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Interchange Power Statement and Related Data Energy Settlements

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AEP America's Energy Partner™

Date **August 2, 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	- Canton		

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

R. L. Reed / JRM

R. L. Reed

Enclosures

cc:

J. C. Baker - 1RP23

ACTUAL

INTERCHANGE POWER STATEMENT
FOR THE MONTH OF
JUNE 2004

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

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

by and among

Appalachian Power Company (APCo),

Columbus Southern Power Company (CSP),

Indiana Michigan Power Company, (I&M),

Kentucky Power Company (KPCo),

Ohio Power Company (OPCo),

and with

American Electric Power Service Corporation

as Agent.

Prepared by:

AEP Energy Services
Wholesale Commercial Accounting Group

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			MWh		(\$)	
(SOURCE: PAGE 2)			MEMBER RECEIVED FROM POOL	MEMBER DELIVERED TO POOL	AMOUNT DUE TO AGENT (CHARGE)	AMOUNT DUE FROM AGENT (CREDIT)
I.	ACTUAL	APCO	1,714,105	649,159	31,407,356	11,052,968
	BILLING	KPCO	259,408	280,371	5,405,154	4,047,254
	AMOUNT	I&M	570,277	1,380,924	9,224,774	21,224,604
		OPCO	540,349	1,578,784	7,996,161	42,471,075
		CSP	1,158,721	353,622	30,300,557	5,538,101
		TOTAL	4,242,860	4,242,860	84,334,002	84,334,002
II.	PREVIOUSLY	APCO	1,698,596	649,159	30,605,121	10,795,289
	ESTIMATED	KPCO	258,250	282,859	5,310,117	4,118,465
	BILLING	I&M	570,277	1,391,395	9,221,204	21,876,597
	AMOUNT	OPCO	540,283	1,587,202	7,825,796	40,997,726
		CSP	1,196,831	353,622	30,134,114	5,308,275
		TOTAL	4,264,237	4,264,237	83,096,352	83,096,352
III.	ADJUSTMENT	APCO	15,509	0	802,235	257,679
	TO BE BOOKED	KPCO	1,158	(2,488)	95,037	(71,211)
	NEXT MONTH	I&M	0	(10,471)	3,570	(651,993)
	(I - II)	OPCO	66	(8,418)	170,365	1,473,349
		CSP	(38,110)	0	166,443	229,826
		TOTAL	(21,377)	(21,377)	1,237,650	1,237,650
IV.	ADJUSTMENT FOR TRANSMISSION	APCO			182,128	0
	SERVICE (PURCHASES) TO BE	KPCO			41,342	0
	BOOKED NEXT MONTH	I&M			125,727	0
	(SEE APPENDIX VI)	OPCO			0	457,483
		CSP			108,286	0
		TOTAL			457,483	457,483
V.	ADJUSTMENT TO ALLOCATION OF	APCO			(13,933)	0
	TRADING & MARKETING REALIZATION	KPCO			(3,271)	0
	TO BE BOOKED NEXT MONTH	I&M			(9,387)	0
	(SEE PAGE 6B)	OPCO			(11,328)	0
		CSP			(8,564)	0
		West. AEP			0	(46,483)
		TOTAL			(46,483)	(46,483)
VI.	ACTUAL THIS MONTH	APCO			0	39,403,181
	(SEE APPENDIX VI)	KPCO			0	9,246,414
	(Net amounts due System Agent to	I&M			0	26,545,695
	effect sharing by MLR in revenues	OPCO			0	32,039,144
	and cost of purchases for AEP System	CSP			0	24,218,956
	cash-settled transactions)	East. AEP (Co.122)			131,453,390	0
		TOTAL			131,453,390	131,453,390
VII.	ESTIMATED THIS MONTH	APCO			0	39,619,101
	(SEE APPENDIX VI)	KPCO			0	9,297,081
		I&M			0	26,691,166
		OPCO			0	32,214,709
		CSP			0	24,351,671
		East. AEP (Co.122)			132,173,728	0
		TOTAL			132,173,728	132,173,728
VIII.	ADJUSTMENT TO BE MADE NEXT MONTH	APCO			215,920	0
		KPCO			50,667	0
		I&M			145,471	0
		OPCO			175,565	0
		CSP			132,715	0
		East. AEP (Co.122)			0	720,338
		TOTAL			720,338	720,338

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

SYSTEM ACCOUNT
RECAPITULATION OF CAPACITY, ENERGY, AND OTHER CHARGES

			CAPACITY (PAGE 3)		\$ CAPACITY (PAGE 3)		\$ ENERGY (PAGE 4)	
			SURPLUS/ (DEFICIT)	RATE	CHARGE A/C 555	CREDIT A/C 447	CHARGE A/C 555	CREDIT A/C 447
			kW	\$/kW	(1)	(2)	(3)	(4)
I.	ACTUAL	APCO	(1,047,100)	8.74	9,154,624	0	22,252,732	11,052,968
	BILLING	KPCO	(180,000)	8.74	1,573,710	0	3,831,444	4,047,254
	AMOUNT	I&M	420,400	13.54	0	5,692,216	9,224,774	15,532,388
		OPCO	2,481,100	7.93	0	19,675,123	7,996,161	22,795,952
		CSP	(1,674,400)	8.74	14,639,005	0	15,661,552	5,538,101
		TOTAL			25,367,339	25,367,339	58,966,663	58,966,663
II.	PREVIOUSLY	APCO			8,722,268	0	21,882,853	10,795,289
	ESTIMATED	KPCO			1,499,387	0	3,810,730	4,118,465
	BILLING	I&M			0	5,772,682	9,221,204	16,103,915
	AMOUNT	OPCO			0	18,396,604	7,825,796	22,601,122
		CSP			13,947,631	0	16,186,483	5,308,275
		TOTAL			24,169,286	24,169,286	58,927,066	58,927,066
III.	ADJUSTMENT	APCO			432,356	0	369,879	257,679
	TO BE BOOKED	KPCO			74,323	0	20,714	(71,211)
	NEXT MONTH	I&M			0	(80,466)	3,570	(571,527)
	(I - II)	OPCO			0	1,278,519	170,365	194,830
		CSP			691,374	0	(524,931)	229,826
		TOTAL			1,198,053	1,198,053	39,597	39,597

			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	1,714,105	649,159	31,407,356	11,052,968
	BILLING	KPCO	259,408	280,371	5,405,154	4,047,254
	AMOUNT	I&M	570,277	1,380,924	9,224,774	21,224,604
		OPCO	540,349	1,578,784	7,996,161	42,471,075
		CSP	1,158,721	353,622	30,300,557	5,538,101
		TOTAL	4,242,860	4,242,860	84,334,002	84,334,002
II.	PREVIOUSLY	APCO	1,698,596	649,159	30,605,121	10,795,289
	ESTIMATED	KPCO	258,250	282,859	5,310,117	4,118,465
	BILLING	I&M	570,277	1,391,395	9,221,204	21,876,597
	AMOUNT	OPCO	540,283	1,587,202	7,825,796	40,997,726
		CSP	1,196,831	353,622	30,134,114	5,308,275
		TOTAL	4,264,237	4,264,237	83,096,352	83,096,352
III.	ADJUSTMENT	APCO	15,509	0	802,235	257,679
	TO BE BOOKED	KPCO	1,158	(2,488)	95,037	(71,211)
	NEXT MONTH	I&M	0	(10,471)	3,570	(651,993)
	(I - II)	OPCO	66	(8,418)	170,365	1,473,349
		CSP	(38,110)	0	166,443	229,826
		TOTAL	(21,377)	(21,377)	1,237,650	1,237,650

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

<u>MEMBER</u>	<u>MEMBER PRIMARY CAPACITY KW (APPENDIX II)</u> (1)	<u>MEMBER LOAD RATIO (APPENDIX I)</u> (2)	<u>PRIMARY CAPACITY KW RESERVATION (SYS. KW) * (2)</u> (3)	<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	23,173,000	1.00000	23,173,000	

