

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

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

**ESTIMATE  
10-Jun-04**

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

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)  
ENERGY DELIVERED FOR THE MONTH OF May, 2004  
KWH FOR THE MONTH 114,501,000

<u>SUMMARY</u>	<u>TOTAL</u>
<b>Current Month Bill:</b>	
Return on Common Equity	191,681
Return on Other Capital	117,839
Total Return	309,520
Fuel	1,437,456
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	242,637
Depreciation Expense	486,019
Taxes Other Than Federal Income Tax	65,387
Federal Income Tax	74,964
<b>TOTAL CURRENT UNIT POWER BILL</b>	<b>2,613,358</b>
<b>Prior Month's Adjustment:</b>	
Return on Common Equity & Other Capital	(20,383)
Fuel Expense	(3,723)
Other Expenses	(14,718)
<b>TOTAL PRIOR MONTH'S ADJUSTMENTS</b>	<b>(38,824)</b>
<b>TOTAL UNIT POWER BILL</b>	<b>2,574,534</b>

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE ---

June 21, 2004

CC: D. CROSS - COLUMBUS  
E. K. WAGNER - KENTUCKY  
D. L. HILLE - FT. WAYNE

**AEP GENERATING COMPANY  
ROCKPORT POWER BILL  
SUMMARY OF MONTHLY POWER BILL**

ESTIMATE  
Pg 2 of 18

May, 2004

10-Jun-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	638,936	191,681	447,255	0
Return on Other Capital	392,798	117,839	274,959	0
<b>Total Return</b>	<b>1,031,734</b>	<b>309,520</b>	<b>722,214</b>	<b>0</b>
+ Fuel	4,791,520	1,437,456	3,354,064	0
+ Purchased Power	0	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	0
+ Other Operation and Maintenance Exp	808,791	242,637	566,154	0
+ Depreciation Expense	1,620,063	486,019	1,134,044	0
+ Taxes Other Than Federal Income Tax	217,955	65,387	152,568	0
+ Federal and State Income Tax	253,901	74,964	174,913	0
<b>= Total Unit 1 Monthly Power Bill</b>	<b>8,715,213</b>	<b>2,613,358</b>	<b>6,097,831</b>	<b>0</b>
<u>Determination of Federal Income Tax :</u>				
Total Return ( Line 3 )	1,031,734	309,520	722,214	0
+ Unit 1 Schedule M Adjustments	1,626,531	487,959	1,138,572	0
+ Unit 1 Deferred Federal Income Taxes	(620,227)	(187,275)	(436,976)	0
- Unit 1 Interest Expense Deduction *	410,631	123,189	287,442	0
<b>= Subtotal</b>	<b>1,627,406</b>	<b>487,015</b>	<b>1,136,367</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>874,129</b>	<b>262,239</b>	<b>611,890</b>	<b>0</b>
+ Unit 1 Def Fed & State Income Taxes	(620,227)	(187,275)	(436,976)	0
<b>= Total Unit 1 Fed&amp;State Income Taxes</b>	<b>253,901</b>	<b>74,964</b>	<b>174,913</b>	<b>0</b>
<u>Proof of Federal Income Tax :</u>				
Total Unit 1 Monthly Power Bill	8,715,213	2,613,358	6,097,831	0
- Operation and Maintenance Expenses	5,600,310	1,680,093	3,920,217	0
- Depreciation Expense	1,620,063	486,019	1,134,044	0
- Taxes Other Than Federal Income Tax	217,955	65,387	152,568	0
- Unit 1 Interest Expense Deduction *	410,631	123,189	287,442	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)	0
<b>= Pre-Tax Book Income</b>	<b>875,004</b>	<b>261,295</b>	<b>609,685</b>	<b>0</b>
+ Unit 1 Schedule M Adjustments	1,626,531	487,959	1,138,572	0
<b>= Unit 1 Taxable Income</b>	<b>2,501,535</b>	<b>749,254</b>	<b>1,748,257</b>	<b>0</b>
x Current Federal Income Tax Rate	35%	35%	35%	35%
<b>= Unit 1 Current Federal Income Tax</b>	<b>874,129</b>	<b>262,239</b>	<b>611,890</b>	<b>0</b>
+ Unit 1 Def Fed & State Income Taxes	(624,251)	(187,275)	(436,976)	0
<b>= Total Unit 1 Fed&amp;State Income Taxes</b>	<b>249,878</b>	<b>74,964</b>	<b>174,914</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</u> <u>May, 2004</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	653,658,666
4	- Accumulated Depreciation	379,209,984
5	+ Materials & Supplies	34,521,668
6	+ Prepayments	28,504
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(34,858,807)
10	+ Unamortized Debt Expense (A/C 181)	4,432,265
11	- Other Deferred Credits (A/C 253)	103,618,438
12	- Accumulated Deferred FIT	35,453,533
13	- Accumulated Deferred ITC	48,476,976
14	Total Net In-Service Investment	<u>91,023,366</u>
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	20,352,362
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	<u>20,352,362</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) **	2,681,354
23	+ Fuel Inventory Over Allowed Level ****	24,540,187
24	Total Non-In-Service Investment - Other	<u>28,362,217</u>
25	Total Investment (Lines 14+19+24)	<u>139,737,945</u> =====
26	Operating Ratio (Line 14/Line 25)	65.1386%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	14.5647%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	20.2967%
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 May, 2004</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	591,019,000
4	- Accumulated Depreciation	329,152,605
5	+ Materials & Supplies	17,188,886
6	+ Prepayments	14,252
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	(3,214,720)
10	+ Unamortized Debt Expense (A/C 181)	2,216,133
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	67,414,378
13	- Accumulated Deferred ITC	11,836,372
14	Total Unit 1 Net In-Service Investment	198,820,197
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	62,639,666
17	- Accumulated Depreciation	50,057,378
18	+ Materials & Supplies	17,332,781
19	+ Prepayments	14,252
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(31,644,087)
23	+ Unamortized Debt Expense (A/C 181)	2,216,133
24	- Other Deferred Credits (A/C 253)	103,618,438
25	- Accumulated Deferred FIT	(31,960,845)
26	- Accumulated Deferred ITC	36,640,604
27	Total Unit 2 Net In-Service Investment	(107,796,830)
28	Total Net In-Service Investment	91,023,366
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 ( Line 14 / Line 28 )	218.4300%
31	Unit 2 ( Line 27 / Line 28 )	-118.4300%
		100.0000%
	* As Permitted By FERC	
	** Accounts 128, 131, 135, 143, 146, 171 and 174, Less Accounts 232-234, 236, 237, 238, 241 and 242	

