

AMERICAN ELECTRIC POWER COMPANY INC
Form U-1/A
October 25, 2001

File No. 70-9937

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2
to
Form U-1

APPLICATION-DECLARATION

under

THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

AMERICAN ELECTRIC POWER COMPANY, INC.
CENTRAL POWER AND LIGHT COMPANY
COLUMBUS SOUTHERN POWER COMPANY
OHIO POWER COMPANY
SOUTHWESTERN ELECTRIC POWER COMPANY
WEST TEXAS UTILITIES COMPANY
1 Riverside Plaza, Columbus, Ohio 43215

(Name of company or companies filing this statement
and address of principal executive offices)

AMERICAN ELECTRIC POWER COMPANY, INC.
1 Riverside Plaza, Columbus, Ohio 43215

(Name of top registered holding company parent)

A. A. Pena, Senior Vice President and Treasurer
AMERICAN ELECTRIC POWER SERVICE CORPORATION
1 Riverside Plaza, Columbus, Ohio 43215

Susan Tomasky, Executive Vice President and General Counsel
AMERICAN ELECTRIC POWER SERVICE CORPORATION
1 Riverside Plaza, Columbus, Ohio 43215

(Names and addresses of agents for service)

American Electric Power Company, Inc. ("AEP"), a New York corporation and a registered holding company under the Public Utility Holding Company Act of 1935, as amended (the "Act"), and its direct and indirect public utility subsidiaries Central Power and Light Company ("CPL"), Southwestern Electric Power Company ("SWEPCo"), West Texas Utilities Company ("WTU"), Columbus Southern Power Company ("CSP") and Ohio Power Company ("OPCo") (collectively, "the Operating Subsidiaries") propose to amend their Application/Declaration on Form U-1 in File No. 70-9937 as follows:

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

1. By restating Item 1. Description of Proposed Transactions immediately preceding the Rule 54 section as follows:

ITEM 1. DESCRIPTION OF PROPOSED TRANSACTIONS

Background. By Order dated December 30, 1976 (HCAR No. 19829; 70-5930) and in subsequent Orders, the Commission authorized Central and Southwest Corporation ("CSW"), a Delaware corporation and a registered holding company under the Act and a wholly owned subsidiary of AEP, to establish and utilize a system money pool ("Money Pool") to co-ordinate short-term borrowings for CSW, its electric subsidiary companies and Central and South West Services, Inc. as set forth in Central and South West Corp., HCAR No. 26697 (Mar. 28, 1997, 70-8557) HCAR No 24855 (April 5, 1989, 70-7643), HCAR No. 26254 (March 21, 1995, 70-8557), HCAR No. 26854 (Apr. 3, 1998, 70-8557).

In its Order dated June 14, 2000 in File 70-9381 (HCAR No. 27186), the Commission authorized AEP to continue the CSW Money Pool and to add its utility subsidiaries and certain other subsidiaries as participants in the Money Pool (the "Participants") and established borrowing limits for all Participants.

American Electric Power Service Corporation ("AEPSC"), a Rule 88 subsidiary service company, acts as administrative agent of the Money Pool. Each Participant and AEP determine, the amount of funds it has available for contribution to the Money Pool. The determination of whether a Participant or AEP at any time has surplus funds, or shall lend such funds to the Money Pool, will be made by such Participant treasurer, or by a designee thereof, on the basis of cash flow projections and other relevant factors, in such Participant's sole discretion. Each Participant may withdraw any of its funds at any time upon notice to AEPSC.

All short-term borrowing needs of the Participants may be met by funds in the Money Pool to the extent such funds are available. Each Participant shall have the right to borrow from the Money Pool from time to time, subject to the availability of funds and the limitations and conditions set forth in orders of this Commission; provided, however, that the aggregate amount of all loans requested by any Participant approved hereunder shall not exceed the applicable borrowing limits set forth in orders of the Commission and other regulatory authorities, resolutions of such Participant's shareholders and Board of Directors, such Participant's governing corporate documents, and agreements binding upon such Participant. No Participant shall be obligated to borrow from the Money Pool if lower cost funds can be obtained from its own external borrowing. AEP will not borrow funds from the Money Pool or any Participant.

The Money Pool is composed from time to time of funds from the following sources: (ii) surplus funds of AEP; (i) surplus funds of any of the Participants; (iii) borrowings by AEP from sales of commercial paper notes and/or bank borrowings. AEPSC administers the AEP money pool by matching up, to the extent possible, short-term cash surpluses and loan requirements of AEP and the various Participants. Participant requests for short-term loans are met first from surplus funds of other Participants which are available to the money pool and then from AEP corporate funds to the extent available. To the extent that Participant contributions of surplus fund to the

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

Money Pool are insufficient to meet Participant requests for short-term loans, borrowings are made from outside the system.

Each borrowing Participant borrows pro rata from each fund source in the same proportion that the amount of funds provided from that fund source bears to the total amount of short-term funds available to the Money Pool.

Funds which are loaned from Participants into the Money Pool which are not required to satisfy borrowing needs of other Participants will be invested by AEP on the behalf of the lending Participants in one or more short-term instruments.

The Money Pool makes funds available to Participants for the interim financing of their capital expenditure programs and their other working capital needs, and to AEP to loan and to make capital contributions to any of the Participants and in both instances to repay previous borrowings incurred for such purposes. Funds for the Money Pool are available from surplus funds from the treasuries of AEP and the Participants, from proceeds from the sale of commercial paper by AEP and bank borrowings by AEP and the Participants. Funds to be loaned to the Participants are obtained in the following order of priority: (1) available surplus funds of the Participants will be used to satisfy the borrowing needs of other Participants before any funds of AEP are used; (2) available surplus funds in AEP's treasury; and (3) external borrowings by AEP from the sale of commercial paper and/or bank borrowings. External borrowings by AEP will not be made unless there are no surplus funds in the treasuries of the Participants or sufficient to meet borrowing needs. However, no loan will be made by AEP or any Participant if the borrowing company could borrow more cheaply directly from banks or through the sale of its own commercial paper. When more than one Participant is borrowing, each borrowing Participant will borrow pro rata from each fund source in the same proportion that the amount of funds provided by that fund source bears to the total amount of short-term funds available to the Money Pool.

The interest rate applicable on any day to then outstanding loans through the Money Pool will be the composite weighted average daily effective cost incurred by AEP for short-term borrowings from external sources. If there are no borrowings outstanding then the rate would be the certificate of deposit yield equivalent of the 30-day Federal Reserve "AA" Non Financial Commercial Paper Composite Rate ("Composite"), or if no composite is established for that day then the applicable rate will be the Composite for the next preceding day for which the Composite is established.

If the Composite shall cease to exist, then the rate would be the composite which then most closely resembles the Composite and/or most closely mirrors the pricing AEP would expect if it had External Funds.

Interest income related to external investments will be calculated daily and allocated back to lending parties on the basis of their relative contribution to the investment pool funds on that date.

