

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-Oct-04

UNIT 1
POWER BILL - - September, 2004

IN ACCORDANCE WITH POWER AGREEMENT DATED OCTOBER 1, 1984 (AS AMENDED)
 ENERGY DELIVERED FOR THE MONTH OF September, 2004
 KWH FOR THE MONTH 122,956,000

<u>SUMMARY</u>	<u>TOTAL</u>
Current Month Bill:	
Return on Common Equity	274,823
Return on Other Capital	111,814
Total Return	386,637
Fuel	1,684,566
Purchased Power	0
Other Operating Revenues	(2,625)
Other Operation and Maintenance Exp	240,770
Depreciation Expense	489,638
Taxes Other Than Federal Income Tax	58,717
Federal Income Tax	132,446
TOTAL CURRENT UNIT POWER BILL	2,990,149
Prior Month's Adjustment:	
Return on Common Equity & Other Capital	0
Fuel Expense	0
Other Expenses	(663)
TOTAL PRIOR MONTH'S ADJUSTMENTS	(663)
TOTAL UNIT POWER BILL	2,989,486

AMOUNTS WILL BE PAID DIRECT FROM GENERAL FUNDS.

DUE DATE - - -

October 19, 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

September, 2004

07-Oct-04

	<u>TOTAL UNIT 1 POWER BILL</u>	<u>KPCO SHARE</u>	<u>I&M SHARE</u>
Return on Common Equity	916,077	274,823	641,254
Return on Other Capital	372,713	111,814	260,899
Total Return	1,288,790	386,637	902,153
+ Fuel	5,615,220	1,684,566	3,930,654
+ Purchased Power	0	0	0
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
+ Other Operation and Maintenance Exp	802,567	240,770	561,797
+ Depreciation Expense	1,632,125	489,638	1,142,487
+ Taxes Other Than Federal Income Tax	195,723	58,717	137,006
+ Federal and State Income Tax	445,512	132,446	309,042
= Total Unit 1 Monthly Power Bill	9,971,186	2,990,149	6,977,013
<u>Determination of Federal Income Tax :</u>			
Total Return (Line 3)	1,288,790	386,637	902,153
+ Unit 1 Schedule M Adjustments	1,649,041	494,712	1,154,329
+ Unit 1 Deferred Federal Income Taxes	(606,242)	(183,080)	(427,186)
- Unit 1 Interest Expense Deduction *	374,305	112,292	262,013
= Subtotal	1,957,283	585,977	1,367,282
x Gross-Up (FIT Rate / 1-FIT Rate)	0.538462	0.538462	0.538462
= Unit 1 Current Federal Income Tax	1,051,755	315,526	736,229
+ Unit 1 Def Fed & State Income Taxes	(606,242)	(183,080)	(427,186)
= Total Unit 1 Fed&State Income Taxes	445,512	132,446	309,042
<u>Proof of Federal Income Tax :</u>			
Total Unit 1 Monthly Power Bill	9,971,186	2,990,149	6,977,013
- Operation and Maintenance Expenses	6,417,787	1,925,336	4,492,451
- Depreciation Expense	1,632,125	489,638	1,142,487
- Taxes Other Than Federal Income Tax	195,723	58,717	137,006
- Unit 1 Interest Expense Deduction *	374,305	112,292	262,013
- Other Operating Revenues	(8,750)	(2,625)	(6,125)
= Pre-Tax Book Income	1,359,997	406,791	949,182
+ Unit 1 Schedule M Adjustments	1,649,041	494,712	1,154,329
= Unit 1 Taxable Income	3,009,038	901,503	2,103,511
x Current Federal Income Tax Rate	35%	35%	35%
= Unit 1 Current Federal Income Tax	1,051,755	315,526	736,229
+ Unit 1 Def Fed & State Income Taxes	(610,266)	(183,080)	(427,186)
= Total Unit 1 Fed&State Income Taxes	441,489	132,446	309,043

