

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

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

ESTIMATE
 08-Mar-05

UNIT 1
POWER BILL - - February, 2005

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)

0

KWH FOR THE MONTH 113,953,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	292,077
Return on Other Capital	110,029
Total Return	402,106
Fuel	1,661,201
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	165,056
Depreciation Expense	490,622
Taxes Other Than Federal Income Tax	35,352
Federal Income Tax	127,964
TOTAL CURRENT UNIT POWER BILL	2,879,676

Prior Month's Adjustment:

Return on Common Equity & Other Capital	26,563
Fuel Expense	0
Other Expenses	(119,114)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(92,551)

TOTAL UNIT POWER BILL 2,787,125
 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - -

March 21, 2005

CC: R. PRICE - COLUMBUS	E. K. WAGNER - KENTUCKY
D. L. HILLE - FT. WAYNE	R. D. RUSSELL - KENTUCKY
S. M. BLOTKAMP - FT. WAYNE	R. E. HERINK - CANTON
D. CROSS - COLUMBUS	M. GIARDINA - COLUMBUS

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

ESTIMATE
Pg 2 of 18

February, 2005

08-Mar-05

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	973,591	292,077	681,514
Return on Other Capital	366,764	110,029	256,735
Total Return	1,340,355	402,106	938,249
+ Fuel	5,537,337	1,661,201	3,876,136
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	550,188	165,056	385,132
+ Depreciation Expense	1,635,407	490,622	1,144,785
+ Taxes Other Than Federal Income Tax	117,841	35,352	82,489
+ Federal and State Income Tax	426,545	127,964	298,581
= Total Unit 1 Monthly Power Bill	9,598,922	2,879,676	6,719,246
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,340,355	402,106	938,249
+ Unit 1 Schedule M Adjustments	1,477,049	443,115	1,033,934
+ Unit 1 Deferred Federal Income Taxes	(574,084)	(172,225)	(401,859)
- Unit 1 Interest Expense Deduction *	385,008	115,502	269,506
= Subtotal	1,858,312	557,493	1,300,818
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	1,000,629	300,189	700,440
+ Unit 1 Def Fed & State Income Taxes	(574,084)	(172,225)	(401,859)
= Total Unit 1 Fed&State Income Taxes	426,545	127,964	298,581
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	9,598,922	2,879,676	6,719,246
- Operation and Maintenance Expenses	6,087,525	1,826,257	4,261,268
- Depreciation Expense	1,635,407	490,622	1,144,785
- Taxes Other Than Federal Income Tax	117,841	35,352	82,489
- Unit 1 Interest Expense Deduction *	385,008	115,502	269,506
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,381,892	414,568	967,324
+ Unit 1 Schedule M Adjustments	1,477,049	443,115	1,033,934
= Unit 1 Taxable Income	2,858,941	857,683	2,001,258
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	1,000,629	300,189	700,440
+ Unit 1 Def Fed & State Income Taxes	(574,084)	(172,225)	(401,859)
= Total Unit 1 Fed&State Income Taxes	426,545	127,964	298,581

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

AEP GENERATING COMPANY
ROCKPORT POWER BILL
OPERATING RATIO

Pg 3 of 18

<u>Line No.</u>		<u>UNIT 1</u> <u>February, 2005</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	670,723,099
4	- Accumulated Depreciation	394,867,891
5	+ Materials & Supplies	31,591,252
6	+ Prepayments	40,683
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(9,553,263)
10	+ Unamortized Debt Expense (A/C 181)	4,265,476
11	- Other Deferred Credits (A/C 253)	99,440,224
12	- Accumulated Deferred FIT	37,236,783
13	- Accumulated Deferred ITC	45,971,856
14	Total Net In-Service Investment	119,550,492
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	7,570,519
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	7,570,519
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) **	289,281
23	+ Fuel Inventory Over Allowed Level ****	(6,428,929)
24	Total Non-In-Service Investment - Other	(4,998,972)
25	Total Investment (Lines 14+19+24)	122,122,039
26	Operating Ratio (Line 14/Line 25)	97.8943%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	6.1991%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-4.0934%
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

<u>Line No.</u>		<u>UNIT 1 February, 2005</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	599,274,010
4	- Accumulated Depreciation	337,389,879
5	+ Materials & Supplies	19,010,090
6	+ Prepayments	20,341
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	40,210,547
10	+ Unamortized Debt Expense (A/C 181)	2,132,738
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	67,241,384
13	- Accumulated Deferred ITC	10,758,316
14	Total Unit 1 Net In-Service Investment	245,258,147
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	71,449,089
17	- Accumulated Depreciation	57,478,012
18	+ Materials & Supplies	12,581,162
19	+ Prepayments	20,341
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(49,763,811)
23	+ Unamortized Debt Expense (A/C 181)	2,132,738
24	- Other Deferred Credits (A/C 253)	99,440,224
25	- Accumulated Deferred FIT	(30,004,602)
26	- Accumulated Deferred ITC	35,213,540
27	Total Unit 2 Net In-Service Investment	(125,707,655)
28	Total Net In-Service Investment	119,550,492
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	205.1500%
31	Unit 2 (Line 27 / Line 28)	-105.1500%
		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**

