

JUL -6 2004



AEP: America's Energy Partner™

Date July 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 May 2004.

*RL Reed / MEM*

R. L. Reed

Enclosures

cc:

J. C. Baker - 1RP23

ACTUAL

INTERCHANGE POWER STATEMENT  
FOR THE MONTH OF  
MAY 2004

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STATEMENT OF SETTLEMENT TO BE MADE  
FOR ELECTRIC POWER AND ENERGY RECEIVED AND DELIVERED  
APPLICABLE TO MAY 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

## CONTENTS

	PAGE NO.
Summary of Settlements with the System Agent, for all Members	1
<u>System Account Settlement</u>	
Recapitulation of Capacity, Energy, Other Charges	2
Calculation of Capacity Settlement	3
Summary of Energy Settlement	4
Reconciliation with Interruptible Customers	5
Reconciliation with regard to Realization and Service Schedule D with Western AEP	6
Calculation of Adjustment	7
Detail of Primary Energy	8
Detail of Economy Energy	9
AEP System Actual Emission Allowances	10
Adjustments to System Account due to Emission Allowances	11
<u>Appendices</u>	
Supporting Cost and Operating Data	I - VIII

		MWh		(\$)		
		MEMBER RECEIVED FROM POOL	MEMBER DELIVERED TO POOL	AMOUNT DUE TO AGENT (CHARGE)	AMOUNT DUE FROM AGENT (CREDIT)	
(SOURCE: PAGE 2)						
I.	ACTUAL	APCO	1,228,901	496,511	25,245,218	8,862,551
	BILLING	KPCO	171,513	200,184	4,242,083	3,026,320
	AMOUNT	I&M	412,008	1,065,234	7,223,469	17,250,031
		OPCO	412,426	1,046,570	6,632,892	35,613,592
		CSP	917,038	333,387	26,825,277	5,416,445
	TOTAL		3,141,886	3,141,886	70,168,939	70,168,939
II.	PREVIOUSLY ESTIMATED	APCO	1,229,304	496,496	24,910,942	8,681,453
	BILLING	KPCO	171,531	200,100	4,153,263	2,873,438
	AMOUNT	I&M	412,008	1,064,941	7,085,017	18,515,711
		OPCO	412,447	1,046,400	6,553,109	33,706,671
		CSP	916,034	333,387	26,355,672	5,280,730
	TOTAL		3,141,324	3,141,324	69,058,003	69,058,003
III.	ADJUSTMENT TO BE BOOKED NEXT MONTH (I - II)	APCO	(403)	15	334,276	181,098
		KPCO	(18)	84	88,820	152,882
		I&M	0	293	138,452	(1,265,680)
		OPCO	(21)	170	79,783	1,906,921
		CSP	1,004	0	469,605	135,715
	TOTAL		562	562	1,110,936	1,110,936
IV.	ADJUSTMENT FOR TRANSMISSION SERVICE (PURCHASES) TO BE BOOKED NEXT MONTH (SEE APPENDIX VI)	APCO			0	7,426
		KPCO			8,044	0
		I&M			113,209	0
		OPCO			0	134,894
		CSP			21,067	0
	TOTAL				142,320	142,320
V.	ADJUSTMENT TO ALLOCATION OF TRADING & MARKETING REALIZATION TO BE BOOKED NEXT MONTH (SEE PAGE 6B)	APCO			(110,267)	0
		KPCO			(25,875)	0
		I&M			(74,286)	0
		OPCO			(89,659)	0
		CSP			(67,776)	0
		West. AEP			0	(367,863)
	TOTAL				(367,863)	(367,863)
VI.	ACTUAL THIS MONTH (SEE APPENDIX VI) (Net amounts due System Agent to effect sharing by MLR in revenues and cost of purchases for AEP System cash-settled transactions)	APCO			0	25,551,787
		KPCO			0	5,996,027
		I&M			0	17,214,107
		OPCO			0	20,776,425
		CSP			0	15,705,271
		East. AEP (Co.122)			85,243,617	0
	TOTAL				85,243,617	85,243,617
VII.	ESTIMATED THIS MONTH (SEE APPENDIX VI)	APCO			0	25,975,816
		KPCO			0	6,095,527
		I&M			0	17,499,756
		OPCO			0	21,121,202
		CSP			0	15,965,892
		East. AEP (Co.122)			86,658,193	0
	TOTAL				86,658,193	86,658,193
VIII.	ADJUSTMENT TO BE MADE NEXT MONTH	APCO			424,029	0
		KPCO			99,500	0
		I&M			285,649	0
		OPCO			344,777	0
		CSP			260,621	0
		East. AEP (Co.122)			0	1,414,576
	TOTAL				1,414,576	1,414,576

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)	8.53	8,929,883	0	16,315,335	8,862,551
	BILLING	KPCO	(180,000)	8.53	1,535,077	0	2,707,006	3,026,320
	AMOUNT	I&M	420,400	13.18	0	5,540,872	7,223,469	11,709,159
		OPCO	2,481,100	7.74	0	19,203,714	6,632,892	16,409,878
		CSP	(1,674,400)	8.53	14,279,626	0	12,545,651	5,416,445
	TOTAL				24,744,586	24,744,586	45,424,353	45,424,353
II.	PREVIOUSLY	APCO			8,715,856	0	16,195,086	8,681,453
	ESTIMATED	KPCO			1,498,284	0	2,654,979	2,873,438
	BILLING	I&M			0	5,805,160	7,085,017	12,710,551
	AMOUNT	OPCO			0	18,346,360	6,553,109	15,360,311
		CSP			13,937,380	0	12,418,292	5,280,730
	TOTAL				24,151,520	24,151,520	44,906,483	44,906,483
III.	ADJUSTMENT	APCO			214,027	0	120,249	181,098
	TO BE BOOKED	KPCO			36,793	0	52,027	152,882
	NEXT MONTH	I&M			0	(264,288)	138,452	(1,001,392)
	(I - II)	OPCO			0	857,354	79,783	1,049,567
		CSP			342,246	0	127,359	135,715
	TOTAL				593,066	593,066	517,870	517,870
				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			1,228,901	496,511	25,245,218	8,862,551
	BILLING	KPCO			171,513	200,184	4,242,083	3,026,320
	AMOUNT	I&M			412,008	1,065,234	7,223,469	17,250,031
		OPCO			412,426	1,046,570	6,632,892	35,613,592
		CSP			917,038	333,387	26,825,277	5,416,445
	TOTAL				3,141,886	3,141,886	70,168,939	70,168,939
II.	PREVIOUSLY	APCO			1,229,304	496,496	24,910,942	8,681,453
	ESTIMATED	KPCO			171,531	200,100	4,153,263	2,873,438
	BILLING	I&M			412,008	1,064,941	7,085,017	18,515,711
	AMOUNT	OPCO			412,447	1,046,400	6,553,109	33,706,671
		CSP			916,034	333,387	26,355,672	5,280,730
	TOTAL				3,141,324	3,141,324	69,058,003	69,058,003
III.	ADJUSTMENT	APCO			(403)	15	334,276	181,098
	TO BE BOOKED	KPCO			(18)	84	88,820	152,882
	NEXT MONTH	I&M			0	293	138,452	(1,265,680)
	(I - II)	OPCO			(21)	170	79,783	1,906,921
		CSP			1,004	0	469,605	135,715
	TOTAL				562	562	1,110,936	1,110,936

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	23,173,000	1.00000	23,173,000	

MEMBER CAPACITY \$ SETTLEMENT

<u>MEMBER</u>	<u>SURPLUS (DEFICIT) CAPACITY KW (1)</u>	<u>CAPACITY RATE \$/kW * (2)</u>	<u>CREDIT (CHARGE) ** \$ (3)</u>
APCO	(1,047,100)	***** + *****	(8,929,883)
KPCO	(180,000)	***** + *****	(1,535,077)
I&M	420,400	8.75 + 4.43	5,540,872
OPCO	2,481,100	5.18 + 2.56	19,203,714
CSP	(1,674,400)	***** + *****	(14,279,626)

EQUALIZATION CAPACITY RATE: 8.5282047217

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

NOTES:

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

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

SYSTEM ACCOUNT  
SUMMARY OF ENERGY SETTLEMENT

		MWH		\$	
		RECEIVED FROM POOL	DELIVERED TO POOL	CHARGE MEMBER A/C 555	CREDIT MEMBER A/C 447
		(MLR SHARE)	(AS SUPPLIED)	(MLR SHARE)	(AS SUPPLIED)
<b>I. AEP EXTERNAL ENERGY</b>					
ENERGY COST	APCO	1,104,062	1,113,287	25,084,965	26,166,977
RECOVERY AND MLR	KPCO	260,658	248,837	5,886,493	5,470,257
ALLOCATION FOR ALL	I&M	730,639	517,851	16,899,609	13,066,889
AEP SYSTEM	OPCO	888,273	1,109,526	20,396,859	23,981,958
DELIVERIES TO	CSP	667,311	661,442	15,418,362	15,000,207
NON-AFFILIATED COS.	AEP	3,650,943	3,650,943	83,686,288	83,686,288
ADJUSTMENT TO	APCO	(621,922)	(621,922)	(17,552,259)	(17,552,259)
PREVENT RECOGNITION	KPCO	(108,389)	(108,389)	(3,409,444)	(3,409,444)
OF SALES BY POOL	I&M	(323,903)	(323,903)	(10,093,038)	(10,093,038)
MEMBERS TO	OPCO	(522,039)	(522,039)	(14,370,889)	(14,370,889)
THEMSELVES	CSP	(329,742)	(329,742)	(9,715,414)	(9,715,414)
(PAGE 7)	AEP	(1,905,995)	(1,905,995)	(55,141,044)	(55,141,044)
SUBTOTAL	APCO	482,140	491,365	7,532,706	8,614,718
AEP EXTERNAL	KPCO	152,269	140,448	2,477,049	2,060,813
ENERGY	I&M	406,736	193,948	6,806,571	2,973,851
	OPCO	366,234	587,487	6,025,970	9,611,069
	CSP	337,569	331,700	5,702,948	5,284,793
	AEP	1,744,948	1,744,948	28,545,244	28,545,244
<b>II. INTERNAL ENERGY AMONG POOL MEMBERS</b>					
PRIMARY	APCO	746,466	2,525	8,762,215	42,369
ENERGY	KPCO	19,244	59,090	229,957	915,244
(PAGE 8)	I&M	0	870,782	0	8,696,499
	OPCO	44,590	457,372	483,603	6,664,366
	CSP	579,469	0	6,842,703	0
	AEP	1,389,769	1,389,769	16,318,478	16,318,478
ECONOMY	APCO	3	0	24	0
ENERGY	KPCO	0	0	0	0
(PAGE 9)	I&M	0	0	0	0
	OPCO	0	3	0	24
	CSP	0	0	0	0
	AEP	3	3	24	24
<b>III. TOTAL SYSTEM ACCOUNT ENERGY</b>					
(I + II)	APCO	1,228,901	496,511	16,315,335	8,862,551
	KPCO	171,513	200,184	2,707,006	3,026,320
	I&M	412,008	1,065,234	7,223,469	11,709,159
	OPCO	412,426	1,046,570	6,632,892	16,409,878
	CSP	917,038	333,387	12,545,651	5,416,445
	AEP	3,141,886	3,141,886	45,424,353	45,424,353

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

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

		MWH		\$	
		RECEIVED FROM POOL	DELIVERED TO POOL (AS SUPPLIED)	CHARGE MEMBER A/C 555	CREDIT MEMBER A/C 447 (AS SUPPLIED)
<b>I. AEP POOL ENERGY *</b>					
ENERGY AND ENERGY	APCO	292	2,621	20,390	205,464
COST RECOVERY	KPCO	0	646	0	50,263
ALLOCATED TO	I&M	5,272	504	416,898	38,809
SPECIAL SERVICE	OPCO	1,602	1,708	123,319	134,419
CUSTOMERS	CSP	0	1,687	0	131,652
	AEP	<u>7,166</u>	<u>7,166</u>	<u>560,607</u>	<u>560,607</u>
PREVIOUSLY	APCO	292	2,621	20,390	205,464
ESTIMATED	KPCO	0	646	0	50,263
AMOUNT	I&M	5,272	504	416,898	38,809
	OPCO	1,602	1,708	123,319	134,419
	CSP	0	1,687	0	131,652
	AEP	<u>7,166</u>	<u>7,166</u>	<u>560,607</u>	<u>560,607</u>
ADJUSTMENT	APCO	0	0	0	0
TO BE BOOKED	KPCO	0	0	0	0
NEXT MONTH	I&M	0	0	0	0
	OPCO	0	0	0	0
	CSP	0	0	0	0
	AEP	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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



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

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

	CHARGE MEMBER (MLR * COL. 2 TOT.) (\$) (1)	CREDIT MEMBER (1) COST RECOVERY (\$) (2)	CREDIT MEMBER (2) SYSTEM SALES REVENUES (\$) (3)	EXCESS OF REVENUE OVER ENERGY COSTS (\$) (4)=(3)-(1)
APCO	25,084,965	26,166,977	36,913,819	11,828,854
KPCO	5,886,493	5,470,257	8,662,259	2,775,766
I&M	16,899,609	13,066,889	24,868,631	7,969,022
OPCO	20,396,859	23,981,958	30,015,000	9,618,141
CSP	15,418,362	15,000,207	22,688,890	7,270,528
TOTAL	83,686,288	83,686,288	123,148,599	39,462,311

	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	11,462,909	0.29975
KPCO	85,873	2,689,893	0.07034
I&M	246,535	7,722,487	0.20194
OPCO	297,553	9,320,588	0.24373
CSP	224,926	7,045,602	0.18424
TOTAL	1,220,832	38,241,479	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 \$281.02/ton for emission allowance used in dispatch versus operating companies inventory costs. (See page 11)

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

RECONCILIATION OF ALLOCATION OF TRADING AND MARKETING REALIZATIONS (Schedule D3)

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

NET REVENUE REALIZED BY THE MEMBERS (Page 4, Col. 6)	(1)	ADJUSTMENT TO NET REVENUE FOR SO2 ALLOWANCES (\$ x ALR) (3)	(2)	NET REVENUE FROM DEDICATED TRANSACTIONS (EXCLUDABLE) (Appx VIII, Pg 6) (\$ x ALR) (4)	(3)	THIRD PARTY TRANSMISSION PURCH. (Appendix VI, Pg 2)	(4)	OFF SYSTEM ENERGY SALES (Appendix VIII, Pg 1)	(5)	BOOKOUT MARGIN RECLASSIFICATION (Appendix VIII, Pg 7) (\$ x ALR) (5)	(6)	CAPACITY REALIZATION AEP % SHARING RATIO		
APCO	11,462,909	23,742	1,298,939	370,968	3,373,295	1,705,663						24,694,000	69.33%	(1)
WPCO	2,689,893	5,571	304,812	87,052	818,518	400,255						10,924,000	30.47%	(2)
TAM	7,722,487	15,995	875,088	249,919	2,407,310	1,149,097						39,518,000	100.00%	
OPCO	9,300,988	19,304	1,056,181	301,638	2,905,484	1,386,894								
CSP	7,045,602	14,593	798,387	228,014	2,196,310	1,048,378								
TOTAL	38,241,479	79,203	4,333,407	1,237,591	11,920,917	5,690,287								

EXERCISED OPTION PREMIUMS (Appendix VIII, Pg 7)	(7)	EXERCISED OPTIONS (Appendix VII, Pg 1)	(8)	POWER BROKERS' COMMISSIONS (Appendix VII, Pg 2)	(9)	POWER SWAPS NET (Appendix VII, Pg 3)	(10)	FINANCIAL SPARK GAS (Appendix VIII, Pg 7)	(11)	DOY PURCHASES ASSOCIATED (Appx VII, page 7)	(12)
APCO	(166,066)	(784,616)	(54,375)	(181,366)	15,933	331,768	716,534				
WPCO	(38,970)	(184,120)	(12,755)	(168,144)	3,039	77,854	(168,144)				
TAM	(111,879)	(528,593)	(36,621)	(482,725)	8,713	223,511	(482,725)				
OPCO	(135,032)	(637,982)	(44,202)	(582,622)	10,315	269,764	(582,622)				
CSP	(102,073)	(462,263)	(33,413)	(410,414)	7,949	203,920	(410,414)				
TOTAL	(554,022)	(2,617,576)	(181,366)	43,145	1,106,817	(2,390,439)					

NET OF ALL OF ABOVE	(13)	PRIOR MONTHS' TOTAL REALIZATION	(14)	TOTAL	(15)
(7)-(1)-(2)-(4)-(5)-(6)-(7)-(8)-(9)-(10)-(11)-(12)				155,421,377	
APCO	13,718,808	JANUARY 2004	51,735,465		
WPCO	3,219,273	FEBRUARY 2004	41,832,275		
TAM	9,242,288	MARCH 2004	23,594,599		
OPCO	11,154,892	APRIL 2004	38,259,038		
CSP	8,432,188	MAY 2004			
EASTERN AEP REALIZATION:	45,767,449	JUNE 2004			
LESS TRACTEEL SALE:	0	JULY 2004			
PARIBAS SPARK GAS FUTURES (East):	616,483	AUGUST 2004			
REFCO FUTURES (East):	(25,113)	SEPTEMBER 2004			
WESTERN AEP REALIZATION:	(444,024)	OCTOBER 2004			
TOTAL REALIZATION TO BE SHARED:	43,914,775	NOVEMBER 2004			
		DECEMBER 2004			

