

MAR -7 2005



AEP America's Energy Partner

Date **March 1, 2005**
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 **January 2005**.

R. L. 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	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
JANUARY 2005

STATEMENT OF SETTLEMENT TO BE MADE
FOR ELECTRIC POWER AND ENERGY RECEIVED AND DELIVERED
APPLICABLE TO JANUARY 2005 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	1,997,737	453,844	42,655,191	9,416,323
	BILLING	KPCO	363,793	162,473	8,149,321	2,871,505
	AMOUNT	I&M	446,162	1,323,112	8,311,849	26,257,247
		OPCO	344,133	1,753,377	6,811,942	45,057,604
		CSP	881,571	340,590	24,243,477	6,569,101
		TOTAL	4,033,396	4,033,396	90,171,780	90,171,780
II.	PREVIOUSLY	APCO	2,024,097	477,051	44,513,210	9,985,960
	ESTIMATED	KPCO	350,432	149,580	8,228,921	2,616,859
	BILLING	I&M	441,276	1,309,027	8,437,710	27,647,303
	AMOUNT	OPCO	335,075	1,760,863	6,687,866	46,559,171
		CSP	831,534	285,893	24,463,795	5,522,209
		TOTAL	3,982,414	3,982,414	92,331,502	92,331,502
III.	ADJUSTMENT	APCO	(26,360)	(23,207)	(1,858,019)	(569,637)
	TO BE BOOKED	KPCO	13,361	12,893	(79,600)	254,646
	NEXT MONTH	I&M	4,886	14,085	(125,861)	(1,390,056)
	(I - II)	OPCO	9,058	(7,486)	124,076	(1,501,567)
		CSP	50,037	54,697	(220,318)	1,046,892
		TOTAL	50,982	50,982	(2,159,722)	(2,159,722)
IV.	ADJUSTMENT FOR TRANSMISSION	APCO			9,731	0
	SERVICE (PURCHASES) TO BE	KPCO			2,220	0
	BOOKED NEXT MONTH	I&M			13,055	0
	(SEE APPENDIX VI)	OPCO			0	29,987
		CSP			4,981	0
		TOTAL			29,987	29,987
V.	ADJUSTMENT TO ALLOCATION OF	APCO			421,935	0
	TRADING & MARKETING REALIZATION	KPCO			96,247	0
	TO BE BOOKED NEXT MONTH	I&M			241,417	0
	(SEE PAGE 68)	OPCO			301,488	0
		CSP			215,916	0
		West. AEP			0	1,277,003
		TOTAL			1,277,003	1,277,003
VI.	ADJUSTMENT FOR PJM CHARGES	APCO			134,834	0
	TRANSFERRED FROM	KPCO			30,757	0
	MARKET TO AEE (NON-ECR)	I&M			77,148	0
	TO BE BOOKED NEXT MONTH	OPCO			96,343	0
	(SEE APPENDIX IX)	CSP			68,998	0
		East. AEP (Co. 28)			0	408,080
		TOTAL			408,080	408,080
VII.	ADJUSTMENT FOR PJM CHARGES	APCO			0	732,339
	(NON-ECR) FROM INVOICE	KPCO			0	167,054
	TO BE BOOKED NEXT MONTH	I&M			0	419,020
	(SEE APPENDIX IX)	OPCO			0	523,283
		CSP			0	374,758
		East. AEP (Co. 28)			2,216,454	0
		TOTAL			2,216,454	2,216,454
VIII.	ADJUSTMENT FOR OFFSET OF	APCO			9,878	0
	BUCKEYE PASS-THROUGH CHARGES	KPCO			2,116	0
	ASSOCIATED WITH PJM	I&M			4,167	0
	TO BE BOOKED NEXT MONTH	OPCO			5,203	0
	(SEE APPENDIX X)	CSP			3,727	0
		East. AEP (Co. 28)			0	25,091
		TOTAL			25,091	25,091

		(\$)	
		AMOUNT DUE TO AGENT (CHARGE)	AMOUNT DUE FROM AGENT (CREDIT)
IX. ADJUSTMENT FOR BUCKEYE SHARE OF PJM CONGESTION CHARGES TO BE BOOKED NEXT MONTH (SEE APPENDIX X)	APCO	0	64,149
	KPCO	0	14,633
	I&M	0	36,704
	OPCO	0	45,837
	CSP	0	32,827
	East. AEP (Co. 28)	194,150	0
	TOTAL	194,150	194,150
X. 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	28,584,515
	KPCO	0	6,520,439
	I&M	0	16,355,304
	OPCO	0	20,424,852
	CSP	0	14,627,659
	East. AEP (Co.122)	86,512,769	0
	TOTAL	86,512,769	86,512,769
XI. ESTIMATED THIS MONTH (SEE APPENDIX VI)	APCO	0	27,221,730
	KPCO	0	6,209,561
	I&M	0	15,575,406
	OPCO	0	19,450,890
	CSP	0	13,930,128
	East. AEP (Co.122)	82,387,715	0
	TOTAL	82,387,715	82,387,715
XII. ADJUSTMENT TO BE MADE NEXT MONTH	APCO	0	1,362,785
	KPCO	0	310,878
	I&M	0	779,898
	OPCO	0	973,962
	CSP	0	697,531
	East. AEP (Co.122)	4,125,054	0
	TOTAL	4,125,054	4,125,054

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	(1,757,600)	8.38	14,728,622	0	27,926,569	9,416,323
	BILLING	KPCO	(296,500)	8.38	2,484,659	0	5,664,662	2,871,505
	AMOUNT	I&M	719,100	13.37	0	9,614,367	8,311,849	16,642,880
		OPCO	2,658,100	7.03	0	18,686,443	6,811,942	26,371,161
		CSP	(1,323,100)	8.38	11,087,529	0	13,155,948	6,569,101
		TOTAL			28,300,810	28,300,810	61,870,970	61,870,970
II.	PREVIOUSLY	APCO			15,065,260	0	29,447,950	9,985,960
	ESTIMATED	KPCO			2,541,448	0	5,687,473	2,616,859
	BILLING	I&M			0	9,749,845	8,437,710	17,897,458
	AMOUNT	OPCO			0	19,197,808	6,687,866	27,361,363
		CSP			11,340,945	0	13,122,850	5,522,209
		TOTAL			28,947,653	28,947,653	63,383,849	63,383,849
III.	ADJUSTMENT	APCO			(336,638)	0	(1,521,381)	(569,637)
	TO BE BOOKED	KPCO			(56,789)	0	(22,811)	254,646
	NEXT MONTH	I&M			0	(135,478)	(125,861)	(1,254,578)
	(I - II)	OPCO			0	(511,365)	124,076	(990,202)
		CSP			(253,416)	0	33,098	1,046,892
		TOTAL			(646,843)	(646,843)	(1,512,879)	(1,512,879)
					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			1,997,737	453,844	42,655,191	9,416,323
	BILLING	KPCO			363,793	162,473	8,149,321	2,871,505
	AMOUNT	I&M			446,162	1,323,112	8,311,849	26,257,247
		OPCO			344,133	1,753,377	6,811,942	45,057,604
		CSP			881,571	340,590	24,243,477	6,569,101
		TOTAL			4,033,396	4,033,396	90,171,780	90,171,780
II.	PREVIOUSLY	APCO			2,024,097	477,051	44,513,210	9,985,960
	ESTIMATED	KPCO			350,432	149,580	8,228,921	2,616,859
	BILLING	I&M			441,276	1,309,027	8,437,710	27,647,303
	AMOUNT	OPCO			335,075	1,760,863	6,687,866	46,559,171
		CSP			831,534	285,893	24,463,795	5,522,209
		TOTAL			3,982,414	3,982,414	92,331,502	92,331,502
III.	ADJUSTMENT	APCO			(26,360)	(23,207)	(1,858,019)	(569,637)
	TO BE BOOKED	KPCO			13,361	12,893	(79,600)	254,646
	NEXT MONTH	I&M			4,886	14,085	(125,861)	(1,390,056)
	(I - II)	OPCO			9,058	(7,486)	124,076	(1,501,567)
		CSP			50,037	54,697	(220,318)	1,046,892
		TOTAL			50,982	50,982	(2,159,722)	(2,159,722)

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	0.33041	7,656,600	(1,757,600)
KPCO	1,450,000	0.07537	1,746,500	(296,500)
I&M	5,100,000	0.18905	4,380,900	719,100
OPCO	8,129,000	0.23609	5,470,900	2,658,100
CSP	2,595,000	0.16908	3,918,100	(1,323,100)
TOTAL	23,173,000	1.00000	23,173,000	

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	(1,757,600)	***** + *****	(14,728,622)
KPCO	(296,500)	***** + *****	(2,484,659)
I&M	719,100	9.40 + 3.97	9,614,367
OPCO	2,658,100	5.32 + 1.71	18,686,443
CSP	(1,323,100)	***** + *****	(11,087,529)

EQUALIZATION CAPACITY RATE: 8.3799626910
(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)
I. AEP EXTERNAL ENERGY					
ENERGY COST	APCO	1,289,744	1,118,826	36,798,797	35,325,276
RECOVERY AND MLR	KPCO	288,859	270,324	8,394,193	7,849,871
ALLOCATION FOR ALL	I&M	724,808	409,996	21,055,091	15,551,843
AEP SYSTEM	OPCO	917,251	1,431,008	26,294,083	33,841,051
DELIVERIES TO	CSP	641,808	632,316	18,830,970	18,805,093
NON-AFFILIATED COS.	AEP	3,862,470	3,862,470	111,373,134	111,373,134
ADJUSTMENT TO	APCO	(666,483)	(666,483)	(26,044,488)	(26,044,488)
PREVENT RECOGNITION	KPCO	(114,227)	(114,227)	(5,118,967)	(5,118,967)
OF SALES BY POOL	I&M	(280,422)	(280,422)	(12,899,764)	(12,899,764)
MEMBERS TO	OPCO	(579,743)	(579,743)	(19,705,964)	(19,705,964)
THEMSELVES	CSP	(292,500)	(292,500)	(12,306,532)	(12,306,532)
(PAGE 7)	AEP	(1,933,375)	(1,933,375)	(76,075,715)	(76,075,715)
SUBTOTAL	APCO	623,261	452,343	10,754,309	9,280,788
AEP EXTERNAL	KPCO	174,632	156,097	3,275,226	2,730,904
ENERGY	I&M	444,386	129,574	8,155,327	2,652,079
	OPCO	337,508	851,265	6,588,119	14,135,087
	CSP	349,308	339,816	6,524,438	6,498,561
	AEP	1,929,095	1,929,095	35,297,419	35,297,419
II. INTERNAL ENERGY AMONG POOL MEMBERS					
PRIMARY	APCO	1,374,476	0	17,172,260	0
ENERGY	KPCO	189,161	6,031	2,389,436	109,684
(PAGE 8)	I&M	0	1,193,101	0	13,949,741
	OPCO	4,830	901,598	56,725	12,190,506
	CSP	532,263	0	6,631,510	0
	AEP	2,100,730	2,100,730	26,249,931	26,249,931
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	1,997,737	453,844	27,926,569	9,416,323
	KPCO	363,793	162,473	5,664,662	2,871,505
	I&M	446,162	1,323,112	8,311,849	16,642,880
	OPCO	344,133	1,753,377	6,811,942	26,371,161
	CSP	881,571	340,590	13,155,948	6,569,101
	AEP	4,033,396	4,033,396	61,870,970	61,870,970

