PAGE 7) (\$)
(7)	(8)	(9)	(10)	(11)	(12)	(13)
APCO	(365,475)	(796,802)	119,426	287,242	0	243,936
BPCC	(85,763)	(186,980)	28,024	67,405	0	57,247
I&M	(246,218)	(536,802)	80,457	193,513	0	164,392
OPCO	(297,171)	(647,889)	97,107	233,559	0	198,363
CSP	(224,638)	(489,751)	73,405	176,352	0	149,846
TOTAL	(1,219,265)	(2,658,234)	398,419	958,271	0	813,864

NET OF ALL OF ABOVE (\$)	PRIOR MONTHS' TOTAL REALIZATION (\$)
(14) (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13)	
APCO	51,735,465
BPCC	41,832,275
I&M	23,594,599
OPCO	38,259,038
CSP	45,914,775
EASTERN AEP REALIZATION:	73,096,149
LESS TRACTREL SALE:	77,496,934
PARIBAS SPARK GAS FUTURES (East):	
RECCO FUTURES (East):	
WESTERN AEP REALIZATION:	
TOTAL REALIZATION TO BE SHARED:	351,929,231

NET OF ALL OF ABOVE (\$)	PRIOR MONTHS' TOTAL REALIZATION (\$)
(14) (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13)	
APCO	21,121,917
BPCC	4,956,524
I&M	14,229,697
OPCO	17,174,416
CSP	12,982,464
EASTERN AEP REALIZATION:	70,465,018
LESS TRACTREL SALE:	0
PARIBAS SPARK GAS FUTURES (East):	(1,489,029)
RECCO FUTURES (East):	1,467,928
WESTERN AEP REALIZATION:	(7,509,000)
TOTAL REALIZATION TO BE SHARED:	82,936,917

NOTES:

- From Appendix VIII, page 1
- From Appendix VIII, page 4
- Adjustment for realization sharing due to calculation of SO2 allowances for pool settlement purposes (actual cycle only)
- Excluding demand charge for Unit Power
- Margin recastified between trading and non-trading due to non-trading transactions being booked out with trading transactions.

ACTUAL: August

ALLOCATION OF REALIZATION SHARING BY EASTERN AEP OPERATING COMPANIES AND ACCOUNT NUMBERS

	BASE YEAR REALIZATION SHARING		CAPACITY REALIZATION SHARING		TOTAL SHARE
EASTERN AEP:	90.97% x	0 = \$0	71.01% x	62,938,917 =	\$44,694,780
WESTERN AEP:	9.03% x	0 = \$0	28.99% x	62,938,917 =	\$18,244,137
					<u>\$62,938,917</u>

EASTERN AEP REALIZATION (Including Misc. Items): \$70,443,917
 LESS EASTERN AEP REALIZATION SHARE: \$44,694,780

TOTAL DOLLAR TRANSFER FROM EASTERN AEP TO WESTERN AEP: \$25,749,137

ALLOCATION OF REALIZATION SHARING BY EASTERN AEP OPERATING COMPANIES AND ACCOUNT NUMBERS

(1)

CURRENT MONTH ACTUAL

	ACCOUNT NO. 4470.010	ACCOUNT NO. 4470.006	ACCOUNT NO. 4470.011	ACCOUNT NO. 4470.007	ACCOUNT NO. 4470.081	ACCOUNT NO. 4470.082	ACCOUNT NO. 4470.085	ACCOUNT NO. 5350.033 (OPCo)	ACCOUNT NO. 5550.034 (Other Cos.)	ACTUAL TOTAL OF ALL ACCOUNTS	PREVIOUS ESTIMATED TOTAL	ADJUSTMENT TO BE BOOKED NEXT MONTH
APCO	(81,058,224)	(84,823,144)	(2,248,617)	(2,017,663)	(2)	34,609	(70,715)	0	(4,079,016)	(7,718,304)	(7,794,276)	75,972
NPCCO	(19,021,303)	(19,904,787)	(527,665)	(473,469)	(1)	8,121	(16,594)	0	(957,191)	(1,811,193)	(1,829,022)	17,829
I&M	(54,608,500)	(57,144,907)	(1,514,882)	(1,359,289)	(1)	23,316	(47,641)	0	(2,748,012)	(5,199,782)	(5,250,961)	51,179
OPCO	(65,909,328)	(66,970,626)	(1,828,375)	(1,640,583)	(2)	28,141	(57,500)	0	(3,316,693)	(6,275,838)	(6,337,610)	61,772
CSP	(49,822,076)	(52,136,167)	(1,382,103)	(1,240,147)	(1)	21,272	(43,465)	0	(2,507,149)	(4,744,020)	(4,790,715)	46,695
TOTAL	(270,419,433)	(282,979,631)	(7,501,642)	(6,731,151)	(7)	115,459	(235,915)	0	(13,608,061)	(25,749,137)	(26,002,584)	253,447

NOTE:

(1) Details of the realization sharing by account numbers is shown in Appendix VIII, page 8.

CALCULATION OF ADJUSTMENT TO PREVENT RECOGNITION OF SALES
BY POOL MEMBERS TO THEMSELVES

I. GENERATION SUPPLIED TO THE POOL FOR SYSTEM SALES (1)

	MWh	COST (2) (\$)	MLR (APPENDIX I)	ADJUSTMENT	
				MWh	COST (\$)
APCO	749,622	13,958,870	0.29975	224,699	4,184,171
KPCO	168,283	2,882,849	0.07034	11,837	202,780
I&M	241,580	4,056,516	0.20194	48,785	819,173
OPCO	925,942	16,374,199	0.24373	225,680	3,990,884
CSP	335,443	6,050,526	0.18424	61,802	1,114,749
TOTAL	2,420,870	43,322,960	1.00000	572,803	10,311,757

II. AEG AND OVEC PURCHASES SUPPLIED FOR SYSTEM SALES (1)

	MWh	COST (\$)	MLR (APPENDIX I)	ADJUSTMENT	
				MWh	COST (\$)
APCO	200,427	5,635,369	0.29975	60,078	1,689,202
KPCO	56,259	912,068	0.07034	3,957	64,155
I&M	203,556	3,548,762	0.20194	41,106	716,637
OPCO	174,007	4,574,004	0.24373	42,411	1,114,822
CSP	56,207	1,540,344	0.18424	10,356	283,793
TOTAL	690,456	16,210,547	1.00000	157,908	3,868,609

III. PURCHASED POWER SUPPLIED FOR SYSTEM SALES (3)

	AS ALLOCATED	
	MWh	COST (\$)
APCO	308,415	9,341,422
KPCO	73,735	2,192,067
I&M	206,196	6,293,264
OPCO	249,661	7,595,605
CSP	190,496	5,741,677
TOTAL	1,028,503	31,164,035

IV. TOTAL ADJUSTMENT (I + II + III)

	TOTAL ADJUSTMENT TO PAGE 4	
	MWh	COST (\$)
APCO	593,192	15,214,795
KPCO	89,529	2,459,002
I&M	296,087	7,829,074
OPCO	517,752	12,701,311
CSP	262,654	7,140,219
TOTAL	1,759,214	45,344,401

NOTES:

- (1) The source of the MWh and COST data is the "Allocated Sources by Operating Companies - Summary - All Deliveries - Cash" from the ECR#MLR report.
- (2) See Note (1), page 6.
- (3) Excludes OVEC and AEG purchases allocated to System Sales (shown in II above).

PRIMARY ENERGY

DELIVERING MEMBER	RECEIVING MEMBER	MWh	RECEIVED ENERGY	
			\$/MWh	CHARGE (\$)
1. KPCO	APCO	2,947	14.211	41,876
2. I&M	APCO	396,479	10.759	4,265,717
3. OPCO	APCO	382,767	13.850	5,301,323
4. CSP	APCO	0	0.000	0
5. TOTAL	APCO	782,193	12.285	9,608,916
6. APCO	KPCO	0	0.000	0
7. I&M	KPCO	23,872	10.759	256,839
8. OPCO	KPCO	25,739	13.850	356,485
9. CSP	KPCO	0	0.000	0
10. TOTAL	KPCO	49,611	12.363	613,324
11. APCO	I&M	0	0.000	0
12. KPCO	I&M	0	0.000	0
13. OPCO	I&M	0	0.000	0
14. CSP	I&M	0	0.000	0
15. TOTAL	I&M	0	0.000	0
16. APCO	OPCO	0	0.000	0
17. KPCO	OPCO	15	14.211	213
18. I&M	OPCO	169	10.759	1,818
19. CSP	OPCO	0	0.000	0
20. TOTAL	OPCO	184	11.038	2,031
21. APCO	CSP	0	0.000	0
22. KPCO	CSP	3,138	14.211	44,590
23. I&M	CSP	429,926	10.759	4,625,574
24. OPCO	CSP	446,333	13.850	6,181,712
25. TOTAL	CSP	879,397	12.340	10,851,876
26. TOTAL ALL MEMBERS RECEIVED		1,711,385	12.315	21,076,147

TOTAL DELIVERED BY MEMBER	SUM OF LINES	MWh	DELIVERED ENERGY	
			\$/MWh	CREDIT (\$)
27. APCO	6, 11, 16, & 21	0	0.000	0
28. KPCO	1, 12, 17, & 22	6,100	14.211	86,679
29. I&M	2, 7, 18, & 23	850,446	10.759	9,149,948
30. OPCO	3, 8, 13, & 24	854,839	13.850	11,839,520
31. CSP	4, 9, 14, & 19	0	0.000	0
32. TOTAL ALL MEMBERS DELIVERED:		1,711,385	12.315	21,076,147

SOURCE: The ECR computer program calculates Primary energy deliveries and associated charges for each hour of the month and aggregates such MWh and Charges for the month as reported above. The \$/mWh used in the hourly calculations are derived in APPENDIX V.