Each Participant receiving a loan hereunder shall repay the principal amount of such loan, together with all interest accrued thereon, on demand and in any event not later than the expiration date of the SEC authorization for the operation of the Money Pool. All loans made through the Money Pool may be prepaid by the borrower

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

without premium or penalty.

To provide funds for the Money Pool, AEP currently issues and sells commercial paper ("Commercial Paper"). The Commercial Paper matures in 270 days or less and will be issued from time-to-time to commercial paper dealers ("Dealers") and certain financial institutions.

The Commercial Paper is currently issued to Dealers in the form of either physical or book-entry unsecured promissory notes. Such notes are issued and sold by AEP directly to Dealers at a rate not to exceed the rate per annum prevailing at the time of issuance for commercial paper of comparable quality and maturity connection with the issuance and sale of the Commercial Paper.

AEP and its Participants may borrow money from banks, from time-to-time to the extent that the surplus funds of AEP and the Participants are insufficient to meet the Participant's request for short-term loans and subject to the limitations on aggregate principal amounts, above. Such borrowing will not be made unless it would produce a lower cost of money than the issue of AEP's Commercial Paper and, in any event, they will not bear a rate of interest higher than the effective cost of money for unsecured prime commercial bank loans prevailing on the date of borrowing. The borrowings will be evidenced by promissory notes maturing no later than one year from date of issuance and will be subject to prepayment by the borrower, or under certain circumstances with consent of the lending bank, in whole at any time or in part from time-to-time, without penalty.

Ohio and Texas Restructuring. CPL, SWEPCo and WTU are public utilities operating in Texas. Tex. Util. Code Ann. ss. 39.001-909 (Vernon Supp. 2000), commonly referred to as S.B. 7, requires vertically integrated electric utilities, including WTU and CPL, to separate ownership of their generating and other power supply assets from ownership of their transmission and distribution assets no later than January 1, 2002. Under S.B. 7, vertically integrated utilities are generally obligated to disaggregate into at least (1) a PGC that will sell power and energy at wholesale; and (2) an EDC that will own transmission and local distribution facilities and perform metering and billing functions, but is prohibited from owning power supply facilities or selling electricity. By order issued July 7, 2000, the Public Utility Commission of Texas (PUCT) approved corporate separation plans CPL, SWEPCo and WTU filed to explain how they will comply with S.B. 7.

CSP and OPCo are public utilities operating in Ohio. CSP and OPCo will make certain transfers to comply with the provisions of an Ohio statute that provides for Competitive Retail Electric Service, commonly referred to as S.B. 3. Ohio Rev. Code Ann. ss.ss. 4928.01-67 (Anderson 2000). The statute directs vertically integrated electric utilities that offer retail electric service in Ohio to separate their generating and other competitive operations (such as aggregation, marketing, and brokering) and related assets from their transmission and distribution operations and assets. On September 28, 2000, The Public Utilities Commission of Ohio (Ohio PUC) approved corporate separation plans CSP and OPCo filed to explain how they will comply with S.B. 3. Under their approved corporate separation plans, CSP and OPCo proposed, subject to receipt of federal regulatory approvals, to transfer their transmission and distribution assets and operations to EDC affiliates.

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

The current short-term borrowing limits of the Operating Subsidiaries under the Money Pool are as follows:

	Money Pool Short-Term Participant Borrowing Limit
CSP	350,000,000
CPL	600,000,000
OPCo	450,000,000
SWEPCo	250,000,000
WTU	165,000,000

Proposed Transaction. In order to comply with mandates by the Ohio and Texas legislatures to restructure and pursuant to plans submitted and approved by the PUCT and the Ohio PUC, CPL, CSP, OPCo, SWEPCo and WTU (collectively, the "Operating Subsidiaries") may need to restructure their debt portfolios and may retire and/or redeem their current outstanding long-term debt and replace such long-term debt with short-term debt. The Operating Subsidiaries propose to increase their borrowing limits as follows:

CPL	increase from \$600 million to \$1.2 billion
CSP	increase from \$350 million to \$800 million
OPCo	increase from \$450 million to \$1.0 billion
SWEPCo	increase from \$250 million to \$350 million
WTU	increase from \$165 million to \$375 million

This increase in borrowing authority would require that AEP's external borrowing limit from commercial paper dealers and banks be increased from \$5 billion to \$6.910 billion. This increase in AEP's borrowing limit will ensure that AEP has sufficient borrowing capacity to obtain external borrowings in order to loan funds through the Money Pool to the participants when required. AEP and the Operating Subsidiaries request that such authority extend to December 31, 2002.

AEP hereby represents that it will maintain for itself and for all the Operating Subsidiaries the common equity at a percentage of the consolidated capital (inclusive of short-term debt) of 30% during the authorization period. A chart showing the percentage of equity to consolidated capital is attached as Exhibit A.

Use of Proceeds: The proposed increase in short-term borrowings will be used for the following purpose:

CPL, CSP, OPCo, SWEPCo and WTU will utilize the additional borrowing capacity authorized in this file as a source of funding to replace a portion of respective long-term securities. As of June 30, 2001, CPL, CSP, OPCo, SWEPCo and WTU currently have \$1,597,279,000, \$914,875,000, \$1,219,852,000, \$760,175,000 and \$258,387,000, respectively, in long-term securities outstanding. These transactions will not change the debt/equity ratios of the Operating Subsidiaries nor will they result in a net increase in outstanding securities of the Operating Subsidiaries and the AEP system.

Compliance with Rule 54

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

Rule 54 provides that, in determining whether to approve an application which does not relate to any EWG or FUCO, the Commission shall not consider the effect of the capitalization or earnings of any such EWG or FUCO which is a subsidiary of a registered holding company if the requirements of Rule 53(a), (b) and (c) are satisfied.

AEP consummated the merger with Central and South West Corporation on June 15, 2000 pursuant to an order issued June 14, 2000 (HCAR No. 27186), which further authorized AEP to invest up to 100% of its consolidated retained earnings, with consolidated retained earnings to be calculated on the basis of the combined consolidated retained earnings of AEP and CSW (as extended pursuant to HCAR No. 27316, December 26, 2000, the "Rule 53(c) Order").

AEP currently meets all of the conditions of Rule 53(a) and none of the conditions set forth in Rule 53(b) exist or will exist as a result of the transactions proposed herein.

Rule 53(a)(1) At June 30, 2001, AEP's "aggregate investment", as defined in Rule 53(a)(1), in EWGs and FUCOs was approximately \$1.315 billion, or about 40.6% of AEP's "consolidated retained earnings", also as defined in Rule 53(a)(1), for the four quarters ended June 30, 2001 (\$3.242 billion).

Rule 53(a)(2) Each FUCO in which AEP invests will maintain books and records and make available the books and records required by Rule 53(a)(2).

