



3Q09 Earnings Release Presentation

October 29, 2009





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Third Quarter 2009 Highlights

- 3Q09 GAAP Earnings \$0.93 per share;
3Q09 Ongoing Earnings \$0.93

- 2009 YTD GAAP Earnings \$2.47 per share;
2009 YTD Ongoing Earnings \$2.49

- Tightening 2009 Ongoing Earnings Guidance
Range to \$2.90 to \$3.05 per share from
\$2.75 to \$3.05

- Ohio ESP & SEET Update

- Turk Plant Update

- Cook Plant Update

- Thoughts on 2010



3Q09 Performance

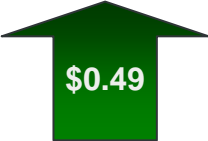
	<u>Per Share</u>
3Q08 EPS	\$ 0.93
Rate Relief	\$ 0.49
Load Contraction	\$ (0.08)
Weather	\$ (0.07)
Off-System Sales	\$ (0.22)
O&M	\$ 0.08
Share Count Dilution	\$ (0.17)
Other	\$ (0.03)
3Q09 EPS	<u>\$ 0.93</u>

3Q09 Performance Drivers:

- *Rate relief of \$302MM in multiple jurisdictions*
- *Load Contraction of \$47MM (weather adjusted)*
- *Weather was unfavorable by \$42MM vs. prior year and unfavorable by \$65MM vs. normal*
- *Lower Off-System Sales (post sharing) of \$136MM*
- *Decreased O&M expense of \$50MM due to quarter over quarter positive variance in storm restoration costs and lower non-outage maintenance expense*
- *Share Count Dilution due to increase in weighted average shares outstanding of 75MM (402MM to 477MM)*
- *Other includes higher Depreciation & Amortization, Interest & Taxes, partly offset by higher Other Operating Revenue*



Retail Rate Performance

	Rate Relief (in millions)
	3Q09 vs. 3Q08
East Regulated Integrated Utilities	\$56
Ohio Companies	\$219
West Regulated Integrated Utilities	\$24
Texas Wires	\$3
AEP System Total	\$302
Impact on EPS	 \$0.49

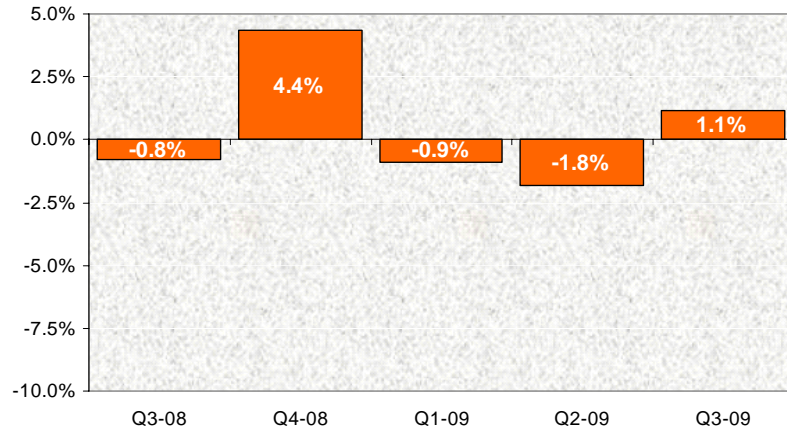
	Rate Relief (in millions)
	YTD 2009 vs. YTD 2008
East Regulated Integrated Utilities	\$203
Ohio Companies	\$320
West Regulated Integrated Utilities	\$71
Texas Wires	\$10
AEP System Total	\$604
Impact on EPS	 \$0.98