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	0	1,501	0	135,535
COST RECOVERY	KPCO	0	345	0	30,917
ALLOCATED TO	I&M	1,776	437	156,522	41,060
SPECIAL SERVICE	OPCO	1,795	514	167,098	45,568
CUSTOMERS	CSP	0	774	0	70,540
	AEP	<u>3,571</u>	<u>3,571</u>	<u>323,620</u>	<u>323,620</u>
PREVIOUSLY	APCO	0	1,509	0	137,494
ESTIMATED	KPCO	0	344	0	31,364
AMOUNT	I&M	1,777	442	157,199	42,023
	OPCO	1,794	518	169,842	45,765
	CSP	0	758	0	70,395
	AEP	<u>3,571</u>	<u>3,571</u>	<u>327,041</u>	<u>327,041</u>
ADJUSTMENT	APCO	0	(8)	0	(1,959)
TO BE BOOKED	KPCO	0	1	0	(447)
NEXT MONTH	I&M	(1)	(5)	(677)	(963)
	OPCO	1	(4)	(2,744)	(197)
	CSP	0	16	0	145
	AEP	<u>0</u>	<u>0</u>	<u>(3,421)</u>	<u>(3,421)</u>

RE: (*) 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	36,798,797	35,325,276	50,035,904	13,237,107
KPCO	8,394,193	7,849,871	11,413,719	3,019,526
I&M	21,055,091	15,551,843	28,629,101	7,574,010
OPCO	26,294,083	33,841,051	35,752,636	9,458,553
CSP	18,830,970	18,805,093	25,604,922	6,773,952
TOTAL	111,373,134	111,373,134	151,436,282	40,063,148

	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	472,532	12,764,575	0.33041
KPCO	107,789	2,911,737	0.07537
I&M	270,368	7,303,642	0.18905
OPCO	337,641	9,120,912	0.23609
CSP	241,808	6,532,144	0.16908
TOTAL	1,430,138	38,633,010	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 \$706.43/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 D3)

BASE YEAR REALIZATION:		CAPACITY REALIZATION:	
EASTERN AEP:	WESTERN AEP:	EASTERN AEP:	WESTERN AEP:
\$252,860,378	\$277,955,953	24,657,000	9,781,000
90.97%	100.00%	71.60%	28.40%
TOTAL:		TOTAL:	
		34,438,000	100.00%

BASE YEAR REALIZATION:		CAPACITY REALIZATION:	
EASTERN AEP:	WESTERN AEP:	EASTERN AEP:	WESTERN AEP:
\$252,860,378	\$277,955,953	24,657,000	9,781,000
90.97%	100.00%	71.60%	28.40%
TOTAL:		TOTAL:	
		34,438,000	100.00%

	NET REVENUE REALIZED BY THE MEMBERS (Page 6, Col. 6) (\$)	ADJUSTMENT TO NET REVENUE FOR SO2 ALLOWANCES (\$ x HLR) (2)	NET REVENUE FROM DEDICATED TRANSACTIONS (EXCLUDABLE) (Appx. VIII, pg 6) (\$ x HLR) (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 HLR) (5)	EXERCISED OPTION PREMIUMS (Appendix VIII, pg 7) (\$)	BGE & PEPCO ENERGY PURCHASE/SALE (Appendix VII, pg 3) (\$)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
APCO	12,764,975	5,886	841,874	47,124	3,497,069	930,214	257,780	(100,606)
XPCO	2,911,737	1,342	192,040	10,749	797,719	212,192	58,802	(22,990)
IAMA	7,303,642	3,368	481,693	26,962	2,000,911	532,239	147,494	(57,564)
OPCO	9,120,912	4,206	601,550	33,672	2,498,783	664,672	184,193	(71,886)
CSP	6,532,144	3,012	430,810	24,115	1,789,548	476,017	131,913	(51,482)
TOTAL	38,633,010	17,814	2,547,967	142,622	10,884,030	2,815,334	780,182	(304,488)

	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 SALES ASSOCIATED (Appx VIII, page 7) (\$)	PTM CHARGES & CREDITS (Appx IX) (\$)
	(9)	(10)	(11)	(12)	(14)	(15)
APCO	1,193,441	(83,973)	266,106	(1,860,748)	0	(1,180,709)
XPCO	272,236	(19,198)	60,702	(459,018)	0	(269,332)
IAMA	682,849	(48,053)	152,257	(1,076,104)	0	(678,584)
OPCO	892,757	(60,004)	190,142	(1,343,863)	0	(843,660)
CSP	610,717	(42,971)	136,174	(962,431)	0	(604,202)
TOTAL	3,612,000	(254,159)	805,381	(5,692,164)	(2,956,230)	(3,973,467)

PRIOR MONTHS' TOTAL REALIZATION (\$)

JANUARY 2005	
FEBRUARY 2005	
MARCH 2005	
APRIL 2005	
MAY 2005	
JUNE 2005	
JULY 2005	
AUGUST 2005	
SEPTEMBER 2005	
OCTOBER 2005	
NOVEMBER 2005	
DECEMBER 2005	

NET OF ALL OF ABOVE (\$)

	(10)-(9)-(2)-(3)-(4)-(5)-(6)-(7)-(8)-(9)-(10)-(11)-(12)-(13)-(14)-(15)
APCO	13,922,217
XPCO	3,175,805
IAMA	7,946,003
OPCO	9,948,086
CSP	7,124,543
EASTERN AEP REALIZATION:	42,136,654
LESS TRACTEL SALE:	0
PARIBAS SPARK GAS FUTURES (East):	4,916,425
RETCO FUTURES (East):	208,568
WESTERN AEP REALIZATION:	6,051,680
TOTAL REALIZATION TO BE SHARED:	55,313,317 (2)

TOTAL 0

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

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	55,313,327 = \$50,319,299	71.60% x	0 = \$0	\$50,319,299
WESTERN AEP:	9.03% x	55,313,327 = \$4,994,028	28.40% x	0 = \$0	\$4,994,028
					<u>\$55,313,327</u>

EASTERN AEP REALIZATION (Including Misc. Items): \$47,261,647
 LESS EASTERN AEP REALIZATION SHARE: \$50,319,299

TOTAL DOLLAR TRANSFER FROM EASTERN AEP TO WESTERN AEP: (\$3,057,652) RESULT: WESTERN AEP PAYS EASTERN AEP

ALLOCATION OF REALIZATION SHARING BY EASTERN AEP OPERATING COMPANIES AND ACCOUNT NUMBERS (1)

CURRENT MONTH ACTUAL

	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
APCO	4470.117	5550.044	4470.118	5550.045	5550.004	5550.004	(1,010,278)	(1,432,213)	421,935
KPCO	(876,131)	(77,449)	(15,138)	(79,589)	(20,958)	(20,958)	(230,456)	(326,703)	96,247
I&M	(199,855)	(17,667)	(3,454)	(18,155)	(4,781)	(4,781)	(578,049)	(819,466)	241,417
OPCO	(501,294)	(44,314)	(8,661)	(45,536)	(11,992)	(11,992)	(721,881)	(1,023,369)	301,488
CSP	(626,027)	(55,341)	(10,816)	(56,870)	(14,975)	(14,975)	(516,988)	(732,904)	215,916
TOTAL	(448,341)	(39,633)	(7,746)	(40,728)	(10,728)	(10,728)	(3,057,652)	(4,334,655)	1,277,003
	(2,651,648)	(234,404)	(45,815)	(240,880)	(63,431)	(63,431)			

NOTE:

(1) Details of the realization sharing by account numbers is shown in Appendix VII, page 9.

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	492,973	8,403,237	0.33041	162,883	2,776,514
KPCO	162,484	2,850,451	0.07537	12,246	214,838
I&M	88,055	1,370,952	0.18905	16,647	259,178
OPCO	956,044	14,057,936	0.23609	225,712	3,318,938
CSP	357,129	6,277,330	0.16908	60,383	1,061,371
TOTAL	2,056,685	32,959,906	1.00000	477,871	7,630,839

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

	MWh	COST (\$)	MLR (APPENDIX I)	ADJUSTMENT	
				MWh	COST (\$)
APCO	182,579	5,457,168	0.33041	60,326	1,803,103
KPCO	6,337	103,058	0.07537	478	7,767
I&M	71,726	1,899,384	0.18905	13,560	359,079
OPCO	158,308	4,445,667	0.23609	37,375	1,049,578
CSP	51,834	1,543,593	0.16908	8,764	260,991
TOTAL	470,784	13,448,870	1.00000	120,503	3,480,518

III. PURCHASED POWER SUPPLIED FOR SYSTEM SALES (3)

	AS ALLOCATED	
	MWh	COST (\$)
APCO	443,274	21,464,871
KPCO	101,503	4,896,362
I&M	250,215	12,281,507
OPCO	316,656	15,337,448
CSP	223,353	10,984,170
TOTAL	1,335,001	64,964,358

IV. TOTAL ADJUSTMENT (I + II + III)

	TOTAL ADJUSTMENT TO PAGE 4	
	MWh	COST (\$)
APCO	666,483	26,044,488
KPCO	114,227	5,118,967
I&M	280,422	12,899,764
OPCO	579,743	19,705,964
CSP	292,500	12,306,532
TOTAL	1,933,375	76,075,715