ECONOMY ENERGY

DELIVERING MEMBER	RECEIVING MEMBER	MWh	RECEIVED ENERGY	
			\$/MWh	CHARGE (\$)
1. KPCO	APCO	0	0.000	0
2. I&M	APCO	0	0.000	0
3. OPCO	APCO	0	0.000	0
4. CSP	APCO	0	0.000	0
5. TOTAL	APCO	<u>0</u>	<u>0.000</u>	<u>0</u>
6. APCO	KPCO	0	0.000	0
7. I&M	KPCO	0	0.000	0
8. OPCO	KPCO	0	0.000	0
9. CSP	KPCO	0	0.000	0
10. TOTAL	KPCO	<u>0</u>	<u>0.000</u>	<u>0</u>
11. APCO	I&M	0	0.000	0
12. KPCO	I&M	0	0.000	0
13. OPCO	I&M	0	0.000	0
14. CSP	I&M	0	0.000	0
15. TOTAL	I&M	<u>0</u>	<u>0.000</u>	<u>0</u>
16. APCO	OPCO	0	0.000	0
17. KPCO	OPCO	0	0.000	0
18. I&M	OPCO	0	0.000	0
19. CSP	OPCO	0	0.000	0
20. TOTAL	OPCO	<u>0</u>	<u>0.000</u>	<u>0</u>
21. APCO	CSP	0	0.000	0
22. KPCO	CSP	0	0.000	0
23. I&M	CSP	0	0.000	0
24. OPCO	CSP	0	0.000	0
25. TOTAL	CSP	<u>0</u>	<u>0.000</u>	<u>0</u>
26. TOTAL ALL MEMBERS RECEIVED		0	0.000	0
TOTAL DELIVERED BY MEMBER	SUM OF LINES	MWh	DELIVERED ENERGY	
			\$/MWh	CREDIT (\$)
27. APCO	6, 11, 16, & 21	0	0.000	0
28. KPCO	1, 12, 17, & 22	0	0.000	0
29. I&M	2, 7, 18, & 23	0	0.000	0
30. OPCO	3, 8, 13, & 24	0	0.000	0
31. CSP	4, 9, 14, & 19	<u>0</u>	<u>0.000</u>	<u>0</u>
32. TOTAL ALL MEMBERS DELIVERED:		0	0.000	0

SOURCE: The ECR computer program calculates for each hour of the month the MWh of ECONOMY deliveries and the associated charges and credits based upon an equal sharing of the savings in production expense, then aggregates such hourly data for the month to arrive at the totals reported above.

AEP SYSTEM
ALLOWANCES CONSUMED FOR SALES
TO NON-AFFILIATED SYSTEMS (a)

		GENERATION ALLOCATED TO SALES TO NON-AFFILIATED SYSTEMS (MWh)	TOTAL GENERATION (MWh)	SYSTEM SALES ALLOCATION FACTOR	SO2 EMISSION ALLOWANCES (b)	SO2 EMISSION ALLOWANCES EXPENDED FOR SYSTEM SALES (5)=(3)*(4)
		(1)	(2)	(3)=(1)/(2)	(4)	(5)=(3)*(4)
APCO	AMOS 1	160,955	377,806	0.4260	2,285	973.4683
	AMOS 2	97,835	512,668	0.1908	3,104	592.3519
	AMOS 3	46,206	261,592	0.1766	1,555	274.6656
	CLINCH RIVER 1	46,679	114,331	0.4083	699	285.3873
	CLINCH RIVER 2	48,961	124,282	0.3940	715	281.6749
	CLINCH RIVER 3	36,416	101,834	0.3576	646	231.0106
	GLEN LYN 51	1,209	5,496	0.2200	74	16.2767
	GLEN LYN 52	1,421	6,461	0.2200	87	19.1361
	GLEN LYN 6	34,286	107,237	0.3197	629	201.1050
	KANAWHA RIVER 1	27,558	85,938	0.3207	542	173.8048
	KANAWHA RIVER 2	20,120	58,398	0.3445	360	124.0316
	MOUNTAINEER 1	131,824	863,383	0.1527	3,775	576.3787
	SPORN 1	28,561	59,484	0.4801	500	240.0730
	SPORN 3	18,444	40,741	0.4527	344	155.7334
	TOTAL	700,475	2,719,651	0.2576	15,315	4,145.0979
KPCO	BIG SANDY 1	28,559	78,985	0.3616	648	234.3006
	BIG SANDY 2	139,724	488,989	0.2857	3,625	1,035.8096
	ROCKPORT 1 (AEG)	23,440	108,161	0.2167	276	59.8131
	ROCKPORT 2 (AEG)	32,819	121,672	0.2697	309	83.3476
	TOTAL	224,542	797,807	0.2814	4,858	1,413.2709
I&M	ROCKPORT 1	78,140	360,554	0.2167	918	198.9508
	ROCKPORT 1 (AEG)	54,675	252,347	0.2167	642	139.0995
	ROCKPORT 2	57,923	226,019	0.2563	575	147.3581
	ROCKPORT 2 (AEG)	76,452	283,576	0.2696	721	194.3814
	TANNERS CREEK 1	23,420	60,417	0.3876	325	125.9828
	TANNERS CREEK 2	28,334	69,817	0.4058	378	153.4046
	TANNERS CREEK 3	37,323	78,590	0.4749	415	197.0867
	TANNERS CREEK 4	16,440	204,475	0.0804	2,816	226.4093
TOTAL	372,707	1,535,795	0.2427	6,790	1,382.6732	

AEP SYSTEM
ALLOWANCES CONSUMED FOR SALES
TO NON-AFFILIATED SYSTEMS (a)

		GENERATION ALLOCATED TO SALES TO NON-AFFILIATED SYSTEMS (MWh)	TOTAL GENERATION (MWh)	SYSTEM SALES ALLOCATION FACTOR	SO2 EMISSION ALLOWANCES (b)	SO2 EMISSION ALLOWANCES EXPENDED FOR SYSTEM SALES (5)=(3)*(4)
		(1)	(2)	(3)=(1)/(2)	(4)	(5)=(3)*(4)
OPCO	AMOS 3	96,711	547,522	0.1766	3,391	598.9659
	CARDINAL 1	61,554	364,997	0.1686	3,364	567.3133
	CARDINAL 2	94,480	94,480	1.0000	612	612.0000
	CARDINAL 3	86,921	86,921	1.0000	655	655.0000
	GAVIN 1	39,272	753,352	0.0521	1,951	101.7050
	GAVIN 2	21,436	838,988	0.0255	1,667	42.5916
	KAMMER 1	21,761	104,809	0.2076	1,232	255.7944
	KAMMER 2	14,266	77,216	0.1848	885	163.5077
	KAMMER 3	20,951	101,272	0.2069	1,175	243.0822
	MITCHELL 1	105,236	289,381	0.3637	1,961	713.1353
	MITCHELL 2	106,067	346,437	0.3062	2,262	692.5460
	MUSKINGUM 1	25,260	96,473	0.2618	2,498	654.0636
	MUSKINGUM 2	10,081	37,608	0.2681	936	250.8992
	MUSKINGUM 3	14,600	54,237	0.2692	1,323	356.1370
	MUSKINGUM 4	15,853	48,912	0.3241	1,151	373.0537
	MUSKINGUM 5	91,702	337,174	0.2720	4,163	1,132.2208
	SPORN 2	27,845	57,149	0.4872	476	231.9239
	SPORN 4	21,027	44,883	0.4685	379	177.5557
	SPORN 5	50,908	230,995	0.2204	1,788	394.0497
	TOTAL	925,931	4,512,806	0.2052	31,869	8,215.5450
CSP	BECKJORD 6	7,804	19,978	0.3906	330	128.9078
	CONESVILLE 1	0	0	0.0000	0	0.0000
	CONESVILLE 2	0	0	0.0000	1	0.0000
	CONESVILLE 3	15,169	63,682	0.2382	934	222.4780
	CONESVILLE 4	36,171	162,249	0.2229	2,822	629.1229
	CONESVILLE 5	59,420	173,230	0.3430	656	225.0160
	CONESVILLE 6	63,237	161,600	0.3913	609	238.3127
	PICWAY 5	3,701	11,952	0.3097	443	137.1773
	STUART 1	26,860	89,801	0.2991	780	233.3025
	STUART 2	37,639	85,617	0.4396	690	303.3382
	STUART 3	21,184	70,435	0.3008	552	166.0193
	STUART 4	44,791	102,829	0.4356	812	353.6968
	ZIMMER 1	19,466	173,869	0.1120	1,776	198.8371
	TOTAL	335,442	1,115,242	0.3008	10,405	2,836.2086

NOTES: (a) As per Section 4.3 and Appendix E of the Interim Allowance Agreement.
(b) From Continuous Emission Monitoring System monthly data.