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

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

	BASE YEAR REALIZATION SHARING		CAPACITY REALIZATION SHARING		TOTAL SHARE
EASTERN AEP:	90.97% x	45,914,775 = \$41,769,306	69.53% x	0 = \$0	\$41,769,306
WESTERN AEP:	9.03% x	45,914,775 = \$4,145,469	30.47% x	0 = \$0	\$4,145,469
					<u>\$45,914,775</u>

EASTERN AEP REALIZATION (Including Misc. Items): \$46,358,799  
 LESS EASTERN AEP REALIZATION SHARE: \$41,769,306

TOTAL DOLLAR TRANSFER FROM EASTERN AEP TO WESTERN AEP: \$4,589,493

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

(1)

CURRENT MONTH ACTUAL	ACCOUNT NO.			ACCOUNT NO.			ACCOUNT NO.			ADJUSTMENT TO BE BOOKED NEXT MONTH	
	4470.010	4470.006	4470.011	4470.007	4470.081	4470.082	5550.034 (OPCo)	5550.034 (Other Cos.)	4470.002		
CO	(12,696,817)	(13,722,505)	(206,632)	(135,793)	(4)	1,168	(64,693)	(484,382)	(484,382)	(1,485,969)	110,267
CO	(2,979,463)	(3,220,153)	(48,489)	(31,865)	(1)	274	(15,181)	(113,666)	(113,666)	(348,699)	25,875
W	(8,553,779)	(9,244,779)	(139,207)	(91,483)	(3)	787	(43,583)	(326,325)	(326,325)	(1,001,088)	74,286
CO	(10,323,920)	(11,157,918)	(168,015)	(110,415)	(3)	949	(52,603)	(393,856)	(393,856)	(1,208,256)	89,659
W	(7,804,042)	(8,434,476)	(127,005)	(83,464)	(3)	718	(39,763)	(297,723)	(297,723)	(913,344)	67,776
TOTAL	(42,358,021)	(45,779,831)	(689,346)	(453,020)	(14)	3,896	(215,823)	(1,615,952)	(1,615,952)	(4,957,356)	367,863

NOTE:

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

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

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

	COST (2)		MLR (APPENDIX I)	ADJUSTMENT	
	MWh	(\$)		MWh	COST (\$)
APCO	515,366	7,985,973	0.29975	154,481	2,393,795
KPCO	129,161	1,931,191	0.07034	9,085	135,840
I&M	146,003	2,087,467	0.20194	29,484	421,543
OPCO	636,502	9,500,332	0.24373	155,135	2,315,516
CSP	361,385	5,451,330	0.18424	66,582	1,004,353
TOTAL	1,788,417	26,956,293	1.00000	414,767	6,271,047

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

	COST		MLR (APPENDIX I)	ADJUSTMENT	
	MWh	(\$)		MWh	COST (\$)
APCO	186,333	4,316,373	0.29975	55,853	1,293,833
KPCO	21,913	285,547	0.07034	1,541	20,085
I&M	97,021	1,638,883	0.20194	19,592	330,956
OPCO	140,320	3,208,184	0.24373	34,200	781,931
CSP	45,230	1,027,037	0.18424	8,333	189,221
TOTAL	490,817	10,476,024	1.00000	119,519	2,616,026

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

	AS ALLOCATED	
	MWh	COST (\$)
APCO	411,588	13,864,631
KPCO	97,763	3,253,519
I&M	274,827	9,340,539
OPCO	332,704	11,273,442
CSP	254,827	8,521,840
TOTAL	1,371,709	46,253,971

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

	TOTAL ADJUSTMENT TO PAGE 4	
	MWh	COST (\$)
APCO	621,922	17,552,259
KPCO	108,389	3,409,444
I&M	323,903	10,093,038
OPCO	522,039	14,370,889
CSP	329,742	9,715,414
TOTAL	1,905,995	55,141,044

## 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 IT above)

		PRIMARY ENERGY		
DELIVERING MEMBER	RECEIVING MEMBER	MWh	RECEIVED ENERGY	
			\$/MWh	CHARGE (\$)
1. KPCO	APCO	29,690	15.490	459,868
2. I&M	APCO	467,233	9.986	4,666,256
3. OPCO	APCO	249,543	14.572	3,636,091
4. CSP	APCO	0	0.000	0
5. TOTAL	APCO	<u>746,466</u>	<u>11.738</u>	<u>8,762,215</u>
6. APCO	KPCO	0	0.000	0
7. I&M	KPCO	11,005	9.986	109,907
8. OPCO	KPCO	8,239	14.572	120,050
9. CSP	KPCO	0	0.000	0
10. TOTAL	KPCO	<u>19,244</u>	<u>11.950</u>	<u>229,957</u>
11. APCO	I&M	0	0.000	0
12. KPCO	I&M	0	0.000	0
13. OPCO	I&M	0	0.000	0
14. CSP	I&M	0	0.000	0
15. TOTAL	I&M	<u>0</u>	<u>0.000</u>	<u>0</u>
16. APCO	OPCO	1,113	16.780	18,676
17. KPCO	OPCO	5,584	15.490	86,490
18. I&M	OPCO	37,893	9.986	378,437
19. CSP	OPCO	0	0.000	0
20. TOTAL	OPCO	<u>44,590</u>	<u>10.846</u>	<u>483,603</u>
21. APCO	CSP	1,412	16.780	23,693
22. KPCO	CSP	23,816	15.490	368,886
23. I&M	CSP	354,651	9.986	3,541,899
24. OPCO	CSP	199,590	14.572	2,908,225
25. TOTAL	CSP	<u>579,469</u>	<u>11.809</u>	<u>6,842,703</u>
26. TOTAL ALL MEMBERS RECEIVED		1,389,769	11.742	16,318,478
TOTAL DELIVERED BY MEMBER	SUM OF LINES	MWh	\$/MWh	CREDIT (\$)
27. APCO	6, 11, 16, & 21	2,525	16.780	42,369
28. KPCO	1, 12, 17, & 22	59,090	15.490	915,244
29. I&M	2, 7, 18, & 23	870,782	9.986	8,696,499
30. OPCO	3, 8, 13, & 24	457,372	14.572	6,664,366
31. CSP	4, 9, 14, & 19	<u>0</u>	<u>0.000</u>	<u>0</u>
32. TOTAL ALL MEMBERS DELIVERED:		1,389,769	11.742	16,318,478

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	3	8.000	24
4. CSP	APCO	0	0.000	0
5. TOTAL	APCO	3	8.000	24
6. APCO	KPCO	0	0.000	0
7. I&M	KPCO	0	0.000	0
8. OPCO	KPCO	0	0.000	0
9. CSP	KPCO	0	0.000	0
10. TOTAL	KPCO	0	0.000	0
11. APCO	I&M	0	0.000	0
12. KPCO	I&M	0	0.000	0
13. OPCO	I&M	0	0.000	0
14. CSP	I&M	0	0.000	0
15. TOTAL	I&M	0	0.000	0
16. APCO	OPCO	0	0.000	0
17. KPCO	OPCO	0	0.000	0
18. I&M	OPCO	0	0.000	0
19. CSP	OPCO	0	0.000	0
20. TOTAL	OPCO	0	0.000	0
21. APCO	CSP	0	0.000	0
22. KPCO	CSP	0	0.000	0
23. I&M	CSP	0	0.000	0
24. OPCO	CSP	0	0.000	0
25. TOTAL	CSP	0	0.000	0
26. TOTAL ALL MEMBERS RECEIVED		3	8.000	24
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	3	8.000	24
31. CSP	4, 9, 14, & 19	0	0.000	0
32. TOTAL ALL MEMBERS DELIVERED:		3	8.000	24

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 (e)

		GENERATION ALLOCATED TO SALES TO NON-AFFILIATED SYSTEMS (MWh)	TOTAL GENERATION (MWh)	SYSTEM SALES ALLOCATION FACTOR (3)=(1)/(2)	TOTAL EMISSION ALLOWANCES (b) (4)	EMISSION ALLOWANCES EXPENDED FOR SYSTEM SALES (5)=(3)*(4)
		(1)	(2)	(3)=(1)/(2)	(4)	(5)=(3)*(4)
APCO	AMOS 1	114,175	534,462	0.2136	3,197	682.9624
	AMOS 2	48,155	380,684	0.1265	2,404	304.0964
	AMOS 3	714	3,911	0.1826	32	5.8420
	CLINCH RIVER 1	15,927	66,977	0.2378	232	55.1691
	CLINCH RIVER 2	14,804	59,990	0.2468	397	97.9695
	CLINCH RIVER 3	38,121	142,172	0.2681	670	179.6491
	GLEN LYN 51	3,466	19,862	0.1745	123	21.4622
	GLEN LYN 52	4,226	24,221	0.1745	150	26.1734
	GLEN LYN 6	0	0	0.0000	(403)	0.0000
	KANAWHA RIVER 1	26,978	93,880	0.2874	583	167.5349
	KANAWHA RIVER 2	30,415	99,269	0.3064	623	190.8808
	MOUNTAINEER 1	119,938	722,540	0.1660	3,115	517.0743
	SPORN 1	29,402	68,156	0.4314	553	238.5602
	SPORN 3	29,947	78,349	0.3822	653	249.5934
	TOTAL	476,268	2,294,473	0.2076	12,329	2,736.9677
KPCO	BIG SANDY 1	44,515	153,269	0.2904	1,127	327.3226
	BIG SANDY 2	84,681	472,892	0.1791	2,829	506.5904
	ROCKPORT 1 (AEG)	16,179	114,501	0.1413	302	42.6726
	ROCKPORT 2 (AEG)	5,734	27,644	0.2074	70	14.5196
	TOTAL	151,109	768,306	0.1967	4,328	891.1052
I&M	ROCKPORT 1	53,916	381,668	0.1413	1,004	141.8292
	ROCKPORT 1 (AEG)	37,744	267,154	0.1413	702	99.1798
	ROCKPORT 2	11,160	54,242	0.2057	135	27.7755
	ROCKPORT 2 (AEG)	13,391	64,455	0.2078	160	33.2412
	TANNERS CREEK 1	7,069	31,282	0.2260	85	19.2080
	TANNERS CREEK 2	18,839	57,406	0.3282	232	76.1357
	TANNERS CREEK 3	38,015	94,346	0.4029	414	166.8137
	TANNERS CREEK 4	17,004	256,673	0.0662	2,040	135.1453
	TOTAL	197,138	1,207,226	0.1633	4,772	699.3284

