

**AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724**

**KENTUCKY POWER COMPANY
17TH ST. & CENTRAL AVE.
ASHLAND, KY 41101**

**ESTIMATE
09-Sep-04**

**UNIT 1
POWER BILL - - August, 2004**

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF August, 2004
KWH FOR THE MONTH 108,161,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	265,484
Return on Other Capital	126,100
Total Return	391,584
Fuel	1,462,505
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	308,109
Depreciation Expense	491,375
Taxes Other Than Federal Income Tax	53,848
Federal Income Tax	124,589
TOTAL CURRENT UNIT POWER BILL	2,829,385
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	3,626
Fuel Expense	0
Other Expenses	(1,641)
TOTAL PRIOR MONTH'S ADJUSTMENTS	1,985
TOTAL UNIT POWER BILL	2,831,370

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE ---

September 20, 2004

CC: R. PRICE - COLUMBUS
D. L. HILLE - FT. WAYNE
S. M. BLOTKAMP - FT. WAYNE

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

ESTIMATE
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August, 2004

09-Sep-04

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	884,948	265,484	619,464	0
Return on Other Capital	420,334	126,100	294,234	0
Total Return	1,305,282	391,584	913,698	0
+ Fuel	4,875,016	1,462,505	3,412,511	0
+ Purchased Power	0	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	0
+ Other Operation and Maintenance Exp	1,027,030	308,109	718,921	0
+ Depreciation Expense	1,637,916	491,375	1,146,541	0
+ Taxes Other Than Federal Income Tax	179,493	53,848	125,645	0
+ Federal and State Income Tax	419,323	124,589	290,710	0
= Total Unit 1 Monthly Power Bill	9,435,310	2,829,385	6,601,901	0
<u>Determination of Federal Income Tax :</u>				
Total Return (Line 3)	1,305,282	391,584	913,698	0
+ Unit 1 Schedule M Adjustments	1,643,017	492,905	1,150,112	0
+ Unit 1 Deferred Federal Income Taxes	(610,818)	(184,453)	(430,389)	0
- Unit 1 Interest Expense Deduction *	420,334	126,100	294,234	0
= Subtotal	1,917,146	573,936	1,339,186	0
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	1,030,142	309,042	721,100	0
+ Unit 1 Def Fed & State Income Taxes	(610,818)	(184,453)	(430,389)	0
= Total Unit 1 Fed&State Income Taxes	419,323	124,589	290,710	0
<u>Proof of Federal Income Tax :</u>				
Total Unit 1 Monthly Power Bill	9,435,310	2,829,385	6,601,901	0
- Operation and Maintenance Expenses	5,902,046	1,770,614	4,131,432	0
- Depreciation Expense	1,637,916	491,375	1,146,541	0
- Taxes Other Than Federal Income Tax	179,493	53,848	125,645	0
- Unit 1 Interest Expense Deduction *	420,334	126,100	294,234	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	0
= Pre-Tax Book Income	1,304,271	390,073	910,173	0
+ Unit 1 Schedule M Adjustments	1,643,017	492,905	1,150,112	0
= Unit 1 Taxable Income	2,947,288	882,978	2,060,285	0
x Current Federal Income Tax Rate	35%	35%	35%	35%
= Unit 1 Current Federal Income Tax	1,030,142	309,042	721,100	0
+ Unit 1 Def Fed & State Income Taxes	(614,842)	(184,453)	(430,389)	0
= Total Unit 1 Fed&State Income Taxes	415,300	124,589	290,711	0

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO**

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<u>Line No.</u>		<u>UNIT 1 August, 2004</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	672,245,135
4	- Accumulated Depreciation	384,567,228
5	+ Materials & Supplies	34,661,480
6	+ Prepayments	17,815
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(7,736,000)
10	+ Unamortized Debt Expense (A/C 181)	4,376,669
11	- Other Deferred Credits (A/C 253)	102,225,700
12	- Accumulated Deferred FIT	38,292,614
13	- Accumulated Deferred ITC	47,643,249
14	Total Net In-Service Investment	130,836,306
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	2,901,505
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	2,901,505
20	<u>Non-In-Service Investment - Other :</u>	
21	Plant Held for Future Use (A/C 105) **	1,140,676
22	+ Other Deferred Debits (A/C 186) **	1,867,934
23	+ Fuel Inventory Over Allowed Level ****	(2,422,657)
24	Total Non-In-Service Investment - Other	585,953
25	Total Investment (Lines 14+19+24)	134,323,765
26	Operating Ratio (Line 14/Line 25)	97.4037%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	2.1601%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	0.4362%
29	Total Investment	100.0000%
	* As Permitted By FERC	=====
	** Excluding Amounts on Lines 7 and 8	
	*** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and	
	**** Includes Rockport 1 and 2	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
NET IN-SERVICE INVESTMENT RATIO**

