

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-Apr-05

UNIT 1  
POWER BILL - - March, 2005

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

KWH FOR THE MONTH 142,044,000

SUMMARY

TOTAL

Current Month Bill:

Return on Common Equity	298,687
Return on Other Capital	162,826
Total Return	461,513
Fuel	1,767,853
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	295,382
Depreciation Expense	486,769
Taxes Other Than Federal Income Tax	32,862
Federal Income Tax	120,600
TOTAL CURRENT UNIT POWER BILL	3,162,354

Prior Month's Adjustment:

Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses	28,253
TOTAL PRIOR MONTH'S ADJUSTMENTS	28,253

TOTAL UNIT POWER BILL 3,190,607  
 =====

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - -

April 19, 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

March, 2005

07-Apr-05

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&amp;M SHARE</u>
Return on Common Equity	995,622	298,687	696,935
Return on Other Capital	542,752	162,826	379,926
<b>Total Return</b>	<b>1,538,374</b>	<b>461,513</b>	<b>1,076,861</b>
+ Fuel	5,892,844	1,767,853	4,124,991
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	984,605	295,382	689,223
+ Depreciation Expense	1,622,565	486,769	1,135,796
+ Taxes Other Than Federal Income Tax	109,539	32,862	76,677
+ Federal and State Income Tax	401,998	120,600	281,398
<b>= Total Unit 1 Monthly Power Bill</b>	<b>10,541,175</b>	<b>3,162,354</b>	<b>7,378,821</b>
<u>Determination of Federal Income Tax :</u>			
Total Return ( Line 3 )	1,538,374	461,513	1,076,861
+ Unit 1 Schedule M Adjustments	1,383,918	415,175	968,743
+ Unit 1 Deferred Federal Income Taxes	(550,309)	(165,093)	(385,216)
- Unit 1 Interest Expense Deduction *	603,410	181,023	422,387
<b>= Subtotal</b>	<b>1,768,572</b>	<b>530,572</b>	<b>1,238,000</b>
x Gross-Up ( FIT Rate / 1-FIT Rate )	0.538462	0.538462	0.538462
<b>= Unit 1 Current Federal Income Tax</b>	<b>952,308</b>	<b>285,693</b>	<b>666,615</b>
+ Unit 1 Def Fed & State Income Taxes	(550,309)	(165,093)	(385,216)
<b>= Total Unit 1 Fed&amp;State Income Taxes</b>	<b>401,998</b>	<b>120,600</b>	<b>281,398</b>
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	10,541,175	3,162,354	7,378,821
- Operation and Maintenance Expenses	6,877,449	2,063,235	4,814,214
- Depreciation Expense	1,622,565	486,769	1,135,796
- Taxes Other Than Federal Income Tax	109,539	32,862	76,677
- Unit 1 Interest Expense Deduction *	603,410	181,023	422,387
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
<b>= Pre-Tax Book Income</b>	<b>1,336,962</b>	<b>401,090</b>	<b>935,872</b>
+ Unit 1 Schedule M Adjustments	1,383,918	415,175	968,743
<b>= Unit 1 Taxable Income</b>	<b>2,720,880</b>	<b>816,265</b>	<b>1,904,615</b>
x Current Federal Income Tax Rate	35%	35%	35%
<b>= Unit 1 Current Federal Income Tax</b>	<b>952,308</b>	<b>285,693</b>	<b>666,615</b>
+ Unit 1 Def Fed & State Income Taxes	(550,309)	(165,093)	(385,216)
<b>= Total Unit 1 Fed&amp;State Income Taxes</b>	<b>401,999</b>	<b>120,600</b>	<b>281,399</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, 2005</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	670,608,286
4	- Accumulated Depreciation	396,431,297
5	+ Materials & Supplies	32,325,353
6	+ Prepayments	37,777
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(19,573,263)
10	+ Unamortized Debt Expense (A/C 181)	4,246,944
11	- Other Deferred Credits (A/C 253)	98,975,978
12	- Accumulated Deferred FIT	36,873,159
13	- Accumulated Deferred ITC	45,693,947
14	Total Net In-Service Investment	109,670,714
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	7,869,538
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	7,869,538
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) **	21,081
23	+ Fuel Inventory Over Allowed Level ****	(7,669,628)
24	Total Non-In-Service Investment - Other	(6,507,871)
25	Total Investment (Lines 14+19+24)	111,032,381
26	Operating Ratio (Line 14/Line 25)	98.7736%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	7.0876%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-5.8612%
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 March, 2005</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	599,630,917
4	- Accumulated Depreciation	338,682,075
5	+ Materials & Supplies	19,997,490
6	+ Prepayments	18,888
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	38,277,797
10	+ Unamortized Debt Expense (A/C 181)	2,123,472
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	66,683,188
13	- Accumulated Deferred ITC	10,594,151
14	Total Unit 1 Net In-Service Investment	<u>244,089,151</u>
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	70,977,369
17	- Accumulated Depreciation	57,749,222
18	+ Materials & Supplies	12,327,862
19	+ Prepayments	18,888
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(57,851,060)
23	+ Unamortized Debt Expense (A/C 181)	2,123,472
24	- Other Deferred Credits (A/C 253)	98,975,978
25	- Accumulated Deferred FIT	(29,810,029)
26	- Accumulated Deferred ITC	35,099,796
27	Total Unit 2 Net In-Service Investment	<u>(134,418,436)</u>
28	Total Net In-Service Investment	<u>109,670,714</u> =====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 ( Line 14 / Line 28 )	222.5700%
31	Unit 2 ( Line 27 / Line 28 )	-122.5700%
		<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, 2005</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	44,821,089
3	+ Short-Term Debt	10,439,184
4	+ Preferred Stock	0
5	+ Common Equity	49,663,972
6	- Temporary Cash Investments	0
7	Net Capitalization	104,924,246
8	40% of Net Capitalization	41,969,698
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	41,969,698
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	425,292
13	x Operating Ratio	98.7736%
14	x Net In-Service Investment Ratio	222.5700%
15	= Subtotal	934,964
16	Excess of Line 5 Over Line 8	7,694,274
17	x Weighted Cost of Debt (Monthly Rate)	0.3586%
18	= Return on Equity over 40% of Capitalization	27,592
19	x Operating Ratio	98.7736%
20	x Net In-Service Investment Ratio	222.5700%
21	= Subtotal	60,658
22	Unit 1 Return on Equity (Line 15 + Line 21)	995,622
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)	8,402
26	+ Other Interest Expense (a/c 428-431)	61,062
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	246,885
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	246,885
31	x Operating Ratio	98.7736%
32	x Net In-Service Investment Ratio	222.5700%
33	= Unit 1 Return on Other Capital	542,752
	* 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 March, 2005</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,821,089
3	+ Short-Term Debt	10,439,184
4	+ Other Debt	0
5	Total Debt Balances (Prior Month Ending)	----- 55,260,274 =====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt	81.1091%
8	+ Short-Term Debt	18.8909%
9	+ Other Debt	0.0000%
10	Total Debt Balances	----- 100.0000% =====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt	4.6607%
13	Short-Term Debt	2.3416%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt	3.7803%
17	+ Short-Term Debt	0.4423%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	----- 4.2226% =====

