

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>

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	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>