



AEP: America's Energy Partner™

Date September 1, 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
J. Sloat - 1RP28 O. J. Sever - 1RP28
K. W. Potts - 1RP23 K. Curry - Ft. Wayne
T. L. Stephens - Richmond R. E. Munczinski - 1RP28
J. Geels - Arena 3rd Floor

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

R. L. Reed / JRM

R. L. Reed

Enclosures

cc:

J. C. Baker - 1RP23

SEP 13 2004

DISTRIBUTION LIST

Interchange Power Statement and Related Data Energy Settlements

ACTUAL

J. GEELS	- ARENA - 3 RD FLOOR
D. L. LAWS	- ARENA - 3 RD FLOOR
L.L. DIECK	- ARENA - 4 TH FLOOR
J. V. GILBERT	- ARENA - 4 TH FLOOR
N. M. LYCAKIS	- ARENA - 4 TH FLOOR
P. A. MAY	- ARENA - 4 TH FLOOR
T.R. MYERS	- ARENA - 4 TH FLOOR
K. D. PEARCE	- ARENA - 4 TH FLOOR
R. L. REED	- ARENA - 4 TH FLOOR
D. B. ROBERTS	- ARENA - 4 TH FLOOR
D. L. WOODRUFF	- ARENA - 4 TH FLOOR
B. X. TIERNEY	- ARENA - 5 TH FLOOR
C. E. ZEBULA	- ARENA - 5 TH FLOOR
J. C. BAKER	- 1RP - 23 RD FLOOR
K. W. POTTS	- 1RP - 23 RD FLOOR
DELOITTE & TOUCHE	- 1RP - 26 TH FLOOR
J. H. REIF	- 1RP - 26 TH FLOOR
A. M. WALLACE	- 1RP - 26 TH FLOOR
R. E. MUNCZINSKI	- 1RP - 28 TH FLOOR
W. S. ROBINSON	- 1RP - 28 TH FLOOR
O. J. SEVER	- 1RP - 28 TH FLOOR
J. SLOAT	- 1RP - 28 TH FLOOR
S. C. WEAVER	- 1RP - 28 TH FLOOR
K.E. WALKER	- 1RP - 30 TH FLOOR
D. E. RICHEY	- CANTON
D. WALDO	- CHARLESTON
K. CURRY	- FT. WAYNE
M.P. RYAN	- FT. WAYNE
T.C. MOSHER	- FRANKFORT (via 1 st class mail)
E. K. WAGNER	- FRANKFORT (via 1 st class mail)
T. L. STEPHENS	- RICHMOND (via 1 st class mail)
R.G. RONK	- ROANOKE

ACTUAL

INTERCHANGE POWER STATEMENT
FOR THE MONTH OF
JULY 2004

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

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

as Amended

by and among

Appalachian Power Company (APCo),

Columbus Southern Power Company (CSP),

Indiana Michigan Power Company, (I&M),

Kentucky Power Company (KPCo),

Ohio Power Company (OPCo),

and with

American Electric Power Service Corporation

as Agent.

Prepared by:

AEP Energy Services
Wholesale Commercial Accounting Group

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Supporting Cost and Operating Data

I - VIII

(SOURCE: PAGE 2)	MWh		(\$)		
	MEMBER RECEIVED FROM POOL	MEMBER DELIVERED TO POOL	AMOUNT DUE TO AGENT (CHARGE)	AMOUNT DUE FROM AGENT (CREDIT)	
I. ACTUAL BILLING AMOUNT	APCO KPCO I&M OPCO CSP TOTAL	1,712,664 273,059 595,461 537,924 1,286,816 4,405,924	697,446 309,610 1,401,722 1,636,153 360,993 4,405,924	32,809,749 5,889,431 10,327,671 8,406,288 33,046,908 90,480,047	12,464,025 4,646,146 22,829,082 44,405,401 6,135,393 90,480,047
II. PREVIOUSLY ESTIMATED BILLING AMOUNT	APCO KPCO I&M OPCO CSP TOTAL	1,712,626 273,059 595,461 537,932 1,286,800 4,405,878	697,446 309,617 1,401,778 1,636,044 360,993 4,405,878	30,942,315 5,674,036 9,969,005 8,036,256 31,501,146 86,122,758	11,913,776 4,456,434 22,076,351 41,947,401 5,728,796 86,122,758
III. ADJUSTMENT TO BE BOOKED NEXT MONTH (I - II)	APCO KPCO I&M OPCO CSP TOTAL	38 0 0 (8) 16 46	0 (7) (56) 109 0 46	1,867,434 215,395 358,666 370,032 1,545,762 4,357,289	550,249 189,712 752,731 2,458,000 406,597 4,357,289
IV. ADJUSTMENT FOR TRANSMISSION SERVICE (PURCHASES) TO BE BOOKED NEXT MONTH (SEE APPENDIX VI)	APCO KPCO I&M OPCO CSP TOTAL			234,375 89,543 258,475 0 234,538 816,931	0 0 0 816,931 0 816,931
V. ADJUSTMENT TO ALLOCATION OF TRADING & MARKETING REALIZATION TO BE BOOKED NEXT MONTH (SEE PAGE 6B)	APCO KPCO I&M OPCO CSP West. AEP TOTAL			(345,748) (81,134) (232,928) (281,133) (212,511) 0 (1,153,454)	0 0 0 0 0 (1,153,454) (1,153,454)
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 KPCO I&M OPCO CSP East. AEP (Co.122) TOTAL			0 0 0 0 0 141,644,912 141,644,912	42,458,076 9,963,294 28,603,756 34,523,138 26,096,648 0 141,644,912
VII. ESTIMATED THIS MONTH (SEE APPENDIX VI)	APCO KPCO I&M OPCO CSP East. AEP (Co.122) TOTAL			0 0 0 0 0 143,176,666 143,176,666	42,917,246 10,071,033 28,913,071 34,896,461 26,378,855 0 143,176,666
VIII. ADJUSTMENT TO BE MADE NEXT MONTH	APCO KPCO I&M OPCO CSP East. AEP (Co.122) TOTAL			459,170 107,739 309,315 373,323 282,207 0 1,531,754	0 0 0 0 0 1,531,754 1,531,754

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	(1,047,100)	8.55	8,952,193	0	23,857,556	12,464,025
	BILLING	KPCO	(180,000)	8.55	1,538,912	0	4,350,519	4,646,146
	AMOUNT	I&M	420,400	13.15	0	5,528,260	10,327,671	17,300,822
		OPCO	2,481,100	7.77	0	19,278,147	8,406,288	25,127,254
		CSP	(1,674,400)	8.55	14,315,302	0	18,731,606	6,135,393
	TOTAL				24,806,407	24,806,407	65,673,640	65,673,640
II.	PREVIOUSLY	APCO			8,707,608	0	22,234,707	11,913,776
	ESTIMATED	KPCO			1,496,867	0	4,177,169	4,456,434
	BILLING	I&M			0	5,755,540	9,969,005	16,320,811
	AMOUNT	OPCO			0	18,373,124	8,036,256	23,574,277
		CSP			13,924,189	0	17,576,957	5,728,796
	TOTAL				24,128,664	24,128,664	61,994,094	61,994,094
III.	ADJUSTMENT	APCO			244,585	0	1,622,849	550,249
	TO BE BOOKED	KPCO			42,045	0	173,350	189,712
	NEXT MONTH	I&M			0	(227,280)	358,666	980,011
	(I - II)	OPCO			0	905,023	370,032	1,552,977
		CSP			391,113	0	1,154,649	406,597
	TOTAL				677,743	677,743	3,679,546	3,679,546

		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	1,712,664	697,446	32,809,749	12,464,025
	BILLING	KPCO	273,059	309,610	5,889,431	4,646,146
	AMOUNT	I&M	595,461	1,401,722	10,327,671	22,829,082
		OPCO	537,924	1,636,153	8,406,288	44,405,401
		CSP	1,286,816	360,993	33,046,908	6,135,393
	TOTAL		4,405,924	4,405,924	90,480,047	90,480,047
II.	PREVIOUSLY	APCO	1,712,626	697,446	30,942,315	11,913,776
	ESTIMATED	KPCO	273,059	309,617	5,674,036	4,456,434
	BILLING	I&M	595,461	1,401,778	9,969,005	22,076,351
	AMOUNT	OPCO	537,932	1,636,044	8,036,256	41,947,401
		CSP	1,286,800	360,993	31,501,146	5,728,796
	TOTAL		4,405,878	4,405,878	86,122,758	86,122,758
III.	ADJUSTMENT	APCO	38	0	1,867,434	550,249
	TO BE BOOKED	KPCO	0	(7)	215,395	189,712
	NEXT MONTH	I&M	0	(56)	358,666	752,731
	(I - II)	OPCO	(8)	109	370,032	2,458,000
		CSP	16	0	1,545,762	406,597
	TOTAL		46	46	4,357,289	4,357,289