**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, 2005</u>
1	<u>Unit 1 Materials and Supplies:</u>
2	Fuel Stock - Coal (per Line 23) 12,467,598
3	Fuel Stock Expenses - Undistributed (152) 220,569
4	Fuel Stock - Oil (151.20) 1,059,003
5	Plant Materials & Operating Supplies 6,250,320
6	Merchandise 0
7	Undistributed Stores Expense 0
8	Total Materials & Supplies 19,997,490
9	<u>Support of Coal Inventory Value:</u>
10	Actual Coal Inventory (a/c 151.10) 4,797,970
11	+ Equivalent Inventory re: Deferred Return 6,615,761,284
12	= Imputed Coal Inventory 6,620,559,254
13	<u>Coal Inventory W/68 Day Supply Cap</u>
14	Tons Consumed 2,629,109
15	/ Hours Available * 8408.50
16	= Tons Consumed per Hour 312.67
17	x 24 Hours per Day 24
18	= Tons Consumed Per Day 7504.08
19	x 68 days 68
20	= 68 day Supply (Tons) 510,277
21	x Coal Cost per Ton (per a/c 151.10 at End of Prior Month) 24.433
22	= 68 day Coal Inventory 12,467,598
23	Lesser of Imputed or Capped Coal Inventory 12,467,598
24	Imputed Inventory Minus Line 23 6,608,091,656
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>
26	Beginning Balance 61,670,564
27	+ Current Month Return on Beginning Balance 580,288
28	+ Current Month Deferral 0
29	- Current Month Recovery 64,208
30	= Ending Balance ** 62,186,644

