requirements at Knox Lee. SWEPCo responded to the preliminary report and petition on May 2, 2005.

Management is unable to predict the timing of any future action by TCEQ or the special interest groups or the effect of such actions on results of operations, financial condition or cash flows.

Carbon Dioxide Public Nuisance Claims -- Affecting AEP System

In July 2004, attorneys general from eight states and the corporation counsel for the City of New York filed an action in federal district court for the Southern District of New York against AEP, AEPSC and four other nonaffiliated governmental and investor-owned electric utility systems. That same day, a similar complaint was filed in the same court against the same defendants by the Natural Resources Defense Council on behalf of three special interest groups. The actions alleged that carbon dioxide emissions from power generation facilities constitute a public nuisance under federal common law due to impacts associated with global warming, and sought injunctive relief in the form of specific emission reduction commitments from the defendants. In September 2004, the defendants, including AEP and AEPSC, filed a motion to dismiss the lawsuits. In September 2005, the lawsuits were dismissed. A notice of appeal to the Second Circuit Court of Appeals has been filed on behalf of all plaintiffs. A briefing schedule has not been established.

OPERATIONAL

Construction - Affecting AEGCo, APCo, CSPCo, I&M, KPCo, OPCo, PSO, SWEPCo, TCC and TNC

The AEP System has substantial construction activity scheduled to support its operations. The following table shows the estimated construction expenditures by company for 2006 including amounts for proposed environmental rules:

	(in millions)
AEGCo	$ 16
APCo	794
CSPCo	275
I&M	252
KPCo	88
OPCo	1,057
PSO	222
SWEPCo	260
TCC	235
TNC	76

Estimated construction expenditures are subject to periodic review and modification and may vary based on the ongoing effects of regulatory constraints, environmental regulations, business opportunities, market volatility, economic trends, and the ability to access capital.

TEM Litigation (Power Generation Facility) - Affecting OPCo

AEP has agreements with Juniper Capital L.P. (Juniper) under which Juniper constructed and financed a

nonregulated merchant power generation facility (Facility) near Plaquemine, Louisiana and leased the Facility to AEP. AEP has subleased the Facility to the Dow Chemical Company (Dow). The Facility is a Dow-operated "qualifying cogeneration facility" for purposes of PURPA.

Dow uses a portion of the energy produced by the Facility and sells the excess energy. OPCo has agreed to purchase up to approximately 800 MW of such excess energy from Dow for a 20-year term. Because the Facility is a major steam supply for Dow, Dow is expected to operate the Facility at certain minimum levels, and OPCo is obligated to purchase the energy generated at those minimum operating levels (expected to be approximately 220 MW through May 31, 2006 and 270 MW thereafter). OPCo sells the purchased energy at market prices in the Entergy sub-region of the Southeastern Electric Reliability Council market.

OPCo agreed to sell up to approximately 800 MW of energy to SUEZ Energy Marketing NA, Inc. (formerly known as TEM) for a period of 20 years under a Power Purchase and Sale Agreement dated November 15, 2000 (PPA) at a price that is currently in excess of market. Beginning May 1, 2003, OPCo tendered replacement capacity, energy and ancillary services to TEM pursuant to the PPA that TEM rejected as nonconforming. Commercial operation for purposes of the PPA began April 2, 2004.

In September 2003, TEM and OPCo separately filed declaratory judgment actions in the United States District Court for the Southern District of New York. OPCo alleges that TEM has breached the PPA, and is seeking a determination of OPCo's rights under the PPA. TEM alleges that the PPA never became enforceable, or alternatively, that the PPA has already been terminated as the result of OPCo's breaches. The corporate parent of TEM (SUEZ-TRACTEBEL S.A.) has provided a limited guaranty.

On April 5, 2004, OPCo gave notice to TEM that OPCo, (i) was suspending performance of its obligations under PPA, (ii) would be seeking a declaration from the New York federal court that the PPA was terminated and (iii) would be pursuing against TEM, and SUEZ-TRACTEBEL S.A. under the guaranty, damages and the full termination payment value of the PPA.

A bench trial was conducted in March and April 2005. In August 2005, a federal judge ruled that TEM had breached the contract and awarded us damages of $123 million plus pre-judgment interest. In August 2005, both parties filed motions with the trial court seeking reconsideration of the judgment. We asked the court to modify the judgment to (i) award a termination payment to us under the terms of the PPA; (ii) grant our attorneys' fees; and (iii) render judgment against SUEZ-TRACTEBEL, S.A. on the guaranty. TEM sought reduction of the damages awarded by the court for replacement electric power products made available by OPCo under the PPA.

In September 2005, TEM posted a letter of credit for $142 million as security pending appeal of the judgment. Both parties have filed Notices of Appeal with the United States Court of Appeals for the Second Circuit. If the PPA is deemed terminated or found to be unenforceable by the court ultimately deciding the case, we could be adversely affected to the extent we are unable to find other purchasers of the power with similar contractual terms and to the extent we do not fully recover claimed termination value damages from TEM.

Merger Litigation-Affecting AEGCo, APCo, CSPCo, I&M, KPCo, OPCo, PSO, SWEPCo, TCC and TNC

In 2002, the U.S. Court of Appeals for the District of Columbia ruled that the SEC did not adequately explain that the June 15, 2000 merger of AEP with CSW meets the requirements of the PUHCA and sent the case back to the SEC for further review. Specifically, the court told the SEC to revisit the basis for its conclusion that the merger met PUHCA requirements that utilities be "physically interconnected" and confined to a "single area or region." In January 2005, a hearing was held before an ALJ.

In May 2005, the ALJ issued an Initial Decision concluding that the AEP System is "physically interconnected" but is not confined to a "single area or region." Therefore, the ALJ concluded that the combined AEP/CSW system does not constitute a single integrated public utility system under PUHCA. Management believes that the merger meets the requirements of PUHCA and filed a petition for review of this Initial Decision, which the SEC granted. The SEC is reviewing the Initial Decision. Management believes the repeal of PUHCA will end litigation challenging the merger with CSW. All parties to the proceeding have filed motions with the SEC supporting dismissal of the proceeding upon repeal of the PUHCA in February 2006.