MEMBER CAPACITY \$ SETTLEMENT

<u>MEMBER</u>	<u>SURPLUS (DEFICIT) CAPACITY KW</u> (1)	<u>CAPACITY RATE \$/KW *</u> (2)	<u>CREDIT (CHARGE) ** \$</u> (3)
APCO	(1,047,100)	***** +	***** (9,154,624)
KPCO	(180,000)	***** +	***** (1,573,710)
I&M	14,4891 420,400	8.75 +	4.79 13.54 1.9618 5,692,216
OPCO	85,5109 2,481,100	5.18 +	2.75 7.93 6.7810 19,675,123
CSP	(1,674,400)	***** +	***** (14,639,005)

EQUALIZATION CAPACITY RATE: 8.7428361192
(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	1,329,882	1,202,234	25,292,312	25,177,919
RECOVERY AND MLR	KPCO	321,753	306,680	5,935,150	5,489,499
ALLOCATION FOR ALL	I&M	881,113	815,841	17,039,297	14,461,231
AEP SYSTEM	OPCO	1,069,397	1,480,442	20,565,455	26,692,282
DELIVERIES TO	CSP	806,283	603,231	15,545,807	12,557,090
NON-AFFILIATED COS.	AEP	4,408,428	4,408,428	84,378,021	84,378,021
ADJUSTMENT TO	APCO	(553,855)	(553,855)	(14,205,002)	(14,205,002)
PREVENT RECOGNITION	KPCO	(82,886)	(82,886)	(2,348,123)	(2,348,123)
OF SALES BY POOL	I&M	(312,076)	(312,076)	(7,944,677)	(7,944,677)
MEMBERS TO	OPCO	(530,305)	(530,305)	(12,650,138)	(12,650,138)
THEMSELVES	CSP	(250,082)	(250,082)	(7,068,304)	(7,068,304)
(PAGE 7)	AEP	(1,729,204)	(1,729,204)	(44,216,244)	(44,216,244)
SUBTOTAL	APCO	776,027	648,379	11,087,310	10,972,917
AEP EXTERNAL	KPCO	238,867	223,794	3,587,027	3,141,376
ENERGY	I&M	569,037	503,765	9,094,620	6,516,554
	OPCO	539,092	950,137	7,915,317	14,042,144
	CSP	556,201	353,149	8,477,503	5,488,786
	AEP	2,679,224	2,679,224	40,161,777	40,161,777
II. INTERNAL ENERGY AMONG POOL MEMBERS					
PRIMARY	APCO	938,045	0	11,162,230	0
ENERGY	KPCO	20,541	56,389	244,417	886,773
(PAGE 8)	I&M	0	876,942	0	8,993,918
	OPCO	504	628,253	5,201	8,711,985
	CSP	602,494	0	7,180,828	0
	AEP	1,561,584	1,561,584	18,592,676	18,592,676
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	1,714,105	649,159	22,252,732	11,052,968
	KPCO	259,408	280,371	3,831,444	4,047,254
	I&M	570,277	1,380,924	9,224,774	15,532,388
	OPCO	540,349	1,578,784	7,996,161	22,795,952
	CSP	1,158,721	353,622	15,661,552	5,538,101
	AEP	4,242,860	4,242,860	58,966,663	58,966,663

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	33	780	3,192	80,051
COST RECOVERY	KPCO	0	188	0	19,105
ALLOCATED TO	I&M	1,240	217	130,154	21,916
SPECIAL SERVICE	OPCO	753	394	75,643	41,823
CUSTOMERS	CSP	26	473	3,221	49,315
	AEP	<u>2,052</u>	<u>2,052</u>	<u>212,210</u>	<u>212,210</u>
PREVIOUSLY	APCO	33	780	3,192	80,051
ESTIMATED	KPCO	0	188	0	19,105
AMOUNT	I&M	1,240	217	130,154	21,916
	OPCO	753	394	75,643	41,823
	CSP	26	473	3,221	49,315
	AEP	<u>2,052</u>	<u>2,052</u>	<u>212,210</u>	<u>212,210</u>
ADJUSTMENT	APCO	0	0	0	0
TO BE BOOKED	KPCO	0	0	0	0
NEXT MONTH	I&M	0	0	0	0
	OPCO	0	0	0	0
	CSP	0	0	0	0
	AEP	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

FE: (*) 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	25,292,312	25,177,919	44,075,243	18,782,931
KPCO	5,935,150	5,489,499	10,342,762	4,407,612
I&M	17,039,297	14,461,231	29,693,226	12,653,929
OPCO	20,565,455	26,692,282	35,838,020	15,272,565
CSP	15,545,807	12,557,090	27,090,611	11,544,804
TOTAL	84,378,021	84,378,021	147,039,862	62,661,841

	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	365,945	18,416,986	0.29975
KPCO	85,873	4,321,739	0.07034
I&M	246,535	12,407,394	0.20194
OPCO	297,553	14,975,012	0.24373
CSP	224,926	11,319,878	0.18424
TOTAL	1,220,832	61,441,009	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 \$361.11/ton for emission allowance used in dispatch versus operating companies inventory costs. (See page 11)
- (2) The total of the credits reported in the ECR#MLR report for System Sales for Resale (A/C 447).

RECONCILIATION OF ALLOCATION OF TRADING AND MARKETING REALIZATIONS (Schedule 03)

BASE YEAR REALIZATION:		CAPACITY REALIZATION:	
BASE YEAR REALIZATION		CAPACITY REALIZATION	
AEP % SHARING RATIO		AEP % SHARING RATIO	
EASTERN AEP:	\$252,860,378	EASTERN AEP:	24,071,000
WESTERN AEP:	\$25,095,575	WESTERN AEP:	10,966,000
TOTAL:	\$277,955,953	TOTAL:	35,037,000
			68.70%
			31.30%
			100.00%

BASE YEAR REALIZATION:		CAPACITY REALIZATION:	
BASE YEAR REALIZATION		CAPACITY REALIZATION	
AEP % SHARING RATIO		AEP % SHARING RATIO	
EASTERN AEP:	\$252,860,378	EASTERN AEP:	24,071,000
WESTERN AEP:	\$25,095,575	WESTERN AEP:	10,966,000
TOTAL:	\$277,955,953	TOTAL:	35,037,000
			68.70%
			31.30%
			100.00%

NET REVENUE REALIZED BY THE MEMBERS (Page 6, Col. 6)	ADJUSTMENT TO NET REVENUE FOR SO2 ALLOWANCES (\$ x MLR) (3)	NET REVENUE FROM DEDICATED TRANSACTIONS (EXCLUDABLE) (APP VIII, PG 6) (\$ x MLR) (4)	THIRD PARTY TRANSMISSION PURCH. (APPENDIX VI, PG 2) (\$)	OFF SYSTEM ENERGY SALES (APPENDIX VII, PG 1) (\$)	BOOKOUT MARGIN RECLASSIFICATION (APPENDIX VIII, PG 7) (\$ x MLR) (5)
(1)	(2)	(3)	(4)	(5)	(6)
APCO	18,416,986	(86,953)	328,425	5,061,215	129,070
APCO	4,321,739	(22,751)	77,059	1,187,676	30,288
TAM	12,407,394	(63,316)	221,256	3,409,713	86,954
OPCO	14,975,012	(78,833)	267,044	4,115,329	104,948
CSP	11,319,878	(59,591)	201,864	3,110,853	79,333
TOTAL	61,441,009	(323,444)	1,095,658	16,884,786	430,393

