

AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43015
TELEPHONE (614) 223-2656

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

ESTIMATE
10-Jan-04

UNIT 1
POWER BILL -- December, 2003

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF December, 2003
KWH FOR THE MONTH

127,574,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	233,192
Return on Other Capital	134,294
Total Return	<u>367,486</u>
Fuel	1,472,081
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	237,043
Depreciation Expense	477,339
Taxes Other Than Federal Income Tax	6,480
Federal Income Tax	90,709
TOTAL CURRENT UNIT POWER BILL	<u>2,648,513</u>

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses	(1,442)

TOTAL PRIOR MONTH'S ADJUSTMENTS (1,442)

TOTAL UNIT POWER BILL 2,647,071

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE ---

January 20, 2003

CC: S. D. LIGGETT - CANTON
R. L. REED - COLUMBUS
J. E. TOWSLEY - COLUMBUS

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

ESTIMATE
Pg 2 of 18

December, 2003

10-Jan-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	777,305	233,192	544,113	0
Return on Other Capital	447,645	134,294	313,351	0
Total Return	1,224,950	367,486	857,464	0
+ Fuel	4,906,938	1,472,081	3,434,857	0
+ Purchased Power	0	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	0
+ Other Operation and Maintenance Exp	790,143	237,043	553,100	0
+ Depreciation Expense	1,591,131	477,339	1,113,792	0
+ Taxes Other Than Federal Income Tax	21,600	6,480	15,120	0
+ Federal and State Income Tax	305,862	90,709	211,653	0
= Total Unit 1 Monthly Power Bill	8,831,875	2,648,513	6,179,862	0
<u>Determination of Federal Income Tax :</u>				
Total Return (Line 3)	1,224,950	367,486	857,464	0
+ Unit 1 Schedule M Adjustments	1,273,858	382,157	891,701	0
+ Unit 1 Deferred Federal Income Taxes	(496,699)	(150,060)	(350,139)	0
- Unit 1 Interest Expense Deduction *	508,136	152,441	355,695	0
= Subtotal	1,493,972	447,142	1,043,330	0
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	802,562	240,769	561,793	0
+ Unit 1 Def Fed & State Income Taxes	(496,699)	(150,060)	(350,139)	0
= Total Unit 1 Fed&State Income Taxes	305,862	90,709	211,653	0
<u>Proof of Federal Income Tax :</u>				
Total Unit 1 Monthly Power Bill	8,831,875	2,648,513	6,179,862	0
- Operation and Maintenance Expenses	5,697,081	1,709,124	3,987,957	0
- Depreciation Expense	1,591,131	477,339	1,113,792	0
- Taxes Other Than Federal Income Tax	21,600	6,480	15,120	0
- Unit 1 Interest Expense Deduction *	508,136	152,441	355,695	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	0
= Pre-Tax Book Income	1,022,676	305,754	713,422	0
+ Unit 1 Schedule M Adjustments	1,273,858	382,157	891,701	0
= Unit 1 Taxable Income	2,296,534	687,911	1,605,123	0
x Current Federal Income Tax Rate	35%	35%	35%	35%
= Unit 1 Current Federal Income Tax	802,562	240,769	561,793	0
+ Unit 1 Def Fed & State Income Taxes	(500,199)	(150,060)	(350,139)	0
= Total Unit 1 Fed&State Income Taxes	302,363	90,709	211,654	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 December, 2003</u>
1	<u>Operating Ratio:</u>
2	<u>Net In-Service Investment:</u>
3	Electric Plant In-Service 646,503,835
4	- Accumulated Depreciation 375,726,632
5	+ Materials & Supplies 33,456,283
6	+ Prepayments 8,099
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital *** (40,028,204)
10	+ Unamortized Debt Expense (A/C 181) 4,524,926
11	- Other Deferred Credits (A/C 253) 105,939,668
12	- Accumulated Deferred FIT 41,630,570
13	- Accumulated Deferred ITC 49,883,858
14	Total Net In-Service Investment 71,284,210
15	<u>Non-In-Service Investment - CWIP :</u>
16	Construction Work In Progress 20,072,219
17	+ Materials & Supplies 0
18	- Accumulated Deferred FIT 0
19	Total Non-In-Service Investment - CWIP 20,072,219
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) ** 5,171,569
23	+ Fuel Inventory Over Allowed Level **** (1,131,878)
24	Total Non-In-Service Investment - Other 5,180,367
25	Total Investment (Lines 14+19+24) 96,536,796
26	Operating Ratio (Line 14/Line 25) 73.8415%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25) 20.7923%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25) 5.3662%
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 December, 2003</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	587,188,493
4	- Accumulated Depreciation	328,274,286
5	+ Materials & Supplies	17,294,080
6	+ Prepayments	4,049
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(2,694,777)
10	+ Unamortized Debt Expense (A/C 181)	2,262,463
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	77,044,590
13	- Accumulated Deferred ITC	12,422,429
14	Total Unit 1 Net In-Service Investment	186,313,003
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	59,315,342
17	- Accumulated Depreciation	47,452,346
18	+ Materials & Supplies	16,162,203
19	+ Prepayments	4,049
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(37,333,427)
23	+ Unamortized Debt Expense (A/C 181)	2,262,463
24	- Other Deferred Credits (A/C 253)	105,939,668
25	- Accumulated Deferred FIT	(35,414,020)
26	- Accumulated Deferred ITC	37,461,429
27	Total Unit 2 Net In-Service Investment	(115,028,793)
28	Total Net In-Service Investment	71,284,210
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	261.3700%
31	Unit 2 (Line 27 / Line 28)	-161.3700%
		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

