

FEB - 5 2004



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Date February 3, 2004

Subject Interchange Power Statement and Related Data

From R. L. Reed

To E. K. Wagner - Frankfort D. E. Richey - Canton  
R. G. Ronk - Roanoke J. H. Reif - 1RP26  
E. D. May - Canton J. Sloat - 1RP28  
K. W. Potts - 1RP23 K. Curry - Ft. Wayne  
T. L. Stephens - Richmond R. E. Munczinski - 1RP28  
J. Geels - Canton O. J. Sever - 1RP28

Enclosed is the Power Statement and Related Data, issued pursuant to the AEP Interconnection Agreement, indicating actual data for the month of December 2003.

*R. L. Reed / RPR*

R. L. Reed

Enclosures

cc:

E. L. Draper, Jr. - 1RP30  
J. C. Baker - 1RP23

ACTUAL

INTERCHANGE POWER STATEMENT  
FOR THE MONTH OF  
DECEMBER 2003

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STATEMENT OF SETTLEMENT TO BE MADE  
FOR ELECTRIC POWER AND ENERGY RECEIVED AND DELIVERED  
APPLICABLE TO DECEMBER 2003 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		(\$)		
		MEMBER RECEIVED FROM POOL	MEMBER DELIVERED TO POOL	AMOUNT DUE TO AGENT (CHARGE)	AMOUNT DUE FROM AGENT (CREDIT)	
(SOURCE: PAGE 2)						
I.	ACTUAL	APCO	1,691,010	698,488	32,265,173	11,098,900
	BILLING	KPCO	216,992	219,927	5,250,913	2,602,139
	AMOUNT	I&M	542,364	1,157,854	8,499,121	19,027,880
		OPCO	445,044	1,457,153	6,880,840	39,551,849
		CSP	1,052,449	414,437	25,860,486	6,475,765
	TOTAL		3,947,859	3,947,859	78,756,533	78,756,533
II.	PREVIOUSLY ESTIMATED	APCO	1,691,014	698,488	34,133,205	11,168,332
	BILLING	KPCO	216,991	219,927	5,273,145	2,893,840
	AMOUNT	I&M	542,365	1,157,852	8,472,452	21,695,665
		OPCO	445,044	1,457,157	6,927,829	39,648,265
		CSP	1,052,447	414,437	26,980,676	6,381,205
	TOTAL		3,947,861	3,947,861	81,787,307	81,787,307
III.	ADJUSTMENT TO BE BOOKED NEXT MONTH (I - II)	APCO	(4)	0	(1,868,032)	(69,432)
		KPCO	1	0	(22,232)	(291,701)
		I&M	(1)	2	26,669	(2,667,785)
		OPCO	0	(4)	(46,989)	(96,416)
		CSP	2	0	(1,120,190)	94,560
	TOTAL		(2)	(2)	(3,030,774)	(3,030,774)
IV.	ADJUSTMENT FOR TRANSMISSION SERVICE (PURCHASES) TO BE BOOKED NEXT MONTH (SEE APPENDIX VI)	APCO		0	0	17,197
		KPCO		0	0	118,994
		I&M		0	0	554,661
		OPCO		985,363	0	0
		CSP		0	0	294,511
	TOTAL			985,363	0	985,363
V.	CORRECTION TO ALLOCATION OF TRADING & MARKETING REALIZATION TO BE BOOKED NEXT MONTH (This item was omitted from the December estimated IPS for pool settlement)	APCO		1,954	0	0
		KPCO		445	0	0
		I&M		1,206	0	0
		OPCO		1,456	0	0
		CSP		1,101	0	0
		West. AEP		0	0	6,162
	TOTAL			6,162	0	6,162
VI.	ADJUSTMENT TO ALLOCATION OF TRADING & MARKETING REALIZATION TO BE BOOKED NEXT MONTH (SEE PAGE 6B)	APCO		(314,706)	0	0
		KPCO		(71,618)	0	0
		I&M		(194,277)	0	0
		OPCO		(234,474)	0	0
		CSP		(177,248)	0	0
		West. AEP		0	0	(992,323)
	TOTAL			(992,323)	0	(992,323)
VI.	ACTUAL THIS MONTH (SEE APPENDIX VI) (Net amounts due System Agent to effect sharing by MLR in revenues and cost of purchases for AEP System cash-settled transactions)	APCO		0	0	28,160,689
		KPCO		0	0	6,408,379
		I&M		0	0	17,384,426
		OPCO		0	0	20,981,538
		CSP		0	0	15,860,711
		East. AEP (Co.28)		88,795,743	0	0
	TOTAL			88,795,743	0	88,795,743
VII.	ESTIMATED THIS MONTH (SEE APPENDIX VI)	APCO		0	0	28,551,454
		KPCO		0	0	6,497,270
		I&M		0	0	17,625,588
		OPCO		0	0	21,272,606
		CSP		0	0	16,080,732
		East. AEP (Co.28)		90,027,650	0	0
	TOTAL			90,027,650	0	90,027,650
VIII.	ADJUSTMENT TO BE MADE NEXT MONTH	APCO		390,765	0	0
		KPCO		88,891	0	0
		I&M		241,162	0	0
		OPCO		291,068	0	0
		CSP		220,021	0	0
		East. AEP (Co.28)		0	0	1,231,907
	TOTAL			1,231,907	0	1,231,907

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	CREDIT	CHARGE	CREDIT	
		kW	\$/kW	A/C 555	A/C 447	A/C 555	A/C 447	
				(1)	(2)	(3)	(4)	
I.	ACTUAL	APCO	(1,450,100)	8.21	11,909,493	0	20,355,680	11,098,900
	BILLING	KPCO	(222,400)	8.21	1,826,544	0	3,424,369	2,602,139
	AMOUNT	I&M	563,200	14.21	0	8,003,072	8,499,121	11,024,808
		OPCO	2,653,500	6.94	0	18,415,290	6,880,840	21,136,559
		CSP	(1,544,200)	8.21	12,682,325	0	13,178,161	6,475,765
	TOTAL				26,418,362	26,418,362	52,338,171	52,338,171
II.	PREVIOUSLY	APCO			11,944,627	0	22,188,578	11,168,332
	ESTIMATED	KPCO			1,831,932	0	3,441,213	2,893,840
	BILLING	I&M			0	7,706,421	8,472,452	13,989,244
	AMOUNT	OPCO			0	18,789,876	6,927,829	20,858,389
		CSP			12,719,738	0	14,260,938	6,381,205
	TOTAL				26,496,297	26,496,297	55,291,010	55,291,010
III.	ADJUSTMENT	APCO			(35,134)	0	(1,832,898)	(69,432)
	TO BE BOOKED	KPCO			(5,388)	0	(16,844)	(291,701)
	NEXT MONTH	I&M			0	296,651	26,669	(2,964,436)
	(I - II)	OPCO			0	(374,586)	(46,989)	278,170
		CSP			(37,413)	0	(1,082,777)	94,560
	TOTAL				(77,935)	(77,935)	(2,952,839)	(2,952,839)
				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			1,691,010	698,488	32,265,173	11,098,900
	BILLING	KPCO			216,992	219,927	5,250,913	2,602,139
	AMOUNT	I&M			542,364	1,157,854	8,499,121	19,027,880
		OPCO			445,044	1,457,153	6,880,840	39,551,849
		CSP			1,052,449	414,437	25,860,486	6,475,765
	TOTAL				3,947,859	3,947,859	78,756,533	78,756,533
II.	PREVIOUSLY	APCO			1,691,014	698,488	34,133,205	11,168,332
	ESTIMATED	KPCO			216,991	219,927	5,273,145	2,893,840
	BILLING	I&M			542,365	1,157,852	8,472,452	21,695,665
	AMOUNT	OPCO			445,044	1,457,157	6,927,829	39,648,265
		CSP			1,052,447	414,437	26,980,676	6,381,205
	TOTAL				3,947,861	3,947,861	81,787,307	81,787,307
III.	ADJUSTMENT	APCO			(4)	0	(1,868,032)	(69,432)
	TO BE BOOKED	KPCO			1	0	(22,232)	(291,701)
	NEXT MONTH	I&M			(1)	2	26,669	(2,667,785)
	(I - II)	OPCO			0	(4)	(46,989)	(96,416)
		CSP			2	0	(1,120,190)	94,560
	TOTAL				(2)	(2)	(3,030,774)	(3,030,774)

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

<u>MEMBER</u>	<u>MEMBER PRIMARY CAPACITY KW (APPENDIX II) (1)</u>	<u>MEMBER LOAD RATIO (APPENDIX I) (2)</u>	<u>PRIMARY CAPACITY KW RESERVATION (SYS. KW) * (2) (3)</u>	<u>SURPLUS (DEFICIT) CAPACITY KW (4) = (1) - (3)</u>
APCO	5,899,000	0.31714	7,349,100	(1,450,100)
KPCO	1,450,000	0.07217	1,672,400	(222,400)
I&M	5,100,000	0.19578	4,536,800	563,200
OPCO	8,129,000	0.23629	5,475,500	2,653,500
CSP	2,595,000	0.17862	4,139,200	(1,544,200)
<b>TOTAL</b>	<b>23,173,000</b>	<b>1.00000</b>	<b>23,173,000</b>	

MEMBER CAPACITY \$ SETTLEMENT

<u>MEMBER</u>	<u>SURPLUS (DEFICIT) CAPACITY KW (1)</u>	<u>CAPACITY RATE \$/kW * (2)</u>	<u>CREDIT (CHARGE) ** \$ (3)</u>
APCO	(1,450,100)	***** + *****	(11,909,493)
KPCO	(222,400)	***** + *****	(1,826,544)
I&M	563,200	8.49 + 5.72	8,003,072
OPCO	2,653,500	4.81 + 2.13	18,415,290
CSP	(1,544,200)	***** + *****	(12,682,325)

