

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-Feb-05

UNIT 1
POWER BILL - - January, 2005

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

0

KWH FOR THE MONTH

106,878,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	244,066
Return on Other Capital	130,358
Total Return	374,424
Fuel	1,684,641
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	224,480
Depreciation Expense	490,508
Taxes Other Than Federal Income Tax	51,235
Federal Income Tax	241,724
TOTAL CURRENT UNIT POWER BILL	3,064,387

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses	137,188
TOTAL PRIOR MONTH'S ADJUSTMENTS	137,188

TOTAL UNIT POWER BILL 3,201,575

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - -

February 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

January, 2005

07-Feb-05

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	813,553	244,066	569,487
Return on Other Capital	434,525	130,358	304,167
Total Return	1,248,078	374,424	873,654
+ Fuel	5,615,469	1,684,641	3,930,828
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	748,268	224,480	523,788
+ Depreciation Expense	1,635,025	490,508	1,144,517
+ Taxes Other Than Federal Income Tax	170,782	51,235	119,547
+ Federal and State Income Tax	805,742	241,724	564,018
= Total Unit 1 Monthly Power Bill	10,214,615	3,064,387	7,150,228
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,248,078	374,424	873,654
+ Unit 1 Schedule M Adjustments	409,358	122,807	286,551
+ Unit 1 Deferred Federal Income Taxes	119,681	35,905	83,776
- Unit 1 Interest Expense Deduction *	503,001	150,900	352,101
= Subtotal	1,274,115	382,236	891,879
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	686,062	205,819	480,243
+ Unit 1 Def Fed & State Income Taxes	119,681	35,905	83,776
= Total Unit 1 Fed&State Income Taxes	805,742	241,724	564,018
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	10,214,615	3,064,387	7,150,228
- Operation and Maintenance Expenses	6,363,737	1,909,121	4,454,616
- Depreciation Expense	1,635,025	490,508	1,144,517
- Taxes Other Than Federal Income Tax	170,782	51,235	119,547
- Unit 1 Interest Expense Deduction *	503,001	150,900	352,101
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,550,819	465,248	1,085,571
+ Unit 1 Schedule M Adjustments	409,358	122,807	286,551
= Unit 1 Taxable Income	1,960,177	588,055	1,372,122
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	686,062	205,819	480,243
+ Unit 1 Def Fed & State Income Taxes	119,681	35,905	83,776
= Total Unit 1 Fed&State Income Taxes	805,743	241,724	564,019

* 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</u> <u>January, 2005</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	670,419,674
5	+ Materials & Supplies	34,603,914
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 ***	(10,023,078)
10	+ Unamortized Debt Expense (A/C 181)	4,284,008
11	- Other Deferred Credits (A/C 253)	99,904,470
12	- Accumulated Deferred FIT	36,990,767
13	- Accumulated Deferred ITC	46,249,765
14	Total Net In-Service Investment	516,139,515
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	7,729,099
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	7,729,099
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) **	557,481
23	+ Fuel Inventory Over Allowed Level ****	(5,485,257)
24	Total Non-In-Service Investment - Other	(3,787,100)
25	Total Investment (Lines 14+19+24)	520,081,514
26	Operating Ratio (Line 14/Line 25)	99.2420%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	1.4861%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-0.7281%
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</u> <u>January, 2005</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
		599,133,329
4	- Accumulated Depreciation	335,955,872
5	+ Materials & Supplies	20,044,585
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 **	36,898,390
10	+ Unamortized Debt Expense (A/C 181)	2,142,004
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	67,479,685
13	- Accumulated Deferred ITC	10,922,481
14	Total Unit 1 Net In-Service Investment	<u>243,860,272</u>
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	71,286,344
17	- Accumulated Depreciation	57,097,040
18	+ Materials & Supplies	14,559,328
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 **	(46,921,469)
23	+ Unamortized Debt Expense (A/C 181)	2,142,004
24	- Other Deferred Credits (A/C 253)	99,904,470
25	- Accumulated Deferred FIT	(30,488,917)
26	- Accumulated Deferred ITC	35,327,284
27	Total Unit 2 Net In-Service Investment	<u>(120,773,669)</u>
28	Total Net In-Service Investment	<u>123,086,603</u> =====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	198.1200%
31	Unit 2 (Line 27 / Line 28)	-98.1200%
		<u>100.0000%</u> =====
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