Enron Bankruptcy -Affecting APCo, CSPCo, I&M, KPCo and OPCo

In 2002, certain subsidiaries of AEP filed claims against Enron and its subsidiaries in the Enron bankruptcy proceeding pending in the U.S. Bankruptcy Court for the Southern District of New York. At the date of Enron's bankruptcy, certain subsidiaries of AEP had open trading contracts and trading accounts receivables and payables with Enron. In addition, on June 1, 2001, AEP purchased HPL from Enron. Various HPL-related contingencies and indemnities from Enron remained unsettled at the date of Enron's bankruptcy.

Enron Bankruptcy - Commodity trading settlement disputes - In September 2003, Enron filed a complaint in the Bankruptcy Court against AEPES challenging AEP's offsetting of receivables and payables and related collateral across various Enron entities and seeking payment of approximately $125 million plus interest in connection with gas-related trading transactions. The AEP subsidiaries asserted their right to offset trading payables owed to various Enron entities against trading receivables due to several AEP subsidiaries. The parties are currently in nonbinding court-sponsored mediation.

In December 2003, Enron filed a complaint in the Bankruptcy Court against AEPSC seeking approximately $93 million plus interest in connection with a transaction for the sale and purchase of physical power among Enron, AEP and Allegheny Energy Supply, LLC during November 2001. Enron's claim seeks to unwind the effects of the transaction. AEP believes it has several defenses to the claims in the action being brought by Enron. The parties are currently in nonbinding court-sponsored mediation.

Enron Bankruptcy - Summary - The amount expensed in prior years in connection with the Enron bankruptcy was based on an analysis of contracts where AEP and Enron entities are counterparties, the offsetting of receivables and payables, the application of deposits from Enron entities and management's analysis of the HPL-related purchase contingencies and indemnifications. As noted above, Enron has challenged the offsetting of receivables and payables. Although management is unable to predict the outcome of these lawsuits, it is possible that their resolution could have an adverse impact on results of operations, cash flows and financial condition.

Texas Commercial Energy, LLP Lawsuit - Affecting TCC and TNC

Texas Commercial Energy, LLP (TCE), a Texas REP, filed a lawsuit in federal District Court in Corpus Christi, Texas, in July 2003 against AEP and four of its subsidiaries, including TCC and TNC, ERCOT and a number of nonaffiliated energy companies including TXU, CenterPoint, Texas Genco, Reliant, TECO, and Tractebel. The action alleges violations of the Sherman Antitrust Act, fraud, negligent misrepresentation, breach of fiduciary duty, breach of contract, civil conspiracy and negligence. The allegations, not all of which are made against the AEP companies, range from anticompetitive bidding to withholding power. TCE alleges that these activities resulted in price spikes requiring TCE to post additional collateral and ultimately forced it into bankruptcy when it was unable to raise prices to its customers due to their fixed price contracts. The suit alleges over $500 million in damages for all defendants and seeks recovery of damages, exemplary damages and court costs. In June 2004, the Court dismissed all claims against the AEP companies. TCE appealed the trial court's decision to the United States Court of Appeals for the Fifth Circuit. The Fifth Circuit issued its decision in June 2005 and affirmed the lower court's decision. TCE filed a Petition for Writ of Certiorari with the United States Supreme Court on October 14, 2005. In March 2005, Utility Choice, LLC and Cirro Energy Corporation filed in U.S. District Court alleging similar violations as those alleged in the TCE lawsuit against the same defendants and others. Trial is scheduled in the Utility Choice/Cirro Energy case for April 2006. On October 18, 2005, the U.S. District Court heard oral arguments on Management's Motion to Dismiss. Management intends to continue to vigorously defend against the allegations in these cases.

Ontario Litigation - Affecting CSPCo and OPCo

In June 2005, CSPCo and OPCo were named as one of 21 defendants in a lawsuit filed in the Superior Court of Justice in Ontario, Canada. They have not been served with the lawsuit. The defendants are alleged to own or operate coal-fired electric generating stations in various states that, through negligence in design, management, maintenance and operations, have emitted NO_x, SO_2 and particulate matter that have harmed the residents of Ontario. The lawsuit seeks class action designation and damages of approximately $50 billion, with continuing damages of $4 billion annually. The lawsuit also seeks $1 billion in punitive damages. We believe we have meritorious defenses to this action and intend to defend vigorously against it.

Coal Transportation Dispute - Affecting PSO, TCC and TNC

PSO, TCC, TNC and two nonaffiliated entities, as joint owners of a generating station, have disputed transportation costs for coal received between July 2000 and the present time. The joint plant has remitted less than the amount billed. The dispute is pending before the Surface Transportation Board with a decision expected during the first quarter of 2006. Based upon a weighted average probability analysis of possible outcomes, PSO, as operator of the plant, recorded provisions for possible loss in December 2004 and the first nine months of 2005. The provisions were deferred as a regulatory asset under PSO's fuel mechanism and affected income for TCC and TNC for their respective ownership shares. Management continues to work toward mitigating the disputed amounts to the extent possible.

6. GUARANTEES

There are certain immaterial liabilities recorded for guarantees in accordance with FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others." There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third parties unless specified below.

Letters of Credit

Certain Registrant Subsidiaries have entered into standby letters of credit (LOC) with third parties. These LOCs generally cover items such as insurance programs, security deposits, debt service reserves, and credit enhancements for issued bonds. All of these LOCs were issued in the subsidiaries' ordinary course of business. At September 30, 2005, the maximum future payments of the LOCs include $44 million, $1 million, $51 million, $4 million and $43 million for CSPCo, I&M, OPCo, SWEPCo and TCC, respectively, with maturities ranging from November 2005 to April 2007. There is no recourse to third parties in the event these letters of credit are drawn.

SWEPCo

In connection with reducing the cost of the lignite mining contract for its Henry W. Pirkey Power Plant, SWEPCo has agreed, under certain conditions, to assume the capital lease obligations and term loan payments of the mining contractor, Sabine Mining Company (Sabine). In the event Sabine defaults under any of these agreements, SWEPCo's total future maximum payment exposure is approximately $54 million with maturity dates ranging from February 2007 to February 2012.

As part of the process to receive a renewal of a Texas Railroad Commission permit for lignite mining, SWEPCo has agreed to provide guarantees of mine reclamation in the amount of approximately $85 million. Since SWEPCo uses self-bonding, the guarantee provides for SWEPCo to commit to use its resources to complete the reclamation in the event the work is not completed by a third party miner. At September 30, 2005, the cost to reclaim the mine in 2035 is estimated to be approximately $39 million. This guarantee ends upon depletion of reserves estimated at 2035 plus 6 years to complete reclamation.