Pg 5 of 18

<u>Line No.</u>		<u>UNIT 1 February, 2005</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	44,820,359
3	+ Short-Term Debt	22,484,738
4	+ Preferred Stock	0
5	+ Common Equity	50,055,153
6	- Temporary Cash Investments	0
7	Net Capitalization	117,360,251
8	40% of Net Capitalization	46,944,100
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	46,944,100
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	475,699
13	x Operating Ratio	97.8943%
14	x Net In-Service Investment Ratio	205.1500%
15	= Subtotal	955,347
16	Excess of Line 5 Over Line 8	3,111,053
17	x Weighted Cost of Debt (Monthly Rate)	0.2920%
18	= Return on Equity over 40% of Capitalization	9,084
19	x Operating Ratio	97.8943%
20	x Net In-Service Investment Ratio	205.1500%
21	= Subtotal	18,244
22	Unit 1 Return on Equity (Line 15 + Line 21)	973,591
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (a/c 427)	160,251
25	+ Short-Term Debt Interest Expense (a/c 430)	22,373
26	+ Other Interest Expense (a/c 428-431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	182,624
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	182,624
31	x Operating Ratio	97.8943%
32	x Net In-Service Investment Ratio	205.1500%
33	= Unit 1 Return on Other Capital	366,764

* 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 February, 2005</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,820,359
3	+ Short-Term Debt	22,484,738
4	+ Other Debt	0
5	Total Debt Balances (Prior Month Ending)	----- 67,305,097 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt	66.5928%
8	+ Short-Term Debt	33.4072%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt	4.6608%
13	Short-Term Debt	2.1050%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt	3.1038%
17	+ Short-Term Debt	0.7032%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 3.8070% =====

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

Pg 7 of 18

<u>Line No.</u>		<u>UNIT 1</u> <u>February, 2005</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	11,993,040
3	Fuel Stock Expenses - Undistributed (152)	231,441
4	Fuel Stock - Oil (151.20)	746,521
5	Plant Materials & Operating Supplies	6,039,088
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	19,010,090
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	5,564,111
11	+ Equivalent Inventory re: Deferred Return	7,917,116,260
12	= Imputed Coal Inventory	7,922,680,371
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed	2,629,109
15	/ Hours Available *	8408.50
16	= Tons Consumed per Hour	312.67
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7504.08
19	x 68 days	68
20	= 68 day Supply (Tons)	510,277
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month)	23.503
22	= 68 day Coal Inventory	11,993,040
23	Lesser of Imputed or Capped Coal Inventory	11,993,040
24	Imputed Inventory Minus Line 23	7,910,687,331
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	61,241,729
27	+ Current Month Return on Beginning Balance	477,420
28	+ Current Month Deferral	0
29	- Current Month Recovery	48,585
30	= Ending Balance **	61,670,564

* 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 February, 2005</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 Pg 9 of 18
DETAIL OF OPERATION & MAINTENANCE EXPENSES

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 February, 2005</u>
1	500,502-509	Steam Power Generation - Operation	277,413
2	501	Fuel - Operation	5,537,337
3	510-515	Steam Power Generating - Maintenance	381,247
4		Total Steam Power Generation Expenses	6,195,997
5	555-557	Other Power Supply Expenses	837
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	(114,972)
16	935	Administrative and General Expenses - Maintenance	5,663
17		Total Administrative & General Exp.	(109,310)
18		Total Operation & Maintenance Expenses	6,087,525

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

			UNIT 1
			<u>February, 2005</u>
<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,594,482
2	404	Amortization of Limited-Term Electric Plant	40,925
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	1,635,407 =====

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>February, 2005</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	117,841
2	409.1	State Income Taxes	0
3		Total Taxes Other than FIT	----- 117,841 =====

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

Pg 12 of 18
 UNIT 1
 February, 2005

<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	5,000	1,500	3,500	0
3	N/A	Deferred Purchased Power Costs	0	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	8,000	2,400	5,600	0
5	N/A	Other Unit 1 Schedule 'M' Adjustments	1,464,049	439,215	1,024,834	0
6		Total Unit 1 Schedule 'M' Adjustments	1,477,049	443,115	1,033,934	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)	(454,306)	(136,292)	(318,014)	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	(38,755)	(11,626)	(27,129)	0
15		Total Unit 1 Deferred Federal and State Income Tax	(574,084)	(172,225)	(401,859)	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