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

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<u>Line No.</u>		<u>UNIT 1 May, 2004</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	44,813,787
3	+ Short-Term Debt	15,887,496
4	+ Preferred Stock	0
5	+ Common Equity	46,995,301
6	- Temporary Cash Investments	0
7	Net Capitalization	107,696,584 =====
8	40% of Net Capitalization	43,078,634
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	43,078,634
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	436,529
13	x Operating Ratio	65.1386%
14	x Net In-Service Investment Ratio	218.4300%
15	= Subtotal	621,103
16	Excess of Line 5 Over Line 8	3,916,667
17	x Weighted Cost of Debt (Monthly Rate)	0.3200%
18	= Return on Equity over 40% of Capitalization	12,533
19	x Operating Ratio	65.1386%
20	x Net In-Service Investment Ratio	218.4300%
21	= Subtotal	17,833
22	Unit 1 Return on Equity (Line 15 + Line 21)	638,936 =====
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)	42,232
26	+ Other Interest Expense (a/c 428-431)	56,902
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	276,070
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	276,070
31	x Operating Ratio	65.1386%
32	x Net In-Service Investment Ratio	218.4300%
33	= Unit 1 Return on Other Capital	392,798 =====

\* 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>May, 2004</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,813,787
3	+ Short-Term Debt	15,887,496
4	+ Other Debt	0
5	Total Debt Balances (Prior Month Ending)	60,701,283
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt	73.8268%
8	+ Short-Term Debt	26.1732%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt	4.6615%
13	Short-Term Debt	1.2884%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt	3.4414%
17	+ Short-Term Debt	0.3372%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	3.7786%