* 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 September, 2004</u>
1	<u>Operating Ratio:</u>	
2	<u>Net In-Service Investment:</u>	
3	Electric Plant In-Service	669,899,152
4	- Accumulated Depreciation	383,160,400
5	+ Materials & Supplies	34,831,756
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 ***	(18,280,390)
10	+ Unamortized Debt Expense (A/C 181)	4,358,137
11	- Other Deferred Credits (A/C 253)	101,761,454
12	- Accumulated Deferred FIT	38,071,259
13	- Accumulated Deferred ITC	47,365,340
14	Total Net In-Service Investment	120,464,453
15	<u>Non-In-Service Investment - CWIP :</u>	
16	Construction Work In Progress	4,989,761
17	+ Materials & Supplies	0
18	- Accumulated Deferred FIT	0
19	Total Non-In-Service Investment - CWIP	4,989,761
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) **	1,597,789
23	+ Fuel Inventory Over Allowed Level ****	(2,983,566)
24	Total Non-In-Service Investment - Other	(245,101)
25	Total Investment (Lines 14+19+24)	125,209,114
26	Operating Ratio (Line 14/Line 25)	96.2106%
27	Non-In-Service Investment-CWIP Ratio (Line 19/Line 25)	3.9851%
28	Non-In-Service Investment-Other Ratio (Line 24/Line 25)	-0.1957%
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

<u>Line No.</u>		<u>UNIT 1</u> <u>September, 2004</u>
1	<u>Net In-Service Investment Ratio:</u>	
2	Unit 1 Net In-Service Investment:	
3	Electric Plant In-Service	597,621,334
4	- Accumulated Depreciation	327,954,620
5	+ Materials & Supplies	18,907,661
6	+ Prepayments	7,126
7	+ Plant Held For Future Use (A/C 105) *	0
8	+ Other Deferred Debits (A/C 186) *	0
9	+ Other Working Capital **	32,769,735
10	+ Unamortized Debt Expense (A/C 181)	2,179,068
11	- Other Deferred Credits (A/C 253)	0
12	- Accumulated Deferred FIT	70,182,710
13	- Accumulated Deferred ITC	11,381,396
14	Total Unit 1 Net In-Service Investment	241,966,198
15	Unit 2 Net In-Service Investment:	
16	Electric Plant In-Service	72,277,817
17	- Accumulated Depreciation	55,205,780
18	+ Materials & Supplies	15,924,095
19	+ Prepayments	7,126
20	+ Plant Held For Future Use (A/C 105) *	0
21	+ Other Deferred Debits (A/C 186) *	0
22	+ Other Working Capital **	(51,050,124)
23	+ Unamortized Debt Expense (A/C 181)	2,179,068
24	- Other Deferred Credits (A/C 253)	101,761,454
25	- Accumulated Deferred FIT	(32,111,451)
26	- Accumulated Deferred ITC	35,983,944
27	Total Unit 2 Net In-Service Investment	(121,501,745)
28	Total Net In-Service Investment	120,464,453
29	<u>Net In-Service Investment Ratio:</u>	
30	Unit 1 (Line 14 / Line 28)	200.8600%
31	Unit 2 (Line 27 / Line 28)	-100.8600%
		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 September, 2004</u>
1	<u>Net Capitalization:</u>	
2	Long-Term Debt	44,816,708
3	+ Short-Term Debt	24,946,807
4	+ Preferred Stock	0
5	+ Common Equity	46,984,558
6	- Temporary Cash Investments	0
7	Net Capitalization	116,748,074 =====
8	40% of Net Capitalization	46,699,229
9	<u>Return on Common Equity:</u>	
10	Lesser of Line 5 or Line 8	46,699,229
11	x Equity Return (Monthly Rate)	1.01333%
12	= Equity Return	473,217
13	x Operating Ratio	96.2106%
14	x Net In-Service Investment Ratio	200.8600%
15	= Subtotal	914,485
16	Excess of Line 5 Over Line 8	285,329
17	x Weighted Cost of Debt (Monthly Rate)	0.2887%
18	= Return on Equity over 40% of Capitalization	824
19	x Operating Ratio	96.2106%
20	x Net In-Service Investment Ratio	200.8600%
21	= Subtotal	1,592
22	Unit 1 Return on Equity (Line 15 + Line 21)	916,077 =====
23	<u>Return on Other Capital:</u>	
24	Long-Term Debt Interest Expense (a/c 427)	171,229
25	+ Short-Term Debt Interest Expense (a/c 430)	13,361
26	+ Other Interest Expense (a/c 428-431)	8,277
27	- Temporary Cash Investment Income *	0
28	= Net Interest Expense	192,867
29	+ Preferred Stock Dividends (a/c 437)	0
30	= Net Cost of Other Capital	192,867
31	x Operating Ratio	96.2106%
32	x Net In-Service Investment Ratio	200.8600%
33	= Unit 1 Return on Other Capital	372,713 =====