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	4,260	18.186	77,476
2. I&M	APCO	782,891	11.692	9,153,563
3. OPCO	APCO	587,325	13.521	7,941,221
4. CSP	APCO	0	0.000	0
5. TOTAL	APCO	1,374,476	12.494	17,172,260
6. APCO	KPCO	0	0.000	0
7. I&M	KPCO	91,969	11.692	1,075,303
8. OPCO	KPCO	97,192	13.521	1,314,133
9. CSP	KPCO	0	0.000	0
10. TOTAL	KPCO	189,161	12.632	2,389,436
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	39	18.186	709
18. I&M	OPCO	4,791	11.692	56,016
19. CSP	OPCO	0	0.000	0
20. TOTAL	OPCO	4,830	11.744	56,725
21. APCO	CSP	0	0.000	0
22. KPCO	CSP	1,732	18.186	31,499
23. I&M	CSP	313,450	11.692	3,664,859
24. OPCO	CSP	217,081	13.521	2,935,152
25. TOTAL	CSP	532,263	12.459	6,631,510
26. TOTAL ALL MEMBERS RECEIVED		2,100,730	12.496	26,249,931
TOTAL DELIVERED BY MEMBER	SUM OF LINES	MWh	\$/MWh	CREDIT (\$)
27. APCO	6, 11, 16, & 21	0	0.000	0
28. KPCO	1, 12, 17, & 22	6,031	18.186	109,684
29. I&M	2, 7, 18, & 23	1,193,101	11.692	13,949,741
30. OPCO	3, 8, 13, & 24	901,598	13.521	12,190,506
31. CSP	4, 9, 14, & 19	0	0.000	0
32. TOTAL ALL MEMBERS DELIVERED:		2,100,730	12.496	26,249,931

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	0	0.000	0
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		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	0	0.000	0
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 (3)=(1)/(2)	SO2 EMISSION ALLOWANCES (b) (4)	SO2 EMISSION ALLOWANCES EXPENDED FOR SYSTEM SALES (5)=(3)*(4)
		(1)	(2)	(3)=(1)/(2)	(4)	(5)=(3)*(4)
IPCO	AMOS 1	0	5	0.0000	0	0.0000
	AMOS 2	41,526	404,338	0.1027	2,216	227.5859
	AMOS 3	53,814	267,542	0.2011	1,470	295.6791
	CLINCH RIVER 1	15,701	97,583	0.1609	466	74.9789
	CLINCH RIVER 2	36,442	112,479	0.3240	538	174.3063
	CLINCH RIVER 3	28,670	112,824	0.2541	551	140.0160
	GLEN LYN 51	3,626	12,364	0.2933	88	25.8094
	GLEN LYN 52	4,162	14,190	0.2933	101	29.6222
	GLEN LYN 6	29,487	125,230	0.2355	935	220.1577
	KANAWHA RIVER 1	1,355	102,531	0.0132	567	7.493
	KANAWHA RIVER 2	4,697	115,945	0.0405	642	26.0078
	MOUNTAINEER 1	181,736	857,217	0.2120	3,533	749.0207
	SPORN 1	34,954	85,949	0.4067	592	240.7564
	SPORN 3	33,544	87,077	0.3852	600	231.1334
	TOTAL	469,714	2,395,274	0.1961	12,299	2,442.5670
IPCO	BIG SANDY 1	54,227	126,702	0.4280	298	127.5406
	BIG SANDY 2	108,257	384,586	0.2815	749	210.8358
	ROCKPORT 1 (AEG)	2,362	106,878	0.0221	319	7.0499
	ROCKPORT 2 (AEG)	3,975	129,179	0.0308	380	11.6931
	TOTAL	168,821	747,345	0.2259	1,746	357.1194
E&M	ROCKPORT 1	7,875	356,245	0.0221	1,064	23.5203
	ROCKPORT 1 (AEG)	5,513	249,356	0.0221	744	16.4491
	ROCKPORT 2	9,205	256,274	0.0359	753	27.0467
	ROCKPORT 2 (AEG)	9,273	301,216	0.0308	886	27.2757
	TANNERS CREEK 1	18,683	78,221	0.2388	407	97.2115
	TANNERS CREEK 2	24,171	85,761	0.2818	438	123.4465
	TANNERS CREEK 3	26,772	118,487	0.2259	598	135.1174
	TANNERS CREEK 4	1,349	279,160	0.0048	4,636	22.4028
	TOTAL	102,841	1,724,720	0.0596	9,526	472.47C

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	110,823	543,190	0.2040	3,200	652.8721
	CARDINAL 1	92,978	338,036	0.2751	5,727	1,575.2316
	CARDINAL 2	79,779	79,779	1.0000	1,387	1,386.8668
	CARDINAL 3	26,121	26,121	1.0000	182	181.8868
	GAVIN 1	2,349	900,794	0.0026	1,072	2,7955
	GAVIN 2	2,671	912,902	0.0029	1,272	3,7217
	KAMMER 1	17,676	126,573	0.1397	1,397	195.0919
	KAMMER 2	17,164	119,674	0.1434	1,304	187.0235
	KAMMER 3	16,597	120,435	0.1378	1,301	179.2892
	MITCHELL 1	129,440	440,885	0.2936	3,237	950.3550
	MITCHELL 2	101,418	418,828	0.2421	3,098	750.1718
	MUSKINGUM 1	41,494	101,835	0.4075	2,104	857.3023
	MUSKINGUM 2	44,495	107,881	0.4124	2,216	913.9786
	MUSKINGUM 3	48,038	108,121	0.4443	2,123	943.2458
	MUSKINGUM 4	48,182	112,612	0.4279	2,237	957.1194
	MUSKINGUM 5	106,307	373,055	0.2850	4,707	1,341.3225
	SPORN 2	13,210	34,336	0.3847	242	93.1040
	SPORN 4	21,479	56,802	0.3781	397	150.1208
	SPORN 5	35,809	212,412	0.1686	1,382	232.9814
	TOTAL	956,030	5,134,271	0.1862	38,585	11,554.4807
CSP	BECKJORD 6	12,588	27,042	0.4655	449	209.0087
	CONESVILLE 1	6,574	35,079	0.1874	559	104.7597
	CONESVILLE 2	13,805	62,003	0.2227	989	220.2014
	CONESVILLE 3	21,227	56,108	0.3783	935	353.7329
	CONESVILLE 4	1,658	233,201	0.0071	4,132	29.3775
	CONESVILLE 5	64,565	241,602	0.2672	547	146.1787
	CONESVILLE 6	69,935	250,200	0.2795	557	155.6906
	PICWAY 5	26,158	48,193	0.5428	1,211	657.3016
	STUART 1	32,099	75,768	0.4236	611	258.8492
	STUART 2	32,053	79,288	0.4043	640	258.7267
	STUART 3	34,455	79,802	0.4318	670	289.2766
	STUART 4	32,393	85,028	0.3810	645	245.7248
	ZIMMER 1	9,628	239,131	0.0403	623	25.0835
	TOTAL	357,138	1,512,445	0.2361	12,568	2,953.9119

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

AEP EXTERNAL ENERGY (3)	ACCOUNT 509		SOURCE ALLOCATION
	SO2 COST (\$)	SO2 COST (\$)	\$
	<u>(AS SUPPLIED)</u>	<u>(ADJUSTED)</u>	<u>SO2 ADJUSTMENT</u>
	(1)	(2)	(3)=(2)-(1)
APCO	1,679,144	116,022	(1,563,122)
KPCO	793,390	18,127	(775,263)
I&M	316,230	26,340	(289,890)
OPCO	7,653,744	734,865	(6,918,879)
CSP	1,995,583	146,455	(1,849,128)
AEP	12,438,091	1,041,809	(11,396,282)

	NOX COST (\$)	NOX COST (\$)	\$
	<u>(AS SUPPLIED)</u>	<u>(ADJUSTED)</u>	<u>NOX ADJUSTMENT</u>
	(4)	(5)	(6)=(5)-(4)
APCO	0	0	0
KPCO	0	0	0
I&M	0	0	0
OPCO	0	0	0
CSP	0	0	0
AEP	0	0	0

	SOURCE ALLOCATION	SOURCE ALLOCATION
	<u>(UNADJUSTED)</u>	<u>(ADJUSTED)</u>
	(7)	(8)=(7)+(3)+(6)
APCO	36,888,398	35,325,276
KPCO	8,625,134	7,849,871
I&M	15,841,733	15,551,843
OPCO	40,759,930	33,841,051
CSP	20,654,221	18,805,093
AEP	122,769,416	111,373,134

NOTES:	SO2	NOX
(1) Market Price (\$/allowance):	706.43	
(2) APCO allowance:	47.50	0.00
KPCO allowance:	50.76	0.00
I&M allowance:	55.75	128.33
OPCO allowance:	63.60	0.00
CSP allowance:	49.58	1038.21

(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 12/31/2004

MEMBER LOAD RATIO
JANUARY 2005

<u>APPALACHIAN</u>	<u>KENTUCKY</u>	<u>INDIANA</u>	<u>OHIO</u>	<u>COLUMBUS</u>
0.33041	0.07537	0.18905	0.23609	0.16908

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

NO	TOTAL	APPALACHIAN			KENTUCKY			INDIANA			OHIO			COLUMBUS		
		DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK
12	20008	20	08	7080	20	09	1615	20	11	3354	20	19	4891	20	19	307
11	16583	15	08	5122	15	09	1220	29	19	3162	30	19	4508	29	19	25
10	14932	18	07	4276	18	08	950	18	09	3075	18	18	4230	18	19	2401
09	17242	01	16	4785	01	17	1060	15	15	3722	07	14	4573	06	17	3102
08	19429	04	16	5508	03	16	1228	03	17	4012	03	17	5059	03	17	3622
07	19230	13	16	5366	13	15	1209	22	15	4051	13	17	4981	13	16	3623
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

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>
21428	7080	1615	4051	5059	3623

<u>DATE/TIME</u>	12/20 HR 08	12/20 HR 09	07/22 HR 15	08/03 HR 17	07/13 HR16
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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	<u>5,073,000</u>
Smith Mountain (Hydro)	586,000
Others (including Summersville)	240,000
TOTAL MEMBER PRIMARY CAPACITY	<u>5,899,000</u>
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	<u>1,450,000</u>
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	<u>5,089,000</u>
Others (Hydro)	11,000
TOTAL MEMBER PRIMARY CAPACITY	<u>5,100,000</u>
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	<u>8,472,000</u>
Racine (Hydro)	48,000
Ohio's Deficit Capacity (Buckeye)	(391,000)
TOTAL MEMBER PRIMARY CAPACITY	<u>8,129,000</u>
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	<u>2,595,000</u>
TOTAL MEMBER PRIMARY CAPACITY	2,595,000
TOTAL SYSTEM PRIMARY CAPACITY	23,173,000

SOURCE: KW RATINGS ARE ESTABLISHED BY THE OPERATING COMMITTEE.

