

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 2  
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 119,738,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(145,694)
Return on Other Capital	(83,904)
Total Return	(229,598)
Fuel	1,388,236
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	1,922,956
Depreciation Expense	95,800
Taxes Other Than Federal Income Tax	29,322
Federal Income Tax	(55,293)
TOTAL CURRENT UNIT POWER BILL	3,148,798
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses	10,602
TOTAL PRIOR MONTH'S ADJUSTMENTS	10,602
TOTAL UNIT POWER BILL	3,159,400

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

	<b>TOTAL UNIT 2 POWER BILL</b>	<b>KPCO SHARE</b>	<b>I&amp;M SHARE</b>	
Return on Common Equity	(485,647)	(145,694)	(339,953)	
Return on Other Capital	(279,681)	(83,904)	(195,777)	
<b>Total Return</b>	<b>(765,328)</b>	<b>(229,598)</b>	<b>(535,730)</b>	
+ Fuel	4,627,454	1,388,236	3,239,218	
+ Purchased Power	0	0	0	
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	
+ Other Operation and Maintenance Exp	6,409,852	1,922,956	4,486,896	
+ Depreciation Expense	319,334	95,800	223,534	
+ Taxes Other Than Federal Income Tax	97,738	29,322	68,416	
+ Federal and State Income Tax	(184,308)	(55,293)	(129,015)	
<b>= Total Unit 2 Monthly Power Bill</b>	<b>10,495,993</b>	<b>3,148,798</b>	<b>7,347,195</b>	
<b><u>Determination of Federal Income Tax :</u></b>				
Total Return ( Line 3 )	(765,328)	(229,598)	(535,730)	
+ Unit 2 Schedule M Adjustments	(234,289)	(70,287)	(164,002)	
+ Unit 2 Deferred Federal Income Taxes	118,949	35,684	83,265	
- Unit 2 Interest Expense Deduction *	(317,475)	(95,243)	(222,232)	0
<b>= Subtotal</b>	<b>(563,193)</b>	<b>(168,957)</b>	<b>(394,235)</b>	
x Gross-Up ( FIT Rate / 1-FIT Rate )	0.538462	0.538462	0.538462	
<b>= Unit 2 Current Federal Income Tax</b>	<b>(303,257)</b>	<b>(90,977)</b>	<b>(212,280)</b>	
+ Unit 2 Def Fed & State Income Taxes	118,949	35,684	83,265	
<b>= Total Unit 2 Fed&amp;State Income Taxes</b>	<b>(184,308)</b>	<b>(55,293)</b>	<b>(129,015)</b>	
<b><u>Proof of Federal Income Tax :</u></b>				
Total Unit 2 Monthly Power Bill	10,495,993	3,148,798	7,347,195	
- Operation and Maintenance Expenses	11,037,306	3,311,192	7,726,114	
- Depreciation Expense	319,334	95,800	223,534	
- Taxes Other Than Federal Income Tax	97,738	29,322	68,416	
- Unit 2 Interest Expense Deduction *	(317,475)	(95,243)	(222,232)	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	
<b>= Pre-Tax Book Income</b>	<b>(632,161)</b>	<b>(189,648)</b>	<b>(442,513)</b>	
+ Unit 2 Schedule M Adjustments	(234,289)	(70,287)	(164,002)	
<b>= Unit 2 Taxable Income</b>	<b>(866,450)</b>	<b>(259,935)</b>	<b>(606,515)</b>	
x Current Federal Income Tax Rate	35%	35%	35%	
<b>= Unit 2 Current Federal Income Tax</b>	<b>(303,257)</b>	<b>(90,977)</b>	<b>(212,280)</b>	
+ Unit 2 Def Fed & State Income Taxes	118,949	35,684	83,265	
<b>= Total Unit 2 Fed&amp;State Income Taxes</b>	<b>(184,308)</b>	<b>(55,293)</b>	<b>(129,015)</b>	

\* 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 2 December, 2003</u>
1	Operating Ratio:	
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) **	0
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	4,039,691
25	Total Investment (Lines 14+19+24)	95,396,120
26	Operating Ratio (Line 14/Line 25)	74.7244%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	21.0409%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	4.2347%
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 242	
	**** Includes Rockport 1 and 2	