EQUALIZATION CAPACITY RATE: 8.2128771723  
(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	DELIVERED TO POOL	CHARGE MEMBER A/C 555	CREDIT MEMBER A/C 447
		(MLR SHARE)	(AS SUPPLIED)	(MLR SHARE)	(AS SUPPLIED)
<b>I. AEP EXTERNAL ENERGY</b>					
ENERGY COST	APCO	1,207,369	1,295,066	21,118,299	22,778,441
RECOVERY AND MLR	KPCO	264,494	222,689	4,805,788	3,403,716
ALLOCATION FOR ALL	I&M	740,388	341,219	13,036,957	7,122,074
AEP SYSTEM	OPCO	896,104	1,262,181	15,734,511	21,716,286
DELIVERIES TO	CSP	671,429	658,629	11,894,275	11,569,313
NON-AFFILIATED COS.	AEP	3,779,784	3,779,784	66,589,830	66,589,830
ADJUSTMENT TO	APCO	(597,725)	(597,725)	(11,739,161)	(11,739,161)
PREVENT RECOGNITION	KPCO	(73,227)	(73,227)	(1,641,757)	(1,641,757)
OF SALES BY POOL	I&M	(201,587)	(201,587)	(4,677,109)	(4,677,109)
MEMBERS TO	OPCO	(453,591)	(453,591)	(8,893,765)	(8,893,765)
THEMSELVES	CSP	(244,794)	(244,794)	(5,125,433)	(5,125,433)
(PAGE 7)	AEP	(1,570,924)	(1,570,924)	(32,077,225)	(32,077,225)
SUBTOTAL	APCO	609,644	697,341	9,379,138	11,039,280
AEP EXTERNAL	KPCO	191,267	149,462	3,164,031	1,761,959
ENERGY	I&M	538,801	139,632	8,359,848	2,444,965
	OPCO	442,513	808,590	6,840,746	12,822,521
	CSP	426,635	413,835	6,768,842	6,443,880
	AEP	2,208,860	2,208,860	34,512,605	34,512,605
<b>II. INTERNAL ENERGY AMONG POOL MEMBERS</b>					
PRIMARY	APCO	1,077,846	0	10,966,103	0
ENERGY	KPCO	25,725	69,466	260,338	825,949
(PAGE 8)	I&M	1,109	1,018,038	14,058	8,573,915
	OPCO	2,177	645,146	18,639	8,266,900
	CSP	625,793	0	6,407,626	0
	AEP	1,732,650	1,732,650	17,666,764	17,666,764
ECONOMY	APCO	3,520	0	10,439	0
ENERGY	KPCO	0	767	0	1,209
(PAGE 9)	I&M	0	94	0	130
	OPCO	0	2,659	0	9,100
	CSP	0	0	0	0
	AEP	3,520	3,520	10,439	10,439
<b>III. TOTAL SYSTEM ACCOUNT ENERGY</b>					
(I + II)	APCO	1,691,010	698,488	20,355,680	11,098,900
	KPCO	216,992	219,927	3,424,369	2,602,139
	I&M	542,364	1,157,854	8,499,121	11,024,808
	OPCO	445,044	1,457,153	6,880,840	21,136,559
	CSP	1,052,449	414,437	13,178,161	6,475,765
	AEP	3,947,859	3,947,859	52,338,171	52,338,171

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)
<b>I. AEP POOL ENERGY *</b>					
ENERGY AND ENERGY	APCO	0	1,147	0	59,620
COST RECOVERY	KPCO	0	232	0	13,022
ALLOCATED TO	I&M	2,454	90	125,215	5,798
SPECIAL SERVICE	OPCO	354	758	21,455	38,038
CUSTOMERS	CSP	21	602	1,693	31,885
	AEP	<u>2,829</u>	<u>2,829</u>	<u>148,363</u>	<u>148,363</u>
PREVIOUSLY	APCO	0	1,147	0	59,620
ESTIMATED	KPCO	0	232	0	13,022
AMOUNT	I&M	2,454	90	125,215	5,798
	OPCO	354	758	21,455	38,038
	CSP	21	602	1,693	31,885
	AEP	<u>2,829</u>	<u>2,829</u>	<u>148,363</u>	<u>148,363</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>

NOTE: (\*) 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.) (\$) (1)	CREDIT MEMBER (1) COST RECOVERY (\$) (2)	CREDIT MEMBER (2) SYSTEM SALES REVENUES (\$) (3)	EXCESS OF REVENUE OVER ENERGY COSTS (\$) (4)=(3)-(1)
APCO	21,118,299	22,778,441	36,661,593	15,543,294
KPCO	4,805,788	3,403,716	8,342,895	3,537,107
I&M	13,036,957	7,122,074	22,632,297	9,595,340
OPCO	15,734,511	21,716,286	27,315,249	11,580,738
CSP	11,894,275	11,569,313	20,648,600	8,754,325
TOTAL	66,589,830	66,589,830	115,600,634	49,010,804

	DEMAND CHARGE PAID TO THIRD PARTIES (\$) (5)	NET REVENUE REALIZED BY THE MEMBERS (I.E., EXCESS OF REVENUE OVER INCURRED COSTS) (\$) (6)=(4)-(5)	(MLR) MEMBER LOAD RATIO THIS MONTH (7)
APCO	387,175	15,156,119	0.31714
KPCO	88,107	3,449,000	0.07217
I&M	239,015	9,356,325	0.19578
OPCO	288,470	11,292,268	0.23629
CSP	218,065	8,536,260	0.17862
TOTAL	1,220,832	47,789,972	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 \$204.62/ton for 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 D3)

CAPACITY REALIZATION		CAPACITY REALIZATION AEP % SHARING RATIO	
EASTERN AEP:	24,694,000	69.93%	(1)
WESTERN AEP:	10,824,000	30.47%	(2)
TOTAL:	35,518,000	100.00%	

BASE YEAR REALIZATION		AEP % SHARING RATIO	
EASTERN AEP:	\$292,860,378	90.97%	(1)
WESTERN AEP:	\$25,095,575	9.03%	(2)
TOTAL:	\$277,955,953	100.00%	

NET REVENUE REALIZED BY THE MEMBERS (Page 6, Col. 6)	ADJUSTMENT TO NET REVENUE FOR SO2 ALLOWANCES (\$ x MLB) (2)	NET REVENUE FROM DEDICATED TRANSACTIONS (EXCLUDABLE) (APPX VIII, PG 6) (\$ x MLB) (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 MLB) (5)
(1)	(2)	(3)	(4)	(5)	(6)
APCO	15,156,119	1,819,945	193,997	(510,482)	209,728
MPCO	3,449,000	8,767	44,147	(120,718)	47,727
IAW	9,356,325	23,838	1,121,507	(327,463)	129,472
OPCO	11,292,268	28,771	1,355,978	(395,321)	156,261
CSP	8,536,260	21,749	1,025,032	(298,762)	119,124
TOTAL	47,789,972	121,760	5,738,618	(1,672,610)	661,312

EXERCISED OPTION PREMIUMS (APPENDIX VIII, PG 7)	EXERCISED OPTIONS (APPENDIX VII, PG 1) (\$)	POWER BROKERS' COMMISSIONS (APPENDIX VII, PG 2) (\$)	POWER SWAPS NET (APPENDIX VI, PG 3) (\$)	FINANCIAL SPARK GAS (APPENDIX VII, PG 4) (\$)
(7)	(6)	(9)	(10)	(11)
APCO	(120,214)	2,316,533	(52,102)	(128,158)
MPCO	(27,357)	527,163	(11,892)	(29,165)
IAW	(74,212)	1,430,064	(32,165)	(79,116)
OPCO	(89,567)	1,725,968	(38,821)	(95,486)
CSP	(67,707)	1,304,721	(29,343)	(72,181)
TOTAL	(379,057)	7,304,449	(164,283)	(404,106)

PRIOR MONTHS' TOTAL REALIZATION

MONTH	REALIZATION (\$)
JANUARY 2003	32,734,567
FEBRUARY 2003	55,285,430
MARCH 2003	98,290,900
APRIL 2003	68,056,704
MAY 2003	16,643,158
JUNE 2003	53,801,920
JULY 2003	71,633,159 (6)
AUGUST 2003	54,173,997
SEPTEMBER 2003	3,774,954 (7)
OCTOBER 2003	42,985,946 (8)
NOVEMBER 2003	26,105,989 (9)
DECEMBER 2003	
TOTAL	523,486,724

NET OF ALL OF ABOVE

NET OF ALL OF ABOVE (\$)	NET OF ALL OF ABOVE (\$)
(7)-(1)-(2)-(3)-(4)-(5)-(6)-(7)-(8)-(9)-(10)-(11)	(2)
APCO	14,816,439
MPCO	3,371,705
IAW	9,146,639
OPCO	11,039,183
CSP	8,344,949
EASTERN AEP REALIZATION:	46,716,905
LESS TRACTEBEL SALE:	(1,556,287)
PARIBAS SPARK GAS FUTURES:	(13,653)
REFCO FUTURES ADJUSTMENT (OCT/NOV):	1,973,076
REFCO FUTURES COMMISSIONS:	1,973,076
WESTERN AEP REALIZATION:	914,639
TOTAL REALIZATION TO BE SHARED:	46,594,407

NOTES:

- (1) From Appendix VIII, page 1
- (2) From Appendix VIII, page 4
- (3) Adjustment for realizations sharing due to calculation of SO2 allowances for pool settlement purposes (actual cycle only)
- (4) Excluding demand charge for Unit Power
- (5) Margin reclassified between trading and non-trading due to non-trading transactions being booked out with trading transactions.
- (6) Includes adjustment to reflect July 2003 ICR return of 9/24/03 which increased realization by \$605,373.
- (7) Includes adjustment to reflect reclassification of West non-dedicated option premium (\$11,566,287) and East exercised option premium of (\$22,824,279).
- (8) Includes adjustment to reflect July, Aug and Sept 2003 ICR and CTP returns of 10/03 which increased realization by \$3,137,353 for Eastern AEP and by \$5,316,411 for Western AEP.
- (9) Includes adjustment to reflect exclusion of purchases in support of Tractebel agreement which increased realization by \$1,200,000.

