

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 2
POWER BILL - - January, 2005

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF January, 2005
 KWH FOR THE MONTH 129,179,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	(140,915)
Return on Other Capital	(63,606)
Total Return	(204,521)
Fuel	1,975,698
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	1,887,533
Depreciation Expense	106,497
Taxes Other Than Federal Income Tax	73,451
Federal Income Tax	(29,353)
TOTAL CURRENT UNIT POWER BILL	3,806,680
=====	
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses	30,929
TOTAL PRIOR MONTH'S ADJUSTMENTS	30,929
=====	
TOTAL UNIT POWER BILL	3,837,609
=====	

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 2 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	(469,717)	(140,915)	(328,802)
Return on Other Capital	(212,019)	(63,606)	(148,413)
Total Return	(681,736)	(204,521)	(477,215)
+ Fuel	6,585,661	1,975,698	4,609,963
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	6,291,777	1,887,533	4,404,244
+ Depreciation Expense	354,989	106,497	248,492
+ Taxes Other Than Federal Income Tax	244,835	73,451	171,384
+ Federal and State Income Tax	(97,844)	(29,353)	(68,491)
= Total Unit 2 Monthly Power Bill	12,688,933	3,806,680	8,882,253
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	(681,736)	(204,521)	(477,215)
+ Unit 2 Schedule M Adjustments	(1,843,942)	(553,183)	(1,290,759)
+ Unit 2 Deferred Federal Income Taxes	745,654	223,696	521,958
- Unit 2 Interest Expense Deduction *	(213,526)	(64,058)	(149,468)
= Subtotal	(1,566,498)	(469,949)	(1,096,548)
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 2 Current Federal Income Tax	(843,498)	(253,049)	(590,449)
+ Unit 2 Def Fed & State Income Taxes	745,654	223,696	521,958
= Total Unit 2 Fed&State Income Taxes	(97,844)	(29,353)	(68,491)
<u>Proof of Federal Income Tax :</u>			
Total Unit 2 Monthly Power Bill	12,688,933	3,806,680	8,882,253
- Operation and Maintenance Expenses	12,877,438	3,863,231	9,014,207
- Depreciation Expense	354,989	106,497	248,492
- Taxes Other Than Federal Income Tax	244,835	73,451	171,384
- Unit 2 Interest Expense Deduction *	(213,526)	(64,058)	(149,468)
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	(566,054)	(169,816)	(396,238)
+ Unit 2 Schedule M Adjustments	(1,843,942)	(553,183)	(1,290,759)
= Unit 2 Taxable Income	(2,409,996)	(722,999)	(1,686,997)
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 2 Current Federal Income Tax	(843,499)	(253,050)	(590,449)
+ Unit 2 Def Fed & State Income Taxes	745,654	223,696	521,958
= Total Unit 2 Fed&State Income Taxes	(97,845)	(29,354)	(68,491)

