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FOR IMMEDIATE RELEASE

AEP REPORTS 2004 THIRD-QUARTER EARNINGS

- Third-quarter results: GAAP \$1.34 per share, ongoing \$0.80 per share
- Higher industrial demand, lower expenses help offset mild weather, ECOM absence
- Company affirms previous 2004 ongoing earnings guidance range of \$2.20 to \$2.40

**AMERICAN ELECTRIC POWER
Preliminary, unaudited results**

(EPS based on 395mm shares Q3 2003, 396mm in Q3 2004, 382mm in 9 mo. 2003 and 396mm in 9 mo.2004)

	<u>Third quarter ended Sept. 30</u>			<u>9-months ended Sept. 30</u>		
	2003	2004	Variance	2003	2004	Variance
Revenue (\$ in billions)	3.9	3.7	(0.2)	11.2	10.4	(0.8)
Earnings (\$ in millions):						
GAAP	257	530	273	872	912	40
Ongoing	352	318	(34)	778	757	(21)
EPS (\$):						
GAAP	0.65	1.34	0.69	2.28	2.30	0.02
Ongoing	0.89	0.80	(0.09)	2.04	1.91	(0.13)

COLUMBUS, Ohio, Oct. 21, 2004 – American Electric Power (NYSE: AEP) today reported 2004 third-quarter earnings, prepared in accordance with Generally Accepted Accounting Principles (GAAP), of \$530 million, or \$1.34 per share, compared with \$257 million, or \$0.65 per share, in the same period last year.

One-time gains in third-quarter 2004, related to the sale of assets, were primary contributors to \$212 million in special items that improved the company's performance when compared to the prior period when the company recorded a loss of \$95 million on special items.

Ongoing earnings (earnings excluding special items) for third-quarter 2004 were \$318 million, or \$0.80 per share, compared with \$352 million, or \$0.89 per share, in the same period last year.

The key factor in the third-quarter ongoing earnings performance, when compared with the prior period, is the absence of a non-cash Texas stranded cost recovery mechanism (commonly referred to as ECOM) in 2004 that added \$60.6 million pre-tax, or \$0.10 per share, to ongoing

earnings in last year's third quarter. ECOM was \$169 million pre-tax for the nine months ended September 2003 and \$218 million pre-tax for the full year. Under Texas regulations, companies could record ECOM earnings, based on a wholesale capacity auction true-up, from Jan. 1, 2002, through Dec. 31, 2003.

GAAP and ongoing earnings per share for third-quarter 2004 are based on an average of approximately 396 million shares outstanding, compared to an average of approximately 395 million shares outstanding for the same period in 2003. GAAP and ongoing earnings per share for the year-to-date period are based on an average of 396 million shares in 2004, compared to an average of 382 million shares in 2003. For the 2004 year-to-date period, dilution for GAAP earnings is \$0.09 per share and dilution for ongoing earnings is \$0.07 per share.

A full reconciliation of GAAP earnings to ongoing earnings for each period is included in tables at the end of this news release.

EARNINGS GUIDANCE

AEP affirmed its previous 2004 ongoing earnings guidance range of between \$2.20 and \$2.40 per share. In providing ongoing earnings guidance, there are differences between 2004 ongoing earnings and 2004 GAAP earnings because of the classification of UK operations and Louisiana Intrastate Gas (LIG) as discontinued and the impacts of disposals of UK operations, LIG and other non-core assets. At this time, AEP management is not able to estimate the impact on GAAP earnings of the anticipated Texas true-up proceedings or the potential impact of any future changes in accounting principles. Therefore, AEP is not able at this time to provide a corresponding GAAP equivalent for 2004 earnings guidance.

SUMMARY ONGOING RESULTS BY SEGMENT

(\$ in millions except EPS; EPS based on 395mm shares Q3 2003, 396mm in Q3 2004, 382mm in 9 mo. 2003 and 396mm in 9 mo.2004)

	Q3 03	Q3 04	Variance	YTD 03	YTD 04	Variance
Utility Operations	394	359	(35)	928	845	(83)
Ongoing EPS	1.00	0.91	(0.09)	2.43	2.13	(0.30)
Investments	(21)	(32)	(11)	(111)	(45)	66
Ongoing EPS	(0.06)	(0.08)	(0.02)	(0.29)	(0.11)	0.18
Parent Company	(21)	(9)	12	(39)	(43)	(4)
Ongoing EPS	(0.05)	(0.03)	0.02	(0.10)	(0.11)	(0.01)
Ongoing Earnings	352	318	(34)	778	757	(21)
Ongoing EPS	\$0.89	\$0.80	(\$0.09)	\$2.04	\$1.91	(\$0.13)

"We accomplished much in the third quarter and recorded solid earnings for the period," said Michael G. Morris, AEP's chairman, president and chief executive officer. "We completed the divestiture of a number of assets that did not fit our business model, including the generation in the United Kingdom. Our domestic utility assets, the core of our ongoing business strategy, performed well. When you factor ECOM out of the equation, our utilities improved earnings from the prior period despite milder weather conditions.