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

	BASE YEAR REALIZATION SHARING		CAPACITY REALIZATION SHARING		TOTAL SHARE
STERN AEP:	90.97% x	0 = \$0	69.53% x	49,594,407 =	\$34,480,666
EASTERN AEP:	9.03% x	0 = \$0	30.47% x	49,594,407 =	\$15,113,741
					\$49,594,407

EASTERN AEP REALIZATION (Including Misc. Items): \$48,679,768  
 LESS EASTERN AEP REALIZATION SHARE: \$34,480,666

TOTAL DOLLAR TRANSFER FROM EASTERN AEP TO WESTERN AEP: \$14,199,102

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

MONTH	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACTUAL TOTAL OF ALL ACCOUNTS
NOV	4470.010	4470.006	4470.011	4470.007	4470.081	4470.082	4470.002	(3,471,068)
	(61,304,321)	(61,534,767)	(627,829)	(1,297,150)	(40,376)	172,643		(4,503,102)
	(13,950,725)	(14,003,166)	(142,872)	(295,186)	(9,188)	39,287		(1,024,748)
	(37,844,989)	(37,987,251)	(387,577)	(800,769)	(24,925)	106,577		(2,779,900)
	(45,675,720)	(45,847,418)	(467,773)	(966,461)	(30,082)	128,630		(3,355,107)
	(34,527,898)	(34,657,691)	(353,607)	(730,583)	(22,740)	97,236		(2,536,245)
TOTAL	(193,303,653)	(194,030,293)	(1,979,658)	(4,090,149)	(127,311)	544,373	(10,944,909)	(14,199,102)

REALIZATION SHARING ADJUSTMENT FROM RECLASSIFICATION OF REFCO FUTURES (adjustment reflects monthly changes in realization sharing only):

MONTH	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACTUAL TOTAL OF ALL ACCOUNTS
NOV	4470.010	4470.006	4470.011	4470.007	4470.081	4470.082	4470.002	(1,954)
								(445)
								(1,206)
								(1,456)
								(1,101)
TOTAL	0	0	0	0	0	6,162	0	(6,162)

TOTAL REALIZATION SHARING:

MONTH	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACTUAL TOTAL OF ALL ACCOUNTS	PREVIOUS ESTIMATED TOTAL	ADJUSTMENT TO BE BOOKED NEXT MONTH
NOV	4470.010	4470.006	4470.011	4470.007	4470.081	4470.082	4470.002	(4,503,056)	(4,819,762)	314,706
	(61,304,321)	(61,534,767)	(627,829)	(1,297,150)	(40,376)	174,597		(1,025,193)	(1,096,811)	71,618
	(13,950,725)	(14,003,166)	(142,872)	(295,186)	(9,188)	39,732		(2,781,106)	(2,975,383)	194,277
	(37,844,989)	(37,987,251)	(387,577)	(800,769)	(24,925)	107,783		(3,356,563)	(3,591,037)	234,474
	(45,675,720)	(45,847,418)	(467,773)	(966,461)	(30,082)	130,086		(2,537,346)	(2,714,594)	177,248
	(34,527,898)	(34,657,691)	(353,607)	(730,583)	(22,740)	98,337		(14,205,264)	(15,197,587)	992,323
TOTAL	(193,303,653)	(194,030,293)	(1,979,658)	(4,090,149)	(127,311)	550,535	(10,944,909)			

NOTE:

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

(2) Realization sharing adjustment due to reclassification of REFCO futures from below the line to above the line (Oct - Nov 2003). Adjustment reflects the monthly changes in realization sharing only.

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

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

	COST (2)		MLR (APPENDIX I)	ADJUSTMENT	
	MWh	(\$)		MWh	COST (\$)
APCO	875,227	12,056,170	0.31714	277,569	3,823,494
KPCO	153,005	1,802,191	0.07217	11,042	130,064
I&M	102,813	1,575,502	0.19578	20,129	308,452
OPCO	914,801	13,026,201	0.23629	216,158	3,077,961
CSP	462,545	6,700,766	0.17862	82,620	1,196,891
TOTAL	2,508,391	35,160,830	1.00000	607,518	8,536,862

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

	COST		MLR (APPENDIX I)	ADJUSTMENT	
	MWh	(\$)		MWh	COST (\$)
APCO	145,978	4,110,073	0.31714	46,295	1,303,469
KPCO	8,082	96,819	0.07217	583	6,987
I&M	70,812	1,464,668	0.19578	13,864	286,753
OPCO	143,964	3,763,576	0.23629	34,017	889,295
CSP	41,284	1,144,422	0.17862	7,374	204,417
TOTAL	410,120	10,579,558	1.00000	102,133	2,690,921

## III. PURCHASED POWER SUPPLIED FOR SYSTEM SALES (3)

	AS ALLOCATED	
	MWh	COST (\$)
APCO	273,861	6,612,198
KPCO	61,602	1,504,706
I&M	167,594	4,081,904
OPCO	203,416	4,926,509
CSP	154,800	3,724,125
TOTAL	861,273	20,849,442

## IV. TOTAL ADJUSTMENT (I + II + III)

	TOTAL ADJUSTMENT TO PAGE 4	
	MWh	COST (\$)
APCO	597,725	11,739,161
KPCO	73,227	1,641,757
I&M	201,587	4,677,109
OPCO	453,591	8,893,765
CSP	244,794	5,125,433
TOTAL	1,570,924	32,077,225

## 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		
		RECEIVED ENERGY		
DELIVERING MEMBER	RECEIVING MEMBER	MWh	\$/MWh	CHARGE (\$)
1. KPCO	APCO	42,262	11.891	502,495
2. I&M	APCO	638,972	8.422	5,381,422
3. OPCO	APCO	396,612	12.814	5,082,186
4. CSP	APCO	0	0.000	0
5. TOTAL	APCO	1,077,846	10.174	10,966,103
6. APCO	KPCO	0	0.000	0
7. I&M	KPCO	15,779	8.422	132,890
8. OPCO	KPCO	9,946	12.814	127,448
9. CSP	KPCO	0	0.000	0
10. TOTAL	KPCO	25,725	10.120	260,338
11. APCO	I&M	0	0.000	0
12. KPCO	I&M	164	11.891	1,949
13. OPCO	I&M	945	12.814	12,109
14. CSP	I&M	0	0.000	0
15. TOTAL	I&M	1,109	12.676	14,058
16. APCO	OPCO	0	0.000	0
17. KPCO	OPCO	88	11.891	1,046
18. I&M	OPCO	2,089	8.422	17,593
19. CSP	OPCO	0	0.000	0
20. TOTAL	OPCO	2,177	8.562	18,639
21. APCO	CSP	0	0.000	0
22. KPCO	CSP	26,952	11.891	320,459
23. I&M	CSP	361,198	8.422	3,042,010
24. OPCO	CSP	237,643	12.814	3,045,157
25. TOTAL	CSP	625,793	10.239	6,407,626
26. TOTAL ALL MEMBERS RECEIVED		1,732,650	10.196	17,666,764
TOTAL DELIVERED BY MEMBER	SUM OF LINES	MWh	\$/MWh	DELIVERED ENERGY CREDIT (\$)
27. APCO	6, 11, 16, & 21	0	0.000	0
28. KPCO	1, 12, 17, & 22	69,466	11.891	825,949
29. I&M	2, 7, 18, & 23	1,018,038	8.422	8,573,915
30. OPCO	3, 8, 13, & 24	645,146	12.814	8,266,900
31. CSP	4, 9, 14, & 19	0	0.000	0
32. TOTAL ALL MEMBERS DELIVERED:		1,732,650	10.196	17,666,764

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	767	1.576	1,209
2. I&M	APCO	94	1.383	130
3. OPCO	APCO	2,659	3.422	9,100
4. CSP	APCO	0	0.000	0
5. TOTAL	APCO	3,520	2.966	10,439
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	0	0.000	0
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	0	0.000	0
18. I&M	OPCO	0	0.000	0
19. CSP	OPCO	0	0.000	0
20. TOTAL	OPCO	0	0.000	0
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	0	0.000	0
26. TOTAL ALL MEMBERS RECEIVED		3,520	2.966	10,439

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	767	1.576	1,209
29. I&M	2, 7, 18, & 23	94	1.383	130
30. OPCO	3, 8, 13, & 24	2,659	3.422	9,100
31. CSP	4, 9, 14, & 19	0	0.000	0
32. TOTAL ALL MEMBERS DELIVERED:		3,520	2.966	10,439

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) (1)	TOTAL GENERATION (MWh) (2)	SYSTEM SALES ALLOCATION FACTOR (3)=(1)/(2)	TOTAL EMISSION ALLOWANCES (b) (4)	EMISSION ALLOWANCES EXPENDED FOR SYSTEM SALES (5)=(3)*(4)
APCO					
AMOS 1	85,691	482,038	0.1778	3,018	536.5043
AMOS 2	44,716	521,422	0.0858	3,257	279.3131
AMOS 3	43,869	202,418	0.2167	1,199	259.8530
CLINCH RIVER 1	61,190	143,166	0.4274	776	331.6670
CLINCH RIVER 2	61,370	144,618	0.4244	801	339.9118
CLINCH RIVER 3	35,368	100,929	0.3504	535	187.4771
GLEN LYN 51	2,849	18,256	0.1561	159	24.8164
GLEN LYN 52	2,563	16,419	0.1561	143	22.3191
GLEN LYN 6	30,074	99,860	0.3012	630	189.7318
KANAWHA RIVER 1	20,880	65,878	0.3169	407	128.9985
KANAWHA RIVER 2	42,539	114,669	0.3710	702	260.4224
MOUNTAINEER 1	317,660	837,604	0.3792	4,168	1,580.7074
SPORN 1	42,318	86,382	0.4899	764	374.2788
SPORN 3	33,704	89,889	0.3750	788	295.4616
TOTAL	824,791	2,923,548	0.2821	17,347	4,811.4623
KPCO					
BIG SANDY 1	49,906	167,330	0.2982	1,240	369.8287
BIG SANDY 2	103,098	510,129	0.2021	3,800	767.9869
ROCKPORT 1 (AEG)	3,175	127,574	0.0249	355	8.8351
ROCKPORT 2 (AEG)	4,907	119,738	0.0410	332	13.6057
TOTAL	161,086	924,771	0.1742	5,727	1,160.2564
I&M					
ROCKPORT 1	10,570	425,293	0.0249	1,183	29.4016
ROCKPORT 1 (AEG)	7,397	297,671	0.0248	828	20.5755
ROCKPORT 2	9,064	224,565	0.0404	623	25.1458
ROCKPORT 2 (AEG)	11,438	279,176	0.0410	774	31.7112
TANNERS CREEK 1	16,729	59,035	0.2834	320	90.6798
TANNERS CREEK 2	20,290	72,342	0.2805	400	112.1893
TANNERS CREEK 3	46,160	109,149	0.4229	607	256.7052
TANNERS CREEK 4	0	0	0.0000	10	0.0000
TOTAL	121,648	1,467,231	0.0829	4,745	566.4084

