

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

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

ESTIMATE
 07-Jan-05

UNIT 2
POWER BILL -- December, 2004

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF December, 2004
 KWH FOR THE MONTH 134,625,000

	<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:		
Return on Common Equity		(173,379)
Return on Other Capital		(90,372)
Total Return		(263,751)
Fuel		1,939,403
Purchased Power		0
Other Operating Revenues		(2,625)
Other Operation and Maintenance Exp		1,983,127
Depreciation Expense		106,607
Taxes Other Than Federal Income Tax		182,783
Federal Income Tax		(74,357)
TOTAL CURRENT UNIT POWER BILL		3,871,187
Prior Month's Adjustment:		
Return on Common Equity & Other Capital		0
Fuel Expense		0
Other Expenses		426
TOTAL PRIOR MONTH'S ADJUSTMENTS		426
TOTAL UNIT POWER BILL		3,871,613

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - January 20, 2005

CC: R. PRICE - COLUMBUS D. L. HILLE - FT. WAYNE S. M. BLOTKAMP - FT. WAYNE D. CROSS - COLUMBUS	E. K. WAGNER - KENTUCKY R. D. RUSSELL - KENTUCKY R. E. HERINK - CANTON M. GIARDINA - COLUMBUS
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**AEP GENERATING COMPANY
ROCKPORT POWER BILL
SUMMARY OF MONTHLY POWER BILL**

**ESTIMATE
Pg 2 of 18**

December, 2004

07-Jan-05

	<u>TOTAL UNIT 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(577,929)	(173,379)	(404,550)
Return on Other Capital	(301,241)	(90,372)	(210,869)
Total Return	(879,170)	(263,751)	(615,419)
+ Fuel	6,464,677	1,939,403	4,525,274
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,610,424	1,983,127	4,627,297
+ Depreciation Expense	355,356	106,607	248,749
+ Taxes Other Than Federal Income Tax	609,277	182,783	426,494
+ Federal and State Income Tax	(247,855)	(74,357)	(173,498)
= Total Unit 2 Monthly Power Bill	12,903,958	3,871,187	9,032,771
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(879,170)	(263,751)	(615,419)
+ Unit 2 Schedule M Adjustments	(1,073,778)	(322,133)	(751,645)
+ Unit 2 Deferred Federal Income Taxes	396,455	118,936	277,519
- Unit 2 Interest Expense Deduction *	(359,916)	(107,975)	(251,941)
= Subtotal	(1,196,577)	(358,973)	(837,603)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(644,310)	(193,293)	(451,017)
+ Unit 2 Def Fed & State Income Taxes	396,455	118,936	277,519
= Total Unit 2 Fed&State Income Taxes	(247,855)	(74,357)	(173,498)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	12,903,958	3,871,187	9,032,771
- Operation and Maintenance Expenses	13,075,101	3,922,530	9,152,571
- Depreciation Expense	355,356	106,607	248,749
- Taxes Other Than Federal Income Tax	609,277	182,783	426,494
- Unit 2 Interest Expense Deduction *	(359,916)	(107,975)	(251,941)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(767,109)	(230,133)	(536,976)
+ Unit 2 Schedule M Adjustments	(1,073,778)	(322,133)	(751,645)
= Unit 2 Taxable Income	(1,840,887)	(552,266)	(1,288,621)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(644,310)	(193,293)	(451,017)
+ Unit 2 Def Fed & State Income Taxes	396,455	118,936	277,519
= Total Unit 2 Fed&State Income Taxes	(247,855)	(74,357)	(173,498)

* 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, 2004</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	670,627,118
4	- Accumulated Depreciation	390,241,343
5	+ Materials & Supplies	33,800,088
6	+ Prepayments	3,563
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(37,615,270)
10	+ Unamortized Debt Expense (A/C 181)	4,302,540
11	- Other Deferred Credits (A/C 253)	100,368,716
12	- Accumulated Deferred FIT	37,393,613
13	- Accumulated Deferred ITC	46,531,613
14	Total Net In-Service Investment	96,582,753
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	5,251,969
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	5,251,969
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) **	807,531
23	+ Fuel Inventory Over Allowed Level ****	(4,865,770)
24	Total Non-In-Service Investment - Other	(4,058,239)
25	Total Investment (Lines 14+19+24)	97,776,484
26	Operating Ratio (Line 14/Line 25)	98.7791%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	5.3714%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-4.1505%
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