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	0.29975	6,946,100	(1,047,100)
KPCO	1,450,000	0.07034	1,630,000	(180,000)
I&M	5,100,000	0.20194	4,679,600	420,400
OPCO	8,129,000	0.24373	5,647,900	2,481,100
CSP	2,595,000	0.18424	4,269,400	(1,674,400)
TOTAL	<u>23,173,000</u>	<u>1.00000</u>	<u>23,173,000</u>	

MEMBER CAPACITY \$ SETTLEMENT

<u>MEMBER</u>	<u>SURPLUS (DEFICIT) CAPACITY kW (1)</u>	<u>CAPACITY RATE \$/kW * (2)</u>	<u>CREDIT (CHARGE) ** \$ (3)</u>
APCO	(1,047,100)	***** + *****	(8,952,193)
KPCO	(180,000)	***** + *****	(1,538,912)
I&M	420,400	8.75 + 4.40	5,528,260
OPCO	2,481,100	5.18 + 2.59	19,278,147
CSP	(1,674,400)	***** + *****	(14,315,302)

EQUALIZATION CAPACITY RATE: 8.5495112873

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

NOTES:

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

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

SYSTEM ACCOUNT
SUMMARY OF ENERGY SETTLEMENT

		MWH		\$	
		RECEIVED FROM POOL (MLR SHARE)	DELIVERED TO POOL (AS SUPPLIED)	CHARGE MEMBER A/C 555 (MLR SHARE)	CREDIT MEMBER A/C 447 (AS SUPPLIED)
I. AEP EXTERNAL ENERGY					
ENERGY COST	APCO	1,365,351	1,290,222	27,914,054	28,441,086
RECOVERY AND MLR	KPCO	328,402	277,229	6,550,374	5,371,323
ALLOCATION FOR ALL	I&M	904,834	761,183	18,805,552	15,004,627
AEP SYSTEM	OPCO	1,095,598	1,569,236	22,697,223	30,546,109
DELIVERIES TO	CSP	828,523	624,838	17,157,249	13,761,307
NON-AFFILIATED COS.	AEP	4,522,708	4,522,708	93,124,452	93,124,452
ADJUSTMENT TO	APCO	(595,059)	(595,059)	(16,106,564)	(16,106,564)
PREVENT RECOGNITION	KPCO	(85,442)	(85,442)	(2,589,280)	(2,589,280)
OF SALES BY POOL	I&M	(312,419)	(312,419)	(8,659,271)	(8,659,271)
MEMBERS TO	OPCO	(564,763)	(564,763)	(14,479,204)	(14,479,204)
THEMSELVES	CSP	(265,047)	(265,047)	(7,698,456)	(7,698,456)
(PAGE 7)	AEP	(1,822,730)	(1,822,730)	(49,532,775)	(49,532,775)
SUBTOTAL	APCO	770,292	695,163	11,807,490	12,334,522
AEP EXTERNAL	KPCO	242,960	191,787	3,961,094	2,782,043
ENERGY	I&M	592,415	448,764	10,146,281	6,345,356
	OPCO	530,835	1,004,473	8,218,019	16,066,905
	CSP	563,476	359,791	9,458,793	6,062,851
	AEP	2,699,978	2,699,978	43,591,677	43,591,677
II. INTERNAL ENERGY AMONG POOL MEMBERS					
PRIMARY	APCO	942,279	0	12,045,389	0
ENERGY	KPCO	30,099	117,359	389,425	1,837,371
(PAGE 8)	I&M	0	952,437	0	10,922,547
	OPCO	4,878	630,800	58,222	9,005,931
	CSP	723,340	0	9,272,813	0
	AEP	1,700,596	1,700,596	21,765,849	21,765,849
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	1,712,664	697,446	23,857,556	12,464,025
	KPCO	273,059	309,610	4,350,519	4,646,146
	I&M	595,461	1,401,722	10,327,671	17,300,822
	OPCO	537,924	1,636,153	8,406,288	25,127,254
	CSP	1,286,816	360,993	18,731,606	6,135,393
	AEP	4,405,924	4,405,924	65,673,640	65,673,640

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	93	2,283	4,677	129,503
COST RECOVERY	KPCO	0	464	0	26,732
ALLOCATED TO	I&M	3,046	521	181,390	32,919
SPECIAL SERVICE	OPCO	2,211	880	130,047	54,418
CUSTOMERS	CSP	0	1,202	0	72,542
	AEP	<u>5,350</u>	<u>5,350</u>	<u>316,114</u>	<u>316,114</u>
PREVIOUSLY	APCO	93	2,283	4,677	129,551
ESTIMATED	KPCO	0	464	0	26,743
AMOUNT	I&M	3,046	521	181,469	32,931
	OPCO	2,211	880	130,093	54,443
	CSP	0	1,202	0	72,571
	AEP	<u>5,350</u>	<u>5,350</u>	<u>316,239</u>	<u>316,239</u>
ADJUSTMENT	APCO	0	0	0	(48)
TO BE BOOKED	KPCO	0	0	0	(11)
NEXT MONTH	I&M	0	0	(79)	(12)
	OPCO	0	0	(46)	(25)
	CSP	0	0	0	(29)
	AEP	<u>0</u>	<u>0</u>	<u>(125)</u>	<u>(125)</u>

(*) 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	27,914,054	28,441,086	46,250,467	18,336,413
KPCO	6,550,374	5,371,323	10,853,217	4,302,843
I&M	18,805,552	15,004,627	31,158,653	12,353,101
OPCO	22,697,223	30,546,109	37,606,723	14,909,500
CSP	17,157,249	13,761,307	28,427,615	11,270,366
TOTAL	<u>93,124,452</u>	<u>93,124,452</u>	<u>154,296,675</u>	<u>61,172,223</u>

	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	429,596	17,906,817	0.29975
KPCO	100,810	4,202,033	0.07034
I&M	289,417	12,063,684	0.20194
OPCO	349,310	14,560,190	0.24373
CSP	264,050	11,006,316	0.18424
TOTAL	<u>1,433,183</u>	<u>59,739,040</u>	<u>1.00000</u>

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 \$401.82/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:	\$252,860,378	EASTERN AEP:	23,987,000
WESTERN AEP:	\$25,095,575	WESTERN AEP:	9,784,000
TOTAL:	\$277,955,953	TOTAL:	33,771,000
			AEP % SHARING RATIO
			71.01% (1)
			28.99% (2)
			100.00%

BASE YEAR REALIZATION:		CAPACITY REALIZATION:	
EASTERN AEP:	\$252,860,378	EASTERN AEP:	23,987,000
WESTERN AEP:	\$25,095,575	WESTERN AEP:	9,784,000
TOTAL:	\$277,955,953	TOTAL:	33,771,000
			AEP % SHARING RATIO
			71.01% (1)
			28.99% (2)
			100.00%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
NET REVENUE REALIZED BY THE MEMBERS (Page 6, Col. 6)													
APCO	17,906,817	155,324	1,064,240	461,700	10,559,340	149,284							
WPCO	4,202,033	36,449	249,737	108,344	2,477,878	39,024							
IdM	12,063,684	104,641	716,973	311,044	7,113,772	100,592							
OPCO	14,560,190	126,395	865,145	375,414	8,585,915	121,360							
CSP	11,096,316	95,469	654,131	283,782	6,490,291	91,739							
TOTAL	59,739,040	518,178	3,550,426	1,540,284	35,227,156	497,929							
ADJUSTMENT TO NET REVENUE FOR SO2 ALLOWANCES (\$ x ALLB) (3)													
EXERCISED OPTION PREMIUMS (Appendix VIII, pg 7)	(664,335)	(4,077,435)	(39,128)										
EXERCISED OPTIONS (Appendix VII, pg 1)	(8)	(9)	(10)										
POWER BROKERS' COMMISSIONS (Appendix VII, pg 2)													
POWER SWAPS NET (Appendix VII, pg 3)													
FINANCIAL SPARK GAS (Appendix VIII, pg 7)													
DOW PURCHASES ASSOCIATED (Appx VIII, page 7)													
DOW SALES ASSOCIATED (Appx VIII, page 7)													
NET OF ALL OF ABOVE	(14)(1)-(2)-(3)-(4)-(5)-(6)-(7)-(8)-(9)-(10)-(11)-(12)-(13)												
APCO	(664,335)	(4,077,435)	(39,128)										
WPCO	(195,894)	(956,819)	(9,174)										
IdM	(447,559)	(2,746,946)	(26,346)										
OPCO	(540,178)	(3,315,407)	(31,800)										
CSP	(408,310)	(2,506,177)	(24,040)										
TOTAL	(2,216,296)	(13,602,784)	(130,488)										
LESS TRACTEEL SALE:													
PARIBAS SPARK GAS FUTURES (East):													
RESCO FUTURES (East):													
WESTERN AEP REALIZATION:													
TOTAL REALIZATION TO BE SHARED:													
APCO	23,201,977												
WPCO	5,444,615												
IdM	15,831,022												
OPCO	18,865,797												
CSP	14,260,973												
LESS TRACTEEL SALE:													
PARIBAS SPARK GAS FUTURES (East):													
RESCO FUTURES (East):													
WESTERN AEP REALIZATION:													
TOTAL REALIZATION TO BE SHARED:													
APCO	51,735,465												
FEBRUARY 2004	41,832,275												
MARCH 2004	23,594,599												
APRIL 2004	38,259,038												
MAY 2004	45,914,775												
JUNE 2004	73,096,145												
JULY 2004													
AUGUST 2004													
SEPTEMBER 2004													
OCTOBER 2004													
NOVEMBER 2004													
DECEMBER 2004													
TOTAL	274,432,297												

NOTES:
 (1) From Appendix VIII, page 1
 (2) From Appendix VIII, page 4
 (3) Adjustment for reallocation inuring 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.

