

**AEP GENERATING COMPANY  
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43015  
TELEPHONE (614) 223-2656**

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

**ESTIMATE  
08-Apr-04**

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

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)  
ENERGY DELIVERED FOR THE MONTH OF March, 2004  
KWH FOR THE MONTH 130,024,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	191,164
Return on Other Capital	86,972
Total Return	<hr/> 278,136
Fuel	1,556,383
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	209,156
Depreciation Expense	482,357
Taxes Other Than Federal Income Tax	66,934
Federal Income Tax	82,837
TOTAL CURRENT UNIT POWER BILL	<hr/> 2,673,178 <hr/>
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses	1,408
TOTAL PRIOR MONTH'S ADJUSTMENTS	<hr/> 1,408 <hr/>
TOTAL UNIT POWER BILL	<hr/> 2,674,586 <hr/> <hr/>

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE ---

April 19, 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

March, 2004

08-Apr-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	637,214	191,164	446,050	0
Return on Other Capital	289,905	86,972	202,933	0
<b>Total Return</b>	<b>927,119</b>	<b>278,136</b>	<b>648,983</b>	<b>0</b>
+ Fuel	5,187,945	1,556,383	3,631,562	0
+ Purchased Power	0	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	0
+ Other Operation and Maintenance Exp	697,188	209,156	488,032	0
+ Depreciation Expense	1,607,855	482,357	1,125,498	0
+ Taxes Other Than Federal Income Tax	223,112	66,934	156,178	0
+ Federal and State Income Tax	280,150	82,837	193,289	0
<b>= Total Unit 1 Monthly Power Bill</b>	<b>8,914,620</b>	<b>2,673,178</b>	<b>6,237,418</b>	<b>0</b>
<b><u>Determination of Federal Income Tax :</u></b>				
Total Return ( Line 3 )	927,119	278,136	648,983	0
+ Unit 1 Schedule M Adjustments	1,636,843	491,053	1,145,790	0
+ Unit 1 Deferred Federal Income Taxes	(611,084)	(184,533)	(430,575)	0
- Unit 1 Interest Expense Deduction *	293,704	88,111	205,593	0
<b>= Subtotal</b>	<b>1,659,174</b>	<b>496,544</b>	<b>1,158,605</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>891,234</b>	<b>267,370</b>	<b>623,864</b>	<b>0</b>
+ Unit 1 Def Fed & State Income Taxes	(611,084)	(184,533)	(430,575)	0
<b>= Total Unit 1 Fed&amp;State Income Taxes</b>	<b>280,150</b>	<b>82,837</b>	<b>193,289</b>	<b>0</b>
<b><u>Proof of Federal Income Tax :</u></b>				
Total Unit 1 Monthly Power Bill	8,914,620	2,673,178	6,237,418	0
- Operation and Maintenance Expenses	5,885,133	1,765,539	4,119,594	0
- Depreciation Expense	1,607,855	482,357	1,125,498	0
- Taxes Other Than Federal Income Tax	223,112	66,934	156,178	0
- Unit 1 Interest Expense Deduction *	293,704	88,111	205,593	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	0
<b>= Pre-Tax Book Income</b>	<b>913,564</b>	<b>272,862</b>	<b>636,679</b>	<b>0</b>
+ Unit 1 Schedule M Adjustments	1,636,843	491,053	1,145,790	0
<b>= Unit 1 Taxable Income</b>	<b>2,550,407</b>	<b>763,915</b>	<b>1,782,469</b>	<b>0</b>
x Current Federal Income Tax Rate	35%	35%	35%	35%
<b>= Unit 1 Current Federal Income Tax</b>	<b>891,234</b>	<b>267,370</b>	<b>623,864</b>	<b>0</b>
+ Unit 1 Def Fed & State Income Taxes	(615,108)	(184,533)	(430,575)	0
<b>= Total Unit 1 Fed&amp;State Income Taxes</b>	<b>276,126</b>	<b>82,837</b>	<b>193,289</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**

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<u>Line No.</u>		<u>UNIT 1 March, 2004</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	649,822,687
4	- Accumulated Depreciation	375,543,672
5	+ Materials & Supplies	35,308,228
6	+ Prepayments	35,631
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(20,723,706)
10	+ Unamortized Debt Expense (A/C 181)	4,469,329
11	- Other Deferred Credits (A/C 253)	104,546,930
12	- Accumulated Deferred FIT	39,390,718
13	- Accumulated Deferred ITC	49,032,794
14	Total Net In-Service Investment	<u>100,398,054</u>
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	19,601,949
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	<u>19,601,949</u>
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) **	10,060
23	+ Fuel Inventory Over Allowed Level ****	17,162,648
24	Total Non-In-Service Investment - Other	<u>18,313,384</u>
25	Total Investment (Lines 14+19+24)	<u>138,313,386</u> =====
26	Operating Ratio (Line 14/Line 25)	72.5874%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	14.1721%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	13.2405%
29	Total Investment	<u>100.0000%</u> =====