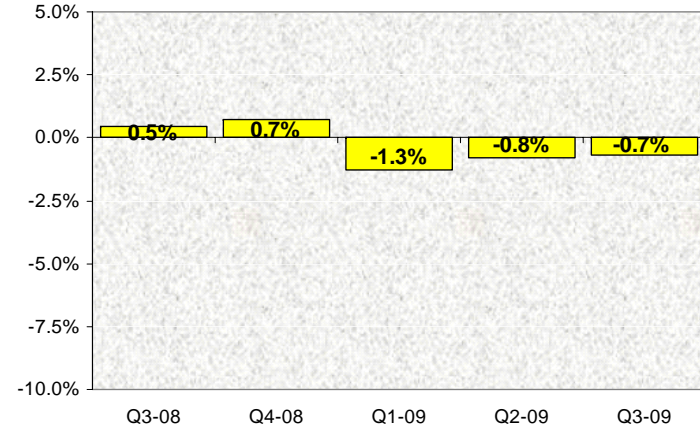
Normalized Retail Load Trends

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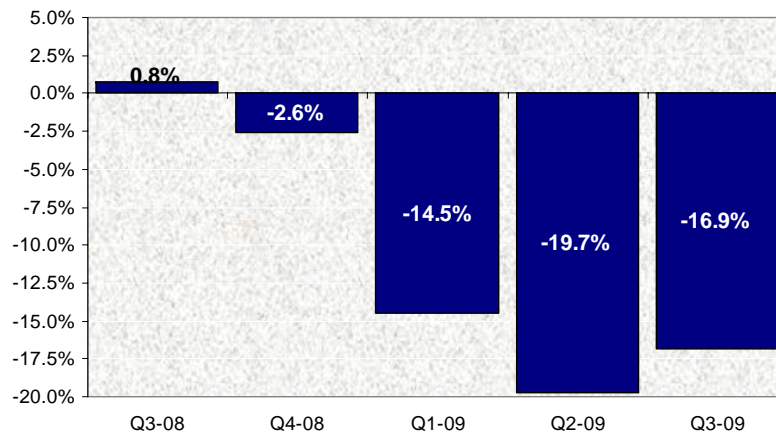
AEP Residential Normalized GWh Growth
% Change vs. Prior Yr



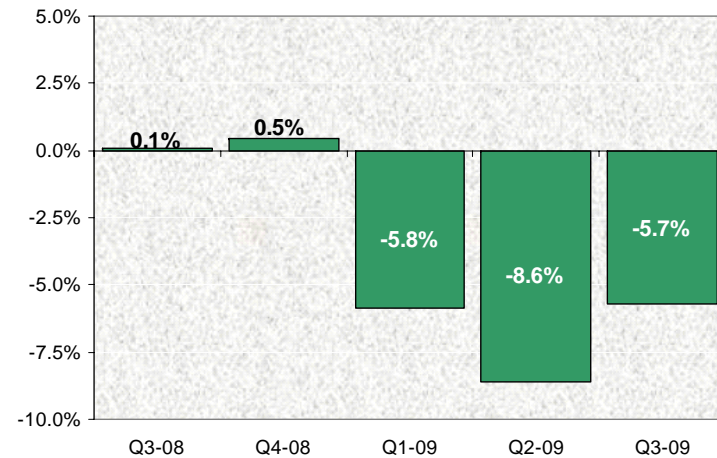
AEP Commercial Normalized GWh Growth
% Change vs. Prior Yr