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	TOTAL EMISSION ALLOWANCES (b)	EMISSION ALLOWANCES EXPENDED FOR SYSTEM SALES (5)=(3)*(4)
		(1)	(2)	(3)=(1)/(2)	(4)	(5)=(3)*(4)
OPCO	AMOS 3	1,531	8,385	0.1826	69	12.5986
	CARDINAL 1	65,833	386,731	0.1702	3,430	583.8870
	CARDINAL 2	25,201	25,201	1.0000	740	740.0000
	CARDINAL 3	69,208	69,208	1.0000	2,449	2,449.0000
	GAVIN 1	23,477	672,533	0.0349	804	28.0663
	GAVIN 2	17,153	742,952	0.0231	1,162	26.8278
	KAMMER 1	18,864	105,006	0.1796	1,188	213.4205
	KAMMER 2	20,502	97,791	0.2097	1,101	230.8260
	KAMMER 3	26,887	126,940	0.2118	1,428	302.4629
	MITCHELL 1	138,290	377,832	0.3660	2,537	928.5654
	MITCHELL 2	0	0	0.0000	(121)	0.0000
	MUSKINGUM 1	6,394	76,638	0.0834	1,834	153.0128
	MUSKINGUM 2	20,377	73,850	0.2759	1,796	495.5598
	MUSKINGUM 3	23,365	95,189	0.2455	2,181	535.3462
	MUSKINGUM 4	29,754	121,243	0.2454	2,707	664.3194
	MUSKINGUM 5	68,164	346,403	0.1968	3,739	735.7477
	SPORN 2	22,605	57,134	0.3956	499	197.4288
	SPORN 4	25,665	69,054	0.3717	606	225.2294
	SPORN 5	33,207	242,850	0.1367	608	83.1371
		TOTAL	636,477	3,694,940	0.1723	28,757
CSP	BECKJORD 6	8,445	20,918	0.4037	686	276.9514
	CONESVILLE 1	6,469	41,230	0.1569	(1,400)	-219.6604
	CONESVILLE 2	9,993	55,728	0.1793	(1,175)	-210.6979
	CONESVILLE 3	22,444	75,359	0.2978	712	212.0533
	CONESVILLE 4	10,777	35,808	0.3010	653	196.5310
	CONESVILLE 5	65,914	221,679	0.2973	(489)	-145.3992
	CONESVILLE 6	71,535	238,999	0.2993	(332)	-99.3712
	PIGWAY 5	10,992	29,275	0.3755	702	263.5827
	STUART 1	27,357	88,258	0.3100	337	104.4586
	STUART 2	23,011	103,475	0.2224	49	10.8967
	STUART 3	31,273	92,062	0.3397	(69)	-23.4390
	STUART 4	25,830	85,036	0.3038	92	27.9453
	ZIMMER 1	47,329	240,981	0.1964	969	190.3129
		TOTAL	361,369	1,328,808	0.2719	735

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



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

I. AEP EXTERNAL ENERGY (3)	ACCOUNT 509		SOURCE ALLOCATION
	\$	\$	\$
	<u>(AS SUPPLIED)</u> (1)	<u>(ADJUSTED)</u> (2)	<u>ADJUSTMENT</u> (3)=(2)-(1)
APCO	751,602	161,645	(589,957)
KPCO	287,129	62,823	(224,306)
I&M	224,623	46,016	(178,607)
OPCO	1,615,431	564,344	(1,051,087)
CSP	594,117	36,674	(557,443)
AEP	<u>3,472,902</u>	<u>871,502</u>	<u>(2,601,400)</u>
	SOURCE ALLOCATION <u>(UNADJUSTED)</u> (4)	SOURCE ALLOCATION <u>(ADJUSTED)</u> (5)=(4)+(3)	
APCO	26,756,934	26,166,977	
KPCO	5,694,563	5,470,257	
I&M	13,245,496	13,066,889	
OPCO	25,033,045	23,981,958	
CSP	15,557,650	15,000,207	
AEP	<u>86,287,688</u>	<u>83,686,288</u>	

NOTES:

(1) Market Price (\$/allowance):	281.02
(2) APCO allowance:	59.06
KPCO allowance:	70.50
I&M allowance:	65.80
OPCO allowance:	65.58
CSP allowance:	62.78

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

APPENDICES

SUPPORTING COST AND OPERATING DATA

SYNOPSIS OF CONTENTS

<b>MEMBER LOAD RATIO SUMMARY</b>	<b>I</b>
<ul style="list-style-type: none"><li>- Member Load Ratio (MLR) for each month</li><li>- List of maximum MLR demands in each of past 12 months</li><li>- Maximum MLR demands experienced in the past 12 months</li></ul>	
<b>SYSTEM PRIMARY CAPACITY</b>	<b>II</b>
<ul style="list-style-type: none"><li>- Kilowatts of Primary Capacity, listed by station</li></ul>	
<b>PRIMARY CAPACITY INVESTMENT COSTS AND RATES, BY STATION, APPLICABLE TO MEMBERS WITH PRIMARY CAPACITY SURPLUS</b>	<b>III</b>
<ul style="list-style-type: none"><li>- Kilowatts of capacity as of January 1</li><li>- Installed cost of production plant</li><li>- Weighted average investment cost, \$/KW</li><li>- Member Primary Capacity Investment Rate, \$/KW</li></ul>	
<b>PRIMARY CAPACITY NET PRODUCTION EXPENSES, BY MEMBER</b>	<b>IV</b>
<ul style="list-style-type: none"><li>- Net Generation in megawatt-hours (MWH)</li><li>- Total Net Production Expenses</li><li>- Fuel Expenses, Account 501</li><li>- Maintenance Expenses, Accounts 510-515</li></ul>	
<b>CALCULATION OF RATES BASED UPON THIS MONTH'S WEIGHTED COSTS</b>	<b>V</b>
<ul style="list-style-type: none"><li>- Member Primary Energy Rates</li><li>- Member Primary Capacity Fixed Operating Rates</li></ul>	
<b>SETTLEMENT WITH SYSTEM AGENT ASSOCIATED WITH MLR ALLOCATIONS OF AEP SYSTEM RECEIPTS AND DELIVERIES</b>	<b>VI-VII</b>
<b>TRADING AND MARKETING REALIZATIONS FOR BASE YEAR AND CURRENT MONTH --- BACKUP DATA FOR SERVICE SCHEDULE D WITH WESTERN AEP</b>	<b>VIII</b>

AMERICAN ELECTRIC POWER SYSTEM  
MEMBER LOAD RATIO SUMMARY

MONTH ENDING 4/30/2004

MEMBER LOAD RATIO  
MAY 2004

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

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

MO	TOTAL	APPALACHIAN			KENTUCKY			INDIANA			OHIO			COLUMBUS		
		DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK	DA	HR	PEAK
	15850	06	07	4927	05	08	1167	05	11	2974	13	12	4247	01	20	2535
03	17166	23	08	5557	23	08	1351	16	12	3224	12	11	4330	16	20	2704
02	18247	02	09	5734	16	09	1391	05	19	3390	04	20	4881	03	19	2851
01	19444	07	08	6298	31	09	1478	22	20	3500	29	23	5018	06	20	3150
12	17774	21	09	5628	02	08	1267	15	19	3349	18	19	4545	17	19	2985
11	16490	25	08	5010	25	08	1210	25	08	3212	24	19	4273	24	19	2785
10	15194	03	07	4592	03	08	1038	08	12	2980	30	10	4118	28	19	2466
09	16952	02	16	4952	04	15	1030	10	15	3454	10	15	4384	10	17	3132
08	20104	26	16	5657	26	17	1212	21	15	4243	21	16	5121	21	16	3871
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