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	816,431	14,975,190	0.29975	244,725	4,488,813
KPCO	128,085	2,089,131	0.07034	9,009	146,949
I&M	299,255	4,878,605	0.20194	60,432	985,185
OPCO	1,156,596	21,265,636	0.24373	281,897	5,183,073
CSP	391,140	6,895,871	0.18424	72,064	1,270,495
TOTAL	2,791,507	50,104,433	1.00000	668,127	12,074,515

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

	MWh	COST (\$)	MLR (APPENDIX I)	ADJUSTMENT	
				MWh	COST (\$)
APCO	176,304	5,285,715	0.29975	52,847	1,584,393
KPCO	78,212	1,249,423	0.07034	5,501	87,884
I&M	263,064	4,529,402	0.20194	53,123	914,667
OPCO	171,598	4,668,376	0.24373	41,824	1,137,823
CSP	49,911	1,416,681	0.18424	9,196	261,009
TOTAL	739,089	17,149,597	1.00000	162,491	3,985,776

III. PURCHASED POWER SUPPLIED FOR SYSTEM SALES (3)

	AS ALLOCATED	
	MWh	COST (\$)
APCO	297,487	10,033,358
KPCO	70,932	2,354,447
I&M	198,864	6,759,419
OPCO	241,042	8,158,308
CSP	183,787	6,166,952
TOTAL	992,112	33,472,484

IV. TOTAL ADJUSTMENT (I + II + III)

	TOTAL ADJUSTMENT TO PAGE 4	
	MWh	COST (\$)
APCO	595,059	16,106,564
KPCO	85,442	2,589,280
I&M	312,419	8,659,271
OPCO	564,763	14,479,204
CSP	265,047	7,698,456
TOTAL	1,822,730	49,532,775

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	65,553	15.656	1,026,297
2. I&M	APCO	533,259	11.469	6,115,414
3. OPCO	APCO	343,467	14.277	4,903,678
4. CSP	APCO	0	0.000	0
5. TOTAL	APCO	942,279	12.783	12,045,389
6. APCO	KPCO	0	0.000	0
7. I&M	KPCO	14,346	11.469	164,520
8. OPCO	KPCO	15,753	14.277	224,905
9. CSP	KPCO	0	0.000	0
10. TOTAL	KPCO	30,099	12.938	389,425
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	545	15.656	8,532
18. I&M	OPCO	4,333	11.469	49,690
19. CSP	OPCO	0	0.000	0
20. TOTAL	OPCO	4,878	11.936	58,222
21. APCO	CSP	0	0.000	0
22. KPCO	CSP	51,261	15.656	802,542
23. I&M	CSP	400,499	11.469	4,592,923
24. OPCO	CSP	271,580	14.277	3,877,348
25. TOTAL	CSP	723,340	12.819	9,272,813
26. TOTAL ALL MEMBERS RECEIVED		1,700,596	12.799	21,765,849

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	117,359	15.656	1,837,371
29. I&M	2, 7, 18, & 23	952,437	11.469	10,922,547
30. OPCO	3, 8, 13, & 24	630,800	14.277	9,005,931
31. CSP	4, 9, 14, & 19	0	0.000	0
32. TOTAL ALL MEMBERS DELIVERED:		1,700,596	12.799	21,765,849

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	SO2 EMISSION ALLOWANCES (b)	SO2 EMISSION ALLOWANCES EXPENDED FOR SYSTEM SALES (5)=(3)*(4)
	(1)	(2)	(3)=(1)/(2)	(4)	(5)=(3)*(4)
CO	AMOS 1	211,588	0.4727	2,746	1,297.9554
	AMOS 2	75,434	0.1740	2,666	463.9190
	AMOS 3	56,811	0.1951	1,658	323.5471
	CLINCH RIVER 1	55,870	0.4323	1,093	472.4562
	CLINCH RIVER 2	44,395	0.4186	919	384.6967
	CLINCH RIVER 3	54,383	0.4207	959	403.4822
	GLEN LYN 51	4,273	0.2112	229	48.3717
	GLEN LYN 52	3,751	0.2112	201	42.4573
	GLEN LYN 6	1,827	0.1992	64	12.7511
	KANAWHA RIVER 1	24,907	0.3201	501	160.3847
	KANAWHA RIVER 2	33,006	0.3411	615	209.7752
	MOUNTAINEER 1	142,307	0.1643	5,601	920.1160
	SPORN 1	29,184	0.4940	699	345.3231
	SPORN 3	35,262	0.5048	709	357.9155
	TOTAL	772,998	0.2807	18,660	5,443.1512
CO	BIG SANDY 1	40,283	0.3416	720	245.9509
	BIG SANDY 2	87,799	0.1853	2,838	525.9312
	ROCKPORT 1 (AEG)	32,251	0.2491	518	129.0100
	ROCKPORT 2 (AEG)	45,956	0.3667	499	182.9660
	TOTAL	206,289	0.2437	4,575	1,083.8581
M	ROCKPORT 1	107,462	0.2491	1,725	429.6199
	ROCKPORT 1 (AEG)	75,231	0.2491	1,208	300.8582
	ROCKPORT 2	88,881	0.3667	965	353.8344
	ROCKPORT 2 (AEG)	107,030	0.3667	1,162	426.0681
	TANNERS CREEK 1	8,857	0.3324	155	51.5212
	TANNERS CREEK 2	29,061	0.4113	412	169.4351
	TANNERS CREEK 3	45,253	0.4809	558	268.3497
	TANNERS CREEK 4	19,815	0.0754	3,998	301.3797
	TOTAL	481,590	0.2797	10,183	2,301.0663

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	118,580	583,118	0.2034	3,602	732.4850
	CARDINAL 1	41,950	299,893	0.1399	3,408	476.7220
	CARDINAL 2	86,917	86,917	1.0000	873	873.0000
	CARDINAL 3	101,640	101,640	1.0000	1,053	1,053.0000
	GAVIN 1	38,445	768,099	0.0501	1,915	95.8499
	GAVIN 2	33,062	797,321	0.0415	1,888	78.2885
	KAMMER 1	29,004	113,429	0.2557	1,935	494.7830
	KAMMER 2	31,573	113,353	0.2785	1,795	499.9738
	KAMMER 3	25,243	92,778	0.2721	1,580	429.8857
	MITCHELL 1	177,765	382,370	0.4649	3,804	1,768.4914
	MITCHELL 2	191,933	444,697	0.4316	4,510	1,946.5340
	MUSKINGUM 1	17,408	78,354	0.2222	2,890	642.0747
	MUSKINGUM 2	8,807	36,576	0.2408	889	214.0590
	MUSKINGUM 3	16,686	91,095	0.1832	3,755	687.8087
	MUSKINGUM 4	30,736	110,349	0.2785	3,975	1,107.1745
	MUSKINGUM 5	76,558	284,084	0.2695	6,854	1,847.0894
	SPORN 2	33,547	66,506	0.5044	747	376.8022
	SPORN 4	31,510	66,833	0.4715	743	350.3049
	SPORN 5	65,187	253,882	0.2568	1,747	448.5615
	TOTAL	1,156,551	4,771,294	0.2424	47,963	14,122.8882
CSP	BECKJORD 6	6,625	17,122	0.3869	317	122.6565
	CONESVILLE 1	87	1,209	0.0720	86	6.1886
	CONESVILLE 2	2,357	19,935	0.1182	297	35.1156
	CONESVILLE 3	16,777	57,392	0.2923	1,483	433.5150
	CONESVILLE 4	12,552	148,911	0.0843	3,841	323.7654
	CONESVILLE 5	76,273	202,920	0.3759	1,103	414.5925
	CONESVILLE 6	80,838	226,428	0.3570	1,183	422.3477
	PICWAY 5	6,843	28,107	0.2435	846	205.9693
	STUART 1	30,414	68,056	0.4469	541	241.7711
	STUART 2	41,939	103,900	0.4036	818	330.1838
	STUART 3	41,268	99,799	0.4135	813	336.1846
	STUART 4	39,445	93,268	0.4229	921	389.5103
	ZIMMER 1	35,704	242,008	0.1475	603	88.9620
	TOTAL	391,122	1,309,055	0.2988	12,852	3,350.7624