SYSTEM ACCOUNT
SUMMARY OF ENERGY SETTLEMENT
ADJUSTMENT TO ACCOUNT FOR
MARKET PRICE (1) vs. INVENTORY COST (2)
DIFFERENTIAL OF EMISSION ALLOWANCES

	ACCOUNT 509		SOURCE ALLOCATION
I. AEP EXTERNAL ENERGY (3)	<u>SO2 COST (\$)</u> <u>(AS SUPPLIED)</u> (1)	<u>SO2 COST (\$)</u> <u>(ADJUSTED)</u> (2)	\$ <u>SO2 ADJUSTMENT</u> (3)=(2)-(1)
APCO	2,018,030	246,716	(1,771,314)
KPCO	636,208	99,635	(536,573)
I&M	662,512	90,980	(571,532)
OPCO	3,920,404	540,994	(3,379,410)
CSP	1,317,177	178,057	(1,139,120)
AEP	8,554,331	1,156,382	(7,397,949)
	<u>NOX COST (\$)</u> <u>(AS SUPPLIED)</u> (4)	<u>NOX COST (\$)</u> <u>(ADJUSTED)</u> (5)	\$ <u>NOX ADJUSTMENT</u> (6)=(5)-(4)
APCO	1,571,036	0	(1,571,036)
KPCO	259,987	0	(259,987)
I&M	872,736	0	(872,736)
OPCO	2,443,003	0	(2,443,003)
CSP	603,605	475	(603,130)
AEP	5,750,367	475	(5,749,892)
	<u>SOURCE ALLOCATION</u> <u>(UNADJUSTED)</u> (7)		<u>SOURCE ALLOCATION</u> <u>(ADJUSTED)</u> (8)=(7)+(3)+(6)
APCO	30,706,975		27,364,625
KPCO	6,523,557		5,726,997
I&M	14,470,074		13,025,806
OPCO	31,923,218		26,100,805
CSP	14,471,667		12,729,417
AEP	98,095,491		84,947,650

	SO2	NOX
NOTES: (1) Market Price (\$/allowance):	529.10	
(2) APCO allowance:	59.52	0.00
KPCO allowance:	70.50	0.00
I&M allowance:	65.80	0.00
OPCO allowance:	65.85	0.00
CSP allowance:	62.78	1.85

(7) From ECR/MLR report "Allocated Sources by Operating Companies - All Deliveries"

APPENDICES

SUPPORTING COST AND OPERATING DATA

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AMERICAN ELECTRIC POWER SYSTEM
MEMBER LOAD RATIO SUMMARY

MONTH ENDING 7/31/2004

MEMBER LOAD RATIO
AUGUST 2004

<u>APPALACHIAN</u>	<u>KENTUCKY</u>	<u>INDIANA</u>	<u>OHIO</u>	<u>COLUMBUS</u>
0.29975	0.07034	0.20194	0.24373	0.18424

MLR MONTHLY MAXIMUM
60-MINUTE INTEGRATED MEGAWATT DEMAND
EXCLUDE AEP SYSTEM SALES

MO	TOTAL	APPALACHIAN			KENTUCKY			INDIANA			OHIO			COLUMBUS		
		DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK
07	19250	13	16	5366	13	15	1209	22	15	4051	13	17	4986	13	16	3638
06	19053	17	15	5322	17	14	1174	09	14	3977	09	13	4990	09	16	3590
05	17488	25	14	5017	25	13	1132	12	16	3396	14	12	4563	21	15	3380
04	15851	06	07	4927	05	08	1167	05	11	2974	13	12	4248	01	20	2535
03	17166	23	08	5557	23	08	1351	16	12	3224	12	11	4330	16	20	2704
02	18247	02	09	5734	16	09	1391	05	19	3390	04	20	4881	03	19	2851
01	19444	07	08	6298	31	09	1478	22	20	3500	29	23	5018	06	20	3150
12	17774	21	09	5628	02	08	1267	15	19	3349	18	19	4545	17	19	2985
11	16490	25	08	5010	25	08	1210	25	08	3212	24	19	4273	24	19	2785
10	15194	03	07	4592	03	08	1038	08	12	2980	30	10	4118	28	19	2466
09	16952	02	16	4952	04	15	1030	10	15	3454	10	15	4384	10	17	3132
08	20104	26	16	5657	26	17	1212	21	15	4243	21	16	5121	21	16	3871

MLR MAXIMUM 60-MINUTE
INTEGRATED MW DEMAND EXPERIENCED
DURING PRECEDING 12-MONTHS
EXCLUDE AEP SYSTEM SALES

<u>TOTAL</u>	<u>APPALACHIAN</u>	<u>KENTUCKY</u>	<u>INDIANA</u>	<u>OHIO</u>	<u>COLUMBUS</u>
21011	6298	1478	4243	5121	3871

D. /TIME	01/07 HR 08	01/31 HR 09	08/21 HR 15	08/21 HR 16	08/21 HR 16
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SYSTEM PRIMARY CAPACITY

STATION	PRIMARY CAPACITY KW
APPALACHIAN POWER COMPANY	
Amos	2,033,000
Clinch River	705,000
Glen Lyn	335,000
Kanawha River	400,000
Mountaineer	1,300,000
Sporn	300,000
TOTAL MEMBER STEAM-ELECTRIC PRIMARY CAPACITY	5,073,000
Smith Mountain (Hydro)	586,000
Others (including Summersville)	240,000
TOTAL MEMBER PRIMARY CAPACITY	5,899,000
KENTUCKY POWER COMPANY	
Big Sandy	1,060,000
Rockport 1 (Purchase from AEG)	195,000
Rockport 2 (Purchase from AEG)	195,000
TOTAL MEMBER STEAM-ELECTRIC PRIMARY CAPACITY	1,450,000
TOTAL MEMBER PRIMARY CAPACITY	1,450,000
INDIANA MICHIGAN POWER COMPANY	
Cook	2,143,000
Rockport 1 (I&M owned)	650,000
Rockport 1 (Purchase from AEG)	455,000
Rockport 2 (I&M leased)	391,000
Rockport 2 (Purchase from AEG)	455,000
Tanners Creek	995,000
TOTAL MEMBER STEAM-ELECTRIC PRIMARY CAPACITY	5,089,000
Others (Hydro)	11,000
TOTAL MEMBER PRIMARY CAPACITY	5,100,000
OHIO POWER COMPANY	
Amos	867,000
Cardinal	600,000
Gavin	2,600,000
Kammer	630,000
Mitchell	1,600,000
Muskingum River	1,425,000
Sporn	750,000
TOTAL MEMBER STEAM-ELECTRIC PRIMARY CAPACITY	8,472,000
Racine (Hydro)	48,000
Ohio's Deficit Capacity (Buckeye)	(391,000)
TOTAL MEMBER PRIMARY CAPACITY	8,129,000
COLUMBUS SOUTHERN POWER COMPANY	
Beckjord	53,000
Conesville	1,504,000
Picway	100,000
Stuart	608,000
Zimmer	330,000
TOTAL MEMBER STEAM-ELECTRIC PRIMARY CAPACITY	2,595,000
TOTAL MEMBER PRIMARY CAPACITY	2,595,000
TOTAL SYSTEM PRIMARY CAPACITY	23,173,000

ACTUAL:
August 2004

APPENDIX III

MEMBER WEIGHTED AVERAGE INVESTMENT COSTS
AND MEMBER PRIMARY CAPACITY INVESTMENT RATES
YEAR 2004

Generating Stations Other than Hydro Classified as Part of <u>Member Primary Capacity</u>	kW Capability as of <u>12/31/2003</u> (1)	\$ Installed Cost of Production Plant * as of <u>12/31/2003</u> (2)	Member Weighted Average Investment Cost <u>\$/kW</u> (3)=(2)/(1)	Member Primary Capacity Investment Rate <u>\$/kW/Month</u> (4)=(3)*.0137
INDIANA MICHIGAN POWER COMPANY				
Cook	2,143,000	1,800,318,839		
Rockport 1 Ownership Share	650,000	584,297,935		
Rockport 1 Purchased from AEG	455,000	416,022,634		
Rockport 2 Leased Shared	391,000	30,153,317		
Rockport 2 Purchased from AEG	455,000	34,841,680		
Tanners Creek	995,000	384,780,867		
Indiana Total	<u>5,089,000</u>	<u>3,250,415,272</u>	638.71	8.75
OHIO POWER COMPANY				
Amos	867,000	336,754,145		
Cardinal	600,000	335,534,225		
Gavin	2,600,000	989,949,191		
Kammer	630,000	257,699,906		
Mitchell	1,600,000	473,025,193		
Muskingum River	1,425,000	501,486,862		
Sporn	750,000	309,973,742		
Ohio Total	<u>8,472,000</u>	<u>3,204,423,264</u>	378.24	5.18
KENTUCKY POWER COMPANY				
Big Sandy	1,060,000	449,424,921		
Rockport 1 Purchased from AEG	195,000	178,295,415		
Rockport 2 Purchased from AEG	195,000	14,932,148		
Kentucky Total	<u>1,450,000</u>	<u>642,652,484</u>	443.21	6.07

* SOURCE: Line 16 of Schedule entitled "Steam-Electric Generating Plant Statistics (Large Plants)" in the FERC Form No. 1 for the year ending 12/31/2002.

