

**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-Feb-04**

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

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

135,212,000

**SUMMARY**

**TOTAL**

Current Month Bill:

Return on Common Equity	198,799
Return on Other Capital	101,595
Total Return	300,394
Fuel	1,615,487
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	208,837
Depreciation Expense	482,353
Taxes Other Than Federal Income Tax	46,220
Federal Income Tax	75,448
<b>TOTAL CURRENT UNIT POWER BILL</b>	<b>2,726,114</b>

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses	(5,157)
<b>TOTAL PRIOR MONTH'S ADJUSTMENTS</b>	<b>(5,157)</b>

**TOTAL UNIT POWER BILL**

**2,720,957**

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - -

February 20, 2004

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

January, 2004

10-Feb-04

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&amp;M SHARE</u>	<u>I&amp;M SHARE</u>
Return on Common Equity	662,663	198,799	463,864	0
Return on Other Capital	338,649	101,595	237,054	0
<b>Total Return</b>	<b>1,001,312</b>	<b>300,394</b>	<b>700,918</b>	<b>0</b>
+ Fuel	5,384,958	1,615,487	3,769,471	0
+ Purchased Power	0	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	0
+ Other Operation and Maintenance Exp	696,124	208,837	487,287	0
+ Depreciation Expense	1,607,844	482,353	1,125,491	0
+ Taxes Other Than Federal Income Tax	154,066	46,220	107,846	0
+ Federal and State Income Tax	254,993	75,448	176,045	0
<b>= Total Unit 1 Monthly Power Bill</b>	<b>9,090,546</b>	<b>2,726,114</b>	<b>6,360,932</b>	<b>0</b>
<b><u>Determination of Federal Income Tax :</u></b>				
Total Return ( Line 3 )	1,001,312	300,394	700,918	0
+ Unit 1 Schedule M Adjustments	1,261,504	378,451	883,053	0
+ Unit 1 Deferred Federal Income Taxes	(506,487)	(152,996)	(356,991)	0
- Unit 1 Interest Expense Deduction *	338,649	101,595	237,054	0
<b>= Subtotal</b>	<b>1,417,679</b>	<b>424,254</b>	<b>989,925</b>	<b>0</b>
x Gross-Up ( FIT Rate / 1-FIT Rate )	0.538462	0.538462	0.538462	0.538462
<b>= Unit 1 Current Federal Income Tax</b>	<b>761,481</b>	<b>228,444</b>	<b>533,037</b>	<b>0</b>
+ Unit 1 Def Fed & State Income Taxes	(506,487)	(152,996)	(356,991)	0
<b>= Total Unit 1 Fed&amp;State Income Taxes</b>	<b>254,993</b>	<b>75,448</b>	<b>176,045</b>	<b>0</b>
<b><u>Proof of Federal Income Tax :</u></b>				
Total Unit 1 Monthly Power Bill	9,090,546	2,726,114	6,360,932	0
- Operation and Maintenance Expenses	6,081,082	1,824,324	4,256,758	0
- Depreciation Expense	1,607,844	482,353	1,125,491	0
- Taxes Other Than Federal Income Tax	154,066	46,220	107,846	0
- Unit 1 Interest Expense Deduction *	338,649	101,595	237,054	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	0
<b>= Pre-Tax Book Income</b>	<b>917,656</b>	<b>274,247</b>	<b>639,908</b>	<b>0</b>
+ Unit 1 Schedule M Adjustments	1,261,504	378,451	883,053	0
<b>= Unit 1 Taxable Income</b>	<b>2,179,160</b>	<b>652,698</b>	<b>1,522,961</b>	<b>0</b>
x Current Federal Income Tax Rate	35%	35%	35%	35%
<b>= Unit 1 Current Federal Income Tax</b>	<b>761,480</b>	<b>228,444</b>	<b>533,036</b>	<b>0</b>
+ Unit 1 Def Fed & State Income Taxes	(509,987)	(152,996)	(356,991)	0
<b>= Total Unit 1 Fed&amp;State Income Taxes</b>	<b>251,493</b>	<b>75,448</b>	<b>176,045</b>	<b>0</b>

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

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

<u>Line No.</u>		<u>UNIT 1 January, 2004</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	646,567,400
4	- Accumulated Depreciation	377,744,806
5	+ Materials & Supplies	32,864,195
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(3,605,705)
10	+ Unamortized Debt Expense (A/C 181)	4,524,926
11	- Other Deferred Credits (A/C 253)	105,475,422
12	- Accumulated Deferred FIT	39,833,481
13	- Accumulated Deferred ITC	49,588,612
14	Total Net In-Service Investment	107,708,494
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	24,741,097
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	24,741,097
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) **	523,707
23	+ Fuel Inventory Over Allowed Level ****	(1,282,282)
24	Total Non-In-Service Investment - Other	382,101
25	Total Investment (Lines 14+19+24)	132,831,692
26	Operating Ratio (Line 14/Line 25)	81.0864%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	18.6259%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	0.2877%
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 January, 2004</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	587,226,434
4	- Accumulated Depreciation	329,915,804
5	+ Materials & Supplies	17,073,238
6	+ Prepayments	0
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	130,225
10	+ Unamortized Debt Expense (A/C 181)	2,262,463
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	75,132,724
13	- Accumulated Deferred ITC	12,291,348
14	Total Unit 1 Net In-Service Investment	189,352,484
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	59,340,965
17	- Accumulated Depreciation	47,829,002
18	+ Materials & Supplies	15,790,956
19	+ Prepayments	0
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(3,735,929)
23	+ Unamortized Debt Expense (A/C 181)	2,262,463
24	- Other Deferred Credits (A/C 253)	105,475,422
25	- Accumulated Deferred FIT	(35,299,243)
26	- Accumulated Deferred ITC	37,297,264
27	Total Unit 2 Net In-Service Investment	(81,643,990)
28	Total Net In-Service Investment	107,708,494
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 ( Line 14 / Line 28 )	175.8000%
31	Unit 2 ( Line 27 / Line 28 )	-75.8000%
		100.0000%
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