SWEPCo consolidates Sabine due to the application of FIN 46. SWEPCo does not have an ownership interest in Sabine.

Indemnifications and Other Guarantees

Contracts

All of the Registrant Subsidiaries enter into certain types of contracts which require indemnifications. Typically these contracts include, but are not limited to, sale agreements, lease agreements, purchase agreements and financing agreements. Generally, these agreements may include, but are not limited to, indemnifications around certain tax, contractual and environmental matters. With respect to sale agreements, exposure generally does not exceed the sale price. Registrant Subsidiaries cannot estimate the maximum potential exposure for any of these indemnifications executed prior to December 31, 2002 due to the uncertainty of future events. In 2004 and the first nine months of 2005, Registrant Subsidiaries entered into sale agreements which included indemnifications with a maximum exposure that was not significant for any individual Registrant Subsidiary except for TCC. TCC sales agreements

include indemnifications with a maximum exposure of $443 million related to the sale prices of its generation assets. The status of certain sales agreements is discussed in Note 7. There are no material liabilities recorded for any indemnifications.

Registrant Subsidiaries are jointly and severally liable for activity conducted by AEPSC on the behalf of AEP East and West companies and for activity conducted by any Registrant Subsidiary pursuant to the SIA.

Master Operating Lease

Certain Registrant Subsidiaries lease certain equipment under a master operating lease. Under the lease agreement, the lessor is guaranteed to receive up to 87% of the unamortized balance of the equipment at the end of the lease term. If the fair market value of the leased equipment is below the unamortized balance at the end of the lease term, the subsidiary has committed to pay the difference between the fair market value and the unamortized balance, with the total guarantee not to exceed 87% of the unamortized balance. At September 30, 2005, the maximum potential loss by subsidiary for these lease agreements assuming the fair market value of the equipment is zero at the end of the lease term is as follows:

	Maximum Potential Loss
Subsidiary	**(in millions)**
APCo	$ 6
CSPCo	3
I&M	4
KPCo	2
OPCo	6
PSO	5
SWEPCo	5
TCC	5
TNC	3

7. ACQUISITIONS, DISPOSITIONS, ASSET IMPAIRMENTS AND ASSETS HELD FOR SALE

ACQUISITIONS

Ceredo Generating Station - Affecting APCo

In August 2005, APCo signed a purchase and sale agreement with Reliant Energy for the purchase of a 505 MW plant located near Ceredo, West Virginia for $100 million. This transaction is expected to be completed no later than the first quarter of 2006.

Waterford Plant - Affecting CSPCo

In May 2005, CSPCo signed a purchase and sale agreement with Public Service Enterprise Group Waterford Energy LLC for the purchase of an 821 MW plant in Waterford, Ohio. This transaction was

completed in September 2005 for $218 million and the assumption of liabilities of approximately $2 million.

Monongahela Power Company - Affecting CSPCo

In June 2005, the PUCO ordered CSPCo to explore the purchase of the Ohio service territory of Monongahela Power, which includes approximately 29,000 customers. On August 2, 2005, AEP agreed to terms of a transaction, which includes the transfer of Monongahela Power's Ohio customer base and the assets that serve those customers to CSPCo for an estimated sales price of approximately $45 million. The sale price will be adjusted based on book values of the acquired assets and liabilities at the closing date. In addition, CSPCo will pay $10 million to compensate Monongahela Power for its termination of certain generation cost recovery litigation in Ohio. Hearings at the PUCO were held in September 2005 and AEP anticipates the purchase, subject to regulatory approval, to close late in the fourth quarter of 2005. Also included in the proposed transaction is a power purchase agreement under which Allegheny Power, Monongahela Power's parent company, will provide the power requirements of the acquired customers through May 31, 2007.

DISPOSITIONS

Texas Plants - Oklaunion Power Station - Affecting TCC

In January 2004, TCC signed an agreement to sell its 7.81% share of Oklaunion Power Station for approximately $43 million (subject to closing adjustments) to an unrelated party. In May 2004, TCC received notice from the two nonaffiliated co-owners of the Oklaunion Power Station, announcing their decision to exercise their right of first refusal with terms similar to the original agreement. In June 2004 and September 2004, TCC entered into sales agreements with both of its nonaffiliated co-owners for the sale of TCC's 7.81% ownership of the Oklaunion Power Station. These agreements are currently being challenged in Dallas County, Texas State District Court by the unrelated party with which TCC entered into the original sales agreement. The unrelated party alleges that one co-owner has exceeded its legal authority and that the second co-owner did not exercise its right of first refusal in a timely manner. The unrelated party has requested that the court declare the co-owners' exercise of their rights of first refusal void. The court entered a judgment in favor of the unrelated party on October 10, 2005. TCC and the other nonaffiliated co-owners filed an appeal to the Fifth State Court of Appeals in Dallas. Oral argument has been requested but no date has been set. Briefing is scheduled to be completed by November 17, 2005. TCC cannot predict when these issues will be resolved. TCC does not expect the sale to have a significant effect on its results of operations. TCC's assets and liabilities related to the Oklaunion Power Station have been classified as Assets Held for Sale - Texas Generation Plants and Liabilities Held for Sale - Texas Generation Plants, respectively, in TCC's Condensed Consolidated Balance Sheets at September 30, 2005 and December 31, 2004. The plant does not meet the "component-of-an-entity" criteria because it does not have cash flows that can be clearly distinguished operationally. The plant also does not meet the "component-of-an-entity" criteria for financial reporting purposes because it does not operate individually, but rather as a part of the AEP System which includes all of the generation facilities owned by the Registrant Subsidiaries.

Texas Plants - South Texas Project - Affecting TCC

In February 2004, TCC signed an agreement to sell its 25.2% share of STP to an unrelated party for approximately $333 million, subject to closing adjustments. In June 2004, TCC received notice from co-owners of their decisions to exercise their rights of first refusal with terms similar to the original agreement. In September 2004, TCC entered into sales agreements with two of its nonaffiliated co-owners for the sale of TCC's 25.2% share of STP. The sale was completed for approximately $314 million and the assumption of liabilities of $22 million in May 2005 and did not have significant effect on TCC's results of operations. The plant did not meet the "component-of-an-entity" criteria because it does not have cash flows that can be clearly distinguished operationally. The plant also did not meet the "component-of-an-entity" criteria for financial reporting purposes because it does not operate individually, but rather as a part of the AEP System which includes all of the generation facilities owned by the Registrant Subsidiaries.