ACTUAL:
August 2004

APPENDIX IV

PRODUCTION EXPENSES INCURRED
STEAM-ELECTRIC STATIONS ALLOCATED TO SYSTEM PRIMARY CAPACITY

	NET GENERATION MWh	TOTAL NET PRODUCTION EXPENSES (\$)	FUEL A/C 501 (\$)	MAINTENANCE A/C 510-515 (\$)	FUEL A/C 151 (\$)	FUEL A/C 152 (\$)
<u>APPALACHIAN POWER COMPANY</u>						
GLEN LYN	119,194	3,588,566	2,242,791	772,137	2,104,273	138,518
SPORN (APCO)	100,225	2,308,845	1,746,849	227,333	1,668,497	78,352
KANAWHA RIVER	144,336	3,820,819	3,032,920	439,473	2,901,018	131,902
CLINCH RIVER	340,447	7,219,547	5,175,115	897,657	5,000,454	174,661
AMOS (APCO)	1,159,904	20,391,279	16,715,374	1,895,502	16,152,018	563,356
MOUNTAINEER	863,383	13,780,062	11,425,540	1,726,454	11,052,899	372,641
TOTAL	2,727,489	51,109,118	40,338,589	5,958,556	38,879,159	1,459,430
RATES:		15.882	14.790	1.092	14.255	0.535
<u>KENTUCKY POWER COMPANY</u>						
BIG SANDY	567,974	9,337,900	7,700,800	837,004	7,478,364	222,436
ROCKPORT 1 (AEG)	108,161	1,698,448	1,460,172	173,002	1,421,234	38,938
ROCKPORT 2 (AEG)	121,672	2,992,306	1,640,006	62,801	1,595,085	44,921
TOTAL	797,807	14,028,654	10,800,978	1,072,807	10,494,683	306,295
RATES:		14.210	13.538	0.672	13.154	0.384
<u>INDIANA MICHIGAN POWER COMPANY</u>						
TANNERS CREEK 1-3	208,824		3,651,481		3,403,945	247,536
TANNERS CREEK 4	204,475		2,933,988		2,768,319	165,669
TANNERS CREEK TOTAL	413,299	8,297,369	6,585,469	988,108	6,172,264	413,205
ROCKPORT 1 (OWNED SHARE)	360,554	5,504,190	4,866,960	484,998	4,737,069	129,891
ROCKPORT 1 (AEG)	252,347	3,963,046	3,406,682	403,672	3,315,836	90,846
ROCKPORT 2 (AEG)	283,576	6,982,047	3,822,297	146,536	3,717,599	104,698
ROCKPORT 2 (LEASED SHARE)	226,019	6,150,686	3,044,257	131,708	2,960,806	83,451
COOK	1,544,700	23,230,983	7,073,807	6,533,952	7,073,807	0
TOTAL	3,080,495	54,128,321	28,799,472	8,688,974	27,977,381	822,091
RATES:		10.759	9.349	1.410	9.082	0.267
<u>OHIO POWER COMPANY</u>						
SPORN (OPCO)	333,027	6,948,450	5,568,928	694,059	5,364,069	204,859
MUSKINGUM	574,404	8,888,275	6,676,181	1,096,722	6,691,519	(15,338)
KAMMER	283,297	6,085,574	4,349,660	990,209	4,152,567	197,093
CARDINAL (OPCO)	408,129	6,620,343	5,856,528	615,598	5,646,397	210,131
MITCHELL	635,818	12,216,123	10,381,471	1,353,892	10,288,979	92,492
AMOS (OPCO)	539,684	8,384,925	7,771,429	173,607	7,584,294	187,135
GAVIN	1,592,340	29,262,028	15,707,762	3,411,577	15,040,200	667,562
TOTAL	4,366,699	78,405,718	56,311,959	8,335,664	54,768,025	1,543,934
RATES:		13.850	12.896	0.954	12.542	0.354
<u>COLUMBUS SOUTHERN POWER COMPANY</u>						
CONESVILLE	560,761	13,053,213	8,584,979	2,066,531	7,654,419	930,560
PICWAY	11,952	531,231	207,878	139,784	199,488	8,390
BECKJORD	19,978	445,037	349,747	39,447	335,832	13,915
STUART	348,682	6,070,279	5,099,077	520,164	5,008,518	90,559
ZIMMER	173,869	3,413,244	2,072,103	345,384	2,027,902	44,201
TOTAL	1,115,242	23,513,004	16,313,784	3,111,310	15,226,159	1,087,625
RATES:		16.023	14.628	1.395	13.653	0.975
SYSTEM TOTAL	12,087,732	221,184,815	152,564,782	27,167,311	147,345,407	5,219,375

CALCULATION OF
PRIMARY ENERGY RATES AND PRIMARY CAPACITY FIXED OPERATING RATES

PRODUCTION EXPENSES OF STEAM-ELECTRIC PRIMARY CAPACITY (FROM APPENDIX IV):

COMPANY	(\$) TOTAL NET PRODUCTION EXPENSE (*) (1)	(\$) FUEL EXPENSE A/C 151 (*) (2)	(\$) FUEL EXPENSE A/C 152 (3)	MAINTENANCE EXPENSE (4)	(\$) ONE-HALF MAINTENANCE EXPENSE (5)
APCO	51,109,118	38,879,159	1,459,430	5,958,556	2,979,278
KPCO	14,028,654	10,494,683	306,295	1,072,807	536,404
I&M	54,128,321	27,977,381	822,091	8,688,974	4,344,487
OPCO	78,405,718	54,768,025	1,543,934	8,335,664	4,167,832
CSP	23,513,004	15,226,159	1,087,625	3,111,310	1,555,655
TOTAL	221,184,815	147,345,407	5,219,375	27,167,311	13,583,656

CALCULATION OF MEMBER PRIMARY RATES:

COMPANY	(\$) UNADJUSTED PART OF PRODUCTION EXPENSE (6)=(3)+(5)	UNADJUSTED NET GENERATION MWh (APPENDIX IV) (7)	ADJUSTED NET GENERATION (*) MWh (APPENDIX IV) (8)	PRIMARY ENERGY RATE MILLS/kWh (9)=(5)/(7) +(2)/(8)+(3)/(7)
APCO	4,438,708	2,727,489	2,727,489	15.882
KPCO	842,699	797,807	797,807	14.211
I&M	5,166,578	3,080,495	3,080,495	10.759
OPCO	5,711,766	4,366,699	4,366,699	13.850
CSP	2,643,280	1,115,242	1,115,242	16.023
TOTAL	18,803,031	12,087,732	12,087,732	13.746

CALCULATION OF MEMBER PRIMARY CAPACITY FIXED OPERATING RATES:

COMPANY	(\$) TOTAL FIXED OPERATING EXPENSE (10)=(1)-(2)-(6)	CAPABILITY OF STEAM-ELECTRIC MEMBER PRIMARY CAPACITY, kW (APPENDIX II) (11)	(\$/kW) MEMBER PRIMARY CAPACITY FIXED OPERATING RATE (12)=(10)/(11)
APCO	7,791,251	5,073,000	1.54
KPCO	2,691,272	1,450,000	1.86
I&M	20,984,362	5,089,000	4.12
OPCO	17,925,927	8,472,000	2.12
CSP	5,643,565	2,595,000	2.17
TOTAL	55,036,377	22,679,000	2.43

NOTE: * Adjusted to exclude allocation of fuel costs (Acct. 151) associated with coal conversion services.

SETTLEMENT WITH SYSTEM AGENT ASSOCIATED WITH MLR
ALLOCATIONS OF AEP SYSTEM RECEIPTS AND DELIVERIES

		ACTUAL SETTLEMENT		PREVIOUS ESTIMATE		ADJUSTMENT AMOUNT	
		AMOUNT DUE TO AGENT	AMOUNT DUE FROM AGENT	AMOUNT DUE TO AGENT	AMOUNT DUE FROM AGENT	AMOUNT DUE TO AGENT	AMOUNT DUE FROM AGENT
		\$ CHARGE	\$ CREDIT	\$ CHARGE	\$ CREDIT	\$ CHARGE	\$ CREDIT
TRANSMISSION SERVICE (PURCHASES)	APCO	263,675	0	282,038	0	0	18,363
	KPCO	70,896	0	75,205	0	0	4,309
	I&M	203,536	0	215,906	0	0	12,370
	OPCO	0	723,803	0	770,132	46,329	0
	CSP	185,696	0	196,983	0	0	11,287
	TOTAL	723,803	723,803	770,132	770,132	46,329	46,329
NET AMOUNT DUE FOR ALL SYSTEM TRANSACTIONS (EXCEPT TRANS. SERVICE) (1)	APCO	0	30,636,747	0	30,656,929	20,182	0
	KPCO	0	7,189,284	0	7,194,019	4,735	0
	I&M	0	20,639,782	0	20,653,379	13,597	0
	OPCO	0	24,911,035	0	24,927,445	16,410	0
	CSP	0	18,830,709	0	18,843,114	12,405	0
	East. AEP (Co. 122)	102,207,557	0	102,274,886	0	0	67,329
	TOTAL	102,207,557	102,207,557	102,274,886	102,274,886	67,329	67,329
THIRD PARTY SALES (2)	APCO	839,166	8,559,618	839,658	8,612,496	52,878	492
	KPCO	196,909	2,008,617	197,033	2,021,027	12,410	124
	I&M	565,335	5,766,573	565,664	5,802,196	35,623	329
	OPCO	682,332	6,959,928	682,724	7,002,923	42,995	392
	CSP	515,790	5,261,135	516,081	5,293,635	32,500	291
	East. AEP (Co. 122)	28,555,871	2,799,532	28,732,277	2,801,160	1,628	176,406
	TOTAL	31,355,403	31,355,403	31,533,437	31,533,437	178,034	178,034
GROSS TOTAL	APCO	839,166	39,196,365	839,658	39,269,425	73,060	492
	KPCO	196,909	9,197,901	197,033	9,215,046	17,145	124
	I&M	565,335	26,406,355	565,664	26,455,575	49,220	329
	OPCO	682,332	31,870,963	682,724	31,930,368	59,405	392
	CSP	515,790	24,091,844	516,081	24,136,749	44,905	291
	East. AEP (Co. 122)	130,763,428	2,799,532	131,007,163	2,801,160	1,628	243,735
	TOTAL	133,562,960	133,562,960	133,808,323	133,808,323	245,363	245,363
NET TOTAL	APCO	0	38,357,199	0	38,429,767	72,568	0
	KPCO	0	9,000,992	0	9,018,013	17,021	0
	I&M	0	25,841,020	0	25,889,911	48,891	0
	OPCO	0	31,188,631	0	31,247,644	59,013	0
	CSP	0	23,576,054	0	23,620,668	44,614	0
	East. AEP (Co. 122)	127,963,896	0	128,206,003	0	0	242,107
	TOTAL	127,963,896	127,963,896	128,206,003	128,206,003	242,107	242,107