AEP Industrial Normalized GWh Growth
% Change vs. Prior Yr

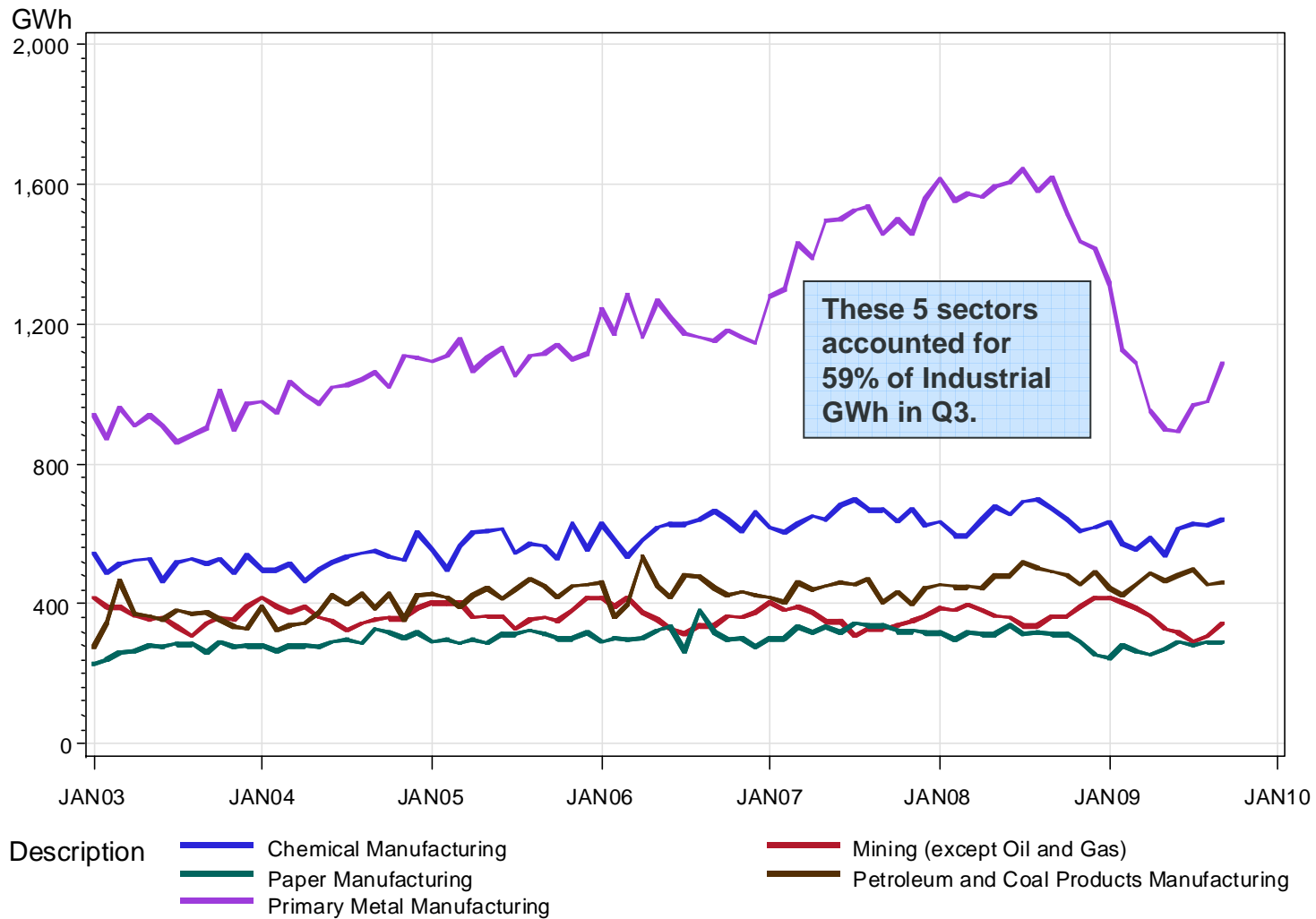


AEP Retail Normalized GWh Growth
% Change vs. Prior Yr



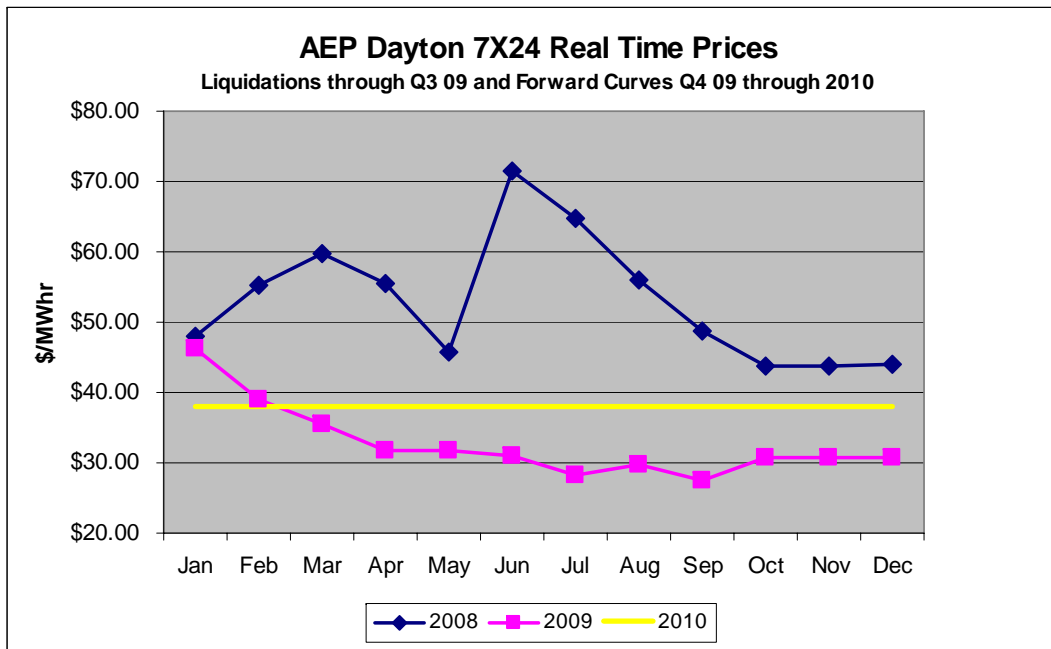


Industrial Sales Analysis





Off-System Sales



- AEP/Dayton Hub 7X24 prices (liquidations) Q3 2009 were 50% below Q3 2008
- AEP Off system sales volumes were off 53%
- The calendar year 2010 strip is already above the estimated liquidation for 2009 but still well below 2008 liquidations by about 29%

Q3 7X24 Price Liquidations				
Hub	2009	2008	\$ Change	% Change
AEP Dayton	28.51	56.59	(28.09)	-50%
PJM West	33.20	77.37	(44.17)	-57%
NiHub	25.70	53.29	(27.59)	-52%
CinHub	25.23	52.32	(27.09)	-52%
NG	3.40	10.26	(6.86)	-67%



Questions



3Q09 Earnings

	\$ millions			Earnings Per Share		
	3rd Qtr 2008	3rd Qtr 2009	Change	3rd Qtr 2008	3rd Qtr 2009	Change
Utility Operations	\$ 356	\$ 443	\$ 87	\$ 0.89	\$ 0.93	\$ 0.04
Transmission Operations	1	2	1	0.00	0.00	0.00
Non-Utility Operations	27	15	(12)	0.07	0.03	(0.04)
Parent & Other	(10)	(17)	(7)	(0.03)	(0.03)	0.00
AEP On-Going Earnings	374	443	69	0.93	0.93	0.00
Special Items	0	0	0	0.00	0.00	0.00
Reported Earnings (GAAP)	<u>\$ 374</u>	<u>\$ 443</u>	<u>\$ 69</u>	<u>\$ 0.93</u>	<u>\$ 0.93</u>	<u>\$ -</u>



Quarterly Performance Comparison

American Electric Power Financial Results for 3rd Quarter 2009 Actual vs 3rd Quarter 2008 Actual