ASSET IMPAIRMENTS

Conesville Units 1 and 2 - Affecting CSPCo

In the third quarter of 2005, following an extensive review of the commercial viability of CSPCo's Conesville Units 1 and 2, CSPCo committed to a plan to retire these units before the end of their previously estimated useful lives. As a result, Conesville Units 1 and 2 were considered retired as of the third quarter of 2005.

A pretax charge of approximately $39 million was recognized in the third quarter of 2005 related to CSPCo's decision to retire the units. The impairment amount is classified as Asset Impairments and Other Related Charges in CSPCo's Condensed Consolidated Statements of Income.

ASSETS HELD FOR SALE

The assets and liabilities of the TCC plants held for sale at September 30, 2005 and December 31, 2004 are as follows:

	Texas Plants	
	September 30, 2005	December 31, 2004
Assets:	(in millions)	
Other Current Assets	$ 1	$ 24
Property, Plant and Equipment, Net	46	413
Regulatory Assets	-	48
Nuclear Decommissioning Trust Fund	-	143
Total Assets Held for Sale - Texas Generation Plants	$ 47	$ 628
Liabilities:		
Regulatory Liabilities	$ 2	$ 1
Asset Retirement Obligations	-	249
Total Liabilities Held for Sale - Texas Generation		

Plants	$ 2	$ 250

8. BENEFIT PLANS

APCo, CSPCo, I&M, KPCo, OPCo, PSO, SWEPCo, TCC and TNC participate in AEP sponsored U.S. qualified pension plans and nonqualified pension plans. A substantial majority of employees are covered by either a qualified plan or both a qualified and a nonqualified pension plan. In addition, APCo, CSPCo, I&M, KPCo, OPCo, PSO, SWEPCo, TCC and TNC participate in other postretirement benefit plans sponsored by AEP to provide medical and death benefits for retired employees in the U.S.

The following tables provide the components of AEP's net periodic benefit cost for the plans for the three and nine months ended September 30, 2005 and 2004:

Three Months Ended September 30, 2005 and 2004	**Pension Plans**		**Other Postretirement Benefit Plans**	
	2005	**2004**	**2005**	**2004**
		(in millions)		
Service Cost	$ 23	$ 21	$ 10	$ 10
Interest Cost	57	57	26	29
Expected (Return) on Plan Assets	(77)	(72)	(23)	(20)
Amortization of Transition (Asset) Obligation	(1)	-	6	7
Amortization of Prior Service Cost	-	(1)	-	-
Amortization of Net Actuarial Loss	13	5	5	8
Net Periodic Benefit Cost	$ 15	$ 10	$ 24	$ 34

Nine Months Ended September 30, 2005 and 2004	**Pension Plans**		**Other Postretirement Benefit Plans**	
	2005	**2004**	**2005**	**2004**
		(in millions)		
Service Cost	$ 69	$ 64	$ 31	$ 30
Interest Cost	169	169	79	87
Expected (Return) on Plan Assets	(232)	(216)	(68)	(60)
Amortization of Transition (Asset) Obligation	(1)	1	20	21
Amortization of Prior Service Cost	-	(1)	-	-
Amortization of Net Actuarial Loss	40	13	19	26
Net Periodic Benefit Cost	$ 45	$ 30	$ 81	$ 104

The following table provides the net periodic benefit cost (credit) for the plans by the following Registrant Subsidiaries for the three and nine months ended September 30, 2005 and 2004:

Three Months Ended September 30, 2005 and 2004	**Pension Plans**		**Other Postretirement Benefit Plans**	
	2005	**2004**	**2005**	**2004**

		(in thousands)		
APCo	$ 1,848	$ 318	$ 4,756	$ 6,462
CSPCo	534	(405)	1,928	2,765
I&M	2,365	1,117	3,134	4,313
KPCo	376	142	515	742
OPCo	1,206	(98)	3,353	4,801
PSO	72	696	1,661	2,110
SWEPCo	364	901	1,642	2,101
TCC	(219)	749	1,789	2,535
TNC	41	338	784	1,073

Nine Months Ended September 30, 2005 and 2004	Pension Plans		Other Postretirement Benefit Plans	
	2005	2004	2005	2004
		(in thousands)		
APCo	$ 5,544	$ 954	$ 15,248	$ 19,386
CSPCo	1,602	(1,219)	6,273	8,295
I&M	7,095	3,345	10,229	12,939
KPCo	1,128	430	1,689	2,226
OPCo	3,618	(308)	10,812	14,403
PSO	216	2,096	5,329	6,330
SWEPCo	1,092	2,703	5,244	6,303
TCC	(657)	2,241	5,732	7,605
TNC	123	1,014	2,507	3,219

9. BUSINESS SEGMENTS

All of AEP's Registrant Subsidiaries have one reportable segment. The one reportable segment is a vertically integrated electricity generation, transmission and distribution business except AEGCo, which is an electricity generation business. All of the Registrant Subsidiaries' other activities are insignificant. The Registrant Subsidiaries' operations are managed on an integrated basis because of the substantial impact of bundled cost-based rates and regulatory oversight on the business process, cost structures and operating results.

10. INCOME TAXES

On June 30, 2005, the Governor of Ohio signed Ohio House Bill 66 into law enacting sweeping tax changes impacting all companies doing business in Ohio. Most of the significant tax changes will be phased in over a five-year period, while some of the less significant changes became fully effective July 1, 2005. Changes to the Ohio franchise tax, nonutility property taxes, and the new commercial activity tax are subject to phase-in. The Ohio franchise tax will fully phase-out over a five-year period beginning with a 20% reduction in state franchise tax for taxable income accrued during 2005. In 2005, we reversed deferred state income tax liabilities that are not expected to reverse during the phase-out as follows in thousands:

Company	Other Regulatory Liabilities (a)	SFAS 109 Regulatory Asset, Net (b)	State Income Tax Expense (c)	Deferred State Income Tax Liabilities (d)
APCo	$ -	$ 10,945	$ 2,769	$ 13,714
CSPCo	15,104	-	-	15,104
I&M	-	5,195	-	5,195
KPCo	-	3,648	-	3,648
OPCo	41,864	-	-	41,864
PSO	-	-	706	706
SWEPCo	-	582	119	701
TCC	-	1,156	365	1,521
TNC	-	120	75	195

(a) The reversal of deferred state income taxes for the Ohio companies was recorded as a regulatory liability pending rate-making treatment in Ohio.