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<u>Line No.</u>	<u>UNIT 2</u> <u>December, 2004</u>
1	Net In-Service Investment Ratio:
2	<u>Unit 2 Net In-Service Investment:</u>
3	Electric Plant In-Service 71,399,696
4	- Accumulated Depreciation 56,736,178
5	+ Materials & Supplies 14,467,159
6	+ Prepayments 1,782
7	+ Plant Held For Future Use (A/C 105) * 0
8	+ Other Deferred Debits (A/C 186) * 0
9	+ Other Working Capital ** (60,717,564)
10	+ Unamortized Debt Expense (A/C 181) 2,151,270
11	- Other Deferred Credits (A/C 253) 100,368,716
12	- Accumulated Deferred FIT (30,925,525)
13	- Accumulated Deferred ITC 35,491,449
14	Total Unit 2 Net In-Service Investment (134,368,477)
15	<u>Unit 1 Net In-Service Investment:</u>
16	Electric Plant In-Service 599,227,422
17	- Accumulated Depreciation 333,505,165
18	+ Materials & Supplies 19,332,929
19	+ Prepayments 1,782
20	+ Plant Held For Future Use (A/C 105) * 0
21	+ Other Deferred Debits (A/C 186) * 0
22	+ Other Working Capital ** 23,102,295
23	+ Unamortized Debt Expense (A/C 181) 2,151,270
24	- Other Deferred Credits (A/C 253) 0
25	- Accumulated Deferred FIT 68,319,138
26	- Accumulated Deferred ITC 11,040,164
27	Total Unit 1 Net In-Service Investment 230,951,230
28	Total Net In-Service Investment 96,582,753
29	<u>Net In-Service Investment Ratio:</u>
30	Unit 2 (Line 14 / Line 28) -139.1200%
31	Unit 1 (Line 27 / Line 28) 239.1200%
	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 2</u> <u>December, 2004</u>
1	Net Capitalization:
2	Long-Term Debt 44,818,899
3	+ Short-Term Debt 263,272
4	+ Preferred Stock 0
5	+ Common Equity 48,139,041
6	- Temporary Cash Investments 0
7	Net Capitalization 93,221,212
8	40% of Net Capitalization 37,288,485
9	<u>Return on Common Equity:</u>
10	Lesser of Line 5 or Line 8 37,288,485
11	x Equity Return (Monthly Rate) 1.01333%
12	= Equity Return 377,855
13	x Operating Ratio 98.7791%
14	x Net In-Service Investment Ratio -139.1200%
15	= Subtotal (519,254)
16	Excess of Line 5 Over Line 8 10,850,556
17	x Weighted Cost of Debt (Monthly Rate) 0.3935%
18	= Return on Equity over 40% of Capitalization 42,697
19	x Operating Ratio 98.7791%
20	x Net In-Service Investment Ratio -139.1200%
21	= Subtotal (58,675)
22	Unit 2 Return on Equity (Line 15 + Line 21) (577,929)
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) 27,448
26	+ Other Interest Expense (a/c 428-431) 14,825
27	- Temporary Cash Investment Income * 0
28	= Net Interest Expense 219,209
29	+ Preferred Stock Dividends (a/c 437) 0
30	= Net Cost of Other Capital 219,209
31	x Operating Ratio 98.7791%
32	x Net In-Service Investment Ratio -139.1200%
33	= Unit 2 Return on Other Capital (301,241)

