

NOV -8 2004



AEP: America's Energy Partner

Date **October 29, 2004**

Subject **East Interchange Power Statement and Related Data**

From **R. L. Reed**

To **See Distribution List**

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

R. L. Reed / jrm

R. L. Reed

Enclosures

cc:

- | | | | |
|------------------|-------------|-------------------|--------------|
| T. M. Dooley | - Arena3 | J. Geels | - Arena3 |
| L. L. Dieck | - Arena4 | J. V. Gilbert | - Arena4 |
| N. M. Lycakis | - Arena4 | P. A. May | - Arena4 |
| T. R. Myers | - Arena4 | K. D. Pearce | - Arena4 |
| R. P. Quaintance | - Arena4 | D. B. Roberts | - Arena4 |
| D. L. Woodruff | - Arena4 | B. X. Tierney | - Arena5 |
| C. E. Zebula | - Arena5 | J. C. Baker | - 1RP23 |
| K. W. Potts | - 1RP23 | Deloitte & Touche | - 1RP26 |
| J. H. Reif | - 1RP26 | A. M. Wallace | - 1RP26 |
| R. E. Munczinski | - 1RP28 | W. S. Robinson | - 1RP28 |
| O. J. Sever | - 1RP28 | J. Sloat | - 1RP28 |
| S. C. Weaver | - 1RP28 | K. E. Walker | - 1RP30 |
| D. E. Richey | - Canton | D. Waldo | - Charleston |
| K. Curry | - Ft. Wayne | M. P. Ryan | - Ft. Wayne |
| T. C. Mosher | - Frankfort | E. K. Wagner | - Frankfort |
| T. L. Stephens | - Richmond | R. G. Ronk | - Roanoke |

ACTUAL

INTERCHANGE POWER STATEMENT
FOR THE MONTH OF
SEPTEMBER 2004

STATEMENT OF SETTLEMENT TO BE MADE
FOR ELECTRIC POWER AND ENERGY RECEIVED AND DELIVERED
APPLICABLE TO SEPTEMBER 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		(\$)		
		MEMBER RECEIVED FROM POOL	MEMBER DELIVERED TO POOL	AMOUNT DUE TO AGENT (CHARGE)	AMOUNT DUE FROM AGENT (CREDIT)	
(SOURCE: PAGE 2)						
I.	ACTUAL	APCO	1,298,050	649,986	28,248,046	12,176,333
	BILLING	KPCO	274,376	236,574	6,199,787	3,905,288
	AMOUNT	I&M	512,480	1,415,792	8,967,050	24,201,094
		OPCO	537,755	1,268,349	8,759,006	36,864,058
		CSP	1,235,502	287,462	30,072,365	5,099,481
	TOTAL		3,858,163	3,858,163	82,246,254	82,246,254
II.	PREVIOUSLY	APCO	1,297,993	649,986	28,205,955	11,891,824
	ESTIMATED	KPCO	274,370	236,572	6,200,084	3,718,500
	BILLING	I&M	512,480	1,415,803	8,958,405	23,822,674
	AMOUNT	OPCO	537,751	1,268,241	8,543,770	37,706,324
		CSP	1,235,470	287,462	29,996,316	4,765,208
	TOTAL		3,858,064	3,858,064	81,904,530	81,904,530
III.	ADJUSTMENT	APCO	57	0	42,091	284,509
	TO BE BOOKED	KPCO	6	2	(297)	186,788
	NEXT MONTH	I&M	0	(11)	8,645	378,420
	(I - II)	OPCO	4	108	215,236	(842,266)
		CSP	32	0	76,049	334,273
	TOTAL		99	99	341,724	341,724
IV.	ADJUSTMENT FOR TRANSMISSION	APCO		0	0	68,213
	SERVICE (PURCHASES) TO BE	KPCO		3,218	0	0
	BOOKED NEXT MONTH	I&M		8,823	0	0
	(SEE APPENDIX VI)	OPCO		48,252	0	0
		CSP		7,920	0	0
	TOTAL			68,213	0	68,213
V.	ADJUSTMENT TO ALLOCATION OF	APCO		22,893	0	0
	TRADING & MARKETING REALIZATION	KPCO		5,373	0	0
	TO BE BOOKED NEXT MONTH	I&M		14,725	0	0
	(SEE PAGE 6B)	OPCO		18,390	0	0
		CSP		13,221	0	0
		West. AEP		0	0	74,602
	TOTAL			74,602	0	74,602
VI.	ACTUAL THIS MONTH	APCO		0	0	34,357,669
	(SEE APPENDIX VI)	KPCO		0	0	8,063,456
	(Net amounts due System Agent to	I&M		0	0	22,100,117
	effect sharing by MLR in revenues	OPCO		0	0	27,598,551
	and cost of purchases for AEP System	CSP		0	0	19,841,847
	cash-settled transactions)	East. AEP (Co.122)		111,961,640	0	0
	TOTAL			111,961,640	0	111,961,640
VII.	ESTIMATED THIS MONTH	APCO		0	0	34,397,078
	(SEE APPENDIX VI)	KPCO		0	0	8,072,699
		I&M		0	0	22,125,452
		OPCO		0	0	27,630,198
		CSP		0	0	19,864,598
		East. AEP (Co.122)		112,090,025	0	0
	TOTAL			112,090,025	0	112,090,025
VIII.	ADJUSTMENT TO BE MADE NEXT MONTH	APCO		39,409	0	0
		KPCO		9,243	0	0
		I&M		25,335	0	0
		OPCO		31,647	0	0
		CSP		22,751	0	0
		East. AEP (Co.122)		0	0	128,385
	TOTAL			128,385	0	128,385

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

SYSTEM ACCOUNT
 RECAPITULATION OF CAPACITY, ENERGY, AND OTHER CHARGES

			CAPACITY (PAGE 3)		\$ CAPACITY (PAGE 3)		\$ ENERGY (PAGE 4)	
			SURPLUS/ (DEFICIT)	RATE	CHARGE	CREDIT	CHARGE	CREDIT
			kW	\$/kW	A/C 555	A/C 447	A/C 555	A/C 447
					(1)	(2)	(3)	(4)
I.	ACTUAL	APCO	(1,212,100)	8.36	10,138,914	0	18,109,132	12,176,333
	BILLING	KPCO	(218,900)	8.36	1,831,044	0	4,368,743	3,905,288
	AMOUNT	I&M	525,900	13.12	0	6,899,808	8,967,050	17,301,286
		OPCO	2,416,800	7.33	0	17,715,144	8,759,006	19,148,914
		CSP	(1,511,700)	8.36	12,644,994	0	17,427,371	5,099,481
		TOTAL			24,614,952	24,614,952	57,631,302	57,631,302
II.	PREVIOUSLY	APCO			10,359,710	0	17,846,245	11,891,824
	ESTIMATED	KPCO			1,870,919	0	4,329,165	3,718,500
	BILLING	I&M			0	7,151,101	8,958,405	16,671,573
	AMOUNT	OPCO			0	17,999,892	8,543,770	19,706,432
		CSP			12,920,364	0	17,075,952	4,765,208
		TOTAL			25,150,993	25,150,993	56,753,537	56,753,537
III.	ADJUSTMENT	APCO			(220,796)	0	262,887	284,509
	TO BE BOOKED	KPCO			(39,875)	0	39,578	186,788
	NEXT MONTH	I&M			0	(251,293)	8,645	629,713
	(I - II)	OPCO			0	(284,748)	215,236	(557,518)
		CSP			(275,370)	0	351,419	334,273
		TOTAL			(536,041)	(536,041)	877,765	877,765
					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			1,298,050	649,986	28,248,046	12,176,333
	BILLING	KPCO			274,376	236,574	6,199,787	3,905,288
	AMOUNT	I&M			512,480	1,415,792	8,967,050	24,201,094
		OPCO			537,755	1,268,349	8,759,006	36,864,058
		CSP			1,235,502	287,462	30,072,365	5,099,481
		TOTAL			3,858,163	3,858,163	82,246,254	82,246,254
II.	PREVIOUSLY	APCO			1,297,993	649,986	28,205,955	11,891,824
	ESTIMATED	KPCO			274,370	236,572	6,200,084	3,718,500
	BILLING	I&M			512,480	1,415,803	8,958,405	23,822,674
	AMOUNT	OPCO			537,751	1,268,241	8,543,770	37,706,324
		CSP			1,235,470	287,462	29,996,316	4,765,208
		TOTAL			3,858,064	3,858,064	81,904,530	81,904,530
III.	ADJUSTMENT	APCO			57	0	42,091	284,509
	TO BE BOOKED	KPCO			6	2	(297)	186,788
	NEXT MONTH	I&M			0	(11)	8,645	378,420
	(I - II)	OPCO			4	108	215,236	(842,266)
		CSP			32	0	76,049	334,273
		TOTAL			99	99	341,724	341,724