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<u>Line No.</u>		<u>UNIT 1 August, 2004</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	599,143,604
4	- Accumulated Depreciation	327,940,948
5	+ Materials & Supplies	18,542,068
6	+ Prepayments	8,908
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	38,041,929
10	+ Unamortized Debt Expense (A/C 181)	2,188,334
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	70,796,659
13	- Accumulated Deferred ITC	11,495,140
14	Total Unit 1 Net In-Service Investment	247,692,097
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	73,101,530
17	- Accumulated Depreciation	56,626,281
18	+ Materials & Supplies	16,119,411
19	+ Prepayments	8,908
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(45,777,930)
23	+ Unamortized Debt Expense (A/C 181)	2,188,334
24	- Other Deferred Credits (A/C 253)	102,225,700
25	- Accumulated Deferred FIT	(32,504,045)
26	- Accumulated Deferred ITC	36,148,109
27	Total Unit 2 Net In-Service Investment	(116,855,791)
28	Total Net In-Service Investment	130,836,306
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	189.3100%
31	Unit 2 (Line 27 / Line 28)	-89.3100%
		100.0000%
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
CALCULATION OF COMMON EQUITY
& OTHER CAPITAL RETURNS**

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<u>Line No.</u>	<u>UNIT 1 August, 2004</u>
1	<u>Net Capitalization:</u>
2	Long-Term Debt 44,815,978
3	+ Short-Term Debt 36,365,584
4	+ Preferred Stock 0
5	+ Common Equity 47,360,722
6	- Temporary Cash Investments 0
7	Net Capitalization <u>128,542,284</u>
8	40% of Net Capitalization 51,416,914
9	<u>Return on Common Equity:</u>
10	Lesser of Line 5 or Line 8 47,360,722
11	x Equity Return (Monthly Rate) 1.01333%
12	= Equity Return 479,920
13	x Operating Ratio 97.4037%
14	x Net In-Service Investment Ratio 189.3100%
15	= Subtotal 884,948
16	Excess of Line 5 Over Line 8 0
17	x Weighted Cost of Debt (Monthly Rate) 0.2678%
18	= Return on Equity over 40% of Capitalization 0
19	x Operating Ratio 97.4037%
20	x Net In-Service Investment Ratio 189.3100%
21	= Subtotal 0
22	Unit 1 Return on Equity (Line 15 + Line 21) <u>884,948</u>
23	<u>Return on Other Capital:</u>
24	Long-Term Debt Interest Expense (a/c 427) 176,936
25	+ Short-Term Debt Interest Expense (a/c 430) 50,975
26	+ Other Interest Expense (a/c 428-431) 42
27	- Temporary Cash Investment Income * 0
28	= Net Interest Expense 227,953
29	+ Preferred Stock Dividends (a/c 437) 0
30	= Net Cost of Other Capital 227,953
31	x Operating Ratio 97.4037%
32	x Net In-Service Investment Ratio 189.3100%
33	= Unit 1 Return on Other Capital 420,334
	* Line 6 x Line 19 from Pg 6 of 18

AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF WEIGHTED COST OF DEBT

<u>Line No.</u>		<u>UNIT 1</u> <u>August, 2004</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,815,978
3	+ Short-Term Debt	36,365,584
4	+ Other Debt	0
5	Total Debt Balances (Prior Month Ending)	<hr/> 81,181,562 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt	55.2046%
8	+ Short-Term Debt	44.7954%
9	+ Other Debt	0.0000%
10	Total Debt Balances	<hr/> 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt	4.6613%
13	Short-Term Debt	1.3150%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt	2.5732%
17	+ Short-Term Debt	0.5891%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	<hr/> 3.1623% =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF UNIT 1 MATERIALS AND SUPPLIES**