EXERCISED OPTION PREMIUMS (APPENDIX VIII, PG 7)	EXERCISED OPTIONS (APPENDIX VII, PG 1) (\$)	POWER BROKERS' COMMISSIONS (APPENDIX VII, PG 2) (\$)	POWER SWAPS NET (APPENDIX VII, PG 3) (\$)	FINANCIAL SPARK GAS (APPENDIX VIII, PG 7) (\$)	DOY PURCHASES ASSOCIATED (APPENDIX VIII, PG 7) (\$)
(7)	(8)	(9)	(10)	(11)	(12)
APCO	(126,276)	(1,101,565)	44,609	(210,447)	(113,831)
APCO	(29,632)	(228,495)	10,468	(49,384)	(26,712)
TAM	(85,072)	(742,119)	30,052	(141,777)	(76,688)
OPCO	(102,676)	(895,694)	36,272	(171,116)	(92,558)
CSP	(77,615)	(677,071)	27,418	(129,350)	(69,966)
TOTAL	(421,271)	(3,674,944)	148,819	(702,074)	(379,795)

NET OF ALL OF ABOVE (\$)	PRIOR MONTHS' TOTAL REALIZATION (\$)
(7)-(1)-(2)-(3)-(4)-(5)-(6)-(7)-(8)-(9)-(10)-(11)-(12)	
APCO	51,735,465
APCO	41,832,275
TAM	23,594,599
OPCO	38,259,038
CSP	45,914,775
EASTERN AEP REALIZATION:	
LESS TRACTEEL SALE:	
PARBAS SPARK GAS FUTURES (Earp):	
REPCO FUTURES (Earp):	
WESTERN AEP REALIZATION:	
TOTAL REALIZATION TO BE SHARED:	201,336,152

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

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	754,670	13,411,242	0.29975	226,212	4,020,020
KPCO	145,231	2,286,734	0.07034	10,216	160,849
I&M	331,905	5,028,701	0.20194	67,025	1,015,496
OPCO	1,126,265	19,002,242	0.24373	274,505	4,631,416
CSP	389,774	7,650,153	0.18424	71,812	1,409,464
TOTAL	2,747,845	47,379,072	1.00000	649,770	11,237,245

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

	MWh	COST (\$)	MLR (APPENDIX I)	ADJUSTMENT	
				MWh	COST (\$)
APCO	171,254	4,342,382	0.29975	51,333	1,301,629
KPCO	95,496	1,459,875	0.07034	6,717	102,688
I&M	299,332	4,677,322	0.20194	60,447	944,538
OPCO	130,082	3,264,164	0.24373	31,705	795,575
CSP	43,134	1,078,687	0.18424	7,947	198,737
TOTAL	739,298	14,822,430	1.00000	158,149	3,343,167

III. PURCHASED POWER SUPPLIED FOR SYSTEM SALES (3)

	AS ALLOCATED	
	MWh	COST (\$)
APCO	276,310	8,883,353
KPCO	65,953	2,084,586
I&M	184,604	5,984,643
OPCO	224,095	7,223,147
CSP	170,323	5,460,103
TOTAL	921,285	29,635,832

IV. TOTAL ADJUSTMENT (I + II + III)

	TOTAL ADJUSTMENT TO PAGE 4	
	MWh	COST (\$)
APCO	553,855	14,205,002
KPCO	82,886	2,348,123
I&M	312,076	7,944,677
OPCO	530,305	12,650,138
CSP	250,082	7,068,304
TOTAL	1,729,204	44,216,244

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	33,450	15.726	526,035
2. I&M	APCO	528,337	10.256	5,418,625
3. OPCO	APCO	376,258	13.867	5,217,570
4. CSP	APCO	0	0.000	0
5. TOTAL	APCO	938,045	11.899	11,162,230
6. APCO	KPCO	0	0.000	0
7. I&M	KPCO	11,195	10.256	114,816
8. OPCO	KPCO	9,346	13.867	129,601
9. CSP	KPCO	0	0.000	0
10. TOTAL	KPCO	20,541	11.899	244,417
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	6	15.726	94
18. I&M	OPCO	498	10.256	5,107
19. CSP	OPCO	0	0.000	0
20. TOTAL	OPCO	504	10.319	5,201
21. APCO	CSP	0	0.000	0
22. KPCO	CSP	22,933	15.726	360,644
23. I&M	CSP	336,912	10.256	3,455,370
24. OPCO	CSP	242,649	13.867	3,364,814
25. TOTAL	CSP	602,494	11.919	7,180,828
26. TOTAL ALL MEMBERS RECEIVED		1,561,584	11.906	18,592,676

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	56,389	15.726	886,773
29. I&M	2, 7, 18, & 23	876,942	10.256	8,993,918
30. OPCO	3, 8, 13, & 24	628,253	13.867	8,711,985
31. CSP	4, 9, 14, & 19	0	0.000	0
32. TOTAL ALL MEMBERS DELIVERED:		1,561,584	11.906	18,592,676

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)
APCO	AMOS 1	131,095	344,793	0.3802	2,058	782.4797
	AMOS 2	102,028	426,634	0.2391	2,518	602.1707
	AMOS 3	49,185	219,312	0.2243	1,229	275.6273
	CLINCH RIVER 1	48,458	117,749	0.4115	218	89.7149
	CLINCH RIVER 2	45,414	104,458	0.4348	245	106.5158
	CLINCH RIVER 3	35,193	84,438	0.4168	216	90.0269
	GLEN LYN 51	4,130	17,396	0.2374	95	22.5525
	GLEN LYN 52	4,651	19,593	0.2374	107	25.4013
	GLEN LYN 6	0	0	0.0000	0	0.0000
	KANAWHA RIVER 1	25,628	76,820	0.3336	486	162.1356
	KANAWHA RIVER 2	25,807	79,105	0.3262	507	165.4023
	MOUNTAINEER 1	185,143	827,192	0.2238	1,945	435.3320
	SPORN 1	28,666	57,238	0.5008	273	136.7242
	SPORN 3	25,523	52,801	0.4834	299	144.5309
	TOTAL	710,921	2,427,529	0.2929	10,196	3,038.6135
KPCO	BIG SANDY 1	24,416	87,727	0.2783	698	194.2659
	BIG SANDY 2	120,805	447,882	0.2697	3,390	914.3680
	ROCKPORT 1 (AEG)	39,537	123,616	0.3198	178	56.9310
	ROCKPORT 2 (AEG)	55,959	120,003	0.4663	175	81.6048
		TOTAL	240,717	779,228	0.3089	4,441
I&M	ROCKPORT 1	131,749	411,935	0.3198	594	189.9788
	ROCKPORT 1 (AEG)	92,225	288,369	0.3198	415	132.7236
	ROCKPORT 2	109,533	235,214	0.4657	341	158.7948
	ROCKPORT 2 (AEG)	130,455	279,875	0.4661	406	189.2442
	TANNERS CREEK 1	0	0	0.0000	0	0.0000
	TANNERS CREEK 2	23,314	57,313	0.4068	337	137.0861
	TANNERS CREEK 3	40,053	79,738	0.5023	472	237.0892
	TANNERS CREEK 4	27,256	303,635	0.0898	4,749	426.2972
	TOTAL	554,585	1,656,079	0.3349	7,314	1,471.2139