"We continue to see growth in industrial demand, evidence of an ongoing economic recovery in areas we serve," Morris said. "I consider that to be a further indication that our decision to focus our strategy on our utility operations and assets has us well positioned for the future."

The decline in the Investments segment performance from third-quarter 2003 is primarily attributed to fluctuations in the value, for accounting purposes, of natural gas in storage. This will be reported as income in future periods as the gas is withdrawn from storage.

The \$12 million reduction in Parent Company expenses in the quarter compared to the prior period is primarily the result of lower interest and other expenses.

ONGOING RESULTS FROM UTILITY OPERATIONS

(\$ in millions except EPS; EPS based on 395mm shares Q3 2003, 396mm in Q3 2004, 382mm in 9 mo. 2003 and 396mm in 9 mo.2004)

	Q3 03	Q3 04	Variance	YTD 03	YTD 04	Variance
Regulated Integrated Utilities	800	815	15	2,183	2,315	132
Ohio Companies	545	516	(29)	1,505	1,497	(8)
Texas Wires	177	128	(49)	508	334	(174)
Texas Supply/REP	99	89	(10)	325	273	(52)
Off-System Sales	157	131	(26)	379	413	34
Other Wholesale Transactions	1	--	(1)	(4)	13	17
Transmission Revenue – 3 rd Party	121	125	4	350	368	18
Other Operating Revenue	91	88	(3)	270	247	(23)
Total Gross Margin	1,991	1,892	(99)	5,516	5,460	(56)
Operations & Maintenance	(717)	(720)	(3)	(2,138)	(2,276)	(138)
Depreciation & Amortization	(317)	(322)	(5)	(927)	(940)	(13)
Taxes Other Than Income Taxes	(182)	(175)	7	(521)	(530)	(9)
Interest Expense & Preferred Dividend	(168)	(151)	17	(499)	(471)	28
Other Income & Deductions	--	7	7	7	32	25
Income Taxes	(213)	(172)	41	(510)	(430)	80
Total Utility Operations	394	359	(35)	928	845	(83)
Ongoing EPS	\$1.00	\$0.91	(\$0.09)	\$2.43	\$2.13	(\$0.30)

Reduced expenses, increased industrial demand for electricity and growth in the number of residential and commercial customers helped AEP partially offset the absence of ECOM in third-quarter 2004. Mild summer weather reduced residential and commercial demand for power in many areas served by AEP when compared with the same period last year.

AEP's Regulated Integrated Utilities increased gross margin in the quarter, even though residential and commercial sales were down slightly because of weather. Industrial sales increased 6 percent from the prior period.

The reduction in gross margin in the quarter from AEP's Ohio Companies reflects the mild summer weather, which contributed to a 5 percent reduction in retail sales to residential and commercial customers, and higher fuel costs in a state that has frozen rates. Industrial sales increased 5 percent from the prior period.

The loss of ECOM from Texas Wires gross margin in the quarter was partially offset by higher residential usage and residential and commercial customer growth in AEP's Texas Central Company (TCC).

The decrease in gross margin in the quarter from Texas Supply is primarily attributed to the divestiture of TCC generation to comply with Texas stranded cost recovery regulations. This resulted in higher purchased power costs to fulfill contractual commitments.

Reduced gross margins from Off-System Sales are primarily the result of less favorable optimization activities in the current period.

Utility expenses in the quarter were \$64 million lower than in the same period last year, primarily because of lower tax expenses in the quarter and reduced interest expenses as a result of refinancings and paying down debt. Operations & Maintenance and Depreciation & Amortization expenses were relatively flat period to period.