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)	<u>ACCOUNT 509</u>		<u>SOURCE ALLOCATION</u>
	<u>SO2 COST (\$)</u> <u>(AS SUPPLIED)</u>	<u>SO2 COST (\$)</u> <u>(ADJUSTED)</u>	\$
	(1)	(2)	<u>SO2 ADJUSTMENT</u> (3)=(2)-(1)
APCO	1,708,862	323,922	(1,384,940)
KPCO	395,960	76,412	(319,548)
I&M	639,426	151,410	(488,016)
OPCO	3,594,798	929,710	(2,665,088)
CSP	1,007,668	210,361	(797,307)
AEP	<u>7,346,714</u>	<u>1,691,815</u>	<u>(5,654,899)</u>
	<u>NOX COST (\$)</u> <u>(AS SUPPLIED)</u>	<u>NOX COST (\$)</u> <u>(ADJUSTED)</u>	\$
	(4)	(5)	<u>NOX ADJUSTMENT</u> (6)=(5)-(4)
APCO	1,853,177	0	(1,853,177)
KPCO	321,678	0	(321,678)
I&M	1,162,799	0	(1,162,799)
OPCO	3,546,211	0	(3,546,211)
CSP	720,257	2,060	(718,197)
AEP	<u>7,604,122</u>	<u>2,060</u>	<u>(7,602,062)</u>
	<u>SOURCE</u> <u>ALLOCATION</u> <u>(UNADJUSTED)</u>	<u>SOURCE</u> <u>ALLOCATION</u> <u>(ADJUSTED)</u>	
	(7)	(8)=(7)+(3)+(6)	
APCO	31,679,203	28,441,086	
KPCO	6,012,549	5,371,323	
I&M	16,655,442	15,004,627	
OPCO	36,757,408	30,546,109	
CSP	15,276,811	13,761,307	
AEP	<u>106,381,413</u>	<u>93,124,452</u>	

NOTES:	<u>SO2</u>	<u>NOX</u>
(1) Market Price (\$/allowance):	401.82	
(2) APCO allowance:	59.51	0.00
KPCO allowance:	70.50	0.00
I&M allowance:	65.80	0.00
OPCO allowance:	65.83	0.00
CSP allowance:	62.78	6.85

(7) From FGR/MIR 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 6/30/2004

MEMBER LOAD RATIO
JULY 2004

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

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

	TOTAL	APPALACHIAN			KENTUCKY			INDIANA			OHIO			COLUMBUS		
		DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK
6	19049	17	15	5322	17	14	1174	09	14	3977	09	13	4985	09	16	3591
5	17488	25	14	5017	25	13	1132	12	16	3396	14	12	4563	21	15	3380
4	15851	06	07	4927	05	08	1167	05	11	2974	13	12	4248	01	20	2535
3	17166	23	08	5557	23	08	1351	16	12	3224	12	11	4330	16	20	2704
2	18247	02	09	5734	16	09	1391	05	19	3390	04	20	4881	03	19	2851
1	19444	07	08	6298	31	09	1478	22	20	3500	29	23	5018	06	20	3150
2	17774	21	09	5628	02	08	1267	15	19	3349	18	19	4545	17	19	2985
1	16490	25	08	5010	25	08	1210	25	08	3212	24	19	4273	24	19	2785
0	15194	03	07	4592	03	08	1038	08	12	2980	30	10	4118	28	19	2466
9	16952	02	16	4952	04	15	1030	10	15	3454	10	15	4384	10	17	3132
8	20104	26	16	5657	26	17	1212	21	15	4243	21	16	5121	21	16	3871
7	18412	08	16	5344	08	14	1151	17	17	3577	08	15	4765	08	14	3575

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

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

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

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

SOURCE: KW RATINGS ARE ESTABLISHED BY THE OPERATING COMMITTEE.

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

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

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	47,157	3,304,235	1,230,713	712,126	1,122,695	108,018
SPORN (APCO)	128,925	3,752,008	2,587,059	782,467	2,316,586	270,473
KANAWHA RIVER	174,567	4,314,371	3,466,500	345,997	3,385,454	81,046
CLINCH RIVER	364,565	5,726,638	5,385,644	113,565	5,115,016	270,628
AMOS (APCO)	1,172,264	20,638,027	17,152,472	1,635,107	16,182,731	969,741
MOUNTAINEER	866,262	14,453,694	12,140,955	1,474,162	11,783,952	357,003
TOTAL	2,753,740	52,188,973	41,963,343	5,063,424	39,906,434	2,056,909
RATES:		16.158	15.239	0.919	14.492	0.747
<u>KENTUCKY POWER COMPANY</u>						
BIG SANDY	591,701	10,758,365	9,366,885	574,700	9,115,426	251,459
ROCKPORT 1 (AEG)	129,494	1,932,749	1,784,823	78,345	1,729,658	55,165
ROCKPORT 2 (AEG)	125,335	3,100,144	1,744,044	61,416	1,691,640	52,404
TOTAL	846,530	15,791,258	12,895,752	714,461	12,536,724	359,028
RATES:		15.656	15.234	0.422	14.810	0.424
<u>INDIANA MICHIGAN POWER COMPANY</u>						
TANNERS CREEK 1-3	191,409		3,433,884		3,310,871	123,013
TANNERS CREEK 4	262,859		3,545,944		3,336,552	209,392
TANNERS CREEK TOTAL	454,268	9,520,394	6,979,828	1,863,259	6,647,423	332,405
ROCKPORT 1 (OWNED SHARE)	431,479	6,376,720	5,948,274	247,042	5,764,366	183,908
ROCKPORT 1 (AEG)	302,066	4,509,747	4,163,391	182,805	4,034,708	128,683
ROCKPORT 2 (AEG)	291,899	7,233,670	4,061,792	143,304	3,939,744	122,048
ROCKPORT 2 (LEASED SHARE)	242,402	7,950,268	4,835,420	120,102	4,682,438	152,982
COOK	1,535,744	24,150,729	7,051,668	6,092,764	7,051,668	0
TOTAL	3,257,858	59,741,528	33,040,373	8,649,276	32,120,347	920,026
RATES:		11.468	10.141	1.327	9.859	0.282
<u>OHIO POWER COMPANY</u>						
SPORN (OPCO)	387,221	7,860,100	6,808,916	372,329	6,638,752	170,164
MUSKINGUM	600,458	13,384,432	7,711,863	3,966,998	7,630,798	81,065
KAMMER	319,560	6,727,309	4,329,989	1,735,805	4,095,348	234,641
CARDINAL (OPCO)	342,353	5,913,191	4,883,743	779,968	4,692,777	190,966
MITCHELL	827,067	14,521,597	12,446,632	1,253,475	12,248,155	198,477
AMOS (OPCO)	583,118	9,563,624	8,388,339	587,527	8,028,486	359,853
GAVIN	1,565,420	29,986,990	15,921,213	2,386,210	15,159,943	761,270
TOTAL	4,625,197	87,957,243	60,490,695	11,082,312	58,494,259	1,996,436
RATES:		14.277	13.079	1.198	12.647	0.432
<u>COLUMBUS SOUTHERN POWER COMPANY</u>						
CONESVILLE	656,795	14,443,615	9,940,286	2,124,875	9,191,359	748,927
PICWAY	28,107	1,196,006	479,879	333,557	454,569	25,310
BECKJORD	17,122	375,014	289,815	38,699	265,110	24,705
STUART	365,023	5,969,401	5,215,544	326,351	5,139,624	75,920
ZIMMER	242,008	3,779,392	2,761,103	128,234	2,680,265	80,838
TOTAL	1,309,055	25,763,428	18,686,627	2,951,716	17,730,927	955,700
RATES:		15.402	14.275	1.127	13.545	0.730
SYSTEM TOTAL	12,792,380	241,442,430	167,076,790	28,461,189	160,788,691	6,288,099

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	52,188,973	39,906,434	2,056,909	5,063,424	2,531,712
KPCO	15,791,258	12,536,724	359,028	714,461	357,231
I&M	59,741,528	32,120,347	920,026	8,649,276	4,324,638
OPCO	87,957,243	58,494,259	1,996,436	11,082,312	5,541,156
CSP	25,763,428	17,730,927	955,700	2,951,716	1,475,858
TOTAL	241,442,430	160,788,691	6,288,099	28,461,189	14,230,595