(b) Deferred state income tax adjustments related to those companies in which state income taxes flow through for rate-making purposes reduced the regulatory asset associated with the deferred state income tax liabilities.

(c) These amounts were recorded as a reduction to Income Taxes.

(d) Total deferred state income tax liabilities that reversed during 2005 related to Ohio law change.

The new legislation also imposes a new commercial activity tax at a fully phased-in rate of 0.26% on all Ohio gross receipts. The new tax will be phased-in over a five-year period beginning July 1, 2005 at 23% of the full 0.26% rate. The increase in Taxes Other than Income Taxes for 2005 is expected to be $1 million and $1 million for CSPCo and OPCo, respectively.

Other tax reforms effective July 1, 2005 include a reduction of the sales and use tax from 6.0% to 5.5%, the phase-out of tangible personal property taxes for our nonutility businesses, the elimination of the 10% rollback in real estate taxes and the increase in the premiums tax on insurance polices; all of which will not have a material impact on future results of operations and cash flows.

11. FINANCING ACTIVITIES

Long-term debt and other securities issued, retired and principal payments made during the first nine months of 2005 were:

Company	Type of Debt	Principal Amount (in thousands)	Interest Rate (%)	Due Date
Issuances:				
APCo	Senior Unsecured Notes	$ 200,000	4.95	2015

APCo	Senior Unsecured Notes	150,000	4.40	2010
APCo	Senior Unsecured Notes	250,000	5.00	2017
APCo	Senior Unsecured Notes	250,000	5.80	2035
OPCo	Installment Purchase Contracts	54,500	Variable	2029
OPCo	Installment Purchase Contracts	163,500	Variable	2028
OPCo	Installment Purchase Contracts	50,000	Variable	2014
OPCo	Installment Purchase Contracts	50,000	Variable	2016
OPCo	Installment Purchase Contracts	35,000	Variable	2022
PSO	Senior Unsecured Notes	75,000	4.70	2011
SWEPCo	Senior Unsecured Notes	150,000	4.90	2015
SWEPCo	Notes Payable	5,771	Variable	2006
TCC	Installment Purchase Contracts	161,700	Variable	2030
TCC	Installment Purchase Contracts	120,265	Variable	2028

The above borrowing arrangements do not contain guarantees, collateral or dividend restrictions. In October 2005, CSPCo issued $250 million of 5.85% Senior Notes, Series F, due in October 2035.

Company	Type of Debt	Principal Amount (in thousands)	Interest Rate (%)	Due Date
Retirements and Principal Payments:				
APCo	Other Debt	$ 7	13.718	2026
APCo	First Mortgage Bonds	50,000	8.00	2005
APCo	First Mortgage Bonds	30,000	6.89	2005
APCo	First Mortgage Bonds	45,000	8.00	2025
APCo	Senior Unsecured Notes	450,000	4.80	2005
OPCo	Installment Purchase Contracts	102,000	6.375	2029
OPCo	Installment Purchase Contracts	80,000	Variable	2028

OPCo	Installment Purchase Contracts	36,000	Variable	2029
OPCo	Installment Purchase Contracts	50,000	5.45	2014
OPCo	Installment Purchase Contracts	50,000	5.45	2016
OPCo	Installment Purchase Contracts	35,000	5.90	2022
OPCo	Notes Payable	4,390	6.81	2008
OPCo	Notes Payable	6,500	6.27	2009
PSO	First Mortgage Bonds	50,000	6.50	2005
SWEPCo	Senior Unsecured Notes	200,000	4.50	2005
SWEPCo	Notes Payable	5,122	4.47	2011
SWEPCo	Notes Payable	3,000	Variable	2008
TCC	Senior Unsecured Notes	150,000	3.00	2005
TCC	Senior Unsecured Notes	100,000	Variable	2005
TCC	First Mortgage Bonds	65,763	6.625	2005
TCC	Installment Purchase Contracts	120,265	6.00	2028
TCC	Securitization Bonds	29,386	3.54	2005
TCC	Securitization Bonds	20,593	5.01	2008

In addition to the transactions reported in the tables above, the following table lists intercompany issuances and retirements of debt due to AEP:

Company	Type of Debt	Principal Amount (in thousands)	Interest Rate (%)	Due Date
Issuances:				
APCo	Notes Payable	$ 100,000	4.708	2010
TCC	Notes Payable	150,000	4.58	2007
Retirements:				
KPCo	Notes Payable	$ 20,000	6.501	2006

Other Matters

On January 3, 2005, the following outstanding shares of preferred stock were redeemed:

		Number of Shares

Company	Series	Redeemed	Amount
			(in millions)
I&M	5.900%	132,000	$ 13
I&M	6.250%	192,500	19
I&M	6.875%	157,500	16
I&M	6.300%	132,450	13
OPCo	5.900%	50,000	5
			$ 66

Lines of Credit - AEP System

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of its subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds the utility subsidiaries, and a Nonutility Money Pool, which funds the majority of the nonutility subsidiaries. In addition, the AEP System also funds, as direct borrowers, the short-term debt requirements of other subsidiaries that are not participants in either money pool for regulatory or operational reasons. The AEP System Corporate Borrowing Program operates in accordance with the terms and conditions outlined by the SEC. AEP has authority from the SEC through March 31, 2007 for short-term borrowings sufficient to fund the Utility Money Pool and the Nonutility Money Pool as well as its own requirements in an amount not to exceed $7.2 billion. The Utility Money Pool participants' money pool activity and corresponding SEC authorized limits for the nine months ended September 30, 2005 are described in the following table:

Company	Maximum Borrowings from Utility Money Pool	Maximum Loans to Utility Money Pool	Average Borrowings from Utility Money Pool	Average Loans to Utility Money Pool	Loans (Borrowings) to/from Utility Money Pool as of September 30, 2005	SEC Authorized Short-Term Borrowing Limit
			(in thousands)			
AEGCo	$ 45,694	$ 9,305	$ 15,921	$ 4,803	$ (11,314)	$ 125,000
APCo	242,718	321,977	145,700	47,285	67,532	600,000
CSPCo	159,959	181,238	152,178	95,714	(138,541)	350,000
I&M	203,248	11,768	92,108	5,797	(81,101)	500,000
KPCo	8,342	35,779	3,019	15,044	9,641	200,000
OPCo	123,508	182,495	50,134	79,120	(55,508)	600,000
PSO	55,009	66,159	22,377	35,074	(22,601)	300,000
SWEPCo	28,421	188,215	9,738	35,617	(605)	350,000
TCC	320,508	120,937	134,094	39,060	(12,021)	600,000
TNC	-	119,569	-	62,415	87,651	250,000

The maximum and minimum interest rates for funds either borrowed from or loaned to the Utility Money Pool for the nine months ended September 30, 2005 were 3.93% and 1.63%, respectively. The average interest rates for funds borrowed from and loaned to the Utility Money Pool for the nine months ended September 30, 2005 are summarized for all Registrant Subsidiaries in the following table:

Company	Average Interest Rate for Funds Borrowed from the Utility Money Pool	Average Interest Rate for Funds Loaned to the Utility Money Pool
	(in percentages)	
AEGCo	2.91	3.14
APCo	3.30	2.72
CSPCo	3.92	2.76
I&M	3.25	2.12
KPCo	3.52	2.54
OPCo	3.67	2.40
PSO	2.62	3.52
SWEPCo	3.64	2.60
TCC	3.07	2.43
TNC	-	3.13

12. COMPANY-WIDE STAFFING AND BUDGET REVIEW

The following table shows the severance benefits expense recorded in 2005 (primarily in Maintenance and Other Operation) resulting from a company-wide staffing and budget review, including the allocation of approximately $19.2 million of severance benefits expense associated with AEPSC employees among the Registrant Subsidiaries. AEGCo has no employees but receives allocated expenses.

Company	Three Months Ended June 30, 2005	Three Months Ended Sept. 30, 2005	Nine Months Ended Sept. 30, 2005
		(in millions)	
AEGCo	$ 0.2	$ 0.1	$ 0.3
APCo	3.9	0.6	4.5
CSPCo	2.3	0.3	2.6
I&M	4.0	0.7	4.7
KPCo	0.7	0.4	1.1
OPCo	3.4	0.5	3.9
PSO	1.2	0.2	1.4
SWEPCo	1.6	0.2	1.8
TCC	3.8	0.5	4.3
TNC	1.1	0.2	1.3

COMBINED MANAGEMENT'S DISCUSSION AND ANALYSIS OF REGISTRANT SUBSIDIARIES

The following is a combined presentation of certain components of the management's discussion and analysis of Registrant Subsidiaries. The information in this section completes the information necessary for management's discussion and analysis of financial condition and results of operations and is meant to be read with (i) Management's Financial Discussion and Analysis, (ii) financial statements, and (iii) footnotes of each individual registrant. The Combined Management's Discussion and Analysis of Registrants Subsidiaries section of the 2004 Annual Report should be read in conjunction with this report.

Budgeted Construction Expenditures

Construction expenditures for Registrant Subsidiaries for 2006 are:

Company	Projected Construction Expenditures (in millions)
AEGCo	$ 16
APCo	794
CSPCo	275
I&M	252
KPCo	88
OPCo	1,057
PSO	222
SWEPCo	260
TCC	235
TNC	76

Significant Factors

FERC Order on Regional Through and Out Rates

A load-based transitional transmission rate mechanism called SECA became effective December 1, 2004 to mitigate the loss of revenues due to the FERC's elimination of through and out (T&O) transmission rates. SECA transition rates are in effect through March 31, 2006. The FERC has set the SECA rate issue for hearing and indicated that the SECA rates are being recovered subject to refund. Intervenors in that proceeding are objecting to the SECA rates and AEP's method of determining those rates. Management is unable to determine the probable outcome of the FERC's SECA rate proceeding. SECA revenues by Registrant Subsidiary are shown in the following table:

Company	Three Months Ended September 30, 2005	Nine Months Ended September 30, 2005	December 2004
		(in millions)	
APCo	$ 11.3	$ 30.3	$ 3.5
CSPCo	6.4	16.1	2.0
I&M	6.6	17.4	2.3
KPCo	2.7	7.2	0.8
OPCo	8.8	22.3	2.8

In a March 31, 2005 FERC filing, AEP proposed an increase in the revenue requirements and rates for transmission service, and certain ancillary services in the AEP zone of PJM. The customers receiving these services are the AEP East companies, municipal and cooperative wholesale entities and retail customers that exercise retail choice that have load delivery points in the AEP zone of PJM. As proposed, the transmission service rates would increase in two steps, first to reflect an increase in the revenue requirements, and then to reflect the loss of revenues from the discontinuance of SECA transition rates on April 1, 2006. On May 31, 2005, the FERC accepted the filing, set the issues for hearing, and suspended the effective date of the first increase in the OATT rate until November 1, 2005, subject to refund with interest if lower rates are eventually approved. The FERC accepted the two-step increase concept, such that the transmission rates will automatically increase on April 1, 2006, if the SECA revenues cease to be collected, and to the extent that replacement rates are not established. In a separate proceeding, at AEP's urging, the FERC instituted an investigation of PJM's zonal rate regime, indicating that the present regime may need to be replaced through establishment of regional rates that would compensate AEP, among others, for the regional service provided by high voltage facilities they own that benefit customers throughout PJM. On September 30, 2005, AEP and a nonaffiliated utility (Allegheny Power) jointly filed a regional transmission rate design proposal with the FERC. This filing proposes and supports a new PJM rate regime.

As of September 30, 2005, SECA transition rates have not fully compensated the AEP East companies for their lost T&O revenues. Management is unable to predict whether, SECA rates and effective with the expiration of the SECA transition rates on March 31, 2006, the resultant increase in the AEP East zonal transmission rates applicable to AEP's internal load and wholesale transmission customers in AEP's zone will be sufficient to replace the SECA transition rate revenues. In addition, we are unable to predict whether the effect of the loss of transmission revenues will be recoverable on a timely basis in the AEP East state retail jurisdictions and from wholesale customers within the AEP zone. If, (i) the SECA transition rates do not fully compensate AEP for its lost T&O revenues through March 31, 2006, or (ii) AEP zonal transmission rates are not sufficiently increased by the FERC after March 31, 2006 to replace the lost T&O/SECA revenues, or (iii) the FERC's review of our current SECA rate results in a rate reduction which is subject to refund, or (iv) any increase in the AEP East companies' transmission costs from the loss of transmission revenues are not fully recovered in retail and wholesale rates on a timely basis, or (v) if the FERC does not approve a new rate within PJM or within the PJM, future results of operations, cash flows and financial condition would be adversely affected.

