

**AEP GENERATING COMPANY
ONE RIVERSIDE PLAZA, COLUMBUS, OH 43215
TELEPHONE (614) 716-3724**

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

**ESTIMATE
08-Nov-04**

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

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
ENERGY DELIVERED FOR THE MONTH OF October, 2004
KWH FOR THE MONTH 112,376,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	281,677
Return on Other Capital	120,449
Total Return	402,126
Fuel	1,586,119
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	262,549
Depreciation Expense	488,973
Taxes Other Than Federal Income Tax	22,555
Federal Income Tax	124,681
TOTAL CURRENT UNIT POWER BILL	2,884,378
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses	(6,862)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(6,862)
TOTAL UNIT POWER BILL	2,877,516

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE ---

November 22, 2004

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

October, 2004

08-Nov-04

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	938,924	281,677	657,247
Return on Other Capital	401,498	120,449	281,049
Total Return	1,340,422	402,126	938,296
+ Fuel	5,287,062	1,586,119	3,700,943
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	875,163	262,549	612,614
+ Depreciation Expense	1,629,912	488,973	1,140,939
+ Taxes Other Than Federal Income Tax	75,183	22,555	52,628
+ Federal and State Income Tax	419,627	124,681	290,922
= Total Unit 1 Monthly Power Bill	9,618,619	2,884,378	6,730,217
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,340,422	402,126	938,296
+ Unit 1 Schedule M Adjustments	1,647,509	494,253	1,153,256
+ Unit 1 Deferred Federal Income Taxes	(620,179)	(187,261)	(436,942)
- Unit 1 Interest Expense Deduction *	432,657	129,797	302,860
= Subtotal	1,935,094	579,320	1,351,750
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	1,039,807	311,942	727,865
+ Unit 1 Def Fed & State Income Taxes	(620,179)	(187,261)	(436,942)
= Total Unit 1 Fed&State Income Taxes	419,627	124,681	290,922
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	9,618,619	2,884,378	6,730,217
- Operation and Maintenance Expenses	6,162,225	1,848,668	4,313,557
- Depreciation Expense	1,629,912	488,973	1,140,939
- Taxes Other Than Federal Income Tax	75,183	22,555	52,628
- Unit 1 Interest Expense Deduction *	432,657	129,797	302,860
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,327,392	397,010	926,358
+ Unit 1 Schedule M Adjustments	1,647,509	494,253	1,153,256
= Unit 1 Taxable Income	2,974,901	891,263	2,079,614
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	1,039,807	311,942	727,865
+ Unit 1 Def Fed & State Income Taxes	(624,203)	(187,261)	(436,942)
= Total Unit 1 Fed&State Income Taxes	415,604	124,681	290,923

* From Page 5 of 18 : Line 21 + (Line 28 x Line 31 x Line 32)