ACTUAL:
January 2005

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>12/31/2004</u> (1)	\$ Installed Cost of Production Plant * as of <u>12/31/2004</u> (2)	Member Weighted Average Investment Cost \$/kW (3)=(2)/(1)	Member Primary Capacity Investment Rate** \$/kW/Month (4)=(3)*.0137
INDIANA MICHIGAN POWER COMPANY				
Cook	2,143,000	1,985,812,464		
Rockport 1 Ownership Share	650,000	602,873,353		
Rockport 1 Purchased from AEG	455,000	428,199,118		
Rockport 2 Leased Shared	391,000	33,970,192		
Rockport 2 Purchased from AEG	455,000	39,233,301		
Tanners Creek	995,000	399,775,475		
Indiana Total	<u>5,089,000</u>	<u>3,489,863,903</u>	685.77	9.40
OHIO POWER COMPANY				
Amos	867,000	349,893,074		
Cardinal	600,000	337,987,913		
Gavin	2,600,000	1,008,259,801		
Kammer	630,000	270,458,542		
Mitchell	1,600,000	485,947,275		
Muskingum River	1,425,000	524,676,310		
Sporn	750,000	312,247,761		
Ohio Total	<u>8,472,000</u>	<u>3,289,470,676</u>	388.28	5.32
KENTUCKY POWER COMPANY				
Big Sandy	1,060,000	XXXXX		
Rockport 1 Purchased from AEG	195,000	183,513,908		
Rockport 2 Purchased from AEG	195,000	16,814,272		
Kentucky Total	<u>1,450,000</u>	<u>200,328,180</u>	138.16	1.89

* SOURCE: Line 16 of Schedule entitled "Steam-Electric Generating Plant Statistics (Large Plants)" in the FERC Form No. 1 for the year ending 12/31/2004.

** SOURCE: Member Weighted Average Investment Cost multiplied by Monthly Carrying Charge Factor from Interconnection Agreement, Article 6.212.

ACTUAL:
January 2005

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	151,784	3,669,580	3,073,900	121,815	2,942,050	131,850
SPORN (APCO)	173,026	4,032,945	3,288,981	381,852	3,169,476	119,505
KANAWHA RIVER	218,476	3,568,623	2,746,688	378,633	2,568,630	178,058
CLINCH RIVER	322,886	6,639,012	4,952,985	1,055,535	4,790,511	162,474
AMOS (APCO)	674,317	17,489,065	9,489,614	5,614,488	9,155,655	333,959
MOUNTAINEER	857,217	15,070,243	13,070,533	1,296,784	12,448,930	621,603
TOTAL	2,397,706	50,469,468	36,622,701	8,849,107	35,075,252	1,547,449
RATES:		17.119	15.274	1.845	14.629	0.645
<u>KENTUCKY POWER COMPANY</u>						
BIG SANDY	511,288	10,797,201	9,424,721	869,345	9,257,713	167,008
ROCKPORT 1 (AEG)	106,878	1,858,068	1,684,764	85,342	1,625,002	59,762
ROCKPORT 2 (AEG)	129,179	3,332,435	1,976,624	55,146	1,907,035	69,589
TOTAL	747,345	15,987,704	13,086,109	1,009,833	12,789,750	296,359
RATES:		18.187	17.511	0.676	17.114	0.397
<u>INDIANA MICHIGAN POWER COMPANY</u>						
TANNERS CREEK 1-3	282,469		4,522,186		4,235,386	286,800
TANNERS CREEK 4	279,160		3,976,992		3,745,886	231,106
TANNERS CREEK TOTAL	561,629	10,492,424	8,499,178	1,221,931	7,981,272	517,906
ROCKPORT 1 (OWNED SHARE)	356,245	6,142,388	5,617,258	281,914	5,416,275	200,983
ROCKPORT 1 (AEG)	249,356	4,335,493	3,930,705	199,131	3,791,274	139,431
ROCKPORT 2 (AEG)	301,216	7,775,681	4,609,037	128,674	4,446,774	162,263
ROCKPORT 2 (LEASED SHARE)	256,274	7,040,032	3,925,197	109,779	3,782,067	143,130
COOK	1,552,286	22,732,524	7,231,161	7,065,382	7,231,161	0
TOTAL	3,277,006	58,518,542	33,812,536	9,006,811	32,648,823	1,163,713
RATES:		11.692	10.318	1.374	9.963	0.355
<u>OHIO POWER COMPANY</u>						
SPORN (OPCO)	303,550	7,600,611	5,686,513	1,463,555	5,437,737	248,776
MUSKINGUM	803,504	11,552,865	9,644,157	820,214	9,536,890	107,267
KAMMER	366,682	5,174,476	4,266,833	518,361	4,053,588	213,245
CARDINAL (OPCO)	258,253	4,561,493	4,097,474	464,019	3,909,548	187,926
MITCHELL	859,713	14,050,911	12,833,219	863,361	12,741,486	91,733
AMOS (OPCO)	540,758	8,349,712	7,428,277	616,938	7,243,400	184,877
GAVIN	1,813,696	30,064,288	19,810,213	1,474,565	18,637,554	1,172,659
TOTAL	4,946,156	81,354,356	63,766,686	6,221,013	61,560,203	2,206,483
RATES:		13.521	12.892	0.629	12.446	0.446
<u>COLUMBUS SOUTHERN POWER COMPANY</u>						
CONESVILLE	878,193	16,755,753	13,622,725	1,245,395	13,122,731	499,994
PICWAY	48,193	1,107,743	821,514	113,289	778,450	43,064
BECKJORD	27,042	647,816	580,069	31,763	557,742	22,327
STUART	319,886	7,251,491	5,650,007	982,079	5,492,705	157,302
ZIMMER	239,131	3,907,285	2,977,769	263,856	2,851,370	126,399
TOTAL	1,512,445	29,670,088	23,652,084	2,636,382	22,802,998	849,086
RATES:		16.510	15.638	0.872	15.077	0.561
SYSTEM TOTAL	12,880,658	236,000,158	170,940,116	27,723,146	164,877,026	6,063,090

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	50,469,468	35,075,252	1,547,449	8,849,107	4,424,554
KPCO	15,987,704	12,789,750	296,359	1,009,833	504,917
I&M	58,518,542	32,648,823	1,163,713	9,006,811	4,503,406
OPCO	81,354,356	61,560,203	2,206,483	6,221,013	3,110,507
CSP	29,670,088	22,802,998	849,086	2,636,382	1,318,191
TOTAL	236,000,158	164,877,026	6,063,090	27,723,146	13,861,575

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	5,972,003	2,397,706	2,397,706	17.119
KPCO	801,276	747,345	747,345	18.186
I&M	5,667,119	3,277,006	3,277,006	11.692
OPCO	5,316,990	4,946,156	4,946,156	13.521
CSP	2,167,277	1,512,445	1,512,445	16.510
TOTAL	19,924,665	12,880,658	12,880,658	14.347

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	9,422,213	5,073,000	1.86
KPCO	2,396,678	1,450,000	1.65
I&M	20,202,600	5,089,000	3.97
OPCO	14,477,163	8,472,000	1.71
CSP	4,699,813	2,595,000	1.81
TOTAL	51,198,467	22,679,000	2.26

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
		<u>\$ CHARGE</u>	<u>\$ CREDIT</u>	<u>\$ CHARGE</u>	<u>\$ CREDIT</u>	<u>\$ CHARGE</u>	<u>\$ CREDIT</u>
TRANSMISSION SERVICE (PURCHASES)	APCO	16,644	0	6,913	0	9,731	0
	KPCO	10,749	0	8,529	0	2,220	0
	I&M	26,962	0	13,907	0	13,055	0
	OPCO	0	78,470	0	48,483	0	29,987
	CSP	24,115	0	19,134	0	4,981	0
	TOTAL	78,470	78,470	48,483	48,483	29,987	29,987
NET AMOUNT DUE FOR ALL SYSTEM TRANSACTIONS (EXCEPT TRANS. SERVICE) (1)	APCO	0	23,959,644	0	22,588,614	0	1,371,030
	KPCO	0	5,465,451	0	5,152,691	0	312,760
	I&M	0	13,709,104	0	12,924,483	0	784,621
	OPCO	0	17,120,207	0	16,140,349	0	979,858
	CSP	0	12,260,976	0	11,559,229	0	701,747
	East. AEP (Co. 122)	72,515,382	0	68,365,366	0	4,150,016	0
	TOTAL	72,515,382	72,515,382	68,365,366	68,365,366	4,150,016	4,150,016
THIRD PARTY SALES (2)	APCO	331,745	4,956,616	372,814	5,005,930	51,396	1,348
	KPCO	75,669	1,130,657	85,035	1,141,905	11,725	308
	I&M	189,817	2,836,017	213,310	2,864,233	29,413	772
	OPCO	237,037	3,541,682	266,378	3,576,919	36,731	965
	CSP	169,756	2,536,439	190,775	2,561,674	26,300	691
	East. AEP (Co. 122)	15,001,411	1,004,024	15,150,661	1,128,312	4,084	155,565
	TOTAL	16,005,435	16,005,435	16,278,973	16,278,973	159,649	159,649
GROSS TOTAL	APCO	331,745	28,916,260	372,814	27,594,544	51,396	1,372,378
	KPCO	75,669	6,596,108	85,035	6,294,596	11,725	313,068
	I&M	189,817	16,545,121	213,310	15,788,716	29,413	785,393
	OPCO	237,037	20,661,889	266,378	19,717,268	36,731	980,823
	CSP	169,756	14,797,415	190,775	14,120,903	26,300	702,438
	East. AEP (Co. 122)	87,516,793	1,004,024	83,516,027	1,128,312	4,154,100	155,565
	TOTAL	88,520,817	88,520,817	84,644,339	84,644,339	4,309,665	4,309,665
NET TOTAL	APCO	0	28,584,515	0	27,221,730	0	1,320,982
	KPCO	0	6,520,439	0	6,209,561	0	301,343
	I&M	0	16,355,304	0	15,575,406	0	755,980
	OPCO	0	20,424,852	0	19,450,890	0	944,092
	CSP	0	14,627,659	0	13,930,128	0	676,138
	East. AEP (Co. 122)	86,512,769	0	82,387,715	0	3,998,535	0
	TOTAL	86,512,769	86,512,769	82,387,715	82,387,715	3,998,535	3,998,535