NOTES: (1) Source is ECR#MLR report, MLR Allocation of System Transactions.
(2) Source is Appendix VII.

AEP SYSTEM MLR ALLOCATION OF EXPENSES FOR TRANSMISSION SERVICE TO BE RECORDED
 IN ACCOUNT 4470.066 (POWER TRADING TRANSMISSION EXPENSE - NON ASSOCIATED - ABOVE)
 AND IN ACCOUNT 4210.020 (POWER TRADING TRANSMISSION EXPENSE - NON ASSOCIATED - BELOW)

Pwr Code	Customer	ACCT	CO. AGNT	ACTUAL BILL	MLR						Total	AMOUNT DUE (TO)/FROM AGENT						NET
					APCO	KPCO	I&M	OPCO	CSP	18.424%		24.373%	20.194%	7.034%	29.975%	APCO	KPCO	
	Totals			1,007,906	302,120	70,896	203,536	245,658	185,696	1,007,906	(263,675)	(70,896)	(203,536)	723,803	(185,696)	-		
UKE	Duke Power Company	4470066 02		6,682	2,003	470	1,349	1,629	1,231	6,682	4,679	(470)	(1,349)	(1,629)	(1,231)	-		
NTE	Energy Power Serv	4470066 07		527,681	158,172	37,117	106,560	128,612	97,220	527,681	(158,172)	(37,117)	(106,560)	399,069	(97,220)	-		
ISO	Midwest ISO	(3) 4470066 07		365,199	109,469	25,688	73,748	89,010	67,284	365,199	(109,469)	(25,688)	(73,748)	276,189	(67,284)	-		
JMP	PJM Interconnection Pool	4470066 07		76,581	22,955	5,387	15,465	18,665	14,109	76,581	(22,955)	(5,387)	(15,465)	57,916	(14,109)	-		
VAM	TVA Bulk Power Trading	4470066 02		31,763	9,521	2,234	6,414	7,742	5,852	31,763	22,242	(2,234)	(6,414)	(7,742)	(5,852)	-		

Notes: (1) Invoice for Month 2004 transmission.

(2) To be booked in account #4210.020 (more than 2 tiers away).

(3) A portion of the MISQ invoice is charged back to CPP (\$54,876)

SETTLEMENT WITH SYSTEM AGENT ASSOCIATED
WITH MLR ALLOCATIONS OF AEP SYSTEM
OFF-SYSTEM THIRD PARTY

		MWh		(\$)	
		<u>PURCHASES</u>	<u>SALES</u>	<u>ALLOCATION BY MLR</u>	
				TOTAL COSTS TO BE BOOKED	TOTAL REVENUES TO BE BOOKED
		ACCT. 4470.010	ACCT. 4470.006	ACCT. 4470.010	ACCT. 4470.006
<u>ENERGY (1)</u>					
I.	ACTUAL				
	THIS MONTH				
	APCO	5,733,443	5,781,496	285,066,606	293,328,144
	KPCO	1,345,423	1,356,699	66,894,362	68,833,032
	I&M	3,862,587	3,894,967	192,047,875	197,613,629
	OPCO	4,661,923	4,701,005	231,790,772	238,508,319
	CSP	3,524,033	3,553,574	175,214,917	180,292,834
	TOTAL	19,127,409	19,287,741	951,014,532	978,575,958
II.	PREVIOUS ESTIMATE				
	APCO	5,740,620	5,782,856	285,049,139	293,363,111
	KPCO	1,347,106	1,357,016	66,890,263	68,841,238
	I&M	3,867,425	3,895,881	192,036,107	197,637,186
	OPCO	4,667,756	4,702,107	231,776,569	238,536,751
	CSP	3,528,444	3,554,403	175,204,181	180,314,327
	TOTAL	19,151,351	19,292,263	950,956,259	978,692,613
III.	ADJUSTMENT (I-II)				
	APCO	(7,177)	(1,360)	17,467	(34,967)
	KPCO	(1,683)	(317)	4,099	(8,206)
	I&M	(4,838)	(914)	11,768	(23,557)
	OPCO	(5,833)	(1,102)	14,203	(28,432)
	CSP	(4,411)	(829)	10,736	(21,493)
	TOTAL	(23,942)	(4,522)	58,273	(116,655)
<u>EXERCISED OPTIONS & PREMIUMS (2)</u>				TOTAL COSTS TO BE BOOKED	TOTAL REVENUES TO BE BOOKED
		ACCT. 4470.011	ACCT. 4470.007	ACCT. 4470.011	ACCT. 4470.007
I.	ACTUAL				
	THIS MONTH				
	APCO	149,754	137,409	7,757,237	6,960,435
	KPCO	35,143	32,242	1,820,331	1,633,351
	I&M	100,887	92,569	5,226,010	4,689,208
	OPCO	121,769	111,725	6,307,495	5,659,606
	CSP	92,047	84,455	4,767,951	4,278,200
	TOTAL	499,600	458,400	25,879,024	23,220,800
II.	PREVIOUS ESTIMATE				
	APCO	149,754	137,409	7,757,237	6,960,435
	KPCO	35,143	32,242	1,820,331	1,633,351
	I&M	100,887	92,569	5,226,010	4,689,208
	OPCO	121,769	111,725	6,307,495	5,659,606
	CSP	92,047	84,455	4,767,951	4,278,200
	TOTAL	499,600	458,400	25,879,024	23,220,800
III.	ADJUSTMENT (I-II)				
	APCO	0	0	0	0
	KPCO	0	0	0	0
	I&M	0	0	0	0
	OPCO	0	0	0	0
	CSP	0	0	0	0
	TOTAL	0	0	0	0

SETTLEMENT WITH SYSTEM AGENT ASSOCIATED
WITH MLR ALLOCATIONS OF AEP SYSTEM
OFF-SYSTEM THIRD PARTY

BELOW THE LINE	ALLOCATION BY MLR (MWh)						ALLOCATION BY MLR (\$)					
	FINANCIAL		PHYSICAL BOOKOUT		GAIN		FINANCIAL		PHYSICAL BOOKOUT		GAIN	
	LOSSES		PURCHASES		REVENUES		LOSSES		PURCHASES		REVENUES	
	ACCT. 4210.023	ACCT. 4210.023	ACCT. 4210.022	ACCT. 4210.022	ACCT. 4210.018	ACCT. 4210.018	ACCT. 4210.023	ACCT. 4210.023	ACCT. 4210.022	ACCT. 4210.022	ACCT. 4210.018	ACCT. 4210.018
I.	ACTUAL	APCO	0	1,102,332	1,102,325	316,411	53,219,130	53,714,195				
	THIS MONTH	KPCO	0	258,675	258,677	74,249	12,488,519	12,604,691				
		I&M	0	742,634	742,632	213,162	35,853,448	36,186,972				
		OPCO	0	896,316	896,319	257,274	43,273,056	43,675,604				
		CSP	0	677,539	677,544	194,478	32,710,900	33,015,191				
		TOTAL	0	3,677,496	3,677,497	1,055,574	177,545,053	179,196,653				
II.	PREVIOUS	APCO	0	1,101,958	1,101,964	316,411	53,203,840	53,699,347				
	ESTIMATE	KPCO	0	258,589	258,593	74,249	12,484,931	12,601,207				
		I&M	0	742,384	742,390	213,162	35,843,147	36,176,968				
		OPCO	0	896,014	896,027	257,274	43,260,624	43,663,530				
		CSP	0	677,311	677,322	194,478	32,701,503	33,006,064				
		TOTAL	0	3,676,256	3,676,296	1,055,574	177,494,045	179,147,116				
III	ADJUSTMENT	APCO	0	374	361	0	15,290	14,848				
	(I-II)	KPCO	0	86	84	0	3,588	3,484				
		I&M	0	250	242	0	10,301	10,004				
		OPCO	0	302	292	0	12,432	12,074				
		CSP	0	228	222	0	9,397	9,127				
		TOTAL	0	1,240	1,201	0	51,008	49,537				