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

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<u>Line No.</u>		<u>UNIT 1 January, 2004</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	44,810,866
3	+ Short-Term Debt	36,891,737
4	+ Preferred Stock	0
5	+ Common Equity	45,874,893
6	- Temporary Cash Investments	0
7	Net Capitalization	<hr/> 127,577,496 <hr/>
8	40% of Net Capitalization	51,030,998
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	45,874,893
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	464,864
13	x Operating Ratio	81.0864%
14	x Net In-Service Investment Ratio	175.8000%
15	= Subtotal	662,663
16	Excess of Line 5 Over Line 8	0
17	x Weighted Cost of Debt (Monthly Rate)	0.2802%
18	= Return on Equity over 40% of Capitalization	0
19	x Operating Ratio	81.0864%
20	x Net In-Service Investment Ratio	175.8000%
21	= Subtotal	0
22	Unit 1 Return on Equity (Line 15 + Line 21)	<hr/> 662,663 <hr/>
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)	46,732
26	+ Other Interest Expense (a/c 428-431)	13,898
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	<hr/> 237,566 <hr/>
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	237,566
31	x Operating Ratio	81.0864%
32	x Net In-Service Investment Ratio	175.8000%
33	= Unit 1 Return on Other Capital	<hr/> 338,649 <hr/>
	* Line 6 x Line 19 from Pg 6 of 18	<hr/> ===== <hr/>

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

<u>Line No.</u>		<u>UNIT 1 January, 2004</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,810,866
3	+ Short-Term Debt	36,891,737
4	+ Other Debt	0
5	Total Debt Balances (Prior Month Ending)	81,702,603
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt	54.8463%
8	+ Short-Term Debt	45.1537%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt	4.6618%
13	Short-Term Debt	1.6627%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt	2.5568%
17	+ Short-Term Debt	0.7508%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	3.3076%
		=====

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

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<u>Line No.</u>	<u>UNIT 1</u>	<u>January, 2004</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	10,550,414
3	Fuel Stock Expenses - Undistributed (152)	389,266
4	Fuel Stock - Oil (151.20)	715,091
5	Plant Materials & Operating Supplies	5,418,467
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	17,073,238
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	9,268,132
11	+ Equivalent Inventory re: Deferred Return	7,422,731,121
12	= Imputed Coal Inventory	7,431,999,253
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed	2,243,428
15	/ Hours Available *	7142.90
16	= Tons Consumed per Hour	314.08
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7537.92
19	x 68 days	68
20	= 68 day Supply (Tons)	512,579
21	x Coal Cost per Ton (151.10 at End of Prior Month)	20.583
22	= 68 day Coal Inventory	10,550,414
23	Lesser of Imputed or Capped Coal Inventory	10,550,414
24	Imputed Inventory Minus Line 23	7,421,448,839
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	55,196,982
27	+ Current Month Return on Beginning Balance	413,531
28	+ Current Month Deferral	0
29	- Current Month Recovery	9,176
30	= Ending Balance **	55,601,337

\* 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 January, 2004</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454.10	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	<hr style="width: 100%; border: 0.5px solid 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 1 January, 2004</u>
1	500,502-509	Steam Power Generation - Operation	198,956
2	501	Fuel - Operation	5,384,958
3	510-515	Steam Power Generating - Maintenance	300,356
4		Total Steam Power Generation Expenses	5,884,270
5	555-557	Other Power Supply Expenses	680
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	190,762
16	935	Administrative and General Expenses - Maintenance	5,370
17		Total Administrative & General Exp.	196,132
18		Total Operation & Maintenance Expenses	6,081,082

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

			<b>UNIT 1</b>
			<b><u>January, 2004</u></b>
<u>Line</u>	<u>Account</u>	<u>Description</u>	
<u>No.</u>	<u>No.</u>		
1	403	Depreciation Expense	1,570,276
2	404	Amortization of Limited-Term Electric Plant	37,568
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	1,607,844
			=====

**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>January, 2004</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	112,516
2	409.1	State Income Taxes	41,550
3		Total Taxes Other than FIT	<hr style="border-top: 1px dashed black;"/> 154,066 <hr style="border-top: 3px dashed black;"/>