ACTUAL: May 2004

APPENDIX II

## SYSTEM PRIMARY CAPACITY

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

ACTUAL:  
May 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
<b>INDIANA MICHIGAN POWER COMPANY</b>				
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
<b>OHIO POWER COMPANY</b>				
Amos	867,000	336,754,145		
Cardinal	600,000	335,534,225		
Gavin	2,600,000	989,949,191		
Kammer	630,000	257,699,906		
Mitchell	1,600,000	473,025,193		
Muskingum River	1,425,000	501,486,862		
Sporn	750,000	309,973,742		
Ohio Total	<u>8,472,000</u>	<u>3,204,423,264</u>	378.24	5.18
<b>KENTUCKY POWER COMPANY</b>				
Big Sandy	1,060,000	449,424,921		
Rockport 1 Purchased from AEG	195,000	178,295,415		
Rockport 2 Purchased from AEG	195,000	14,932,148		
Kentucky Total	<u>1,450,000</u>	<u>642,652,484</u>	443.21	6.07

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

ACTUAL:  
May 2004

APPENDIX IV

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

	NET GENERATION MWh	TOTAL NET PRODUCTION EXPENSES (\$)	FUEL A/C 501 (\$)	MAINTENANCE A/C 510-515 (\$)	FUEL A/C 151 (\$)	FUEL A/C 152 (\$)
<u>APPALACHIAN POWER COMPANY</u>						
GLEN LYN	44,083	2,614,173	987,966	828,968	898,162	89,804
SPORN (APCO)	146,505	3,105,480	2,591,164	242,778	2,485,180	105,984
KANAWHA RIVER	193,149	4,245,020	3,514,641	473,143	3,311,101	203,540
CLINCH RIVER	269,139	7,406,301	4,145,730	2,575,390	3,917,539	228,191
AMOS (APCO)	919,240	18,389,232	13,233,005	3,381,050	12,735,696	497,309
MOUNTAINEER	722,540	10,846,931	9,889,503	782,986	9,496,941	392,562
TOTAL	2,294,656	46,607,137	34,362,009	8,284,315	32,844,619	1,517,390
RATES:		16.780	14.975	1.805	14.314	0.661
<u>KENTUCKY POWER COMPANY</u>						
BIG SANDY	626,161	11,462,074	9,253,811	1,453,278	8,993,793	260,018
ROCKPORT 1 (AEG)	114,501	1,622,154	1,440,994	120,737	1,394,493	46,501
ROCKPORT 2 (AEG)	27,644	1,756,626	376,611	84,630	365,296	11,315
TOTAL	768,306	14,840,854	11,071,416	1,658,645	10,753,582	317,834
RATES:		15.489	14.410	1.079	13.996	0.414
<u>INDIANA MICHIGAN POWER COMPANY</u>						
TANNERS CREEK 1-3	183,034		3,027,754		2,805,139	222,615
TANNERS CREEK 4	256,673		3,564,572		3,196,149	368,423
TANNERS CREEK TOTAL	439,707	8,659,612	6,592,326	1,315,269	6,001,288	591,038
ROCKPORT 1 (OWNED SHARE)	381,668	4,375,605	4,804,130	(133,442)	4,648,125	156,005
ROCKPORT 1 (AEG)	267,154	3,785,025	3,362,129	287,720	3,253,633	108,496
ROCKPORT 2 (AEG)	64,455	4,098,794	878,110	197,471	851,729	26,381
ROCKPORT 2 (LEASED SHARE)	54,242	3,471,362	739,191	8,513	716,408	22,783
COOK	1,586,127	26,071,106	7,095,299	7,172,135	7,095,299	0
TOTAL	2,793,353	50,461,504	23,471,185	8,847,666	22,566,482	904,703
RATES:		9.987	8.403	1.584	8.079	0.324
<u>OHIO POWER COMPANY</u>						
SPORN (OPCO)	369,038	7,817,072	6,203,563	989,216	5,975,650	227,913
MUSKINGUM	713,323	11,633,021	8,614,750	1,888,364	8,610,628	4,122
KAMMER	329,737	5,452,402	4,118,486	935,597	3,937,698	180,788
CARDINAL (OPCO)	359,104	6,716,762	5,437,366	1,141,782	5,201,266	236,100
MITCHELL	377,832	9,401,083	5,947,177	2,232,504	5,832,626	114,551
AMOS (OPCO)	8,202	4,347,656	291,996	3,261,521	285,228	6,768
GAVIN	1,415,485	28,349,303	14,243,462	3,958,717	13,840,302	403,160
TOTAL	3,572,721	73,717,299	44,856,800	14,407,701	43,683,398	1,173,402
RATES:		14.571	12.555	2.016	12.227	0.328
<u>COLUMBUS SOUTHERN POWER COMPANY</u>						
CONESVILLE	668,803	13,746,971	9,688,014	2,124,627	9,360,346	327,668
PICWAY	29,275	790,996	500,589	92,724	469,570	31,019
BECKJORD	20,918	401,071	338,346	26,477	319,194	19,152
STUART	368,831	6,466,887	5,393,106	717,308	5,312,696	80,410
ZIMMER	240,981	3,956,585	2,731,520	553,103	2,614,976	116,544
TOTAL	1,328,808	25,362,510	18,651,575	3,514,239	18,076,782	574,793
RATES:		15.359	14.037	1.322	13.604	0.433
SYSTEM TOTAL	10,757,844	210,989,304	132,412,985	36,712,566	127,924,863	4,488,122

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	46,607,137	32,844,619	1,517,390	8,284,315	4,142,158
KPCO	14,840,854	10,753,582	317,834	1,658,645	829,323
I&M	50,461,504	22,566,482	904,703	8,847,666	4,423,833
OPCO	73,717,299	43,683,398	1,173,402	14,407,701	7,203,851
CSP	25,362,510	18,076,782	574,793	3,514,239	1,757,120
TOTAL	210,989,304	127,924,863	4,488,122	36,712,566	18,356,285

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	5,659,548	2,294,656	2,294,656	16.780
KPCO	1,147,157	768,306	768,306	15.490
I&M	5,328,536	2,793,353	2,793,353	9.986
OPCO	8,377,253	3,572,721	3,572,721	14.572
CSP	2,331,913	1,328,808	1,328,808	15.359
TOTAL	22,844,407	10,757,844	10,757,844	14.014

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	8,102,970	5,073,000	1.60
KPCO	2,940,115	1,450,000	2.03
I&M	22,566,486	5,089,000	4.43
OPCO	21,656,648	8,472,000	2.56
CSP	4,953,815	2,595,000	1.91
TOTAL	60,220,034	22,679,000	2.66

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

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

		ACTUAL SETTLEMENT		PREVIOUS ESTIMATE		ADJUSTMENT AMOUNT	
		AMOUNT DUE TO AGENT	AMOUNT DUE FROM AGENT	AMOUNT DUE TO AGENT	AMOUNT DUE FROM AGENT	AMOUNT DUE TO AGENT	AMOUNT DUE FROM AGENT
		\$ CHARGE	\$ CREDIT	\$ CHARGE	\$ CREDIT	\$ CHARGE	\$ CREDIT
TRANSMISSION SERVICE (PURCHASES)	APCO	108,249	0	115,675	0	0	7,426
	KPCO	87,052	0	79,008	0	8,044	0
	I&M	213,505	0	100,296	0	113,209	0
	OPCO	0	636,820	0	501,926	0	134,894
	CSP	228,014	0	206,947	0	21,067	0
	<b>TOTAL</b>	<b>636,820</b>	<b>636,820</b>	<b>501,926</b>	<b>501,926</b>	<b>142,320</b>	<b>142,320</b>
<hr/>							
NET AMOUNT DUE FOR ALL SYSTEM TRANSACTIONS (EXCEPT TRANS. SERVICE) (1)	APCO	0	22,313,347	0	22,324,633	11,286	0
	KPCO	0	5,236,082	0	5,238,730	2,648	0
	I&M	0	15,032,376	0	15,039,979	7,603	0
	OPCO	0	18,143,205	0	18,152,384	9,179	0
	CSP	0	13,714,773	0	13,721,709	6,936	0
	East. AEP (Co. 122)	74,439,783	0	74,477,435	0	0	37,652
	<b>TOTAL</b>	<b>74,439,783</b>	<b>74,439,783</b>	<b>74,477,435</b>	<b>74,477,435</b>	<b>37,652</b>	<b>37,652</b>
<hr/>							
THIRD PARTY SALES (2)	APCO	838,993	4,077,433	840,204	4,491,387	427,312	14,569
	KPCO	196,875	956,820	197,162	1,053,959	100,274	3,422
	I&M	565,214	2,746,945	566,044	3,025,821	287,878	9,832
	OPCO	682,184	3,315,404	683,172	3,651,990	347,453	11,855
	CSP	515,676	2,506,174	516,422	2,760,605	262,645	8,960
	East. AEP (Co. 122)	13,602,776	2,798,942	14,983,762	2,803,004	48,638	1,425,562
	<b>TOTAL</b>	<b>16,401,718</b>	<b>16,401,718</b>	<b>17,786,766</b>	<b>17,786,766</b>	<b>1,474,200</b>	<b>1,474,200</b>
<hr/>							
GROSS TOTAL	APCO	838,993	26,390,780	840,204	26,816,020	438,598	14,569
	KPCO	196,875	6,192,902	197,162	6,292,689	102,922	3,422
	I&M	565,214	17,779,321	566,044	18,065,800	295,481	9,832
	OPCO	682,184	21,458,609	683,172	21,804,374	356,632	11,855
	CSP	515,676	16,220,947	516,422	16,482,314	269,581	8,960
	East. AEP (Co. 122)	88,042,559	2,798,942	89,461,197	2,803,004	48,638	1,463,214
	<b>TOTAL</b>	<b>90,841,501</b>	<b>90,841,501</b>	<b>92,264,201</b>	<b>92,264,201</b>	<b>1,511,852</b>	<b>1,511,852</b>
<hr/>							
NET TOTAL	APCO	0	25,551,787	0	25,975,816	424,029	0
	KPCO	0	5,996,027	0	6,095,527	99,500	0
	I&M	0	17,214,107	0	17,499,756	285,649	0
	OPCO	0	20,776,425	0	21,121,202	344,777	0
	CSP	0	15,705,271	0	15,965,892	260,621	0
	East. AEP (Co. 122)	85,243,617	0	86,658,193	0	0	1,414,576
	<b>TOTAL</b>	<b>85,243,617</b>	<b>85,243,617</b>	<b>86,658,193</b>	<b>86,658,193</b>	<b>1,414,576</b>	<b>1,414,576</b>