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<u>Line No.</u>		<u>UNIT 1</u> <u>August, 2004</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	11,655,021
3	Fuel Stock Expenses - Undistributed (152)	560,301
4	Fuel Stock - Oil (151.20)	784,417
5	Plant Materials & Operating Supplies	5,542,329
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	18,542,068
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	9,232,364
11	+ Equivalent Inventory re: Deferred Return	7,845,438,206
12	= Imputed Coal Inventory	7,854,670,570
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed	2,243,428
15	/ Hours Available *	7142.90
16	= Tons Consumed per Hour	314.08
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7537.92
19	x 68 days	68
20	= 68 day Supply (Tons)	512,579
21	x Coal Cost per Ton)	22.738
22	= 68 day Coal Inventory	11,655,021
23	Lesser of Imputed or Capped Coal Inventory	11,655,021
24	Imputed Inventory Minus Line 23	7,843,015,549
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	58,632,287
27	+ Current Month Return on Beginning Balance	441,483
28	+ Current Month Deferral	0
29	- Current Month Recovery	17,152
30	= Ending Balance **	59,056,618

* Excludes Forced Outages, Scheduled Outages, and Curtailments

** May Not Be Less Than Zero

AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 August, 2004</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454.10	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	<u>(8,750)</u> =====

AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OPERATION & MAINTENANCE EXPENSES

<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>August, 2004</u>
1	500,502-509	Steam Power Generation - Operation	219,247
2	501	Fuel - Operation	4,875,016
3	510-515	Steam Power Generating - Maintenance	576,674
4		Total Steam Power Generation Expenses	5,670,937
5	555-557	Other Power Supply Expenses	986
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	225,559
16	935	Administrative and General Expenses - Maintenance	4,564
17		Total Administrative & General Exp.	230,123
18		Total Operation & Maintenance Expenses	5,902,046

AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF DEPRECIATION EXPENSE
AND AMORTIZATION EXPENSES

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<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>August, 2004</u>
1	403	Depreciation Expense	1,598,573
2	404	Amortization of Limited-Term Electric Plant	39,343
3	405	Amortization of Other Electric Plant	0
4	406	Amortization of Electric Plant Acquisition Adjustments	0
5	407	Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs	0
6		Total Depreciation Exp. & Amortization	<u>1,637,916</u> =====

AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>August, 2004</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	116,243
2	409.1	State Income Taxes	63,250
3		Total Taxes Other than FIT	<hr style="border: none; border-top: 1px solid black;"/> 179,493 =====

AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF UNIT 1 SCHEDULE 'M' ADJUSTMENTS
 AND DEFERRED FEDERAL INCOME TAX

UNIT 1
 August, 2004

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>				
2	N/A	Excess ACRS Over Normalization Base Depreciation	(20,500)	(6,150)	(14,350)	0
3	N/A	Deferred Purchased Power Costs	0	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	13,000	3,900	9,100	0
5	N/A	Other Unit 1 Schedule 'M' Adjustments	1,650,517	495,155	1,155,362	0
6		Total Unit 1 Schedule 'M' Adjustments	<u>1,643,017</u>	<u>492,905</u>	<u>1,150,112</u>	<u>0</u>
=====						
7		<u>Unit 1 Deferred Federal Income Tax</u>				
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	11,200	2,153	5,023	0
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0	0
10	410.1&411.1	Other Unit 1 Schedule 'M' Adjustments - Utility - Clearing Accounts	0	0	0	0
11	410.1	Feedback of Deferred State Income Taxes	0	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,746)	(23,324)	(54,422)	0
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,277)	(983)	(2,294)	0
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	(540,995)	(162,299)	(378,696)	0
15		Total Unit 1 Deferred Federal and State Income Tax	<u>(610,818)</u>	<u>(184,453)</u>	<u>(430,389)</u>	<u>0</u>
=====						

* Positive Amount Denotes Increase In Taxable Income,
 Negative Amount Denotes Reduction.

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1**

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 August, 2004</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	589,859,649
3	102	Electric Plant Purchased	0
4	103	Experimental Elec. Plant Unclassified	0
5	103.1	Electric Plant In Process of Reclassification	0
6	104	Electric Plant Leased to Others	0
7	106	Completed Construction Not Classified	9,283,955
8	114	Electric Plant Acquisition Adjustments	0
9	116	Other Electric Plant Adjustments	0
10	118	Other Utility Plant	0
11		Total Electric Plant In Service	599,143,604
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	326,082,574
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	1,858,374
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	327,940,948
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	12,439,438
22	152	Fuel Stock Expenses - Undistributed	560,301
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	5,542,329
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	18,542,068
29	165	Prepayments	8,908
30	186	Other Deferred Debits	0