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 (3)=(1)/(2)	TOTAL EMISSION ALLOWANCES (b) (4)	EMISSION ALLOWANCES EXPENDED FOR SYSTEM SALES (5)=(3)*(4)	
		(1)	(2)	(3)=(1)/(2)	(4)	(5)=(3)*(4)	
OPCO	AMOS 3	90,146	415,948	0.2167	2,615	566.7338	
	CARDINAL 1	112,703	392,145	0.2874	6,367	1,829.8844	
	CARDINAL 2	67,900	67,900	1.0000	583	583.0000	
	CARDINAL 3	80,432	80,432	1.0000	613	613.0000	
	GAVIN 1	4,601	881,104	0.0052	1,334	6.9660	
	GAVIN 2	1,528	860,654	0.0018	1,481	2.6294	
	KAMMER 1	31,375	109,786	0.2858	1,189	339.7963	
	KAMMER 2	3,676	27,691	0.1328	307	40.7545	
	KAMMER 3	30,744	127,847	0.2405	1,363	327.7673	
	MITCHELL 1	188,673	449,172	0.4200	2,641	1,109.3421	
	MITCHELL 2	86,974	335,720	0.2591	1,995	516.8388	
	MUSKINGUM 1	6,708	125,835	0.0533	2,883	153.6867	
	MUSKINGUM 2	43,585	108,840	0.4005	2,553	1,022.3494	
	MUSKINGUM 3	20,660	63,605	0.3248	1,360	441.7514	
	MUSKINGUM 4	26,483	73,139	0.3621	1,503	544.2233	
	MUSKINGUM 5	0	0	0.0000	0	0.0000	
	SPORN 2	35,315	76,458	0.4619	670	309.4647	
	SPORN 4	25,261	72,315	0.3493	639	223.2148	
	SPORN 5	58,031	294,555	0.1970	2,396	472.0418	
		TOTAL	914,795	4,563,146	0.2005	32,492	9,103.4447
CSP	BECKJORD 6	9,804	20,015	0.4898	265	129.8056	
	CONESVILLE 1	14,239	66,574	0.2139	862	184.3665	
	CONESVILLE 2	10,482	53,510	0.1959	650	127.3276	
	CONESVILLE 3	28,682	80,391	0.3568	1,416	505.2022	
	CONESVILLE 4	24,186	217,431	0.1112	3,781	420.5806	
	CONESVILLE 5	86,927	181,740	0.4783	401	191.8000	
	CONESVILLE 6	91,228	206,317	0.4422	471	208.2639	
	PICWAY 5	12,502	31,678	0.3947	973	384.0030	
	STUART 1	33,429	89,052	0.3754	1,396	524.0408	
	STUART 2	13,757	96,560	0.1425	1,608	229.0934	
	STUART 3	48,068	107,726	0.4462	1,685	751.8573	
	STUART 4	39,030	106,408	0.3668	1,664	610.3481	
	ZIMMER 1	50,211	235,413	0.2133	1,002	213.7156	
		TOTAL	462,545	1,492,815	0.3098	16,174	4,480.4046

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

I. AEP EXTERNAL ENERGY (3)	ACCOUNT 509		SOURCE ALLOCATION
	\$	\$	\$
	<u>(AS SUPPLIED)</u>	<u>(ADJUSTED)</u>	<u>ADJUSTMENT</u>
	(1)	(2)	(3)=(2)-(1)
APCO	913,817	242,835	(670,982)
KPCO	224,020	89,282	(134,738)
I&M	102,077	34,851	(67,226)
OPCO	1,729,853	1,234,154	(495,699)
CSP	884,928	203,769	(681,159)
AEP	3,854,695	1,804,891	(2,049,804)

  

	SOURCE ALLOCATION <u>(UNADJUSTED)</u>	SOURCE ALLOCATION <u>(ADJUSTED)</u>
	(4)	(5)=(4)+(3)
APCO	23,449,423	22,778,441
KPCO	3,538,454	3,403,716
I&M	7,189,300	7,122,074
OPCO	22,211,985	21,716,286
CSP	12,250,472	11,569,313
AEP	68,639,634	66,589,830

- NOTES:
- (1) Market Price (\$/allowance): 204.62
  - (2) APCO allowance: 50.47
  - KPCO allowance: 76.95
  - I&M allowance: 61.53
  - OPCO allowance: 135.57
  - CSP allowance: 45.48
  - (3) From ECR/MLR report "Allocated Sources by Operating Companies - All Deliveries"

## APPENDICES

### SUPPORTING COST AND OPERATING DATA

#### SYNOPSIS OF CONTENTS

<b>MEMBER LOAD RATIO SUMMARY</b>	<b>I</b>
- Member Load Ratio (MLR) for each month	
- List of maximum MLR demands in each of past 12 months	
- Maximum MLR demands experienced in the past 12 months	
<b>SYSTEM PRIMARY CAPACITY</b>	<b>II</b>
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- Kilowatts of capacity as of January 1	
- Installed cost of production plant	
- Weighted average investment cost, \$/KW	
- Member Primary Capacity Investment Rate, \$/KW	
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- Net Generation in megawatt-hours (MWH)	
- Total Net Production Expenses	
- Fuel Expenses, Account 501	
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- Member Primary Energy Rates	
- Member Primary Capacity Fixed Operating Rates	
<b>SETTLEMENT WITH SYSTEM AGENT ASSOCIATED WITH MLR ALLOCATIONS OF AEP SYSTEM RECEIPTS AND DELIVERIES</b>	<b>VI-VII</b>
<b>TRADING AND MARKETING REALIZATIONS FOR BASE YEAR AND CURRENT MONTH --- BACKUP DATA FOR SERVICE SCHEDULE D WITH WESTERN AEP</b>	<b>VIII</b>

AMERICAN ELECTRIC POWER SYSTEM  
MEMBER LOAD RATIO SUMMARY

MONTH ENDING 11/30/2003

MEMBER LOAD RATIO  
DECEMBER 2003

<u>APPALACHIAN</u>	<u>KENTUCKY</u>	<u>INDIANA</u>	<u>OHIO</u>	<u>COLUMBUS</u>
0.31714	0.07217	0.19578	0.23629	0.17862

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
	16490	25	08	5010	25	08	1210	25	08	3212	24	19	4273	24	19	2785
10	15194	03	07	4952	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	20089	26	16	5657	26	17	1212	21	15	4243	21	16	5106	21	16	3871
07	18762	08	16	5344	08	14	1151	17	17	3577	03	16	5115	08	14	3575
06	18741	26	14	5191	25	16	1081	25	16	3905	26	13	4947	26	15	3617
05	14808	09	15	4263	19	16	953	19	13	2987	06	21	4025	09	16	2580
04	15705	01	08	4532	07	13	986	07	10	3204	07	12	4362	14	10	2621
03	17457	04	08	5374	04	08	1290	10	11	3255	06	10	4710	03	08	2828
02	18324	13	08	5889	13	08	1419	11	08	3399	11	11	4692	12	20	2925
01	20077	23	19	6873	27	09	1564	07	19	3703	21	19	4697	23	19	3240
12	17973	04	19	5794	07	09	1393	04	19	3381	09	08	4537	04	19	2868

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>
21672	6873	1564	4243	5121	3871
DATE/TIME	01/23 HR 19	01/27 HR 09	08/21 HR 15	08/21 HR 16	08/21 HR 16

## SYSTEM PRIMARY CAPACITY

STATION	PRIMARY CAPACITY KW
<b>APPALACHIAN POWER COMPANY</b>	
Amos	2,033,000
Clinch River	705,000
Glen Lyn	335,000
Kanawha River	400,000
Mountaineer	1,300,000
Sporn	300,000
<b>TOTAL MEMBER STEAM-ELECTRIC PRIMARY CAPACITY</b>	<b>5,073,000</b>
Smith Mountain (Hydro)	586,000
Others (including Leesville)	240,000
<b>TOTAL MEMBER PRIMARY CAPACITY</b>	<b>5,899,000</b>
<b>KENTUCKY POWER COMPANY</b>	
Big Sandy	1,060,000
Rockport 1 (Purchase from AEG)	195,000
Rockport 2 (Purchase from AEG)	195,000
<b>TOTAL MEMBER STEAM-ELECTRIC PRIMARY CAPACITY</b>	<b>1,450,000</b>
<b>TOTAL MEMBER PRIMARY CAPACITY</b>	<b>1,450,000</b>
<b>INDIANA MICHIGAN POWER COMPANY</b>	
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
<b>TOTAL MEMBER STEAM-ELECTRIC PRIMARY CAPACITY</b>	<b>5,089,000</b>
Others (Hydro)	11,000
<b>TOTAL MEMBER PRIMARY CAPACITY</b>	<b>5,100,000</b>
<b>OHIO POWER COMPANY</b>	
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
<b>TOTAL MEMBER STEAM-ELECTRIC PRIMARY CAPACITY</b>	<b>8,472,000</b>
Racine (Hydro)	48,000
Ohio's Deficit Capacity (Buckeye)	(391,000)
<b>TOTAL MEMBER PRIMARY CAPACITY</b>	<b>8,129,000</b>
<b>COLUMBUS SOUTHERN POWER COMPANY</b>	
Beckjord	53,000
Conesville	1,504,000
Picway	100,000
Stuart	608,000
Zimmer	330,000
<b>TOTAL MEMBER STEAM-ELECTRIC PRIMARY CAPACITY</b>	<b>2,595,000</b>
<b>TOTAL MEMBER PRIMARY CAPACITY</b>	<b>2,595,000</b>
<b>TOTAL SYSTEM PRIMARY CAPACITY</b>	<b>23,173,000</b>

ACTUAL:  
December 2003

APPENDIX III

MEMBER WEIGHTED AVERAGE INVESTMENT COSTS  
AND MEMBER PRIMARY CAPACITY INVESTMENT RATES  
YEAR 2003

Generating Stations Other than Hydro Classified as Part of <u>Member Primary Capacity</u>	kW Capability as of <u>12/31/2002</u> (1)	\$ Installed Cost of Production Plant * as of <u>12/31/2002</u> (2)	Member Weighted Average Investment Cost \$/kW (3)=(2)/(1)	Member Primary Capacity Investment Rate \$/kW/Month (4)=(3)*.0137
<b>INDIANA MICHIGAN POWER COMPANY</b>				
Cook	2,110,000	1,702,488,558		
Rockport 1 Ownership Share	650,000	573,319,333		
Rockport 1 Purchased from AEG	455,000	408,746,574		
Rockport 2 Leased Shared	391,000	31,442,898		
Rockport 2 Purchased from AEG	455,000	36,408,751		
Tanners Creek	995,000	381,318,535		
Indiana Total	<u>5,056,000</u>	<u>3,133,724,649</u>	619.80	8.49
<b>OHIO POWER COMPANY</b>				
Amos	867,000	325,430,085		
Cardinal	600,000	224,578,328		
Gavin	2,600,000	931,900,145		
Kammer	630,000	252,419,675		
Mitchell	1,600,000	461,530,017		
Muskingum River	1,425,000	490,106,214		
Sporn	750,000	290,147,538		
Ohio Total	<u>8,472,000</u>	<u>2,976,112,002</u>	351.29	4.81
<b>KENTUCKY POWER COMPANY</b>				
Big Sandy	1,060,000	267,204,656		
Rockport 1 Purchased from AEG	195,000	175,177,103		
Rockport 2 Purchased from AEG	195,000	15,603,751		
Kentucky Total	<u>1,450,000</u>	<u>457,985,510</u>	315.85	4.33

\* 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.