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

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**UNIT 1  
January, 2004**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&amp;M SHARE</u>	<u>I&amp;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	1,649,504	494,851	1,154,653	0
6		Total Unit 1 Schedule 'M' Adjustments	<u>1,261,504</u>	<u>378,451</u>	<u>883,053</u>	<u>0</u>
7		<u>Unit 1 Deferred Federal Income Tax</u>				
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	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	(566,514)	(169,954)	(396,560)	0
15		Total Unit 1 Deferred Federal and State Income Tax	<u>(506,487)</u>	<u>(152,996)</u>	<u>(356,991)</u>	<u>0</u>

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

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 January, 2004</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	586,822,626
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	403,809
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	587,226,434
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	328,297,030
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	1,618,775
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	329,915,804
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	11,265,505
22	152	Fuel Stock Expenses - Undistributed	389,266
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	5,418,467
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)	17,073,238
29	165	Prepayments	0
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**

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<u>Line</u>	<u>Account</u>	<u>Description *</u>	<u>UNIT 1</u> <u>January, 2004</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	12,213,103
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(249,300)
9	234	Accounts Payable-Associated Company	(7,985,415)
10	236	Taxes Accrued	(3,392,538)
11	237	Interest Accrued	(455,625)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	0
15		Total Other Working Capital	130,225
			=====
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  
January, 2004

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	400,765
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	74,725,206
35	283	+Accumulated Deferred Income Taxes - Other	808,283
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	75,132,724
37	255	+Accumulated Deferred Investment Tax Credits	12,291,348
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	12,291,348
40		Total Net In-Service Investment - Unit 1	189,352,484

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

UNIT 1

January, 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	24,741,097
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	24,741,097
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,140,676
19	186	Other Deferred Debits	523,707
20	151.1C	Fuel Inventory Over Allowed Level *	(1,282,282)
21		Total Non-In-Service Investment - Other	382,101
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(1,282,282)
		UNIT 2	0
		TOTAL	(1,282,282)



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

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**UNIT 1  
January, 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	<u>1,000,000</u>
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	<u>23,434,000</u>
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	21,440,893
21		Total Retained Earnings	<u>21,440,893</u>
22		Total Common Equity	<u>45,874,893</u>
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	<u>0</u>

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

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UNIT 1  
January, 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	(189,134)
35		Total Long-Term Debt	<u>44,810,866</u>
		<u>SHORT-TERM DEBT</u>	
36	231.02	Notes Payable (Short-Term Debt)	0
37	231.03	Unamortized Discount	0
	233.00	Notes Payable, Assoc Co(Money Pool)	36,891,737
38		Total Short-Term Debt	<u>36,891,737</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>127,577,496</u> =====

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

<u>Line No.</u>	<u>UNIT 1</u> <u>January, 2004</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>
2	Long-Term Debt 44,810,866
3	+ Short-Term Debt 36,891,737
4	+ Preferred Stock 0
5	+ Common Equity 45,874,893
6	- Capitalization Offsets 0
7	Total Capitalization Balances <u>127,577,496</u>
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt 35.1244%
10	+ Short-Term Debt 28.9171%
11	+ Preferred Stock 0.0000%
12	+ Common Equity 35.9585%
13	- Capitalization Offsets 0.0000%
14	Total Capitalization <u>100.0000%</u>
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt 4.6618%
17	Short-Term Debt 1.6627%
18	Preferred Stock 0.0000%
19	Common Equity 12.1600%
20	Capitalization Offsets 3.3076%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt 1.6374%
23	+ Short-Term Debt 0.4808%
24	+ Preferred Stock 0.0000%
25	+ Common Equity 4.3726%
26	- Capitalization Offsets 0.0000%
27	Total Rate of Return (Net of Tax) <u>6.4908%</u>
28	Weighted Net Cost of Debt 2.1182%
29	+ Pre-Tax Common Equity (Line 25 / .65) 6.7271%
30	= Rate of Return (Pre-Tax) <u>8.8453%</u>

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

500	SUPERVISION AND ENGINEERING	34,103
501	FUEL	5,384,958
502	STEAM EXPENSES	32,236
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	33,381
506	MISC. STEAM POWER EXPENSES	99,194
507	RENTS	41
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 5,583,914

510	MAINTENANCE SUPER. AND ENGINEERING	24,812
511	MAINTENANCE OF STRUCTURES	9,672
512	MAINTENANCE OF BOILER PLANT	196,686
513	MAINTENANCE OF ELECTRIC PLANT	45,518
514	MAINTENANCE OF MISC. STEAM PLANT	23,667
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 300,356

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	0
557	OTHER POWER SUPPLY EXPENSES	680

TOTAL OTHER SUPPLY EXPENSES 680

IS FUEL IN BALANCE  
ON PAGE 2

AMOUNT MUST BE ZERO  
0

NO OF DAYS IN CURRENT MO	31
NO OF DAYS IN CURRENT YEAR	366
CURRENT YEAR IS	2004
CURRENT MONTH IS	1
THIS BILLING IS FOR MONTH OF	January, 2004