	Performance Driver	2008 Actual		Performance Driver	2009 Actual	
		(\$ millions)	EPS		(\$ millions)	EPS
UTILITY OPERATIONS:						
Gross Margin:						
1	East Regulated Integrated Utilities	18,060 GWh @ \$ 27.6 /MWhr =	499	16,419 GWh @ \$ 35.7 /MWhr =	586	
2	Ohio Companies	13,127 GWh @ \$ 43.9 /MWhr =	577	11,720 GWh @ \$ 63.3 /MWhr =	742	
3	West Regulated Integrated Utilities	12,070 GWh @ \$ 28.2 /MWhr =	341	11,766 GWh @ \$ 30.2 /MWhr =	356	
4	Texas Wires	7,961 GWh @ \$ 19.3 /MWhr =	153	8,467 GWh @ \$ 19.8 /MWhr =	167	
5	Off-System Sales	9,812 GWh @ \$ 32.8 /MWhr =	322	4,538 GWh @ \$ 21.1 /MWhr =	96	
6	Transmission Revenue - 3rd Party		85		95	
7	Other Operating Revenue		150		202	
8	Utility Gross Margin		2,127		2,244	
9	Operations & Maintenance		(846)		(796)	
10	Depreciation & Amortization		(379)		(412)	
11	Taxes Other than Income Taxes		(187)		(191)	
12	Interest Exp & Preferred Dividend		(225)		(233)	
13	Other Income & Deductions		45		37	
14	Income Taxes		(179)		(206)	
15	Utility Operations On-Going Earnings		356	0.89	443	0.93
16	Transmission Operations On-Going Earnings		1	-	2	-
NON-UTILITY OPERATIONS:						
17	AEP River Operations		11	0.03	10	0.02
18	Generation & Marketing		16	0.04	5	0.01
19	Parent & Other On-Going Earnings		(10)	(0.03)	(17)	(0.03)
20	ON-GOING EARNINGS		374	0.93	443	0.93

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



YTD Performance

	<u>Per Share</u>
YTD08 EPS	\$ 2.65
Rate Relief	\$ 0.98
Load Contraction	\$ (0.23)
Weather	\$ (0.05)
Off-System Sales	\$ (0.50)
O&M	\$ 0.05
Share Count Dilution	\$ (0.31)
Other	\$ (0.10)
YTD09 EPS	<u>\$ 2.49</u>

YTD Performance Drivers:

- *Rate relief of \$604MM in multiple jurisdictions*
- *Load Contraction of \$143MM (adjusted for weather)*
- *Weather was unfavorable vs. prior year by \$34MM and unfavorable \$53MM vs. normal*
- *Lower Off-System Sales (post sharing) of \$310MM*
- *Decreased O&M expense of \$29MM due to reduction in plant outages & related expenses and tree trimming; offset by deferral of PSO ice storms in 2008*
- *Share count dilution due to increased weighted average shares outstanding of 50MM (402MM to 452MM)*
- *Other items including higher Depreciation and Amortization and prior year coal contract settlements somewhat offset by higher Other Operating Income*



September YTD Earnings

	\$ millions			Earnings Per Share		
	Sept YTD 2008	Sept YTD 2009	Change	Sept YTD 2008	Sept YTD 2009	Change
Utility Operations	\$ 1,028	\$ 1,111	\$ 83	\$ 2.56	\$ 2.46	\$ (0.10)
Transmission Operations	2	3	1	0.00	0.01	0.01
Non-Utility Operations	64	55	(9)	0.16	0.12	(0.04)
Parent & Other	(30)	(45)	(15)	(0.07)	(0.10)	(0.03)
AEP On-Going Earnings	1,064	1,124	60	2.65	2.49	(0.16)
Special Items	164	(5)	(169)	0.41	(0.02)	(0.43)
Reported Earnings (GAAP)	<u>\$ 1,228</u>	<u>\$ 1,119</u>	<u>\$ (109)</u>	<u>\$ 3.06</u>	<u>\$ 2.47</u>	<u>\$ (0.59)</u>



YTD Performance Comparison

American Electric Power Financial Results for YTD September 2009 Actual vs YTD September 2008 Actual