BROKERS'
COMMISSIONS (3)

			ALLOCATION BY MLR (\$)	
			PURCHASE	SALES
			COSTS	REVENUES
			ACCT. 4470.010	ACCT. 4470.006
I.	ACTUAL	APCO	22,197	(20,167)
	THIS MONTH	KPCO	5,202	(4,727)
		I&M	14,952	(13,581)
		OPCO	18,046	(16,397)
		CSP	13,642	(12,397)
		TOTAL	74,039	(67,269)
II.	PREVIOUS	APCO	22,368	(20,488)
	ESTIMATE	KPCO	5,246	(4,807)
		I&M	15,062	(13,800)
		OPCO	18,183	(16,652)
		CSP	13,742	(12,588)
		TOTAL	74,601	(68,335)
III	ADJUSTMENT	APCO	(171)	321
	(I-II)	KPCO	(44)	80
		I&M	(110)	219
		OPCO	(137)	255
		CSP	(100)	191
		TOTAL	(562)	1,066

ACTUAL: August 2004

APPENDIX VII

Page 3 of 4

SETTLEMENT WITH SYSTEM AGENT ASSOCIATED
WITH MLR ALLOCATIONS OF AEP SYSTEM
OFF-SYSTEM THIRD PARTY

		(\$)	
<u>POWER SWAPS</u>		<u>ALLOCATION BY MLR</u>	
		TOTAL NET TO BE BOOKED	
		<u>ACCT. 4470.082</u>	
I.	ACTUAL	APCO	119,426
	THIS MONTH	KPCO	28,024
		I&M	80,457
		OPCO	97,107
		CSP	73,405
		TOTAL	<u>398,419</u>
II.	PREVIOUS	APCO	119,428
	ESTIMATE	KPCO	28,025
		I&M	80,458
		OPCO	97,109
		CSP	73,406
		TOTAL	<u>398,426</u>
III.	ADJUSTMENT	APCO	(2)
	(I-II)	KPCO	(1)
		I&M	(1)
		OPCO	(2)
		CSP	(1)
		TOTAL	<u>(7)</u>

SETTLEMENT WITH SYSTEM AGENT ASSOCIATED
WITH MLR ALLOCATIONS OF AEP SYSTEM
BOOKOUTS AND OPTIONS

		ACTUAL SETTLEMENT		PREVIOUS ESTIMATE		ADJUSTMENT AMOUNT	
		AMOUNT DUE TO AGENT \$ CHARGE	AMOUNT DUE FROM AGENT \$ CREDIT	AMOUNT DUE TO AGENT \$ CHARGE	AMOUNT DUE FROM AGENT \$ CREDIT	AMOUNT DUE TO AGENT \$ CHARGE	AMOUNT DUE FROM AGENT \$ CREDIT
THIRD PARTY	APCO	0	8,261,538	0	8,313,972	52,434	0
SALES (1)	KPCO	0	1,938,670	0	1,950,975	12,305	0
	I&M	0	5,565,754	0	5,601,079	35,325	0
	OPCO	0	6,717,547	0	6,760,182	42,635	0
	CSP	0	5,077,917	0	5,110,146	32,229	0
	East. AEP (Co.122)	27,561,426	0	27,736,354	0	0	174,928
	TOTAL	27,561,426	27,561,426	27,736,354	27,736,354	174,928	174,928
EXERCISED OPTIONS & PREMIUMS (2)	APCO	796,802	0	796,802	0	0	0
	KPCO	186,980	0	186,980	0	0	0
	I&M	536,802	0	536,802	0	0	0
	OPCO	647,889	0	647,889	0	0	0
	CSP	489,751	0	489,751	0	0	0
	East. AEP (Co.122)	0	2,658,224	0	2,658,224	0	0
	TOTAL	2,658,224	2,658,224	2,658,224	2,658,224	0	0
BELOW THE LINE	APCO	0	178,654	0	179,096	442	0
	KPCO	0	41,923	0	42,027	104	0
	I&M	0	120,362	0	120,659	297	0
	OPCO	0	145,274	0	145,632	358	0
	CSP	0	109,813	0	110,083	270	0
	East. AEP (Co.122)	596,026	0	597,497	0	0	1,471
	TOTAL	596,026	596,026	597,497	597,497	1,471	1,471
BROKERS' COMMISSIONS (3)	APCO	42,364	0	42,856	0	0	492
	KPCO	9,929	0	10,053	0	0	124
	I&M	28,533	0	28,862	0	0	329
	OPCO	34,443	0	34,835	0	0	392
	CSP	26,039	0	26,330	0	0	291
	East. AEP (Co.122)	0	141,308	0	142,936	1,628	0
	TOTAL	141,308	141,308	142,936	142,936	1,628	1,628
POWER SWAPS	APCO	0	119,426	0	-119,428	2	0
	KPCO	0	28,024	0	28,025	1	0
	I&M	0	80,457	0	80,458	1	0
	OPCO	0	97,107	0	97,109	2	0
	CSP	0	73,405	0	73,406	1	0
	East. AEP (Co.122)	398,419	0	398,426	0	0	7
	TOTAL	398,419	398,419	398,426	398,426	7	7
NET BOOKOUTS, OPTIONS, BROKERS' COMMISSIONS, SWAPS & SPARK GAS	APCO	839,166	8,559,618	839,658	8,612,496	52,878	492
	KPCO	196,909	2,008,617	197,033	2,021,027	12,410	124
	I&M	565,335	5,766,573	565,664	5,802,196	35,623	329
	OPCO	682,332	6,959,928	682,724	7,002,923	42,995	392
	CSP	515,790	5,261,135	516,081	5,293,635	32,500	291
	East. AEP (Co.122)	28,555,871	2,799,532	28,732,277	2,801,160	1,628	176,406
	TOTAL	31,355,403	31,355,403	31,533,437	31,533,437	178,034	178,034

NOTES:

(1) Power that did not enter into nor did it flow out of the AEP System, and is not included in the ECR/MLR report.

(2) Sold in previous period(s) and exercised in:

August 2004

(3) Actual commissions paid in August 2004.

ACTUAL: August 2004

Eastern AEP - Trading and Marketing Realizations for Base Year (July 1999 - June 2000) (from AEP System Internal Resources)

Activity	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00
CP&L - Unit Power	\$2,198,217	\$2,490,283	\$2,582,529	\$2,705,213	\$2,615,136	\$2,589,883	\$2,699,430	\$2,520,713	\$2,754,689	\$3,003,151	\$2,919,434	\$2,886,195
VEPCo - Unit Power	(\$1,123,105)	\$3,038,022	\$3,527,361	\$2,598,489	\$2,647,320	\$3,486,881	\$321,838	\$0	\$0	\$0	\$0	\$0
Net ECR (1)	\$12,753,184	\$23,169,345	\$11,364,685	\$10,435,970	\$8,342,770	\$10,921,779	\$15,541,702	\$19,298,751	\$14,450,922	\$18,450,442	\$36,100,304	\$48,806,985
SO2 Differential (2)	\$563,599	\$612,545	\$389,855	\$250,844	\$197,348	\$184,492	\$950,379	\$710,467	\$661,136	\$793,923	\$679,673	\$554,549
Transmission Purchases (3)	(\$730,874)	(\$1,281,526)	(\$730,367)	(\$486,787)	(\$262,874)	(\$283,600)	(\$769,597)	(\$301,407)	(\$433,753)	(\$428,732)	(\$845,606)	(\$805,698)
Net Total	\$13,651,021	\$28,028,669	\$17,134,063	\$15,503,729	\$13,539,700	\$16,899,435	\$18,743,752	\$22,228,524	\$17,432,994	\$21,818,784	\$38,853,805	\$51,422,031
Less Dedicated												
Transaction Realization (from Pg. 2)	(\$422,036)	(\$11,945,640)	(\$13,641,221)	(\$12,470,356)	(\$12,102,274)	(\$13,621,453)	(\$10,104,743)	(\$9,973,647)	(\$9,475,154)	(\$9,840,572)	(\$9,530,382)	(\$9,507,230)
Less LT Pre-Merger Trading Realizations												(\$4,463,194)
Plus 6/30/00 MTM of Open Positions												\$84,178,867
Plus Off System Sales												
Transaction Realization (Above Line) (from Pg. 3)	\$18,397,954	\$25,716,949	(\$14,228,723)	(\$3,750,052)	(\$1,572,486)	\$568,921	\$2,348,698	\$1,065,780	(\$4,066,395)	\$1,643,564	\$6,785,292	(\$12,397,596)
Monthly Total	\$31,636,939	\$41,799,978	(\$10,735,881)	(\$716,679)	(\$135,060)	\$3,846,903	\$10,988,707	\$13,320,657	\$3,891,445	\$13,621,776	\$36,108,715	\$109,232,878
12 Mo. Cumulative Total	\$31,636,939	\$73,436,917	\$62,701,036	\$61,984,357	\$61,849,297	\$65,696,200	\$76,684,907	\$90,005,564	\$93,897,009	\$107,518,785	\$143,627,500	\$252,860,378

(1) Reflects the net recorded in the Energy Costing & Reporting System.
(2) Realization emanating from price differential between market price (charged) and companies' inventory cost.
(3) Associated with purchased power that flowed into the AEP System (within 2 tiers) (Revised 8/18/00).