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)

Pur Code	Customer	ACCT	CO. AGNT	ACTUAL BILL	MLR						AMOUNT DUE (TO)/FROM AGENT						NET
					33.041%	7.537%	18.905%	23.609%	16.908%	100.00%	APCO	KPCO	I&M	OPCO	CSP	APCO	
				142,622	47,124	10,749	26,962	33,672	24,115	142,622	(16,644)	(10,749)	(26,962)	78,470	(24,115)	-	-
SETS	Allegheny Energy	4470066 07	400	400	132	30	76	94	68	400	(132)	(30)	(76)	306	(68)	-	-
SETS	Allegheny Energy	(5) 4470066 07	(306)	(306)	(101)	(23)	(58)	(72)	(52)	(306)	101	23	58	(234)	52	-	-
PLC	Carolina Power & Light	(4) 4470066 07	(537)	(537)	(177)	(40)	(102)	(127)	(91)	(537)	177	40	102	(410)	91	-	-
INTE	Energy Power Serv	4470066 07	29,894	29,894	9,877	2,253	5,651	7,058	5,055	29,894	(9,877)	(2,253)	(5,651)	22,836	(5,055)	-	-
EXGN	Exelon Energy	4470066 07	7,488	7,488	2,474	564	1,416	1,768	1,266	7,488	(2,474)	(564)	(1,416)	5,720	(1,266)	-	-
ALSO	Midwest ISO	(3) 4470066 07	75,203	75,203	24,848	5,668	14,217	17,755	12,715	75,203	(24,848)	(5,668)	(14,217)	57,448	(12,715)	-	-
TES	TECO Energy Source	4470066 02	30,480	30,480	10,071	2,297	5,762	7,196	5,154	30,480	20,409	(2,297)	(5,762)	(7,196)	(5,154)	-	-

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 MISO invoice is charged back to CPP (\$33,358)

(4) Refund from September 2002 through March 2004.

(5) Booked in September 2004. Reversing entry due to invoice not being generated.

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				
	THIS MONTH				
	APCO	3,684,814	3,648,100	160,435,268	163,932,337
	KPCO	840,542	832,172	36,596,974	37,394,693
	I&M	2,108,330	2,087,326	91,795,912	93,796,823
	OPCO	2,632,935	2,606,704	114,636,853	117,135,636
	CSP	1,885,622	1,866,835	82,099,196	83,888,744
	TOTAL	11,152,243	11,041,137	485,564,203	496,148,233
II.	PREVIOUS ESTIMATE				
	APCO	3,678,558	3,644,889	160,252,810	163,771,653
	KPCO	839,117	831,438	36,555,353	37,358,039
	I&M	2,104,749	2,085,488	91,691,516	93,704,885
	OPCO	2,628,466	2,604,406	114,506,480	117,020,821
	CSP	1,882,421	1,865,194	82,005,827	83,806,517
	TOTAL	11,133,311	11,031,415	485,011,986	495,661,915
III.	ADJUSTMENT (I-II)				
	APCO	6,256	3,211	182,458	160,684
	KPCO	1,425	734	41,621	36,654
	I&M	3,581	1,838	104,396	91,938
	OPCO	4,469	2,298	130,373	114,815
	CSP	3,201	1,641	93,369	82,227
	TOTAL	18,932	9,722	552,217	486,318
<u>EXERCISED OPTIONS & PREMIUMS</u> (2)					
		ACCT. 4470.011	ACCT. 4470.007	ACCT. 4470.011	ACCT. 4470.007
I.	ACTUAL				
	THIS MONTH				
	APCO	5,551	33,304	277,544	1,470,985
	KPCO	1,266	7,598	63,311	335,547
	I&M	3,176	19,056	158,802	841,651
	OPCO	3,966	23,798	198,316	1,051,073
	CSP	2,841	17,044	142,027	752,744
	TOTAL	16,800	100,800	840,000	4,452,000
II.	PREVIOUS ESTIMATE				
	APCO	5,551	33,304	277,544	1,470,985
	KPCO	1,266	7,598	63,311	335,547
	I&M	3,176	19,056	158,802	841,651
	OPCO	3,966	23,798	198,316	1,051,073
	CSP	2,841	17,044	142,027	752,744
	TOTAL	16,800	100,800	840,000	4,452,000
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. 4210.022	ACCT. 4210.018	ACCT. 4210.023	ACCT. 4210.022	ACCT. 4210.018	ACCT. 4210.023	ACCT. 4210.022	ACCT. 4210.018	ACCT. 4210.023	ACCT. 4210.022	ACCT. 4210.018
ACTUAL	APCO	0	794,135	794,137	197,181	42,293,481	42,343,496					
THIS MONTH	KPCO	0	181,150	181,150	44,975	9,647,589	9,659,003					
	I&M	0	454,381	454,381	112,820	24,198,973	24,227,593					
	OPCO	0	567,440	567,438	140,892	30,220,235	30,255,980					
	CSP	0	406,382	406,382	100,901	21,642,752	21,668,350					
	TOTAL	0	2,403,488	2,403,488	596,769	128,003,030	128,154,422					
PREVIOUS	APCO	0	794,135	794,137	197,117	42,293,481	42,342,084					
ESTIMATE	KPCO	0	181,150	181,150	44,960	9,647,589	9,658,680					
	I&M	0	454,381	454,381	112,784	24,198,973	24,226,785					
	OPCO	0	567,440	567,438	140,847	30,220,235	30,254,970					
	CSP	0	406,382	406,382	100,869	21,642,752	21,667,627					
	TOTAL	0	2,403,488	2,403,488	596,577	128,003,030	128,150,146					
I	ADJUSTMENT	APCO	0	0	64	0	1,412					
	(I-II)	KPCO	0	0	15	0	323					
		I&M	0	0	36	0	808					
		OPCO	0	0	45	0	1,010					
		CSP	0	0	32	0	723					
	TOTAL	0	0	0	192	0	4,276					

BROKERS' COMMISSIONS (3)

		ALLOCATION BY MLR (\$)	
		PURCHASE COSTS	SALES REVENUES
		ACCT. 4470.010	ACCT. 4470.006
ACTUAL	APCO	45,758	(38,215)
THIS MONTH	KPCO	10,434	(8,724)
	I&M	26,178	(21,875)
	OPCO	32,690	(27,314)
	CSP	23,410	(19,561)
	TOTAL	138,470	(115,689)
PREVIOUS	APCO	44,525	(37,366)
ESTIMATE	KPCO	10,158	(8,523)
	I&M	25,476	(21,380)
	OPCO	31,816	(26,694)
	CSP	22,785	(19,121)
	TOTAL	134,760	(113,084)
II	ADJUSTMENT	1,233	(849)
	(I-II)	276	(201)
	I&M	702	(495)
	OPCO	874	(620)
	CSP	625	(440)
	TOTAL	3,710	(2,605)

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		266,106
	THIS MONTH	KPCO		60,702
		I&M		152,257
		OPCO		190,142
		CSP		136,174
		TOTAL		<u>805,381</u>
II.	PREVIOUS	APCO		293,646
	ESTIMATE	KPCO		66,983
		I&M		168,015
		OPCO		209,821
		CSP		150,267
		TOTAL		<u>888,732</u>
III.	ADJUSTMENT	APCO		(27,540)
	(I-II)	KPCO		(6,281)
		I&M		(15,758)
		OPCO		(19,679)
		CSP		(14,093)
		TOTAL		<u>(83,351)</u>

PJM NON-ECR PURCHASES-OSS
NON-ECR PHYSICAL SALES-OSS

		MWh		(\$)		
<u>PJM NON-ECR ENERGY</u>		<u>PURCHASES</u>	<u>SALES</u>	<u>ALLOCATION BY MLR</u>		
				TOTAL COSTS TO BE BOOKED	TOTAL REVENUES TO BE BOOKED	
		ACCT. 5550.035	ACCT. 4470.112	ACCT. 5550.035	ACCT. 4470.112	
I.	ACTUAL	APCO	16,298	15,416	919,404	818,798
	THIS MONTH	KPCO	3,718	3,516	209,726	186,776
		I&M	9,325	8,820	526,054	468,490
		OPCO	11,645	11,015	656,947	585,061
		CSP	8,340	7,889	470,484	419,002
		TOTAL	<u>49,326</u>	<u>46,656</u>	<u>2,782,615</u>	<u>2,478,127</u>
II.	PREVIOUS	APCO	16,511	15,622	922,128	779,719
	ESTIMATE	KPCO	3,767	3,564	210,347	177,862
		I&M	9,448	8,939	527,613	446,131
		OPCO	11,798	11,164	658,894	557,138
		CSP	8,450	7,995	471,879	399,004
		TOTAL	<u>49,974</u>	<u>47,284</u>	<u>2,790,861</u>	<u>2,359,854</u>
III.	ADJUSTMENT	APCO	(213)	(206)	(2,724)	39,079
	(I-II)	KPCO	(49)	(48)	(621)	8,914
		I&M	(123)	(119)	(1,559)	22,359
		OPCO	(153)	(149)	(1,947)	27,923
		CSP	(110)	(106)	(1,395)	19,998
		TOTAL	<u>(648)</u>	<u>(628)</u>	<u>(8,246)</u>	<u>118,273</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 SALES (1)	APCO	0	3,497,069	0	3,518,843	21,774	0
	KPCO	0	797,719	0	802,686	4,967	0
	I&M	0	2,000,911	0	2,013,369	12,458	0
	OPCO	0	2,498,783	0	2,514,341	15,558	0
	CSP	0	1,789,548	0	1,800,690	11,142	0
	East. AEP (Co.122)	10,584,030	0	10,649,929	0	0	65,899
	TOTAL	10,584,030	10,584,030	10,649,929	10,649,929	65,899	65,899
EXERCISED OPTIONS & PREMIUMS (2)	APCO	0	1,193,441	0	1,193,441	0	0
	KPCO	0	272,236	0	272,236	0	0
	I&M	0	682,849	0	682,849	0	0
	OPCO	0	852,757	0	852,757	0	0
	CSP	0	610,717	0	610,717	0	0
	East. AEP (Co.122)	3,612,000	0	3,612,000	0	0	0
	TOTAL	3,612,000	3,612,000	3,612,000	3,612,000	0	0
BELOW THE LINE	APCO	147,166	0	148,514	0	0	1,348
	KPCO	33,561	0	33,869	0	0	308
	I&M	84,200	0	84,972	0	0	772
	OPCO	105,147	0	106,112	0	0	965
	CSP	75,303	0	75,994	0	0	691
	East. AEP (Co.122)	0	445,377	0	449,461	4,084	0
	TOTAL	445,377	445,377	449,461	449,461	4,084	4,084
BROKERS' COMMISSIONS (3)	APCO	83,973	0	81,891	0	2,082	0
	KPCO	19,158	0	18,681	0	477	0
	I&M	48,053	0	46,856	0	1,197	0
	OPCO	60,004	0	58,510	0	1,494	0
	CSP	42,971	0	41,906	0	1,065	0
	East. AEP (Co.122)	0	254,159	0	247,844	0	6,315
	TOTAL	254,159	254,159	247,844	247,844	6,315	6,315
POWER SWAPS	APCO	0	266,106	0	293,646	27,540	0
	KPCO	0	60,702	0	66,983	6,281	0
	I&M	0	152,257	0	168,015	15,758	0
	OPCO	0	190,142	0	209,821	19,679	0
	CSP	0	136,174	0	150,267	14,093	0
	East. AEP (Co.122)	805,381	0	888,732	0	0	83,351
	TOTAL	805,381	805,381	888,732	888,732	83,351	83,351
PJM NON-ECR ENERGY	APCO	100,606	0	142,409	0	0	0
	KPCO	22,950	0	32,485	0	0	0
	I&M	57,564	0	81,482	0	0	0
	OPCO	71,886	0	101,756	0	0	0
	CSP	51,482	0	72,875	0	0	0
	East. AEP (Co.122)	0	304,488	0	431,007	0	0
	TOTAL	304,488	304,488	431,007	431,007	0	0
NET BOOKOUTS, OPTIONS, BROKERS' COMMISSIONS, SWAPS & PJM NON-ECR ENERGY	APCO	331,745	4,956,616	372,814	5,005,930	51,396	1,348
	KPCO	75,669	1,130,657	85,035	1,141,905	11,725	308
	I&M	189,817	2,836,017	213,310	2,864,233	29,413	772
	OPCO	237,037	3,541,682	266,378	3,576,919	36,731	965
	CSP	169,756	2,536,439	190,775	2,561,674	26,300	691
	East. AEP (Co.122)	15,001,411	1,004,024	15,150,661	1,128,312	4,084	155,565
	TOTAL	16,005,435	16,005,435	16,278,973	16,278,973	159,649	159,649