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	134,535	2,788,299	2,084,164	293,982	1,907,692	176,472
SPORN (APCO)	176,271	2,633,573	2,280,292	30,365	2,199,622	80,670
KANAWHA RIVER	180,547	2,714,204	2,326,652	20,662	2,146,386	180,266
CLINCH RIVER	388,713	6,314,471	5,421,834	430,302	5,174,160	247,674
AMOS (APCO)	1,209,374	16,694,064	14,866,849	661,061	14,396,427	470,422
MOUNTAINEER	837,604	11,778,050	11,169,562	563,538	10,716,662	452,900
TOTAL	2,927,044	42,922,661	38,149,353	1,999,910	36,540,949	1,608,404
RATES:		13.375	13.033	0.342	12.484	0.549
<u>KENTUCKY POWER COMPANY</u>						
BIG SANDY	677,459	8,976,464	7,663,585	813,947	7,454,164	209,421
ROCKPORT 1 (AEG)	127,574	1,599,533	1,466,937	72,828	1,431,431	35,506
ROCKPORT 2 (AEG)	119,738	2,732,471	1,394,129	57,340	1,360,258	33,871
TOTAL	924,771	13,308,468	10,524,651	944,115	10,245,853	278,798
RATES:		11.890	11.380	0.510	11.079	0.301
<u>INDIANA MICHIGAN POWER COMPANY</u>						
TANNERS CREEK 1-3	240,526		3,855,359		3,699,510	155,849
TANNERS CREEK 4	0		275,187		228,313	46,874
TANNERS CREEK TOTAL	240,526	6,876,614	4,130,546	1,813,374	3,927,823	202,723
ROCKPORT 1 (OWNED SHARE)	425,293	5,550,787	4,889,780	242,760	4,771,420	118,360
ROCKPORT 1 (AEG)	297,671	3,732,245	3,422,835	169,932	3,339,990	82,845
ROCKPORT 2 (AEG)	279,176	6,375,765	3,250,492	133,794	3,171,521	78,971
ROCKPORT 2 (LEASED SHARE)	224,565	5,854,653	2,612,317	114,978	2,548,509	63,808
COOK	1,516,770	25,829,018	1,138,113	8,898,980	1,138,113	0
TOTAL	2,984,001	54,219,082	19,444,083	11,373,818	18,897,376	546,707
RATES:		8.422	6.516	1.906	6.333	0.183
<u>OHIO POWER COMPANY</u>						
SPORN (OPCO)	443,328	6,030,787	5,336,856	134,508	5,140,004	196,852
MUSKINGUM	371,419	11,608,179	4,619,308	4,834,929	4,483,982	135,326
KAMMER	265,324	4,352,043	3,057,161	826,066	2,898,411	158,750
CARDINAL (OPCO)	270,795	5,289,831	4,424,854	690,014	4,162,657	262,197
MITCHELL	784,892	12,075,696	10,278,824	1,073,734	9,976,749	302,075
AMOS (OPCO)	412,452	6,529,464	5,521,019	651,444	5,433,878	87,141
GAVIN	1,741,758	27,161,708	17,470,026	318,055	16,372,719	1,097,307
TOTAL	4,289,968	73,047,708	50,708,048	8,528,750	48,468,400	2,239,648
RATES:		12.814	11.820	0.994	11.298	0.522
<u>COLUMBUS SOUTHERN POWER COMPANY</u>						
CONESVILLE	805,963	15,521,689	11,345,853	2,308,507	10,583,535	762,318
PICWAY	31,678	748,466	514,707	64,155	495,735	18,972
BECKJORD	20,015	362,856	295,262	38,933	278,805	16,457
STUART	399,746	5,279,280	4,750,285	325,734	4,652,813	97,472
ZIMMER	235,413	3,302,486	2,523,298	207,201	2,435,941	87,357
TOTAL	1,492,815	25,214,777	19,429,405	2,944,530	18,446,829	982,576
RATES:		14.001	13.015	0.986	12.357	0.658
SYSTEM TOTAL	12,618,599	208,712,696	138,255,540	25,791,123	132,599,407	5,656,133

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	42,922,661	36,540,949	1,608,404	1,999,910	999,955
KPCO	13,308,468	10,245,853	278,798	944,115	472,058
I&M	54,219,082	18,897,376	546,707	11,373,818	5,686,909
OPCO	73,047,708	48,468,400	2,239,648	8,528,750	4,264,375
CSP	25,214,777	18,446,829	982,576	2,944,530	1,472,265
TOTAL	208,712,696	132,599,407	5,656,133	25,791,123	12,895,562

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	2,608,359	2,927,044	2,927,044	13.375
KPCO	750,856	924,771	924,771	11.891
I&M	6,233,616	2,984,001	2,984,001	8.422
OPCO	6,504,023	4,289,968	4,289,968	12.814
CSP	2,454,841	1,492,815	1,492,815	14.002
TOTAL	18,551,695	12,618,599	12,618,599	11.978

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	3,773,353	5,073,000	0.74
KPCO	2,311,759	1,450,000	1.59
I&M	29,088,090	5,089,000	5.72
OPCO	18,075,285	8,472,000	2.13
CSP	4,313,107	2,595,000	1.66
TOTAL	57,561,594	22,679,000	2.54

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 \$ CHARGE	AMOUNT DUE FROM AGENT \$ CREDIT	AMOUNT DUE TO AGENT \$ CHARGE	AMOUNT DUE FROM AGENT \$ CREDIT	AMOUNT DUE TO AGENT \$ CHARGE (See Note 3)	AMOUNT DUE FROM AGENT \$ CREDIT (See Note 3)
TRANSMISSION SERVICE (PURCHASES)	APCO	0	7,123	0	106,492	0	17,197
	KPCO	44,147	0	31,970	0	0	118,994
	I&M	0	86,215	44,192	0	0	554,661
	OPCO	0	60,072	0	48,799	985,363	0
	CSP	109,263	0	79,129	0	0	294,511
	TOTAL	153,410	153,410	155,291	155,291	985,363	985,363
NET AMOUNT DUE FOR ALL SYSTEM TRANSACTIONS (EXCEPT TRANS. SERVICE) (1)	APCO	0	29,386,765	0	29,388,315	1,550	0
	KPCO	0	6,687,393	0	6,687,746	353	0
	I&M	0	18,141,328	0	18,142,284	956	0
	OPCO	0	21,895,049	0	21,896,204	1,155	0
	CSP	0	16,551,265	0	16,552,138	873	0
	East. AEP (Co. 122)	92,661,800	0	92,666,687	0	0	4,887
	TOTAL	92,661,800	92,661,800	92,666,687	92,666,687	4,887	4,887
THIRD PARTY SALES (2)	APCO	4,492,225	3,266,149	4,320,391	3,483,530	392,165	2,950
	KPCO	1,022,294	743,280	983,227	792,751	89,217	679
	I&M	2,773,213	2,016,311	2,667,209	2,150,513	242,028	1,822
	OPCO	3,347,006	2,433,495	3,219,062	2,595,464	292,112	2,199
	CSP	2,530,098	1,839,544	2,433,404	1,961,998	220,796	1,648
	East. AEP (Co. 122)	10,298,779	14,164,836	10,984,256	13,623,293	9,298	1,236,318
	TOTAL	24,463,615	24,463,615	24,607,549	24,607,549	1,245,616	1,245,616
GROSS TOTAL	APCO	4,492,225	32,652,914	4,320,391	32,871,845	393,715	2,950
	KPCO	1,022,294	7,430,673	983,227	7,480,497	89,570	679
	I&M	2,773,213	20,157,639	2,667,209	20,292,797	242,984	1,822
	OPCO	3,347,006	24,328,544	3,219,062	24,491,668	293,267	2,199
	CSP	2,530,098	18,390,809	2,433,404	18,514,136	221,669	1,648
	East. AEP (Co. 122)	102,960,579	14,164,836	103,650,943	13,623,293	9,298	1,241,205
	TOTAL	117,125,415	117,125,415	117,274,236	117,274,236	1,250,503	1,250,503
NET TOTAL	APCO	0	28,160,689	0	28,551,454	390,765	0
	KPCO	0	6,408,379	0	6,497,270	88,891	0
	I&M	0	17,384,426	0	17,625,588	241,162	0
	OPCO	0	20,981,538	0	21,272,606	291,068	0
	CSP	0	15,860,711	0	16,080,732	220,021	0
	East. AEP (Co. 122)	88,795,743	0	90,027,650	0	0	1,231,907
	TOTAL	88,795,743	88,795,743	90,027,650	90,027,650	1,231,907	1,231,907

## NOTES:

- (1) Source is ECR#MLR report, MLR Allocation of System Transactions.
- (2) Source is Appendix VII.
- (3) Includes correction for error in November 2003 actual IPS due to use of incorrect previously estimated data.



REP 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	CO.	ACTUAL BILL	MLR							Total	AMOUNT DUE (TO)/FROM AGENT						
				ACCT	AGNT	APCO	RPCO	I&M	OPCO	CSP		APCO	RPCO	I&M	OPCO	CSP	NET	
	Totals		611,708	193,997	44,147	119,760	144,541	109,263	611,708	7,123	(44,147)	86,215	60,072	(109,263)	-			
TS	Allegheny Energy	4470066 07	288	91	21	56	68	52	288	(91)	(21)	(56)	220	(52)	-			
VE	Ameren Energy, Inc.	4470066 04	203,145	64,425	14,661	39,772	48,001	36,286	203,145	(64,425)	(14,661)	163,373	(48,001)	(36,286)	-			
A	Engage Energy America, LLC	4470066 07	87,325	27,694	6,302	17,097	20,634	15,598	87,325	(27,694)	(6,302)	(17,097)	66,691	(15,598)	-			
GN	Exelon Energy	4470066 07	4,400	1,395	318	861	1,040	786	4,400	(1,395)	(318)	(861)	3,360	(786)	-			
RA	Lower Colorado River Authority	4470066 04	2,830	898	204	554	669	505	2,830	(898)	(204)	2,276	(669)	(505)	-			
SO	Midwest ISO	4470066 07	88,032	27,919	6,353	17,235	20,801	15,724	88,032	(27,919)	(6,353)	(17,235)	67,231	(15,724)	-			
MP	PJM Interconnection Pool	4470066 07	24,568	7,792	1,773	4,810	5,805	4,388	24,568	(7,792)	(1,773)	(4,810)	18,763	(4,388)	-			
AM	TVA Bulk Power Trading	4470066 02	201,120	63,783	14,515	39,375	47,523	35,924	201,120	137,337	(14,515)	(39,375)	(47,523)	(35,924)	-			

Notes: (1) Invoice for "month" transmission.