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

<u>Line</u> <u>No.</u>		<u>UNIT 1</u> <u>January, 2005</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	44,819,629
3		
4	+ Preferred Stock	0
5	+ Common Equity	48,670,633
6	- Temporary Cash Investments	0
7	Net Capitalization	93,490,262 =====
8	40% of Net Capitalization	37,396,105
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	37,396,105
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	378,946
13	x Operating Ratio	99.2420%
14	x Net In-Service Investment Ratio	198.1200%
15	= Subtotal	745,077
16	Excess of Line 5 Over Line 8	11,274,528
17	x Weighted Cost of Debt (Monthly Rate)	0.3089%
18	= Return on Equity over 40% of Capitalization	34,827
19	x Operating Ratio	99.2420%
20	x Net In-Service Investment Ratio	198.1200%
21	= Subtotal	68,476
22	Unit 1 Return on Equity (Line 15 + Line 21)	813,553 =====
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)	43,579
26	+ Other Interest Expense (a/c 428-431)	0
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	221,000
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	221,000
31	x Operating Ratio	99.2420%
32	x Net In-Service Investment Ratio	198.1200%
33	= Unit 1 Return on Other Capital	434,525 =====

* 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 1</u> <u>January, 2005</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,819,629
3	+ Short-Term Debt	26,914,986
4	+ Other Debt	0
5	Total Debt Balances (Prior Month Ending)	71,734,615 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt	62.4798%
8	+ Short-Term Debt	37.5202%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt	4.6609%
13	Short-Term Debt	1.9319%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt	2.9121%
17	+ Short-Term Debt	0.7249%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	3.6370% =====

**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, 2005</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	12,881,623
3	Fuel Stock Expenses - Undistributed (152)	376,439
4	Fuel Stock - Oil (151.20)	824,927
5	Plant Materials & Operating Supplies	5,961,597
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	20,044,585
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	7,396,366
11	+ Equivalent Inventory re: Deferred Return	7,426,438,260
12	= Imputed Coal Inventory	7,433,834,626
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 (per a/c 151.10 at End of Prior Month)	25.131
22	= 68 day Coal Inventory	12,881,623
23	Lesser of Imputed or Capped Coal Inventory	12,881,623
24	Imputed Inventory Minus Line 23	7,420,953,003
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	60,862,279
27	+ Current Month Return on Beginning Balance	502,909
28	+ Current Month Deferral	20,130
29	- Current Month Recovery	0
30	= Ending Balance **	61,385,318

* Excludes Forced Outages, Scheduled Outages, and Curtailments

** May Not Be Less Than Zero

AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF OTHER OPERATING REVENUES

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 January, 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 January, 2005</u>
1	500,502-509	Steam Power Generation - Operation	294,298
2	501	Fuel - Operation	5,615,469
3	510-515	Steam Power Generating - Maintenance	284,472
4		Total Steam Power Generation Expenses	6,194,240
5	555-557	Other Power Supply Expenses	609
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	165,582
16	935	Administrative and General Expenses - Maintenance	3,307
17		Total Administrative & General Exp.	168,889
18		Total Operation & Maintenance Expenses	6,363,737

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

<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>January, 2005</u>
1	403	Depreciation Expense	1,594,516
2	404	Amortization of Limited-Term Electric Plant	40,509
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	1,635,025 =====

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, 2005</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	124,232
2	409.1	State Income Taxes	46,550
3		Total Taxes Other than FIT	<hr style="border: none; border-top: 1px solid black;"/> 170,782 <hr style="border: none; border-top: 3px double black;"/>

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

UNIT 1
 January, 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	(24,500)	(7,350)	(17,150)	0
3	N/A	Deferred Purchased Power Costs	0	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	(47,000)	(14,100)	(32,900)	0
5	N/A	Other Unit 1 Schedule 'M' Adjustments	480,858	144,257	336,601	0
6		Total Unit 1 Schedule 'M' Adjustments	<u>409,358</u>	<u>122,807</u>	<u>286,551</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)	132,025	39,608	92,417	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	68,679	20,604	48,075	0
15		Total Unit 1 Deferred Federal and State Income Tax	<u>119,681</u>	<u>35,905</u>	<u>83,776</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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 January, 2005</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	592,139,326
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	6,994,003
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	599,133,329
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	333,891,387
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	2,064,485
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	335,955,872
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	13,706,550
22	152	Fuel Stock Expenses - Undistributed	376,439
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	5,961,597
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)	20,044,585
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

<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description *</u>	<u>UNIT 1</u> <u>January, 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	11,378,060
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(221,674)
9	234	Accounts Payable-Associated Company	(8,982,282)
10	236	Taxes Accrued	(4,760,617)
11	237	Interest Accrued	(455,625)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	39,940,529
15		Total Other Working Capital	<u>36,898,390</u> =====
16	181	Unamortized Debt Expense	<u>2,142,004</u>
17	253	Other Deferred Credits	<u>0</u>