AEP GENERATING COMPANY
 ROCKPORT POWER BILL
OPERATING RATIO

<u>Line No.</u>		<u>UNIT 1</u> <u>October, 2004</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	669,824,158
4	- Accumulated Depreciation	387,605,761
5	+ Materials & Supplies	34,808,836
6	+ Prepayments	10,689
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital ***	(25,403,354)
10	+ Unamortized Debt Expense (A/C 181)	4,339,605
11	- Other Deferred Credits (A/C 253)	101,297,208
12	- Accumulated Deferred FIT	37,846,257
13	- Accumulated Deferred ITC	47,087,431
14	Total Net In-Service Investment	109,743,277
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	5,347,679
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	5,347,679
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) **	1,345,965
23	+ Fuel Inventory Over Allowed Level ****	(3,878,191)
24	Total Non-In-Service Investment - Other	(1,391,550)
25	Total Investment (Lines 14+19+24)	113,699,407
26	Operating Ratio (Line 14/Line 25)	96.5205%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	4.7033%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-1.2238%
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 October, 2004</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	597,339,051
4	- Accumulated Depreciation	331,765,877
5	+ Materials & Supplies	19,343,513
6	+ Prepayments	5,345
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	29,208,253
10	+ Unamortized Debt Expense (A/C 181)	2,169,802
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	69,562,947
13	- Accumulated Deferred ITC	11,267,652
14	Total Unit 1 Net In-Service Investment	<u>235,469,488</u>
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	72,485,107
17	- Accumulated Depreciation	55,839,884
18	+ Materials & Supplies	15,465,323
19	+ Prepayments	5,345
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(54,611,606)
23	+ Unamortized Debt Expense (A/C 181)	2,169,802
24	- Other Deferred Credits (A/C 253)	101,297,208
25	- Accumulated Deferred FIT	(31,716,690)
26	- Accumulated Deferred ITC	35,819,779
27	Total Unit 2 Net In-Service Investment	<u>(125,726,210)</u>
28	Total Net In-Service Investment	<u>109,743,277</u> =====
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	214.5600%
31	Unit 2 (Line 27 / Line 28)	-114.5600%
		<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 October, 2004</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	44,817,438
3	+ Short-Term Debt	15,497,328
4	+ Preferred Stock	0
5	+ Common Equity	47,827,314
6	- Temporary Cash Investments	0
7	Net Capitalization	108,142,080
8	40% of Net Capitalization	43,256,832
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	43,256,832
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	438,334
13	x Operating Ratio	96.5205%
14	x Net In-Service Investment Ratio	214.5600%
15	= Subtotal	907,765
16	Excess of Line 5 Over Line 8	4,570,482
17	x Weighted Cost of Debt (Monthly Rate)	0.3292%
18	= Return on Equity over 40% of Capitalization	15,046
19	x Operating Ratio	96.5205%
20	x Net In-Service Investment Ratio	214.5600%
21	= Subtotal	31,159
22	Unit 1 Return on Equity (Line 15 + Line 21)	938,924
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)	12,061
26	+ Other Interest Expense (a/c 428-431)	4,875
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	193,872
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	193,872
31	x Operating Ratio	96.5205%
32	x Net In-Service Investment Ratio	214.5600%
33	= Unit 1 Return on Other Capital	401,498
	* 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 October, 2004</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,817,438
3	+ Short-Term Debt	15,497,328
4	+ Other Debt	0
5	Total Debt Balances (Prior Month Ending)	60,314,766
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt	74.3059%
8	+ Short-Term Debt	25.6941%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt	4.6611%
13	Short-Term Debt	1.6471%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt	3.4635%
17	+ Short-Term Debt	0.4232%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	3.8867%

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>October, 2004</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	12,481,299
3	Fuel Stock Expenses - Undistributed (152)	442,398
4	Fuel Stock - Oil (151.20)	645,816
5	Plant Materials & Operating Supplies	5,774,001
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	19,343,513
		=====
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	8,603,108
11	+ Equivalent Inventory re: Deferred Return	6,787,451,954
12	= Imputed Coal Inventory	6,796,055,062

13	<u>Coal Inventory W/68 Day Supply Cap</u>	
14	Tons Consumed	2,243,428
15	/ Hours Available *	7142.90
16	= Tons Consumed per Hour	314.08
17	x 24 Hours per Day	24
18	= Tons Consumed Per Day	7537.92
19	x 68 days	68
20	= 68 day Supply (Tons)	512,579
21	x Coal Cost per-Ton (per a/c 151.10 at End of Prior Month)	24.350
22	= 68 day Coal Inventory	12,481,299

23	Lesser of Imputed or Capped Coal Inventory	12,481,299
24	Imputed Inventory Minus Line 23	6,783,573,763
		=====
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	59,500,714
27	+ Current Month Return on Beginning Balance	526,213
28	+ Current Month Deferral	0
29	- Current Month Recovery	30,100
30	= Ending Balance **	59,996,827
		=====

* 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</u> <u>October, 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 style="width: 100%;"/> <u>(8,750)</u> =====

**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 October, 2004</u>
1	500,502-509	Steam Power Generation - Operation	231,225
2	501	Fuel - Operation	5,287,062
3	510-515	Steam Power Generating - Maintenance	406,188
4		Total Steam Power Generation Expenses	5,924,476
5	555-557	Other Power Supply Expenses	1,392
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	226,285
16	935	Administrative and General Expenses - Maintenance	10,073
17		Total Administrative & General Exp.	236,358
18		Total Operation & Maintenance Expenses	6,162,225

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

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			UNIT 1
			<u>October, 2004</u>
<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	
1	403	Depreciation Expense	1,589,675
2	404	Amortization of Limited-Term Electric Plant	40,236
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	1,629,912 =====

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>October, 2004</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	119,983
2	409.1	State Income Taxes	(44,800)
3		Total Taxes Other than FIT	<hr style="width: 100%;"/> 75,183 =====