* 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 2</u> <u>January, 2005</u>
1	Operating Ratio:	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	670,419,674
4	- Accumulated Depreciation	393,052,912
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	123,086,603
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) **	0
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	(4,927,776)
25	Total Investment (Lines 14+19+24)	125,887,926
26	Operating Ratio (Line 14/Line 25)	97.7747%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	6.1397%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-3.9144%
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 January, 2005</u>
1	Net In-Service Investment Ratio:	
2	<u>Unit 2 Net In-Service Investment:</u>	
3	Electric Plant In-Service	71,286,344
4	- Accumulated Depreciation	57,097,040
5	+ Materials & Supplies	14,559,328
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 **	(46,921,469)
10	+ Unamortized Debt Expense (A/C 181)	2,142,004
11	- Other Deferred Credits (A/C 253)	99,904,470
12	- Accumulated Deferred FIT	(30,488,917)
13	- Accumulated Deferred ITC	35,327,284
14	Total Unit 2 Net In-Service Investment	(120,773,669)
15	<u>Unit 1 Net In-Service Investment:</u>	
16	Electric Plant In-Service	599,133,329
17	- Accumulated Depreciation	335,955,872
18	+ Materials & Supplies	20,044,585
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 **	36,898,390
23	+ Unamortized Debt Expense (A/C 181)	2,142,004
24	- Other Deferred Credits (A/C 253)	0
25	- Accumulated Deferred FIT	67,479,685
26	- Accumulated Deferred ITC	10,922,481
27	Total Unit 1 Net In-Service Investment	243,860,272
28	Total Net In-Service Investment	123,086,603
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 2 (Line 14 / Line 28)	-98.1200%
31	Unit 1 (Line 27 / Line 28)	198.1200%
		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 January, 2005</u>
1	Net Capitalization:	
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	- Temporary Cash Investments	0
7	Net Capitalization	120,405,248 =====
8	40% of Net Capitalization	48,162,099
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	48,162,099
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	488,041
13	x Operating Ratio	97.7747%
14	x Net In-Service Investment Ratio	-98.1200%
15	= Subtotal	(468,210)
16	Excess of Line 5 Over Line 8	508,534
17	x Weighted Cost of Debt (Monthly Rate)	0.3089%
18	= Return on Equity over 40% of Capitalization	1,571
19	x Operating Ratio	97.7747%
20	x Net In-Service Investment Ratio	-98.1200%
21	= Subtotal	(1,507)
22	Unit 2 Return on Equity (Line 15 + Line 21)	(469,717) =====
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	97.7747%
32	x Net In-Service Investment Ratio	-98.1200%
33	= Unit 2 Return on Other Capital	(212,019) =====

* 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</u> <u>January, 2005</u>
1	Debt Balances (Prior Month Ending) :	
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)	<hr style="border-top: 1px solid black;"/> 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	<hr style="border-top: 1px solid black;"/> 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	<hr style="border-top: 1px solid black;"/> 3.6370% =====

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</u> <u>January, 2005</u>
1	Unit 2 Materials and Supplies:	
2	Fuel Stock - Coal (per Line 23)	7,396,366
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	<u>14,559,328</u>
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	137,506,228
12	= Imputed Coal Inventory	<u>144,902,594</u>
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)	25.131
22	= 68 day Coal Inventory	<u>13,055,504</u>
23	Lesser of Imputed or Capped Coal Inventory	<u>13,055,504</u>
24	Imputed Inventory Minus Line 23	<u>131,847,090</u>
25	<u>Accumulated Deferred Inventory Return - Unit 2 (Memo Item):</u>	
26	Beginning Balance	1,126,912
27	+ Current Month Return on Beginning Balance	9,312
28	+ Current Month Deferral	43,773
29	- Current Month Recovery	0
30	= Ending Balance **	<u>1,179,997</u>

* 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</u> <u>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 Emmission Allowances	0
9		Total Other Operating Revenues	<hr/> (8,750) <hr/> =====

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

			UNIT 2
<u>Line</u>	<u>Account</u>	<u>Description</u>	<u>January, 2005</u>
<u>No.</u>	<u>No.</u>		
1	500,502-509	Steam Power Generation - Operation	5,937,312
2	501	Fuel - Operation	6,585,661
3	510-515	Steam Power Generating - Maintenance	185,149
4		Total Steam Power Generation Expenses	12,708,122
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 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	165,400
16	935	Administrative and General Expenses - Maintenance	3,307
17		Total Administrative & General Exp.	168,707
18		Total Operation & Maintenance Expenses	12,877,438

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>January, 2005</u>
1	403	Depreciation Expense *	268,997
2	404	Amortization of Limited-Term Electric Plant **	85,992
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	354,989
			=====