* Line 6 x Line 19 from Pg 6 of 18

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

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<u>Line No.</u>		<u>UNIT 2 December, 2004</u>
1	Debt Balances (Prior Month Ending) :	
2	Long-Term Debt	44,818,899
3	+ Short-Term Debt	263,272
4	+ Other Debt	0
5	Total Debt Balances (Prior Month Ending)	<hr style="border-top: 1px solid black;"/> 45,082,171 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt	99.4160%
8	+ Short-Term Debt	0.5840%
9	+ Other Debt	0.0000%
10	Total Debt Balances	<hr style="border-top: 1px solid black;"/> 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt	4.6610%
13	Short-Term Debt	2.1127%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt	4.6337%
17	+ Short-Term Debt	0.0123%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	<hr style="border-top: 1px solid black;"/> 4.6460% =====

AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETERMINATION OF UNIT 2 MATERIALS AND SUPPLIES

<u>Line No.</u>	<u>INCLUDE A/C 431 ON PG 5</u>	<u>UNIT 2 December, 2004</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	7,506,862
3	Fuel Stock Expenses - Undistributed (152)	388,357
4	Fuel Stock - Oil (151.20)	593,314
5	Plant Materials & Operating Supplies	5,978,625
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	14,467,159
9	<u>Support of Coal Inventory Value:</u>	=====
10	Actual Coal Inventory (a/c 151.10)	7,506,862
11	+ Equivalent Inventory re: Deferred Return	107,434,097
12	= Imputed Coal Inventory	114,940,959
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed	2,691,431
15	/ Hours Available *	8455.15
16	= Tons Consumed per Hour	318.32
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7639.68
19	x 68 days	68
20	= 68 day Supply (Tons)	519,498
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	24.138
22	= 68 day Coal Inventory	12,539,643
23	Lesser of Imputed or Capped Coal Inventory	12,539,643
24	Imputed Inventory Minus Line 23	102,401,316
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	1,072,717
27	+ Current Month Return on Beginning Balance	10,819
28	+ Current Month Deferral	43,376
29	- Current Month Recovery	0
30	= Ending Balance **	1,126,912

* 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 2 December, 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 Emmission Allowances	0
9		Total Other Operating Revenues	<hr style="border: none; border-top: 1px dashed black;"/> (8,750) =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 December, 2004</u>
1	500,502-509	Steam Power Generation - Operation	5,960,598
2	501	Fuel - Operation	6,464,677
3	510-515	Steam Power Generating - Maintenance	229,735
4		Total Steam Power Generation Expenses	12,655,010
5	555-557	Other Power Supply Expenses	767
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 Expense - 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	411,797
16	935	Administrative and General Expenses - Maintenance	7,527
17		Total Administrative & General Exp.	419,323
18		Total Operation & Maintenance Expenses	13,075,101

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, 2004</u>
1	403	Depreciation Expense *	269,436
2	404	Amortization of Limited-Term Electric Plant **	85,920
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	355,356 =====

* 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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 December, 2004</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	455,985
2	409.1	State Income Taxes	153,292
3		Total Taxes Other than Federal Income Taxes	<u>609,277</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, 2004

Line No.	Account No.	Description	TOTAL	KPCO SHARE	I&M SHARE
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	11,500	3,450	8,050
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	14,000	4,200	9,800
5	N/A	Other Unit 2 Schedule 'M' Adjustments	(1,099,278)	(329,783)	(769,495)
6		Total Unit 2 Schedule 'M' Adjustments	(1,073,778)	(322,133)	(751,645)
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	235,331	70,599	164,732
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.	(8,485)	(2,546)	(5,939)
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	169,839	50,952	118,887
15		Total Unit 2 Deferred Federal and State Income Tax	396,455	118,936	277,519

* 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, 2004

Line No.	Account No.	Description	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	61,275,637
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	10,124,058
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	71,399,696
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	53,863,483
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	2,872,695
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	56,736,178
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	8,100,176
22	152	Fuel Stock Expenses - Undistributed	388,357
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	5,978,625
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)	14,467,159
29	165	Prepayments	1,782
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, 2004</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	12,351,854
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(246,327)
9	234	Accounts Payable-Associated Company	(6,879,938)
10	236	Taxes Accrued	(5,168,425)
11	237	Interest Accrued	(379,688)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(60,395,041)
15		Total Other Working Capital	(60,717,564) =====
16	181	Unamortized Debt Expense	2,151,270
17	253	Other Deferred Credits	100,368,716 =====
*		debit <credit>	