**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	0.30687	7,111,100	(1,212,100)
KPCO	1,450,000	0.07202	1,668,900	(218,900)
I&M	5,100,000	0.19739	4,574,100	525,900
OPCO	8,129,000	0.24650	5,712,200	2,416,800
CSP	2,595,000	0.17722	4,106,700	(1,511,700)
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	(1,212,100)	***** + *****	(10,138,914)
KPCO	(218,900)	***** + *****	(1,831,044)
I&M	525,900	8.75 + 4.37	6,899,808
OPCO	2,416,800	5.18 + 2.15	17,715,144
CSP	(1,511,700)	***** + *****	(12,644,994)

EQUALIZATION CAPACITY RATE: 8.3647507391

(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	1,242,241	1,220,310	24,695,168	26,237,997
RECOVERY AND MLR	KPCO	295,126	275,254	5,795,763	5,326,891
ALLOCATION FOR ALL	I&M	800,784	712,860	15,884,835	13,149,937
AEP SYSTEM	OPCO	984,639	1,310,421	19,836,931	24,804,331
DELIVERIES TO	CSP	710,013	513,958	14,261,667	10,955,208
NON-AFFILIATED COS.	AEP	4,032,803	4,032,803	80,474,364	80,474,364
ADJUSTMENT TO	APCO	(570,558)	(570,558)	(14,065,476)	(14,065,476)
PREVENT RECOGNITION	KPCO	(81,629)	(81,629)	(2,152,379)	(2,152,379)
OF SALES BY POOL	I&M	(288,304)	(288,304)	(6,917,785)	(6,917,785)
MEMBERS TO	OPCO	(490,998)	(490,998)	(11,601,442)	(11,601,442)
THEMSELVES	CSP	(226,496)	(226,496)	(5,855,727)	(5,855,727)
(PAGE 7)	AEP	(1,657,985)	(1,657,985)	(40,592,809)	(40,592,809)
SUBTOTAL	APCO	671,683	649,752	10,629,692	12,172,521
AEP EXTERNAL	KPCO	213,497	193,625	3,643,384	3,174,512
ENERGY	I&M	512,480	424,556	8,967,050	6,232,152
	OPCO	493,641	819,423	8,235,489	13,202,889
	CSP	483,517	287,462	8,405,940	5,099,481
	AEP	2,374,818	2,374,818	39,881,555	39,881,555
II. INTERNAL ENERGY AMONG POOL MEMBERS					
PRIMARY	APCO	626,367	234	7,479,440	3,812
ENERGY	KPCO	60,879	42,949	725,359	730,776
(PAGE 8)	I&M	0	991,236	0	11,069,134
	OPCO	44,114	448,926	523,517	5,946,025
	CSP	751,985	0	9,021,431	0
	AEP	1,483,345	1,483,345	17,749,747	17,749,747
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	1,298,050	649,986	18,109,132	12,176,333
	KPCO	274,376	236,574	4,368,743	3,905,288
	I&M	512,480	1,415,792	8,967,050	17,301,286
	OPCO	537,755	1,268,349	8,759,006	19,148,914
	CSP	1,235,502	287,462	17,427,371	5,099,481
	AEP	3,858,163	3,858,163	57,631,302	57,631,302

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

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

		MWH		\$	
		RECEIVED FROM POOL	DELIVERED TO POOL (AS SUPPLIED)	CHARGE MEMBER A/C 555	CREDIT MEMBER A/C 447 (AS SUPPLIED)
I. AEP POOL ENERGY *					
ENERGY AND ENERGY	APCO	0	0	0	0
COST RECOVERY	KPCO	0	0	0	0
ALLOCATED TO	I&M	0	0	0	0
SPECIAL SERVICE	OPCO	0	0	0	0
CUSTOMERS	CSP	0	0	0	0
	AEP	0	0	0	0
PREVIOUSLY	APCO	0	0	0	0
ESTIMATED	KPCO	0	0	0	0
AMOUNT	I&M	0	0	0	0
	OPCO	0	0	0	0
	CSP	0	0	0	0
	AEP	0	0	0	0
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	0	0	0	0

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	24,695,168	26,237,997	37,824,374	13,129,206
KPCO	5,795,763	5,326,891	8,877,063	3,081,300
I&M	15,884,835	13,149,937	24,330,023	8,445,188
OPCO	19,836,931	24,804,331	30,383,251	10,546,320
CSP	14,261,667	10,955,208	21,843,897	7,582,230
TOTAL	80,474,364	80,474,364	123,258,608	42,784,244

	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	374,637	12,754,569	0.30687
KPCO	87,924	2,993,376	0.07202
I&M	240,980	8,204,208	0.19739
OPCO	300,935	10,245,385	0.24650
CSP	216,356	7,365,874	0.17722
TOTAL	1,220,832	41,563,412	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 \$453.33/ton for SO2 emission allowance used in dispatch versus operating companies inventory costs (see page 11).
- (2) The total of the credits reported in the ECR#MLR report for System Sales for Resale (A/C 447).

RECONCILIATION OF ALLOCATION OF TRADING AND MARKETING REALIZATIONS (Schedule D9)

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

CAPACITY REALIZATION:		CAPACITY REALIZATION		AEP % SHARING RATIO	
EASTERN AEP:	24,054,000			70.72%	(1)
WESTERN AEP:	9,999,000			29.28%	(2)
TOTAL:	34,013,000			100.00%	

	NET REVENUE REALIZED BY THE MEMBERS (Page 6, Col. 6)		ADJUSTMENT TO NET REVENUE FOR SOZ 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)	(7)	(8)	(9)	(10)	(11)	(12)
APCO	12,754,569	37,274			1,009,270	222,180		5,956,173		3		
KPCO	2,993,376	5,748			236,868	52,143		1,397,868		1		
I&M	8,204,208	23,976			649,199	142,913		3,831,227		2		
OPCO	10,245,385	29,942			810,718	178,471		4,784,426		3		
CSP	7,365,874	21,526			582,862	128,310		3,439,740		2		
TOTAL	41,564,412	121,466			3,288,917	724,017		19,409,434		11		

	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) (\$)		DOW PURCHASES ASSOCIATED (Appx VIII, page 7) (\$)		DOW SALES ASSOCIATED (Appx VIII, page 7) (\$)
	(7)	(8)	(9)	(10)	(11)	(12)	(13)						
APCO	(82,349)	(1,025,049)	(79,441)	102,749	(13,515)							0	0
KPCO	(21,674)	(240,372)	(18,641)	24,113	(3,172)							0	0
I&M	(59,402)	(659,349)	(51,095)	66,090	(6,694)							0	0
OPCO	(74,181)	(823,392)	(63,816)	82,932	(10,897)							0	0
CSP	(53,332)	(591,974)	(45,876)	59,336	(7,809)							0	0
TOTAL	(300,938)	(3,340,336)	(256,869)	334,816	(44,043)							0	0

NET OF ALL OF ABOVE

	(1)-(7)-(8)-(9)-(10)-(11)-(12)-(13)
APCO	16,408,960
KPCO	3,851,036
I&M	10,354,851
OPCO	13,180,893
CSP	9,476,319
EASTERN AEP REALIZATION:	53,472,019
LESS TRACTEBEL SALES:	0
PARIBAS SPARK GAS FUTURES (E&M):	(4,291,245)
REFCO FUTURES (E&M):	(1,143,209)
WESTERN AEP REALIZATION:	(12,629,900)
TOTAL REALIZATION TO BE SHARED:	35,407,665 (2)

	PRIOR MONTHS' TOTAL REALIZATION (\$)
JANUARY 2004	51,735,465
FEBRUARY 2004	41,832,275
MARCH 2004	23,594,559
APRIL 2004	38,259,038
MAY 2004	45,914,775
JUNE 2004	73,086,145
JULY 2004	77,486,934
AUGUST 2004	62,938,917
SEPTEMBER 2004	
OCTOBER 2004	
NOVEMBER 2004	
DECEMBER 2004	
TOTAL	414,868,148

- NOTES:
- (1) From Appendix VIII, page 1
 - (2) From Appendix VIII, page 4
 - (3) Adjustment for realization sharing due to calculation of SOZ 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-leading 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)

	COST (2)			ADJUSTMENT	
	MWh	(\$)	MLR (APPENDIX I)	MWh	COST (\$)
APCO	756,176	14,132,404	0.30687	232,048	4,336,811
KPCO	142,319	2,591,087	0.07202	10,250	186,610
I&M	276,423	4,584,196	0.19739	54,563	904,874
OPCO	914,976	16,134,564	0.24650	225,542	3,977,170
CSP	298,216	5,398,737	0.17722	52,850	956,764
TOTAL	2,388,110	42,840,988	1.00000	575,253	10,362,229