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

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</u> (1)						
I.	ACTUAL	APCO	5,895,930	5,867,702	202,305,408	201,774,956
	THIS MONTH	KPCO	1,341,712	1,335,283	46,037,653	45,916,941
		I&M	3,639,747	3,622,302	124,889,174	124,561,711
		OPCO	4,392,864	4,371,819	150,730,734	150,335,513
		CSP	3,320,720	3,304,812	113,942,713	113,643,951
		TOTAL	18,590,973	18,501,918	637,905,682	636,233,072
II.	PREVIOUS	APCO	5,895,866	5,866,166	202,083,841	201,719,491
	ESTIMATE	KPCO	1,341,695	1,334,936	45,987,232	45,904,319
		I&M	3,639,709	3,621,356	124,752,395	124,527,470
		OPCO	4,392,816	4,370,675	150,565,652	150,294,187
		CSP	3,320,684	3,303,948	113,817,922	113,612,712
		TOTAL	18,590,770	18,497,081	637,207,042	636,058,179
III.	ADJUSTMENT	APCO	64	1,536	221,567	55,465
	(I-II)	KPCO	17	347	50,421	12,622
		I&M	38	946	136,779	34,241
		OPCO	48	1,144	165,082	41,326
		CSP	36	864	124,791	31,239
		TOTAL	203	4,837	698,640	174,893
<u>EXERCISED</u>				TOTAL COSTS TO BE BOOKED	TOTAL REVENUES TO BE BOOKED	
<u>OPTIONS</u> (2)				ACCT. 4470.011	ACCT. 4470.007	
I.	ACTUAL	APCO	51,253	110,117	2,100,245	4,416,778
	THIS MONTH	KPCO	11,661	25,056	477,942	1,005,105
		I&M	31,637	67,973	1,296,545	2,726,609
		OPCO	38,184	82,038	1,564,820	3,290,788
		CSP	28,865	62,016	1,182,903	2,487,624
		TOTAL	161,600	347,200	6,622,455	13,926,904
II.	PREVIOUS	APCO	45,925	110,117	1,881,528	4,416,778
	ESTIMATE	KPCO	10,449	25,056	428,170	1,005,105
		I&M	28,348	67,973	1,161,524	2,726,609
		OPCO	34,214	82,038	1,401,861	3,290,788
		CSP	25,864	62,016	1,059,717	2,487,624
		TOTAL	144,800	347,200	5,932,800	13,926,904
III.	ADJUSTMENT	APCO	5,328	0	218,717	0
	(I-II)	KPCO	1,212	0	49,772	0
		I&M	3,289	0	135,021	0
		OPCO	3,970	0	162,959	0
		CSP	3,001	0	123,186	0
		TOTAL	16,800	0	689,655	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. 4210.022	ACCT. 4210.018	ACCT. 4210.023	ACCT. 4210.022	ACCT. 4210.018
I.	ACTUAL	APCO	56,070	2,661,986	2,715,097	5,831,482	104,580,047	107,893,298
	THIS MONTH	KPCO	12,760	605,780	617,861	1,327,042	23,798,770	24,552,749
		I&M	34,614	1,643,326	1,676,105	3,599,952	64,560,389	66,605,761
		OPCO	41,776	1,983,352	2,022,926	4,344,837	77,918,962	80,387,551
		CSP	31,580	1,499,290	1,529,202	3,284,421	58,901,709	60,767,800
		TOTAL	176,800	8,393,734	8,561,191	18,387,734	329,759,877	340,207,159
II.	PREVIOUS	APCO	56,070	2,661,986	2,715,118	6,219,193	104,584,211	108,290,732
	ESTIMATE	KPCO	12,760	605,780	617,866	1,415,271	23,799,718	24,643,190
		I&M	34,614	1,643,326	1,676,118	3,839,297	64,562,959	66,851,107
		OPCO	41,776	1,983,352	2,022,940	4,633,707	77,922,064	80,683,663
		CSP	31,580	1,499,290	1,529,214	3,502,788	58,904,054	60,991,642
		TOTAL	176,800	8,393,734	8,561,256	19,610,256	329,773,006	341,460,334
III.	ADJUSTMENT	APCO	0	0	(21)	(387,711)	(4,164)	(397,434)
	(I-II)	KPCO	0	0	(5)	(88,229)	(948)	(90,441)
		I&M	0	0	(13)	(239,345)	(2,570)	(245,346)
		OPCO	0	0	(14)	(288,870)	(3,102)	(296,112)
		CSP	0	0	(12)	(218,367)	(2,345)	(223,842)
		TOTAL	0	0	(65)	(1,222,522)	(13,129)	(1,253,175)

BROKERS'  
COMMISSIONS (3)

			ALLOCATION BY MLR (\$)	
			PURCHASE	SALES
			COSTS	REVENUES
			ACCT. 4470.010	ACCT. 4470.006
I.	ACTUAL	APCO	21,438	(30,664)
	THIS MONTH	KPCO	4,883	(6,969)
		I&M	13,243	(18,922)
		OPCO	15,984	(22,837)
		CSP	12,078	(17,265)
		TOTAL	67,626	(96,657)
II.	PREVIOUS	APCO	22,621	(30,603)
	ESTIMATE	KPCO	5,157	(6,961)
		I&M	13,976	(18,888)
		OPCO	16,866	(22,797)
		CSP	12,747	(17,234)
		TOTAL	71,367	(96,483)
III.	ADJUSTMENT	APCO	(1,183)	(61)
	(I-II)	KPCO	(274)	(8)
		I&M	(733)	(34)
		OPCO	(882)	(40)
		CSP	(669)	(31)
		TOTAL	(3,741)	(174)

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 ACCT. 4470.082	
I.	ACTUAL	APCO	(59,688)
	THIS MONTH	KPCO	(13,583)
		I&M	(36,847)
		OPCO	(44,471)
		CSP	(33,617)
		TOTAL	(188,206)
II.	PREVIOUS	APCO	(60,180)
	ESTIMATE	KPCO	(13,695)
		I&M	(37,151)
		OPCO	(44,838)
		CSP	(33,895)
		TOTAL	(189,759)
III.	ADJUSTMENT	APCO	492
	(I-II)	KPCO	112
		I&M	304
		OPCO	367
		CSP	278
		TOTAL	1,553

		REALIZED	BROKER	SWAPS	TOTAL	
<u>FINANCIAL GAS</u>		OPTIONS	COMMISSIONS	NET		
<u>MARKET TESTING</u>		ACCT. 4560.049	ACCT. 4560.049	ACCT. 4560.049	ACCT. 4560.049	
I.	ACTUAL	APCO	0	(5,981)	955,597	949,616
	THIS MONTH	KPCO	0	(1,361)	217,478	216,117
		I&M	0	(3,693)	589,940	586,247
		OPCO	0	(4,457)	711,984	707,527
		CSP	0	(3,369)	538,192	534,823
		TOTAL	0	(18,861)	3,013,191	2,994,330
II.	PREVIOUS	APCO	0	(5,973)	954,253	948,280
	ESTIMATE	KPCO	0	(1,359)	217,175	215,816
	(See Note 1)	I&M	0	(3,688)	589,116	585,428
		OPCO	0	(4,451)	710,988	706,537
		CSP	0	(3,364)	537,455	534,091
		TOTAL	0	(18,835)	3,008,987	2,990,152
III.	ADJUSTMENT	APCO	0	(8)	1,344	1,336
	(I-II)	KPCO	0	(2)	303	301
		I&M	0	(5)	824	819
		OPCO	0	(6)	996	990
		CSP	0	(5)	737	732
		TOTAL	0	(26)	4,204	4,178

Note: (1) The previous estimates shown do not reflect the estimates in the December estimated IPS as they were revised after the estimate was issued.

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

PHYSICAL GAS <u>MARKET TESTING</u>			<u>ALLOCATION BY MLR (MMBTU)</u>		<u>ALLOCATION BY MLR (\$)</u>	
			<u>PURCHASES</u>	<u>SALES</u>	<u>PURCHASES</u>	<u>SALES</u>
			<u>ACCT. 4560.048</u>	<u>ACCT. 4560.047</u>	<u>ACCT. 4560.048</u>	<u>ACCT. 4560.047</u>
I.	ACTUAL THIS MONTH	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
II.	PREVIOUS ESTIMATE	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
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

<u>FINANCIAL SPARK GAS</u>			<u>BROKER</u>	<u>FINANCIALS</u>	
			<u>COMMISSIONS</u>	<u>NET</u>	<u>TOTAL</u>
			<u>ACCT. 4470.081</u>	<u>ACCT. 4470.081</u>	<u>ACCT. 4470.081</u>
I.	ACTUAL THIS MONTH	APCO	(1,606)	(126,552)	(128,158)
		KPCO	(366)	(28,799)	(29,165)
		I&M	(991)	(78,125)	(79,116)
		OPCO	(1,196)	(94,290)	(95,486)
		CSP	(904)	(71,277)	(72,181)
		TOTAL	(5,063)	(399,043)	(404,106)
II.	PREVIOUS ESTIMATE	APCO	(1,606)	(126,552)	(128,158)
		KPCO	(366)	(28,799)	(29,165)
		I&M	(991)	(78,125)	(79,116)
		OPCO	(1,196)	(94,290)	(95,486)
		CSP	(904)	(71,277)	(72,181)
		TOTAL	(5,063)	(399,043)	(404,106)
III.	ADJUSTMENT (I-II)	APCO	0	0	0
		KPCO	0	0	0
		I&M	0	0	0
		OPCO	0	0	0
		CSP	0	0	0
		TOTAL	0	0	0

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

(\$)

## ALLOCATION BY MLR

POWER DEFERRALS			GREATER THAN 1 YEAR		LESS THAN 1 YEAR		EXPENSES PAYMENTS
			PREMIUM PAYMENTS	PREMIUM, REVENUES	PREMIUM PAYMENTS	PREMIUM REVENUES	
			ACCT. 1750.010	ACCT. 2440.010	ACCT. 1750.009	ACCT. 2440.009	
I.	ACTUAL	APCO	108,481	(108,481)	293,825	(143,319)	1,941,139
	THIS MONTH	KPCO	24,689	(24,689)	66,870	(32,617)	441,772
		I&M	66,971	(66,971)	181,394	(88,478)	1,198,366
		OPCO	80,826	(80,826)	218,920	(106,782)	1,446,280
		CSP	61,097	(61,097)	165,482	(80,717)	1,093,250
		TOTAL	342,064	(342,064)	926,491	(451,913)	6,120,807
II.	PREVIOUS	APCO	108,324	(108,324)	293,399	(143,111)	1,938,322
	ESTIMATE	KPCO	24,654	(24,654)	66,777	(32,572)	441,156
	(See Note 1)	I&M	66,878	(66,878)	181,140	(88,355)	1,196,694
		OPCO	80,713	(80,713)	218,613	(106,633)	1,444,255
		CSP	61,013	(61,013)	165,256	(80,607)	1,091,753
		TOTAL	341,582	(341,582)	925,185	(451,278)	6,112,180
III.	ADJUSTMENT	APCO	157	(157)	426	(208)	2,817
	(I-II)	KPCO	35	(35)	93	(45)	616
		I&M	93	(93)	254	(123)	1,672
		OPCO	113	(113)	307	(149)	2,025
		CSP	84	(84)	226	(110)	1,497
		TOTAL	482	(482)	1,306	(635)	8,627

GAS DEFERRALS			PREMIUM PAYMENTS	PREMIUM REVENUES
			ACCT. 1750.009	ACCT. 2440.009
			I.	ACTUAL
	THIS MONTH	KPCO	255,912	(458,018)
		I&M	694,195	(1,242,435)
		OPCO	837,807	(1,499,466)
		CSP	633,303	(1,133,453)
		TOTAL	3,545,688	(6,345,894)
II.	PREVIOUS	APCO	1,122,890	(2,009,693)
	ESTIMATE	KPCO	255,555	(457,379)
	(See Note 1)	I&M	693,226	(1,240,701)
		OPCO	836,634	(1,497,367)
		CSP	632,436	(1,131,901)
		TOTAL	3,540,741	(6,337,041)
III.	ADJUSTMENT	APCO	1,581	(2,829)
	(I-II)	KPCO	357	(639)
		I&M	969	(1,734)
		OPCO	1,173	(2,099)
		CSP	867	(1,552)
		TOTAL	4,947	(8,853)

Note: (1) The previous estimates shown do not reflect the estimates in the December estimated IPS as they were revised after the estimate was issued.