ONGOING RESULTS FROM INVESTMENTS

(\$ in millions except EPS; EPS based on 395mm shares Q3 2003, 396mm in Q3 2004, 382mm in 9 mo. 2003 and 396mm in 9 mo.2004)

	Q3 03	Q3 04	Variance	YTD 03	YTD 04	Variance
AEPES, inc. Gas HoldCo (HPL)	(21)	(28)	(7)	(65)	(41)	24
MEMCO	3	1	(2)	4	6	2
IPPs and Wind Farms	4	1	(3)	(6)	7	13
AEP Resources – Other	(5)	(5)	--	(23)	(6)	17
Other	(2)	(1)	1	(21)	(11)	10
Total Investments	(21)	(32)	(11)	(111)	(45)	66
Ongoing EPS	(\$0.06)	(\$0.08)	(\$0.02)	(\$0.29)	(\$0.11)	\$0.18

Improved pipeline margins and lower operating expenses for AEP Energy Services were more than offset by a \$16 million after-tax reduction in value, for accounting purposes, of natural gas in storage, which will be reported as income in future periods as the gas is withdrawn from storage.

Two factors decreased third-quarter earnings from the MEMCO barge system: Higher diesel fuel costs in the quarter when compared to the prior period, and reduced August barge freight sales attributed to the U.S. Corps of Engineers' closure of the McAlpine Lock on the Ohio River for repairs.

The decline in earnings from Independent Power Plants (IPPs) and Wind Farms reflects the sale of IPPs in Colorado and Florida that contributed \$2.8 million to third-quarter 2003 earnings.

ADDITIONAL INFORMATION ON WEB SITE

AEP's balance sheet and a cash flow table are available on AEP's web site at <http://www.aep.com/go/earnings> .

WEBCAST

American Electric Power's quarterly conference call with financial analysts will be broadcast live over the Internet at 9 a.m. EDT today at <http://www.aep.com/go/webcasts> or <http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=105011&eventID=952103> .

The call will be archived on <http://www.aep.com/go/webcasts> for use by those unable to listen during the live webcast.

Minimum requirements to listen to broadcast: The Windows Media Player software, free from <http://windowsmedia.com/download>, and at least a 56Kbps connection to the Internet.

American Electric Power owns more than 36,000 megawatts of generating capacity in the United States and is the nation's largest electricity generator. AEP is also one of the largest electric utilities in the United States, with more than 5 million customers linked to AEP's 11-state electricity transmission and distribution grid. The company is based in Columbus, Ohio.

AEP's GAAP earnings are prepared in accordance with accounting principles generally accepted in the United States and represent the company's earnings as reported to the Securities and Exchange Commission. AEP's management believes that the company's ongoing earnings, or GAAP earnings adjusted for certain items as described in the news release and charts, provide a more meaningful representation of the company's performance. AEP uses ongoing earnings as the primary performance measurement when communicating with analysts and investors regarding its earnings outlook and results. The company also uses ongoing earnings data internally to measure performance against budget and to report to AEP's board of directors.

This report made by AEP and certain of its subsidiaries contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its registrant subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are: electric load and customer growth; weather conditions, including storms; available sources and costs of, and transportation for, fuels; availability of generating capacity and the performance of AEP's generating plants; the ability to recover regulatory assets and stranded costs in connection with deregulation; new legislation, litigation and government regulation including requirements for reduced emissions of sulfur, nitrogen, mercury, carbon and other substances; resolution of pending and future rate cases, negotiations and other regulatory decisions (including rate or other recovery for new investments and environmental compliance); oversight and/or investigation of the energy sector or its participants; resolution of litigation (including pending Clean Air Act enforcement actions and disputes arising from the bankruptcy of Enron Corp.); AEP's ability to reduce its operation and maintenance costs; the success of disposing of investments that no longer match AEP's business model; AEP's ability to sell assets at acceptable prices and on other acceptable terms; international and country-specific developments affecting foreign investments including the disposition of any foreign investments; the economic climate and growth in AEP's service territory and changes in market demand and demographic patterns; inflationary trends; AEP's ability to develop and execute a strategy based on a view regarding prices of electricity, natural gas, and other energy-related commodities; changes in the creditworthiness and number of participants in the energy trading market; changes in the financial markets, particularly those affecting the availability of capital and AEP's ability to refinance existing debt at attractive rates; actions of rating agencies, including changes in the ratings of debt and preferred stock; volatility and changes in markets for electricity, natural gas, and other energy-related commodities; changes in utility regulation, including the establishment of a regional transmission structure; accounting pronouncements periodically issued by accounting standard-setting bodies; the performance of AEP's pension plan; prices for power that AEP generates and sells at wholesale; changes in technology and other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes and other catastrophic events.