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

	COST			ADJUSTMENT	
	MWh	(\$)	MLR (APPENDIX I)	MWh	COST (\$)
APCO	181,241	5,486,896	0.30687	55,617	1,683,764
KPCO	66,333	1,078,874	0.07202	4,777	77,701
I&M	252,546	4,246,205	0.19739	49,850	838,158
OPCO	172,513	4,714,172	0.24650	42,524	1,162,043
CSP	51,163	1,427,322	0.17722	9,067	252,950
TOTAL	723,796	16,953,469	1.00000	161,835	4,014,616

III. PURCHASED POWER SUPPLIED FOR SYSTEM SALES (3)

	AS ALLOCATED	
	MWh	COST (\$)
APCO	282,893	8,044,901
KPCO	66,602	1,888,068
I&M	183,891	5,174,753
OPCO	222,932	6,462,229
CSP	164,579	4,646,013
TOTAL	920,897	26,215,964

IV. TOTAL ADJUSTMENT (I + II + III)

	TOTAL ADJUSTMENT TO PAGE 4	
	MWh	COST (\$)
APCO	570,558	14,065,476
KPCO	81,629	2,152,379
I&M	288,304	6,917,785
OPCO	490,998	11,601,442
CSP	226,496	5,855,727
TOTAL	1,657,985	40,592,809

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	15,472	17.014	263,256
2. I&M	APCO	421,136	11.168	4,702,826
3. OPCO	APCO	189,759	13.244	2,513,358
4. CSP	APCO	0	0.000	0
5. TOTAL	APCO	626,367	11.941	7,479,440
6. APCO	KPCO	0	0.000	0
7. I&M	KPCO	38,972	11.168	435,201
8. OPCO	KPCO	21,907	13.244	290,158
9. CSP	KPCO	0	0.000	0
10. TOTAL	KPCO	60,879	11.915	725,359
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	38	16.295	619
17. KPCO	OPCO	5,250	17.014	89,328
18. I&M	OPCO	38,826	11.168	433,570
19. CSP	OPCO	0	0.000	0
20. TOTAL	OPCO	44,114	11.867	523,517
21. APCO	CSP	196	16.295	3,193
22. KPCO	CSP	22,227	17.014	378,192
23. I&M	CSP	492,302	11.168	5,497,537
24. OPCO	CSP	237,260	13.244	3,142,509
25. TOTAL	CSP	751,985	11.997	9,021,431
26. TOTAL ALL MEMBERS RECEIVED		1,483,345	11.966	17,749,747
TOTAL DELIVERED BY MEMBER	SUM OF LINES	MWh	DELIVERED ENERGY	
			\$/MWh	CREDIT (\$)
27. APCO	6, 11, 16, & 21	234	16.295	3,812
28. KPCO	1, 12, 17, & 22	42,949	17.014	730,776
29. I&M	2, 7, 18, & 23	991,236	11.168	11,069,134
30. OPCO	3, 8, 13, & 24	448,926	13.244	5,946,025
31. CSP	4, 9, 14, & 19	0	0.000	0
32. TOTAL ALL MEMBERS DELIVERED:		1,483,345	11.966	17,749,747

SOURCE: The ECR computer program calculates Primary energy deliveries and associated charges for each hour of the month and aggregates such MWh and Charges for the month as reported above. The \$/mWh used in the hourly calculations are derived in APPENDIX V.

ECONOMY ENERGY

DELIVERING MEMBER	RECEIVING MEMBER	MWh	RECEIVED ENERGY	
			\$/MWh	CHARGE (\$)
1. KPCO	APCO	0	0.000	0
2. I&M	APCO	0	0.000	0
3. OPCO	APCO	0	0.000	0
4. CSP	APCO	0	0.000	0
5. TOTAL	APCO	0	0.000	0
6. APCO	KPCO	0	0.000	0
7. I&M	KPCO	0	0.000	0
8. OPCO	KPCO	0	0.000	0
9. CSP	KPCO	0	0.000	0
10. TOTAL	KPCO	0	0.000	0
11. APCO	I&M	0	0.000	0
12. KPCO	I&M	0	0.000	0
13. OPCO	I&M	0	0.000	0
14. CSP	I&M	0	0.000	0
15. TOTAL	I&M	0	0.000	0
16. APCO	OPCO	0	0.000	0
17. KPCO	OPCO	0	0.000	0
18. I&M	OPCO	0	0.000	0
19. CSP	OPCO	0	0.000	0
20. TOTAL	OPCO	0	0.000	0
21. APCO	CSP	0	0.000	0
22. KPCO	CSP	0	0.000	0
23. I&M	CSP	0	0.000	0
24. OPCO	CSP	0	0.000	0
25. TOTAL	CSP	0	0.000	0
26. TOTAL ALL MEMBERS RECEIVED		0	0.000	0
TOTAL DELIVERED BY MEMBER	SUM OF LINES	MWh	DELIVERED ENERGY	
			\$/MWh	CREDIT (\$)
27. APCO	6, 11, 16, & 21	0	0.000	0
28. KPCO	1, 12, 17, & 22	0	0.000	0
29. I&M	2, 7, 18, & 23	0	0.000	0
30. OPCO	3, 8, 13, & 24	0	0.000	0
31. CSP	4, 9, 14, & 19	0	0.000	0
32. TOTAL ALL MEMBERS DELIVERED:		0	0.000	0

SOURCE: The ECR computer program calculates for each hour of the month the MWh of ECONOMY deliveries and the associated charges and credits based upon an equal sharing of the savings in production expense, then aggregates such hourly data for the month to arrive at the totals reported above.

AEP SYSTEM
ALLOWANCES CONSUMED FOR SALES
TO NON-AFFILIATED SYSTEMS (a)

		GENERATION ALLOCATED TO SALES TO NON-AFFILIATED SYSTEMS (MWh)	TOTAL GENERATION (MWh)	SYSTEM SALES ALLOCATION FACTOR (3)=(1)/(2)	SO2 EMISSION ALLOWANCES (b)	SO2 EMISSION ALLOWANCES EXPENDED FOR SYSTEM SALES (5)=(3)*(4)
		(1)	(2)	(3)=(1)/(2)	(4)	(5)=(3)*(4)
OPCO	AMOS 3	62,641	241,424	0.2595	1,433	371.8129
	CARDINAL 1	66,554	314,966	0.2113	2,646	559.1139
	CARDINAL 2	83,640	83,640	1.0000	523	523.0000
	CARDINAL 3	83,378	83,378	1.0000	547	547.0000
	GAVIN 1	37,743	696,247	0.0542	1,175	63.6958
	GAVIN 2	28,110	862,715	0.0326	1,825	59.4643
	KAMMER 1	12,156	76,475	0.1590	880	139.8794
	KAMMER 2	0	0	0.0000	0	0.0000
	KAMMER 3	21,925	96,793	0.2265	1,130	255.9612
	MITCHELL 1	172,063	401,655	0.4284	2,960	1,268.0198
	MITCHELL 2	145,559	406,852	0.3578	2,968	1,061.8581
	MUSKINGUM 1	10,639	34,886	0.3050	871	265.6243
	MUSKINGUM 2	19,597	65,399	0.2997	1,629	488.1346
	MUSKINGUM 3	20,901	71,268	0.2933	1,716	503.2569
	MUSKINGUM 4	28,220	90,473	0.3119	2,124	662.5101
	MUSKINGUM 5	86,055	319,138	0.2696	3,989	1,075.6268
	SPORN 2	14,458	42,411	0.3409	348	118.6339
	SPORN 4	16,987	65,069	0.2611	548	143.0616
	SPORN 5	4,333	23,439	0.1849	177	32.7207
	TOTAL	914,959	3,976,228	0.2301	27,489	8,139.3743
CSP	BECKJORD 6	8,303	21,982	0.3777	311	117.4703
	CONESVILLE 1	0	0	0.0000	0	0.0000
	CONESVILLE 2	0	0	0.0000	0	0.0000
	CONESVILLE 3	12,858	59,416	0.2164	865	187.1915
	CONESVILLE 4	14,264	137,800	0.1035	2,274	235.3871
	CONESVILLE 5	57,750	167,282	0.3452	405	139.8163
	CONESVILLE 6	59,891	175,384	0.3415	437	149.2289
	PICWAY 5	3,122	10,098	0.3092	402	124.2864
	STUART 1	12,538	66,759	0.1878	543	101.9808
	STUART 2	28,136	71,036	0.3961	550	217.8445
	STUART 3	41,729	85,407	0.4886	711	347.3874
	STUART 4	32,726	80,017	0.4090	655	267.8872
	ZIMMER 1	26,887	191,148	0.1407	(988)	-138.9727
	TOTAL	298,204	1,066,329	0.2797	6,165	1,749.5077