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

<u>Line No.</u>	<u>UNIT 1</u>	<u>May, 2004</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	10,660,105
3	Fuel Stock Expenses - Undistributed (152)	613,121
4	Fuel Stock - Oil (151.20)	529,202
5	Plant Materials & Operating Supplies	5,386,459
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	17,188,886
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	23,002,146
11	+ Equivalent Inventory re: Deferred Return	0
12	= Imputed Coal Inventory	23,002,146
13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed	2,243,428
15	/ Hours Available *	7142.90
16	= Tons Consumed per Hour	314.08
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7537.92
19	x 68 days	68
20	= 68 day Supply (Tons)	512,579
21	x Coal Cost per Ton (151.10 at End of Prior Month)	20.797
22	= 68 day Coal Inventory	10,660,105
23	Lesser of Imputed or Capped Coal Inventory	10,660,105
24	Imputed Inventory Minus Line 23	12,342,041
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	57,047,037
27	+ Current Month Return on Beginning Balance	497,352
28	+ Current Month Deferral	92,924
29	- Current Month Recovery	0
30	= Ending Balance **	57,637,313

\* Excludes Forced Outages, Scheduled Outages, and Curtailments

\*\* May Not Be Less Than Zero

AEP GENERATING COMPANY  
 ROCKPORT POWER BILL  
DETAIL OF OTHER OPERATING REVENUES

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1 May, 2004</u>
1	450	Forfeited Discounts	0
2	451	Miscellaneous Service Revenues	0
3	453	Sales of Water and Water Power	0
4	454.10	Rent From Electric Property - Associated Companies	0
5	454.20	Rent From Electric Property - Non-Associated Companies	0
6	455	Interdepartmental Rents	0
7	456	Other Electric Revenues	(8,750)
8	411.8	Proceeds/gains From Sale of Emission Allowances	0
9		Total Other Operating Revenues	<hr/> (8,750) =====



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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>May, 2004</u>
1	500,502-509	Steam Power Generation - Operation	202,369
2	501	Fuel - Operation	4,791,520
3	510-515	Steam Power Generating - Maintenance	402,457
4		Total Steam Power Generation Expenses	5,396,345
5	555-557	Other Power Supply Expenses	1,256
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	197,394
16	935	Administrative and General Expenses - Maintenance	5,314
17		Total Administrative & General Exp.	202,709
18		Total Operation & Maintenance Expenses	5,600,310

**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>May, 2004</u>
1	403	Depreciation Expense	1,580,927
2	404	Amortization of Limited-Term Electric Plant	39,135
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	1,620,063 =====

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>May, 2004</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	107,705
2	409.1	State Income Taxes	110,250
3		Total Taxes Other than FIT	<u>217,955</u> =====

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

UNIT 1  
 May, 2004

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	(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	1,634,031	490,209	1,143,822	0
6		Total Unit 1 Schedule 'M' Adjustments	<u>1,626,531</u>	<u>487,959</u>	<u>1,138,572</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	(3,277)	(983)	(2,294)	0
14	411.1	Feedback of Accumulated DFIT re: Other Schedule 'M' Adj.-Utility	(550,404)	(165,121)	(385,283)	0
15		Total Unit 1 Deferred Federal and State Income Tax	<u>(620,227)</u>	<u>(187,275)</u>	<u>(436,976)</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</u> <u>May, 2004</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	586,856,216
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	4,162,784
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	591,019,000
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	327,386,249
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	1,766,356
17	115	Accumulated Provision for Amortization of Electric Plant Acquisition Adjustments	0
18	119	Accumulated Provision for Depreciation and Amortization of Other Utility Plant	0
19		Total Accumulated Depreciation	329,152,605
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	11,189,307
22	152	Fuel Stock Expenses - Undistributed	613,121
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	5,386,459
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)	17,188,886
29	165	Prepayments	14,252
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>Account</u>	<u>Description *</u>	<u>UNIT 1</u> <u>May, 2004</u>
<u>No.</u>	<u>No.</u>		
1	128	Other Special Funds	0
2	131	Cash	0
3	135	Other Intra Company Adjustments	0
4	143	Accounts Receivable-Miscellaneous	0
5	146	Accounts Receivable-Associated Company	9,655,163
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(181,051)
9	234	Accounts Payable-Associated Company	(6,579,659)
10	236	Taxes Accrued	(5,744,154)
11	237	Interest Accrued	(303,750)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	(61,269)
15		Total Other Working Capital	(3,214,720)
			=====
16	181	Unamortized Debt Expense	2,216,133
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>May, 2004</u>
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	3,933,287
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	70,579,820
35	283	+Accumulated Deferred Income Taxes - Other	767,845
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<hr/> 67,414,378 <hr/>
37	255	+Accumulated Deferred Investment Tax Credits	11,836,372
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<hr/> 11,836,372 <hr/>
40		Total Net In-Service Investment - Unit 1	<hr/> 198,820,197 <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>May, 2004</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	20,352,362
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	20,352,362
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,140,676
19	186	Other Deferred Debits	2,681,354
20	151.10	Fuel Inventory Over Allowed Level *	24,540,187
21		Total Non-In-Service Investment - Other	28,362,217
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	12,342,041
		UNIT 2	12,198,146
		TOTAL	24,540,187