American Electric Power
Financial Results for 3rd Quarter 2004 Actual
Reconciliation of On-going and Reported Earnings

	2004 Actual				EPS
	Utility	Invest.	Parent	Total	
	(\$ millions)				
On-going Earnings	359	(32)	(9)	318	0.80
Dispositions:					
Gain from sale of IPP's	-	64	-	64	0.16
Gain from sale of UK Generation	-	127	-	127	0.32
Gain from sale of Southcoast Power Ltd.	-	31	-	31	0.08
Loss from sale of Jefferson Island	-	(2)	-	(2)	-
Discontinued Operations:					
UK Discontinued Operations	-	(7)	-	(7)	(0.02)
LIG Discontinued Operations	-	(1)	-	(1)	-
Total Special Items	<u>-</u>	<u>212</u>	<u>-</u>	<u>212</u>	<u>0.54</u>
Reported Earnings	<u>359</u>	<u>180</u>	<u>(9)</u>	<u>530</u>	<u>1.34</u>

Financial Results for 3rd Quarter 2003 Actual
Reconciliation of On-going and Reported Earnings

	2003 Actual				EPS
	Utility	Invest.	Parent	Total	
	(\$ millions)				
On-going Earnings	394	(21)	(21)	352	0.89
Impairments:					
IPP Impairment	-	(45)	-	(45)	(0.11)
Discontinued Operations:					
UK Discontinued Operations	-	(52)	-	(52)	(0.13)
LIG Discontinued Operations	-	2	-	2	-
Total Special Items	<u>-</u>	<u>(95)</u>	<u>-</u>	<u>(95)</u>	<u>(0.24)</u>
Reported Earnings	<u>394</u>	<u>(116)</u>	<u>(21)</u>	<u>257</u>	<u>0.65</u>

American Electric Power
Financial Results for YTD September 2004 Actual
Reconciliation of On-going and Reported Earnings

	2004 Actual				EPS
	Utility	Invest.	Parent	Total	
	(\$ millions)				
On-going Earnings	845	(45)	(43)	757	1.91
Dispositions:					
Gain from sale of Nanyang General Light Electric Co.	-	6	-	6	0.02
Gain from sale of IPP's	-	64	-	64	0.16
Gain from sale of UK Generation	-	127	-	127	0.32
Gain from sale of Southcoast Power Ltd.	-	31	-	31	0.08
Loss from sale of Jefferson Island Storage Hub	-	(2)	-	(2)	(0.01)
Discontinued Operations:					
UK Discontinued Operations	-	(71)	-	(71)	(0.18)
LIG Discontinued Operations	-	-	-	-	-
Total Special Items	<u>-</u>	<u>155</u>	<u>-</u>	<u>155</u>	<u>0.39</u>
Reported Earnings	<u>845</u>	<u>110</u>	<u>(43)</u>	<u>912</u>	<u>2.30</u>

Financial Results for YTD September 2003 Actual
Reconciliation of On-going and Reported Earnings

	2003 Actual				EPS
	Utility	Invest.	Parent	Total	
	(\$ millions)				
On-going Earnings	928	(111)	(39)	778	2.04
Changes in Accounting Principles:					
SFAS 143 Asset Retirement Obligation	249	(7)	-	242	0.63
Cessation of EITF 98-10 re: MTM accounting	(13)	(36)	-	(49)	(0.13)
Impairments and Dispositions:					
Adjustment to South Coast Impairment	-	6	-	6	0.02
Net Proceeds from Sale of Mutual Energy (back office	-	26	-	26	0.07
Adjustment to sale of water heater rental program	(3)	-	-	(3)	(0.01)
IPP Impairment	-	(45)	-	(45)	(0.12)
Discontinued Operations:					
UK Discontinued Operations	-	(89)	-	(89)	(0.24)
LIG Discontinued Operations	-	6	-	6	0.02

Total Special Items	<u>233</u>	<u>(139)</u>	<u>-</u>	<u>94</u>	<u>0.24</u>
Reported Earnings	<u>1,161</u>	<u>(250)</u>	<u>(39)</u>	<u>872</u>	<u>2.28</u>

American Electric Power
Summary of Selected Sales Data
For Domestic Operations
(Data based on preliminary, unaudited results)

	3 Months Ended September 30,		
	<u>2003</u>	<u>2004</u>	<u>Change</u>
ENERGY SUMMARY			
Retail - Domestic Electric (in millions of kWh):			
Residential	12,578	12,002	-4.6%
Commercial	10,267	10,070	-1.9%
Industrial	12,309	13,052	6.0%
Miscellaneous	<u>827</u>	<u>857</u>	3.6%
Total Domestic Retail (Exclds AEP C&I, ME SWEPCo, & T	35,981	35,981	0.0%
AEP C&I, Mutual Energy SWEPCo, & Tx POLR	<u>725</u>	<u>316</u>	-56.4%
Total Domestic Retail	<u><u>36,706</u></u>	<u><u>36,297</u></u>	-1.1%
 Wholesale - Domestic Electric (in millions of kWh):	 19,669	 23,613	 20.1%
 EAST REGION WEATHER SUMMARY (in degree days):			
Actual - Heating (b)	12	1	-91.7%
- Cooling (c)	592	553	-6.6%
Normal - Heating (b)		7	-85.7% *
- Cooling (c)		679	-18.6% *
 PSO/SWEPCo WEATHER SUMMARY (in degree days):			
Actual - Heating (b)	0	0	0.0%
- Cooling (c)	1,390	1,178	-15.3%
Normal - Heating (b)		2	-100.0% *
- Cooling (c)		1,398	-15.7% *