<u>Line</u> <u>No.</u>		<u>UNIT 1</u> <u>December, 2003</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	44,810,136
3	+ Short-Term Debt	2,022,903
4	+ Preferred Stock	0
5	+ Common Equity	44,797,348
6	- Temporary Cash Investments	0
7	Net Capitalization	91,630,387
8	40% of Net Capitalization	36,652,155
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	36,652,155
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	371,407
13	x Operating Ratio	73.8415%
14	x Net In-Service Investment Ratio	261.3700%
15	= Subtotal	716,814
16	Excess of Line 5 Over Line 8	8,145,193
17	x Weighted Cost of Debt (Monthly Rate)	0.3848%
18	= Return on Equity over 40% of Capitalization	31,343
19	x Operating Ratio	73.8415%
20	x Net In-Service Investment Ratio	261.3700%
21	= Subtotal	60,491
22	Unit 1 Return on Equity (Line 15 + Line 21)	777,305
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (a/c 427)	177,421
25	+ Short-Term Debt Interest Expense (a/c 430)	48,444
26	+ Other Interest Expense (a/c 428-431)	6,076
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	231,941
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	231,941
31	x Operating Ratio	73.8415%
32	x Net In-Service Investment Ratio	261.3700%
33	= Unit 1 Return on Other Capital	447,645
	* 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 December, 2003</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,810,136
3	+ Short-Term Debt	2,022,903
4	+ Other Debt	0

5	Total Debt Balances (Prior Month Ending)	46,833,038
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt	95.6806%
8	+ Short-Term Debt	4.3194%
9	+ Other Debt	0.0000%

10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt	4.6619%
13	Short-Term Debt	1.6130%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt	4.4605%
17	+ Short-Term Debt	0.0697%
18	+ Other Debt	0.0000%

19	Total Weighted Cost of Debt	4.5302%
		=====

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

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UNIT 1

<u>Line No.</u>		<u>December, 2003</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	10,835,425
3	Fuel Stock Expenses - Undistributed (152)	409,709
4	Fuel Stock - Oil (151.20)	783,681
5	Plant Materials & Operating Supplies	5,263,624
6	Merchandise	0
7	Undistributed Stores Expense	1,641
8	Total Materials & Supplies	17,294,080
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	9,703,547
11	+ Equivalent inventory re: Deferred Return	5,671,344,272
12	= Imputed Coal Inventory	5,681,047,819

