

**AMERICAN ELECTRIC POWER COMPANY, INC.
FINANCE COMMITTEE
OF THE BOARD OF DIRECTORS
CHARTER**

I. PURPOSE

The Finance Committee (the "Committee") shall be responsible for monitoring and reporting to the Board with respect to the capital requirements and financing plans and programs of AEP and its subsidiaries including, reviewing and making recommendations concerning the short and long-term financing plans and programs of AEP and its subsidiaries.

II. STRUCTURE AND OPERATIONS

Composition and Qualifications

The Committee shall be comprised of three or more members of the Board of Directors.

Appointment and Removal

The members of the Committee shall be appointed by the Board of Directors and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

Chairman

The Chairman shall be elected by the full Board of Directors. The Chairman shall be entitled to cast a vote to resolve any ties. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

III. MEETINGS

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Chairman of the Board or any member of the Committee may call meetings of the Committee. All meetings of the Committee may be held telephonically. All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, management of the corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

IV. RESPONSIBILITIES AND DUTIES

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should

serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in Section I of this Charter.

1. Review the financial condition of the Company and make recommendations as it considers appropriate concerning the short and long-term financing plans and programs of the Company and its subsidiaries,
2. Consider and provide recommendations to the Board on dividend policy, including the declaration and payment of dividends,
3. Review and approve the treasury policies of AEP and its subsidiaries (including the Corporate Financing Policy, the Treasury Interest Rate Risk Management Policy, the Treasury Foreign Currency Policy, the Treasury Liquidity Policy and the Short-Term Investment Policy),
4. Review the performance of the investments in the pension fund and other major benefit plans of the Company, and
5. Prepare such reports, plans or recommendations as it may consider appropriate.