Rule 53(a)(3) No more than 2% of the employees of the electric utility subsidiaries of AEP will, at any one time, directly or indirectly, render services to any FUCO.

Rule 53(a)(4) AEP has submitted and will submit a copy of Item 9 and Exhibits G and H of AEP's Form U5S to each of the public service commissions having jurisdiction over the retail rates of AEP's electric utility subsidiaries.

Rule 53(b) (i) Neither AEP nor any subsidiary of AEP is the subject of any pending bankruptcy or similar proceeding; (ii) AEP's average consolidated retained earnings for the four quarters ended June 30, 2001 (\$3,242,159,000) represented a decrease of approximately \$302,490,000 (or 8.5%) in the average consolidated retained earnings from the four quarters ended June 30, 2000 (\$3,544,649,000); and (iii) for the fiscal year ended December 31, 2000, AEP did not report operating losses attributable to its direct or indirect investments in EWGs and FUCOs.

AEP's interests in EWGs and FUCOs have made a positive contribution to earnings over the four calendar years ending after the Rule 53(c) Order. Accordingly, since the date of the Rule 53(c) Order, the capitalization and earnings attributable to AEP's investments in EWGs and FUCOs has not had an adverse impact on AEP's financial integrity.

Reporting

AEP and the Participants, will report quarterly to the Commission pursuant to Rule 24 under the Act within 30 days after the end of each calendar quarter and shall for each company : (a) the aggregate amount of funds provided to the Money Pool; (b) the aggregate amount of funds received from the Money Pool; and (c) the balance advanced to or from the Money Pool as of the end of the period. AEP will also

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

certify: (a) the average interest rate for the Money Pool over the period; (b) the aggregate amount of outside borrowings and repayments during the period of each source of outside borrowings; (c) the amount outstanding at the end of the period for each source of outside borrowings; and (d) a detailed listing of commercial paper outstanding by dealer at the end of the period.

2. Item 3. APPLICABLE STATUTORY PROVISIONS is hereby amended and restated as follows:

Sections 6(a), 7, 9(a), 10 and 12 (b) and Rules 43 and 45 thereunder are or may be applicable to the proposed transactions. To the extent any other sections of the Act may be applicable to the proposed transactions, the Applicants hereby request appropriate orders thereunder.

3. Item 6 is hereby amended to add the following Exhibits and financial Statements

(a) EXHIBIT:

Exhibit F. Opinion of Counsel

(b) FINANCIAL STATEMENTS:

Balance Sheets as of June 30, 2001 and Statements of Income and Retained Earnings for the 6 months ended June 30, 2001 of AEP and its subsidiaries consolidated and of CPL, CSP, OPCo, SWEPCo and WTU.

SIGNATURE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, the undersigned company has duly caused this Amendment No. 2 to its Form U-1 to be signed on its behalf by the undersigned thereunto duly authorized.

AMERICAN ELECTRIC POWER COMPANY, INC.

And

Central Power and Light Company
Columbus Southern Power Company
Ohio Power Company
Southwestern Electric Power Company
West Texas Utilities Company

By: /s/ A. A. Pena
Treasurer

Dated: October 25, 2001

(614) 223-1649

October 25, 2001

EXHIBIT F

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

Securities and Exchange Commission
Division of Corporate Regulation
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: American Electric Power Company, Inc.
Central Power and Light Company
Columbus Southern Power Company
Ohio Power Company
Southwestern Electric Power Company
West Texas Utilities Company
(File No. 70-9937)

Ladies and Gentlemen:

I have acted as counsel for American Electric Power Company, Inc. ("AEP") and certain of its subsidiaries in the above-captioned matter, which involves the increase in amount of the short-term financing program for Central Power and Light Company ("CPL"), Columbus Southern Power Company ("CSP"), Ohio Power Company ("OPCo"), Southwestern Electric Power Company ("SWEPCO") and West Texas Utilities Company ("WTU"), as participants ("Participants") in the AEP-system Money Pool (the "Money Pool") for the period through December 31, 2002. The proposed short-term borrowings of CPL, CSP, OPCO, SWEPCO, and WTU under the Money Pool shall be increased so that borrowings may be made in aggregate amounts not to exceed \$350,000,000; \$600,000,000; \$450,000,000; \$250,000,000; and \$165,000,000, outstanding at any one time for the respective Participants from time to time prior to January 1, 2003.

In connection with my review of the above-described and proposed transactions, I have examined, among other things, the Application or Declaration on Form U-1, as amended, through the date thereof, as filed by American and the Participants with your Commission under the Public Utility Holding Company Act of 1935 as well as such corporate records of AEP and the Participants, certificate of public officials, and such other certifications and documents as I have deemed necessary in connection herewith.

In my opinion, if said Application or Declaration on Form U-1 as filed with your Commission is granted or permitted to become effective, and if the proposed transactions are consummated in accordance with said Application or Declaration on form U-1: (a) all state laws applicable to the proposed transactions will have been complied with and (b) the consummation of the proposed transactions will not violate the legal rights of the holders of any securities issued by AEP, or Participants, or by any associate company of any of them.

I consent to the use of this opinion as part of the above-mentioned Application or Declaration on Form U-1.

Very truly yours,

/s/ Ann B. Graf

Ann B. Graf
Counsel for
American Electric Power Company, Inc.
Central Power and Light Company
Columbus Southern Power Company
Ohio Power Company
South Western Electric Power Company
West Texas Utilities Company

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

 1 The Commission authorized AEP's predecessor, American Gas and Electric Company, to create a service company subsidiary, American Gas and electric Service Corporation, AEPSC's predecessor, on May 15, 1939 (Holding Co. Act Release No. 1528). The Commission issued two subsequent orders: (1) authorizing a service agreement between AEPSC and the Electric Utility Companies on February 23, 1981 (Holding Co. Act Release No. 21922); and (ii) authorizing amendments to intrasystem service agreements to provide services to associate nonutility subsidiaries (Nonutility Companies") on April 5, 1995 (Holding Co. Act Release No. 26267).