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed	2,326,851
15	/ Hours Available *	7528.34
16	= Tons Consumed per Hour	309.08
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7417.92
19	x 68 days	68
20	= 68 day Supply (Tons)	504,419
21	x Coal Cost per Ton (151.10 at End of Prior Month)	21.481
22	= 68 day Coal Inventory	10,835,425
23	Lesser of Imputed or Capped Coal Inventory	10,835,425
24	Imputed Inventory Minus Line 23	5,670,212,394
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	54,674,571
27	+ Current Month Return on Beginning Balance	532,221
28	+ Current Month Deferral	0
29	- Current Month Recovery	9,872
30	= Ending Balance **	55,196,920
		=====

* Excludes Forced Outages, Scheduled Outages, and Curtailments

** May Not Be Less Than Zero

AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>December, 2003</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	----- (8,750) =====

AEP GENERATING COMPANY
 ROCKPORT POWER BILL Pg 9 of 18
DETAIL OF OPERATION & MAINTENANCE EXPENSES

			UNIT 1
<u>Line</u>	<u>Account</u>	<u>Description</u>	<u>December, 2003</u>
<u>No.</u>	<u>No.</u>		
1	500,502-509	Steam Power Generation - Operation	417,311
2	501	Fuel - Operation	4,906,938
3	510-515	Steam Power Generating - Maintenance	242,760
4		Total Steam Power Generation Expenses	5,567,009
5	555-557	Other Power Supply Expenses	1,015
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 Expennse - Maintenance	0
11		Total Distribution Expennse	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	115,510
16	935	Administrative and General Expenses - Maintenance	13,548
17		Total Administrative & General Exp.	129,058
18		Total Operation & Maintenance Expenses	5,697,081

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

<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>December, 2003</u>
1	403	Depreciation Expense	1,570,448
2	404	Amortization of Limited-Term Electric Plant	20,683
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
			<hr/>
6		Total Depreciation Exp. & Amortization	1,591,131 =====

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>December, 2003</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	124,356
2	409.1	State Income Taxes	(102,756)
3		Total Taxes Other than FIT	<hr style="width: 100%;"/> 21,600 =====

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

UNIT 1
December, 2003

<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	(393,000)	(117,900)	(275,100)	0
3	N/A	Deferred Purchased Power Costs	0	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	5,000	1,500	3,500	0
5	N/A	Other Unit 1 Schedule 'M' Adjustments	1,661,858	498,557	1,163,301	0
6		Total Unit 1 Schedule 'M' Adjustments	1,273,858	382,157	891,701	0
7		<u>Unit 1 Deferred Federal Income Tax</u>				
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	141,050	41,265	96,285	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	(556,726)	(167,018)	(389,708)	0
15		Total Unit 1 Deferred Federal and State Income Tax	(496,699)	(150,060)	(350,139)	0

* 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 December, 2003</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	586,725,295
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	463,198
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	587,188,493
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	326,692,905
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	1,581,381
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	328,274,286
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	11,619,106
22	152	Fuel Stock Expenses - Undistributed	409,709
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	5,263,624
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	1,641
28		Total Materials and Supplies (In-Service Portion)	17,294,080
29	165	Prepayments	4,049
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>Description *</u>	<u>UNIT 1</u> <u>December, 2003</u>
<u>No.</u>	<u>No.</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	8,817,703
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(389,701)
9	234	Accounts Payable-Associated Company	(7,654,519)
10	236	Taxes Accrued	(3,050,240)
11	237	Interest Accrued	(379,688)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(38,334)
15		Total Other Working Capital	(2,694,777)
			=====
16	181	Unamortized Debt Expense	2,262,463
17	253	Other Deferred Credits	0