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

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UNIT 2
December, 2004

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	41,065,897
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	9,229,706
35	283	+Accumulated Deferred Income Taxes - Other	910,667
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>(30,925,525)</u>
37	255	+Accumulated Deferred Investment Tax Credits	35,491,449
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>35,491,449</u>
40		Total Net In-Service Investment - Unit 2	<u><u>(134,368,477)</u></u>

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

UNIT 2
December, 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	5,251,969
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	5,251,969
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
19	186	Other Deferred Debits	807,531
20	151.10	Fuel Inventory Over Allowed Level *	(4,865,770)
21		Total Non-In-Service Investment - Other	(4,058,239)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(4,865,770)
		UNIT 2	0
		TOTAL	(4,865,770)

AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION

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UNIT 2
December, 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	23,705,041
21		Total Retained Earnings	23,705,041
22		Total Common Equity	48,139,041
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, 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	(181,101)
35		Total Long-Term Debt	<u>44,818,899</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)	263,272
38		Total Short-Term Debt	<u>263,272</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>93,221,212</u> =====

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

<u>Line No.</u>	<u>UNIT 2</u> <u>December, 2004</u>
1	Capitalization Balances (Prior Month Ending) :
2	Long-Term Debt 44,818,899
3	+ Short-Term Debt 263,272
4	+ Preferred Stock 0
5	+ Common Equity 48,139,041
6	- Capitalization Offsets 0
7	Total Capitalization Balances 93,221,212
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt 48.0780%
10	+ Short-Term Debt 0.2824%
11	+ Preferred Stock 0.0000%
12	+ Common Equity 51.6396%
13	- Capitalization Offsets 0.0000%
14	Total Capitalization 100.0000%
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt 4.6610%
17	Short-Term Debt 2.1127%
18	Preferred Stock 0.0000%
19	Common Equity 12.1600%
20	Capitalization Offsets 4.6460%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt 2.2409%
23	+ Short-Term Debt 0.0060%
24	+ Preferred Stock 0.0000%
25	+ Common Equity 6.2794%
26	- Capitalization Offsets 0.0000%
27	Total Rate of Return (Net of Tax) 8.5263%
28	Weighted Net Cost of Debt 2.2469%
29	+ Pre-Tax Common Equity (Line 25 / .65) 9.6606%
30	= Rate of Return (Pre-Tax) 11.9075%

A E P GENERATING COMPANY

December, 2004
ESTIMATE

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

500	SUPERVISION AND ENGINEERING	38,792
501	FUEL	6,464,677
502	STEAM EXPENSES	46,408
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	26,329
506	MISC. STEAM POWER EXPENSES	158,880
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	(64)

TOTAL OPERATION EXPENSE 12,425,275

510	MAINTENANCE SUPER. AND ENGINEERING	43,174
511	MAINTENANCE OF STRUCTURES	10,956
512	MAINTENANCE OF BOILER PLANT	134,586
513	MAINTENANCE OF ELECTRIC PLANT	40,930
514	MAINTENANCE OF MISC. STEAM PLANT	88
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 229,735

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	0
557	OTHER POWER SUPPLY EXPENSES	767

TOTAL OTHER SUPPLY EXPENSES 767

IS FUEL IN BALANCE
ON PAGE 2

AMOUNT MUST BE ZERO
0

BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	366
CURRENT YEAR IS	2004
CURRENT MONTH IS	12
THIS BILLING IS FOR MONTH OF	December, 2004

A E P GENERATING COMPANY

December, 2004
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	37,066
921	OFFICE SUPPLIES AND EXPENSES	19,345
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	240,760
924	PROPERTY INSURANCE	20,548
925	INJURIES AND DAMAGES	4,626
926	EMPLOYEE PENSIONS AND BENEFITS	87,808
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	1,507
931	RENTS	137
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	411,797
935	MAINTENANCE OF GENERAL PLANT	7,527
	TOTAL ADM & GEN EXPENSES	419,323
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	13,075,101
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	13,075,101
	————DIFFERENCE————	0