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

UNIT 1
 October, 2004

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>TOTAL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>	<u>I&M SHARE</u>
1		<u>Unit 1 Schedule 'M' Adjustments*</u>				
2	N/A	Excess ACRS Over Normalization Base Depreciation	(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	1,655,009	496,503	1,158,506	0
6		Total Unit 1 Schedule 'M' Adjustments	<u>1,647,509</u>	<u>494,253</u>	<u>1,153,256</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	(550,356)	(165,107)	(385,249)	0
15		Total Unit 1 Deferred Federal and State Income Tax	<u>(620,179)</u>	<u>(187,261)</u>	<u>(436,942)</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 October, 2004</u>
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	588,053,862
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	9,285,189
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	597,339,051
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	329,826,789
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	1,939,089
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	331,765,877
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	13,127,115
22	152	Fuel Stock Expenses - Undistributed	442,398
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	5,774,001
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)	19,343,513
29	165	Prepayments	5,345
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>UNIT 1</u>
<u>No.</u>	<u>No.</u>	<u>October, 2004</u>
	<u>Description *</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	10,919,480
6	171 Interest and Dividends Receivable	0
7	174 Miscellaneous Current and Accrued Assets	0
8	232 Accounts Payable-General	(271,417)
9	234 Accounts Payable-Associated Company	(6,525,529)
10	236 Taxes Accrued	(5,377,312)
11	237 Interest Accrued	(227,813)
12	238 Dividends Declared	0
13	241 Tax Collections Payable	0
14	242 Misc Current and Accrued Liabilities	30,690,843
15	Total Other Working Capital	29,208,253
		=====
16	181 Unamortized Debt Expense	2,169,802
17	253 Other Deferred Credits	0

* debit <credit>

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

UNIT 1
October, 2004

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	415,324
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	69,262,578
35	283	+Accumulated Deferred Income Taxes - Other	715,693
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	69,562,947
37	255	+Accumulated Deferred Investment Tax Credits	11,267,652
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	11,267,652
40		Total Net In-Service Investment - Unit 1	235,469,488

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

UNIT 1

October, 2004

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	5,347,679
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	5,347,679
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,140,676
19	186	Other Deferred Debits	1,345,965
20	151.10	Fuel Inventory Over Allowed Level *	(3,878,191)
21		Total Non-In-Service Investment - Other	(1,391,550)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(3,878,191)
		UNIT 2	0
		TOTAL	(3,878,191)

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

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**UNIT 1
October, 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	23,393,314
21		Total Retained Earnings	23,393,314
22		Total Common Equity	47,827,314
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	0

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

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>October, 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	(182,562)
35		Total Long-Term Debt	<u>44,817,438</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)	15,497,328
38		Total Short-Term Debt	<u>15,497,328</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>108,142,080</u> =====

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

<u>Line No.</u>		<u>UNIT 1</u> <u>October, 2004</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,817,438
3	+ Short-Term Debt	15,497,328
4	+ Preferred Stock	0
5	+ Common Equity	47,827,314
6	- Capitalization Offsets	0
7	Total Capitalization Balances	108,142,080
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt	41.4431%
10	+ Short-Term Debt	14.3305%
11	+ Preferred Stock	0.0000%
12	+ Common Equity	44.2264%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt	4.6611%
17	Short-Term Debt	1.6471%
18	Preferred Stock	0.0000%
19	Common Equity	12.1600%
20	Capitalization Offsets	3.8867%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt	1.9317%
23	+ Short-Term Debt	0.2360%
24	+ Preferred Stock	0.0000%
25	+ Common Equity	5.3779%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	7.5456%
		=====
28	Weighted Net Cost of Debt	2.1677%
29	+ Pre-Tax Common Equity (Line 25 / .65)	8.2737%
30	= Rate of Return (Pre-Tax)	10.4414%
		=====

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

500	SUPERVISION AND ENGINEERING	75,473
501	FUEL	5,287,062
502	STEAM EXPENSES	55,806
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	57,515
506	MISC. STEAM POWER EXPENSES	42,431
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCÉS	0

TOTAL OPERATION EXPENSE 5,518,287

510	MAINTENANCE SUPER. AND ENGINEERING	51,309
511	MAINTENANCE OF STRUCTURES	19,869
512	MAINTENANCE OF BOILER PLANT	238,957
513	MAINTENANCE OF ELECTRIC PLANT	68,046
514	MAINTENANCE OF MISC. STEAM PLANT	28,007
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 406,188

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	0
557	OTHER POWER SUPPLY EXPENSES	1,392

TOTAL OTHER SUPPLY EXPENSES 1,392

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 10
 THIS BILLING IS FOR MONTH OF October, 2004

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	35,212
921	OFFICE SUPPLIES AND EXPENSES	8,104
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	100,369
924	PROPERTY INSURANCE	20,548
925	INJURIES AND DAMAGES	13,513
926	EMPLOYEE PENSIONS AND BENEFITS	38,874
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	9,597
931	RENTS	68
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	226,285
935	MAINTENANCE OF GENERAL PLANT	10,073
	TOTAL ADM & GEN EXPENSES	236,358
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	6,162,225
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	6,162,225
	————DIFFERENCE————	0