

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

	QTD		Year-to-Date	
	2004	2004	2004	2003
(\$ millions)				
<b>Operating Activities</b>				
<b>Net Income -- Reported</b>	<b>\$ 530</b>	<b>\$ 912</b>	<b>\$ 872</b>	
Discontinued Operations (1)	(118)	(60)	98	
<b>Continuing Earnings</b>	<b>412</b>	<b>852</b>	<b>970</b>	
Depreciation, Amortization & Deferred Taxes	416	1,132	1,280	
Cumulative Effect of Accounting Changes	-	-	(193)	
Impairments	-	2	70	
Changes in Mark-to-Market	39	89	(124)	
Changes in Components of Working Capital (2)	380	312	(255)	
Other Assets & Liabilities (3)	(244)	(122)	8	
<b>Cash Flow from Operations</b>	<b>1,003</b>	<b>2,265</b>	<b>1,756</b>	
<b>Investing Activities</b>				
Capital Expenditures	(357)	(1,034)	(936)	
Investment in UK Discontinued Ops (net)	(59)	(59)	(709)	
Investment in Other Discontinued Ops (net)	-	-	23	
Change in Other Cash Deposits (net)	29	27	36	
Assets Sales Proceeds & Other Inv (net)	1,072	1,196	46	
<b>Cash (Used) by Investing Activities</b>	<b>685</b>	<b>130</b>	<b>(1,540)</b>	
<b>Financing Activities</b>				
Common Shares Issued	2	13	1,142	
Long-term Debt Issuances/(Retirements)	(739)	(1,482)	2,407	
Short-term Debt Increase/(Decrease), net	(389)	(201)	(2,523)	
Other Financing	-	-	(225)	
Dividends Paid	(138)	(415)	(479)	
Preferred Stock Retirement	-	(4)	(2)	
<b>Cash (Used for) Financing</b>	<b>(1,264)</b>	<b>(2,089)</b>	<b>320</b>	
<b>Cash From Continuing Operations</b>	<b>\$ 424</b>	<b>\$ 306</b>	<b>\$ 536</b>	
Beginning Cash & Cash Equivalent Balances	858	976	1,084	
Ending Cash & Cash Equivalent Balances	1,282	1,282	1,620	
<b>Cash From Discontinued Operations</b>	<b>\$ (6)</b>	<b>\$ (4)</b>	<b>\$ (7)</b>	
Disc Ops - Beginning Cash & Cash Equivalent Balances	15	13	23	
Disc Ops - Ending Cash & Cash Equivalent Balances	9	9	16	
(1) UK Operations, LIG, Eastex & Pushan				
(2) Changes in Components of Working Capital				
Fuel Inventories	113	(83)	(11)	
Accounts Receivable/Payable, net	79	66	(267)	
Accrued Taxes	248	388	(4)	
Other	(60)	(59)	27	
	380	312	(255)	
(3) Other Assets / Liabilities				
ECOM	-	-	(169)	
Gain on Sale of Assets	(153)	(156)	(40)	
Obligations Under Capital Lease - Non current	(11)	(34)	(36)	
Accumulated Provisions -- Rate Refunds & Other Misc	5	92	29	
Nuclear Trust / Special Funds	(10)	(30)	(35)	
Other Reg Assets & Liabilities	(19)	30	75	
Other Non-Current Assets & Liabilities	(56)	(24)	184	
	(244)	(122)	8	