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

<u>Line No.</u>		<u>UNIT 2 December, 2003</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	59,315,342
4	- Accumulated Depreciation	47,452,346
5	+ Materials & Supplies	16,162,203
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 **	(37,333,427)
10	+ Unamortized Debt Expense (A/C 181)	2,262,463
11	- Other Deferred Credits (A/C 253)	105,939,668
12	- Accumulated Deferred FIT	(35,414,020)
13	- Accumulated Deferred ITC	37,461,429
14	Total Unit 2 Net In-Service Investment	(115,028,793)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	587,188,493
17	- Accumulated Depreciation	328,274,286
18	+ Materials & Supplies	17,294,080
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 **	(2,694,777)
23	+ Unamortized Debt Expense (A/C 181)	2,262,463
24	- Other Deferred Credits (A/C 253)	0
25	- Accumulated Deferred FIT	77,044,590
26	- Accumulated Deferred ITC	12,422,429
27	Total Unit 1 Net In-Service Investment	186,313,003
28	Total Net In-Service Investment	71,284,210
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 ( Line 14 / Line 28 )	-161.3700%
31	Unit 1 ( Line 27 / Line 28 )	261.3700%
		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 No.</u>	<u>UNIT 2</u> <u>December, 2003</u>
1	Net Capitalization:
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 74.7244%
14	x Net In-Service Investment Ratio -161.3700%
15	= Subtotal (447,853)
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 74.7244%
20	x Net In-Service Investment Ratio -161.3700%
21	= Subtotal (37,794)
22	Unit 2 Return on Equity (Line 15 + Line 21) (485,647)
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 74.7244%
32	x Net In-Service Investment Ratio -161.3700%
33	= Unit 2 Return on Other Capital (279,681)

\* Line 6 x Line 19 from Pg 6 of 18

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

Line No.		UNIT 2 <u>December, 2003</u>
1	Debt Balances (Prior Month Ending) :	
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 2 MATERIALS AND SUPPLIES

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<u>Line No.</u>	<u>INCLUDE A/C 431 ON PG 5</u>	<u>UNIT 2 December, 2003</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	9,703,547
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	16,162,203
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	85,923,796
12	= Imputed Coal Inventory	95,627,343
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed	2,292,669
15	/ Hours Available *	7421.47
16	= Tons Consumed per Hour	308.92
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7414.08
19	x 68 days	68
20	= 68 day Supply (Tons)	504,157
21	x Coal Cost per Ton (151.10 at End of Prior Month)	21.481
22	= 68 day Coal Inventory	10,829,797
23	Lesser of Imputed or Capped Coal Inventory	10,829,797
24	Imputed Inventory Minus Line 23	84,797,546
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	828,348
27	+ Current Month Return on Beginning Balance	8,063
28	+ Current Month Deferral	9,884
29	- Current Month Recovery	0
30	= Ending Balance **	846,295

\* 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</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	<u>UNIT 2</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 Emmission Allowances	0
9		Total Other Operating Revenues	<hr style="width: 100%;"/> (8,750) =====



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

<u>Line</u>	<u>Account</u>	<u>Description</u>	<u>UNIT 2</u> <u>December, 2003</u>
<u>No.</u>	<u>No.</u>		
1	500,502-509	Steam Power Generation - Operation	6,088,545
2	501	Fuel - Operation	4,627,454
3	510-515	Steam Power Generating - Maintenance	191,135
4		Total Steam Power Generation Expenses	10,907,134
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 Expense	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	115,610
16	935	Administrative and General Expenses - Maintenance	13,548
17		Total Administrative & General Exp.	129,158
18		Total Operation & Maintenance Expenses	11,037,306

AEP GENERATING COMPANY  
 ROCKPORT POWER BILL  
DETAIL OF DEPRECIATION & AMORTIZATION EXPENSES

<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	<u>UNIT 2</u> <u>December, 2003</u>
1	403	Depreciation Expense *	237,198
2	404	Amortization of Limited-Term Electric Plant **	82,136
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	319,334 =====

\* Rockport 2 Capitalized Spare Parts book depreciation rate = 3.52%

\* Rockport 2 Associated Equipment (not sold in Sale/Leaseback transaction) book depreciation rate = 3.07 %

\*\* Rockport 2 Leasehold Improvements Amortization rate = 3.03%

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

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			UNIT 2
			<u>December, 2003</u>
<u>Line</u>	<u>Account</u>	<u>Description</u>	
<u>No.</u>	<u>No.</u>		
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	200,494
2	409.1	State Income Taxes	(102,756)
3		Total Taxes Other than Federal Income Taxes	<u>97,738</u> =====

AEP GENERATING COMPANY  
 ROCKPORT POWER BILL  
 DETAIL OF UNIT 2 SCHEDULE 'M' ADJUSTMENTS  
AND DEFERRED FEDERAL INCOME TAX