Eastern AEP - Trading and Marketing Realizations for Base Year (July 1999 - June 2000) (from AEP System Internal Resources)
Dedicated Long Term Transactions

Company	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00
Car. P & L (Unit Power)	\$2,198,217	\$2,490,283	\$2,582,529	\$2,705,213	\$2,615,136	\$2,589,893	\$2,699,430	\$2,520,713	\$2,754,699	\$3,003,151	\$2,919,434	\$2,866,195
VEPCO (Unit Power)	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500
VEPCO (Unit Power)	(\$1,123,105)	\$3,038,022	\$3,527,361	\$2,598,489	\$2,647,320	\$3,486,881	\$0	\$0	\$0	\$0	\$0	\$0
NCEMC	\$1,229,179	\$1,168,979	\$1,192,072	\$1,160,847	\$1,176,827	\$1,200,568	\$0	\$0	\$0	\$0	\$0	\$0
VEPCO	\$1,434,782	\$1,434,959	\$1,434,938	\$1,435,076	\$1,434,976	\$1,435,066	\$1,947,500	\$1,947,662	\$1,947,457	\$1,947,685	\$1,947,569	\$1,947,605
AMP Ohio	(\$440,174)	\$464,119	\$490,918	\$377,172	\$376,177	\$494,578	\$31,830	\$0	\$0	\$0	\$0	\$0
CPP	\$65,071	\$65,037	\$65,019	\$64,945	\$65,082	\$65,051	\$65,000	\$64,972	\$64,983	\$77,994	\$97,525	\$97,535
OMEG	\$325,086	\$299,017	\$325,080	\$260,073	\$260,060	\$259,949	\$260,000	\$260,035	\$195,020	\$227,523	\$259,964	\$325,026
Radford	(\$1,475,010)	\$829,290	\$727,061	\$572,783	\$566,959	\$730,197	\$966,518	\$952,857	\$846,110	\$948,635	\$987,079	\$968,600
Sigehoo (Block)	(\$337,727)	\$545,462	\$474,413	\$477,657	\$427,911	\$465,336	\$590,957	\$571,093	\$360,280	\$316,608	\$324,179	\$344,073
W Va Pwr	(\$160,092)	\$142,607	\$132,810	\$146,292	\$122,651	\$137,505	\$156,614	\$153,483	\$153,879	\$154,699	\$153,552	\$153,528
Slurgis	(\$426,024)	\$549,676	\$436,146	\$485,546	\$469,876	\$608,622	\$755,434	\$664,239	\$578,923	\$549,919	\$508,438	\$575,863
AMPO	\$0	\$0	\$327,305	\$302,505	\$238,211	\$271,554	\$282,750	\$387,332	\$347,285	\$344,005	\$375,378	\$453,609
CPP	(\$504,573)	\$85,796	\$631,992	\$769,971	\$627,963	\$704,942	\$1,193,822	\$1,278,285	\$1,054,569	\$1,191,774	\$902,662	\$752,338
Sigehoo	(\$686,371)	\$75,807	\$545,327	\$347,865	\$334,174	\$408,155	\$343,576	\$363,979	\$362,269	\$348,249	\$345,619	\$210,821
Total	(\$264,723)	\$169,086	\$160,750	\$178,422	\$151,451	\$175,666	\$223,812	\$221,497	\$222,190	\$242,830	\$221,483	\$224,537
12 Month Cum. Total	\$422,036	\$11,945,640	\$13,641,221	\$12,470,356	\$12,102,274	\$13,621,453	\$10,104,743	\$9,973,647	\$9,475,154	\$9,840,572	\$9,530,382	\$9,507,230
	\$422,036	\$12,367,676	\$26,008,897	\$38,479,253	\$50,581,527	\$64,202,980	\$74,307,723	\$84,281,370	\$93,756,524	\$103,597,096	\$113,127,478	\$122,634,708

Eastern AEP - Trading and Marketing Realizations for Base Year (July 1999 - June 2000)
(Off System Sales - Above the Line Trading Activities Account 447 Subaccounts Only)

Type of Activity	Account	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	1/00 & 2/00 Adjustment	Mar-00	Apr-00	May-00	Jun-00
Energy Sales	4470.008	\$657,853,570	\$901,477,542	\$1,037,936,711	\$521,049,752	\$457,380,779	\$688,402,058	\$495,514,894	\$692,461,948	(\$96,475,456)	\$702,667,564	\$688,489,789	\$1,359,908,237	\$1,472,809,035
Energy Purchases	4470.010	(\$642,477,724)	(\$886,268,393)	(\$1,150,961,763)	(\$522,047,857)	(\$456,111,554)	(\$661,406,469)	(\$480,920,634)	(\$679,746,205)	\$97,879,483	(\$703,198,421)	(\$659,664,733)	(\$1,348,883,111)	(\$1,472,686,466)
Exercised Options - Sales	4470.007	\$30,627,050	\$26,117,600	\$6,767,200	\$2,581,200	\$3,471,200	\$1,997,600	\$3,908,000	\$4,812,800	\$0	\$2,275,200	\$592,000	\$2,309,600	\$16,396,200
Exercised Options - Purchases	4470.011	(\$27,298,700)	(\$15,609,800)	(\$7,336,000)	(\$4,837,200)	(\$5,899,200)	(\$7,952,400)	(\$15,928,800)	(\$16,062,400)	\$0	(\$6,622,400)	(\$5,008,000)	(\$7,741,600)	(\$28,571,200)
Sales Commission (Above Line)	4470.008	(\$152,598)	\$0	(\$312,907)	(\$206,888)	(\$159,854)	(\$248,900)	(\$117,656)	(\$193,899)	\$0	(\$280,304)	(\$381,496)	(\$519,986)	(\$139,787)
Purchase Commissions (Above Line)	4470.010	(\$153,644)	\$0	(\$321,964)	(\$199,259)	(\$153,857)	(\$222,969)	(\$106,106)	(\$206,482)	\$0	(\$312,061)	(\$383,998)	(\$487,848)	(\$195,348)
Net Off System Trades (Above the Line)		\$18,397,954	\$25,716,949	(\$14,228,723)	(\$3,760,052)	(\$1,572,486)	\$566,921	\$2,349,898	\$1,065,780	\$1,404,027	(\$5,470,422)	\$1,643,564	\$6,785,292	(\$12,397,556)
12 Month Cumulative Total		\$18,397,954	\$44,114,803	\$29,886,180	\$26,138,128	\$24,563,642	\$25,132,583	\$27,482,261	\$28,548,041	\$29,952,068	\$24,487,646	\$26,125,210	\$32,910,502	\$20,512,906

Note: The adjustment for January and February 2000 reflects the reclassification of Bookouts to accounts 4210.012 and 4265.005 that were incorrectly charged to accounts 4470.006 and 4470.010. The transactions being reclassified were more than two tiers away.

**Western AEP - Trading and Marketing Realizations for Base Year
(July 1999 - June 2000) (from CSW Generation Resources)**

<u>Month</u>	<u>Amount</u>
July-99	\$14,422,489
August-99	\$4,245,600
September-99	\$1,840,715
October-99	\$63,256
November-99	\$175,651
December-99	\$88,741
January-00	\$842,661
February-00	\$450,386
March-00	\$84,263
April-00	\$248,857
May-00	\$2,016,489
June-00	<u>\$616,467</u>
Base Year Total	\$25,095,575

**Western AEP - Trading and Marketing Realizations for Year 2004
(from CSW Generation Resources)**

<u>Period</u>	<u>Realization Amount</u>	
January-04	\$1,125,810	
February-04	\$1,741,581	Note 1
March-04	(\$926,685)	
April-04	(\$235,847)	
May-04	(\$444,024)	
June-04	\$2,109,197	
July-04	(\$4,617,951)	
August-04	(\$7,505,000)	
September-04		
October-04		
November-04		
December-04		
Cumulative Total	<u><u>(\$8,752,919)</u></u>	

Notes:

(1) The February 2004 West realization has been reduced by \$162,422 resulting from the 1/04 ICR re-run of 3/31/04.

ACTUAL: August 2004

Eastern AEP - Trading and Marketing Realizations for Year 2004
(Off System Sales - Above the Line Trading Activities Account 447 & 555 Subaccounts Only)