* 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 September, 2004</u>
1	<u>Debt Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,816,708
3	+ Short-Term Debt	24,946,807
4	+ Other Debt	0
5	Total Debt Balances (Prior Month Ending)	69,763,515
		=====
6	<u>Weighting of Debt Balances :</u>	
7	Long-Term Debt	64.2409%
8	+ Short-Term Debt	35.7591%
9	+ Other Debt	0.0000%
10	Total Debt Balances	100.0000%
		=====
11	<u>Debt Cost Rates :</u>	
12	Long-Term Debt	4.6612%
13	Short-Term Debt	1.4753%
14	Other Debt	0.0000%
15	<u>Weighted Cost of Debt :</u>	
16	Long-Term Debt	2.9944%
17	+ Short-Term Debt	0.5276%
18	+ Other Debt	0.0000%
19	Total Weighted Cost of Debt	3.5220%
		=====

**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>September, 2004</u>
1	<u>Unit 1 Materials and Supplies:</u>	
2	Fuel Stock - Coal (per Line 23)	12,002,037
3	Fuel Stock Expenses - Undistributed (152)	516,226
4	Fuel Stock - Oil (151.20)	705,624
5	Plant Materials & Operating Supplies	5,683,774
6	Merchandise	0
7	Undistributed Stores Expense	0
8	Total Materials & Supplies	18,907,661
9	<u>Support of Coal Inventory Value:</u>	
10	Actual Coal Inventory (a/c 151.10)	9,018,471
11	+ Equivalent Inventory re: Deferred Return	7,538,195,893
12	= Imputed Coal Inventory	7,547,214,364
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)	23.415
22	= 68 day Coal Inventory	12,002,037
23	Lesser of Imputed or Capped Coal Inventory	12,002,037
24	Imputed Inventory Minus Line 23	7,535,212,327
25	<u>Accumulated Deferred Inventory Return - Unit 1 (Memo Item):</u>	
26	Beginning Balance	59,056,389
27	+ Current Month Return on Beginning Balance	466,318
28	+ Current Month Deferral	0
29	- Current Month Recovery	21,993
30	= Ending Balance **	59,500,714

* 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 September, 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>September, 2004</u>
1	500,502-509	Steam Power Generation - Operation	206,957
2	501	Fuel - Operation	5,615,220
3	510-515	Steam Power Generating - Maintenance	448,625
4		Total Steam Power Generation Expenses	<u>6,270,802</u>
5	555-557	Other Power Supply Expenses	779
6	560-567.1	Transmission Expenses - Operation	0
7	568-574	Transmission Expenses - Maintenance	0
8		Total Transmission Expenses	<u>0</u>
9	580-589	Distribution Expenses - Operation	0
10	590-598	Distribution Expenses - Maintenance	0
11		Total Distribution Expenses	<u>0</u>
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	142,036
16	935	Administrative and General Expenses - Maintenance	4,170
17		Total Administrative & General Exp.	<u>146,206</u>
18		Total Operation & Maintenance Expenses	<u>6,417,787</u> =====

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

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			UNIT 1
			<u>September, 2004</u>
<u>Line</u>	<u>Account</u>	<u>Description</u>	
<u>No.</u>	<u>No.</u>		
1	403	Depreciation Expense	1,591,804
2	404	Amortization of Limited-Term Electric Plant	40,321
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	1,632,125
			=====

AEP GENERATING COMPANY
ROCKPORT POWER BILL
DETAIL OF TAXES OTHER THAN FEDERAL INCOME TAXES

<u>Line</u>	<u>Account</u>	<u>Description</u>	<u>UNIT 1</u>
<u>No.</u>	<u>No.</u>		<u>September, 2004</u>
BS1			
1	408.1	Taxes Other Than Federal Income Taxes, Utility Operating Income	109,223
2	409.1	State Income Taxes	86,500
3		Total Taxes Other than FIT	<hr style="border: none; border-top: 1px solid black;"/> 195,723 <hr style="border: none; border-top: 3px double black;"/>