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:

January 2005

(3) Actual commissions paid in:

January 2005

ACTUAL: January 2005

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	\$2,592,529	\$2,705,213	\$2,615,136	\$2,589,883	\$2,699,430	\$2,520,713	\$2,754,689	\$3,003,151	\$2,919,434	\$2,866,195
VEPCo - Unit Power	(\$1,123,105)	\$3,038,022	\$3,527,361	\$2,598,489	\$2,647,320	\$3,486,981	\$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)	\$663,599	\$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	\$13,661,021	\$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	\$2,349,698	\$1,065,780	(\$4,066,395)	\$1,643,564	\$6,785,292	(\$12,397,596)
Monthly Total	\$31,636,939	\$41,799,978	(\$10,735,861)	(\$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).

ACTUAL: January 2005

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	\$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	\$2,866,195
(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	(\$1,123,105)	\$3,038,022	\$3,527,361	\$2,598,489	\$2,647,320	\$3,486,881	\$0	\$0	\$0	\$0	\$0	\$0
(Unit Power)	\$1,229,179	\$1,168,979	\$1,192,072	\$1,160,847	\$1,176,827	\$1,200,568	\$0	\$0	\$0	\$0	\$0	\$0
NCEMC	\$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
VEPCO	(\$440,174)	\$464,119	\$490,918	\$377,172	\$376,177	\$494,578	\$31,830	\$0	\$0	\$0	\$0	\$0
AMP Ohio	\$65,071	\$65,037	\$65,019	\$64,945	\$65,082	\$65,051	\$65,000	\$64,972	\$64,983	\$77,994	\$97,525	\$97,535
CPP	\$325,086	\$299,017	\$325,080	\$260,073	\$260,060	\$259,949	\$260,000	\$260,035	\$195,020	\$227,523	\$259,964	\$325,026
OMEG	(\$1,475,010)	\$829,290	\$727,061	\$572,783	\$566,959	\$730,197	\$966,518	\$952,857	\$846,110	\$848,635	\$887,079	\$968,600
Radford	(\$337,727)	\$545,462	\$474,413	\$477,657	\$427,911	\$465,336	\$590,957	\$571,093	\$360,280	\$316,608	\$324,179	\$344,073
Sigheoo	(\$160,092)	\$142,607	\$132,810	\$146,292	\$122,651	\$137,505	\$156,614	\$153,483	\$153,879	\$154,699	\$153,552	\$153,528
(Block)												
W Va Pwr	(\$426,024)	\$549,576	\$436,146	\$485,546	\$469,876	\$608,622	\$755,434	\$664,239	\$578,923	\$549,919	\$508,438	\$575,863
Sturgis	\$0	\$0	\$327,305	\$302,505	\$238,211	\$271,554	\$282,750	\$387,332	\$347,285	\$344,005	\$375,378	\$453,609
AMPO	(\$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
CPP	(\$686,371)	\$75,807	\$545,327	\$347,865	\$334,174	\$408,155	\$343,576	\$363,979	\$362,269	\$348,249	\$345,619	\$210,821
Sigheoo	(\$264,723)	\$169,086	\$160,750	\$178,422	\$151,451	\$175,666	\$223,812	\$221,497	\$222,190	\$242,830	\$221,483	\$224,537
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
12 Month Cum. Total	\$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	\$103,697,096	\$113,127,478	\$122,634,708

ACTUAL:		January 2005												APPENDIX VIII		
														Page 3 of 10		
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	\$857,853,570	\$901,477,542	\$1,137,036,711	\$521,049,752	\$457,380,779	\$668,402,058	\$495,514,984	\$692,481,946	(\$96,475,456)	\$702,687,564	\$688,489,789	\$1,359,908,237	\$1,472,809,035		
Energy Purchases	4470.010	(\$842,477,724)	(\$886,268,393)	(\$1,150,961,783)	(\$522,047,857)	(\$456,111,554)	(\$861,406,488)	(\$480,920,634)	(\$678,748,205)	\$97,879,483	(\$703,199,421)	(\$659,664,733)	(\$1,346,683,111)	(\$1,472,808,486)		
Exercised Options - Sales	4470.007	\$30,627,050	\$26,117,800	\$6,787,200	\$2,991,200	\$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	(\$27,208,700)	(\$15,809,800)	(\$7,338,000)	(\$4,937,200)	(\$5,999,200)	(\$7,952,400)	(\$15,928,800)	(\$18,062,400)	\$0	(\$9,622,400)	(\$5,008,000)	(\$7,741,600)	(\$28,571,200)		
Sales Commission (Above Line)	4470.006	(\$152,598)	\$0	(\$312,907)	(\$208,888)	(\$198,854)	(\$248,900)	(\$117,556)	(\$183,899)	\$0	(\$280,304)	(\$381,496)	(\$518,988)	(\$139,787)		
Purchase Commissions (Above Line)	4470.010	(\$153,644)	\$0	(\$321,904)	(\$199,259)	(\$153,857)	(\$222,968)	(\$108,106)	(\$206,462)	\$0	(\$312,061)	(\$383,996)	(\$487,848)	(\$185,348)		
Net Off System Trades (Above the Line)		\$18,397,954	\$25,716,949	(\$14,228,723)	(\$3,750,952)	(\$1,572,486)	\$568,921	\$2,348,698	\$1,065,780	\$1,404,027	(\$5,470,422)	\$1,843,564	\$6,785,282	(\$12,397,596)		
12 Month Cumulative Total		\$18,397,954	\$44,114,903	\$28,886,180	\$28,136,128	\$24,563,842	\$25,152,563	\$27,482,261	\$28,548,041	\$28,952,068	\$24,481,846	\$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 fillers 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-05	\$8,051,680
February-05	
March-05	
April-05	
May-05	
June-05	
July-05	
August-05	
September-05	
October-05	
November-05	
December-05	
Cumulative Total	<u>\$8,051,680</u>

Notes:

ACTUAL:	January 2005																		APPENDIX VIII Page 5 of 10
Eastern AEP - Trading and Marketing Realizations for Year 2005 (from AEP System Internal Resources)																			
Activity	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05							
CP&L - Unit Power	\$2,777,310				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							
Net ECR (1)	\$28,666,866				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							
Less Purch. Demand Charge	(\$1,430,138)				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							
SO2 Differential	\$11,414,096				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							
Nox Differential	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							
Transmission Purchases (2)	(\$142,622)				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							
Net Total	\$41,285,612				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							
Less Dedicated																			
Transaction Realization (from Pg. 2)	(\$5,325,277)				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							
PJM Related Costs & Revenues (Pg.5)	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							
Plus Off System Sales																			
Transaction Realization (from Pg. 3)	\$14,874,879				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							
Monthly Total	\$50,835,114				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0							
12 Mo. Cumulative Total	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114	\$50,835,114
(1) Reflects the net recorded in the Energy Costing & Reporting System.																			
(2) Associated with purchased power that flowed into the AEP System (within 2 tiers).																			