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

	ACCOUNT 509		SOURCE ALLOCATION
I. AEP EXTERNAL ENERGY (3)	SO2 COST (\$) <u>(AS SUPPLIED)</u> (1)	SO2 COST (\$) <u>(ADJUSTED)</u> (2)	\$ <u>SO2 ADJUSTMENT</u> (3)=(2)-(1)
APCO	1,742,502	260,065	(1,482,437)
KPCO	501,189	91,084	(410,105)
I&M	631,829	104,201	(527,628)
OPCO	3,319,514	628,848	(2,690,666)
CSP	754,123	109,834	(644,289)
AEP	6,949,157	1,194,032	(5,755,125)
	NOX COST (\$) <u>(AS SUPPLIED)</u> (4)	NOX COST (\$) <u>(ADJUSTED)</u> (5)	\$ <u>NOX ADJUSTMENT</u> (6)=(5)-(4)
APCO	1,426,204	0	(1,426,204)
KPCO	231,138	0	(231,138)
I&M	855,217	0	(855,217)
OPCO	2,506,634	0	(2,506,634)
CSP	618,669	101,805	(516,864)
AEP	5,637,862	101,805	(5,536,057)
	SOURCE ALLOCATION <u>(UNADJUSTED)</u> (7)	SOURCE ALLOCATION <u>(ADJUSTED)</u> (8)=(7)+(3)+(6)	
APCO	29,146,638	26,237,997	
KPCO	5,968,134	5,326,891	
I&M	14,532,782	13,149,937	
OPCO	30,001,631	24,804,331	
CSP	12,116,361	10,955,208	
AEP	91,765,546	80,474,364	

	SO2	NOX
NOTES: (1) Market Price (\$/allowance):	453.33	
(2) APCO allowance:	60.55	0.00
KPCO allowance:	70.50	0.00
I&M allowance:	65.80	0.00
OPCO allowance:	77.26	0.00
CSP allowance:	62.78	343.09

APPENDICES

SUPPORTING COST AND OPERATING DATA

SYNOPSIS OF CONTENTS

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

SYSTEM PRIMARY CAPACITY

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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

Installed cost
Weighted average
Member Primary

PRIMARY CAPACITY NET PRODUCTION EXPENSES, BY MEMBER

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- Net Generation in megawatt-hours (MWH)
- Total Net Production Expenses
- Fuel Expenses, Account 501
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Net Generation
Total Net Production
Fuel Expenses
Maintenance Expenses

CALCULATION OF RATES BASED UPON THIS MONTH'S WEIGHTED COSTS

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- Member Primary Energy Rates
- Member Primary Capacity Fixed Operating Rates

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

VI-VII

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 8/31/2004

MEMBER LOAD RATIO
SEPTEMBER 2004

<u>APPALACHIAN</u>	<u>KENTUCKY</u>	<u>INDIANA</u>	<u>OHIO</u>	<u>COLUMBUS</u>
0.30687	0.72020	0.19739	0.24650	0.17722

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
08	19445	04	16	5509	03	16	1228	03	17	4012	03	17	5059	03	17	3637
07	19230	13	16	5366	13	15	1209	22	15	4051	13	17	4981	13	16	3622
06	19053	17	15	5322	17	14	1174	09	14	3977	09	13	4990	09	16	3590
05	17488	25	14	5017	25	13	1132	12	16	3396	14	12	4563	21	15	3380
04	15851	06	07	4927	05	08	1167	05	11	2974	13	12	4248	01	20	2535
03	17166	23	08	5557	23	08	1351	16	12	3224	12	11	4330	16	20	2704
02	18247	02	09	5734	16	09	1391	05	19	3390	04	20	4881	03	19	2851
01	19444	07	08	6298	31	09	1478	22	20	3500	29	23	5018	06	20	3150
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

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>
20523	6298	1478	4051	5059	3637

DATE/TIME	01/07 HR 08	01/31 HR 09	07/22 HR 15	08/03 HR 17	08/03 HR 17
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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

ACTUAL:
September 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		
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
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	97,056	2,725,233	2,056,497	192,698	1,926,649	129,848
SPORN (APCO)	139,059	3,072,060	2,578,903	201,612	2,473,175	105,728
KANAWHA RIVER	154,956	4,296,108	3,459,342	498,644	3,299,693	159,649
CLINCH RIVER	306,726	5,778,643	5,060,810	647,416	4,805,314	255,496
AMOS (APCO)	1,022,071	16,549,470	13,206,856	2,197,820	12,847,742	359,114
MOUNTAINEER	838,613	14,904,288	12,659,633	1,598,822	12,236,246	423,387
TOTAL	2,558,481	47,325,802	39,022,041	5,337,012	37,588,819	1,433,222
RATES:		16.295	15.252	1.043	14.692	0.560
<u>KENTUCKY POWER COMPANY</u>						
BIG SANDY	501,810	10,273,016	8,912,140	566,642	8,681,761	230,379
ROCKPORT 1 (AEG)	122,956	1,886,421	1,690,193	134,587	1,638,887	51,306
ROCKPORT 2 (AEG)	110,610	2,862,354	1,542,732	32,484	1,495,834	46,898
TOTAL	735,376	15,021,791	12,145,065	733,713	11,816,482	328,583
RATES:		17.015	16.516	0.499	16.069	0.447
<u>INDIANA MICHIGAN POWER COMPANY</u>						
TANNERS CREEK 1-3	201,820		3,586,014		3,432,778	153,236
TANNERS CREEK 4	279,967		4,056,616		3,838,497	218,119
TANNERS CREEK TOTAL	481,787	9,327,720	7,642,630	997,749	7,271,275	371,355
ROCKPORT 1 (OWNED SHARE)	409,854	6,244,082	5,633,928	441,678	5,462,647	171,281
ROCKPORT 1 (AEG)	286,874	4,401,649	3,943,463	314,037	3,823,760	119,703
ROCKPORT 2 (AEG)	257,935	6,678,826	3,597,545	75,796	3,488,183	109,362
ROCKPORT 2 (LEASED SHARE)	219,329	6,106,052	3,057,694	63,047	2,964,891	92,803
COOK	1,510,810	24,846,154	6,885,549	7,312,567	6,885,549	0
TOTAL	3,166,589	57,604,483	30,760,809	9,204,874	29,896,305	864,504
RATES:		11.167	9.714	1.453	9.441	0.273
<u>OHIO POWER COMPANY</u>						
SPORN (OPCO)	130,919	4,338,949	2,618,346	1,004,281	2,478,008	140,338
MUSKINGUM	581,164	8,840,585	6,851,179	1,123,614	6,825,012	26,167
KAMMER	173,268	6,342,795	2,119,116	1,955,489	2,024,779	94,337
CARDINAL (OPCO)	381,639	6,123,592	5,607,316	365,047	5,329,820	277,496
MITCHELL	808,507	13,124,548	11,796,467	898,522	11,634,224	162,243
AMOS (OPCO)	239,275	3,316,686	2,882,124	85,659	2,862,362	19,762
GAVIN	1,558,962	27,393,631	15,676,145	2,076,699	14,949,491	726,654
TOTAL	3,873,734	69,480,786	47,550,693	7,509,311	46,103,696	1,446,997
RATES:		13.245	12.276	0.969	11.902	0.374
<u>COLUMBUS SOUTHERN POWER COMPANY</u>						
CONESVILLE	539,882	10,972,490	7,931,435	936,840	7,298,745	632,690
PICWAY	10,098	554,016	186,331	168,819	178,628	7,703
BECKJORD	21,982	454,293	385,707	39,711	364,094	21,613
STUART	303,219	5,038,742	4,217,487	424,885	4,132,372	85,115
ZIMMER	191,148	3,160,668	2,159,635	270,677	2,045,803	113,832
TOTAL	1,066,329	20,180,209	14,880,595	1,840,932	14,019,642	860,953
RATES:		14.818	13.955	0.863	13.148	0.807
SYSTEM TOTAL	11,400,509	209,613,071	144,359,203	24,625,842	139,424,944	4,934,259

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	47,325,802	37,588,819	1,433,222	5,337,012	2,668,506
KPCO	15,021,791	11,816,482	328,583	733,713	366,857
I&M	57,604,483	29,896,305	864,504	9,204,874	4,602,437
OPCO	69,480,786	46,103,696	1,446,997	7,509,311	3,754,656
CSP	20,180,209	14,019,642	860,953	1,840,932	920,466
TOTAL	209,613,071	139,424,944	4,934,259	24,625,842	12,312,922

CALCULATION OF MEMBER PRIMARY RATES:

COMPANY	(\$) UNADJUSTED PART OF PRODUCTION EXPENSE (6)=(3)+(5)	UNADJUSTED NET GENERATION MWh (APPENDIX IV) (7)	ADJUSTED NET GENERATION (*) MWh (APPENDIX IV) (8)	PRIMARY ENERGY RATE MILLS/kWh (9)=(5)/(7) +(2)/(8) +(3)/(7)
APCO	4,101,728	2,558,481	2,558,481	16.295
KPCO	695,440	735,376	735,376	17.014
I&M	5,466,941	3,166,589	3,166,589	11.168
OPCO	5,201,653	3,873,734	3,873,734	13.244
CSP	1,781,419	1,066,329	1,066,329	14.818
TOTAL	17,247,181	11,400,509	11,400,509	13.743

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	5,635,255	5,073,000	1.11
KPCO	2,509,869	1,450,000	1.73
I&M	22,241,237	5,089,000	4.37
OPCO	18,175,437	8,472,000	2.15
CSP	4,379,148	2,595,000	1.69
TOTAL	52,940,946	22,679,000	2.33

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	9,280	0	77,493	0	0	68,213
	KPCO	52,143	0	48,925	0	3,218	0
	I&M	142,913	0	134,090	0	8,823	0
	OPCO	0	332,646	0	380,898	48,252	0
	CSP	128,310	0	120,390	0	7,920	0
	TOTAL	332,646	332,646	380,898	380,898	68,213	68,213
<hr/>							
NET AMOUNT DUE FOR ALL SYSTEM TRANSACTIONS (EXCEPT TRANS. SERVICE) (1)	APCO	0	29,311,101	0	29,272,202	0	38,899
	KPCO	0	6,879,061	0	6,869,932	0	9,129
	I&M	0	18,853,977	0	18,828,956	0	25,021
	OPCO	0	23,544,786	0	23,513,539	0	31,247
	CSP	0	16,927,411	0	16,904,946	0	22,465
	East. AEP (Co. 122)	95,516,336	0	95,389,575	0	126,761	0
	TOTAL	95,516,336	95,516,336	95,389,575	95,389,575	126,761	126,761
<hr/>							
THIRD PARTY SALES (2)	APCO	1,104,490	6,151,058	1,092,073	6,216,949	80,621	2,313
	KPCO	259,213	1,443,608	256,304	1,459,071	18,920	548
	I&M	710,444	3,956,584	702,471	3,998,967	51,858	1,502
	OPCO	887,208	4,940,973	877,242	4,993,901	64,760	1,866
	CSP	637,850	3,552,286	630,687	3,590,339	46,559	1,343
	East. AEP (Co. 122)	20,044,509	3,599,205	20,259,227	3,558,777	7,572	262,718
	TOTAL	23,643,714	23,643,714	23,818,004	23,818,004	270,290	270,290
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GROSS TOTAL	APCO	1,104,490	35,462,159	1,092,073	35,489,151	80,621	41,212
	KPCO	259,213	8,322,669	256,304	8,329,003	18,920	9,677
	I&M	710,444	22,810,561	702,471	22,827,923	51,858	26,523
	OPCO	887,208	28,485,759	877,242	28,507,440	64,760	33,113
	CSP	637,850	20,479,697	630,687	20,495,285	46,559	23,808
	East. AEP (Co. 122)	115,560,845	3,599,205	115,648,802	3,558,777	134,333	262,718
	TOTAL	119,160,050	119,160,050	119,207,579	119,207,579	397,051	397,051
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NET TOTAL	APCO	0	34,357,669	0	34,397,078	39,409	0
	KPCO	0	8,063,456	0	8,072,699	9,243	0
	I&M	0	22,100,117	0	22,125,452	25,335	0
	OPCO	0	27,598,551	0	27,630,198	31,647	0
	CSP	0	19,841,847	0	19,864,598	22,751	0
	East. AEP (Co. 122)	111,961,640	0	112,090,025	0	0	128,385
	TOTAL	111,961,640	111,961,640	112,090,025	112,090,025	128,385	128,385

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

Pwr Code	Customer	CO.	ACTUAL	MLR							Total	AMOUNT DUE (TO)/FROM AGENT							NET
				ACCT	AGNT	BILL	APCO	KPCO	I&M	OPCO		CSF	17.722%	100.00%	APCO	KPCO	I&M	OPCO	
	Totals		724,017	222,180	52,143	142,913	178,471	128,310	724,017	(9,280)	(52,143)	(142,913)	332,646	(128,310)	-				
ITS	Allegheny Energy	4470066 07	306	94	22	60	76	54	306	(94)	(22)	(60)	230	(54)	-				
KE	Duke Power Company	4470066 02	8,634	2,650	622	1,704	2,128	1,530	8,634	5,984	(622)	(1,704)	(2,128)	(1,530)	-				
ITE	Entergy Power Serv	4470066 07	216,454	66,423	15,589	42,726	53,356	38,360	216,454	(66,423)	(15,589)	(42,726)	163,098	(38,360)	-				
ISO	Midwest ISO	(3) 4470066 07	217,579	66,769	15,670	42,948	53,633	38,559	217,579	(66,769)	(15,670)	(42,948)	163,946	(38,559)	-				
MP	PJM Interconnection Pool	4470066 07	76,778	23,561	5,529	15,155	18,926	13,607	76,778	(23,561)	(5,529)	(15,155)	57,852	(13,607)	-				
TAH	TVA Bulk Power Trading	4470066 02	204,266	62,683	14,711	40,320	50,352	36,200	204,266	141,583	(14,711)	(40,320)	(50,352)	(36,200)	-				

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 (\$54,784)

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

		MWh		(\$)	
		PURCHASES	SALES	ALLOCATION BY MLR	
				TOTAL COSTS TO BE BOOKED	TOTAL REVENUES TO BE BOOKED
		ACCT. 4470.010	ACCT. 4470.006	ACCT. 4470.010	ACCT. 4470.006
<u>ENERGY (1)</u>					
I.	ACTUAL				
	THIS MONTH				
	APCO	4,087,964	4,205,036	161,481,799	167,437,972
	KPCO	959,409	986,885	37,898,521	39,296,389
	I&M	2,629,519	2,704,830	103,870,996	107,702,223
	OPCO	3,283,733	3,377,782	129,713,766	134,498,192
	CSP	2,360,826	2,428,444	93,257,094	96,696,834
	TOTAL	13,321,451	13,702,977	526,222,176	545,631,610
II.	PREVIOUS ESTIMATE				
	APCO	4,085,002	4,187,476	161,183,822	167,204,253
	KPCO	958,713	982,765	37,828,588	39,241,536
	I&M	2,627,617	2,693,529	103,679,326	107,551,886
	OPCO	3,281,359	3,363,674	129,474,410	134,310,452
	CSP	2,359,117	2,418,301	93,085,010	96,561,859
	TOTAL	13,311,808	13,645,745	525,251,156	544,869,986
III.	ADJUSTMENT (I-II)				
	APCO	2,962	17,560	297,977	233,719
	KPCO	696	4,120	69,933	54,853
	I&M	1,902	11,301	191,670	150,337
	OPCO	2,374	14,108	239,356	187,740
	CSP	1,709	10,143	172,084	134,975
	TOTAL	9,643	57,232	971,020	761,624
<u>EXERCISED OPTIONS & PREMIUMS (2)</u>					
		ACCT. 4470.011	ACCT. 4470.007	TOTAL COSTS TO BE BOOKED ACCT. 4470.011	TOTAL REVENUES TO BE BOOKED ACCT. 4470.007
I.	ACTUAL				
	THIS MONTH				
	APCO	52,291	32,404	2,125,362	1,100,313
	KPCO	12,273	7,606	498,806	258,234
	I&M	33,634	20,845	1,367,111	707,762
	OPCO	42,003	26,031	1,707,243	883,851
	CSP	30,199	18,714	1,227,414	635,440
	TOTAL	170,400	105,600	6,925,936	3,585,600
II.	PREVIOUS ESTIMATE				
	APCO	52,291	32,404	2,117,997	1,107,678
	KPCO	12,273	7,606	497,078	259,963
	I&M	33,634	20,845	1,362,373	712,499
	OPCO	42,003	26,031	1,701,327	889,767
	CSP	30,199	18,714	1,223,161	639,693
	TOTAL	170,400	105,600	6,901,936	3,609,600
III.	ADJUSTMENT (I-II)				
	APCO	0	0	7,365	(7,365)
	KPCO	0	0	1,728	(1,729)
	I&M	0	0	4,738	(4,737)
	OPCO	0	0	5,916	(5,916)
	CSP	0	0	4,253	(4,253)
	TOTAL	0	0	24,000	(24,000)