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

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**UNIT 1  
May, 2004**

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>COMMON CAPITAL STOCK</u>	
2	201	Common Stock Issued	1,000,000
3	202	Common Stock Subscribed	0
4	203	Common Stock Liability for Conversion	0
5	209	Reduction In Par or Stated Value of Capital Stock	0
6	210	Gain on Resale or Cancellation of Reacquired Capital Stock	0
7	212	Installments Received on Capital Stock	0
8	214	Capital Stock Expense	0
9	217	Reacquired Capital Stock	0
10		Total Common Capital Stock	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	22,561,301
21		Total Retained Earnings	22,561,301
22		Total Common Equity	46,995,301
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)

UNIT 1  
May, 2004

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
28		<u>LONG-TERM DEBT</u>	
29	221	Bonds	0
30	222	Reacquired Bonds	0
31	223	Advances from Associated Companies	0
32	224	Other Long-Term Debt	45,000,000
33	225	Unamortized Premium on Long-Term Debt-Credit	0
34	226	Unamortized Discount on Long-Term Debt-Debit	(186,213)
35		Total Long-Term Debt	44,813,787
		<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)	15,887,496
38		Total Short-Term Debt	15,887,496
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	107,696,584

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

<u>Line No.</u>		<u>UNIT 1</u> <u>May, 2004</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,813,787
3	+ Short-Term Debt	15,887,496
4	+ Preferred Stock	0
5	+ Common Equity	46,995,301
6	- Capitalization Offsets	0
7	Total Capitalization Balances	107,696,584
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt	41.6111%
10	+ Short-Term Debt	14.7521%
11	+ Preferred Stock	0.0000%
12	+ Common Equity	43.6368%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt	4.6615%
17	Short-Term Debt	1.2884%
18	Preferred Stock	0.0000%
19	Common Equity	12.1600%
20	Capitalization Offsets	3.7786%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt	1.9397%
23	+ Short-Term Debt	0.1901%
24	+ Preferred Stock	0.0000%
25	+ Common Equity	5.3062%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	7.4360%
		=====
28	Weighted Net Cost of Debt	2.1298%
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.1634%
30	= Rate of Return (Pre-Tax)	10.2932%
		=====

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

500	SUPERVISION AND ENGINEERING	52,340
501	FUEL	4,791,520
502	STEAM EXPENSES	39,240
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	55,016
506	MISC. STEAM POWER EXPENSES	55,758
507	RENTS	15
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	0

TOTAL OPERATION EXPENSE 4,993,888

510	MAINTENANCE SUPER. AND ENGINEERING	46,517
511	MAINTENANCE OF STRUCTURES	23,060
512	MAINTENANCE OF BOILER PLANT	237,575
513	MAINTENANCE OF ELECTRIC PLANT	82,245
514	MAINTENANCE OF MISC. STEAM PLANT	13,061
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 402,457

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	0
557	OTHER POWER SUPPLY EXPENSES	1,256

TOTAL OTHER SUPPLY EXPENSES 1,256

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	366
CURRENT YEAR IS	2004
CURRENT MONTH IS	5
THIS BILLING IS FOR MONTH OF	May, 2004

## A E P GENERATING COMPANY

May, 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	45,623
921	OFFICE SUPPLIES AND EXPENSES	7,314
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	71,511
924	PROPERTY INSURANCE	17,244
925	INJURIES AND DAMAGES	5,883
926	EMPLOYEE PENSIONS AND BENEFITS	49,524
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	202
931	RENTS	93
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	197,394
935	MAINTENANCE OF GENERAL PLANT	5,314
	TOTAL ADM & GEN EXPENSES	202,709
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	5,600,310
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	5,600,310
	————DIFFERENCE————	0