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
 CONSOLIDATED STATEMENTS OF INCOME
 (in millions, except per-share amounts)
 (UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
	----	----	----	----
REVENUES	\$14,528	\$8,137	\$28,693	\$14,254
	-----	-----	-----	-----
EXPENSES:				
Fuel and Purchased Power	12,367	6,318	24,469	10,665
Maintenance and Other Operation	959	870	1,912	1,721
Non-recoverable Merger Costs	7	161	12	161
Depreciation and Amortization	354	305	690	625
Taxes Other Than Income Taxes	169	175	337	346
	---	---	---	---
TOTAL EXPENSES	13,856	7,829	27,420	13,518
	-----	-----	-----	-----
OPERATING INCOME	672	308	1,273	736
OTHER INCOME (LOSS), net	22	(5)	126	37
	--	--	---	--
INCOME BEFORE INTEREST, PREFERRED DIVIDENDS AND INCOME TAXES	694	303	1,399	773
INTEREST AND PREFERRED DIVIDENDS	241	269	510	522
	---	---	---	---
INCOME BEFORE INCOME TAXES	453	34	889	251
INCOME TAXES	173	52	343	129
	---	---	---	---
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	280	(18)	546	122
EXTRAORDINARY GAIN (LOSS):				
EFFECTS OF DEREGULATION	(48)	9	(48)	9
	---	-	---	-
NET INCOME (LOSS)	\$ 232	\$ (9)	\$ 498	\$ 131
	=====	=====	=====	=====
AVERAGE NUMBER OF SHARES OUTSTANDING	322	322	322	322

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

	===	===	===	===
EARNINGS (LOSS) PER SHARE:				
Income (Loss) Before Extraordinary Item	\$ 0.87	\$ (0.06)	\$ 1.69	\$ 0.38
Extraordinary Gain (Loss)	(0.15)	0.03	(0.15)	0.03
	-----	-----	-----	-----
Earnings (Loss) Per Share (Basic and Dilutive)	\$ 0.72	\$ (0.03)	\$ 1.54	\$ 0.41
	=====	=====	=====	=====
CASH DIVIDENDS PAID PER SHARE	\$ 0.60	\$ 0.60	\$ 1.20	\$ 1.20
	=====	=====	=====	=====

See Notes to Financial Statements beginning on page L-1.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in millions)

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 212	\$ 437
Accounts Receivable (net)	2,532	3,699
Energy Trading Contracts	11,720	16,627
Other	1,688	1,268
	-----	-----

TOTAL CURRENT ASSETS

16,152 22,031

PROPERTY, PLANT AND EQUIPMENT:

Electric:

Production	16,553	16,328
Transmission	6,145	5,609
Distribution	10,973	10,843
Other (including gas and coal mining assets and nuclear fuel)	4,192	4,077
Construction Work in Progress	988	1,231
Total Property, Plant and Equipment	38,851	38,088
Accumulated Depreciation and Amortization	15,984	15,695
	-----	-----

NET PROPERTY, PLANT AND EQUIPMENT

22,867 22,393

REGULATORY ASSETS

3,716 3,698

INVESTMENTS IN POWER AND COMMUNICATIONS PROJECTS

521 782

GOODWILL (net of amortization)

1,300 1,382

LONG-TERM ENERGY TRADING CONTRACTS

3,166 1,620

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

OTHER ASSETS	----- 2,505 -----	----- 2,642 -----
TOTAL	\$50,227 =====	\$54,548 =====

See Notes to Financial Statements beginning on page L-1.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in millions)

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts Payable	\$ 1,252	\$ 2,627
Short-term Debt	4,055	4,333
Long-term Debt Due Within One Year	1,024	1,152
Energy Trading Contracts	11,394	16,801
Other	1,925	2,154

TOTAL CURRENT LIABILITIES	----- 19,650 -----	----- 27,067 -----
---------------------------	--------------------------	--------------------------

LONG-TERM DEBT	----- 10,609 -----	----- 9,602 -----
----------------	--------------------------	-------------------------

CERTAIN SUBSIDIARY OBLIGATED, MANDATORILY REDEEMABLE, PREFERRED SECURITIES OF SUBSIDIARY TRUSTS HOLDING SOLELY JUNIOR SUBORDINATED DEBENTURES OF SUCH SUBSIDIARIES	322	334
--	-----	-----

DEFERRED INCOME TAXES	----- 4,914 -----	----- 4,875 -----
-----------------------	-------------------------	-------------------------

DEFERRED INVESTMENT TAX CREDITS	----- 510 -----	----- 528 -----
---------------------------------	-----------------------	-----------------------

DEFERRED GAIN ON SALE AND LEASEBACK - ROCKPORT PLANT UNIT 2	199	203
--	-----	-----

LONG-TERM ENERGY TRADING CONTRACTS	----- 2,965 -----	----- 1,381 -----
------------------------------------	-------------------------	-------------------------

DEFERRED CREDITS AND REGULATORY LIABILITIES	----- 986 -----	----- 637 -----
---	-----------------------	-----------------------

OTHER NONCURRENT LIABILITIES	----- 1,763 -----	----- 1,706 -----
------------------------------	-------------------------	-------------------------

CUMULATIVE PREFERRED STOCKS OF SUBSIDIARIES	----- 161 -----	----- 161 -----
---	-----------------------	-----------------------

CONTINGENCIES (Note 8)

COMMON SHAREHOLDERS' EQUITY Common Stock-Par Value \$6.50:

	2001	2000
	-----	-----
Shares Authorized.	600,000,000	600,000,000

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

Shares Issued.	331,201,100	331,019,146		
(8,999,992 shares were held in treasury at June 30, 2000 and December 31, 2000)			2,153	2,152
Paid-in Capital			2,916	2,915
Accumulated Other Comprehensive Income (Loss)			(131)	(103)
Retained Earnings			3,210	3,090
			-----	-----
TOTAL COMMON SHAREHOLDERS' EQUITY			8,148	8,054
			-----	-----
TOTAL			\$50,227	\$54,548
			=====	=====

See Notes to Financial Statements beginning on page L-1.

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY
(UNAUDITED)

	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	-----	-----	-----	-----	-----
	(in millions)				
JANUARY 1, 2000	\$2,149	\$2,898	\$3,630	\$ (4)	\$8,673
Issuance of Common Stock	2	10			12
Common Stock Dividends			(419)		(419)
Other		(46)			(46)

					8,220

Comprehensive Income:					
Other Comprehensive Income, Net of Taxes					
Currency Translation Adjustment				(115)	(115)
Unrealized Loss on Securities				20	20
Minimum Pension Liability				(2)	(2)
Net Income			131		131

Total Comprehensive Income					34
	-----	-----	-----	-----	---
JUNE 30, 2000	\$2,151	\$2,862	\$3,342	\$ (101)	\$8,254
	=====	=====	=====	=====	=====
JANUARY 1, 2001	\$2,152	\$2,915	\$3,090	\$ (103)	\$8,054
Issuance of Common Stock	1	8			9
Common Stock Dividends			(387)		(387)
Other		(7)	9		2
					-
					7,678

Comprehensive Income:					
Other Comprehensive Income, Net of Taxes					
Currency Translation Adjustment				(53)	(53)

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

	June 30,		June 30,	
	2001	2000	2001	2000
	----	----	----	----
	(in thousands)			
BALANCE AT BEGINNING OF PERIOD	\$790,176	\$727,973	\$792,219	\$758,894
NET INCOME	52,518	67,553	87,549	75,692
DEDUCTIONS:				
Cash Dividends Declared:				
Common Stock	37,014	39,000	74,028	78,000
Preferred Stock	61	61	121	121
	--	--	---	---
BALANCE AT END OF PERIOD	\$805,619	\$756,465	\$805,619	\$756,465
	=====	=====	=====	=====

The common stock of the Company is wholly owned by AEP.