* 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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2 January, 2005</u>
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	198,285
2	409.1	State Income Taxes	46,550
3		Total Taxes Other than Federal Income Taxes	<u>244,835</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
 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>
1		<u>Unit 2 Schedule 'M' Adjustments*</u>			
2	N/A	Excess ACRS Over Normalization Base Depreciation	(24,500)	(7,350)	(17,150)
3	N/A	Deferred Purchased Power Costs	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	242,000	72,600	169,400
5	N/A	Other Unit 2 Schedule 'M' Adjustments	(2,061,442)	(618,433)	(1,443,009)
6		Total Unit 2 Schedule 'M' Adjustments	<u>(1,843,942)</u>	<u>(553,183)</u>	<u>(1,290,759)</u>
7		<u>Unit 2 Deferred Federal Income Tax</u>			
8	410.1	Excess ACRS Over Norm. Base Depr. (Line 2 x FIT Rate * -1)	482,879	144,864	338,015
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.	(8,076)	(2,423)	(5,653)
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	271,081	81,324	189,757
15		Total Unit 2 Deferred Federal and State Income Tax	<u>745,654</u>	<u>223,696</u>	<u>521,958</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 2

UNIT 2
January, 2005

Line No.	Account No.	Description	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	61,291,745
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	9,994,600
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	71,286,344
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	54,175,611
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	2,921,429
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	57,097,040
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	8,221,292
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)	14,559,328
29	165	Prepayments	0
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>Account</u>	<u>Description *</u>	<u>UNIT 2</u> <u>January, 2005</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	11,699,885
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	(8,922,281)
10	236	Taxes Accrued	(4,045,293)
11	237	Interest Accrued	(455,625)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(44,976,481)
15		Total Other Working Capital	(46,921,469) =====
16	181	Unamortized Debt Expense	2,142,004
17	253	Other Deferred Credits	99,904,470
*		debit <credit>	

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

UNIT 2
January, 2005

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		ACCUMULATED DEFERRED INCOME TAXES	
32	190	-Accumulated Deferred Income Taxes	40,650,597
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	9,265,030
35	283	+Accumulated Deferred Income Taxes - Other	896,650
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	(30,488,917)
37	255	+Accumulated Deferred Investment Tax Credits	35,327,284
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	35,327,284
40		Total Net In-Service Investment - Unit 2	(120,773,669)

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 2</u> <u>January, 2005</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	7,729,099
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	7,729,099
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	0
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	(4,927,776)
		* 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 2
January, 2005

<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	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
DETAIL OF NET CAPITALIZATION (Cont'd)

Pg 17 of 18

UNIT 2
January, 2005

<u>Line</u> <u>No.</u>	<u>Account</u> <u>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	(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 2</u> <u>January, 2005</u>
1	Capitalization Balances (Prior Month Ending) :
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 120,405,248
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 100.0000%
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) 7.0823%
28	Weighted Net Cost of Debt 2.1669%
29	+ Pre-Tax Common Equity (Line 25 / .65) 7.5622%
30	= Rate of Return (Pre-Tax) 9.7291%

A E P GENERATING COMPANY

January, 2005
ESTIMATE

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

500	SUPERVISION AND ENGINEERING	51,161
501	FUEL	6,585,661
502	STEAM EXPENSES	33,649
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	41,751
506	MISC. STEAM POWER EXPENSES	120,498
507	RENTS	5,690,253
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 12,522,973

510	MAINTENANCE SUPER. AND ENGINEERING	30,678
511	MAINTENANCE OF STRUCTURES	1,066
512	MAINTENANCE OF BOILER PLANT	86,616
513	MAINTENANCE OF ELECTRIC PLANT	52,778
514	MAINTENANCE OF MISC. STEAM PLANT	14,011
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 185,149

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

BE SURE THIS IS CORRECT

NO OF DAYS IN CURRENT MO >	31
NO OF DAYS IN CURRENT YEAR >	365
CURRENT YEAR IS	2005
CURRENT MONTH IS	1
THIS BILLING IS FOR MONTH OF	January, 2005

A E P GENERATING COMPANY

January, 2005
ESTIMATEROCKPORT 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	29,380
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	165,400
935	MAINTENANCE OF GENERAL PLANT	3,307
	TOTAL ADM & GEN EXPENSES	168,707
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	12,877,438
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	12,877,438
	-----DIFFERENCE-----	0



Ronald E Oechslin
02/08/2005 09:07 AM

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cc:

Subject: Jan05 AEG Estimate Power Bill



AEG U2 Jan'05 Estimate Power Bill. AEG U1 Jan'05 Estimate Power Bill.