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)	SO2 EMISSION ALLOWANCES EXPENDED FOR SYSTEM SALES (5)=(3)*(4)
		(1)	(2)	(3)=(1)/(2)	(4)	(5)=(3)*(4)
OPCO	AMOS 3	101,756	439,284	0.2316	2,684	621.7233
	CARDINAL 1	95,319	364,576	0.2615	1,177	307.7286
	CARDINAL 2	100,976	100,976	1.0000	355	355.0000
	CARDINAL 3	91,430	91,430	1.0000	353	353.0000
	GAVIN 1	66,080	866,125	0.0763	1,937	147.7812
	GAVIN 2	52,373	866,920	0.0604	2,513	151.8172
	KAMMER 1	30,582	88,633	0.3450	537	185.2869
	KAMMER 2	29,290	80,483	0.3639	578	210.3503
	KAMMER 3	30,795	87,445	0.3522	626	220.4548
	MITCHELL 1	153,110	351,562	0.4355	1,469	639.7693
	MITCHELL 2	97,007	238,827	0.4062	399	162.0662
	MUSKINGUM 1	23,337	74,836	0.3118	1,062	331.1761
	MUSKINGUM 2	0	0	0.0000	0	0.0000
	MUSKINGUM 3	35,403	96,605	0.3665	957	350.7134
	MUSKINGUM 4	29,100	87,469	0.3327	875	291.1031
	MUSKINGUM 5	99,543	329,739	0.3019	2,019	609.5042
	SPORN 2	27,463	54,216	0.5065	260	131.7024
	SPORN 4	27,930	57,688	0.4842	303	146.6993
	SPORN 5	34,713	141,709	0.2450	354	86.7157
	TOTAL	1,126,207	4,418,523	0.2549	18,458	5,302.5920
CSP	BECKJORD 6	9,253	22,120	0.4183	23	9.6211
	CONESVILLE 1	948	11,863	0.0799	111	8.8703
	CONESVILLE 2	27	99	0.2727	2	0.5455
	CONESVILLE 3	18,703	63,448	0.2948	630	185.7094
	CONESVILLE 4	15,955	146,445	0.1089	1,423	155.0341
	CONESVILLE 5	66,184	198,884	0.3328	380	126.4552
	CONESVILLE 6	89,338	207,182	0.4312	415	178.9502
	PICWAY 5	3,201	12,408	0.2580	229	59.0771
	STUART 1	23,843	80,737	0.2953	1,044	308.3108
	STUART 2	46,871	99,585	0.4707	1,588	747.4132
	STUART 3	24,488	84,003	0.2915	1,545	450.3882
	STUART 4	47,119	96,922	0.4862	1,147	557.6184
	ZIMMER 1	43,821	228,704	0.1916	168	32.1898
		TOTAL	389,751	1,252,400	0.3112	8,705

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 (\$) (AS SUPPLIED) (1)	SO2 COST (\$) (ADJUSTED) (2)	\$ SO2 ADJUSTMENT (3)=(2)-(1)
APCO	1,362,956	179,461	(1,183,495)
KPCO	431,087	87,925	(343,162)
I&M	656,814	96,806	(560,008)
OPCO	3,270,419	347,744	(2,922,675)
CSP	1,102,911	177,051	(925,860)
AEP	6,824,187	888,987	(5,935,200)
	NOX COST (\$) (AS SUPPLIED) (4)	NOX COST (\$) (ADJUSTED) (5)	\$ NOX ADJUSTMENT (6)=(5)-(4)
APCO	1,459,058	0	(1,459,058)
KPCO	341,696	0	(341,696)
I&M	1,229,435	0	(1,229,435)
OPCO	2,797,271	0	(2,797,271)
CSP	1,638,275	6,422	(1,631,853)
AEP	7,465,735	6,422	(7,459,313)
	SOURCE ALLOCATION (UNADJUSTED) (7)	SOURCE ALLOCATION (ADJUSTED) (8)=(7)+(3)+(6)	
APCO	27,820,472	25,177,919	
KPCO	6,174,357	5,489,499	
I&M	16,250,674	14,461,231	
OPCO	32,412,228	26,692,282	
CSP	15,114,803	12,557,090	
AEP	97,772,534	84,378,021	

NOTES:	SO2	NOX
(1) Market Price (\$/allowance):	361.11	
(2) APCO allowance:	59.06	0.00
KPCO allowance:	70.50	0.00
I&M allowance:	65.80	0.00
OPCO allowance:	65.58	0.00
CSP allowance:	62.78	8.89

APPENDICES

SUPPORTING COST AND OPERATING DATA

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MEMBER LOAD RATIO SUMMARY I

- Member Load Ratio (MLR) for each month
- List of maximum MLR demands in each of past 12 months
- Maximum MLR demands experienced in the past 12 months

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- Kilowatts of Primary Capacity, listed by station

PRIMARY CAPACITY INVESTMENT COSTS AND RATES, BY STATION, APPLICABLE TO MEMBERS WITH PRIMARY CAPACITY SURPLUS III

- Kilowatts of capacity as of January 1
- Installed cost of production plant
- Weighted average investment cost, \$/KW
- Member Primary Capacity Investment Rate, \$/KW

PRIMARY CAPACITY NET PRODUCTION EXPENSES, BY MEMBER IV

- Net Generation in megawatt-hours (MWH)
- Total Net Production Expenses
- Fuel Expenses, Account 501
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- Member Primary Energy Rates
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TRADING AND MARKETING REALIZATIONS FOR BASE YEAR AND CURRENT MONTH --- BACKUP DATA FOR SERVICE SCHEDULE D WITH WESTERN AEP VIII

AMERICAN ELECTRIC POWER SYSTEM
MEMBER LOAD RATIO SUMMARY

MONTH ENDING 5/31/2004

MEMBER LOAD RATIO
JUNE 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

WO	TOTAL	APPALACHIAN			KENTUCKY			INDIANA			OHIO			COLUMBUS		
		DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK
05	17490	25	14	5017	25	13	1132	12	16	3396	14	12	4565	21	15	3380
04	15851	06	07	4927	05	08	1167	05	11	2974	13	12	4248	01	20	253
03	17166	23	08	5557	23	08	1351	16	12	3224	12	11	4330	16	20	2704
02	18247	02	09	5734	16	09	1391	05	19	3390	04	20	4881	03	19	2851
01	19444	07	08	6298	31	09	1478	22	20	3500	29	23	5018	06	20	3150
12	17774	21	09	5628	02	08	1267	15	19	3349	18	19	4545	17	19	2985
11	16490	25	08	5010	25	08	1210	25	08	3212	24	19	4273	24	19	2785
10	15194	03	07	4592	03	08	1038	08	12	2980	30	10	4118	28	19	2466
09	16952	02	16	4952	04	15	1030	10	15	3454	10	15	4384	10	17	3132
08	20104	26	16	5657	26	17	1212	21	15	4243	21	16	5121	21	16	3871
07	18412	08	16	5344	08	14	1151	17	17	3577	08	15	4765	08	14	3575
06	18741	26	14	5191	25	16	1081	25	16	3905	26	13	4947	26	15	3617
05	14808	09	15	4263	19	16	953	19	13	2987	06	21	4025	09	16	2580

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.