Allocation Agreement between AEP East and AEP West companies

The SIA provides, among other things, for the methodology of sharing trading and marketing margins between the AEP East and AEP West companies. The current allocation methodology was established at the time of the AEP-CSW merger and, consistent with the terms of the SIA, AEP filed on November 1, 2005, a proposed allocation methodology to be used in 2006 and beyond. The proposed allocation methodology is based upon the location of the specific trading and marketing activity, with margins resulting from trading and marketing activities originating in PJM and MISO accruing to the benefit of the AEP East companies and trading and marketing activities originating in SPP and ERCOT accruing to the benefit of the AEP West companies. Previously, the SIA allocation provided for the sharing of all such margins among all AEP East and AEP West companies. The allocation ultimately approved by the FERC may differ from the one proposed. AEP requested that the new methodology be effective on a prospective basis after the FERC's order. Management is unable to predict the ultimate effect of this filing on the AEP East and AEP West companies' future results of operations and cash flows because the impact will depend upon the ultimate methodology approved by the FERC and the level of future trading and marketing margins.

AEP Power Pool - Capacity

The cost of the AEP Power Pool's generating capacity is allocated among its members based on relative peak demands and generating reserves through the payment of capacity charges and the receipt of capacity revenues. The capacity reserve relationship of the AEP Power Pool members will change as generating assets are added, retired or sold. As a result of CSPCo's acquisition of the Waterford Plant (netted against the planned retirement of Conesville Plant Units 1 and 2) and APCo's expected purchase of the Ceredo Generating Station, CSPCo and APCo, as net purchasers from the AEP Power Pool, are expected to incur reduced capacity charges. Also, KPCo, as a net purchaser from the AEP Power Pool, is expected to incur increased capacity charges while OPCo and I&M, as net sellers to the AEP Power Pool, are expected to receive reduced capacity revenues.

CSW Operating Agreement

We plan to make a filing with the FERC to remove TCC and TNC from the CSW Operating Agreement and the SIA. Under the Texas Restructuring Legislation, TCC and TNC are completing the final stage of exiting the generation business and have already ceased serving retail load. TCC and TNC will no longer be involved in the coordinated planning and operation of power supply facilities as contemplated by both the CSW Operating Agreement and the SIA. Therefore, TCC and TNC will no longer share trading and marketing margins, which due to restructuring, benefited their results of operations and cash flows. Conversely, PSO and SWEPCo's share of trading and marketing margins will increase. PSO and SWEPCo share these margins with their ratepayers.

Ohio Regulatory Activity

Ohio Restructuring

On January 26, 2005, the PUCO approved Rate Stabilization Plans (RSP) for CSPCo and OPCo (the Ohio companies). The plans provided, among other things, for CSPCo and OPCo to raise their generation rates by 3% and 7%, respectively, in 2006, 2007 and 2008 and provided for possible

additional annual generation rate increases of up to an average of 4% per year based on supporting the need for additional revenues for specified costs. The plans also provided that the Ohio companies could recover in 2006, 2007 and 2008 environmental carrying costs and PJM-related administrative costs and congestion costs net of firm transmission rights (FTR) revenue from 2004 and 2005 related to their obligation as the Provider of Last Resort (POLR) in Ohio's customer choice program. Pretax earnings increased by $6 million for CSPCo and $35 million for OPCo in the first nine months of 2005 as a result of implementing this provision of the RSP. Of these amounts, approximately $8 million for CSPCo and $21 million for OPCo relate to 2004 environmental carrying costs and RTO costs. The decline in the third quarter of 2005 reflects the effect of substantial increases in FTR revenues which offset administrative and congestion costs.

In February 2005, various intervenors filed applications for rehearing with the PUCO regarding its approval of the RSP. On March 23, 2005, the PUCO denied all applications for rehearing. In the second quarter of 2005, two intervenors filed separate appeals to the Ohio Supreme Court. One of those appeals has been withdrawn. The remaining appeal challenges the RSP and also argues that there is no POLR obligation in Ohio, and therefore CSPCo and OPCo are not entitled to recover any POLR charges. If the Ohio Supreme Court reverses the PUCO's authorization of the POLR charge, CSPCo's and OPCo's 2005 earnings will be adversely affected. In a nonaffiliated utility's proceeding, the Ohio Supreme Court concluded that there is a POLR obligation in Ohio, and therefore, CSPCo and OPCo have argued that they can recover the POLR charge. In addition, if the RSP order is determined on appeal to be illegal under the restructuring legislation, it would have an adverse effect on the Ohio companies' results of operations, cash flows and possibly financial condition. Although the Ohio companies believe that the RSP plan is legal and intend to defend vigorously the PUCO's order, they cannot predict the ultimate outcome of the pending litigation.

On September 28, 2005, the Ohio companies filed with the PUCO to recover through a transmission cost recovery rider, beginning January 1, 2006, approximately $5 million for CSPCo and $7 million for OPCo of projected 2006 net costs incurred as a result of joining PJM. In addition, the Ohio companies requested to practice over/under-recovery deferral accounting for any differences between the revenues collected starting January 1, 2006 and the actual costs incurred. If the PUCO determines that any of the requested net incremental RTO costs are unrecoverable, it would have an adverse impact on the Ohio companies' future results of operations and cash flows.

As provided in stipulation agreements approved by the PUCO in 2000, the Ohio companies are deferring customer choice implementation costs and related carrying costs in excess of $40 million. The agreements provide for the deferral of these costs as a regulatory asset until the next distribution base rate cases. Through September 30, 2005, CSPCo and OPCo incurred $42 million and $44 million, respectively, of such costs, and accordingly, deferred $22 million and $24 million, respectively, of such costs for probable future recovery in distribution rates. Recovery of these regulatory assets will be subject to PUCO review in future Ohio filings for new distribution rates. Pursuant to the RSP, recovery of these amounts will be deferred until the next distribution rate filing to change rates after December 31, 2008. The Ohio companies believe that the deferred customer choice implementation costs were prudently incurred to implement and effect customer choice in Ohio and should be recoverable in future distribution rates. If the PUCO determines that any of the deferred costs are unrecoverable, it would have an adverse impact on the Ohio companies' future results of operations and cash flows.