CALCULATION OF MEMBER PRIMARY RATES:

COMPANY	(\$) UNADJUSTED PART OF PRODUCTION EXPENSE (6)=(3)+(5)	UNADJUSTED NET GENERATION MWh (APPENDIX IV) (7)	ADJUSTED NET GENERATION (*) MWh (APPENDIX IV) (8)	PRIMARY ENERGY RATE MILLS/kWh (9)=(5)/(7) +(2)/(8) +(3)/(7)
APCO	4,588,621	2,753,740	2,753,740	16.158
KPCO	716,259	846,530	846,530	15.656
I&M	5,244,664	3,257,858	3,257,858	11.469
OPCO	7,537,592	4,625,197	4,625,197	14.277
CSP	2,431,558	1,309,055	1,309,055	15.402
TOTAL	20,518,694	12,792,380	12,792,380	14.173

CALCULATION OF MEMBER PRIMARY CAPACITY FIXED OPERATING RATES:

COMPANY	(\$) TOTAL FIXED OPERATING EXPENSE (10)=(1)-(2)-(6)	CAPABILITY OF STEAM-ELECTRIC MEMBER PRIMARY CAPACITY, kW (APPENDIX II) (11)	(\$/kW) MEMBER PRIMARY CAPACITY FIXED OPERATING RATE (12)=(10)/(11)
APCO	7,693,918	5,073,000	1.52
KPCO	2,538,275	1,450,000	1.75
I&M	22,376,517	5,089,000	4.40
OPCO	21,925,392	8,472,000	2.59
CSP	5,600,943	2,595,000	2.16
TOTAL	60,135,045	22,679,000	2.65

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	AMOUNT DUE	AMOUNT DUE	AMOUNT DUE	AMOUNT DUE	AMOUNT DUE
		TO AGENT	FROM AGENT	TO AGENT	FROM AGENT	TO AGENT	FROM AGENT
		\$ CHARGE	\$ CREDIT	\$ CHARGE	\$ CREDIT	\$ CHARGE	\$ CREDIT
TRANSMISSION	APCO	306,053	0	71,678	0	234,375	0
SERVICE	KPCO	108,344	0	18,801	0	89,543	0
(PURCHASES)	I&M	311,044	0	52,569	0	258,475	0
	OPCO	0	1,009,223	0	192,292	0	816,931
	CSP	283,782	0	49,244	0	234,538	0
	TOTAL	1,009,223	1,009,223	192,292	192,292	816,931	816,931
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NET AMOUNT DUE	APCO	0	35,551,001	0	35,607,614	56,613	0
FOR ALL SYSTEM	KPCO	0	8,342,453	0	8,355,738	13,285	0
TRANSACTIONS	I&M	0	23,950,478	0	23,988,618	38,140	0
(EXCEPT TRANS.	OPCO	0	28,906,891	0	28,952,924	46,033	0
SERVICE) (1)	CSP	0	21,851,232	0	21,886,030	34,798	0
	East. AEP (Co. 122)	118,602,055	0	118,790,924	0	0	188,869
	TOTAL	118,602,055	118,602,055	118,790,924	118,790,924	188,869	188,869
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THIRD PARTY	APCO	4,116,563	11,023,638	4,117,976	11,427,608	405,555	2,998
SALES (2)	KPCO	965,993	2,586,834	966,334	2,681,629	95,167	713
	I&M	2,773,292	7,426,570	2,774,268	7,698,721	273,219	2,044
	OPCO	3,347,207	8,963,454	3,348,387	9,291,924	329,760	2,470
	CSP	2,530,217	6,775,633	2,531,104	7,023,929	249,271	1,862
	East. AEP (Co. 122)	36,776,129	13,733,272	38,123,811	13,738,069	10,087	1,352,972
	TOTAL	50,509,401	50,509,401	51,861,880	51,861,880	1,363,059	1,363,059
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GROSS TOTAL	APCO	4,116,563	46,574,639	4,117,976	47,035,222	462,168	2,998
	KPCO	965,993	10,929,287	966,334	11,037,367	108,452	713
	I&M	2,773,292	31,377,048	2,774,268	31,687,339	311,359	2,044
	OPCO	3,347,207	37,870,345	3,348,387	38,244,848	375,793	2,470
	CSP	2,530,217	28,626,865	2,531,104	28,909,959	284,069	1,862
	East. AEP (Co. 122)	155,378,184	13,733,272	156,914,735	13,738,069	10,087	1,541,841
	TOTAL	169,111,456	169,111,456	170,652,804	170,652,804	1,551,928	1,551,928
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NET TOTAL	APCO	0	42,458,076	0	42,917,246	459,170	0
	KPCO	0	9,963,294	0	10,071,033	107,739	0
	I&M	0	28,603,756	0	28,913,071	309,315	0
	OPCO	0	34,523,138	0	34,896,461	373,323	0
	CSP	0	26,096,648	0	26,378,855	282,207	0
	East. AEP (Co. 122)	141,644,912	0	143,176,666	0	0	1,531,754
	TOTAL	141,644,912	141,644,912	143,176,666	143,176,666	1,531,754	1,531,754

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

Pwr Code	Customer	CO.	ACTUAL	MLR							Total	AMOUNT DUE (TO/FROM AGENT)							NET
				ACCT	AGENT	BILL	APCO	KPCO	I&M	OPCO		24.373%	18.424%	100.00%	APCO	KPCO	I&M	OPCO	
	Totals		1,540,284		461,700	108,344	311,044	375,414	283,782	1,540,284	(306,053)	(108,344)	(311,044)	1,009,223	(283,782)	-			
TE	Duke Power Company	4470066 02	5,314		1,593	374	1,073	1,295	979	5,314	3,721	(374)	(1,073)	(1,295)	(979)	-			
TE	Energy Power Serv	4470066 07	769,834		230,758	54,150	155,460	187,632	141,834	769,834	(230,758)	(54,150)	(155,460)	582,202	(141,834)	-			
SO	Midwest ISO	(3) 4470066 07	377,463		113,144	26,551	76,225	91,999	69,544	377,463	(113,144)	(26,551)	(76,225)	285,464	(69,544)	-			
MP	PJM Interconnection Pool	4470066 07	237,340		71,143	16,694	47,928	57,847	43,728	237,340	(71,143)	(16,694)	(47,928)	179,493	(43,728)	-			
MM	TVA Bulk Power Trading	4470066 02	150,333		45,062	10,575	30,358	36,641	27,697	150,333	105,271	(10,575)	(30,358)	(36,641)	(27,697)	-			

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 (\$59,196)

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

		MWh		(\$)	
		PURCHASES	SALES	ALLOCATION BY MLR	
				TOTAL COSTS TO BE BOOKED	TOTAL REVENUES TO BE BOOKED
		ACCT. 4470.010	ACCT. 4470.006	ACCT. 4470.010	ACCT. 4470.006
ENERGY (1)					
I.	ACTUAL THIS MONTH				
	APCO	5,104,211	5,222,123	254,699,123	265,258,463
	KPCO	1,197,768	1,225,441	59,768,261	62,246,139
	I&M	3,438,674	3,518,118	171,589,461	178,703,233
	OPCO	4,150,288	4,246,166	207,098,640	215,684,555
	CSP	3,137,276	3,209,753	156,549,680	163,039,931
	TOTAL	17,028,217	17,421,601	849,705,165	884,932,321
II.	PREVIOUS ESTIMATE				
	APCO	5,100,886	5,219,784	254,205,883	265,162,248
	KPCO	1,196,986	1,224,892	59,652,517	62,223,561
	I&M	3,436,434	3,516,547	171,257,168	178,638,413
	OPCO	4,147,581	4,244,269	206,697,581	215,606,321
	CSP	3,135,228	3,208,319	156,246,512	162,980,792
	TOTAL	17,017,115	17,413,811	848,059,661	884,611,335
III.	ADJUSTMENT (I-II)				
	APCO	3,325	2,339	493,240	96,215
	KPCO	782	549	115,744	22,578
	I&M	2,240	1,571	332,293	64,820
	OPCO	2,707	1,897	401,059	78,234
	CSP	2,048	1,434	303,168	59,139
	TOTAL	11,102	7,790	1,645,504	320,986
EXERCISED OPTIONS & PREMIUMS (2)					
		ACCT. 4470.011	ACCT. 4470.007	TOTAL COSTS TO BE BOOKED ACCT. 4470.011	TOTAL REVENUES TO BE BOOKED ACCT. 4470.007
I.	ACTUAL THIS MONTH				
	APCO	178,053	84,650	8,236,526	4,159,091
	KPCO	41,783	19,863	1,932,801	975,982
	I&M	119,951	57,028	5,548,904	2,801,958
	OPCO	144,776	68,830	6,697,209	3,381,802
	CSP	109,437	52,029	5,062,544	2,556,367
	TOTAL	594,000	282,400	27,477,984	13,875,200
II.	PREVIOUS ESTIMATE				
	APCO	178,053	84,650	8,236,526	4,159,091
	KPCO	41,783	19,863	1,932,801	975,982
	I&M	119,951	57,028	5,548,904	2,801,958
	OPCO	144,776	68,830	6,697,209	3,381,802
	CSP	109,437	52,029	5,062,544	2,556,367
	TOTAL	594,000	282,400	27,477,984	13,875,200
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	
ACTUAL THIS MONTH	APCO	0	1,048,706		1,048,585		375,159		49,533,465		50,204,422	
	KPCO	0	246,091		246,063		88,039		11,623,633		11,781,087	
	I&M	0	706,505		706,422		252,748		33,370,436		33,822,464	
	OPCO	0	852,712		852,614		305,047		40,276,202		40,821,778	
	CSP	0	644,585		644,504		230,594		30,445,523		30,857,931	
	TOTAL	0	3,498,599		3,498,188		1,251,587		165,249,259		167,487,682	
PREVIOUS ESTIMATE	APCO	0	1,047,966		1,047,941		375,159		49,495,439		50,164,811	
	KPCO	0	245,917		245,911		88,039		11,614,710		11,771,792	
	I&M	0	706,006		705,989		252,748		33,344,818		33,795,778	
	OPCO	0	852,110		852,092		305,047		40,245,283		40,789,569	
	CSP	0	644,131		644,111		230,594		30,422,151		30,833,584	
	TOTAL	0	3,496,130		3,496,044		1,251,587		165,122,401		167,355,534	
ADJUSTMENT (I-II)	APCO	0	740		644		0		38,026		39,611	
	KPCO	0	174		152		0		8,923		9,295	
	I&M	0	499		433		0		25,618		26,686	
	OPCO	0	602		522		0		30,919		32,209	
	CSP	0	454		393		0		23,372		24,347	
	TOTAL	0	2,469		2,144		0		126,858		132,148	