* debit <credit>

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

UNIT 1
January, 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	327,105
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	67,125,599
35	283	+Accumulated Deferred Income Taxes - Other	681,191
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>67,479,685</u>
37	255	+Accumulated Deferred Investment Tax Credits	10,922,481
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>10,922,481</u>
40		Total Net In-Service Investment - Unit 1	<u>243,860,272</u> =====

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>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	7,729,099
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	7,729,099
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,140,676
19	186	Other Deferred Debits	557,481
20	151.10	Fuel Inventory Over Allowed Level *	(5,485,257)
21		Total Non-In-Service Investment - Other	(3,787,100)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(5,485,257)
		UNIT 2	0
		TOTAL	(5,485,257)

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

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**UNIT 1
January, 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	24,236,633
21		Total Retained Earnings	24,236,633
22		Total Common Equity	48,670,633
23		<u>PREFERRED CAPITAL STOCK</u>	
24	204	Preferred Stock Issued	0
25	205	Preferred Stock Subscribed	0
26	206	Preferred Stock Liability for Conversion	0
27		Total Preferred Capital Stock	0

AEP GENERATING COMPANY
 ROCKPORT POWER BILL Pg 17 of 18
DETAIL OF NET CAPITALIZATION (Cont'd)

<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>January, 2005</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	(180,371)
35		Total Long-Term Debt	44,819,629
		<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)	26,914,986
38		Total Short-Term Debt	26,914,986
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	120,405,248

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

<u>Line No.</u>	<u>UNIT 1</u> <u>January, 2005</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>
2	Long-Term Debt 44,819,629
3	+ Short-Term Debt 26,914,986
4	+ Preferred Stock 0
5	+ Common Equity 48,670,633
6	- Capitalization Offsets 0
7	Total Capitalization Balances <u>120,405,248</u> =====
8	<u>Weighting of Capitalization Balances :</u>
9	Long-Term Debt 37.2240%
10	+ Short-Term Debt 22.3537%
11	+ Preferred Stock 0.0000%
12	+ Common Equity 40.4224%
13	- Capitalization Offsets 0.0001%
14	Total Capitalization <u>100.0000%</u> =====
15	<u>Capitalization Cost Rates :</u>
16	Long-Term Debt 4.6609%
17	Short-Term Debt 1.9319%
18	Preferred Stock 0.0000%
19	Common Equity 12.1600%
20	Capitalization Offsets 3.6370%
21	<u>Rate of Return (Net of Tax) :</u>
22	Long-Term Debt 1.7350%
23	+ Short-Term Debt 0.4319%
24	+ Preferred Stock 0.0000%
25	+ Common Equity 4.9154%
26	- Capitalization Offsets 0.0000%
27	Total Rate of Return (Net of Tax) <u>7.0823%</u> =====
28	Weighted Net Cost of Debt 2.1669%
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.5622%
30	= Rate of Return (Pre-Tax) <u>9.7291%</u> =====

A E P GENERATING COMPANY

January, 2005

ESTIMATE

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

500	SUPERVISION AND ENGINEERING	49,387
501	FUEL	5,615,469
502	STEAM EXPENSES	47,991
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	60,915
506	MISC. STEAM POWER EXPENSES	136,005
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 5,909,767

510	MAINTENANCE SUPER. AND ENGINEERING	33,939
511	MAINTENANCE OF STRUCTURES	23,311
512	MAINTENANCE OF BOILER PLANT	113,644
513	MAINTENANCE OF ELECTRIC PLANT	96,882
514	MAINTENANCE OF MISC. STEAM PLANT	16,697
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 284,472

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	0
557	OTHER POWER SUPPLY EXPENSES	609

TOTAL OTHER SUPPLY EXPENSES 609

IS FUEL IN BALANCE
ON PAGE 2

AMOUNT MUST BE ZERO

0

NO OF DAYS IN CURRENT MO
NO OF DAYS IN CURRENT YEAR
CURRENT YEAR IS
CURRENT MONTH IS
THIS BILLING IS FOR MONTH OF

31
365
2005
1
January, 2005

A E P GENERATING COMPANY

January, 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	29,562
921	OFFICE SUPPLIES AND EXPENSES	3,692
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	34,194
924	PROPERTY INSURANCE	20,812
925	INJURIES AND DAMAGES	14,844
926	EMPLOYEE PENSIONS AND BENEFITS	49,073
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	13,369
931	RENTS	36
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	165,582
935	MAINTENANCE OF GENERAL PLANT	3,307
	TOTAL ADM & GEN EXPENSES	168,889
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	6,363,737
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	6,363,737
	——DIFFERENCE——	0