\* 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 March, 2004</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	586,832,074
4	- Accumulated Depreciation	325,897,899
5	+ Materials & Supplies	17,579,254
6	+ Prepayments	17,815
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(2,274,277)
10	+ Unamortized Debt Expense (A/C 181)	2,234,665
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	73,881,637
13	- Accumulated Deferred ITC	12,063,860
14	Total Unit 1 Net In-Service Investment	<u>192,546,134</u>
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	62,990,613
17	- Accumulated Depreciation	49,645,773
18	+ Materials & Supplies	17,728,974
19	+ Prepayments	17,815
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(18,449,429)
23	+ Unamortized Debt Expense (A/C 181)	2,234,665
24	- Other Deferred Credits (A/C 253)	104,546,930
25	- Accumulated Deferred FIT	(34,490,919)
26	- Accumulated Deferred ITC	36,968,934
27	Total Unit 2 Net In-Service Investment	<u>(92,148,081)</u>
28	Total Net In-Service Investment	<u>100,398,054</u> =====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 ( Line 14 / Line 28 )	191.7800%
31	Unit 2 ( Line 27 / Line 28 )	-91.7800%
		<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**

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<u>Line No.</u>		<u>UNIT 1 March, 2004</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	44,812,326
3	+ Short-Term Debt	21,637,797
4	+ Preferred Stock	0
5	+ Common Equity	45,806,633
6	- Temporary Cash Investments	0
7	Net Capitalization	112,256,756
8	40% of Net Capitalization	44,902,702
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	44,902,702
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	455,013
13	x Operating Ratio	72.5874%
14	x Net In-Service Investment Ratio	191.7800%
15	= Subtotal	633,415
16	Excess of Line 5 Over Line 8	903,931
17	x Weighted Cost of Debt (Monthly Rate)	0.3019%
18	= Return on Equity over 40% of Capitalization	2,729
19	x Operating Ratio	72.5874%
20	x Net In-Service Investment Ratio	191.7800%
21	= Subtotal	3,799
22	Unit 1 Return on Equity (Line 15 + Line 21)	637,214
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)	25,241
26	+ Other Interest Expense (a/c 428-431)	6,076
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	208,253
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	208,253
31	x Operating Ratio	72.5874%
32	x Net In-Service Investment Ratio	191.7800%
33	= Unit 1 Return on Other Capital	289,905
	* 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</u> <u>March, 2004</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,812,326
3	+ Short-Term Debt	21,637,797
4	+ Other Debt	0
5	Total Debt Balances (Prior Month Ending)	66,450,123
=====		
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt	67.4375%
8	+ Short-Term Debt	32.5625%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
=====		
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt	4.6616%
13	Short-Term Debt	1.2930%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt	3.1437%
17	+ Short-Term Debt	0.4210%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	3.5647%
=====		

**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>March, 2004</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	11,091,697
3	Fuel Stock Expenses - Undistributed (152)	446,411
4	Fuel Stock - Oil (151.20)	639,985
5	Plant Materials & Operating Supplies	5,401,161
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	17,579,254
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	19,747,881
11	+ Equivalent Inventory re: Deferred Return	0
12	= Imputed Coal Inventory	19,747,881
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)	21.639
22	= 68 day Coal Inventory	11,091,697
23	Lesser of Imputed or Capped Coal Inventory	11,091,697
24	Imputed Inventory Minus Line 23	8,656,184
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	55,989,739
27	+ Current Month Return on Beginning Balance	462,080
28	+ Current Month Deferral	60,790
29	- Current Month Recovery	0
30	= Ending Balance **	56,512,609

\* 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 March, 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	<u>(8,750)</u> =====



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

			<b>UNIT 1</b>
			<b>March, 2004</b>
<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1	500,502-509	Steam Power Generation - Operation	227,238
2	501	Fuel - Operation	5,187,945
3	510-515	Steam Power Generating - Maintenance	332,463
4		Total Steam Power Generation Expenses	5,747,645
5	555-557	Other Power Supply Expenses	1,110
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	0
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expense - Maintenance	0
11		Total Distribution Expense	0
12	901-905	Customer Accounts Expenses - Operation	0
13	906-910	Customer Service and Informational Expenses - Operation	0
14	911-917	Sales Expenses - Operation	0
15	920-933	Administrative and General Expenses - Operation	131,244
16	935	Administrative and General Expenses - Maintenance	5,135
17		Total Administrative & General Exp.	136,378
18		Total Operation & Maintenance Expenses	5,885,133

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

<u>Line</u>	<u>Account</u>	<u>Description</u>	<u>UNIT 1</u>
<u>No.</u>	<u>No.</u>		<u>March, 2004</u>
1	403	Depreciation Expense	1,569,127
2	404	Amortization of Limited-Term Electric Plant	38,728
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	1,607,855
			=====

**AEP GENERATING COMPANY**  
**ROCKPORT POWER BILL** Pg 11 of 18  
**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>March, 2004</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	141,962
2	409.1	State Income Taxes	81,150
3		Total Taxes Other than FIT	<hr style="border-top: 1px solid black;"/> 223,112 =====