See Notes to Financial Statements beginning on page L-1.

CENTRAL POWER AND LIGHT COMPANY AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in thousands)

ASSETS		

ELECTRIC UTILITY PLANT:		
Production	\$3,163,111	\$3,175,867
Transmission	604,057	581,931
Distribution	1,250,224	1,221,750
General	240,386	237,764
Construction Work in Progress	195,948	138,273
Nuclear Fuel	240,151	236,859
	-----	-----
Total Electric Utility Plant	5,693,877	5,592,444
Accumulated Depreciation and Amortization	2,361,780	2,297,189
	-----	-----
NET ELECTRIC UTILITY PLANT	3,332,097	3,295,255
	-----	-----
OTHER PROPERTY AND INVESTMENTS	46,229	44,225
	-----	-----
LONG-TERM ENERGY TRADING CONTRACTS	32,199	66,231
	-----	-----
CURRENT ASSETS:		
Cash and Cash Equivalents	5,755	14,253
Accounts Receivable:		
Customers	38,616	67,787
Affiliated Companies	12,818	31,272
Allowance for Uncollectible Accounts	(1,638)	(1,675)
Fuel Inventory - at LIFO cost	39,511	22,842
Materials and Supplies - at average cost	54,127	53,108

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

Under-recovered Fuel Costs	93,341	127,295
Energy Trading Contracts	112,483	481,206
Prepayments and Other Current Assets	6,151	3,014
	-----	-----
TOTAL CURRENT ASSETS	361,164	799,102
	-----	-----
REGULATORY ASSETS	178,299	202,440
	-----	-----
REGULATORY ASSETS DESIGNATED FOR SECURITIZATION	953,249	953,249
	-----	-----
NUCLEAR DECOMMISSIONING TRUST FUND	95,032	93,592
	-----	-----
DEFERRED CHARGES	45,115	18,402
	-----	-----
TOTAL ASSETS	\$5,043,384	\$5,472,496
	=====	=====

See Notes to Financial Statements beginning on page L-1.

CENTRAL POWER AND LIGHT COMPANY AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in thousands)

CAPITALIZATION AND LIABILITIES

CAPITALIZATION:

Common Stock - \$25 Par Value:

Authorized - 12,000,000 Shares

Outstanding - 6,755,535 Shares

\$ 168,888 \$ 168,888

Paid-in Capital

405,000 405,000

Retained Earnings

805,619 792,219

Total Common Shareowner's Equity

1,379,507 1,366,107

Preferred Stock

5,967 5,967

CPL - Obligated, Mandatorily Redeemable Preferred

Securities of Subsidiary Trust Holding Solely

Junior Subordinated Debentures of CPL

136,750 148,500

Long-term Debt

942,863 1,254,559

TOTAL CAPITALIZATION

2,465,087 2,775,133

CURRENT LIABILITIES:

Long-term Debt Due Within One Year

511,700 200,000

Advances from Affiliates

223,512 269,712

Accounts Payable - General

115,732 128,957

Accounts Payable - Affiliated Companies

26,657 40,962

Taxes Accrued

128,983 55,526

Interest Accrued

24,221 26,217

Energy Trading Contracts

111,536 489,888

Other

46,778 40,630

TOTAL CURRENT LIABILITIES

1,189,119 1,251,892

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

DEFERRED INCOME TAXES	1,221,213	1,242,797
DEFERRED INVESTMENT TAX CREDITS	125,496	128,100
LONG-TERM ENERGY TRADING CONTRACTS	32,999	65,740
DEFERRED CREDITS	9,470	8,834
CONTINGENCIES (Note 8)		
TOTAL CAPITALIZATION AND LIABILITIES	\$5,043,384	\$5,472,496

See Notes to Financial Statements beginning on page L-1.

COLUMBUS SOUTHERN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
	(in thousands)			
OPERATING REVENUES	\$1,109,095	\$928,332	\$2,234,668	\$1,561,637
OPERATING EXPENSES:				
Fuel	42,368	48,581	89,398	89,329
Purchased Power	845,860	685,411	1,717,771	1,100,113
Other Operation	54,510	50,332	109,058	95,621
Maintenance	19,729	18,228	38,509	32,924
Depreciation and Amortization	31,379	24,896	62,861	49,440
Taxes Other Than Federal Income Taxes	32,909	31,084	64,816	62,561
Federal Income Taxes	19,446	19,002	37,429	36,727
TOTAL OPERATING EXPENSES	1,046,201	877,534	2,119,842	1,466,715
OPERATING INCOME	62,894	50,798	114,826	94,922
NONOPERATING INCOME (LOSS)	3,012	2,497	6,484	4,181
INCOME BEFORE INTEREST CHARGES	65,906	53,295	121,310	99,103
INTEREST CHARGES	18,488	17,960	36,221	36,297
INCOME BEFORE EXTRAORDINARY ITEM	47,418	35,335	85,089	62,806
EXTRAORDINARY LOSS - EFFECTS OF DEREGULATION (INCLUSIVE OF TAX BENEFIT OF \$8,353,000)	(26,407)	-	(26,407)	-

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

NET INCOME	21,011	35,335	58,682	62,806
PREFERRED STOCK DIVIDEND REQUIREMENTS	301	532	603	1,065
EARNINGS APPLICABLE TO COMMON STOCK	\$ 20,710	\$ 34,803	\$ 58,079	\$ 61,741

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
	----	----	----	----
	(in thousands)			
BALANCE AT BEGINNING OF PERIOD	\$115,486	\$249,872	\$ 99,069	\$246,584
NET INCOME	21,011	35,335	58,682	62,806
DEDUCTIONS:				
Cash Dividends Declared:				
Common Stock	20,738	23,650	41,476	47,300
Cumulative Preferred Stock	263	438	525	875
Capital Stock Expense	253	95	507	191
	---	--	---	---
BALANCE AT END OF PERIOD	\$115,243	\$261,024	\$115,243	\$261,024

The common stock of the Company is wholly owned by AEP.
See Notes to Financial Statements beginning on page L-1.