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

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 UNIT 1
 September, 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	1,656,541	496,962	1,159,579	0
6		Total Unit 1 Schedule 'M' Adjustments	<u>1,649,041</u>	<u>494,712</u>	<u>1,154,329</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	(536,419)	(160,926)	(375,493)	0
15		Total Unit 1 Deferred Federal and State Income Tax	<u>(606,242)</u>	<u>(183,080)</u>	<u>(427,186)</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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UNIT 1

September, 2004

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	
1		<u>ELECTRIC PLANT IN SERVICE</u>	
2	101	Electric Plant In Service	588,057,395
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	9,563,939
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	<u>597,621,334</u>
12	105	Plant Held For Future Use	0
13		<u>ACCUMULATED DEPRECIATION</u>	
14	108	Accumulated Provision for Depreciation of Electric Utility Plant	326,055,200
15	110	Accumulated Provision for Depreciation and Amort. of Elec. Utility Plant	0
16	111	Accumulated Provision for Amortization of Electric Utility Plant	1,899,420
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	<u>327,954,620</u>
20		<u>MATERIAL AND SUPPLIES</u>	
21	151	Fuel Stock	12,707,661
22	152	Fuel Stock Expenses - Undistributed	516,226
23	153	Residuals	0
24	154	Plant Materials and Operating Supplies	5,683,774
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)	<u>18,907,661</u>
29	165	Prepayments	<u>7,126</u>
30	186	Other Deferred Debits	<u>0</u>

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>September, 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	10,759,749
6	171	Interest and Dividends Receivable	0
7	174	Miscellaneous Current and Accrued Assets	0
8	232	Accounts Payable-General	(203,138)
9	234	Accounts Payable-Associated Company	(6,446,748)
10	236	Taxes Accrued	(4,968,470)
11	237	Interest Accrued	(151,875)
12	238	Dividends Declared	0
13	241	Tax Collections Payable	0
14	242	Misc Current and Accrued Liabilities	33,780,216
15		Total Other Working Capital	32,769,735
			=====
16	181	Unamortized Debt Expense	2,179,068
17	253	Other Deferred Credits	0

* debit <credit>

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

<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	<u>Description</u>	<u>UNIT 1</u> <u>September, 2004</u>
31		<u>ACCUMULATED DEFERRED INCOME TAXES</u>	
32	190	-Accumulated Deferred Income Taxes	413,268
33	281	+Accumulated Deferred Income Taxes - Accelerated Amortization Property	0
34	282	+Accumulated Deferred Income Taxes - Other Property	69,869,537
35	283	+Accumulated Deferred Income Taxes - Other	726,441
36		Total Accumulated Deferred Income Taxes (In-Service Portion)	<u>70,182,710</u>
37	255	+Accumulated Deferred Investment Tax Credits	11,381,396
38	186.50	-Accumulated Deferred Investment Tax Credit	0
39		Total Accumulated Deferred Investment Tax Credits	<u>11,381,396</u>
40		Total Net In-Service Investment - Unit 1	<u>241,966,198</u> =====

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

UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 2004</u>
		<u>Non-In-Service Investment - CWIP</u>	
1	107	Construction Work In Process	4,989,761
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	4,989,761
		<u>Non-In-Service Investment - Other</u>	
18	105	Plant Held for Future Use	1,140,676
19	186	Other Deferred Debits	1,597,789
20	151.10	Fuel Inventory Over Allowed Level *	(2,983,566)
21		Total Non-In-Service Investment - Other	(245,101)
		* INCLUDES ROCKPORT 1 AND 2	
		UNIT 1	(2,983,566)
		UNIT 2	0
		TOTAL	(2,983,566)

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

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**UNIT 1
September, 2004**

<u>Line</u> <u>No.</u>	<u>Account</u> <u>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	22,550,558
21		Total Retained Earnings	22,550,558
22		Total Common Equity	46,984,558
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
DETAIL OF NET CAPITALIZATION (Cont'd)

UNIT 1

<u>Line No.</u>	<u>Account No.</u>	<u>Description</u>	<u>September, 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	(183,292)
35		Total Long-Term Debt	44,816,708
		<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)	24,946,807
38		Total Short-Term Debt	24,946,807
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	116,748,074