* 2004 Actual vs. Normal

(a) The energy summary represents load supplied by AEP. The AEP C&I load has been segregated to clarify the year-to-year comparison. Delivery of energy by Texas Wires supplied by others is not included.

(b) Heating Degree Days temperature base is 55 degrees

(c) Cooling Degree Days temperature base is 65 degrees

American Electric Power
Financial Results for 3rd Quarter 2004 Actual vs 3rd Quarter 2003 Actual

		2003 Actual		2004 Actual	
		(\$ millions)	EPS	(\$ millions)	EPS
UTILITY OPERATIONS:					
Gross Margin:					
1	Regulated Integrated Utilities	800		815	
2	Ohio Cos.	545		516	
3	Texas Wires	177		128	
4	Texas Supply / REP	99		89	
5	Off-System Sales	157		131	
6	Other Wholesale Transactions	1		-	
7	Transmission Revenue - 3rd Party	121		125	
8	Other Operating Revenue	91		88	
9	Total Gross Margin	1,991		1,892	
10	Operations & Maintenance	(717)		(720)	
11	Depreciation & Amortization	(317)		(322)	
12	Taxes Other than Income Taxes	(182)		(175)	
13	Interest Exp & Preferred Dividend	(168)		(151)	
14	Other Income & Deductions	-		7	
15	Income Taxes	(213)		(172)	
16	Net Earnings Utility Operations	394	1.00	359	0.91

INVESTMENTS:

17	AEPES, inclds Gas HoldCo (HPL)	(21)		(28)	
18	MEMCO	3		1	
19	IPPs and Wind Farms	4		1	
20	AEP Resources - Other	(5)		(5)	
21	Other	<u>(2)</u>		<u>(1)</u>	
22	Total Investments	<u>(21)</u>	(0.06)	<u>(32)</u>	(0.08)
23	Parent Company	<u>(21)</u>	<u>(0.05)</u>	<u>(9)</u>	<u>(0.03)</u>
24	ON-GOING EARNINGS	<u>352</u>	<u>0.89</u>	<u>318</u>	<u>0.80</u>

Note: For analysis purposes, certain financial statement amounts have been reclassified for this effect on earnings

American Electric Power
Financial Results for September 2004 YTD Actual vs September 2003 YTD Actual

		<u>2003 Actual</u>		<u>2004 Actual</u>	
		<u>(\$ millions)</u>	<u>EPS</u>	<u>(\$ millions)</u>	<u>EPS</u>
UTILITY OPERATIONS:					
Gross Margin:					
1	Regulated Integrated Utilities	2,183		2,315	
2	Ohio Cos.	1,505		1,497	
3	Texas Wires	508		334	
4	Texas Supply / REP	325		273	
5	Off-System Sales	379		413	
6	Other Wholesale Transactions	(4)		13	
7	Transmission Revenue - 3rd Party	350		368	
8	Other Operating Revenue	<u>270</u>		<u>247</u>	
9	Total Gross Margin	5,516		5,460	
10	Operations & Maintenance	(2,138)		(2,276)	
11	Depreciation & Amortization	(927)		(940)	
12	Taxes Other than Income Taxes	(521)		(530)	
13	Interest Exp & Preferred Dividend	(499)		(471)	
14	Other Income & Deductions	7		32	
15	Income Taxes	<u>(510)</u>		<u>(430)</u>	
16	Net Earnings Utility Operations	<u>928</u>	2.43	<u>845</u>	2.13

INVESTMENTS:

17	AEPEs, inclds Gas HoldCo (HPL & LIG)	(65)		(41)	
18	MEMCO	4		6	
19	IPPs and Wind Farms	(6)		7	
20	AEP Resources - Other	(23)		(6)	
21	Other	<u>(21)</u>		<u>(11)</u>	
22	Total Investments	<u>(111)</u>	(0.29)	<u>(45)</u>	(0.11)
23	Parent Company	<u>(39)</u>	<u>(0.10)</u>	<u>(43)</u>	<u>(0.11)</u>
24	ON-GOING EARNINGS	<u>778</u>	<u>2.04</u>	<u>757</u>	<u>1.91</u>