COLUMBUS SOUTHERN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in thousands)

ASSETS		

ELECTRIC UTILITY PLANT:		
Production	\$1,569,118	\$1,564,254
Transmission	392,383	360,302
Distribution	1,124,668	1,096,365
General	148,224	156,534
Construction Work in Progress	79,612	89,339
	-----	-----
Total Electric Utility Plant	3,314,005	3,266,794
Accumulated Depreciation and Amortization	1,337,358	1,299,697
	-----	-----

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

NET ELECTRIC UTILITY PLANT	1,976,647	1,967,097
	-----	-----
OTHER PROPERTY AND INVESTMENTS	43,283	39,848
	-----	-----
LONG-TERM ENERGY TRADING CONTRACTS	333,816	172,167
	-----	-----
CURRENT ASSETS:		
Cash and Cash Equivalents	10,030	11,600
Accounts Receivable:		
Customers	78,089	73,711
Affiliated Companies	82,426	49,591
Miscellaneous	19,463	18,807
Allowance for Uncollectible Accounts	(659)	(659)
Fuel - at average cost	20,648	13,126
Materials and Supplies - at average cost	37,333	38,097
Accrued Utility Revenues	-	9,638
Energy Trading Contracts	966,617	1,085,989
Prepayments and Other Current Assets	27,334	46,735
	-----	-----
TOTAL CURRENT ASSETS	1,241,281	1,346,635
	-----	-----
REGULATORY ASSETS	273,528	291,553
	-----	-----
DEFERRED CHARGES	36,923	77,634
	-----	-----
TOTAL ASSETS	\$3,905,478	\$3,894,934
	=====	=====

See Notes to Financial Statements beginning on page L-1.

COLUMBUS SOUTHERN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in thousands)

CAPITALIZATION AND LIABILITIES		
CAPITALIZATION:		
Common Stock - No Par Value:		
Authorized - 24,000,000 Shares		
Outstanding - 16,410,426 Shares	\$ 41,026	\$ 41,026
Paid-in Capital	573,861	573,354
Retained Earnings	115,243	99,069
	-----	-----
Total Common Shareowner's Equity	730,130	713,449
Cumulative Preferred Stock -		
Subject to Mandatory Redemption	15,000	15,000
Long-term Debt	899,874	899,615
	-----	-----
TOTAL CAPITALIZATION	1,645,004	1,628,064
	-----	-----
OTHER NONCURRENT LIABILITIES	40,662	47,584
	-----	-----

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

CURRENT LIABILITIES:		
Advances from Affiliates	115,302	88,732
Accounts Payable - General	92,461	89,846
Accounts Payable - Affiliated Companies	98,033	72,493
Taxes Accrued	117,277	162,904
Interest Accrued	15,808	13,369
Energy Trading Contracts	944,778	1,115,967
Other	49,943	60,701
	-----	-----
TOTAL CURRENT LIABILITIES	1,433,602	1,604,012
	-----	-----
DEFERRED INCOME TAXES	431,000	422,759
	-----	-----
DEFERRED INVESTMENT TAX CREDITS	39,563	41,234
	-----	-----
REGULATORY LIABILITIES AND DEFERRED CREDITS	15,108	12,861
	-----	-----
LONG-TERM ENERGY TRADING CONTRACTS	300,539	138,420
	-----	-----
CONTINGENCIES (Note 8)		
TOTAL CAPITALIZATION AND LIABILITIES	\$3,905,478	\$3,894,934
	=====	=====

See Notes to Financial Statements beginning on page L-1.

OHIO POWER COMPANY AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
	----	----	----	----
	(in thousands)			
OPERATING REVENUES	\$1,627,177	\$1,436,330	\$3,326,842	\$2,484,167
	-----	-----	-----	-----
OPERATING EXPENSES:				
Fuel	180,057	177,314	380,618	392,562
Purchased Power	1,146,655	943,060	2,325,561	1,480,788
Other Operation	96,623	86,244	185,029	170,696
Maintenance	36,448	33,595	71,848	61,625
Depreciation and Amortization	57,666	38,843	117,725	77,332
Taxes Other Than Federal Income Taxes	46,193	41,055	87,054	84,787
Federal Income Taxes	16,468	36,251	47,184	71,296
	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	1,580,110	1,356,362	3,215,019	2,339,086
	-----	-----	-----	-----
OPERATING INCOME	47,067	79,968	111,823	145,081
NONOPERATING INCOME	7,809	1,250	18,917	4,150
	-----	-----	-----	-----
INCOME BEFORE INTEREST CHARGES	54,876	81,218	130,740	149,231

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

INTEREST CHARGES	22,782	22,985	45,249	44,782
	-----	-----	-----	-----
INCOME BEFORE EXTRAORDINARY ITEM	32,094	58,233	85,491	104,449
EXTRAORDINARY LOSS - EFFECTS OF DEREGULATION (INCLUSIVE OF TAX BENEFIT OF \$11,585,000)	(21,515)	-	(21,515)	-
	-----	-----	-----	-----
NET INCOME	10,579	58,233	63,976	104,449
PREFERRED STOCK DIVIDEND REQUIREMENTS	316	315	630	636
	---	---	---	---
EARNINGS APPLICABLE TO COMMON STOCK	\$ 10,263	\$ 57,918	\$ 63,346	\$ 103,813
	=====	=====	=====	=====

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
	----	----	----	----
	(in thousands)			
NET INCOME	\$10,579	\$58,233	\$ 63,976	\$ 104,449
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign Currency Exchange Rate Hedge	(104)	-	(325)	-
	-----	-----	-----	-----
COMPREHENSIVE INCOME	\$10,475	\$58,233	\$ 63,651	\$ 104,449
	=====	=====	=====	=====

The common stock of the Company is wholly owned by AEP.

See Notes to Financial Statements beginning on page L-1.

OHIO POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
	----	----	----	----
	(in thousands)			

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

BALANCE AT BEGINNING OF PERIOD	\$ 415,425	\$ 595,620	\$ 398,086	\$ 587,424
NET INCOME	10,579	58,233	63,976	104,449
CASH DIVIDENDS DECLARED:				
Common Stock	35,744	37,703	71,488	75,406
Cumulative Preferred Stock	315	316	629	633
	---	---	---	---
BALANCE AT END OF PERIOD	\$ 389,945	\$ 615,834	\$389,945	\$ 615,834
	=====	=====	=====	=====

See Notes to Financial Statements beginning on page L-1.

OHIO POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in thousands)

ASSETS

ELECTRIC UTILITY PLANT:

Production	\$2,955,482	\$2,764,155
Transmission	884,720	870,033
Distribution	1,059,174	1,040,940
General (including mining assets)	523,987	707,417
Construction Work in Progress	83,461	195,086
	-----	-----
Total Electric Utility Plant	5,506,824	5,577,631
Accumulated Depreciation and Amortization	2,670,874	2,764,130
	-----	-----

NET ELECTRIC UTILITY PLANT	2,835,950	2,813,501
	-----	-----

OTHER PROPERTY AND INVESTMENTS	114,811	109,124
	-----	-----

LONG-TERM ENERGY TRADING CONTRACTS	479,759	256,455
	-----	-----

CURRENT ASSETS:

Cash and Cash Equivalents	28,943	31,393
Advances to Affiliates	-	92,486
Accounts Receivable:		
Customers	174,891	139,732
Affiliated Companies	141,778	126,203
Miscellaneous	26,188	39,046
Allowance for Uncollectible Accounts	(1,026)	(1,054)
Fuel - at average cost	100,400	82,291
Materials and Supplies - at average cost	75,692	96,053
Energy Trading Contracts	1,389,132	1,617,660
Prepayments and Other	17,766	33,146
	-----	-----

TOTAL CURRENT ASSETS	1,953,764	2,256,956
	-----	-----

REGULATORY ASSETS	674,099	714,710
	-----	-----

DEFERRED CHARGES	59,384	101,690
	-----	-----

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

TOTAL ASSETS	----- \$6,117,767 =====	----- \$6,252,436 =====
--------------	-------------------------------	-------------------------------

See Notes to Financial Statements beginning on page L-1.

