

**AMERICAN ELECTRIC POWER**  
**Condensed Consolidated Statement of Cash Flows**  
**Preliminary, unaudited results**  
**6 Months ended June 30,**

	QTD		Year-to-Date	
	2004	2004	2004	2003
(\$ millions)				
<b>Operating Activities</b>				
<b>Net Income -- Reported</b>	<b>\$ 100</b>	<b>\$ 382</b>	<b>\$ 615</b>	
Discontinued Operations (1)	51	58	48	
<b>Continuing Earnings</b>	<b>151</b>	<b>440</b>	<b>663</b>	
Depreciation, Amortization & Deferred Taxes	447	716	688	
Cumulative Effect of Accounting Changes (2)	-	-	(193)	
Impairments	-	-	-	
Changes in Mark-to-Market	109	50	(33)	
Changes in Components of Working Capital (3)	(380)	(68)	(253)	
Other Assets & Liabilities (4)	35	124	(22)	
<b>Cash Flow from Operations</b>	<b>362</b>	<b>1,262</b>	<b>850</b>	
<b>Investing Activities</b>				
Capital Expenditures	(388)	(697)	(639)	
Investment in UK Discontinued Ops (net)	-	-	(724)	
Investment in Other Discontinued Ops (net)	(7)	-	8	
Change in Cash Deposits, net	(65)	(2)	23	
Assets Sales Proceeds & Other Inv (net)	76	124	44	
<b>Cash (Used) by Investing Activities</b>	<b>(384)</b>	<b>(575)</b>	<b>(1,288)</b>	
<b>Financing Activities</b>				
Common Shares Issued	1	11	1,142	
Long-term Debt Issuances/(Retirements)	(382)	(723)	2,065	
Short-term Debt Increase/(Decrease), net	291	188	(2,218)	
Other Financing	-	-	(225)	
Dividends Paid	(139)	(277)	(342)	
Preferred Stock Retirement	-	(4)	(2)	
<b>Cash (Used for) Financing</b>	<b>(229)</b>	<b>(805)</b>	<b>420</b>	
<b>Cash From Continuing Operations</b>	<b>\$ (251)</b>	<b>\$ (118)</b>	<b>\$ (18)</b>	
Beginning Cash & Cash Equivalent Balances	1,109	976	1,088	
Ending Cash & Cash Equivalent Balances	858	858	1,070	
<b>Cash From Discontinued Operations</b>	<b>\$ (22)</b>	<b>\$ 2</b>	<b>\$ 15</b>	
Disc Ops - Beginning Cash & Cash Equivalent Balances	37	13	23	
Disc Ops - Ending Cash & Cash Equivalent Balances	15	15	38	
(1) UK Operations, LIG, Eastex & Pushan				
(2) EITF 02-3 -- Accounting for Risk Management Contracts	-	-	49	
SFAS 143 -- Asset Retirement Obligations	-	-	(242)	
	-	-	(193)	
(3) Changes in Components of Working Capital				
Fuel Inventories	(225)	(196)	(40)	
Accounts Receivable/Payable, net	(98)	(13)	(145)	
Accrued Taxes	(49)	140	62	
Other	(8)	1	(130)	
	(380)	(68)	(253)	
(4) Other Assets / Liabilities				
ECOM	-	-	(108)	
Obligations Under Capital Lease - Non current	12	5	(52)	
Accumulated Provisions -- Rate Refunds & Other Misc	42	87	17	
Nuclear Trust / Special Funds	(10)	(20)	(24)	
Other Reg Assets & Liabilities	22	49	46	
Other Non-Current Assets & Liabilities	(31)	3	99	
	35	124	(22)	