ACTUAL:
June 2004

APPENDIX III

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

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

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

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	36,989	3,531,064	948,762	1,931,983	874,762	74,000
SPORN (APCO)	110,039	2,059,146	1,993,609	(284,346)	2,059,271	(65,662)
KANAWHA RIVER	155,925	3,810,297	3,100,101	386,644	2,971,792	128,309
CLINCH RIVER	306,645	7,896,596	4,896,833	2,231,736	4,496,612	400,221
AMOS (APCO)	990,739	18,157,203	13,808,052	2,516,553	13,229,968	578,084
MOUNTAINEER	827,192	12,952,927	11,246,300	1,172,151	10,825,634	420,666
TOTAL	2,427,529	48,407,233	35,993,657	7,954,721	34,458,039	1,535,618
RATES:		16.466	14.828	1.638	14.195	0.633
<u>KENTUCKY POWER COMPANY</u>						
BIG SANDY	535,609	10,324,931	8,518,144	1,093,553	8,303,559	214,585
ROCKPORT 1 (AEG)	123,616	1,739,865	1,550,723	123,831	1,499,337	51,386
ROCKPORT 2 (AEG)	120,003	2,928,231	1,517,607	118,600	1,467,191	50,416
TOTAL	779,228	14,993,027	11,586,474	1,335,984	11,270,087	316,387
RATES:		15.726	14.869	0.857	14.463	0.406
<u>INDIANA MICHIGAN POWER COMPANY</u>						
TANNERS CREEK 1-3	137,051		2,464,961		2,395,357	69,604
TANNERS CREEK 4	303,635		3,768,484		3,557,508	210,976
TANNERS CREEK TOTAL	440,686	9,794,890	6,233,445	2,834,116	5,952,865	280,580
ROCKPORT 1 (OWNED SHARE)	411,935	5,779,080	5,168,749	408,828	4,996,961	171,788
ROCKPORT 1 (AEG)	288,369	4,059,685	3,617,497	288,939	3,497,625	119,872
ROCKPORT 2 (AEG)	279,875	6,832,540	3,539,414	276,734	3,421,830	117,584
ROCKPORT 2 (LEASED SHARE)	235,214	4,752,530	1,509,232	236,630	1,458,939	50,293
COOK	1,514,819	25,698,887	6,873,374	7,115,017	6,873,374	0
TOTAL	3,170,898	56,917,612	26,941,711	11,160,264	26,201,594	740,117
RATES:		10.256	8.496	1.760	8.263	0.233
<u>OHIO POWER COMPANY</u>						
SPORN (OPCO)	253,613	7,723,562	5,177,381	1,855,499	4,894,595	282,786
MUSKINGUM	588,649	12,216,632	6,915,913	2,610,448	6,907,723	8,190
KAMMER	256,561	4,289,414	3,373,196	503,622	3,277,226	95,970
CARDINAL (OPCO)	467,034	6,063,143	4,878,274	1,017,872	4,715,026	163,248
MITCHELL	590,389	13,553,646	9,421,823	3,017,623	9,154,291	267,532
AMOS (OPCO)	439,284	8,203,302	6,192,857	1,514,541	6,013,445	179,412
GAVIN	1,733,045	31,244,970	17,801,148	2,010,251	16,731,918	1,069,230
TOTAL	4,328,575	83,294,669	53,760,592	12,529,856	51,694,224	2,066,368
RATES:		13.867	12.420	1.447	11.943	0.477
<u>COLUMBUS SOUTHERN POWER COMPANY</u>						
CONESVILLE	627,921	14,776,749	9,351,571	3,316,694	8,938,667	412,904
PICWAY	12,408	675,509	225,771	295,173	211,501	14,270
BECKJORD	22,120	395,995	333,426	33,480	316,858	16,568
STUART	361,247	6,481,165	5,179,208	984,440	5,047,984	131,224
ZIMMER	228,704	3,843,561	2,548,686	660,791	2,495,082	53,604
TOTAL	1,252,400	26,172,979	17,638,662	5,290,578	17,010,092	628,570
RATES:		16.196	14.084	2.112	13.582	0.502
SYSTEM TOTAL	11,958,630	229,785,520	145,921,096	38,271,403	140,634,036	5,287,060

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	48,407,233	34,458,039	1,535,618	7,954,721	3,977,361
KPCO	14,993,027	11,270,087	316,387	1,335,984	667,992
I&M	56,917,612	26,201,594	740,117	11,160,264	5,580,132
OPCO	83,294,669	51,694,224	2,066,368	12,529,856	6,264,928
CSP	26,172,979	17,010,092	628,570	5,290,578	2,645,289
TOTAL	229,785,520	140,634,036	5,287,060	38,271,403	19,135,702

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	5,512,979	2,427,529	2,427,529	16.466
KPCO	984,379	779,228	779,228	15.726
I&M	6,320,249	3,170,898	3,170,898	10.256
OPCO	8,331,296	4,328,575	4,328,575	13.867
CSP	3,273,859	1,252,400	1,252,400	16.196
TOTAL	24,422,762	11,958,630	11,958,630	13.802

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	8,436,215	5,073,000	1.66
KPCO	2,738,561	1,450,000	1.89
I&M	24,395,769	5,089,000	4.79
OPCO	23,269,149	8,472,000	2.75
CSP	5,889,028	2,595,000	2.27
TOTAL	64,728,722	22,679,000	2.85

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	194,052	0	11,924	0	182,128	0
	KPCO	77,069	0	35,727	0	41,342	0
	I&M	221,256	0	95,529	0	125,727	0
	OPCO	0	694,241	0	236,758	0	457,483
	CSP	201,864	0	93,578	0	108,286	0
	TOTAL	694,241	694,241	236,758	236,758	457,483	457,483
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NET AMOUNT DUE FOR ALL SYSTEM TRANSACTIONS (EXCEPT TRANS. SERVICE) (1)	APCO	0	34,585,562	0	34,563,671	0	21,891
	KPCO	0	8,115,893	0	8,110,756	0	5,137
	I&M	0	23,300,081	0	23,285,334	0	14,747
	OPCO	0	28,121,871	0	28,104,072	0	17,799
	CSP	0	21,257,821	0	21,244,366	0	13,455
	East. AEP (Co. 122)	115,381,228	0	115,308,199	0	73,029	0
	TOTAL	115,381,228	115,381,228	115,308,199	115,308,199	73,029	73,029
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THIRD PARTY SALES (2)	APCO	1,164,624	5,982,243	1,165,920	6,221,350	239,108	1,297
	KPCO	273,291	1,403,812	273,596	1,459,921	56,109	305
	I&M	784,604	4,030,218	785,472	4,191,304	161,086	868
	OPCO	946,970	4,864,243	948,027	5,058,664	194,421	1,057
	CSP	715,832	3,676,967	716,629	3,823,934	146,967	797
	East. AEP (Co. 122)	19,957,483	3,885,321	20,755,173	3,889,644	4,324	797,691
	TOTAL	23,842,804	23,842,804	24,644,817	24,644,817	802,015	802,015
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GROSS TOTAL	APCO	1,164,624	40,567,805	1,165,920	40,785,021	239,108	23,188
	KPCO	273,291	9,519,705	273,596	9,570,677	56,109	5,442
	I&M	784,604	27,330,299	785,472	27,476,638	161,086	15,615
	OPCO	946,970	32,986,114	948,027	33,162,736	194,421	18,856
	CSP	715,832	24,934,788	716,629	25,068,300	146,967	14,252
	East. AEP (Co. 122)	135,338,711	3,885,321	136,063,372	3,889,644	77,353	797,691
	TOTAL	139,224,032	139,224,032	139,953,016	139,953,016	875,044	875,044
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NET TOTAL	APCO	0	39,403,181	0	39,619,101	215,920	0
	KPCO	0	9,246,414	0	9,297,081	50,667	0
	I&M	0	26,545,695	0	26,691,166	145,471	0
	OPCO	0	32,039,144	0	32,214,709	175,565	0
	CSP	0	24,218,956	0	24,351,671	132,715	0
	East. AEP (Co. 122)	131,453,390	0	132,173,728	0	0	720,338
	TOTAL	131,453,390	131,453,390	132,173,728	132,173,728	720,338	720,338

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)

MLR	AMOUNT DUE (TO)/FROM AGENT								
	APCO	KPCO	I&M	OPCO	APCO	KPCO	I&M	OPCO	NET
Customer	29.975%	7.034%	20.194%	24.373%	18.424%	100.00%			
Totals	328,425	77,069	221,256	267,044	201,864	1,095,658	(194,052)	694,241	(201,864)
Duke Power Company	2,355	553	1,586	1,914	1,447	7,855	5,500	(1,914)	(1,447)
Energy Power Serv	90,226	21,173	60,784	73,363	55,457	301,003	(90,226)	227,640	(55,457)
Exelon Energy	2,506	588	1,688	2,038	1,540	8,360	(2,506)	6,322	(1,540)
Midwest ISO	106,793	25,060	71,946	86,835	65,640	356,274	(106,793)	269,439	(65,640)
PJM Interconnection Pool	88,621	20,796	59,703	72,058	54,470	295,648	(88,621)	223,590	(54,470)
TVA Bulk Power Trading	37,924	8,899	25,549	30,836	23,310	126,518	88,594	(30,836)	(23,310)

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 (\$55,237)