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



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

Pwr Code	Customer	ACCT	AGNT	CO.	ACTUAL BILL	MLR						Total	AMOUNT DUE (TO)/FROM AGENT						NET
						APCO	KPCO	I&M	OPCO	GSP	18.424%		24.373%	20.194%	7.034%	29.975%	APCO	KPCO	
	<b>Totals</b>				1,237,591	370,968	87,052	249,919	301,638	228,014	1,237,591	(108,249)	(87,052)	(213,505)	636,850	(228,014)	-		
GM	Allegheny Power GM	4470066	07		250	75	18	50	61	46	250	(75)	(18)	(50)	189	(46)	-		
TR	Consumers Energy Traders	4470066	04		75	23	5	15	18	14	75	(23)	(5)	60	(18)	(14)	-		
WM	ComEd Wholesale Marketing	4470066	04		47,139	14,130	3,316	9,519	11,489	8,685	47,139	(14,130)	(3,316)	37,620	(11,489)	(8,685)	-		
KE	Duke Power Company	4470066	02		676	203	47	137	165	124	676	473	(47)	(137)	(165)	(124)	-		
TE	Energy Power Serv	4470066	07		13,815	4,141	972	2,790	3,367	2,545	13,815	(4,141)	(972)	(2,790)	10,448	(2,545)	-		
TE	Energy Power Serv	4470066	07	(3)	(32,914)	(9,866)	(2,315)	(6,647)	(8,022)	(6,064)	(32,914)	9,866	2,315	6,647	(24,892)	6,064	-		
PN	Exelon Energy	4470066	07		7,750	2,323	545	1,565	1,889	1,428	7,750	(2,323)	(545)	(1,565)	5,861	(1,428)	-		
PN	Exelon Energy	4470066	04	(4)	(10,800)	(3,237)	(760)	(2,181)	(2,632)	(1,990)	(10,800)	3,237	760	(8,619)	2,632	1,990	-		
PN	Exelon Energy	4470066	07	(4)	10,800	3,237	760	2,181	2,632	1,990	10,800	(3,237)	(760)	(2,181)	8,168	(1,990)	-		
SO	Midwest ISO	4470066	07	(5)	573,369	171,867	40,331	115,786	139,747	105,638	573,369	(171,867)	(40,331)	(115,786)	433,622	(105,638)	-		
SO	Midwest ISO	4470066	07	(6)	(977)	(173)	(41)	(116)	(141)	(106)	(977)	173	41	116	(436)	106	-		
AP	PJM Interconnection Pool	4470066	07		365,965	109,698	25,742	73,903	89,197	67,425	365,965	(109,698)	(25,742)	(73,903)	276,768	(67,425)	-		
AM	TVA Bulk Power Trading	4470066	02		262,043	78,547	18,432	52,917	63,868	48,279	262,043	183,496	(18,432)	(52,917)	(63,868)	(48,279)	-		

Notes: (1) Invoice for Month 2004 transmission.

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

(3) Refund received from Entergy for adjustments - June 2003 - April 2004

(4) Reclassifying entries for Exelon due to error on April 2004 Actual IPS with I&M as agent rather than OPco.

(5) A portion of the MISO invoice is charged back to CPP (\$49,591).

(6) Credit received from MISO - calculated in 'Demand'

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

		MWh		(\$)	
		<u>PURCHASES</u>	<u>SALES</u>	<u>ALLOCATION BY MLR</u>	
				TOTAL COSTS TO BE BOOKED	TOTAL REVENUES TO BE BOOKED
		ACCT. 4470.010	ACCT. 4470.006	ACCT. 4470.010	ACCT. 4470.006
<u>ENERGY (1)</u>					
I.	ACTUAL				
	THIS MONTH				
	APCO	3,765,845	3,803,050	146,808,960	150,382,255
	KPCO	883,697	892,424	34,450,516	35,289,034
	I&M	2,537,026	2,562,094	98,904,425	101,311,735
	OPCO	3,062,050	3,092,299	119,371,971	122,277,455
	CSP	2,314,659	2,337,527	90,235,472	92,431,782
	TOTAL	12,563,277	12,687,394	489,771,344	501,692,261
II.	PREVIOUS ESTIMATE				
	APCO	3,751,159	3,788,078	145,814,932	149,815,539
	KPCO	880,253	888,911	34,217,255	35,156,047
	I&M	2,527,137	2,552,008	98,234,753	100,929,941
	OPCO	3,050,113	3,080,127	118,563,714	121,816,651
	CSP	2,305,638	2,328,323	89,624,497	92,083,452
	TOTAL	12,514,300	12,637,447	486,455,151	499,801,630
III.	ADJUSTMENT (I-II)				
	APCO	14,686	14,972	994,028	566,716
	KPCO	3,444	3,513	233,261	132,987
	I&M	9,889	10,086	669,672	381,794
	OPCO	11,937	12,172	808,257	460,804
	CSP	9,021	9,204	610,975	348,330
	TOTAL	48,977	49,947	3,316,193	1,890,631
<u>EXERCISED OPTIONS &amp; PREMIUMS (2)</u>				TOTAL COSTS TO BE BOOKED	TOTAL REVENUES TO BE BOOKED
		ACCT. 4470.011	ACCT. 4470.007	ACCT. 4470.011	ACCT. 4470.007
I.	ACTUAL				
	THIS MONTH				
	APCO	54,554	41,486	2,288,644	1,504,026
	KPCO	12,802	9,735	537,058	352,938
	I&M	36,753	27,948	1,541,847	1,013,254
	OPCO	44,359	33,732	1,860,922	1,222,940
	CSP	33,532	25,499	1,406,705	924,442
	TOTAL	182,000	138,400	7,635,176	5,017,600
II.	PREVIOUS ESTIMATE				
	APCO	54,554	41,486	2,288,644	1,504,026
	KPCO	12,802	9,735	537,058	352,938
	I&M	36,753	27,948	1,541,847	1,013,254
	OPCO	44,359	33,732	1,860,922	1,222,940
	CSP	33,532	25,499	1,406,705	924,442
	TOTAL	182,000	138,400	7,635,176	5,017,600
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	
I. ACTUAL THIS MONTH	APCO	0	772,288		772,371		522,167		31,381,347		32,394,719	
	KPCO	0	181,222		181,242		122,533		7,364,016		7,601,816	
	I&M	0	520,284		520,336		351,780		21,141,448		21,824,150	
	OPCO	0	627,947		628,015		424,579		25,516,516		26,340,500	
	CSP	0	474,674		474,729		320,949		19,288,405		19,911,269	
	TOTAL	0	2,576,415		2,576,693		1,742,008		104,691,732		108,072,454	
II. PREVIOUS ESTIMATE	APCO	0	772,381		771,980		522,238		31,378,844		32,378,929	
	KPCO	0	181,245		181,151		122,549		7,363,429		7,598,110	
	I&M	0	520,347		520,072		351,829		21,139,762		21,813,511	
	OPCO	0	628,023		627,696		424,638		25,514,481		26,327,657	
	CSP	0	474,732		474,486		320,996		19,286,866		19,901,563	
	TOTAL	0	2,576,728		2,575,385		1,742,250		104,683,382		108,019,770	
III. ADJUSTMENT (I-II)	APCO	0	(93)		391		(71)		2,503		15,790	
	KPCO	0	(23)		91		(16)		587		3,706	
	I&M	0	(63)		264		(49)		1,686		10,639	
	OPCO	0	(76)		319		(59)		2,035		12,843	
	CSP	0	(58)		243		(47)		1,539		9,706	
	TOTAL	0	(313)		1,308		(242)		8,350		52,684	