Note: For analysis purposes, certain financial statement amounts have been reclassified for this effect on earnings

American Electric Power
Summary of Selected Sales Data
For Domestic Operations
(Data based on preliminary, unaudited results)

	9 Months Ended September 30,		
	<u>2003</u>	<u>2004</u>	<u>Change</u>
ENERGY SUMMARY			
Retail - Domestic Electric (in millions of kWh):			
Residential	34,658	35,169	1.5%
Commercial	27,834	28,240	1.5%
Industrial	36,764	38,227	4.0%
Miscellaneous	<u>2,251</u>	<u>2,406</u>	6.9%
Total Domestic Retail (Exclds AEP C&I, ME SWEPCo, & T	101,507	104,042	2.5%
AEP C&I, Mutual Energy SWEPCo, & Tx POLR	<u>2,264</u>	<u>802</u>	-64.6%
Total Domestic Retail	<u><u>103,771</u></u>	<u><u>104,844</u></u>	1.0%
 Wholesale - Domestic Electric (in millions of kWh):	 56,385	 62,838	 11.4%
 EAST REGION WEATHER SUMMARY (in degree days):			
Actual - Heating (b)	2,181	2,032	-6.8%
- Cooling (c)	750	869	15.9%
Normal - Heating (b)		1,993	2.0% *
- Cooling (c)		960	-9.5% *
 PSO/SWEPCo WEATHER SUMMARY (in degree days):			
Actual - Heating (b)	1,074	913	-15.0%
- Cooling (c)	2,034	1,867	-8.2%
Normal - Heating (b)		1,013	-9.9% *
- Cooling (c)		2,058	-9.3% *

* 2004 Actual vs. Normal

(a) The energy summary represents load supplied by AEP. The AEP C&I load has been segregated to the year-to-year comparison. Delivery of energy by Texas Wires supplied by others is not included.

(b) Heating Degree Days temperature base is 55 degrees

(c) Cooling Degree Days temperature base is 65 degrees

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)				
Operating Activities				
Net Income -- Reported	\$ 530	\$ 912	\$ 872	
Discontinued Operations (1)	(118)	(60)	98	
Continuing Earnings	412	852	970	
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	
Cash Flow from Operations	1,003	2,265	1,756	
Investing Activities				
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	
Cash (Used) by Investing Activities	685	130	(1,540)	
Financing Activities				
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)	
Cash (Used for) Financing	(1,264)	(2,089)	320	
Cash From Continuing Operations				
	\$ 424	\$ 306	\$ 536	
Beginning Cash & Cash Equivalent Balances	858	976	1,084	
Ending Cash & Cash Equivalent Balances	1,282	1,282	1,620	
Cash From Discontinued Operations				
	\$ (6)	\$ (4)	\$ (7)	
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	

AMERICAN ELECTRIC POWER
Condensed Consolidated Balance Sheet
Preliminary, unaudited results

(millions)	<u>9/30/2004</u>	<u>12/31/2003</u>
Assets		
Cash and Cash Equivalents	\$ 1,282	\$ 976
Other Cash Deposits	179	206
Accounts Receivable	1,333	1,710
Risk Management Assets	810	766
Other Current Assets	<u>1,379</u>	<u>1,239</u>
Total Current Assets	4,983	4,897
Property, Plant & Equipment	36,692	36,021
Accumulated Depreciation and Amortization	<u>(14,398)</u>	<u>(14,004)</u>
Net Property, Plant & Equipment	22,294	22,017
Long-term Risk Management Assets	527	494
Regulatory Assets	3,480	3,548
Assets Held for Sale	796	2,761
Assets of Discontinued Operations	-	333
Other Non-Current Assets	<u>2,651</u>	<u>2,694</u>
Total Assets	<u>\$ 34,731</u>	<u>\$ 36,744</u>
Capitalization & Liabilities		
Accounts Payable	\$ 1,033	\$ 1,337
Short-term Debt	214	326
Long-term Debt Due Within One Year	1,598	1,779
Risk Management Liabilities	903	631
Other Current Liabilities	<u>1,884</u>	<u>1,909</u>
Total Current Liabilities	5,632	5,982
Long-term Debt	11,039	12,322
Long-term Risk Management Liabilities	383	335
Deferred Income Taxes	4,520	3,957
Regulatory Liabilities and Deferred Investment Tax Credits	2,290	2,259
Liabilities Held for Sale	295	1,710
Liabilities of Discontinued Operations	-	166
Other Non-Current Liabilities	<u>2,228</u>	<u>2,078</u>
Total Liabilities	26,387	28,809
Cumulative Preferred Stock of Subsidiaries	61	61
Common Shareholders' Equity	<u>8,283</u>	<u>7,874</u>
Total Capitalization & Liabilities	<u>\$ 34,731</u>	<u>\$ 36,744</u>