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	3,639,519	3,662,631	153,126,857	158,188,072
	KPCO	854,059	859,479	35,933,088	37,120,764
	I&M	2,451,927	2,467,496	103,160,759	106,570,472
	OPCO	2,959,339	2,978,125	124,509,120	128,624,449
	CSP	2,237,016	2,251,219	94,118,739	97,229,592
	TOTAL	12,141,860	12,218,950	510,848,563	527,733,349
II.	PREVIOUS ESTIMATE				
	APCO	3,640,983	3,662,202	152,850,376	158,148,847
	KPCO	854,399	859,379	35,868,208	37,111,559
	I&M	2,452,906	2,467,207	102,974,495	106,544,047
	OPCO	2,960,525	2,977,774	124,284,310	128,592,555
	CSP	2,237,915	2,250,954	93,948,801	97,205,483
	TOTAL	12,146,728	12,217,516	509,926,190	527,602,491
III.	ADJUSTMENT (I-II)				
	APCO	(1,464)	429	276,481	39,225
	KPCO	(340)	100	64,880	9,205
	I&M	(979)	289	186,264	26,425
	OPCO	(1,186)	351	224,810	31,894
	CSP	(899)	265	169,938	24,109
	TOTAL	(4,868)	1,434	922,373	130,858
<u>EXERCISED OPTIONS & PREMIUMS</u> (2)					
		ACCT. 4470.011	ACCT. 4470.007	TOTAL COSTS TO BE BOOKED	TOTAL REVENUES TO BE BOOKED
		ACCT. 4470.011	ACCT. 4470.007	ACCT. 4470.011	ACCT. 4470.007
I.	ACTUAL				
	THIS MONTH				
	APCO	52,036	32,133	2,210,400	1,108,835
	KPCO	12,211	7,541	518,697	260,202
	I&M	35,056	21,648	1,489,135	747,016
	OPCO	42,312	26,128	1,797,300	901,606
	CSP	31,985	19,750	1,358,612	681,541
	TOTAL	173,600	107,200	7,374,144	3,699,200
II.	PREVIOUS ESTIMATE				
	APCO	52,036	32,133	2,210,841	1,108,835
	KPCO	12,211	7,541	518,801	260,202
	I&M	35,056	21,648	1,489,432	747,016
	OPCO	42,312	26,128	1,797,659	901,606
	CSP	31,985	19,750	1,358,883	681,541
	TOTAL	173,600	107,200	7,375,616	3,699,200
III.	ADJUSTMENT (I-II)				
	APCO	0	0	(441)	0
	KPCO	0	0	(104)	0
	I&M	0	0	(297)	0
	OPCO	0	0	(359)	0
	CSP	0	0	(271)	0
	TOTAL	0	0	(1,472)	0

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

BELOW THE LINE	ALLOCATION BY MLR (MWh)						ALLOCATION BY MLR (\$)					
	FINANCIAL		PHYSICAL BOOKOUT		GAIN		FINANCIAL		PHYSICAL BOOKOUT		GAIN	
	LOSSES		PURCHASES		REVENUES		LOSSES		PURCHASES		REVENUES	
	ACCT. 4210.023	ACCT. 4210.023	ACCT. 4210.022	ACCT. 4210.022	ACCT. 4210.018	ACCT. 4210.018	ACCT. 4210.023	ACCT. 4210.023	ACCT. 4210.022	ACCT. 4210.022	ACCT. 4210.018	ACCT. 4210.018
ACTUAL THIS MONTH	APCO	0	919,261	919,261	919,261	512,103	37,407,117	38,795,639				
	KPCO	0	215,718	215,718	215,715	120,167	8,778,037	9,103,872				
	I&M	0	619,303	619,299	619,299	344,994	25,200,978	26,136,425				
	OPCO	0	747,463	747,460	747,460	416,387	30,416,136	31,545,165				
	CSP	0	565,018	565,017	565,017	314,757	22,992,118	23,845,571				
	TOTAL	0	3,066,763	3,066,752	3,066,752	1,708,408	124,794,386	129,426,672				
I. PREVIOUS ESTIMATE	APCO	0	919,221	919,236	919,236	512,135	37,404,068	38,794,474				
	KPCO	0	215,708	215,710	215,710	120,174	8,777,322	9,103,598				
	I&M	0	619,276	619,285	619,285	345,015	25,198,924	26,135,639				
	OPCO	0	747,432	747,443	747,443	416,413	30,413,656	31,544,216				
	CSP	0	564,994	565,004	565,004	314,776	22,990,243	23,844,853				
	TOTAL	0	3,066,631	3,066,678	3,066,678	1,708,513	124,784,213	129,422,780				
II. ADJUSTMENT (I-II)	APCO	0	40	25	25	(32)	3,049	1,165				
	KPCO	0	10	5	5	(7)	715	274				
	I&M	0	27	14	14	(21)	2,054	786				
	OPCO	0	31	17	17	(26)	2,480	949				
	CSP	0	24	13	13	(19)	1,875	718				
	TOTAL	0	132	74	74	(105)	10,173	3,892				

BROKERS'
COMMISSIONS (3)

		ALLOCATION BY MLR (\$)			
		PURCHASE		SALES	
		COSTS		REVENUES	
		ACCT. 4470.010	ACCT. 4470.010	ACCT. 4470.006	ACCT. 4470.006
ACTUAL THIS MONTH	APCO		35,709		(27,350)
	KPCO		8,381		(6,415)
	I&M		24,064		(18,421)
	OPCO		29,038		(22,238)
	CSP		21,952		(16,809)
	TOTAL		119,144		(91,233)
I. PREVIOUS ESTIMATE	APCO		36,801		(27,113)
	KPCO		8,636		(6,361)
	I&M		24,794		(18,262)
	OPCO		29,930		(22,044)
	CSP		22,625		(16,662)
	TOTAL		122,786		(90,442)
II. ADJUSTMENT (I-II)	APCO		(1,092)		(237)
	KPCO		(255)		(54)
	I&M		(730)		(159)
	OPCO		(892)		(194)
	CSP		(673)		(147)
	TOTAL		(3,642)		(791)