ACTUAL:	January 2005	February 2005	March 2005	April 2005	May 2005	June 2005	July 2005	August 2005	September 2005	October 2005	November 2005	December 2005	
Eastern AEP - Trading and Marketing Realizations for Year 2005													
(Off System Sales - Above the Line Trading Activities Account 447 & 555 Subaccounts Only)													
Type of Activity	Account	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05
1) Energy Sales	4470.006	\$486,148,233	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2) BGE & PEPCo Energy Sales	4470.112	\$2,478,127	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3) Less Tradeable Sale	4470.008	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4) Energy Sales - BIO Margin Reclass (Note 1)	4470.006	\$2,702,430	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5) Energy Purchases	4470.010	(\$485,664,203)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6) PJM Purchases for BGE & PEPCo	6550.035	(\$2,782,815)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7) Off System Purchases Not Subject to Sharing	4470.010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8) Energy Purch. - BIO Margin Reclass (Note 1)	4470.010	\$112,804	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9) Sales Commissions (Above Line)	4470.006	(\$115,888)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10) Purchase Commissions (Above Line)	4470.010	(\$138,470)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net of Above		\$12,840,717	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11) Exercised Options - Sales	4470.007	\$4,452,080	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10) Sales Option Premiums	4470.007	\$763,807	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11) Exercised Options - Purchases	4470.011	(\$840,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12) Purchase Option Premiums	4470.011	\$16,185	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13) Swaps - Net	4470.082	\$805,381	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14) Power Futures (REFCO)	4470.082	\$830,432	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15) Power Future Deferrals / Accruals (REFCO)	4470.082	(\$621,864)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16) Paribas Power Commissions & Fees	4470.082	\$2,145,368	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17) Dow Sales - Associated	4470.088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18) Dow Purchases - Associated (Was 4470.085)	6550.033	(\$2,586,230)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6550.034		\$4,855,287	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net of Above													
19) Non-Ded. Spark Gas Broker Commissions	4470.081	(\$7,117)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20) Non-Dedicated Spark Gas Paribas Futures	4470.081	\$2,771,059	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21) Spark Gas Swaps & Accruals - Net	4470.081	(\$5,685,047)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net of Above		(\$2,821,105)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Off System Trades (Above the Line)		\$14,874,879	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Month Cumulative Total		\$14,874,879	\$14,874,879	\$14,874,879	\$14,874,879	\$14,874,879	\$14,874,879	\$14,874,879	\$14,874,879	\$14,874,879	\$14,874,879	\$14,874,879	\$14,874,879

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

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
lookout Purchases	(\$485,564,203)		(\$44,307)					
Energy Purch. - B/O Margin Reclass (Note 1)	\$112,904		\$0					
Purchases Commission	(\$138,470)							
Bookout Sales	\$496,148,233		\$5,628,794					
Less Tractebel Sale	\$0							
Energy Sales - B/O Margin Reclass (Note 1)	\$2,702,430		(\$933,281)					
Sales Commission	(\$115,689)							
Exercised Option - Purchases	(\$840,000)							
Exercised Purchase Option Premiums	\$16,185		\$613					
Exercised Option - Sales	\$4,452,000							
Exercised Sales Option Premiums	\$763,997		\$63,343					
Non-Dedicated Spark Gas Commission	(\$7,417)		(\$709)					
Non-Dedicated Spark Gas Paribas Futures	\$2,771,059		\$275,065					
Non-Dedicated Swaps - Net	(\$5,685,047)		(\$564,318)					
Power Swaps - Net	\$805,381							
Paribas Power Commissions	\$2,145,366		\$212,957					
Power Futures (REFCO)	\$830,432		\$82,432					
Power Future Accruals (REFCO)	(\$621,864)		(\$81,728)					
Dow Sales - Associated	\$0							
		\$17,775,597	\$4,678,986	\$22,454,583	\$2,027,338	\$20,427,245	(\$2,651,648)	4470.117
Dow Purchases - Associated	(\$2,596,230)	(\$2,596,230)	\$0	(\$2,596,230)	(\$234,404)	(\$2,361,826)	(\$234,404)	5550.044
ECR/ICR Realizations	\$28,666,866		\$4,995,181					
Less Purchase Demand Charge	(\$1,430,138)		(\$1,622,487)					
Less Realization on Dedicated Transactions	(\$5,325,277)							
Unit Power - CP&L	\$2,377,310							
SO2 Realizations	\$11,414,096							
NOx Realizations	\$0							
Transmission Purchases	(\$142,622)							
Total ECR/ICR Realization		\$35,960,235	\$3,372,694	\$39,332,929	\$3,551,220	\$35,781,709	\$178,526	4470.026
Spot Energy Sales (G/L to Invoice Adjustments)	(\$245,642)							
Transmission Congestion (G/L to Invoice AJ)	(\$740,783)							
Transmission Loss Credit (OSS)	(\$58,461)							
Transmission Congestion Credits (OSS)	(\$86,092)							
Operating Reserve Charge/Credit	\$629,252							
Capacity Credit Market	\$2,783							
Point-to-Point Transmission	(\$380,311)							
Network Int Transm Svc Chg (Buckeye-Other)	\$11,408							
Transmission Owner System Control & Dispatch	(\$110,540)							
BGE & PEPCO Energy Sales	\$2,476,127							
Meter Correction Charges (OSS)	(\$8,181)							
SECA Transmission Expense	(\$1,800,000)							
		(\$507,440)		(\$507,440)	(\$45,815)	(\$461,625)	(\$45,815)	4470.118
PJM Purchases for BGE & PEPCO	(\$2,782,615)							
Transmission Congestion Credits	\$0							
FTR Auction Charges	\$114,850							
		(\$2,667,965)		(\$2,667,965)	(\$240,880)	(\$2,427,085)	(\$240,880)	5550.045
PJM Scheduling System Control & Dispatch	(\$702,550)							
		(\$702,550)		(\$702,550)	(\$63,431)	(\$639,119)	(\$63,431)	5560.004
Total		\$47,261,647	\$8,051,680	\$55,313,327	\$4,994,028	\$50,319,299	(\$3,057,652)	
Total West Realizations			<u>\$8,051,680</u>					
Total AEP Realizations		<u>\$55,313,327</u>						
Eastern AEP's Share of Total Realization		\$50,319,299						
Western AEP's Share of Total Realization		\$4,994,028						
		<u>\$55,313,327</u>						
Eastern AEP Funds to Western AEP			<u>(\$3,057,652)</u>					
Base Year Realizations								
Eastern AEP Realization	\$252,860,378	90.97%			24,657,000	71.60%		
Western AEP Realization	\$25,095,575	9.03%			9,781,000	28.40%		
	<u>\$277,955,953</u>	<u>100.00%</u>			<u>\$34,438,000</u>	<u>100.00%</u>		

Base Year	\$55,313,327	100.00%
Capacity	\$0	0.00%
	<u>\$55,313,327</u>	<u>100.00%</u>

	24,657,000	71.60%
	9,781,000	28.40%
	<u>\$34,438,000</u>	<u>100.00%</u>

January 2005

ACTUAL:

Realization Sharing Calculations

EASTERN FUNDS TO WESTERN AEP
ALLOCATION BY OPERATING COMPANY

RESULT: WESTERN AEP PAYS EASTERN AEP

	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	TOTAL OF ALL
	4470.117	5550.044	4470.026	4470.118	5550.045	5560.004	ACCOUNTS
APCO	(876,131)	(77,449)	58,987	(15,138)	(79,589)	(20,958)	(1,010,278)
KPCO	(199,855)	(17,667)	13,456	(3,454)	(18,155)	(4,781)	(230,456)
I4M	(501,294)	(44,314)	33,750	(8,661)	(45,538)	(11,992)	(578,049)
OPCO	(626,027)	(55,341)	42,148	(10,816)	(56,870)	(14,975)	(721,881)
CSF	(448,341)	(39,633)	30,165	(7,746)	(40,728)	(10,725)	(516,988)
TOTAL	(2,651,648)	(234,404)	178,526	(45,815)	(240,880)	(63,431)	(3,057,652)

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

PJM CHARGES TRANSFERRED FROM nMARKET TO AEE

PJM CHARGE DESCRIPTION	CHARGE/ CREDIT	ACCOUNT NO.	AP AMT	RP AMT	IM AMT	OP AMT	CS AMT	AEP AMT TOTAL	SLA	LESS BUCKEYE CHARGES	PJM CHARGES FOR SLA SHARING
ALLOCATION OF AEE (NON-ECR) CHARGES											
Operating Reserve (Internal)	Charge	4470108	538,601	122,861	308,170	384,850	275,617	1,630,099	no		
Operating Reserve (OSS)	Credit	4470098	(211,374)	(48,217)	(120,841)	(151,034)	(108,166)	(639,731)	4470118		(639,731)
Transmission Congestion Credits (Internal)	Credit	4470101	(2,658,011)	(606,320)	(1,520,829)	(1,899,246)	(1,360,176)	(8,044,585)	no		
Transmission Congestion Credits (OSS)	Credit	4470100	40,075	9,141	22,930	28,635	20,507	121,288	4470118		121,288
Transmission Congestion Credits (BGE - PEPCO)	Credit	5550035	(62,755)	(14,315)	(35,907)	(44,841)	(32,114)	(189,932)	5550045		(189,932)
Regulation	Credit	4470095	(740,008)	(168,804)	(423,409)	(528,762)	(378,683)	(2,239,665)	no		
Spinning Reserve	Credit	4470096	(23,669)	(5,399)	(13,543)	(16,913)	(12,112)	(71,637)	no		
Transmission Loss Credit (Internal *)	Charge	4470114	105,531	24,073	60,382	75,406	54,003	319,395	no		
Transmission Loss Credit (OSS *)	Charge	4470094	19,651	4,483	11,244	14,041	10,056	59,474	4470118		59,474
ALLOCATION OF 6/L TO INVOICE ADJUSTMENTS - JANUARY ACTUAL											
Spot Energy Sales	Credit	4470124	81,163	18,514	46,439	57,994	41,533	245,642	4470118		245,642
Transmission Congestion - Explicit (not allocated)	Charge	4470125	53,734	12,257	30,745	38,395	27,497	162,627	4470118		162,627
Transmission Congestion - Duquesne Load	Charge	4470126	191,029	43,576	109,300	136,497	97,755	578,156	4470118		578,156
TOTAL PJM CHARGES TRANSFERRED FROM nMARKET TO AEE (ACTUAL)			(2,666,034)	(608,151)	(1,525,419)	(1,904,979)	(1,364,284)	(8,068,867)			
TOTAL PJM CHARGES TRANSFERRED FROM nMARKET TO AEE (ESTIMATED)			(2,800,868)	(638,908)	(1,602,567)	(2,001,322)	(1,433,282)	(8,476,947)			
TOTAL PJM CHARGES TRANSFERRED FROM nMARKET TO AEE (ADJUSTMENT)			134,834	30,757	77,148	96,343	68,998	408,080			