BROKERS' COMMISSIONS (3)

		ALLOCATION BY MLR (\$)			
		PURCHASE COSTS		SALES REVENUES	
		ACCT. 4470.010		ACCT. 4470.006	
ACTUAL THIS MONTH	APCO		19,806		(19,322)
	KPCO		4,642		(4,532)
	I&M		13,332		(13,014)
	OPCO		16,092		(15,708)
	CSP		12,160		(11,880)
	TOTAL		66,032		(64,456)
PREVIOUS ESTIMATE	APCO		20,837		(19,704)
	KPCO		4,892		(4,623)
	I&M		14,042		(13,280)
	OPCO		16,951		(16,029)
	CSP		12,812		(12,115)
	TOTAL		69,534		(65,751)
ADJUSTMENT (I-II)	APCO		(1,031)		382
	KPCO		(250)		91
	I&M		(710)		266
	OPCO		(859)		321
	CSP		(652)		235
	TOTAL		(3,502)		1,295

ACTUAL: July 2004

APPENDIX VII

Page 3 of 4

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

		(\$)	
<u>POWER SWAPS</u>		<u>ALLOCATION BY MLR</u>	
		TOTAL NET	
		TO BE BOOKED	
		<u>ACCT. 4470.082</u>	
I.	ACTUAL	APCO	168,500
	THIS MONTH	KPCO	39,541
		I&M	113,518
		OPCO	137,010
		CSP	103,568
		TOTAL	<u>562,137</u>
II.	PREVIOUS	APCO	177,030
	ESTIMATE	KPCO	41,542
		I&M	119,264
		OPCO	143,945
		CSP	108,810
		TOTAL	<u>590,591</u>
III.	ADJUSTMENT	APCO	(8,530)
	(I-II)	KPCO	(2,001)
		I&M	(5,746)
		OPCO	(6,935)
		CSP	(5,242)
		TOTAL	<u>(28,454)</u>

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

		ACTUAL SETTLEMENT		PREVIOUS ESTIMATE		ADJUSTMENT AMOUNT	
		AMOUNT DUE TO AGENT \$ CHARGE	AMOUNT DUE FROM AGENT \$ CREDIT	AMOUNT DUE TO AGENT \$ CHARGE	AMOUNT DUE FROM AGENT \$ CREDIT	AMOUNT DUE TO AGENT \$ CHARGE	AMOUNT DUE FROM AGENT \$ CREDIT
THIRD PARTY	APCO	0	10,559,340	0	10,956,365	397,025	0
SALES (1)	KPCO	0	2,477,878	0	2,571,044	93,166	0
	I&M	0	7,113,772	0	7,381,245	267,473	0
	OPCO	0	8,585,915	0	8,908,740	322,825	0
	CSP	0	6,490,251	0	6,734,280	244,029	0
	East. AEP (Co.122)	35,227,156	0	36,551,674	0	0	1,324,518
	TOTAL	35,227,156	35,227,156	36,551,674	36,551,674	1,324,518	1,324,518
EXERCISED OPTIONS & PREMIUMS (2)	APCO	4,077,435	0	4,077,435	0	0	0
	KPCO	956,819	0	956,819	0	0	0
	I&M	2,746,946	0	2,746,946	0	0	0
	OPCO	3,315,407	0	3,315,407	0	0	0
	CSP	2,506,177	0	2,506,177	0	0	0
	East. AEP (Co.122)	0	13,602,784	0	13,602,784	0	0
	TOTAL	13,602,784	13,602,784	13,602,784	13,602,784	0	0
BELOW THE LINE	APCO	0	295,798	0	294,213	0	1,585
	KPCO	0	69,415	0	69,043	0	372
	I&M	0	199,280	0	198,212	0	1,068
	OPCO	0	240,529	0	239,239	0	1,290
	CSP	0	181,814	0	180,839	0	975
	East. AEP (Co.122)	986,836	0	981,546	0	5,290	0
	TOTAL	986,836	986,836	981,546	981,546	5,290	5,290
BROKERS' COMMISSIONS (3)	APCO	39,128	0	40,541	0	0	1,413
	KPCO	9,174	0	9,515	0	0	341
	I&M	26,346	0	27,322	0	0	976
	OPCO	31,800	0	32,980	0	0	1,180
	CSP	24,040	0	24,927	0	0	887
	East. AEP (Co.122)	0	130,488	0	135,285	4,797	0
	TOTAL	130,488	130,488	135,285	135,285	4,797	4,797
POWER SWAPS	APCO	0	168,500	0	177,030	8,530	0
	KPCO	0	39,541	0	41,542	2,001	0
	I&M	0	113,518	0	119,264	5,746	0
	OPCO	0	137,010	0	143,945	6,935	0
	CSP	0	103,568	0	108,810	5,242	0
	East. AEP (Co.122)	562,137	0	590,591	0	0	28,454
	TOTAL	562,137	562,137	590,591	590,591	28,454	28,454
NET BOOKOUTS, OPTIONS, BROKERS' COMMISSIONS, SWAPS & SPARK GAS	APCO	4,116,563	11,023,638	4,117,976	11,427,608	405,555	2,998
	KPCO	965,993	2,586,834	966,334	2,681,629	95,167	713
	I&M	2,773,292	7,426,570	2,774,268	7,698,721	273,219	2,044
	OPCO	3,347,207	8,963,454	3,348,387	9,291,924	329,760	2,470
	CSP	2,530,217	6,775,633	2,531,104	7,023,929	249,271	1,862
	East. AEP (Co.122)	36,776,129	13,733,272	38,123,811	13,738,069	10,087	1,352,972
	TOTAL	50,509,401	50,509,401	51,861,880	51,861,880	1,363,059	1,363,059

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:

July 2004

(3) Actual commissions paid in July 2004

ACTUAL: July 2004

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
Eastern AEP - Trading and Marketing Realizations for Base Year (July 1999 - June 2000) (from AEP System Internal Resources)												
CP&L - Unit Power	\$2,198,217	\$2,490,283	\$2,582,529	\$2,705,213	\$2,615,136	\$2,589,883	\$2,699,430	\$2,520,713	\$2,754,689	\$3,003,151	\$2,919,434	\$2,866,195
VEPCo - Unit Power	(\$1,123,105)	\$3,038,022	\$3,527,361	\$2,598,489	\$2,647,320	\$3,486,881	\$321,838	\$0	\$0	\$0	\$0	\$0
Net ECR (1)	\$12,753,184	\$23,169,345	\$11,364,685	\$10,435,970	\$8,342,770	\$10,921,779	\$15,541,702	\$19,298,751	\$14,450,922	\$18,450,442	\$36,100,304	\$48,806,985
SO2 Differential (2)	\$563,599	\$612,545	\$389,855	\$250,844	\$197,348	\$184,492	\$950,379	\$710,467	\$661,136	\$793,923	\$679,673	\$554,549
Transmission Purchases (3)	(\$730,874)	(\$1,281,526)	(\$730,367)	(\$486,787)	(\$262,874)	(\$283,600)	(\$769,597)	(\$301,407)	(\$433,753)	(\$428,732)	(\$845,606)	(\$805,698)
Net Total	\$13,661,021	\$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	(\$12,397,996)
Monthly Total	\$31,636,939	\$41,799,978	(\$10,735,881)	(\$716,879)	(\$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: July 2004