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

BELOW THE <u>LINE</u>	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
I. ACTUAL THIS MONTH	APCO	0	891,778	891,784	891,784	253,106	39,846,755	40,192,001				
	KPCO	0	209,291	209,292	209,292	59,398	9,351,723	9,432,748				
	I&M	0	573,626	573,625	573,625	162,807	25,630,889	25,852,963				
	OPCO	0	716,340	716,340	716,340	203,310	32,007,772	32,285,097				
	CSP	0	515,010	515,005	515,005	146,170	23,011,836	23,211,216				
	TOTAL	0	2,906,045	2,906,046	2,906,046	824,791	129,848,975	130,974,025				
II. PREVIOUS ESTIMATE	APCO	0	891,754	891,784	891,784	253,106	39,845,115	40,191,993				
	KPCO	0	209,285	209,292	209,292	59,398	9,351,338	9,432,746				
	I&M	0	573,610	573,625	573,625	162,807	25,629,834	25,852,958				
	OPCO	0	716,321	716,340	716,340	203,310	32,006,455	32,285,091				
	CSP	0	514,995	515,005	515,005	146,170	23,010,889	23,211,212				
	TOTAL	0	2,905,965	2,906,046	2,906,046	824,791	129,843,631	130,974,000				
III. ADJUSTMENT (I-II)	APCO	0	24	0	0	0	1,640	8				
	KPCO	0	6	0	0	0	385	2				
	I&M	0	16	0	0	0	1,055	5				
	OPCO	0	19	0	0	0	1,317	6				
	CSP	0	15	0	0	0	947	4				
	TOTAL	0	80	0	0	0	5,344	25				

BROKERS'
COMMISSIONS (3)

	ALLOCATION BY MLR (\$)		
	PURCHASE	SALES	
	COSTS	REVENUES	
	ACCT. 4470.010	ACCT. 4470.006	
I. ACTUAL THIS MONTH	APCO	38,674	(40,767)
	KPCO	9,073	(9,568)
	I&M	24,873	(26,222)
	OPCO	31,066	(32,750)
	CSP	22,334	(23,542)
	TOTAL	126,020	(132,849)
II. PREVIOUS ESTIMATE	APCO	40,142	(41,612)
	KPCO	9,422	(9,767)
	I&M	25,830	(26,767)
	OPCO	32,254	(33,428)
	CSP	23,188	(24,031)
	TOTAL	130,836	(135,605)
III. ADJUSTMENT (I-II)	APCO	(1,468)	845
	KPCO	(349)	199
	I&M	(957)	545
	OPCO	(1,188)	678
	CSP	(854)	489
	TOTAL	(4,816)	2,756

ACTUAL: September 2004

APPENDIX VII

Page 3 of 4

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 ACCT. 4470.082
				<hr/>
I.	ACTUAL	APCO		102,745
	THIS MONTH	KPCO		24,113
		I&M		66,090
		OPCO		82,532
		CSP		59,336
		TOTAL		<hr/> 334,816
II.	PREVIOUS	APCO		102,746
	ESTIMATE	KPCO		24,113
		I&M		66,090
		OPCO		82,533
		CSP		59,337
		TOTAL		<hr/> 334,819
III.	ADJUSTMENT	APCO		(1)
	(I-II)	KPCO		0
		I&M		0
		OPCO		(1)
		CSP		(1)
		TOTAL		<hr/> (3)

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	5,956,173	0	6,020,431	64,258	0
SALES (1)	KPCO	0	1,397,868	0	1,412,948	15,080	0
	I&M	0	3,831,227	0	3,872,560	41,333	0
	OPCO	0	4,784,426	0	4,836,042	51,616	0
	CSP	0	3,439,740	0	3,476,849	37,109	0
	East. AEP (Co.122)	19,409,434	0	19,618,830	0	0	209,396
	TOTAL	19,409,434	19,409,434	19,618,830	19,618,830	209,396	209,396
EXERCISED OPTIONS	APCO	1,025,049	0	1,010,319	0	14,730	0
& PREMIUMS (2)	KPCO	240,572	0	237,115	0	3,457	0
	I&M	659,349	0	649,874	0	9,475	0
	OPCO	823,392	0	811,560	0	11,832	0
	CSP	591,974	0	583,468	0	8,506	0
	East. AEP (Co.122)	0	3,340,336	0	3,292,336	0	48,000
	TOTAL	3,340,336	3,340,336	3,292,336	3,292,336	48,000	48,000
BELOW THE LINE	APCO	0	92,140	0	93,772	1,632	0
	KPCO	0	21,627	0	22,010	383	0
	I&M	0	59,267	0	60,317	1,050	0
	OPCO	0	74,015	0	75,326	1,311	0
	CSP	0	53,210	0	54,153	943	0
	East. AEP (Co.122)	300,259	0	305,578	0	0	5,319
	TOTAL	300,259	300,259	305,578	305,578	5,319	5,319
BROKERS'	APCO	79,441	0	81,754	0	0	2,313
COMMISSIONS (3)	KPCO	18,641	0	19,189	0	0	548
	I&M	51,095	0	52,597	0	0	1,502
	OPCO	63,816	0	65,682	0	0	1,866
	CSP	45,876	0	47,219	0	0	1,343
	East. AEP (Co.122)	0	258,869	0	266,441	7,572	0
	TOTAL	258,869	258,869	266,441	266,441	7,572	7,572
POWER SWAPS	APCO	0	102,745	0	102,746	1	0
	KPCO	0	24,113	0	24,113	0	0
	I&M	0	66,090	0	66,090	0	0
	OPCO	0	82,532	0	82,533	1	0
	CSP	0	59,336	0	59,337	1	0
	East. AEP (Co.122)	334,816	0	334,819	0	0	3
	TOTAL	334,816	334,816	334,819	334,819	3	3
NET BOOKOUTS,	APCO	1,104,490	6,151,058	1,092,073	6,216,949	80,621	2,313
OPTIONS,	KPCO	259,213	1,443,608	256,304	1,459,071	18,920	548
BROKERS'	I&M	710,444	3,956,584	702,471	3,998,967	51,858	1,502
COMMISSIONS,	OPCO	887,208	4,940,973	877,242	4,993,901	64,760	1,866
SWAPS & SPARK GAS	CSP	637,850	3,552,286	630,687	3,590,339	46,559	1,343
	East. AEP (Co.122)	20,044,509	3,599,205	20,259,227	3,558,777	7,572	262,718
	TOTAL	23,643,714	23,643,714	23,818,004	23,818,004	270,290	270,290

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: September 2004
- (3) Actual commissions paid in September 2004.

ACTUAL: 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
W&L - Unit Power	\$2,198,217	\$2,490,283	\$2,582,529	\$2,705,213	\$2,615,136	\$2,589,883	\$2,899,430	\$2,520,713	\$2,754,689	\$3,003,151	\$2,919,434	\$2,866,195
WCo - 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
WECR (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
W2 Differential (2)	\$563,599	\$612,545	\$389,855	\$250,844	\$197,348	\$184,492	\$950,379	\$710,467	\$661,136	\$793,923	\$679,673	\$554,549
Transmission Purchases (3)	(\$730,874)	(\$1,281,526)	(\$730,367)	(\$486,787)	(\$262,874)	(\$283,600)	(\$769,597)	(\$301,407)	(\$433,753)	(\$428,732)	(\$845,606)	(\$805,698)
Net Total	\$13,661,021	\$28,028,669	\$17,134,063	\$15,503,729	\$13,539,700	\$16,899,435	\$18,743,752	\$22,228,524	\$17,432,994	\$21,818,784	\$38,853,805	\$51,422,031
WSS Dedicated												
Transaction Realization (from Pg. 2)	(\$422,036)	(\$11,945,640)	(\$13,641,221)	(\$12,470,356)	(\$12,102,274)	(\$13,621,453)	(\$10,104,743)	(\$9,973,647)	(\$9,475,154)	(\$9,840,572)	(\$9,530,382)	(\$9,507,230)
WSS LT Pre-Merger Trading Realizations												(\$4,463,194)
WSS 6/30/00 MTM of Open Positions												\$94,178,867
WSS Off System Sales												
Transaction Realization (above Line) (from Pg. 3)	\$18,397,954	\$25,716,949	(\$14,226,723)	(\$3,750,052)	(\$1,572,486)	\$568,921	\$2,349,698	\$1,065,780	(\$4,066,395)	\$1,643,564	\$6,785,292	(\$12,397,596)
Monthly Total	\$31,636,939	\$41,799,978	(\$10,735,881)	(\$716,679)	(\$135,060)	\$3,846,903	\$10,986,707	\$13,320,657	\$3,891,445	\$13,621,776	\$36,108,715	\$109,232,878
Mo. Cumulative Total	\$31,636,939	\$73,436,917	\$62,701,036	\$61,984,357	\$61,849,297	\$65,696,200	\$76,684,907	\$90,005,564	\$93,897,009	\$107,516,785	\$143,627,500	\$252,860,378