\* 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, 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</u> <u>March, 2005</u>
1	500,502-509	Steam Power Generation - Operation	363,538
2	501	Fuel - Operation	5,892,844
3	510-515	Steam Power Generating - Maintenance	388,550
4		Total Steam Power Generation Expenses	6,644,932
5	555-557	Other Power Supply Expenses	590
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	227,110
16	935	Administrative and General Expenses - Maintenance	4,818
17		Total Administrative & General Exp.	231,928
18		Total Operation & Maintenance Expenses	6,877,449

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

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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, 2005</u>
1	403	Depreciation Expense	1,581,531
2	404	Amortization of Limited-Term Electric Plant	41,034
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	1,622,565 =====

**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>March, 2005</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	145,989
2	409.1	State Income Taxes	(36,450)
3		Total Taxes Other than FIT	<hr style="border: none; border-top: 1px solid black;"/> 109,539 =====

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

UNIT 1  
March, 2005

Line No.	Account No.	Description	TOTAL	KPCO SHARE	I&M SHARE	I&M SHARE
1		<u>Unit 1 Schedule `M' Adjustments*</u>				
2	N/A	Excess ACRS Over Normalization Base Depreciation	5,000	1,500	3,500	0
3	N/A	Deferred Purchased Power Costs	0	0	0	0
4	N/A	Excess Normalization Base Over Book Depreciation	8,000	2,400	5,600	0
5	N/A	Other Unit 1 Schedule `M' Adjustments	1,370,918	411,275	959,643	0
6		Total Unit 1 Schedule `M' Adjustments	<u>1,383,918</u>	<u>415,175</u>	<u>968,743</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)	(454,306)	(136,292)	(318,014)	0
9	410.1	Deferred Purchased Power Costs (Line 4 x FIT Rate * -1)	0	0	0	0
10	410.1&411.1	Other Unit 1 Schedule `M' Adjustments - Utility - Clearing Accounts	0	0	0	0
11	410.1	Feedback of Deferred State Income Taxes	0	0	0	0
12	411.1	Feedback of Accumulated DFIT re: ABFUDC - Unit 1 Negative Amount Denotes Reduction.	(77,746)	(23,324)	(54,422)	0
13	411.1	Feedback of Accumulated DFIT re: Overheads Capitalized - Unit 1	(3,277)	(983)	(2,294)	0
14	411.1	Feedback of Accumulated DFIT re: Other Schedule `M' Adj.-Utility	(14,980)	(4,494)	(10,486)	0
15		Total Unit 1 Deferred Federal and State Income Tax	<u>(550,309)</u>	<u>(165,093)</u>	<u>(385,216)</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, 2005</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	597,653,840
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	1,977,077
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	599,630,917
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	336,534,946
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	2,147,129
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	338,682,075
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	13,526,601
22	152	Fuel Stock Expenses - Undistributed	220,569
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	6,250,320
25	155	Merchandise	0
26	156	Other Materials and Supplies	0
27	163	Stores Expense Undistributed	0
28		Total Materials and Supplies (In-Service Portion)	19,997,490
29	165	Prepayments	18,888
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>March, 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	10,792,153
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(320,667)
9	234	Accounts Payable-Associated Company	(6,581,724)
10	236	Taxes Accrued	(5,400,182)
11	237	Interest Accrued	(151,875)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	39,940,092
15		Total Other Working Capital	<u>38,277,797</u> =====
16	181	Unamortized Debt Expense	<u>2,123,472</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  
March, 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	337,174
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	66,344,784
35	283	+Accumulated Deferred Income Taxes - Other	675,578
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	66,683,188
37	255	+Accumulated Deferred Investment Tax Credits	10,594,151
38	.186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	10,594,151
40		Total Net In-Service Investment - Unit 1	244,089,151