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

		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
THIRD PARTY SALES (1)	APCO	530,482	0	364,250	0	166,102	0
	EPKO	120,712	0	82,913	0	37,799	0
	I&M	127,443	0	224,923	0	102,538	0
	OPCO	393,221	0	271,465	0	121,756	0
	CSP	298,762	0	205,210	0	93,552	0
	Ent. AEP (Co.122)	0	1,672,610	0	1,148,863	0	523,747
	TOTAL	1,672,610	1,672,610	1,148,863	1,148,863	523,747	523,747
EXERCISED OPTIONS & PREMIUMS (2)	APCO	0	2,316,533	0	2,535,250	218,717	0
	EPKO	0	527,363	0	576,935	49,772	0
	I&M	0	1,430,064	0	1,565,085	135,021	0
	OPCO	0	1,725,968	0	1,888,927	162,959	0
	CSP	0	1,304,721	0	1,427,907	123,186	0
	Ent. AEP (Co.122)	7,304,449	0	7,994,104	0	0	689,655
	TOTAL	7,304,449	7,304,449	7,994,104	7,994,104	689,655	689,655
BELOW THE LINE	APCO	2,518,231	0	2,512,672	0	5,559	0
	EPKO	573,063	0	571,799	0	1,264	0
	I&M	1,554,580	0	1,551,149	0	3,431	0
	OPCO	1,876,248	0	1,872,108	0	4,140	0
	CSP	1,418,330	0	1,415,200	0	3,130	0
	Ent. AEP (Co.122)	0	7,940,452	0	7,922,928	0	17,524
	TOTAL	7,940,452	7,940,452	7,922,928	7,922,928	17,524	17,524
BROKERS' COMMISSIONS (3)	APCO	52,102	0	53,224	0	0	1,122
	EPKO	11,852	0	12,118	0	0	266
	I&M	32,165	0	32,864	0	0	699
	OPCO	38,821	0	39,663	0	0	842
	CSP	29,343	0	29,981	0	0	638
	Ent. AEP (Co.122)	0	164,283	0	167,850	3,567	0
	TOTAL	164,283	164,283	167,850	167,850	3,567	3,567
POWER SWAPS	APCO	59,688	0	60,180	0	0	492
	EPKO	13,583	0	13,695	0	0	112
	I&M	36,647	0	37,151	0	0	304
	OPCO	44,471	0	44,838	0	0	367
	CSP	33,617	0	33,895	0	0	278
	Ent. AEP (Co.122)	0	188,206	0	189,759	1,553	0
	TOTAL	188,206	188,206	189,759	189,759	1,553	1,553
FINANCIAL GAS MARKET TEST	APCO	0	949,616	0	948,280	0	1,336
	EPKO	0	216,117	0	215,616	0	301
	I&M	0	586,247	0	585,428	0	819
	OPCO	0	707,527	0	706,537	0	990
	CSP	0	534,823	0	534,091	0	732
	Ent. AEP (Co.122)	2,994,330	0	2,990,152	0	4,178	0
	TOTAL	2,994,330	2,994,330	2,990,152	2,990,152	4,178	4,178
PHYSICAL GAS MARKET TEST	APCO	0	0	0	0	0	0
	EPKO	0	0	0	0	0	0
	I&M	0	0	0	0	0	0
	OPCO	0	0	0	0	0	0
	CSP	0	0	0	0	0	0
	Ent. AEP (Co.122)	0	0	0	0	0	0
	TOTAL	0	0	0	0	0	0
FINANCIAL SPARE GAS & BROKERS' COMMISSIONS	APCO	128,158	0	128,158	0	0	0
	EPKO	29,165	0	29,165	0	0	0
	I&M	79,116	0	79,116	0	0	0
	OPCO	95,486	0	95,486	0	0	0
	CSP	72,181	0	72,181	0	0	0
	Ent. AEP (Co.122)	0	404,106	0	404,106	0	0
	TOTAL	404,106	404,106	404,106	404,106	0	0
POWER & GAS DEFERRALS	APCO	1,203,994	0	1,201,807	0	1,787	0
	EPKO	273,919	0	271,537	0	382	0
	I&M	743,042	0	742,004	0	1,038	0
	OPCO	896,759	0	895,502	0	1,257	0
	CSP	677,865	0	676,937	0	928	0
	Ent. AEP (Co.122)	0	3,795,179	0	3,789,787	0	5,392
	TOTAL	3,795,179	3,795,179	3,789,787	3,789,787	5,392	5,392
NET BOOKOUTS, OPTIONS, BROKERS' COMMISSIONS, SWAPS & SPARE GAS	APCO	4,492,225	3,266,149	4,320,391	3,483,530	392,165	2,950
	EPKO	1,022,294	743,280	983,227	792,791	89,217	679
	I&M	2,773,213	2,016,211	2,667,209	2,150,513	242,028	1,822
	OPCO	3,347,006	2,433,495	3,219,062	2,595,464	392,112	2,199
	CSP	2,530,098	1,839,344	2,433,404	1,961,998	220,796	1,648
	Ent. AEP (Co.122)	10,298,779	14,164,836	10,984,256	13,823,293	9,298	1,236,318
	TOTAL	24,463,615	24,463,615	24,607,549	24,607,549	1,245,616	1,245,616

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: December 2003
- (3) Actual commissions paid in December 2003.







**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	4470.006	\$657,853,570	\$901,477,542	\$1,137,836,711	\$521,048,752	\$457,380,778	\$668,402,058	\$495,514,864	\$692,461,946	(\$99,475,456)	\$702,667,564	\$688,469,789	\$1,359,908,237	\$1,472,809,035
Energy Purchases	4470.010	(\$642,477,724)	(\$886,288,363)	(\$1,150,981,763)	(\$522,047,657)	(\$456,111,554)	(\$661,406,469)	(\$480,920,634)	(\$679,748,205)	\$97,879,483	(\$703,188,421)	(\$659,664,733)	(\$1,348,683,111)	(\$1,472,896,496)
Exercised Options - Sales	4470.007	\$30,627,050	\$26,117,800	\$6,787,200	\$2,591,200	\$3,471,200	\$1,997,800	\$3,908,000	\$4,812,800	\$0	\$2,275,200	\$592,000	\$2,309,800	\$16,398,200
Exercised Options - Purchases	4470.011	(\$27,288,700)	(\$15,609,800)	(\$7,336,000)	(\$4,937,200)	(\$5,989,200)	(\$7,852,400)	(\$15,928,800)	(\$16,062,400)	\$0	(\$6,822,400)	(\$5,008,000)	(\$7,741,800)	(\$28,571,200)
Sales Commission (Above Line)	4470.008	(\$152,598)	\$0	(\$312,807)	(\$208,888)	(\$159,854)	(\$248,900)	(\$117,658)	(\$193,889)	\$0	(\$280,304)	(\$381,498)	(\$519,886)	(\$139,787)
Purchase Commissions (Above Line)	4470.010	(\$153,844)	\$0	(\$321,384)	(\$188,259)	(\$153,857)	(\$222,888)	(\$106,106)	(\$206,482)	\$0	(\$312,061)	(\$383,996)	(\$487,848)	(\$195,348)
Net Off System Trades (Above the Line)		\$18,397,954	\$25,716,949	(\$1,428,723)	(\$3,750,052)	(\$1,572,486)	\$568,921	\$2,349,688	\$1,085,780	\$1,404,027	(\$5,470,422)	\$1,843,564	\$8,785,292	(\$12,397,598)
12 Month Cumulative Total		\$18,397,954	\$44,114,903	\$29,886,180	\$26,136,128	\$24,563,842	\$25,132,563	\$27,482,281	\$28,548,041	\$29,952,068	\$24,461,646	\$28,125,210	\$32,810,502	\$20,512,806

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>\$816,467</u>
<b>Base Year Total</b>	<b>\$25,095,575</b>

**Western AEP - Trading and Marketing Realizations for Year 2003  
(from CSW Generation Resources)**

<u>Period</u>	<u>Realization Amount</u>	
January-03	(\$1,907,376)	
February-03	(\$4,881,016)	See Note 1
March-03	(\$9,344,259)	See Note 2
April-03	(\$6,794,602)	
May-03	(\$6,774,671)	
June-03	(\$1,060,060)	
July-03	\$3,182,783	
July-03	\$805,373	See Note 3
July-03	\$1,855,146	See Note 5
August-03	\$3,906,839	
August-03	\$2,553,413	See Note 5
September-03	\$480,832	
September-03	(\$11,566,287)	See Note 4
September-03	\$907,852	See Note 5
October-03	\$3,450,640	
November-03	(\$1,875,338)	
December-03	\$914,639	
<b>Cumulative Total</b>	<u><b>(\$26,146,092)</b></u>	

Note:

- (1) Includes adjustment to reflect January 2003 ICR rerun of 3/28/03 which increased realization by \$386,152.
- (2) March 2003 includes margin reclassified between trading and non-trading due to non-trading transactions being booked out with trading transactions. The March number includes January thru March 2003.
- (3) Adjustment to reflect July 2003 ICR rerun of 9/24/03 which increased realization by \$805,373.
- (4) The reclassification of Non-Dedicated Option Premiums represents Option Premiums that were paid by Eastern AEP and are applicable to Western AEP.
- (5) Adjustment to reflect July, Aug and Sept 2003 ICR rerun of 10/03 which increased realization by \$5,316,411.