Company	July-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00
Eastern AEP - Trading and Marketing Realizations for Base Year (July 1999 - June 2000) (from AEP System Internal Resources)												
Dedicated Long Term Transactions												
Bar. P & L (Unit Power)	\$2,198,217	\$2,490,283	\$2,582,529	\$2,705,213	\$2,615,136	\$2,589,883	\$2,699,430	\$2,520,713	\$2,754,689	\$3,003,151	\$2,919,434	\$2,866,195
Dem. Chg. Transm.	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500
EPCO (Unit Power)	(\$1,123,105)	\$3,038,022	\$3,527,361	\$2,598,489	\$2,647,320	\$3,486,881	\$0	\$0	\$0	\$0	\$0	\$0
Dem. Chg. Transm.	\$1,229,179	\$1,168,979	\$1,192,072	\$1,160,847	\$1,176,827	\$1,200,568	\$0	\$0	\$0	\$0	\$0	\$0
ICEMC	\$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
EPCO	(\$440,174)	\$464,119	\$490,918	\$377,172	\$376,177	\$494,578	\$31,830	\$0	\$0	\$0	\$0	\$0
AMP Ohio Limited	\$65,071	\$65,037	\$65,019	\$64,945	\$65,082	\$65,051	\$65,000	\$64,972	\$64,983	\$77,994	\$97,525	\$97,535
IPP Limited	\$325,066	\$299,017	\$325,080	\$260,073	\$260,060	\$259,949	\$260,000	\$260,035	\$195,020	\$227,523	\$259,984	\$325,026
MEG Firm	(\$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
Madford Firm	\$337,727	\$545,462	\$474,413	\$477,657	\$427,911	\$465,336	\$590,957	\$571,093	\$360,280	\$316,608	\$324,179	\$344,073
Weghoo Firm (Block)	\$160,092	\$142,607	\$132,810	\$146,292	\$122,651	\$137,505	\$156,614	\$153,483	\$153,879	\$154,699	\$153,552	\$153,528
V Va Pwr Firm	(\$426,024)	\$549,676	\$436,146	\$485,546	\$469,876	\$608,622	\$755,434	\$664,239	\$578,923	\$549,919	\$508,438	\$575,863
Wurgis Mo - Firm	\$0	\$0	\$327,305	\$302,505	\$238,211	\$271,554	\$282,750	\$387,332	\$347,285	\$344,005	\$375,378	\$453,609
MPO Mo - NF	(\$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
IPP Mo - 2NF	\$686,371	\$75,807	\$545,327	\$347,865	\$334,174	\$408,155	\$343,576	\$363,979	\$362,269	\$348,249	\$345,619	\$210,821
Weghoo Mo - 2NF	\$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
2 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	\$103,597,096	\$113,127,478	\$122,634,708

ACTUAL: July 2004

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)

Account	July-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
4470.006	\$657,653,570	\$901,477,542	\$1,137,936,711	\$521,049,752	\$457,380,779	\$666,402,058	\$495,514,894	\$692,461,846	(\$96,475,456)	\$702,667,564	\$666,489,709	\$1,359,908,237	\$1,472,809,035
4470.010	(\$542,477,724)	(\$606,268,393)	(\$1,150,961,703)	(\$522,047,657)	(\$456,111,554)	(\$661,406,489)	(\$480,920,634)	(\$678,746,205)	\$97,879,483	(\$703,198,421)	(\$659,664,733)	(\$1,346,663,111)	(\$1,472,096,486)
4470.007	\$30,627,050	\$26,117,600	\$6,787,200	\$2,591,200	\$3,471,200	\$1,997,600	\$3,908,000	\$4,812,800	\$0	\$2,275,200	\$592,000	\$2,309,600	\$16,396,200
4470.011	(\$27,298,700)	(\$15,609,800)	(\$7,336,000)	(\$4,937,200)	(\$5,999,200)	(\$7,952,400)	(\$15,928,800)	(\$18,062,400)	\$0	(\$5,622,400)	(\$5,008,000)	(\$7,741,600)	(\$28,571,200)
4470.006	(\$152,598)	\$0	(\$312,807)	(\$206,868)	(\$159,854)	(\$248,900)	(\$117,656)	(\$193,899)	\$0	(\$280,304)	(\$381,496)	(\$519,986)	(\$109,707)
4470.010	(\$153,644)	\$0	(\$321,964)	(\$199,259)	(\$153,857)	(\$222,968)	(\$106,108)	(\$208,462)	\$0	(\$312,061)	(\$383,996)	(\$487,949)	(\$195,348)
Net Off System Trades (Above the Line)	\$19,397,954	\$25,716,949	(\$14,226,723)	(\$3,750,052)	(\$1,572,486)	\$586,921	\$2,349,698	\$1,065,780	\$1,404,027	(\$5,470,422)	\$1,643,564	\$6,785,292	(\$12,397,596)
12 Month Cumulative Total	\$19,397,954	\$44,114,903	\$29,686,180	\$28,138,128	\$24,563,642	\$25,132,563	\$27,482,261	\$28,548,041	\$29,952,068	\$24,481,646	\$26,125,210	\$32,910,502	\$20,512,906

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

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

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

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

<u>Period</u>	<u>Realization Amount</u>	
January-04	\$1,125,810	
February-04	\$1,741,581	Note 1
March-04	(\$926,685)	
April-04	(\$235,847)	
May-04	(\$444,024)	
June-04	\$2,109,197	
July-04	(\$4,617,951)	
August-04		
September-04		
October-04		
November-04		
December-04		
Cumulative Total	<u>(\$1,247,919)</u>	

Notes:

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

ACTUAL:	July 2004	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04							
Eastern AEP - Trading and Marketing Realizations for Year 2004 (from AEP System Internal Resources)													
Activity	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	
CP&L - Unit Power	\$3,086,279	\$2,741,508	\$3,401,657	\$3,572,062	\$2,864,036	\$2,889,438	\$2,860,060	\$0	\$0	\$0	\$0	\$0	
Net EOR (1)	\$49,247,207	\$41,765,503	\$31,411,992	\$34,981,016	\$36,860,910	\$49,267,328	\$47,915,262	\$0	\$0	\$0	\$0	\$0	
Less Purch. Demand Charge	(\$1,435,685)	(\$1,220,832)	(\$1,220,832)	(\$1,220,832)	(\$1,220,832)	(\$1,220,832)	(\$1,433,183)	\$0	\$0	\$0	\$0	\$0	
SO2 Differential	\$3,242,988	\$2,968,863	\$2,040,513	\$2,780,264	\$2,680,606	\$5,611,758	\$6,173,077	\$0	\$0	\$0	\$0	\$0	
Nox Differential	\$0	\$0	\$0	\$0	\$0	\$7,459,313	\$7,602,062	\$0	\$0	\$0	\$0	\$0	
Transmission Purchases (2)	(\$610,167)	(\$638,095)	(\$1,325,940)	(\$935,021)	(\$1,237,591)	(\$1,095,668)	(\$1,540,284)	\$0	\$0	\$0	\$0	\$0	
Net Total	\$53,530,622	\$45,616,947	\$34,307,390	\$39,177,489	\$40,047,129	\$62,911,345	\$61,576,994	\$0	\$0	\$0	\$0	\$0	
Less Dedicated Transaction Realization (from Pg. 6)	(\$8,400,897)	(\$7,543,957)	(\$7,750,149)	(\$7,800,334)	(\$7,297,443)	(\$6,764,315)	(\$6,410,486)	\$0	\$0	\$0	\$0	\$0	
Plus Off System Sales Transaction Realization (from Pg. 7)	\$5,479,930	\$2,017,704	(\$2,035,957)	\$7,117,730	\$13,609,113	\$14,839,918	\$26,948,377	\$0	\$0	\$0	\$0	\$0	
Monthly Total	\$50,609,655	\$40,090,694	\$24,521,284	\$38,494,885	\$46,358,799	\$70,986,948	\$82,114,885	\$0	\$0	\$0	\$0	\$0	
12 Mo. Cumulative Total	\$50,609,655	\$90,700,349	\$115,221,633	\$153,716,518	\$200,075,317	\$271,062,265	\$353,177,150	\$353,177,150	\$353,177,150	\$353,177,150	\$353,177,150	\$353,177,150	
(1) Reflects the net recorded in the Energy Costing & Reporting System.													
(2) Associated with purchased power that flowed into the AEP System (within 2 liters).													