AMERICAN ELECTRIC POWER
Detail of Debt and Changes in Shareholders' Equity
Preliminary, unaudited results

(millions)	<u>9/30/2004</u>	<u>12/31/2003</u>
Long-term Debt		
First Mortgage Bonds	\$ 536	\$ 822
First Mortgage Bonds - Texas Central Corp	112	118
Installment Purchase Contracts	1,935	2,026
Notes Payable	1,049	1,518
Senior Unsecured Notes	7,640	7,997
Securitization Bonds	698	746
Notes Payable to Trusts	113	331
Equity Senior Notes	345	345
Long-term DOE Obligation	228	226
Other Long-term Debt	22	21
Equity Senior Notes - Contract Adjustment Payments	12	19
Unamortized Discount	(53)	(68)
Total	12,637	14,101
Short-term Debt	214	326
Total Balance Sheet Debt	\$ 12,851	\$ 14,427
Cumulative Preferred Stock of Subsidiaries		
Not Subject to Mandatory Redemption	61	61
Subject to Mandatory Redemption	72	76
Common Shareholders' Equity		
Opening Balance	\$ 7,874	\$ 7,064
Net Income	912	110
Dividends Paid	(415)	(618)
Changes in Other Comprehensive Income	(105)	183
Issuance of Common Stock	13	1,177
Other Changes	4	(42)
Ending Balance	\$ 8,283	\$ 7,874
Selected Capital Ratios		
Total Debt + Preferred Stock Subject to Mandatory Redemption / Total Debt + Shareholders' Equity + Total Preferred Stock	60.8%	64.6%

American Electric Power
Financial Results for 3rd Quarter 2004 Actual vs 3rd Quarter 2003 Actual

		Performance Driver		2003 Actual		Performance Driver		2004 Actual	
				(\$ millions)	EPS			(\$ millions)	EPS
UTILITY OPERATIONS:									
Gross Margin:									
1	Regulated Integrated Utilities	26,856 GWh @	\$ 29.8 /MWhr =	800		27,127 GWh @	\$ 30.0 /MWhr =	815	
2	Ohio Cos.	12,055 GWh @	\$ 45.2 /MWhr =	545		11,631 GWh @	\$ 44.4 /MWhr =	516	
3	Texas Wires	7,405 GWh @	\$ 23.9 /MWhr =	177		7,691 GWh @	\$ 16.6 /MWhr =	128	
4	Texas Supply / REP	8,079 GWh @	\$ 12.3 /MWhr =	99		6,279 GWh @	\$ 14.2 /MWhr =	89	
5	Off-System Sales	10,735 GWh @	\$ 14.6 /MWhr =	157		9,384 GWh @	\$ 14.0 /MWhr =	131	
6	Other Wholesale Transactions			1				-	
7	Transmission Revenue - 3rd Party			121				125	
8	Other Operating Revenue			91				88	
9	Total Gross Margin			1,991				1,892	
10	Operations & Maintenance			(717)				(720)	
11	Depreciation & Amortization			(317)				(322)	
12	Taxes Other than Income Taxes			(182)				(175)	
13	Interest Exp & Preferred Dividend			(168)				(151)	
14	Other Income & Deductions			-				7	
15	Income Taxes			(213)				(172)	
16	Net Earnings Utility Operations			394	1.00			359	0.91
INVESTMENTS:									
17	AEPEs, inclds Gas HoldCo (HPL)			(21)				(28)	
18	MEMCO			3				1	
19	AEP Coal			1				-	
20	IPPs and Wind Farms			4				1	
21	AEP Resources - Other			(5)				(5)	
22	AEP Communications			(3)				(3)	
23	CSW International			-				-	
24	Other			-				2	
25	Total Investments			(21)	(0.06)			(32)	(0.08)
26	Parent Company			(21)	(0.05)			(9)	(0.03)
27	ON-GOING EARNINGS			352	0.89			318	0.80

Note: For analysis purposes, certain financial statement amounts have been reclassified for this effect on earnings presentation.