Account	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
4470.006	\$610,463,028	\$684,952,074	\$665,967,414	\$572,872,778	\$501,692,261	\$527,733,349	\$884,832,121	\$978,575,958	\$0	\$0	\$0	\$0
4470.006	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4470.008	\$5,553,920	(\$1,248,144)	\$351,056	\$910,240	\$5,690,287	\$430,593	\$497,929	(\$687,772)	\$0	\$0	\$0	\$0
4470.010	(\$602,089,650)	(\$682,500,251)	(\$659,931,502)	(\$557,500,222)	(\$489,771,344)	(\$510,848,563)	(\$849,705,165)	(\$951,014,532)	\$0	\$0	\$0	\$0
4470.010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4470.010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4470.008	(\$107,120)	(\$61,400)	(\$104,406)	(\$87,158)	(\$115,807)	(\$91,233)	(\$64,456)	(\$67,269)	\$0	\$0	\$0	\$0
4470.010	(\$97,244)	(\$113,881)	(\$88,556)	(\$84,650)	(\$65,559)	(\$119,144)	(\$66,032)	(\$74,039)	\$0	\$0	\$0	\$0
Net of Above	\$13,722,935	(\$991,602)	\$6,193,986	\$16,080,788	\$17,429,838	\$17,103,002	\$35,594,597	\$26,732,346	\$0	\$0	\$0	\$0
4470.007	\$10,987,200	\$9,542,400	\$8,548,864	\$8,486,016	\$5,017,600	\$3,699,200	\$13,875,200	\$23,220,800	\$0	\$0	\$0	\$0
4470.007	\$957,265	\$793,367	(\$1,298,826)	(\$1,514,754)	\$51,417	(\$16,884)	(\$2,989,341)	(\$3,017,726)	\$0	\$0	\$0	\$0
4470.011	(\$14,226,336)	(\$10,764,595)	(\$8,968,266)	(\$11,386,430)	(\$7,635,176)	(\$7,374,144)	(\$27,477,984)	(\$25,879,024)	\$0	\$0	\$0	\$0
4470.011	(\$2,968,841)	(\$1,318,192)	(\$393,137)	\$583,522	(\$605,439)	(\$404,387)	\$773,045	\$1,798,461	\$0	\$0	\$0	\$0
4470.082	(\$66,220)	(\$229,635)	(\$61,934)	(\$61,920)	\$43,145	\$148,819	\$562,137	\$398,419	\$0	\$0	\$0	\$0
4470.082	(\$34,148)	\$23,997	(\$2,053,573)	(\$278,989)	(\$101,111)	\$3,783,794	\$316,413	\$2,153,322	\$0	\$0	\$0	\$0
4470.082	(\$2,600,220)	\$116,150	\$1,403,563	\$228,233	\$75,978	\$142,956	\$3,134,799	(\$665,394)	\$0	\$0	\$0	\$0
4470.082	\$0	\$0	\$0	\$0	\$0	(\$2,786)	(\$5,481)	(\$701,315)	\$0	\$0	\$0	\$0
4470.085	\$0	\$0	\$0	\$0	\$0	\$0	\$664,088	\$813,864	\$0	\$0	\$0	\$0
5550.033	\$0	\$0	\$0	(\$4,103,164)	(\$2,390,439)	(\$379,755)	(\$41,660)	\$0	\$0	\$0	\$0	\$0
5550.034	(\$7,951,300)	(\$1,837,509)	(\$2,823,299)	(\$8,047,486)	(\$5,544,025)	(\$403,167)	(\$10,988,804)	(\$1,698,593)	\$0	\$0	\$0	\$0
Net of Above	(\$5,103)	(\$2,237)	(\$3,190)	(\$1,895)	(\$3,146)	(\$1,767)	(\$1,753)	(\$1,181)	\$0	\$0	\$0	\$0
4470.081	(\$4,249)	\$4,712,527	(\$5,522,433)	(\$1,173,422)	\$616,483	(\$1,159,843)	\$1,264,810	(\$787,714)	\$0	\$0	\$0	\$0
4470.081	(\$282,353)	\$136,525	\$116,969	\$259,745	\$1,109,963	(\$700,307)	\$1,079,527	\$959,452	\$0	\$0	\$0	\$0
Net of Above	(\$291,705)	\$4,848,815	(\$5,406,654)	(\$915,572)	\$1,723,300	(\$1,861,917)	\$2,342,584	\$170,557	\$0	\$0	\$0	\$0
Net Off System Trades (Above the Line)	\$5,479,930	\$2,017,704	(\$2,035,957)	\$7,117,730	\$13,609,113	\$14,839,918	\$26,948,377	\$25,000,310	\$0	\$0	\$0	\$0
12 Month Cumulative Total	\$5,479,930	\$7,497,634	\$5,461,677	\$12,579,407	\$26,188,520	\$41,028,438	\$67,976,815	\$92,981,125	\$92,981,125	\$92,981,125	\$92,981,125	\$92,981,125

Note 1: Current month margin reclassified between trading and non-trading due to non-trading transactions being booked out with trading transactions.

August 2004

Actual: Realization Sharing Calculations

East Detail	East Realization	West Realization	Total Realization	West Share of Realization	East Share of Realization	Eastern Funds To West	Account Number
Bookout Purchases Energy Furch. - B/O Margin Reclass (Note 1) Purchases Commission	(\$951,088.571) (\$951,088.571) (\$14,039)	(\$8,575,019) (\$8,575,019) (\$1,486,620)	(\$959,663,590) (\$959,663,590) (\$1,499,659)	(\$277,845,003) (\$277,845,003) (\$270,419,431)	(\$680,668,140) (\$680,668,140) (\$680,668,140)		4470.010
Bookout Sales Less Tractebel Sale Energy Sales - B/O Margin Reclass (Note 1) Sales Commission	\$978,820,817 (\$24,080,563) \$20,203,074 \$170,557	\$850,355 \$734,227 (\$1,231,994) (\$482) (\$321,588) \$381,688 \$69,631	\$978,471,272 (\$23,346,336) \$18,971,080 \$240,188	\$283,629,986 (\$8,787,415) \$5,498,157 \$86,824	\$694,841,286 (\$18,578,821) \$13,471,923 \$170,564	\$282,879,831 (\$7,501,842) \$6,731,151 (\$7)	4470.006 4470.011 4470.007 4470.081
Exercised Option - Purchases Exercised Purchase Option Premiums	\$23,270,800 (\$3,017,726)	\$25,878,024 \$1,788,461	\$49,148,824 (\$1,229,265)	\$428,430 \$235,915	\$1,048,573 \$577,948	\$115,459 \$235,915	4470.082 4470.085
Exercised Option - Sales Exercised Sales Option Premiums	\$37,885,476 (\$1,220,832) (\$5,924,374)	(\$286,317) \$679,088 (\$270,813)	\$37,604,644 (\$514,243) (\$3,693,487)	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	5550.033/5550.034
Non-Dedicated Spark Gas Commission Non-Dedicated Spark Gas Paribas Futures Non-Dedicated Swaps - Net	\$388,419 (\$701,315) \$2,153,322 (\$665,304)	(\$1,181) (\$787,714) \$959,452	\$387,237,708 (\$788,029) \$1,958,873	\$428,430 \$235,915	\$1,048,573 \$577,948	\$115,459 \$235,915	4470.082 4470.085
Power Swaps - Net Paribas Power Commissions Power Futures (REFCO) Power Futures Deferred (REFCO)	\$813,864 \$0 \$37,885,476 (\$1,220,832) (\$5,924,374)	\$0 \$0 (\$286,317) \$679,088 (\$270,813)	\$813,864 \$0 \$37,604,644 (\$514,243) (\$3,693,487)	\$235,915 \$0 \$0 \$0	\$577,948 \$0 \$0 \$0	\$235,915 \$0 \$0 \$0	4470.085 4470.002
Dow Sales - Associated Dow Purchases - Associated	\$45,439,607 \$70,443,917 (\$7,505,000)	(\$514,818) (\$7,505,000)	\$44,924,789 \$62,938,917	\$12,983,443 \$18,244,137	\$31,831,546 \$44,694,780	\$13,608,061 \$25,749,137	4470.082 4470.085
ECR/CR Realizations Less Purchase Demand Charge Less Realization on Dedicated Transactions Unit Power - CP&L SO2 Realization NOX Realization Transmission Purchases Total ECR/CR Realization	\$45,439,607 \$70,443,917 (\$7,505,000) \$62,938,917 \$25,749,137	(\$514,818) (\$7,505,000)	\$44,924,789 \$62,938,917	\$12,983,443 \$18,244,137	\$31,831,546 \$44,694,780	\$13,608,061 \$25,749,137	4470.002
Total Total West Realizations Total AEP Realizations	\$45,439,607 \$70,443,917 (\$7,505,000) \$62,938,917 \$25,749,137	(\$514,818) (\$7,505,000)	\$44,924,789 \$62,938,917	\$12,983,443 \$18,244,137	\$31,831,546 \$44,694,780	\$13,608,061 \$25,749,137	4470.002
Eastern AEP's Share of Total Realization Western AEP's Share of Total Realization	\$252,860,378 \$25,095,575 \$277,955,953	90.97% 9.03% 100.00%	23,966,000 9,784,000 33,750,000	71.01% 28.99% 100.00%	Capacity (MW) Realization Sharing Base Year Capacity Capacity		
Eastern AEP Funds to Western AEP	MLR	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.
Base Year Realizations Eastern AEP Realization Western AEP Realization	0.29975 0.07034 0.20194 0.24373 0.18424 1.00000	4470.010 (81,058,224) (19,021,303) (54,608,500) (65,909,328) (49,822,076) (270,419,431)	4470.011 (2,248,617) (527,665) (1,514,882) (1,828,375) (1,240,103) (7,501,642)	4470.007 (2,017,663) (473,469) (1,359,289) (1,640,583) (1,240,147) (6,731,151)	4470.081 (2) (1) (1) (2) (1) (7)	4470.085 (70,715) (16,594) (47,641) (57,500) (43,465) (235,915)	5550.033 (Other Cap.) 4470.002 4470.085 4470.085 4470.085 4470.085 4470.085
EASTERN FUNDS TO WESTERN AEP ALLOCATION BY OPERATING COMPANY	APCO KPCO I&M OPCO CSP TOTAL						ACTUAL TOTAL OF ALL ACCOUNTS
							(4,075,016) (1,811,193) (2,748,012) (5,199,782) (6,275,838) (4,744,020) (25,749,137)

Note 1: Current month margin reclassified between trading and non-trading transactions being booked out with trading transactions.