	Performance Driver	2008 Actual		Performance Driver	2009 Actual	
		(\$ millions)	EPS		(\$ millions)	EPS
UTILITY OPERATIONS:						
Gross Margin:						
1	East Regulated Integrated Utilities	54,483 GWh @ \$ 29.8 /MWhr =	1,621	50,223 GWh @ \$ 36.8 /MWhr =	1,848	
2	Ohio Companies	39,634 GWh @ \$ 46.0 /MWhr =	1,823	35,769 GWh @ \$ 57.7 /MWhr =	2,063	
3	West Regulated Integrated Utilities	32,278 GWh @ \$ 25.4 /MWhr =	820	30,928 GWh @ \$ 29.1 /MWhr =	899	
4	Texas Wires	20,916 GWh @ \$ 19.6 /MWhr =	410	21,093 GWh @ \$ 20.6 /MWhr =	434	
5	Off-System Sales	25,611 GWh @ \$ 30.7 /MWhr =	786	10,752 GWh @ \$ 25.0 /MWhr =	269	
6	Transmission Revenue - 3rd Party		247		269	
7	Other Operating Revenue		440		593	
8	Utility Gross Margin		6,147		6,375	
9	Operations & Maintenance		(2,433)		(2,404)	
10	Depreciation & Amortization		(1,099)		(1,173)	
11	Taxes Other than Income Taxes		(569)		(573)	
12	Interest Exp & Preferred Dividend		(652)		(681)	
13	Other Income & Deductions		134		91	
14	Income Taxes		(500)		(524)	
15	Utility Operations On-Going Earnings		1,028	2.56	1,111	2.46
16	Transmission Operations On-Going Earnings		2	-	3	0.01
NON-UTILITY OPERATIONS:						
17	AEP River Operations		21	0.05	22	0.05
18	Generation & Marketing		43	0.11	33	0.07
19	Parent & Other On-Going Earnings		(30)	(0.07)	(45)	(0.10)
20	ON-GOING EARNINGS		1,064	2.65	1,124	2.49

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YTD 2009 Cash Flow

(\$ millions)	2008	2009
Operating Activities		
Net Income -- Reported	\$ 1,228	\$ 1,119
Discontinued Operations	(1)	-
Continuing Earnings	1,227	1,119
Depreciation, Amortization & Deferred Taxes	1,714	2,033
Extraordinary Loss, net of Taxes	-	5
Changes in Components of Working Capital	(296)	(917)
Over/(Under) Fuel Recovery, Net	(284)	(377)
Other Assets & Liabilities	(305)	8
Cash Flows From Operating Activities	2,056	1,871
Investing Activities		
Capital Expenditures	(2,576)	(2,123)
Proceeds on Sale of Assets	83	258
Change in Other Temporary Cash Investments, net	(368)	23
Acquisition of Assets	(97)	(70)
Other Investing, net	(103)	(185)
Cash Flows Used for Investing Activities	(3,061)	(2,097)
Financing Activities		
Common Shares Issued, net	106	1,706
Long-term Debt Issuances, net	979	1,253
Short-term Debt Increase/(Decrease), net	642	(1,624)
Other Financing	(65)	(80)
Dividends Paid	(497)	(563)
Cash Flows From Financing Activities	1,165	692
Cash From Continuing Operations	\$ 160	\$ 466
Beginning Cash & Cash Equivalent Balances	178	411
Ending Cash & Cash Equivalent Balances	\$ 338	\$ 877

YTD 2009 Cash Flow Drivers:

Operating Activities

- Changes in working capital largely driven by fuel (coal) stock increase.
- Changes in fuel recovery primarily relate to deferrals at APCo, OPCo and CSP.

Investing Activities

- Cash outlay for 2009 YTD capital investment.
- 2009 asset sale proceeds relate to the transfer of assets from TCC to ETT and the payments from third-party owners of the Turk Plant.
- Change in other investing primarily relates to the purchase of nuclear fuel.