ACTUAL: June 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	
		ACCT. 4470,082	
I.	ACTUAL	APCO	44,609
	THIS MONTH	KPCO	10,468
		I&M	30,052
		OPCO	36,272
		CSP	27,418
		TOTAL	<u>148,819</u>
II.	PREVIOUS	APCO	44,608
	ESTIMATE	KPCO	10,468
		I&M	30,052
		OPCO	36,272
		CSP	27,418
		TOTAL	<u>148,818</u>
III.	ADJUSTMENT	APCO	1
	(I-II)	KPCO	0
		I&M	0
		OPCO	0
		CSP	0
		TOTAL	<u>1</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	5,061,215	0	5,298,471	237,256	0
SALES (1)	KPCO	0	1,187,676	0	1,243,351	55,675	0
	I&M	0	3,409,713	0	3,569,552	159,839	0
	OPCO	0	4,115,329	0	4,308,245	192,916	0
	CSP	0	3,110,853	0	3,256,682	145,829	0
	East. AEP (Co.122)	16,884,786	0	17,676,301	0	0	791,515
	TOTAL	16,884,786	16,884,786	17,676,301	17,676,301	791,515	791,515
EXERCISED OPTIONS & PREMIUMS (2)	APCO	1,101,565	0	1,102,006	0	0	441
	KPCO	258,495	0	258,599	0	0	104
	I&M	742,119	0	742,416	0	0	297
	OPCO	895,694	0	896,053	0	0	359
	CSP	677,071	0	677,342	0	0	271
	East. AEP (Co.122)	0	3,674,944	0	3,676,416	1,472	0
	TOTAL	3,674,944	3,674,944	3,676,416	3,676,416	1,472	1,472
BELOW THE LINE	APCO	0	876,419	0	878,271	1,852	0
	KPCO	0	205,668	0	206,102	434	0
	I&M	0	590,453	0	591,700	1,247	0
	OPCO	0	712,642	0	714,147	1,505	0
	CSP	0	538,696	0	539,834	1,138	0
	East. AEP (Co.122)	2,923,878	0	2,930,054	0	0	6,176
	TOTAL	2,923,878	2,923,878	2,930,054	2,930,054	6,176	6,176
BROKERS' COMMISSIONS (3)	APCO	63,059	0	63,914	0	0	855
	KPCO	14,796	0	14,997	0	0	201
	I&M	42,485	0	43,056	0	0	571
	OPCO	51,276	0	51,974	0	0	698
	CSP	38,761	0	39,287	0	0	526
	East. AEP (Co.122)	0	210,377	0	213,228	2,851	0
	TOTAL	210,377	210,377	213,228	213,228	2,851	2,851
POWER SWAPS	APCO	0	44,609	0	44,608	0	1
	KPCO	0	10,468	0	10,468	0	0
	I&M	0	30,052	0	30,052	0	0
	OPCO	0	36,272	0	36,272	0	0
	CSP	0	27,418	0	27,418	0	0
	East. AEP (Co.122)	148,819	0	148,818	0	1	0
	TOTAL	148,819	148,819	148,818	148,818	1	1
NET BOOKOUTS, OPTIONS, BROKERS' COMMISSIONS, SWAPS & SPARK GAS	APCO	1,164,624	5,982,243	1,165,920	6,221,350	239,108	1,297
	KPCO	273,291	1,403,812	273,596	1,459,921	56,109	305
	I&M	784,604	4,030,218	785,472	4,191,304	161,086	868
	OPCO	946,970	4,864,243	948,027	5,058,664	194,421	1,057
	CSP	715,832	3,676,967	716,629	3,823,934	146,967	797
	East. AEP (Co.122)	19,957,483	3,885,321	20,755,173	3,889,644	4,324	797,691
	TOTAL	23,842,804	23,842,804	24,644,817	24,644,817	802,015	802,015

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:

June 2004

(3) Actual commissions paid in June 2004.

ACTUAL: June 2004

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

Activity	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00
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
EPCo - 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	\$11,384,685	\$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
O2 Differential (2)	\$563,589	\$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	\$17,432,984	\$21,818,784	\$38,853,805	\$51,422,031
Less Dedicated Transaction Realization (from Pg. 2)	(\$422,036)	(\$11,945,840)	(\$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	(\$12,387,596)
Monthly Total	\$31,636,939	\$41,799,978	(\$10,735,881)	(\$716,679)	(\$135,060)	\$3,846,903	\$10,988,707	\$13,320,657	\$3,891,445	\$13,621,776	\$36,108,715	\$109,232,878
2 Mo. Cumulative Total	\$31,636,939	\$73,436,917	\$62,701,036	\$61,984,357	\$61,849,297	\$65,696,200	\$76,684,997	\$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:	June 2004													APPENDIX VIII
		Eastern AEP - Trading and Marketing Realizations for Base Year (July 1999 - June 2000)												Page 3 of 8
		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	\$1,137,838,711	\$521,049,752	\$457,360,779	\$668,402,058	\$485,514,884	\$692,461,848	(\$98,475,456)	\$702,667,564	\$689,488,789	\$1,359,908,237	\$1,472,809,035
Energy Purchases	4470.010	(\$942,477,724)	(\$888,268,393)	(\$1,150,961,783)	(\$522,047,657)	(\$456,111,554)	(\$661,409,489)	(\$480,920,634)	(\$678,746,205)	\$97,879,483	(\$703,188,421)	(\$859,664,733)	(\$1,348,603,111)	(\$1,472,606,495)
exercised Options - Sales	4470.007	\$30,627,050	\$28,117,600	\$8,767,200	\$2,591,200	\$3,471,200	\$1,887,600	\$3,908,000	\$4,812,800	\$0	\$2,275,200	\$592,000	\$2,309,600	\$16,398,200
exercised Options - Purchases	4470.011	(\$27,268,700)	(\$15,608,800)	(\$7,336,000)	(\$1,937,200)	(\$5,999,200)	(\$7,952,400)	(\$15,828,800)	(\$18,082,400)	\$0	(\$6,822,400)	(\$5,008,000)	(\$7,741,600)	(\$28,571,200)
sales Commission (Above Line)	4470.008	(\$152,598)	\$0	(\$312,907)	(\$208,888)	(\$159,854)	(\$248,900)	(\$117,868)	(\$193,889)	\$0	(\$280,304)	(\$381,486)	(\$519,986)	(\$139,787)
purchase Commissions (Above Line)	4470.010	(\$153,844)	\$0	(\$321,964)	(\$189,259)	(\$153,857)	(\$222,888)	(\$108,106)	(\$206,462)	\$0	(\$312,061)	(\$383,898)	(\$487,848)	(\$195,348)
Net Off System Trades (Above the Line)		\$18,397,954	\$25,718,948	(\$14,228,723)	(\$3,750,052)	(\$1,572,486)	\$568,921	\$2,348,688	\$1,065,780	\$1,404,027	(\$5,470,422)	\$1,843,584	\$6,785,292	(\$12,397,596)
2 Month Cumulative Total		\$18,397,954	\$44,114,903	\$29,886,180	\$28,136,128	\$24,563,642	\$25,132,563	\$27,482,261	\$28,548,041	\$28,952,068	\$24,481,648	\$26,125,210	\$32,910,502	\$20,512,008
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-04	\$1,125,810
February-04	\$1,741,581
March-04	(\$926,685)
April-04	(\$235,847)
May-04	(\$444,024)
June-04	\$2,109,197
July-04	
August-04	
September-04	
October-04	
November-04	
December-04	
Cumulative Total	<u>\$3,370,032</u>

Note 1

Notes:

(1) The February 2004 West realization has been reduced by \$162,422 resulting from the 1/04 ICR

ACTUAL:

June 2004

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
CPAL - Unit Power	\$3,086,279	\$2,741,508	\$3,401,657	\$3,572,062	\$2,964,036	\$2,889,438	\$0	\$0	\$0	\$0	\$0	\$0
Net ECR (1)	\$49,247,207	\$41,766,503	\$31,411,992	\$34,981,016	\$36,860,910	\$49,267,328	\$0	\$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)	\$0	\$0	\$0	\$0	\$0	\$0
SO2 Differential	\$3,242,988	\$2,988,863	\$2,040,513	\$2,780,264	\$2,680,606	\$5,611,756	\$0	\$0	\$0	\$0	\$0	\$0
Nox Differential	\$0	\$0	\$0	\$0	\$0	\$7,459,313	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Purchases (2)	(\$610,167)	(\$638,095)	(\$1,325,940)	(\$935,021)	(\$1,237,591)	(\$1,095,656)	\$0	\$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	\$0	\$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)	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0
Monthly Total	\$50,609,655	\$40,090,694	\$24,521,284	\$38,484,865	\$46,356,799	\$70,986,948	\$0	\$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	\$271,062,265	\$271,062,265	\$271,062,265	\$271,062,265	\$271,062,265	\$271,062,265

(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).