* debit <credit>

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

UNIT 1
December, 2003

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	421,008
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	76,655,125
35	283	+Accumulated Deferred Income Taxes - Other	810,474
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>77,044,590</u>
37	255	+Accumulated Deferred Investment Tax Credits	12,422,429
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>12,422,429</u>
40		Total Net In-Service Investment - Unit 1	<u>186,313,003</u> =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>December, 2003</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	20,072,219
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	----- 20,072,219 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,140,676
19	186	Other Deferred Debits	5,171,569
20	151.1C	Fuel Inventory Over Allowed Level *	(1,131,878)
21		Total Non-In-Service Investment - Other	----- 5,180,367 =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(1,131,878)
		UNIT 2	0
		TOTAL	----- (1,131,878) =====

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

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**UNIT 1
December, 2003**

<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	20,363,348
21		Total Retained Earnings	20,363,348
22		Total Common Equity	44,797,348
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 Pg 17 of 18
DETAIL OF NET CAPITALIZATION (Cont'd)

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>December, 2003</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	(189,864)
35		Total Long-Term Debt	44,810,136
		<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)	2,022,903
38		Total Short-Term Debt	2,022,903
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	0
45		NET CAPITALIZATION	91,630,387

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

<u>Line No.</u>	<u>UNIT 1 December, 2003</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>
2	Long-Term Debt 44,810,136
3	+ Short-Term Debt 2,022,903
4	+ Preferred Stock 0
5	+ Common Equity 44,797,348
6	- Capitalization Offsets 0
7	Total Capitalization Balances <u>91,630,387</u>
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt 48.9031%
10	+ Short-Term Debt 2.2077%
11	+ Preferred Stock 0.0000%
12	+ Common Equity 48.8892%
13	- Capitalization Offsets 0.0000%
14	Total Capitalization <u>100.0000%</u>
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt 4.6619%
17	Short-Term Debt 1.6130%
18	Preferred Stock 0.0000%
19	Common Equity 12.1600%
20	Capitalization Offsets 4.5302%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt 2.2798%
23	+ Short-Term Debt 0.0356%
24	+ Preferred Stock 0.0000%
25	+ Common Equity 5.9449%
26	- Capitalization Offsets 0.0000%
27	Total Rate of Return (Net of Tax) <u>8.2603%</u>
28	Weighted Net Cost of Debt 2.3154%
29	+ Pre-Tax Common Equity (Line 25 / .65) 9.1460%
30	= Rate of Return (Pre-Tax) <u>11.4614%</u>

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

500	SUPERVISION AND ENGINEERING	42,191
501	FUEL	4,906,938
502	STEAM EXPENSES	52,639
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	14,352
506	MISC. STEAM POWER EXPENSES	308,087
507	RENTS	42
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 5,324,249

510	MAINTENANCE SUPER. AND ENGINEERING	29,435
511	MAINTENANCE OF STRUCTURES	48,352
512	MAINTENANCE OF BOILER PLANT	94,251
513	MAINTENANCE OF ELECTRIC PLANT	41,634
514	MAINTENANCE OF MISC. STEAM PLANT	29,088
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 242,760

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	0
557	OTHER POWER SUPPLY EXPENSES	1,015

TOTAL OTHER SUPPLY EXPENSES 1,015

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
365
2003
12
December, 2003

A E P GENERATING COMPANY

December, 2003
ESTIMATE

ROCK 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	34,928
921	OFFICE SUPPLIES AND EXPENSES	4,224
922	ADMINISTRATIVE EXPENSES TRANSF - CR	2
923	OUTSIDE SERVICES	83,459
924	PROPERTY INSURANCE	17,645
925	INJURIES AND DAMAGES	(2,662)
926	EMPLOYEE PENSIONS AND BENEFITS	(26,884)
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	471
931	RENTS	4,327
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	115,510
935	MAINTENANCE OF GENERAL PLANT	13,548
	TOTAL ADM & GEN EXPENSES	129,058
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	5,697,081
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	5,697,081
	-----DIFFERENCE-----	0