Financing Activities

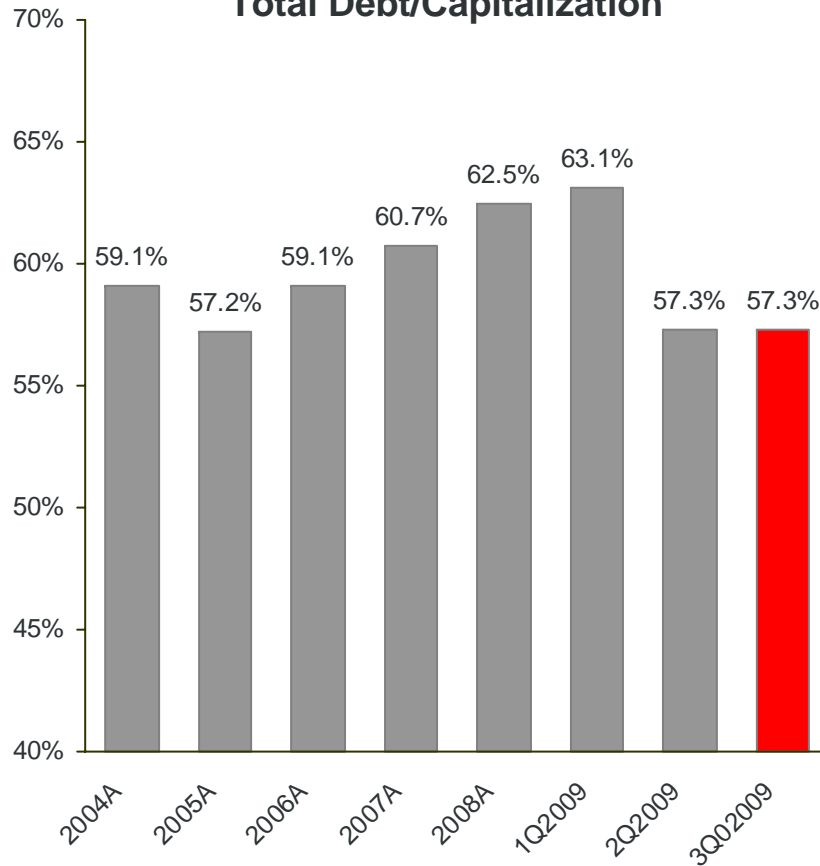
- 2009 common share issuances of \$1,706MM primarily due to equity offering completed in April.
- Changes in short term debt relate to payments made on credit facilities from the proceeds of the equity offering.
- Changes in long-term debt driven by capital funding requirements.



Maintaining Strong Capitalization & Liquidity

3Q09 Earnings Release

Total Debt/Capitalization



Note: Total Debt is calculated according to GAAP and includes securitized debt

Current Liquidity Summary

Liquidity Summary (unaudited)	Actual 09/30/09	
(\$ in millions)	Amount	Maturity
Revolving Credit Facility	\$1,500	Mar-11
Revolving Credit Facility	1,454	Apr-12
Revolving Credit Facility	627	Apr-11
Total Credit Facilities	3,581	
Plus		
AEP, Inc. cash and investments	877	
Less		
Commercial Paper Outstanding	(347)	
Letters of credit issued	(470)	
Net Available Liquidity	\$3,641	