PJM CHARGES (NON-ECR) FROM INVOICE

PJM CHARGE DESCRIPTION	CHARGE/ CREDIT	ACCOUNT NO.	AP AMT	RP AMT	IM AMT	OP AMT	CS AMT	AEP AMT TOTAL	SLA	LESS BUCKEYE CHARGES	PJM CHARGES FOR SLA SHARING
Spinning Reserve Charges (Unallocated)	Charge	4470096	17,845	4,071	10,210	12,751	9,132	54,009	no		
Synchronous Condensing Charges (Unallocated)	Charge	5550041	323,705	73,841	185,214	231,299	165,649	979,708	no		
Synchronous Condensing Charges (PEPCO)	Charge	4470097	-	-	-	-	-	-	no		
FTR Auction Charges (BGE - PEPCO)	Charge	5550035	24,874	5,674	14,232	17,773	12,729	75,282	5550045		75,282
FTR Auction Charges (Internal)	Charge	4470101	(68,328)	(15,586)	(39,095)	(48,823)	(34,965)	(206,798)	no		
PJM Scheduling System Control and Dispatch Service Charges (Internal *)	Charge	5560003	1,246,609	284,385	713,270	890,748	637,924	3,772,915	no		
PJM Scheduling System Control and Dispatch Service Charges (OSS *)	Charge	5560002	232,129	52,951	132,817	165,845	118,787	702,550	5560004		702,550
Transmission Owner Scheduling System Control and Dispatch Service Charges (Affiliate)	Affiliate	4560061	-	-	-	-	-	-	no		
Transmission Owner Scheduling System Control and Dispatch Service Charges (Internal *)	Charge	4470110	57,590	13,137	32,951	41,150	29,470	174,299	4470118		174,299
Reactive Supply and Voltage Control from Generation Sources Service Charges (Unallocated)	Credit	5550042	90,142	20,562	51,577	64,410	46,128	272,820	no		
Reactive Supply and Voltage Control from Generation Sources Service Charges (Unallocated)	Credit	4470104	-	-	-	-	-	-	no		
Block Start Service Charges (Unallocated)	Charge	5550043	8,543	1,949	4,888	6,104	4,372	25,857	no		
Block Start Service Charges (Unallocated)	Charge	4470105	-	-	-	-	-	-	no		
Transmission Congestion - Implicit - LSE	Charge	4470093	473,252	107,954	270,780	338,156	242,176	1,432,319	no		
Network Integration Transmission Service Charges (Affiliate)	Affiliate	4560059	-	-	-	-	-	-	no		
Network Integration Transmission Service Charges (Buckeye-Other)	Charge	4470107	533,553	121,709	305,282	381,243	273,034	1,614,822	4470118		(1,408)
Point-to-Point Transmission Service Charges - Affiliate	Charge	4560063	-	-	-	-	-	-	no		
Point-to-Point Transmission Service Charges (OSS)	Credit	4470106	85,244	19,445	48,774	60,910	43,622	257,996	no		
Point-to-Point Transmission Service Charges (Transmission)	Credit	5570006	(65,933)	(18,040)	(37,725)	(47,112)	(33,740)	(199,550)	4470118		256,515
Transitional Market Expansion Charges	Credit	4470099	-	-	-	-	-	-	no		
Capacity Credit Market Credits (Unallocated)	Charge	5550040	14,446	3,295	8,266	10,322	7,392	43,722	4470118		(2,783)
Energy Imbalance Credits (Internal)	Charge	5550039	2,690	614	1,539	1,922	1,377	8,141	no		
Energy Imbalance Credits (OSS)	Charge	4470116	10,968	2,502	6,276	7,837	5,613	33,195	no		
Meter Correction Charges (Internal)	Charge	4470115	2,042	466	1,169	1,459	1,045	6,181	4470118		6,181
Meter Correction Charges (OSS)	Charge	4470108	23,050	5,258	13,189	16,470	11,796	69,763	no		
Operating Reserve (Internal)	Credit	4470098	3,462	790	1,981	2,474	1,772	10,479	4470118		10,479
Operating Reserve (OSS)	Charge	4470100	(11,629)	(2,653)	(6,654)	(8,309)	(5,951)	(35,196)	4470118		(35,196)
Transmission Congestion Credits (OSS)	Charge	4470095	880	201	503	628	450	2,662	no		
Transmission Loss Credit (Internal *)	Charge	4470114	(15)	(3)	(8)	(10)	(7)	(44)	no		
Transmission Loss Credit (OSS *)	Credit	4470094	(4)	(1)	(2)	(3)	(2)	(13)	4470118		(13)

PJM CHARGES TRANSFERRED FROM rMARKET TO AEE

PJM CHARGE DESCRIPTION	CHARGE/ CREDIT	ACCOUNT NO.	AP AMT	RP AMT	IA AMT	OP AMT	CS AMT	AEP AMT TOTAL	STA CHARGES	LESS BUCKEYE CHARGES	PJM CHARGES FOR STA SHARING
Reclose Point-to-Point Transmission Service Charge (OSS)	Charge	4470108	106,985	24,404	61,214	76,445	54,747	323,796	447018		323,796
Reclose Point-to-Point Transmission Service Credit (Transmission)	Credit	4560060	(106,985)	(24,404)	(61,214)	(76,445)	(54,747)	(323,796)	no		
SECA Transmission Expense	Charge	4470119	594,738	135,666	340,290	424,962	304,344	1,800,000	447018		1,800,000
TOTAL PJM CHARGES (NON-ECR) FROM INVOICE (ACTUAL)			3,599,856	821,165	2,059,722	2,572,228	1,842,146	10,895,117			
TOTAL PJM CHARGES (NON-ECR) FROM INVOICE (ESTIMATED)			4,332,195	988,219	2,478,742	3,095,511	2,216,904	13,111,571			
TOTAL PJM CHARGES TRANSFERRED FROM rMARKET TO AEE (ADJUSTMENT)	(1)		(732,339)	(167,054)	(419,020)	(523,283)	(374,758)	(2,216,454)			3,235,942

Note:

(1) The results shown on this appendix are tabulated for system settlement on TPS, page 1, items VI and VII.

ACTUAL:
January 2005

OFFSET OF BUCKEYE PASS-THROUGH CHARGES ASSOCIATED WITH PJM

PJM CHARGE DESCRIPTION	CHARGE/ ACCOUNT CREDIT	NO.	AP AMT	KP AMT	IM AMT	OP AMT	CS AMT	BUCKEYE TOTAL
Regulation	CHARGE	4470085	23,570	5,377	13,486	16,842	12,062	71,337
Spinning Reserve	CHARGE	4470086	171	39	98	122	87	517
Capacity Credit Market	CREDIT	4470089	(920)	(210)	(526)	(657)	(471)	(2,783)
Allegheny Transmission Congestion	CREDIT	4470101	(8,413)	(1,919)	(4,813)	(6,011)	(4,305)	(25,461)
Reactive Supply and Voltage Control (Revenue)	CREDIT	4470104	(44,801)	(10,219)	(25,633)	(32,012)	(22,926)	(135,591)
Black Start Service (Revenue)	CREDIT	4470105	(489)	(112)	(280)	(350)	(250)	(1,481)
Point-To-Point Transmission Service	CREDIT	4470106	(537,323)	(122,569)	(307,439)	(383,937)	(274,963)	(1,626,230)
NITS / Other Supporting Facilities	CREDIT	4470107	(48,141)	(10,981)	(27,545)	(34,398)	(24,635)	(145,700)
Operating Reserve	CREDIT	4470108	(12,067)	(4,806)	(12,054)	(15,053)	(10,780)	(63,759)
Transmission Owner Scheduling (Expense)	CREDIT	4470110	(49,507)	(11,293)	(28,326)	(35,375)	(25,334)	(149,836)
PJM Service Fee	CHARGE	5550038	720,639	164,385	412,327	514,923	368,771	2,181,045
Excess Energy Credit	CREDIT	5550040	(10,679)	(2,436)	(6,110)	(7,630)	(5,464)	(32,319)
AEP Inadvertent / AEP Power Factor	CREDIT	5550041	(18,237)	(4,160)	(10,435)	(13,031)	(9,333)	(55,196)
Synchronous Condensing	CREDIT	5550042	(1,490)	(340)	(853)	(1,065)	(763)	(4,510)
Reactive Supply and Voltage Control (Expense)	CREDIT	5550043	(80,347)	(18,328)	(45,972)	(57,411)	(41,116)	(243,174)
Black Start Service (Expense)	CREDIT	5560003	(77,032)	(17,572)	(44,075)	(55,042)	(39,419)	(233,141)
PJM Scheduling System Control and Dispatch Service	CREDIT	5560004	(107,805)	(24,591)	(61,682)	(77,030)	(55,167)	(326,275)
Transitional Market Expansion / Expansion Integration	CREDIT	5570006	(70,810)	(16,618)	(45,545)	(56,879)	(40,733)	(230,585)
TOTAL OFFSET OF BUCKEYE PASS-THROUGH CHARGES (ACTUAL)			(77,032)	(17,572)	(44,075)	(55,042)	(39,419)	(233,141)
TOTAL OFFSET OF BUCKEYE PASS-THROUGH CHARGES (ESTIMATED)			(107,805)	(24,591)	(61,682)	(77,030)	(55,167)	(326,275)
TOTAL OFFSET OF BUCKEYE PASS-THROUGH CHARGES (OCTOBER ADJUSTMENT #2)			(70,810)	(16,618)	(45,545)	(56,879)	(40,733)	(230,585)
TOTAL OFFSET OF BUCKEYE PASS-THROUGH CHARGES (OCTOBER ADJUSTMENT #3)			(2,454)	(576)	(1,579)	(1,972)	(1,412)	(7,993)
TOTAL OFFSET OF BUCKEYE PASS-THROUGH CHARGES (OCTOBER ADJUSTMENT #4)			27,098	6,360	17,429	21,767	15,588	88,242
TOTAL OFFSET OF BUCKEYE PASS-THROUGH CHARGES (NOVEMBER ADJUSTMENT #3)			29,271	5,931	16,255	20,299	14,537	82,293
TOTAL OFFSET OF BUCKEYE PASS-THROUGH CHARGES (ADJUSTMENT)	(1)		9,878	2,116	4,167	5,203	3,727	25,091

BUCKEYE SHARE OF PJM CONGESTION CHARGES

PJM CHARGE DESCRIPTION	CHARGE/ ACCOUNT CREDIT	NO.	AP AMT	KP AMT	IM AMT	OP AMT	CS AMT	BUCKEYE TOTAL
Transmission Implicit Congestion Charge	CHARGE	4470092	267,135	60,936	152,846	190,877	136,700	808,494
TOTAL BUCKEYE SHARE OF PJM CONGESTION CHARGES (ACTUAL)			267,135	60,936	152,846	190,877	136,700	808,494
TOTAL BUCKEYE SHARE OF PJM CONGESTION CHARGES (ESTIMATED)			331,284	75,569	189,550	236,714	169,527	1,002,644
TOTAL BUCKEYE SHARE OF PJM CONGESTION CHARGES (ADJUSTMENT)	(1)		(64,149)	(14,633)	(36,704)	(45,837)	(32,827)	(194,150)

Note:

(1) The results shown on this appendix are tabulated for system settlement on IPS, page 1, items VIII and IX.