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

<u>Line No.</u>		<u>UNIT 1</u> <u>September, 2004</u>
1	<u>Capitalization Balances (Prior Month Ending) :</u>	
2	Long-Term Debt	44,816,708
3	+ Short-Term Debt	24,946,807
4	+ Preferred Stock	0
5	+ Common Equity	46,984,558
6	- Capitalization Offsets	0
7	Total Capitalization Balances	116,748,074
		=====
8	<u>Weighting of Capitalization Balances :</u>	
9	Long-Term Debt	38.3875%
10	+ Short-Term Debt	21.3681%
11	+ Preferred Stock	0.0000%
12	+ Common Equity	40.2444%
13	- Capitalization Offsets	0.0000%
14	Total Capitalization	100.0000%
		=====
15	<u>Capitalization Cost Rates :</u>	
16	Long-Term Debt	4.6612%
17	Short-Term Debt	1.4753%
18	Preferred Stock	0.0000%
19	Common Equity	12.1600%
20	Capitalization Offsets	3.5220%
21	<u>Rate of Return (Net of Tax) :</u>	
22	Long-Term Debt	1.7893%
23	+ Short-Term Debt	0.3152%
24	+ Preferred Stock	0.0000%
25	+ Common Equity	4.8937%
26	- Capitalization Offsets	0.0000%
27	Total Rate of Return (Net of Tax)	6.9982%
		=====
28	Weighted Net Cost of Debt	2.1045%
29	+ Pre-Tax Common Equity (Line 25 / .65)	7.5288%
30	= Rate of Return (Pre-Tax)	9.6333%
		=====

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

500	SUPERVISION AND ENGINEERING	44,849
501	FUEL	5,615,220
502	STEAM EXPENSES	39,562
503	STEAM FROM OTHER SOURCES	0
504	STEAM TRANSFERRED - CR	0
505	ELECTRIC EXPENSES	34,856
506	MISC. STEAM POWER EXPENSES	87,626
507	RENTS	0
508	OPERATION SUPPLIES AND EXPENSES	0
509	CARRYING CHARGES - ALLOWANCES	64
	TOTAL OPERATION EXPENSE	5,822,177

510	MAINTENANCE SUPER. AND ENGINEERING	39,560
511	MAINTENANCE OF STRUCTURES	30,782
512	MAINTENANCE OF BOILER PLANT	204,048
513	MAINTENANCE OF ELECTRIC PLANT	155,354
514	MAINTENANCE OF MISC. STEAM PLANT	18,880
515	MAINTENANCE NORMALIZING	0

TOTAL MAINTENANCE EXPENSES 448,625

555	PURCHASED POWER	0
556	SYSTEM CONTROL AND LOAD DISPATCHING	5
557	OTHER POWER SUPPLY EXPENSES	774

TOTAL OTHER SUPPLY EXPENSES 779

IS FUEL IN BALANCE
ON PAGE 2

AMOUNT MUST BE ZERO

0

NO OF DAYS IN CURRENT MO	30
NO OF DAYS IN CURRENT YEAR	366
CURRENT YEAR IS	2004
CURRENT MONTH IS	9
THIS BILLING IS FOR MONTH OF	September, 2004

A E P GENERATING COMPANY

September, 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	38,027
921	OFFICE SUPPLIES AND EXPENSES	10,626
922	ADMINISTRATIVE EXPENSES TRANSF - CR	0
923	OUTSIDE SERVICES	27,237
924	PROPERTY INSURANCE	20,548
925	INJURIES AND DAMAGES	13,291
926	EMPLOYEE PENSIONS AND BENEFITS	30,704
927	FRANCHISE REQUIREMENTS	0
928	REGULATORY COMMISSION	0
929	DUPLICATE CHARGES-CREDIT	0
930	MISCELLANEOUS GENERAL EXPENSES	1,327
931	RENTS	275
933	TRANSPORTATION EXPENSE	0
	TOTAL ADM & GEN EXPENSES OPERATION	142,036
935	MAINTENANCE OF GENERAL PLANT	4,170
	TOTAL ADM & GEN EXPENSES	146,206
	TOTAL AEG OPERATION & MAINTENANCE EXPENSES	6,417,787
	ACCOUNT 40190 TOTAL FOR CROSS FOOT	6,417,787
	——DIFFERENCE——	0