Line of Activity	July-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
Eastern AEP - Trading and Marketing Realizations for Year 2004						
(Off System Sales - Above the Line Trading Activities Account 447 & 555 Subaccounts Only)						
1) Energy Sales	\$610,463,029	\$664,952,074	\$665,967,414	\$572,872,778	\$501,692,261	\$527,733,349
2) Less Tradeable Sale	\$0	\$0	\$0	\$0	\$0	\$0
3) Energy Sales - BIO Margin Reclass (Note 1)	\$5,553,920	(\$3,248,144)	\$351,056	\$910,240	\$5,990,287	\$430,593
4) Energy Purchases	(\$602,089,650)	(\$692,500,251)	(\$659,931,502)	(\$557,530,222)	(\$489,771,344)	(\$510,848,563)
5) Off System Purchases Not Subject to Sharing	\$0	\$0	\$0	\$0	\$0	\$0
6) Energy Purch. - BIO Margin Reclass (Note 1)	\$0	\$0	\$0	\$0	\$0	\$0
7) Sales Commissions (Above Line)	(\$107,120)	(\$81,400)	(\$104,406)	(\$87,156)	(\$115,607)	(\$91,233)
8) Purchase Commissions (Above Line)	(\$97,244)	(\$113,881)	(\$89,568)	(\$84,850)	(\$65,553)	(\$119,144)
Net of Above	\$13,722,935	(\$991,602)	\$6,193,986	\$16,080,788	\$17,429,838	\$17,105,002
9) Exercised Options - Sales	\$10,987,200	\$9,542,400	\$8,548,884	\$8,486,016	\$5,017,600	\$3,699,200
10) Sales Option Premiums	\$957,265	\$793,367	(\$1,286,826)	(\$1,514,754)	\$51,417	(\$16,864)
11) Exercised Options - Purchases	(\$14,226,336)	(\$10,764,596)	(\$9,968,266)	(\$11,386,430)	(\$7,635,176)	(\$7,374,144)
12) Purchase Option Premiums	(\$2,968,841)	(\$1,319,192)	(\$393,137)	\$583,522	(\$605,439)	\$404,367
13) Swaps - Net	(\$66,220)	(\$229,635)	(\$61,934)	(\$61,920)	\$43,145	\$148,819
14) Power Futures (REFCO)	(\$34,148)	\$23,997	(\$2,053,573)	(\$278,989)	(\$101,111)	\$3,783,794
15) Power Future Deferrals / Accruals (REFCO)	(\$2,600,220)	\$116,150	\$1,403,583	\$228,233	\$75,978	\$142,956
16) Paribas Power Commissions & Fees	\$0	\$0	\$0	\$0	(\$2,766)	(\$5,481)
17) Dow Sales - Associated	\$0	\$0	\$0	\$0	\$0	\$664,088
18) Dow Purchases - Associated (Was 4470.085)	\$0	\$0	\$0	(\$4,103,164)	(\$2,390,439)	(\$379,755)
19) Non-Ded. Spark Gas Broker Commissions	(\$5,103)	(\$2,237)	(\$3,190)	(\$1,895)	(\$3,146)	(\$1,767)
20) Non-Dedicated Spark Gas Paribas Futures	(\$4,249)	\$4,712,527	(\$5,522,433)	(\$1,173,422)	\$616,483	(\$1,159,843)
21) Non-Dedicated Swaps & Accruals - Net	(\$282,353)	\$136,525	\$118,969	\$259,745	\$1,109,953	(\$700,307)
Net of Above	(\$291,705)	\$4,846,815	(\$5,406,654)	(\$915,572)	\$1,723,300	(\$1,861,917)
Net Off System Trades (Above the Line)	\$5,479,930	\$2,017,704	(\$2,035,957)	\$7,117,730	\$13,609,113	\$14,839,918
12 Month Cumulative Total	\$5,479,930	\$7,497,834	\$5,461,677	\$12,579,407	\$26,188,520	\$41,028,438
Net of Above	\$0	\$0	\$0	\$0	\$0	\$0
12 Month Cumulative Total	\$67,976,815	\$67,976,815	\$67,976,815	\$67,976,815	\$67,976,815	\$67,976,815

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	(\$848,705,165)	(\$7,559,879)	(\$856,265,044)	(\$240,505,233)	(\$615,957,799)	(\$233,813,388)	4470.010
Energy Purch. - BIO Margin Reclass (Note 1)	\$0	\$847,844					
Purchases Commission	(\$68,032)	(\$6,661,835)					
Lookout Sales	\$884,932,321	\$1,226,553					
Less Tradebel Sale	\$0	\$0					
Energy Sales - BIO Margin Reclass (Note 1)	\$497,929	\$0					
Sales Commission	(\$84,456)	\$0					
Exercised Option - Purchases	(\$27,477,984)	\$1,220,553	(\$26,257,431)	\$248,985,911	\$637,026,439	\$247,739,358	4470.008
Exercised Purchase Option Premiums	\$773,045	\$118,102	(\$891,147)	(\$7,465,907)	(\$19,120,830)	(\$7,504,009)	4470.011
Exercised Option - Sales	\$13,875,200	(\$2,989,341)	(\$10,885,859)	\$9,822,200	\$2,758,193	\$3,821,862	4470.007
Exercised Sales Option Premiums	(\$2,989,341)	(\$1,063,859)	(\$4,053,200)	\$925,385	\$2,372,585	(\$28,981)	4470.081
Non-Dedicated Spark Gas Commission	(\$1,753)	(\$718)	(\$2,471)				
Non-Dedicated Spark Gas Paribas Futures	\$1,264,810	\$516,382	\$1,781,192				
Non-Dedicated Swaps - Nel	\$1,079,527	\$440,720	\$1,520,247				
Power Swaps - Nel	\$562,137	\$856,356	\$1,418,493				
Paribas Power Commissions	(\$5,481)	(\$2,238)	(\$7,719)				
Power Futures (REFCO)	\$3,164,413	\$120,176	\$3,284,589				
Power Futures Deferred (REFCO)	\$3,134,788	\$1,278,788	\$4,413,576				
Power Sales - Associated	\$864,088	\$1,406,727	\$2,270,815				
Power Purchases - Associated	(\$41,680)	\$0	(\$41,680)	\$1,520,484	\$3,884,111	\$113,757	4470.082
ECR/CR Realizations	\$47,915,262	(\$570,205)	\$47,345,057	\$242,646	\$621,442	\$242,646	4470.085
Less Purchase Demand Charge	(\$1,433,183)		(\$1,433,183)				
Less Realization on Dedicated Transactions	(\$6,410,466)		(\$6,410,466)				
Init Power - CPAL	\$2,860,080		\$2,860,080				
CO2 Realization	\$6,173,077		\$6,173,077				
IOX Realization	\$7,602,062		\$7,602,062				
Transmission Purchases	(\$1,540,284)		(\$1,540,284)				
Total ECR/CR Realization				(\$11,704)	(\$28,970)	(\$11,704)	5550.033/5550.034
Total	\$55,166,508	(\$570,205)	\$54,596,303	\$15,331,306	\$39,264,997	\$15,901,511	4470.002
Total West Realizations	\$82,114,885	(\$4,617,851)	\$77,497,034	\$21,762,081	\$55,734,953	\$26,380,032	
Total AEP Realizations	\$77,496,834		\$77,496,834				

Realization Sharing Ratios	Base Year	Capacity
	\$3,523,656	4.55%
	\$73,873,278	85.45%
	\$77,496,934	100.00%

Capacity (MW) Realization Sharing	Base Year	Capacity
	23,987,000	71.01%
	9,784,000	28.99%
	33,771,000	100.00%

ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACTUAL TOTAL OF ALL ACCOUNTS
4470.010	4470.006	4470.011	4470.007	4470.081	4470.085	4470.002	4470.002
HLR	70,085,566	(74,259,873)	(2,273,307)	(1,145,600)	34,099	(72,733)	(7,907,415)
APCO	(16,446,434)	(17,425,986)	(533,459)	(268,829)	8,002	(17,068)	(1,855,572)
KPCO	(47,216,278)	(60,028,486)	(1,531,515)	(771,785)	(6,054)	(3,211,151)	(5,327,183)
I&M	(56,987,340)	(60,381,514)	(1,848,450)	(931,500)	27,726	(2,853)	(6,429,605)
OPCO	(43,077,780)	(45,643,499)	(1,397,278)	(704,138)	20,988	(2,156)	(4,860,257)
CSP	(233,813,398)	(247,739,358)	(7,584,009)	(3,821,852)	113,757	(11,704)	(26,380,032)
TOTAL							

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