Pg 13 of 18

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>February, 2005</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	592,011,886
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	7,262,124
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	599,274,010
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	335,285,356
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	2,104,523
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	337,389,879
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	12,739,561
22	152	Fuel Stock Expenses - Undistributed	231,441
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	6,039,088
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)	19,010,090
29	165	Prepayments	20,341
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 No.</u>	<u>Account No.</u>	<u>Description *</u>	<u>UNIT 1</u> <u>February, 2005</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	13,533,693
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(733,852)
9	234	Accounts Payable-Associated Company	(7,163,285)
10	236	Taxes Accrued	(5,270,806)
11	237	Interest Accrued	(75,938)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	39,920,735
15		Total Other Working Capital	<hr/> 40,210,547 =====
16	181	Unamortized Debt Expense	<hr/> 2,132,738
17	253	Other Deferred Credits	<hr/> 0 <hr/>

* debit <credit>

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

UNIT 1
February, 2005

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	346,551
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	66,909,551
35	283	+Accumulated Deferred Income Taxes - Other	678,384
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	----- 67,241,384
37	255	+Accumulated Deferred Investment Tax Credits	10,758,316
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	----- 10,758,316
40		Total Net In-Service Investment - Unit 1	----- 245,258,147 =====

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>February, 2005</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	7,570,519
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	----- 7,570,519 =====
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,140,676
19	186	Other Deferred Debits	289,281
20	151.10	Fuel Inventory Over Allowed Level *	(6,428,929)
21		Total Non-In-Service Investment - Other	----- (4,998,972) =====
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(6,428,929)
		UNIT 2	0
		TOTAL	----- (6,428,929) =====

AEP GENERATING COMPANY
 ROCKPORT POWER BILL
DETAIL OF NET CAPITALIZATION

Pg 16 of 18

UNIT 1
February, 2005

<u>Line</u> <u>No.</u>	<u>Account</u> <u>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	25,621,153
21		Total Retained Earnings	25,621,153
22		Total Common Equity	50,055,153
23		<u>PREFERED 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)

Pg 17 of 18

UNIT 1
February, 2005

<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	(179,641)
35		Total Long-Term Debt	44,820,359
		<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)	22,484,738
38		Total Short-Term Debt	22,484,738
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	117,360,251

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

<u>Line No.</u>		<u>UNIT 1</u> <u>February, 2005</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,820,359
3	+ Short-Term Debt	22,484,738
4	+ Preferred Stock	0
5	+ Common Equity	50,055,153
6	- Capitalization Offsets	0
7	Total Capitalization Balances	----- 117,360,251 =====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt	38.1904%
10	+ Short-Term Debt	19.1587%
11	+ Preferred Stock	0.0000%
12	+ Common Equity	42.6509%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	----- 100.0000% =====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt	4.6608%
17	Short-Term Debt	2.1050%
18	Preferred Stock	0.0000%
19	Common Equity	12.1600%
20	Capitalization Offsets	3.8070%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt	1.7800%
23	+ Short-Term Debt	0.4033%
24	+ Preferred Stock	0.0000%
25	+ Common Equity	5.1863%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	----- 7.3696% =====
28	Weighted Net Cost of Debt	2.1833%
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.9789%
30	= Rate of Return (Pre-Tax)	----- 10.1622% =====

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

500	SUPERVISION AND ENGINEERING	76,824
501	FUEL	5,537,337
502	STEAM EXPENSES	61,679
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	33,448
506	MISC. STEAM POWER EXPENSES	105,461
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 5,814,750

510	MAINTENANCE SUPER. AND ENGINEERING	45,212
511	MAINTENANCE OF STRUCTURES	28,322
512	MAINTENANCE OF BOILER PLANT	238,095
513	MAINTENANCE OF ELECTRIC PLANT	31,345
514	MAINTENANCE OF MISC. STEAM PLANT	38,272
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 381,247

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	0
557	OTHER POWER SUPPLY EXPENSES	837

TOTAL OTHER SUPPLY EXPENSES 837

IS FUEL IN BALANCE
ON PAGE 2

AMOUNT MUST BE ZERO
0

NO OF DAYS IN CURRENT MO	28
NO OF DAYS IN CURRENT YEAR	365
CURRENT YEAR IS	2005
CURRENT MONTH IS	2
THIS BILLING IS FOR MONTH OF	February, 2005

A E P GENERATING COMPANY

February, 2005
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	35,712
921	OFFICE SUPPLIES AND EXPENSES	8,733
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	72,611
924	PROPERTY INSURANCE	20,615
925	INJURIES AND DAMAGES	2,445
926	EMPLOYEE PENSIONS AND BENEFITS	(274,390)
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	18,760
931	RENTS	543
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	(114,972)
935	MAINTENANCE OF GENERAL PLANT	5,663
	TOTAL ADM & GEN EXPENSES	(109,310)
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	6,087,525
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	6,087,525
	-----DIFFERENCE-----	0