Reflects 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: September 2004

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

icated Long Term Transactions

Company	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00
P & L	\$2,198,217	\$2,490,283	\$2,582,529	\$2,705,213	\$2,615,136	\$2,589,893	\$2,699,430	\$2,520,713	\$2,754,699	\$3,003,151	\$2,919,434	\$2,866,195
Init Power)	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500	\$587,500
CO	(\$1,123,105)	\$3,038,022	\$3,527,361	\$2,588,489	\$2,647,320	\$3,486,881	\$0	\$0	\$0	\$0	\$0	\$0
Init Power)	\$1,229,179	\$1,168,979	\$1,192,072	\$1,160,847	\$1,176,827	\$1,200,568	\$0	\$0	\$0	\$0	\$0	\$0
EMC	\$1,434,782	\$1,434,959	\$1,434,938	\$1,435,076	\$1,434,976	\$1,435,066	\$1,947,500	\$1,947,662	\$1,947,457	\$1,947,685	\$1,947,569	\$1,947,605
CO	(\$440,174)	\$464,119	\$490,918	\$377,172	\$376,177	\$494,578	\$31,830	\$0	\$0	\$0	\$0	\$0
P Ohio	\$65,071	\$65,037	\$65,019	\$64,945	\$65,082	\$65,051	\$65,000	\$64,972	\$64,983	\$77,994	\$97,525	\$97,535
P	\$325,086	\$299,017	\$325,080	\$260,073	\$260,060	\$259,949	\$260,000	\$260,035	\$195,020	\$227,523	\$259,964	\$325,026
EG	(\$1,475,010)	\$829,290	\$727,061	\$572,783	\$666,959	\$730,197	\$966,518	\$952,857	\$846,110	\$848,635	\$887,079	\$968,600
ford	(\$337,727)	\$545,462	\$474,413	\$477,657	\$427,911	\$465,336	\$590,957	\$571,093	\$360,280	\$316,608	\$324,179	\$344,073
shoo	(\$160,092)	\$142,607	\$132,810	\$146,292	\$122,651	\$137,505	\$156,614	\$153,483	\$153,879	\$154,699	\$153,552	\$153,528
ia Pwr	(\$426,024)	\$549,676	\$436,146	\$485,546	\$469,876	\$608,622	\$755,434	\$664,239	\$578,923	\$549,919	\$508,438	\$575,863
gls	\$0	\$0	\$327,305	\$302,505	\$238,211	\$271,554	\$282,750	\$387,332	\$347,285	\$344,005	\$375,378	\$453,609
PO	(\$504,573)	\$85,796	\$631,992	\$769,971	\$627,963	\$704,942	\$1,193,822	\$1,278,285	\$1,054,569	\$1,191,774	\$902,662	\$752,338
P	(\$686,371)	\$75,807	\$545,327	\$347,865	\$334,174	\$408,155	\$343,576	\$363,979	\$362,269	\$348,249	\$345,619	\$210,821
shoo	(\$284,723)	\$169,086	\$160,750	\$178,422	\$151,451	\$175,666	\$223,812	\$221,497	\$222,190	\$242,830	\$221,483	\$224,537
Total	\$422,036	\$11,945,640	\$13,641,221	\$12,470,356	\$12,102,274	\$13,621,453	\$10,104,743	\$9,973,647	\$9,475,154	\$9,840,572	\$9,530,382	\$9,507,230
Month Cum: Total	\$422,036	\$12,367,676	\$26,008,897	\$38,479,253	\$50,581,527	\$64,202,980	\$74,307,723	\$84,281,370	\$93,756,524	\$103,597,096	\$113,127,478	\$122,634,708

ACTUAL:		September 2004												APPENDIX VIII	
														Page 3 of 8	
Eastern AEP - Trading and Marketing Realizations for Base Year (July 1999 - June 2000)															
(Off System Sales - Above the Line Trading Activities Account 447 Subaccounts Only)															
Type of Activity	Account	Jul-99	Aug-99	Sep-99	Oct-99	Nov-99	Dec-99	Jan-00	Feb-00	1/00 & 2/00 Adjustment	Mar-00	Apr-00	May-00	Jun-00	
Energy Sales	4470.006	\$57,853,570	\$901,477,542	\$1,137,935,711	\$521,049,752	\$457,380,779	\$688,402,058	\$495,514,884	\$692,461,948	(\$96,475,456)	\$702,867,554	\$686,489,789	\$1,359,808,237	\$1,472,898,035	
Energy Purchases	4470.010	(\$842,477,724)	(\$886,288,393)	(\$1,150,861,763)	(\$522,047,857)	(\$458,111,554)	(\$661,408,489)	(\$480,820,834)	(\$679,746,205)	\$97,878,483	(\$703,188,421)	(\$659,664,733)	(\$1,348,883,111)	(\$1,472,698,499)	
Exercised Options - Sales	4470.007	\$30,627,050	\$28,117,800	\$8,787,200	\$2,591,200	\$3,471,200	\$1,997,600	\$3,908,000	\$4,812,800	\$0	\$2,275,200	\$592,000	\$2,309,600	\$10,366,200	
Exercised Options - Purchases	4470.011	(\$27,288,700)	(\$15,809,800)	(\$7,336,000)	(\$4,937,200)	(\$5,898,200)	(\$7,952,400)	(\$15,928,600)	(\$10,082,400)	\$0	(\$8,822,400)	(\$5,008,000)	(\$7,741,800)	(\$28,571,200)	
Sales Commission (Above Line)	4470.006	(\$152,598)	\$0	(\$312,907)	(\$208,888)	(\$159,654)	(\$248,900)	(\$117,656)	(\$193,699)	\$0	(\$280,304)	(\$381,486)	(\$519,988)	(\$199,787)	
Purchase Commissions (Above Line)	4470.010	(\$153,644)	\$0	(\$321,964)	(\$199,259)	(\$153,857)	(\$222,968)	(\$108,109)	(\$206,482)	\$0	(\$312,061)	(\$383,998)	(\$487,848)	(\$195,348)	
Net Off System Trades (Above the Line)		\$18,397,954	\$25,716,949	(\$14,228,723)	(\$3,750,052)	(\$1,572,488)	\$668,921	\$2,348,898	\$1,065,790	\$1,404,027	(\$5,470,423)	\$1,643,564	\$9,785,292	(\$12,397,586)	
12 Month Cumulative Total		\$18,397,954	\$44,114,903	\$29,888,180	\$26,138,128	\$24,583,842	\$25,132,563	\$27,482,281	\$28,548,041	\$29,952,068	\$24,481,848	\$26,125,210	\$32,910,502	\$20,512,908	