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 UNIT 2  
 December, 2003

Line No.	Account No.	Description	TOTAL	KPCO SHARE	I&M SHARE
1		Unit 2 Schedule 'M' Adjustments*			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(50,000)	(15,000)	(35,000)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	34,000	10,200	23,800
5	N/A	Other Unit 2 Schedule 'M' Adjustments	(218,289)	(65,487)	(152,802)
6		Total Unit 2 Schedule 'M' Adjustments	(234,289)	(70,287)	(164,002)
<hr/>					
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	21,000	6,300	14,700
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0
10	10.1&411.	Other Unit 2 Schedule 'M' Adjustments - Utility - Clearing Accounts	0	0	0
11	410.1	Feedback of State Income Taxes	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 2 Negative Amount Denotes Reduction.	(2,439)	(732)	(1,707)
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 2	(230)	(69)	(161)
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	100,618	30,185	70,433
15		Total Unit 2 Deferred Federal and State Income Tax	118,949	35,684	83,265

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

AEP GENERATING COMPANY  
 ROCKPORT POWER BILL  
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2

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UNIT 2  
December, 2003

Line No.	Account No.	Description	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	58,780,849
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	534,493
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	59,315,342
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	45,379,042
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	2,073,304
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	47,452,346
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	10,487,229
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)	16,162,203
29	165	Prepayments	4,049
30	186	Other Deferred Debits	0

AEP GENERATING COMPANY  
 ROCKPORT POWER BILL  
 OTHER WORKING CAPITAL, UNAMORTIZED DEBT EXPENSE,  
AND OTHER DEFERRED CREDITS

<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description *</u>	<u>UNIT 2</u> <u>December, 2003</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	9,139,528
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	(7,594,517)
10	236	Taxes Accrued	(2,334,915)
11	237	Interest Accrued	(379,688)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(35,774,134)
15		Total Other Working Capital	(37,333,427) =====
16	181	Unamortized Debt Expense	2,262,463
17	253	Other Deferred Credits	105,939,668 -----
*		debit <credit>	

AEP GENERATING COMPANY  
 ROCKPORT POWER BILL  
DETAIL OF NET IN-SERVICE INVESTMENT UNIT 2(Cont'd)

UNIT 2  
December, 2003

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	43,305,667
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	6,852,691
35	283	+Accumulated Deferred Income Taxes - Other	1,038,956
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(35,414,020)
37	255	+Accumulated Deferred Investment Tax Credits	37,461,429
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	37,461,429
40		Total Net In-Service Investment - Unit 2	(115,028,793)

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>UNIT 2</u> <u>December, 2003</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	20,072,219
2		<u>MATERIAL AND SUPPLIES</u>	
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	0
19	186	Other Deferred Debits	5,171,569
20	151.10	Fuel Inventory Over Allowed Level *	(1,131,878)
21		Total Non-In-Service Investment - Other	4,039,691
		* 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 2  
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  
DETAIL OF NET CAPITALIZATION (Cont'd)

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UNIT 2  
December, 2003

<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	(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 2</u> <u>December, 2003</u>
1	Capitalization Balances (Prior Month Ending) :	
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	91,630,387 =====
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	100.0000% =====
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)	8.2603% =====
28	Weighted Net Cost of Debt	2.3154%
29	+ Pre-Tax Common Equity (Line 25 / .65)	9.1460%
30	= Rate of Return (Pre-Tax)	11.4614% =====

A E P GENERATING COMPANY

December, 2003  
ESTIMATE

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2  
50% OWNERSHIP INTEREST OF ROCKPORT PLANT

500	SUPERVISION AND ENGINEERING	41,882
501	FUEL	4,627,454
502	STEAM EXPENSES	36,495
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	12,311
506	MISC. STEAM POWER EXPENSES	307,562
507	RENTS	5,690,295
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 10,715,999

510	MAINTENANCE SUPER. AND ENGINEERING	29,736
511	MAINTENANCE OF STRUCTURES	13,339
512	MAINTENANCE OF BOILER PLANT	125,377
513	MAINTENANCE OF ELECTRIC PLANT	14,946
514	MAINTENANCE OF MISC. STEAM PLANT	7,737
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 191,135

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

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BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2003
CURRENT MONTH IS	12
THIS BILLING IS FOR MONTH OF	December, 2003

## A E P GENERATING COMPANY

December, 2003

ESTIMATE

ROCKPORT OPERATION & MAINTENANCE EXPENSES UNIT 2  
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	35,028
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	470
931	RENTS	4,327
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	115,610
935	MAINTENANCE OF GENERAL PLANT	13,548
	TOTAL ADM & GEN EXPENSES	129,158
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	11,037,306
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	11,037,306
	-----DIFFERENCE-----	0