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

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<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>March, 2005</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	7,869,538
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	7,869,538
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,140,676
19	186	Other Deferred Debits	21,081
20	151.10	Fuel Inventory Over Allowed Level *	(7,669,628)
21		Total Non-In-Service Investment - Other	(6,507,871)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(7,669,628)
		UNIT 2	0
		TOTAL	(7,669,628)



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

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**UNIT 1  
March, 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	25,229,972
21		Total Retained Earnings	25,229,972
22		Total Common Equity	49,663,972
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)

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UNIT 1  
March, 2005

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	45,000,000
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	(178,911)
35		Total Long-Term Debt	<u>44,821,089</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)	10,439,184
38		Total Short-Term Debt	<u>10,439,184</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>104,924,246</u> =====

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

<u>Line No.</u>		<u>UNIT 1</u> <u>March, 2005</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,821,089
3	+ Short-Term Debt	10,439,184
4	+ Preferred Stock	0
5	+ Common Equity	49,663,972
6	- Capitalization Offsets	0
7	Total Capitalization Balances	104,924,246
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt	42.7176%
10	+ Short-Term Debt	9.9493%
11	+ Preferred Stock	0.0000%
12	+ Common Equity	47.3332%
13	- Capitalization Offsets	0.0001%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt	4.6607%
17	Short-Term Debt	2.3416%
18	Preferred Stock	0.0000%
19	Common Equity	12.1600%
20	Capitalization Offsets	4.2226%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt	1.9910%
23	+ Short-Term Debt	0.2330%
24	+ Preferred Stock	0.0000%
25	+ Common Equity	5.7557%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	7.9797%
		=====
28	Weighted Net Cost of Debt	2.2240%
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.8549%
30	= Rate of Return (Pre-Tax)	11.0789%
		=====

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

500	SUPERVISION AND ENGINEERING	73,933
501	FUEL	5,892,844
502	STEAM EXPENSES	42,599
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	41,179
506	MISC. STEAM POWER EXPENSES	205,826
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 6,256,382

510	MAINTENANCE SUPER. AND ENGINEERING	46,061
511	MAINTENANCE OF STRUCTURES	43,493
512	MAINTENANCE OF BOILER PLANT	238,560
513	MAINTENANCE OF ELECTRIC PLANT	14,459
514	MAINTENANCE OF MISC. STEAM PLANT	45,977
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 388,550

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	0
557	OTHER POWER SUPPLY EXPENSES	590

TOTAL OTHER SUPPLY EXPENSES 590

AMOUNT MUST BE ZERO

IS FUEL IN BALANCE 0  
 ON PAGE 2

NO OF DAYS IN CURRENT MO 31  
 NO OF DAYS IN CURRENT YEAR 365  
 CURRENT YEAR IS 2005  
 CURRENT MONTH IS 3  
 THIS BILLING IS FOR MONTH OF March, 2005

A E P GENERATING COMPANY

March, 2005  
ESTIMATE

ROCK 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	27,247
921	OFFICE SUPPLIES AND EXPENSES	10,548
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	80,874
924	PROPERTY INSURANCE	20,426
925	INJURIES AND DAMAGES	3,939
926	EMPLOYEE PENSIONS AND BENEFITS	80,209
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	3,276
931	RENTS	592
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	227,110
935	MAINTENANCE OF GENERAL PLANT	4,818
	TOTAL ADM & GEN EXPENSES	231,928
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	6,877,449
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	6,877,449
	-----DIFFERENCE-----	0