AEP GENERATING COMPANY
ROCKPORT POWER BILL Pg 13a of 18
OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,
AND OTHER DEFERRED CREDITS

<u>Line</u>	<u>Account</u>	<u>UNIT 1</u>
<u>No.</u>	<u>No.</u>	<u>August, 2004</u>
	<u>Description *</u>	
1	128 Other Special Funds	0
2	131 Cash	0
3	135 Other Intra Company Adjustments	0
4	143 Accounts Receivable-Miscellaneous	0
5	146 Accounts Receivable-Associated Company	13,110,653
6	171 Interest and Dividends Receivable	0
7	174 Miscellaneous Current and Accrued Assets	0
8	232 Accounts Payable-General	(170,583)
9	234 Accounts Payable-Associated Company	(7,004,769)
10	236 Taxes Accrued	(4,659,868)
11	237 Interest Accrued	(75,938)
12	238 Dividends Declared	0
13	241 Tax Collections Payable	0
14	242 Misc Current and Accrued Liabilities	36,842,435
15	Total Other Working Capital	38,041,929
		=====
16	181 Unamortized Debt Expense	2,188,334
17	253 Other Deferred Credits	0

* debit <credit>

AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>August, 2004</u>
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	416,710
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	70,476,496
35	283	+Accumulated Deferred Income Taxes - Other	736,873
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>70,796,659</u>
37	255	+Accumulated Deferred Investment Tax Credits	11,495,140
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>11,495,140</u>
40		Total Net In-Service Investment - Unit 1	<u>247,692,097</u> =====

AEP GENERATING COMPANY
 ROCKPORT POWER BILL
 DETAIL OF NON-IN-SERVICE INVESTMENT - CWIP AND OTHER

UNIT 1
August, 2004

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	2,901,505
2		MATERIAL AND SUPPLIES	
3	151	Fuel Stock	0
4	152	Fuel Stock Expenses - Undistributed	0
5	153	Residuals	0
6	154	Plant Materials and Operating Supplies	0
7	155	Merchandise	0
8	156	Other Material and Supplies	0
9	163	Stores Expense Undistributed	0
10		Total Material and Supplies (CWIP Portion)	0
11		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
12	190	-Accumulated Deferred Income Taxes	0
13	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
14	282	+Accumulated Deferred Income Taxes - Other Property	0
15	283	+Accumulated Deferred Income Taxes - Other	0
16		Total Accumulated Deferred Income Taxes (CWIP Portion)	0
17		TOTAL NON-IN-SERVICE INVESTMENT - CWIP	2,901,505
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,140,676
19	186	Other Deferred Debits	1,867,934
20	151.10	Fuel Inventory Over Allowed Level *	(2,422,657)
21		Total Non-In-Service Investment - Other	585,953
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(2,422,657)
		UNIT 2	0
		TOTAL	(2,422,657)

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION**

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**UNIT 1
August, 2004**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	1,000,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	1,000,000
11		<u>OTHER PAID-IN CAPITAL</u>	
12	207	Premium on Capital Stock	0
13	208	Donations Received from Stockholders	23,434,000
14	211	Miscellaneous Paid-In Capital	0
15	213	Discount on Capital Stock	0
16		Total Other-Paid-In Capital	23,434,000
17		<u>RETAINED EARNINGS</u>	
18	215	Appropriated Retained Earnings	0
19	215.1	Appropriated Retained Earnings- Amortization Reserve, Federal	0
20	216	Unappropriated Retained Earnings	22,926,722
21		Total Retained Earnings	22,926,722
22		Total Common Equity	47,360,722
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION (Cont'd)

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UNIT 1
August, 2004

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	45,000,000
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	(184,022)
35		Total Long-Term Debt	<u>44,815,978</u>
		<u>SHORT-TERM DEBT</u>	
36	231.02	Notes Payable (Short-Term Debt)	0
37	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	36,365,584
38		Total Short-Term Debt	<u>36,365,584</u>
39		<u>TEMPORARY CASH INVESTMENTS</u>	
40	132	Interest Special Deposits	0
41	133	Dividend Special Deposits	0
42	134	Other Special Deposits	0
43	136, 145	Temporary Cash Investments	0
44		Total Temporary Cash Investments	<u>0</u>
45		NET CAPITALIZATION	<u>128,542,284</u> =====

**AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETERMINATION OF RATE OF RETURN (Net & Pre-Tax)**

<u>Line No.</u>	<u>UNIT 1</u> <u>August, 2004</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>
2	Long-Term Debt 44,815,978
3	+ Short-Term Debt 36,365,584
4	+ Preferred Stock 0
5	+ Common Equity 47,360,722
6	- Capitalization Offsets 0
7	Total Capitalization Balances <u>128,542,284</u>
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt 34.8648%
10	+ Short-Term Debt 28.2908%
11	+ Preferred Stock 0.0000%
12	+ Common Equity 36.8445%
13	- Capitalization Offsets 0.0001%
14	Total Capitalization <u>100.0000%</u>
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt 4.6613%
17	Short-Term Debt 1.3150%
18	Preferred Stock 0.0000%
19	Common Equity 12.1600%
20	Capitalization Offsets 3.1623%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt 1.6251%
23	+ Short-Term Debt 0.3720%
24	+ Preferred Stock 0.0000%
25	+ Common Equity 4.4803%
26	- Capitalization Offsets 0.0000%
27	Total Rate of Return (Net of Tax) <u>6.4774%</u>
28	Weighted Net Cost of Debt 1.9971%
29	+ Pre-Tax Common Equity (Line 25 / .65) 6.8928%
30	= Rate of Return (Pre-Tax) <u>8.8899%</u>

ROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500	SUPERVISION AND ENGINEERING	48,336
501	FUEL	4,875,016
502	STEAM EXPENSES	38,410
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	29,214
506	MISC. STEAM POWER EXPENSES	103,286
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

	TOTAL OPERATION EXPENSE	5,094,263
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510	MAINTENANCE SUPER. AND ENGINEERING	41,892
511	MAINTENANCE OF STRUCTURES	22,700
512	MAINTENANCE OF BOILER PLANT	368,699
513	MAINTENANCE OF ELECTRIC PLANT	128,136
514	MAINTENANCE OF MISC. STEAM PLANT	15,249
515	MAINTENANCE NORMALIZING	0

	TOTAL MAINTENANCE EXPENSES	576,674
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555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	0
557	OTHER POWER SUPPLY EXPENSES	986

	TOTAL OTHER SUPPLY EXPENSES	986
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IS FUEL IN BALANCE
ON PAGE 2

AMOUNT MUST BE ZERO

0

NO OF DAYS IN CURRENT MO
NO OF DAYS IN CURRENT YEAR
CURRENT YEAR IS
CURRENT MONTH IS
THIS BILLING IS FOR MONTH OF

31
366
2004
8
August, 2004

A E P GENERATING COMPANY

August, 2004
ESTIMATEROCK PORT OPERATION & MAINTENANCE EXPENSES UNIT 1
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

901	SUPERVISION	0
902	METER READING EXPENSES	0
903	CUSTOMER RECORDS AND COLLECTION EXPENSES	0
904	UNCOLLECTIBLE ACCOUNTS	0
905	MISCELLANEOUS CUSTOMER ACCOUNTS EXPENSES	0
	TOTAL CUSTOMER ACCOUNTS EXPENSES	0
906	CUSTOMER SERVICE AND INFORMATIONAL EXP	0
907	SUPERVISION	0
908	CUSTOMER ASSISTANCE EXPENSES	0
909	INFORMATIONAL AND INSTRUCTIONAL ADVERTISING EXPENSES	0
910	MISCELLANEOUS CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	0
	TOTAL CUSTOMER SERVICES EXPENSES	0
911	SUPERVISION	0
912	DEMONSTRATION AND SELLING EXPENSES	0
913	ADVERTISING EXPENSES	0
916	MISCELLANEOUS SALES EXPENSES (MAJOR)	0
917	SALES EXPENSES (NON-MAJOR)	0
	TOTAL SALES EXPENSES	0
920	ADMIN. & GENERAL SALARIES	47,554
921	OFFICE SUPPLIES AND EXPENSES	9,297
922	ADMINISTRATIVE EXPENSES TRANSF - CR	5
923	OUTSIDE SERVICES	105,659
924	PROPERTY INSURANCE	20,548
925	INJURIES AND DAMAGES	9,239
926	EMPLOYEE PENSIONS AND BENEFITS	30,238
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	2,910
931	RENTS	109
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	225,559
935	MAINTENANCE OF GENERAL PLANT	4,564
	TOTAL ADM & GEN EXPENSES	230,123
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	5,902,046
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	5,902,046
	——DIFFERENCE——	0