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

**UNIT 1  
March, 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	(20,500)	(6,150)	(14,350)	0
3	N/A	Deferred Purchased Power Costs	0	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	13,000	3,900	9,100	0
5	N/A	Other Unit 1 Schedule 'M' Adjustments	1,644,343	493,303	1,151,040	0
6		Total Unit 1 Schedule 'M' Adjustments	<u>1,636,843</u>	<u>491,053</u>	<u>1,145,790</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)	11,200	2,153	5,023	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	(3,276)	(983)	(2,293)	0
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	(541,262)	(162,379)	(378,883)	0
15		Total Unit 1 Deferred Federal and State Income Tax	<u>(611,084)</u>	<u>(184,533)</u>	<u>(430,575)</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 March, 2004</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	581,302,495
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	5,529,579
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	586,832,074
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	324,211,427
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	1,686,472
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	325,897,899
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	11,731,682
22	152	Fuel Stock Expenses - Undistributed	446,411
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	5,401,161
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)	17,579,254
29	165	Prepayments	17,815
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>No.</u>	<u>Account</u> <u>No.</u>	<u>Description *</u>	<u>UNIT 1</u> <u>March, 2004</u>
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	9,152,311
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(203,827)
9	234	Accounts Payable-Associated Company	(7,266,590)
10	236	Taxes Accrued	(3,793,066)
11	237	Interest Accrued	(151,875)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(11,230)
15		Total Other Working Capital	(2,274,277)
			=====
16	181	Unamortized Debt Expense	2,234,665
17	253	Other Deferred Credits	0

\* debit <credit>

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</u> <u>March, 2004</u>
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	417,809
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	73,511,290
35	283	+Accumulated Deferred Income Taxes - Other	788,156
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<hr/> 73,881,637 <hr/>
37	255	+Accumulated Deferred Investment Tax Credits	12,063,860
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<hr/> 12,063,860 <hr/>
40		Total Net In-Service Investment - Unit 1	<hr/> 192,546,134 <hr/> <hr/>

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>March, 2004</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	19,601,949
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	19,601,949
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,140,676
19	186	Other Deferred Debits	10,060
20	151.1C	Fuel Inventory Over Allowed Level *	17,162,648
21		Total Non-In-Service Investment - Other	18,313,384
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	8,656,184
		UNIT 2	8,506,464
		TOTAL	17,162,648



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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 March, 2004</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	21,372,633
21		Total Retained Earnings	<u>21,372,633</u>
22		Total Common Equity	<u>45,806,633</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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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>March, 2004</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	(187,674)
35		Total Long-Term Debt	44,812,326
		<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)	21,637,797
38		Total Short-Term Debt	21,637,797
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	112,256,756

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

<u>Line No.</u>		<u>UNIT 1 March, 2004</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,812,326
3	+ Short-Term Debt	21,637,797
4	+ Preferred Stock	0
5	+ Common Equity	45,806,633
6	- Capitalization Offsets	0
7	Total Capitalization Balances	112,256,756
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt	39.9195%
10	+ Short-Term Debt	19.2753%
11	+ Preferred Stock	0.0000%
12	+ Common Equity	40.8052%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt	4.6616%
17	Short-Term Debt	1.2930%
18	Preferred Stock	0.0000%
19	Common Equity	12.1600%
20	Capitalization Offsets	3.5647%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt	1.8609%
23	+ Short-Term Debt	0.2492%
24	+ Preferred Stock	0.0000%
25	+ Common Equity	4.9619%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	7.0720%
		=====
28	Weighted Net Cost of Debt	2.1101%
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.6337%
30	= Rate of Return (Pre-Tax)	9.7438%
		=====

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

500	SUPERVISION AND ENGINEERING	53,656
501	FUEL	5,187,945
502	STEAM EXPENSES	34,376
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	38,821
506	MISC. STEAM POWER EXPENSES	100,238
507	RENTS	146
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 5,415,183

510	MAINTENANCE SUPER. AND ENGINEERING	43,758
511	MAINTENANCE OF STRUCTURES	10,794
512	MAINTENANCE OF BOILER PLANT	84,525
513	MAINTENANCE OF ELECTRIC PLANT	157,746
514	MAINTENANCE OF MISC. STEAM PLANT	35,639
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 332,463

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	0
557	OTHER POWER SUPPLY EXPENSES	1,110

TOTAL OTHER SUPPLY EXPENSES 1,110

AMOUNT MUST BE ZERO

IS FUEL IN BALANCE ON PAGE 2 0

NO OF DAYS IN CURRENT MO	31
NO OF DAYS IN CURRENT YEAR	366
CURRENT YEAR IS	2004
CURRENT MONTH IS	3
THIS BILLING IS FOR MONTH OF	March, 2004

## A E P GENERATING COMPANY

March, 2004  
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	43,725
921	OFFICE SUPPLIES AND EXPENSES	6,548
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	56,536
924	PROPERTY INSURANCE	17,244
925	INJURIES AND DAMAGES	21,271
926	EMPLOYEE PENSIONS AND BENEFITS	(16,702)
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	2,505
931	RENTS	117
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	131,244
935	MAINTENANCE OF GENERAL PLANT	5,135
	TOTAL ADM & GEN EXPENSES	136,378
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	5,885,133
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	5,885,133
	-----DIFFERENCE-----	0