American Electric Power
Financial Results for September 2004 YTD Actual vs September 2003 YTD Actual

		Performance Driver		2003 Actual		Performance Driver		2004 Actual	
				(\$ millions)	EPS			(\$ millions)	EPS
UTILITY OPERATIONS:									
Gross Margin:									
1	Regulated Integrated Utilities	75,443 GWh @	\$ 28.9 /MWhr =	2,183		77,169 GWh @	\$ 30.0 /MWhr =	2,315	
2	Ohio Cos.	35,402 GWh @	\$ 42.5 /MWhr =	1,505		35,199 GWh @	\$ 42.5 /MWhr =	1,497	
3	Texas Wires	20,308 GWh @	\$ 25.0 /MWhr =	508		19,431 GWh @	\$ 17.2 /MWhr =	334	
4	Texas Supply / REP	21,661 GWh @	\$ 15.0 /MWhr =	325		17,418 GWh @	\$ 15.7 /MWhr =	273	
5	Off-System Sales	28,934 GWh @	\$ 13.1 /MWhr =	379		24,445 GWh @	\$ 16.9 /MWhr =	413	
6	Other Wholesale Transactions			(4)				13	
7	Transmission Revenue - 3rd Party			350				368	
8	Other Operating Revenue			270				247	
9	Total Gross Margin			5,516				5,460	
10	Operations & Maintenance			(2,138)				(2,276)	
11	Depreciation & Amortization			(927)				(940)	
12	Taxes Other than Income Taxes			(521)				(530)	
13	Interest Exp & Preferred Dividend			(499)				(471)	
14	Other Income & Deductions			7				32	
15	Income Taxes			(510)				(430)	
16	Net Earnings Utility Operations			928	2.43			845	2.13
INVESTMENTS:									
17	AEPES, inclds Gas HoldCo (HPL)			(65)				(41)	
18	MEMCO			4				6	
19	AEP Coal			(2)				(1)	
20	IPPs and Wind Farms			(6)				7	
21	AEP Resources - Other			(23)				(6)	
22	AEP Communications			(7)				(9)	
23	CSW International			(4)				-	
24	Other			(8)				(1)	
25	Total Investments			(111)	(0.29)			(45)	(0.11)
26	Parent Company			(39)	(0.10)			(43)	(0.11)
27	ON-GOING EARNINGS			778	2.04			757	1.91

Note: For analysis purposes, certain financial statement amounts have been reclassified for this effect on earnings presentation.



Capitalization

Capital Structure

	Actual 9/30/04			Actual 6/30/04		
	Debt	Equity	Total	Debt	Equity	Total
Balance Sheet Capitalization						
Long-term Debt	12,637	-	12,637	13,398	-	13,398
Short-term Debt	214	-	214	596	-	596
Preferred Stock Subject to Mandatory Redemption	72	-	72	72	-	72
Preferred Stock Not Subject to Mandatory Redemption	-	61	61	-	61	61
Common Equity	-	8,283	8,283	-	8,083	8,083
Total Capitalization per Balance Sheet	12,923	8,344	21,267	14,066	8,144	22,210
<i>% of Capitalization per Balance Sheet</i>	<i>60.8%</i>	<i>39.2%</i>	<i>100.0%</i>	<i>63.3%</i>	<i>36.7%</i>	<i>100.0%</i>
Adjustments						
Preferred Stock Subject to Mandatory Redemption	(72)	72	-	(72)	72	-
Defeased First Mortgage Bonds	(112)	-	(112)	(112)	-	(112)
Off-balance Sheet Leases	1,234	-	1,234	1,234	-	1,234
Securitization Bonds	(698)	-	(698)	(718)	-	(718)
Spent Nuclear Fuel Trust	(228)	-	(228)	(227)	-	(227)
Equity Credit for Equity Units	(276)	276	-	(276)	276	-
Total Adjusted Capitalization	12,771	8,692	21,463	13,895	8,492	22,387
<i>% of Adjusted Capitalization</i>	<i>59.5%</i>	<i>40.5%</i>	<i>100.0%</i>	<i>62.1%</i>	<i>37.9%</i>	<i>100.0%</i>
Assuming Available Cash is used to Pay Down Debt	(1,282)	-	(1,282)	(858)	-	(858)
Capitalization net of Cash	11,489	8,692	20,181	13,037	8,492	21,529
<i>% of Capitalization net of Cash</i>	<i>56.9%</i>	<i>43.1%</i>	<i>100.0%</i>	<i>60.6%</i>	<i>39.4%</i>	<i>100.0%</i>

**Adjusted Debt-to-Cap of 59.5% at 9/30/04
Meets 2004 Target to Reach Debt-to-Cap < 60%**