Detailed Ongoing Earnings Guidance

2008 Actual: \$3.24

2009E: \$2.90-\$3.05

American Electric Power
2008 Actual vs. 2009 Guidance



	Performance Driver	2008 Actual (\$ millions)	Performance Driver	2009 Guidance (\$ millions)
UTILITY OPERATIONS:				
Gross Margin:				
1	East Regulated Integrated Utilities	72,725 GWh @ \$ 31.3 /MWhr = 2,278	66,754 GWh @ \$ 36.9 /MWhr = 2,466	
2	Ohio Companies	52,181 GWh @ \$ 46.6 /MWhr = 2,431	47,284 GWh @ \$ 57.8 /MWhr = 2,733	
3	West Regulated Integrated Utilities	41,907 GWh @ \$ 25.2 /MWhr = 1,057	40,111 GWh @ \$ 28.8 /MWhr = 1,155	
4	Texas Wires	27,075 GWh @ \$ 19.8 /MWhr = 537	27,208 GWh @ \$ 21.1 /MWhr = 575	
5	Off-System Sales	29,365 GWh @ \$ 28.8 /MWhr = 845	13,525 GWh @ \$ 24.6 /MWhr = 333	
6	Transmission Revenue - 3rd Party	329		356
7	Other Operating Revenue	569		779
8	Utility Gross Margin	8,046		8,397
9	Operations & Maintenance	(3,366)		(3,309)
10	Depreciation & Amortization	(1,450)		(1,582)
11	Taxes Other than Income Taxes	(749)		(768)
12	Interest Exp & Preferred Dividend	(872)		(924)
13	Other Income & Deductions	168		124
14	Income Taxes	(567)		(597)
15	Utility Operations On-Going Earnings	1,210		1,341
16	Transmission Operations On-Going Earnings	2		4
NON-UTILITY OPERATIONS:				
17	AEP River Operations	55		47
18	Generation & Marketing	65		36
	Non-Utility Operations On-Going Earnings	120		83
19	Parent & Other On-Going Earnings	(31)		(64)
20	ON-GOING EARNINGS	1,301		1,364

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3Q09 Retail Performance

	Load Growth (weather normalized)		Weather Impact
	3Q09 vs. 3Q08		3Q09 vs. 3Q08
East Regulated Integrated Utilities	-7%	East Regulated Integrated Utilities	(\$0.03)
Ohio Companies	-7%	Ohio Companies	(\$0.05)
West Regulated Integrated Utilities	-2%	West Regulated Integrated Utilities	(\$0.01)
Texas Wires	-2%	Texas Wires	\$0.02
Impact on EPS	(\$0.08) 	Impact on EPS	(\$0.07) 



YTD Retail Performance

	Load Growth (weather normalized)
	YTD 2009 vs. YTD 2008
East Regulated Integrated Utilities	-7%
Ohio Companies	-9%
West Regulated Integrated Utilities	-4%
Texas Wires	-3%
Impact on EPS	 (\$0.23)

	Weather Impact
	YTD 2009 vs. YTD 2008
East Regulated Integrated Utilities	(\$0.02)
Ohio Companies	(\$0.04)
West Regulated Integrated Utilities	(\$0.01)
Texas Wires	\$0.02
Impact on EPS	 (\$0.05)



Off System Sales Gross Margin Detail

	3Q08			3Q09		
	<u>GWh</u>	<u>Realization</u>	<u>(\$millions)</u>	<u>GWh</u>	<u>Realization</u>	<u>(\$millions)</u>
OSS Physical Sales	9,812	\$ 30.27	\$ 297	4,538	\$ 8.37	\$ 38
Oklaunion Margin	-		\$ 10	-		\$ 10
Marketing/Trading	-		\$ 15	-		\$ 48
Pre-Sharing Gross Margin	<u>9,812</u>		<u>\$ 322</u>	<u>4,538</u>		<u>\$ 96</u>

	YTD 2008			YTD 2009		
	<u>GWh</u>	<u>Realization</u>	<u>(\$millions)</u>	<u>GWh</u>	<u>Realization</u>	<u>(\$millions)</u>
OSS Physical Sales	25,611	\$ 26.51	\$ 679	10,752	\$ 8.56	\$ 92
Oklaunion Margin	-		\$ 33	-		\$ 36
Marketing/Trading	-		\$ 74	-		\$ 141
Pre-Sharing Gross Margin	<u>25,611</u>		<u>\$ 786</u>	<u>10,752</u>		<u>\$ 269</u>

Reduction in Pre-Sharing OSS Physical Sales primarily due to lower demand and significantly lower realized prices as a result of natural gas price contraction.