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

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

<u>Month</u>	<u>Amount</u>
July-99	\$14,422,489
August-99	\$4,245,600
September-99	\$1,840,715
October-99	\$63,256
November-99	\$175,651
December-99	\$88,741
January-00	\$842,661
February-00	\$450,386
March-00	\$84,263
April-00	\$248,857
May-00	\$2,016,489
June-00	<u>\$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	Note 1
March-04	(\$926,685)	
April-04	(\$235,847)	
May-04	(\$444,024)	
June-04	\$2,109,197	
July-04	(\$4,617,951)	
August-04	(\$7,505,000)	
September-04	(\$12,629,900)	
October-04		
November-04		
December-04		
Cumulative Total	<u>(\$21,382,819)</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:		September 2004												APPENDIX VIII
		astern AEP - Trading and Marketing Realizations for Year 2004												Page 7 of 8
		Off 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	\$527,739,349	\$884,932,321	\$978,575,958	\$545,631,610	\$0	\$0	\$0	
Less Tradeable Sale	4470.006	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Energy Sales - B/O Margin Reclass (Note 1)	4470.006	\$5,553,920	(\$3,246,144)	\$351,056	\$910,240	\$5,690,287	\$430,593	\$497,929	(\$687,772)	\$11	\$0	\$0	\$0	
Energy Purchases	4470.010	(\$602,089,650)	(\$687,500,251)	(\$659,931,502)	(\$557,530,222)	(\$489,771,344)	(\$510,846,563)	(\$849,705,165)	(\$951,014,532)	(\$526,222,176)	\$0	\$0	\$0	
Off System Purchases Not Subject to Sharing	4470.010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Energy Purch. - B/O Margin Reclass (Note 1)	4470.010	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sales Commissions (Above Line)	4470.006	(\$107,120)	(\$81,400)	(\$104,405)	(\$87,158)	(\$115,807)	(\$91,233)	(\$64,456)	(\$67,269)	(\$132,849)	\$0	\$0	\$0	
Purchase Commissions (Above Line)	4470.010	(\$37,244)	(\$13,681)	(\$88,566)	(\$84,650)	(\$65,559)	(\$119,144)	(\$66,032)	(\$74,039)	(\$126,020)	\$0	\$0	\$0	
Net of Above		\$13,722,935	(\$991,602)	\$6,193,996	\$16,080,788	\$17,429,838	\$17,105,002	\$35,594,597	\$26,732,346	\$19,150,578	\$0	\$0	\$0	
Exercised Options - Sales	4470.007	\$10,987,200	\$9,548,064	\$9,548,064	\$8,486,016	\$5,017,600	\$3,699,200	\$13,875,200	\$23,220,800	\$3,585,600	\$0	\$0	\$0	
Sales Option Premiums	4470.007	\$957,265	\$793,367	(\$1,298,820)	(\$1,514,754)	\$51,417	(\$16,884)	(\$2,989,341)	(\$3,017,728)	\$14,257	\$0	\$0	\$0	
Exercised Options - Purchases	4470.011	(\$14,226,336)	(\$10,764,596)	(\$3,968,256)	(\$11,386,430)	(\$7,635,179)	(\$7,374,144)	(\$27,477,984)	(\$25,878,024)	(\$6,825,836)	\$0	\$0	\$0	
Purchase Option Premiums	4470.011	(\$2,966,841)	(\$1,318,192)	(\$393,137)	\$583,522	(\$605,439)	(\$404,387)	\$773,045	\$1,798,461	(\$315,195)	\$0	\$0	\$0	
Swaps - Net	4470.082	(\$66,220)	(\$229,635)	(\$61,934)	(\$61,920)	\$43,145	\$148,819	\$562,137	\$398,419	\$334,816	\$0	\$0	\$0	
Power Futures (REFCO)	4470.082	(\$34,146)	\$23,997	(\$2,053,573)	(\$278,989)	(\$101,111)	\$3,783,794	\$316,413	\$2,153,322	(\$719,186)	\$0	\$0	\$0	
Power Future Defaults / Accruals (REFCO)	4470.082	(\$2,600,220)	\$116,150	\$1,409,563	\$228,233	\$75,978	\$142,956	\$3,134,799	(\$685,394)	(\$424,023)	\$0	\$0	\$0	
Paribas Power Commissions & Fees	4470.082	\$0	\$0	\$0	\$0	\$0	(\$2,766)	(\$5,081)	(\$701,315)	\$811,182	\$0	\$0	\$0	
Dow Sales - Associated	4470.085	\$0	\$0	\$0	\$0	\$0	\$0	\$884,088	\$813,864	\$0	\$0	\$0	\$0	
Dow Purchases - Associated (Was 4470.085)	5550.033	\$0	\$0	\$0	(\$4,103,164)	(\$2,390,439)	(\$379,755)	(\$41,680)	\$0	\$0	\$0	\$0	\$0	
5550.034	5550.034	(\$7,951,300)	(\$1,837,509)	(\$2,823,299)	(\$9,047,486)	(\$5,544,025)	(\$403,167)	(\$10,988,004)	(\$1,898,593)	(\$3,638,485)	\$0	\$0	\$0	
Net of Above														
Non-Def. Spark Gas Broker Commissions	4470.081	(\$5,103)	(\$2,237)	(\$3,190)	(\$1,895)	(\$3,146)	(\$1,767)	(\$1,753)	(\$1,181)	(\$5,634)	\$0	\$0	\$0	
Non-Dedicated Spark Gas Paribas Futures	4470.081	(\$4,249)	\$4,712,527	(\$5,522,433)	(\$1,173,422)	\$616,483	(\$1,159,843)	\$1,264,810	(\$787,714)	(\$5,102,427)	\$0	\$0	\$0	
Spark Gas Swaps & Accruals - Net	4470.081	(\$282,353)	\$136,525	\$118,969	\$259,745	\$1,109,863	(\$700,307)	\$1,079,527	\$959,452	(\$38,409)	\$0	\$0	\$0	
Net of Above		(\$291,705)	\$4,846,815	(\$5,406,654)	(\$915,672)	\$1,723,300	(\$1,861,917)	\$2,342,584	\$170,557	(\$5,146,470)	\$0	\$0	\$0	
Off System Trades (Above the Line)		\$5,479,930	\$2,017,704	(\$2,035,957)	\$7,117,730	\$13,609,113	\$14,836,918	\$26,948,377	\$25,004,310	\$10,365,621	\$0	\$0	\$0	
Month Cumulative Total		\$5,479,930	\$7,497,634	\$5,461,677	\$12,579,407	\$26,186,520	\$41,028,438	\$87,976,815	\$92,881,125	\$103,346,746	\$103,346,746	\$103,346,746	\$103,346,746	

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

September 2004

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
Out Purchases	\$520,222,176	\$13,470,638	\$533,692,814				
Buy Purch. - BIO Margin Reclass (Note 1)	\$0	\$2,276,786	\$2,276,786				
Commissions	(\$125,020)		(\$125,020)				
Out Sales	\$546,631,810	\$667,300	\$547,299,110				
Tranche Sale	\$0		\$0				
Buy Sales - BIO Margin Reclass (Note 1)	\$11		\$11				
Commissions	(\$132,849)		(\$132,849)				
Closed Option - Purchases	\$6,025,836	\$85,730	\$6,111,566				
Closed Purchase Option Premiums	(\$315,195)	(\$130,518)	(\$445,713)				
Closed Option - Sales	\$3,565,806		\$3,565,806				
Closed Sales Option Premiums	\$14,267	\$5,603	\$19,870				
Dedicated Spark Gas Commission	(\$5,834)	\$5,833	(\$1)				
Dedicated Spark Gas Paribas Futures	(\$5,102,427)	(\$17,818)	(\$5,120,245)				
Oil Gas Swaps & Accruals - Net	(\$38,409)	(\$15,905)	(\$54,314)				
Oil Swaps - Net	\$334,816	(\$2,131,087)	(\$796,271)				
Gas Power Commissions	\$811,182	\$336,005	\$1,147,187				
Oil Futures (REFCO)	(\$719,486)	\$297,808	(\$421,678)				
Oil Futures Deferred (REFCO)	(\$424,023)	(\$785,583)	(\$1,209,606)				
Sales - Associated	\$0	(\$137,488)	(\$137,488)				
Purchases - Associated	\$0	\$0	\$0				
Oil Realizations	\$3,149,062	\$666,345	\$3,815,407				
Purchase Demand Charge	(\$1,220,832)		(\$1,220,832)				
Realization on Dedicated Transactions	(\$584,793)		(\$584,793)				
Power - CP&L	\$2,656,876		\$2,656,876				
Realization	\$5,876,581		\$5,876,581				
Commission Purchases	\$5,936,654		\$5,936,654				
ECR/ICR Realization	(\$724,017)		(\$724,017)				
Total	\$37,871,944	\$869,414	\$38,741,358	\$11,284,902	\$27,456,456	\$10,415,488	4470.002
Total	\$48,037,585	(\$12,829,800)	\$35,207,785	\$10,387,358	\$25,040,307	\$22,897,258	4470.088
Total	(\$12,829,800)						
AEP Realizations	\$35,407,685						
Western AEP's Share of Total Realization	\$25,040,307						
Western AEP's Share of Total Realization	\$10,387,358						
Total	\$35,407,685						
Western AEP	\$22,897,258						
Year Realizations	\$262,860,378						
Western AEP Realization	\$25,095,575						
Western AEP Realization	\$277,955,953						

Realization Sharing Ratios	
Base Year	\$0
Capacity	\$35,407,685
	\$35,407,685
	100.00%
	100.00%

Capacity (MW) Realization Sharing	
Base Year	24,054,000
Capacity	8,959,000
	34,013,000
	70.72%
	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	4470.088	TOTAL OF ALL ACCOUNTS
	MLR	5590.033 (92%)	5590.034 (Other Cos.)	5590.034 (Other Cos.)	5590.034 (Other Cos.)	5590.034 (Other Cos.)	5590.034 (Other Cos.)	5590.034 (Other Cos.)
APCO	0.30687	(48,864,324)	(48,995,266)	(82,302)	(32,172)	68	0	(3,196,201)
KPCO	0.07202	(10,529,307)	(11,498,807)	(146,049)	(75,611)	16	0	(750,123)
I&M	0.19739	(28,858,373)	(31,515,546)	(400,287)	(207,232)	43	0	(2,055,913)
OPCO	0.24650	(36,038,244)	(39,356,513)	(499,877)	(258,791)	54	0	(2,567,418)
CSP	0.17722	(35,909,524)	(28,295,177)	(359,384)	(166,057)	39	0	(1,845,833)
TOTAL	1.00000	(146,199,772)	(159,661,309)	(2,027,899)	(1,049,863)	220	0	(10,415,488)
								(22,997,258)

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