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

Type of 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
Account												
4470.006	\$610,463,029	\$684,952,074	\$665,967,414	\$572,872,778	\$501,692,261	\$527,733,349	\$0	\$0	\$0	\$0	\$0	\$0
1) Energy Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2) Less Tradeable Sale	\$5,553,920	(\$3,248,144)	\$351,056	\$910,240	\$5,860,287	\$430,593	\$0	\$0	\$0	\$0	\$0	\$0
3) Energy Sales - BiO Margin Reclass (Note 1)												
4) Energy Purchases	(\$602,089,650)	(\$682,500,251)	(\$659,931,502)	(\$551,530,222)	(\$489,771,344)	(\$510,848,563)	\$0	\$0	\$0	\$0	\$0	\$0
5) Off System Purchases Not Subject to Sharing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6) Energy Purch. - BiO Margin Reclass (Note 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7) Sales Commissions (Above Line)	(\$107,120)	(\$91,400)	(\$104,406)	(\$87,156)	(\$115,807)	(\$91,233)	\$0	\$0	\$0	\$0	\$0	\$0
8) Purchase Commissions (Above Line)	(\$97,244)	(\$113,891)	(\$88,568)	(\$84,850)	(\$65,559)	(\$119,144)	\$0	\$0	\$0	\$0	\$0	\$0
Net of Above	\$13,722,935	(\$93,602)	\$5,193,996	\$16,080,786	\$17,429,838	\$17,105,002	\$0	\$0	\$0	\$0	\$0	\$0
9) Exercised Options - Sales	\$10,987,200	\$9,542,400	\$8,548,864	\$8,486,016	\$5,017,600	\$3,699,200	\$0	\$0	\$0	\$0	\$0	\$0
10) Sales Option Premiums	\$957,265	\$793,367	(\$1,298,826)	(\$1,514,754)	\$51,417	(\$16,884)	\$0	\$0	\$0	\$0	\$0	\$0
11) Exercised Options - Purchases	(\$14,226,336)	(\$10,784,596)	(\$9,866,256)	(\$11,386,430)	(\$7,635,176)	(\$7,374,144)	\$0	\$0	\$0	\$0	\$0	\$0
12) Purchase Option Premiums	(\$2,968,841)	(\$1,319,192)	(\$393,137)	\$583,522	(\$605,439)	(\$404,387)	\$0	\$0	\$0	\$0	\$0	\$0
13) Swaps - Net	(\$66,220)	(\$229,635)	(\$61,934)	(\$61,920)	\$43,145	\$148,819	\$0	\$0	\$0	\$0	\$0	\$0
14) Power Futures (REFCO)	(\$34,148)	\$23,997	(\$2,063,573)	(\$278,989)	(\$101,111)	\$3,783,784	\$0	\$0	\$0	\$0	\$0	\$0
15) Power Future Deferrals / Accruals (REFCO)	(\$2,600,220)	\$116,150	\$1,403,563	\$228,233	\$75,976	\$142,956	\$0	\$0	\$0	\$0	\$0	\$0
16) Paribas Power Commissions & Fees	\$0	\$0	\$0	\$0	\$0	(\$2,766)	\$0	\$0	\$0	\$0	\$0	\$0
17) Dow Purchases - Associated (Was 4470.085)	\$0	\$0	\$0	(\$4,103,164)	(\$2,390,439)	(\$379,755)	\$0	\$0	\$0	\$0	\$0	\$0
5550.034												
Net of Above	(\$7,951,300)	(\$1,837,509)	(\$2,823,299)	(\$9,047,486)	(\$5,544,025)	(\$403,187)	\$0	\$0	\$0	\$0	\$0	\$0
19) Non-Ded. Spark Gas Broker Commissions	(\$5,103)	(\$2,237)	(\$3,190)	(\$1,895)	(\$3,146)	(\$1,787)	\$0	\$0	\$0	\$0	\$0	\$0
19) Non-Dedicated Spark Gas Paribas Futures	(\$4,249)	\$4,712,527	(\$5,522,433)	(\$1,173,422)	\$616,483	(\$1,159,843)	\$0	\$0	\$0	\$0	\$0	\$0
20) Non-Dedicated Swaps & Accruals - Net	(\$282,353)	\$136,525	\$18,969	\$259,745	\$1,109,963	(\$700,307)	\$0	\$0	\$0	\$0	\$0	\$0
Net of Above	(\$291,705)	\$4,846,815	(\$5,406,654)	(\$915,672)	\$1,723,300	(\$1,861,917)	\$0	\$0	\$0	\$0	\$0	\$0
Net Off System Trades (Above the Line)	\$5,479,930	\$2,017,704	(\$2,035,957)	\$7,117,730	\$13,609,113	\$14,839,918	\$0	\$0	\$0	\$0	\$0	\$0
12 Month Cumulative Total	\$5,479,930	\$7,497,634	\$5,461,677	\$12,575,407	\$26,189,520	\$41,028,438	\$41,028,438	\$41,028,438	\$41,028,438	\$41,028,438	\$41,028,438	\$41,028,438

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
Bookout Purchases	\$510,887,707	(\$628,719)	(\$511,504,428)	(\$48,188,885)	(\$465,404,531)	(\$45,563,178)	4470.010
Energy Purch. - B/O Margin Reclass (Note 1)							
Purchases Commission							
Bookout Sales	\$528,072,709	\$277,400	\$528,350,109	\$47,702,701	\$480,647,408	\$47,425,301	4470.008
Less Tradebel Sale							
Energy Sales - B/O Margin Reclass (Note 1)							
Sales Commission							
Exercised Option - Purchases	(\$7,778,531)	(\$40,138)	(\$7,818,667)	(\$705,917)	(\$7,112,750)	(\$665,781)	4470.011
Exercised Purchase Option Premiums							
Exercised Option - Sales	\$3,882,318	(\$1,878)	\$3,880,840	\$332,311	\$3,348,329	\$333,987	4470.007
Exercised Sales Option Premiums							
Non-Dedicated Spark Gas Commission	(\$1,861,917)	(\$184,811)	(\$2,046,728)	(\$184,791)	(\$1,861,937)	\$20	4470.081
Non-Dedicated Spark Gas Paribas Futures							
Non-Dedicated Swaps - Ngt							
Power Swaps - Net	\$4,072,803	\$389,508	\$4,462,311	\$402,885	\$4,059,428	\$13,377	4470.082
Paribas Power Commissions							
Power Futures (REFCO)							
Power Futures Deferred (REFCO)							
Dow Purchases - Associated	(\$378,755)	\$0	(\$378,755)	(\$34,287)	(\$345,488)	(\$34,287)	4470.085
ECR/CR Realizations							
Less Purchase Demand Charge							
Unit Power - CP&L							
SO2 Realization							
NOx Realization							
Transmission Purchases							
Total ECR/CR Realization	\$58,147,030	\$2,285,631	\$58,442,861	\$5,278,583	\$53,168,088	\$2,980,932	4470.002
Total	\$70,886,948	\$2,109,197	\$73,096,145	\$8,598,570	\$88,498,575	\$4,490,373	
Total West Realizations							
Total AEP Realizations							
Eastern AEP's Share of Total Realization							
Western AEP's Share of Total Realization							
Eastern AEP Funds to Western AEP							

Realization Sharing Ratios	
Base Year	\$73,096,145
Capacity	\$0
	100.00%
	0.00%
	100.00%

Capacity (MW) Realization Sharing	
24,071,000	68.70%
10,966,000	31.30%
35,037,000	100.00%

ALLOCATION BY OPERATING COMPANY	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACTUAL		
								4470.010	4470.006	4470.011
APCO	0.29975	(13,657,562)	(14,215,734)	(199,568)	(100,112)	4,010	(893,534)	(10,277)	(893,534)	(1,345,989)
KPCO	0.07034	(3,204,914)	(3,335,896)	(46,831)	(23,493)	941	(209,679)	(2,412)	(209,679)	(315,853)
I&M	0.20194	(9,201,028)	(9,577,065)	(134,448)	(67,445)	2,701	(601,969)	(6,924)	(601,969)	(906,784)
OPCO	0.24373	(11,105,113)	(11,558,969)	(162,271)	(81,403)	3,260	(726,543)	(8,357)	(726,543)	(1,094,439)
CSP	0.18424	(8,394,559)	(8,737,663)	(122,663)	(61,534)	2,465	(549,207)	(6,317)	(549,207)	(827,308)
TOTAL	1.00000	(45,563,176)	(47,425,301)	(665,781)	(333,987)	13,377	(2,980,932)	(34,287)	(2,980,932)	(4,490,373)

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