OHIO POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in thousands)

CAPITALIZATION AND LIABILITIES

CAPITALIZATION:

Common Stock - No Par Value:

 Authorized - 40,000,000 Shares

 Outstanding - 27,952,473 Shares

Paid-in Capital

Accumulated Other Comprehensive Income (Loss)

Retained Earnings

 Total Common Shareholder's Equity

Cumulative Preferred Stock:

 Not Subject to Mandatory Redemption

 Subject to Mandatory Redemption

Long-term Debt

 TOTAL CAPITALIZATION

OTHER NONCURRENT LIABILITIES

CURRENT LIABILITIES:

Long-term Debt Due Within One Year

Advances from Affiliates

Accounts Payable - General

Accounts Payable - Affiliated Companies

Customer Deposits

Taxes Accrued

Interest Accrued

Obligations Under Capital Leases

Energy Trading Contracts

Other

 TOTAL CURRENT LIABILITIES

DEFERRED INCOME TAXES

DEFERRED INVESTMENT TAX CREDITS

LONG-TERM ENERGY TRADING CONTRACTS

REGULATORY LIABILITIES AND DEFERRED CREDITS

	\$ 321,201	\$321,201
	462,483	462,483
	(325)	-
	389,945	398,086
	-----	-----
	1,173,304	1,181,770
	16,648	16,648
	8,850	8,850
	1,078,354	1,077,987
	-----	-----
	2,277,156	2,285,255
	-----	-----
	515,450	542,017
	-----	-----
	-	117,506
	252,323	-
	160,578	179,691
	77,477	121,360
	7,368	39,736
	184,079	223,101
	24,299	20,458
	14,057	32,716
	1,358,005	1,662,315
	140,792	151,934
	-----	-----
	2,218,978	2,548,817
	-----	-----
	609,885	621,941
	-----	-----
	23,644	25,214
	-----	-----
	431,934	206,187
	-----	-----
	40,720	23,005
	-----	-----

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

CONTINGENCIES (Note 8)

TOTAL CAPITALIZATION AND LIABILITIES	\$6,117,767	\$6,252,436
	=====	=====

See Notes to Financial Statements beginning on page L-1.

SOUTHWESTERN ELECTRIC POWER COMPANY AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
	----	----	----	----
	(in thousands)			
OPERATING REVENUES	\$434,795	\$272,409	\$860,484	\$484,565
	-----	-----	-----	-----
OPERATING EXPENSES:				
Fuel	124,151	113,773	242,397	203,125
Purchased Power	168,671	19,252	337,528	30,950
Other Operation	34,071	37,362	73,339	72,060
Maintenance	20,431	20,906	35,667	35,212
Depreciation and Amortization	33,328	27,525	61,458	54,882
Taxes Other Than Federal Income Taxes	14,986	13,455	29,252	24,116
Federal Income Taxes	6,508	6,840	14,208	8,193
	-----	-----	-----	-----
TOTAL OPERATING EXPENSES	402,146	239,113	793,849	428,538
	-----	-----	-----	-----
OPERATING INCOME	32,649	33,296	66,635	
NONOPERATING INCOME	30	678	277	56,027
	--	---	---	445
INCOME BEFORE INTEREST CHARGES	32,679	33,974	66,912	56,472
INTEREST CHARGES	14,895	15,188	29,259	30,023
	-----	-----	-----	-----
NET INCOME	17,784	18,786	37,653	26,449
PREFERRED STOCK DIVIDEND REQUIREMENTS	58	57	115	114
	--	---	---	---
EARNINGS APPLICABLE TO COMMON STOCK	\$ 17,726	\$ 18,729	\$ 37,538	\$ 26,335
	=====	=====	=====	=====

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (UNAUDITED)

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
	----	----	----	----
	(in thousands)			
BALANCE AT BEGINNING OF PERIOD	\$295,248	\$275,652	\$293,989	\$283,546
NET INCOME	17,784	18,786	37,653	26,449
CASH DIVIDENDS DECLARED:				
Common Stock	18,552	15,500	37,105	31,000
Preferred Stock	58	57	115	114
	--	--	---	--
BALANCE AT END OF PERIOD	\$294,422	\$278,881	\$294,422	\$278,881
	=====	=====	=====	=====

The common stock of the Company is wholly owned by AEP.

See Notes to Financial Statements beginning on page L-1.

SOUTHWESTERN ELECTRIC POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in thousands)

ASSETS

ELECTRIC UTILITY PLANT:

Production	\$1,472,831	\$1,414,527
Transmission	531,793	519,317
Distribution	1,024,442	1,001,237
General	327,976	325,948
Construction Work in Progress	48,381	57,995

Total Electric Utility Plant 3,405,423 3,319,024

Accumulated Depreciation and Amortization 1,500,099 1,457,005

NET ELECTRIC UTILITY PLANT 1,905,324 1,862,019

OTHER PROPERTY AND INVESTMENTS 41,443 39,627

LONG-TERM ENERGY TRADING CONTRACTS 32,212 63,028

CURRENT ASSETS:

Cash and Cash Equivalents	1,954	1,907
Accounts Receivable:		
Customers	50,532	41,399
Affiliated Companies	-	11,419
Fuel Inventory - at average cost	43,194	40,024
Under-recovered Fuel	44,916	35,469

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

Materials and Supplies - at average cost	30,004	25,137
Energy Trading Contracts	112,529	457,936
Prepayments	18,562	16,780
	-----	-----
TOTAL CURRENT ASSETS	301,691	630,071
	-----	-----
REGULATORY ASSETS	52,123	57,082
	-----	-----
DEFERRED CHARGES	83,774	10,707
	-----	-----
TOTAL ASSETS	\$2,416,567	\$2,662,534
	=====	=====

See Notes to Financial Statements beginning on page L-1.