BROKERS' COMMISSIONS (3)	ALLOCATION BY MLR (\$)					
	PURCHASE		SALES			
	COSTS		REVENUES			
	ACCT. 4470.010		ACCT. 4470.006			
I. ACTUAL THIS MONTH	APCO		19,654		(34,721)	
	KPCO		4,610		(8,145)	
	I&M		13,238		(23,383)	
	OPCO		15,979		(28,223)	
	CSP		12,078		(21,335)	
	TOTAL		65,559		(115,807)	
II. PREVIOUS ESTIMATE	APCO		21,071		(34,515)	
	KPCO		4,943		(8,099)	
	I&M		14,197		(23,254)	
	OPCO		17,131		(28,059)	
	CSP		12,948		(21,211)	
	TOTAL		70,290		(115,138)	
III. ADJUSTMENT (I-II)	APCO		(1,417)		(206)	
	KPCO		(333)		(46)	
	I&M		(959)		(129)	
	OPCO		(1,152)		(164)	
	CSP		(870)		(124)	
	TOTAL		(4,731)		(669)	

ACTUAL: May 2004

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

				(\$)
				<u>ALLOCATION BY MLR</u>
				TOTAL NET
				TO BE BOOKED
				<u>ACCT. 4470,082</u>
I.	ACTUAL	APCO		12,933
	THIS MONTH	KPCO		3,035
		I&M		8,713
		OPCO		10,515
		CSP		7,949
		TOTAL		<u>43,145</u>
II.	PREVIOUS	APCO		12,933
	ESTIMATE	KPCO		3,035
		I&M		8,713
		OPCO		10,515
		CSP		7,949
		TOTAL		<u>43,145</u>
III.	ADJUSTMENT	APCO		0
	(I-II)	KPCO		0
		I&M		0
		OPCO		0
		CSP		0
		TOTAL		<u>0</u>

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

		ACTUAL SETTLEMENT		PREVIOUS ESTIMATE		ADJUSTMENT AMOUNT	
		AMOUNT DUE TO AGENT \$ CHARGE	AMOUNT DUE FROM AGENT \$ CREDIT	AMOUNT DUE TO AGENT \$ CHARGE	AMOUNT DUE FROM AGENT \$ CREDIT	AMOUNT DUE TO AGENT \$ CHARGE	AMOUNT DUE FROM AGENT \$ CREDIT
THIRD PARTY SALES (1)	APCO	0	3,573,295	0	4,000,607	427,312	0
	KPCO	0	838,518	0	938,792	100,274	0
	I&M	0	2,407,310	0	2,695,188	287,878	0
	OPCO	0	2,905,484	0	3,252,937	347,453	0
	CSP	0	2,196,310	0	2,458,955	262,645	0
	East. AEP (Co.122)	11,920,917	0	13,346,479	0	0	1,425,562
	TOTAL	11,920,917	11,920,917	13,346,479	13,346,479	1,425,562	1,425,562
EXERCISED OPTIONS & PREMIUMS (2)	APCO	784,618	0	784,618	0	0	0
	KPCO	184,120	0	184,120	0	0	0
	I&M	528,593	0	528,593	0	0	0
	OPCO	637,982	0	637,982	0	0	0
	CSP	482,263	0	482,263	0	0	0
	East. AEP (Co.122)	0	2,617,576	0	2,617,576	0	0
	TOTAL	2,617,576	2,617,576	2,617,576	2,617,576	0	0
BELOW THE LINE	APCO	0	491,205	0	477,847	0	13,358
	KPCO	0	115,267	0	112,132	0	3,135
	I&M	0	330,922	0	321,920	0	9,002
	OPCO	0	399,405	0	388,538	0	10,867
	CSP	0	301,915	0	293,701	0	8,214
	East. AEP (Co.122)	1,638,714	0	1,594,138	0	44,576	0
	TOTAL	1,638,714	1,638,714	1,594,138	1,594,138	44,576	44,576
BROKERS' COMMISSIONS (3)	APCO	54,375	0	55,586	0	0	1,211
	KPCO	12,755	0	13,042	0	0	287
	I&M	36,621	0	37,451	0	0	830
	OPCO	44,202	0	45,190	0	0	988
	CSP	33,413	0	34,159	0	0	746
	East. AEP (Co.122)	0	181,366	0	185,428	4,062	0
	TOTAL	181,366	181,366	185,428	185,428	4,062	4,062
POWER SWAPS	APCO	0	12,933	0	12,933	0	0
	KPCO	0	3,035	0	3,035	0	0
	I&M	0	8,713	0	8,713	0	0
	OPCO	0	10,515	0	10,515	0	0
	CSP	0	7,949	0	7,949	0	0
	East. AEP (Co.122)	43,145	0	43,145	0	0	0
	TOTAL	43,145	43,145	43,145	43,145	0	0
NET BOOKOUTS, OPTIONS, BROKERS' COMMISSIONS, SWAPS & SPARK GAS	APCO	838,993	4,077,433	840,204	4,491,387	427,312	14,569
	KPCO	196,875	956,820	197,162	1,053,959	100,274	3,422
	I&M	565,214	2,746,945	566,044	3,025,821	287,878	9,832
	OPCO	682,184	3,315,404	683,172	3,651,990	347,453	11,855
	CSP	515,676	2,506,174	516,422	2,760,605	262,645	8,960
	East. AEP (Co.122)	13,602,776	2,798,942	14,983,762	2,803,004	48,638	1,425,562
	TOTAL	16,401,718	16,401,718	17,786,766	17,786,766	1,474,200	1,474,200

## 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:

May 2004

ern 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
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
- 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
z (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
ferential (2)	\$553,599	\$612,545	\$389,855	\$250,844	\$197,348	\$184,492	\$950,379	\$710,467	\$661,136	\$793,923	\$679,673	\$554,549
ission 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)
al	\$13,661,021	\$28,028,669	\$17,134,063	\$15,503,729	\$13,539,700	\$16,899,435	\$18,743,752	\$22,228,524	\$17,433,994	\$21,818,784	\$38,853,805	\$51,422,031
edicated												
ction Realization	(\$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)
g. 2)												
f Pre-Merger												
f Realizations												(\$4,463,194)
30/00 MTM of												\$84,178,867
ositions												
f System Sales												
ation Realization	\$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	\$6,765,292	(\$12,397,596)
Line) (from Pg. 3)												
y 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
Cumulative Total	\$31,636,939	\$73,436,917	\$62,701,036	\$61,984,357	\$61,849,297	\$65,686,200	\$76,684,907	\$90,005,564	\$93,897,009	\$107,518,785	\$143,627,500	\$252,860,378

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



ACTUAL:		May 2004													APPENDIX VIII
															Page 3 of 8
<b>Western AEP - Trading and Marketing Realizations for Base Year (July 1999 - June 2000)</b>															
<b>Off System Sales - Above the Line Trading Activities Account 447 Subaccounts Only</b>															
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	
Off System Sales	4470.006	\$857,853,570	\$901,477,542	\$1,137,935,711	\$521,049,752	\$457,380,779	\$666,402,058	\$495,514,884	\$692,481,946	(\$96,475,456)	\$702,667,564	\$666,409,788	\$1,359,808,237	\$1,472,808,035	
Off System Purchases	4470.010	(\$842,477,724)	(\$888,288,393)	(\$1,150,981,763)	(\$522,047,857)	(\$456,111,554)	(\$681,408,489)	(\$480,920,634)	(\$678,748,205)	\$97,878,483	(\$703,198,421)	(\$659,884,733)	(\$1,348,883,111)	(\$1,472,808,468)	
Closed Options - Sales	4470.007	\$30,827,050	\$26,117,600	\$6,767,200	\$2,591,200	\$3,471,200	\$1,897,600	\$3,908,000	\$4,812,800	\$0	\$2,275,200	\$592,000	\$2,308,800	\$18,398,200	
Closed Options - Purchases	4470.011	(\$27,298,700)	(\$15,609,800)	(\$7,336,000)	(\$4,837,200)	(\$5,989,200)	(\$7,952,400)	(\$15,928,800)	(\$16,062,400)	\$0	(\$8,622,400)	(\$5,008,000)	(\$7,741,600)	(\$28,571,200)	
Commissions (Above Line)	4470.008	(\$152,588)	\$0	(\$312,907)	(\$206,868)	(\$159,854)	(\$248,900)	(\$117,858)	(\$193,899)	\$0	(\$280,304)	(\$381,496)	(\$519,966)	(\$136,787)	
Off System Trades (Above the Line)	4470.010	\$18,397,854	\$25,719,949	(\$14,228,723)	(\$3,750,052)	(\$1,572,466)	\$566,821	\$2,349,698	\$1,065,780	\$1,404,027	(\$5,470,422)	\$1,643,564	\$8,765,292	(\$12,397,588)	
Month Cumulative Total		\$18,397,854	\$44,114,903	\$29,886,180	\$26,136,128	\$24,563,642	\$25,132,583	\$27,482,281	\$28,548,041	\$29,952,068	\$24,481,648	\$26,125,210	\$32,810,502	\$20,512,908	