ACTUAL: December 2003

Eastern AEP - Trading and Marketing Realizations for Year 2003 (from AEP System Internal Resources)

Activity	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
CP&L - Unit Power	\$3,274,882	\$2,916,590	\$2,779,164	\$2,709,866	\$2,807,585	\$2,940,087	\$2,828,791	\$2,754,026	\$2,805,348	\$2,841,610	\$2,829,047	\$2,624,394
Net ECR (1)	\$36,873,776	\$57,958,337	\$66,132,324	\$61,401,730	\$38,836,252	\$44,861,638	\$61,348,361	\$45,977,425	\$43,872,069	\$40,052,083	\$29,941,874	\$46,961,000
7/03, 8/03 & 9/03 CTP Reruns										\$3,137,363		
Less Purch. Demand Charge	(\$1,220,832)	(\$1,220,832)	(\$1,220,832)	(\$1,409,691)	(\$1,220,832)	(\$1,220,832)	(\$1,220,832)	(\$1,220,832)	(\$1,220,832)	(\$1,220,832)	(\$1,220,832)	(\$1,220,832)
SO2 Differential (2) (4)	\$1,046,294	\$1,585,887	\$2,057,665	\$2,306,531	\$1,804,915	\$1,952,736	\$2,148,155	\$1,819,818	\$2,487,957	\$2,353,967	\$2,107,651	\$2,171,564
Transmission Purchases (3)	(\$1,738,213)	(\$1,006,859)	(\$1,754,890)	(\$1,474,270)	(\$1,269,857)	(\$381,027)	(\$771,209)	(\$1,646,899)	(\$1,853,014)	(\$1,057,014)	(\$671,171)	(\$611,708)
Net Total	\$36,235,907	\$60,233,123	\$67,993,431	\$63,534,166	\$40,958,063	\$48,152,602	\$64,333,266	\$47,683,598	\$46,091,528	\$46,107,167	\$32,986,569	\$49,924,418
Less Dedicated												
Transaction Realization (from Pg. 2)	(\$8,714,287)	(\$8,414,548)	(\$8,438,073)	(\$8,435,085)	(\$8,717,570)	(\$8,389,620)	(\$8,243,988)	(\$7,980,196)	(\$8,078,400)	(\$8,573,016)	(\$8,283,383)	(\$8,363,012)
Plus Off System Sales												
Transaction Realization (from Pg. 3)	\$4,998,851	\$8,059,317	\$47,496,625	\$19,182,265	(\$9,689,232)	\$14,164,758	\$8,135,345	\$7,435,050	(\$12,239,663)	(\$3,115,256)	\$2,078,141	\$7,118,362
Monthly Total	\$34,520,471	\$59,877,892	\$107,051,983	\$74,281,346	\$22,551,261	\$53,927,740	\$64,224,623	\$47,138,452	\$25,773,465	\$34,418,895	\$26,781,327	\$48,679,768
12 Mo. Cumulative Total	\$34,520,471	\$94,398,363	\$201,450,346	\$275,731,692	\$298,282,953	\$352,210,693	\$416,435,316	\$463,573,768	\$489,347,233	\$523,766,128	\$550,547,455	\$599,227,223

(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 tlers).  
 (4) May 2003 SO2 Differential contains a credit adjustment of \$68,343.96 for April 2003 where incorrect operating company inventory prices were used (APCo & OPCo).  
 (5) October 2003 includes an additional \$3,137,353 ECR Realizations from CTP re-pricing from July, August & September 2003.



**Eastern AEP - Trading and Marketing Realizations for Year 2003  
(Off System Sales - Above the Line Trading Activities Account 447 & 555 Subaccounts Only)**

Account	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
4470.006	\$596,924,934	\$838,450,163	\$805,846,371	\$835,008,492	\$610,657,307	\$669,897,430	\$1,380,980,919	\$1,376,012,263	\$648,139,043	\$585,027,233	\$497,903,110	\$636,233,072
4470.006	\$0	\$0	\$0	\$0	(\$10,105,559)	(\$11,659,257)	(\$10,934,609)	(\$10,856,114)	(\$10,516,773)	(\$9,322,749)	\$0	\$0
4470.006	\$0	\$0	\$13,583,040	\$9,713,721	(\$2,994,687)	(\$11,388,144)	(\$1,592,101)	\$719,619	(\$3,118,544)	(\$128,832)	(\$893,904)	\$681,312
4470.006	\$0	\$0	\$24,809,895	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4470.010	(\$593,988,529)	(\$834,127,226)	(\$806,025,523)	(\$836,611,276)	(\$609,557,015)	(\$642,934,751)	(\$1,381,123,612)	(\$1,367,776,714)	(\$649,789,977)	(\$585,173,849)	(\$499,969,258)	(\$637,905,682)
4470.010	\$0	\$0	\$0	\$0	\$125,000	\$125,000	\$125,000	\$125,000	\$500,000	\$200,000	\$0	\$0
4470.010	\$0	\$0	\$2,935,160	(\$2,306,685)	\$2,989,731	\$6,776,231	\$788,607	\$250,779	\$283,488	\$52,160	\$84,436	\$0
4470.010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4470.006	(\$171,922)	(\$155,022)	(\$106,637)	(\$111,111)	(\$121,034)	(\$67,869)	(\$114,958)	(\$92,991)	(\$111,467)	(\$124,450)	(\$76,465)	(\$96,657)
4470.010	(\$167,500)	(\$175,076)	(\$106,884)	(\$95,812)	(\$89,667)	(\$104,130)	(\$121,521)	(\$125,066)	(\$91,409)	(\$96,713)	(\$89,406)	(\$67,626)
Net of Above	\$2,596,883	\$3,992,839	\$35,075,202	\$5,597,329	(\$8,095,904)	\$10,426,510	(\$11,991,275)	(\$1,743,524)	(\$13,705,639)	(\$9,567,200)	(\$2,041,487)	(\$1,175,581)
4470.007	\$2,523,440	\$4,639,800	\$21,141,368	\$25,222,280	\$397,408	\$5,465,744	\$38,036,000	\$31,020,280	\$3,440,672	\$16,343,852	\$11,978,000	\$13,928,904
4470.007	\$369,840	\$393,800	\$1,448,360	\$491,400	\$282,880	\$34,000	(\$3,677,950)	(\$3,041,160)	(\$46,120)	(\$689,240)	(\$551,160)	(\$505,440)
4470.011	\$0	(\$184,788)	(\$8,136,767)	(\$11,087,384)	(\$999,189)	(\$688,256)	(\$14,384,000)	(\$18,588,000)	(\$1,129,780)	(\$9,491,200)	(\$7,662,400)	(\$8,622,455)
4470.011	(\$491,312)	(\$682,354)	(\$2,031,356)	(\$1,081,360)	(\$1,274,448)	(\$1,093,240)	\$132,580	(\$212,546)	(\$786,818)	\$406,303	\$349,314	\$126,383
4470.082	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$107,597)	(\$167,452)	(\$186,206)
4470.082	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,412)	\$1,974,516
Net of Above	\$2,401,968	\$4,066,478	\$12,421,423	\$13,584,936	(\$1,593,328)	\$3,738,248	\$20,126,620	\$9,178,574	\$1,465,976	\$6,452,128	\$3,942,890	\$8,711,702
4470.081	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$115)	(\$1,580)	(\$5,063)
4470.081	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$69)	\$7,168	(\$13,653)
4470.081	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$171,150	(\$399,043)
Net of Above	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$184)	\$176,738	(\$417,759)
Net Off System Trades (Above the Line)	\$4,999,851	\$8,059,317	\$47,496,625	\$19,182,265	(\$9,689,232)	\$14,164,758	\$8,135,345	\$7,435,050	(\$12,239,663)	(\$3,115,256)	\$2,078,141	\$7,118,362
12 Month Cumulative Total	\$4,999,851	\$13,058,168	\$60,554,793	\$78,737,058	\$70,047,826	\$84,212,584	\$92,347,929	\$99,782,979	\$87,543,316	\$84,428,060	\$86,506,201	\$93,624,563

note 1: Current month margin reclassified between trading and non-trading due to non-trading transactions being booked out with trading transactions.  
 note 2: Margin reclassified between trading and non-trading due to non-trading transactions being booked out with trading transactions for the period September 2002 thru February 2003.

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 Purch. - BIO Margin Reclass (Note 1) Purchases Commission	(\$637,973,308)	(\$1,606,217)	(\$639,579,525)	(\$194,909,870)	(\$444,669,655)	(\$193,303,653)	4470.010
Bookout Sales Less Tractebel Sale Energy Sales - BIO Margin Reclass (Note 1) Sales Commission	\$638,797,727	\$45,786	\$638,843,513	\$194,078,079	\$442,767,434	\$194,030,283	4470.006
Exercised Option - Purchases Exercised Purchase Option Premiums	(\$6,496,072)	(\$6,498,072)	(\$6,498,072)	(\$1,979,658)	(\$4,518,414)	(\$1,979,658)	4470.011
Exercised Option - Sales Exercised Sales Option Premiums	\$13,421,464	\$13,421,464	\$13,421,464	\$4,080,149	\$9,331,315	\$4,090,149	4470.007
Non-Dedicated Spark Gas Commission Non-Dedicated Spark Gas Paribas Futures Non-Dedicated Swaps - Net	(\$417,759)	(\$417,759)	(\$417,759)	(\$127,311)	(\$290,448)	(\$127,311)	4470.081
Power Swaps - Net Power Futures (REFCO)	\$1,786,310	\$1,786,310	\$1,786,310	\$544,373	\$1,241,937	\$544,373	4470.082
ECR/ICR Realizations Less Purchase Demand Charge Less Realization on Dedicated Transactions Unit Power - CP&L SO2 Realizations Transmission Purchases Total ECR/ICR Realization	\$41,581,406	\$2,475,070	\$44,056,476	\$13,419,879	\$30,636,597	\$10,844,909	4470.002

Total	\$48,079,768	\$914,639	\$48,994,407	\$15,113,741	\$34,480,666	\$14,199,102	
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Total West Realizations	\$49,594,407						
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Eastern AEP's Share of Total Realization	\$34,480,666						
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Western AEP's Share of Total Realization	\$15,113,741						
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Eastern AEP Funds to Western AEP	\$49,594,407						
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Base Year Realizations	\$14,199,102						
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Eastern AEP Realization	90.97%						
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Western AEP Realization	9.03%						
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Capacity (MW) Realization Sharing	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Capacity (MW) Realization Sharing	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity	\$0						
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Capacity	\$49,594,407						
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Realization Sharing Ratios	100.00%						
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Base Year Capacity
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