SOUTHWESTERN ELECTRIC POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in thousands)

CAPITALIZATION AND LIABILITIES

CAPITALIZATION:

Common Stock - \$18 Par Value:

Authorized - 7,600,000 Shares

Outstanding - 7,536,640 Shares

Paid-in Capital

Retained Earnings

Total Common Shareowner's Equity

Preferred Stock

SWEPKO-OBLIGATED, MANDATORILY REDEEMABLE PREFERRED

SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY JUNIOR

SUBORDINATED DEBENTURES OF SWEPKO

Long-term Debt

TOTAL CAPITALIZATION

OTHER NONCURRENT LIABILITIES

CURRENT LIABILITIES:

Long-term Debt Due Within One Year

Advances from Affiliates

Accounts Payable - General

Accounts Payable - Affiliated Companies

Customer Deposits

Taxes Accrued

Interest Accrued

Energy Trading Contracts

Other

TOTAL CURRENT LIABILITIES

\$ 135,660	\$ 135,660
245,000	245,000
294,422	293,989
-----	-----
675,082	674,649
4,704	4,704
110,000	110,000
494,876	645,368
-----	-----
1,284,662	1,434,721
-----	-----
32,377	11,290
-----	-----
150,595	595
136,483	16,823
63,892	107,747
34,650	36,021
20,471	16,433
52,382	11,224
13,466	13,198
111,582	466,198
20,487	15,064
-----	-----
604,008	683,303

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

DEFERRED INCOME TAXES	396,364	399,204
DEFERRED INVESTMENT TAX CREDITS	50,955	53,167
REGULATORY LIABILITIES AND DEFERRED CREDITS	15,189	18,288
LONG-TERM ENERGY TRADING CONTRACTS	33,012	62,561
CONTINGENCIES (Note 8)		
TOTAL CAPITALIZATION AND LIABILITIES	\$2,416,567	\$2,662,534

See Notes to Financial Statements beginning on page L-1.

WEST TEXAS UTILITIES COMPANY
STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
	(in thousands)			
OPERATING REVENUES	\$192,839	\$130,742	\$387,845	\$227,277
OPERATING EXPENSES:				
Fuel	46,848	47,207	106,753	75,787
Purchased Power	80,485	22,455	162,177	37,348
Other Operation	25,355	15,751	51,111	36,055
Maintenance	7,046	5,045	11,608	9,907
Depreciation and Amortization	11,529	11,292	23,300	22,533
Taxes Other Than Federal Income Taxes	6,775	6,653	12,813	11,616
Federal Income Taxes	2,373	5,401	2,263	7,312
TOTAL OPERATING EXPENSES	180,411	113,804	370,025	200,558
OPERATING INCOME	12,428	16,938	17,820	26,719
NONOPERATING INCOME (LOSS)	(553)	(3,149)	878	(3,239)
INCOME BEFORE INTEREST CHARGES	11,875	13,789	18,698	23,480
INTEREST CHARGES	5,742	5,719	11,674	11,577
NET INCOME	6,133	8,070	7,024	11,903
PREFERRED STOCK DIVIDEND REQUIREMENTS	26	26	52	52
EARNINGS APPLICABLE TO COMMON STOCK	\$ 6,107	\$ 8,044	\$ 6,972	\$ 11,851

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

STATEMENTS OF RETAINED EARNINGS
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
	----	----	----	----
	(in thousands)			
BALANCE AT BEGINNING OF PERIOD	\$116,247	\$112,549	\$122,588	\$113,242
NET INCOME	6,133	8,070	7,024	11,903
DEDUCTIONS:				
Cash Dividends Declared:				
Common Stock	7,206	4,500	14,412	9,000
Preferred Stock	26	26	52	52
	--	--	--	--
BALANCE AT END OF PERIOD	\$115,148	\$116,093	\$115,148	\$116,093
	=====	=====	=====	=====

The common stock of the Company is wholly owned by AEP.

See Notes to Financial Statements beginning on page L-1.

WEST TEXAS UTILITIES COMPANY
BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in thousands)

ASSETS

ELECTRIC UTILITY PLANT:

Production	\$ 437,880	\$ 431,793
Transmission	236,532	235,303
Distribution	424,258	416,587
General	112,139	110,832
Construction Work in Progress	35,156	34,824
	-----	-----
Total Electric Utility Plant	1,245,965	1,229,339
Accumulated Depreciation and Amortization	531,411	515,041
	-----	-----
NET ELECTRIC UTILITY PLANT	714,554	714,298
	-----	-----
OTHER PROPERTY AND INVESTMENTS	24,100	23,154
	-----	-----
LONG-TERM ENERGY TRADING CONTRACTS	10,705	20,944
	-----	-----

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

CURRENT ASSETS:		
Cash and Cash Equivalents	3,982	6,941
Accounts Receivable:		
Customers	19,111	36,217
Affiliated Companies	8,271	16,095
Allowance for Uncollectible Accounts	(299)	(288)
Fuel Inventory - at average cost	14,861	12,174
Materials and Supplies - at average cost	11,099	10,510
Underrecovered Fuel	59,129	68,107
Energy Trading Contracts	37,398	152,174
Prepayments and Other Current Assets	811	851
	---	---
TOTAL CURRENT ASSETS	154,363	302,781
	-----	-----
REGULATORY ASSETS	19,075	24,808
	-----	-----
DEFERRED CHARGES	10,188	2,947
	-----	-----
TOTAL ASSETS	\$ 932,985	\$1,088,932
	=====	=====

See Notes to Financial Statements beginning on page L-1.

WEST TEXAS UTILITIES COMPANY
BALANCE SHEETS
(UNAUDITED)

June 30, 2001 December 31, 2000
(in thousands)

CAPITALIZATION AND LIABILITIES		
CAPITALIZATION:		
Common Stock - \$25 Par Value:		
Authorized - 7,800,000 Shares		
Outstanding - 5,488,560 Shares	\$ 137,214	\$ 137,214
Paid-in Capital	2,236	2,236
Retained Earnings	115,148	122,588
	-----	-----
Total Common Shareowner's Equity	254,598	262,038
Cumulative Preferred Stock Not Subject to Mandatory Redemption	2,482	2,482
Long-term Debt	255,905	255,843
	-----	-----
TOTAL CAPITALIZATION	512,985	520,363
	-----	-----
CURRENT LIABILITIES:		
Advances from Affiliates	71,953	58,578
Accounts Payable - General	32,073	45,562
Accounts Payable - Affiliated Companies	12,896	42,212
Customer Deposits	4,614	2,659
Taxes Accrued	32,206	18,901
Interest Accrued	3,119	3,717
Energy Trading Contracts	37,083	154,919
Other	8,899	7,906

Edgar Filing: AMERICAN ELECTRIC POWER COMPANY INC - Form U-1/A

TOTAL CURRENT LIABILITIES	----- 202,839 -----	----- 334,454 -----
DEFERRED INCOME TAXES	----- 152,232 -----	----- 157,038 -----
DEFERRED INVESTMENT TAX CREDITS	----- 23,416 -----	----- 24,052 -----
LONG-TERM ENERGY TRADING CONTRACTS	----- 10,972 -----	----- 20,789 -----
REGULATORY LIABILITIES AND DEFERRED CREDITS	----- 30,541 -----	----- 32,236 -----
CONTINGENCIES (Note 8)		
TOTAL CAPITALIZATION AND LIABILITIES	\$ 932,985 =====	\$1,088,932 =====

See Notes to Financial Statements beginning on page L-1.