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



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

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

**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		
July-04		
August-04		
September-04		
October-04		
November-04		
December-04		
<b>Cumulative Total</b>	<u><u>\$1,260,835</u></u>	

**Notes:**

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



ACTUAL: May 2004	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
Eastern AEP - Trading and Marketing Realizations for Year 2004 (from AEP System Internal Resources)												
Dedicated Long Term Transactions												
Company												
CP & L	\$3,086,279	\$2,741,508	\$3,401,657	\$3,572,062	\$2,964,036	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Alt Pwr	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EMC	\$2,133,404	\$1,970,147	\$1,844,891	\$1,802,948	\$1,834,793	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AP Ohio	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MEG	\$1,004,450	\$873,741	\$705,192	\$677,899	\$732,258	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Midford	\$465,195	\$387,046	\$345,153	\$306,711	\$316,641	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jeheo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Va Pwr	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Argis	\$400,737	\$348,651	\$333,473	\$331,983	\$325,443	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4PO	\$723,332	\$635,364	\$532,283	\$521,231	\$536,772	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Jeheo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$8,400,897	\$7,543,957	\$7,750,149	\$7,800,334	\$7,297,443	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Month Cum. Total	\$8,400,897	\$15,944,854	\$23,695,003	\$31,495,337	\$38,792,780	\$38,792,780	\$38,792,780	\$38,792,780	\$38,792,780	\$38,792,780	\$38,792,780	\$38,792,780

ACTUAL:	May 2004	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
Term AEP - Trading and Marketing Realizations for Year 2004													
System Sales - Above the Line Trading Activities Account 447 & 555 Subaccounts Only													
Type of Activity	Account	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
Energy Sales	4470.006	\$610,463,029	\$684,952,074	\$665,967,414	\$572,872,778	\$501,692,261	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55 Tractebel Sale	4470.006	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy Sales - BIO Margin Reclass (Note 1)	4470.006	\$5,553,920	(\$3,248,144)	\$351,056	\$910,240	\$5,690,287	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy Purchases	4470.010	(\$602,089,650)	(\$682,500,251)	(\$659,931,502)	(\$557,530,222)	(\$489,771,344)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
System Purchases Not Subject to Sharing	4470.010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy Purch. - BIO Margin Reclass (Note 1)	4470.010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Commissions (Above Line)	4470.006	(\$107,120)	(\$81,400)	(\$104,406)	(\$87,158)	(\$115,807)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Commissions (Above Line)	4470.010	\$97,244	(\$113,881)	(\$88,566)	(\$34,850)	(\$65,559)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net of Above		\$13,722,935	(\$991,802)	\$6,193,996	\$16,080,788	\$17,429,838	\$0	\$0	\$0	\$0	\$0	\$0	\$0
exercised Options - Sales	4470.007	\$10,987,200	\$9,542,400	\$8,548,864	\$8,486,016	\$5,017,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0
exercised Options - Purchases	4470.007	\$857,265	\$793,367	(\$1,298,826)	(\$1,514,754)	\$51,417	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Option Premiums	4470.011	(\$14,226,336)	(\$10,764,398)	(\$8,968,256)	(\$11,386,430)	(\$7,835,176)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
swaps - Net	4470.082	(\$66,220)	(\$229,635)	(\$61,834)	(\$61,920)	\$43,145	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Power Futures (REFCO)	4470.082	(\$34,148)	\$23,997	(\$2,053,573)	(\$278,989)	(\$101,111)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Power Futures Deferred (REFCO)	4470.082	(\$2,600,220)	\$116,150	\$1,403,563	\$228,233	\$75,978	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Power Purchases - Associated (Was 4470.085)	5550.033	\$0	\$0	\$0	(\$4,103,164)	(\$2,390,439)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net of Above	5550.034	(\$7,951,300)	(\$1,837,509)	(\$2,823,299)	(\$8,047,486)	(\$5,544,025)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Ded. Spark Gas Broker Commissions	4470.081	(\$5,103)	(\$2,237)	(\$3,190)	(\$1,895)	(\$3,146)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Dedicated Spark Gas Paribas Futures	4470.081	(\$4,249)	\$4,712,527	(\$5,522,433)	(\$1,173,422)	\$616,483	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Dedicated Swaps & Accruals - Net	4470.081	(\$282,353)	\$136,525	\$118,989	\$259,745	\$1,109,963	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net of Above		(\$291,705)	\$4,846,815	(\$5,406,654)	(\$915,572)	\$1,723,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0
System Trades (Above the Line)		\$5,479,930	\$2,017,704	(\$2,035,957)	\$7,117,730	\$13,609,113	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Month Cumulative Total		\$5,479,930	\$7,497,634	\$5,461,677	\$12,579,407	\$26,188,520	\$26,188,520	\$26,188,520	\$26,188,520	\$26,188,520	\$26,188,520	\$26,188,520	\$26,188,520

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

May 2004

Realization Sharing Calculations

Account	East Detail	East Realization	West Realization	Total Realization	West Share of Realization	East Share of Realization	Eastern Funds To West	Account Number
Bookout Purchases	(\$499,713,344)							
Energy Purch. - B/O Margin Reclass (Note 1)			(\$2,052,811)					
Purchases Commission	(\$65,559)							
Bookout Sales	\$507,632,261							
Less Tracelbal Sale	\$0							
Energy Sales - B/O Margin Reclass (Note 1)	\$5,500,287							
Sales Commission	(\$115,807)							
Exercised Option - Purchases	(\$7,635,176)							
Exercised Purchase Option Premiums	(\$605,439)							
Exercised Option - Sales	\$5,077,800							
Exercised Sales Option Premiums	(\$51,317)							
Non-Dedicated Spark Gas Commission	\$1,145,145							
Non-Dedicated Spark Gas Paribas Futures	\$616,483							
Non-Dedicated Swaps - Net	\$1,059,637							
Power Swaps - Net	\$53,375							
Power Futures (REFCO)	(\$191,117)							
Power Futures Deferred (REFCO)	\$75,978							
Dow Purchases - Associated	(\$2,350,309)							
ECR/ICR Realizations	\$36,860,910							
Less Purchase Demand Charge	(\$1,220,632)							
Less Realization on Dedicated Transactions	(\$729,743)							
Unit Power - CP&L	\$2,954,036							
SO2 Realizations	\$2,660,608							
Transmission Purchases	(\$1,237,581)							
Total ECR/ICR Realization		\$1,723,300	\$171,047	\$1,894,347	\$171,033	\$1,723,314	(\$14)	4470.081
Total		\$32,749,686	\$1,473,970	\$34,223,656	\$3,089,922	\$31,133,734	\$1,615,952	4470.002
Total West Realizations		\$46,358,799	(\$444,024)	\$45,914,775	\$4,145,469	\$41,769,306	\$4,589,493	
Total AEP Realizations		\$45,914,775						
Eastern AEP's Share of Total Realization		\$41,769,306						
Western AEP's Share of Total Realization		\$4,145,469						
Eastern AEP Funds to Western AEP		\$4,589,493						
Base Year Realizations		90.97%						
Eastern AEP Realization		9.03%						
Western AEP Realization		100.00%						

Realization Sharing Ratios	
Base Year	\$45,914,775
Capacity	\$0
	\$45,914,775
	100.00%
	100.00%

Capacity (MW) Realization Sharing	
Base Year	24,694,000
Capacity	10,824,000
	35,518,000
	100.00%

	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACCOUNT NO.	ACTUAL
	4470.010	4470.006	4470.011	4470.007	4470.081	4470.082	5550.034 (Other Cos.)	5550.033 (OPCo)
	4470.010	4470.006	4470.011	4470.007	4470.081	4470.082	4470.002	4470.002
APCO	(12,696,817)	(13,722,505)	(206,632)	(135,793)	(4)	1,168	(64,593)	(1,375,702)
KPCO	0.07034	(2,979,463)	(48,489)	(31,865)	(1)	274	(15,181)	(322,824)
T&M	0.20194	(8,553,779)	(139,207)	(91,483)	(3)	787	(43,583)	(926,802)
OPCO	0.24373	(10,323,920)	(168,015)	(110,415)	(3)	949	(52,603)	(1,118,597)
CSF	0.18424	(7,804,042)	(8,434,476)	(127,005)	(3)	718	(39,763)	(845,568)
TOTAL	1.00000	(42,356,021)	(45,779,831)	(689,348)	(14)	3,896	(215,823)	(4,589,493)

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