Integrated Gasification Combined Cycle (IGCC) Power Plant

On March 18, 2005, CSPCo and OPCo filed a joint application with the PUCO seeking authority to recover costs related to building and operating a new approximately 600 MW IGCC power plant using clean-coal technology. The application proposes cost recovery associated with the IGCC plant in three phases. In Phase 1, the Ohio companies would recover approximately $24 million in pre-construction costs during 2006. In Phase 2, the Ohio companies would recover construction-financing costs from 2007 through mid-2010 when the plant is projected to be placed in commercial operation. The proposed recoveries in Phases 1 and 2 will be applied against the 4% limit on additional generation rate increases the Ohio companies could request in 2006, 2007 and 2008, under their RSP. In Phase 3, which begins when the plant enters commercial operation and runs through the operating life of the plant, the Ohio companies would recover, or refund, in distribution rates any difference between the Ohio companies' market-based standard service offer price for generation and the cost of operating and maintaining the plant, including a return on and return of the projected $1.2 billion cost of the plant along with fuel, consumables and replacement power. As of September 30, 2005, AEP has deferred $6 million of pre-construction IGCC costs. These costs primarily relate to an agreement with GE Energy and Bechtel Corporation to begin the front-end engineering design process.

Litigation

Registrant Subsidiaries continue to be involved in various litigation matters as described in the "Significant Factors - Litigation" section of the Combined Management's Discussion and Analysis of Registrant Subsidiaries in the 2004 Annual Report. The 2004 Annual Report should be read in conjunction with this report in order to understand other litigation matters that did not have significant changes in status since the issuance of the 2004 Annual Report, but may have an impact on future results of operations, cash flows and financial condition. Other matters described in the 2004 Annual Report that did not have significant changes during the first nine months of 2005, that should be read in order to gain a full understanding of the current litigation include disclosure related to the Coal Transportation Dispute, Enron Bankruptcy and Potential Uninsured Losses. Additionally, refer to the Commitments and Contingencies footnote in the Condensed Notes to Financial Statements of Registrant Subsidiaries for further discussion of these matters.

New Source Review Litigation

See discussion of New Source Review Litigation under "Environmental Matters."

Merger Litigation

In 2002, the U.S. Court of Appeals for the District of Columbia ruled that the SEC did not adequately explain that the June 15, 2000 merger of AEP with CSW meets the requirements of the PUHCA and sent the case back to the SEC for further review. Specifically, the court told the SEC to revisit the basis for its conclusion that the merger met PUHCA requirements that utilities be "physically interconnected" and confined to a "single area or region." In January 2005, a hearing was held before an ALJ.

On May 3, 2005, the ALJ issued an Initial Decision concluding that the AEP System is "physically interconnected" but is not confined to a "single area or region." Therefore, the ALJ concluded that the

combined AEP/CSW system does not constitute a single integrated public utility system under PUHCA. Management believes that the merger meets the requirements of PUHCA and filed a petition for review of this Initial Decision, which the SEC has granted.

Management believes the repeal of PUHCA will end litigation challenging the AEP/CSW merger. All parties to the proceeding have filed motions with the SEC supporting dismissal of the proceeding upon repeal of the PUHCA in February 2006.

Texas Commercial Energy, LLP Lawsuit

Texas Commercial Energy, LLP (TCE), a Texas REP, filed a lawsuit in federal District Court in Corpus Christi, Texas, in July 2003, against AEP and four of its subsidiaries, including TCC and TNC, ERCOT and a number of nonaffiliated energy companies, including TXU, CenterPoint, Texas Genco, Reliant, TECO, and Tractebel. The action alleges violations of the Sherman Antitrust Act, fraud, negligent misrepresentation, breach of fiduciary duty, breach of contract, civil conspiracy and negligence. The allegations, not all of which are made against TCC and TNC, range from anticompetitive bidding to withholding power. TCE alleges that these activities resulted in price spikes requiring TCE to post additional collateral and ultimately forced it into bankruptcy when it was unable to raise prices to its customers due to fixed price contracts. The suit alleges over $500 million in damages for all defendants and seeks recovery of damages, exemplary damages and court costs. In June 2004, the Court dismissed all claims against AEP and its subsidiaries. TCE appealed the trial court's decision to the United States Court of Appeals for the Fifth Circuit. The Fifth Circuit issued its decision in June 2005 and affirmed the lower court's decision. TCE filed a Petition for Writ of Certiorari with the United States Supreme Court on October 14, 2005. In March 2005, Utility Choice, LLC and Cirro Energy Corporation filed in U.S. District Court alleging similar violations as those alleged in the TCE lawsuit against the same defendants and others. Trial is scheduled in the Utility Choice/Cirro Energy case for April 2006. On October 18, 2005, the U.S. District Court heard oral argument on our Motion to Dismiss. We intend to continue to vigorously defend against the allegations in these cases.

Ontario Litigation

In June 2005, CSPCo and OPCo were named as two of 21 defendants in a lawsuit filed in the Superior Court of Justice in Ontario, Canada. They have not been served with the lawsuit. The defendants are alleged to own or operate coal-fired electric generating stations in various states that, through negligence in design, management, maintenance and operation, have emitted NO_x, SO_2 and particulate matter that have harmed the residents of Ontario. The lawsuit seeks class action designation and damages of approximately $50 billion, with continuing damages of $4 billion annually. The lawsuit also seeks $1 billion in punitive damages. Management believes they have meritorious defenses to this action and intend to defend vigorously against it.

Environmental Matters

As discussed in the 2004 Annual Report, there are emerging environmental control requirements that management expects will result in substantial capital investments and operational costs. The sources of these future requirements include:

- Legislative and regulatory proposals to adopt stringent controls on SO_2, NO_x and mercury emissions from coal-fired power plants,
- Clean Water Act rules to reduce the impacts of water intake structures on aquatic species at certain of our power plants, and
- Possible future requirements to reduce carbon dioxide emissions to address concerns about global climatic change.

This discussion updates certain events occurring in 2005. You should also read the "Significant Factors - Environmental Matters" section within the Combined Management's Discussion and Analysis of Registrant Subsidiaries in the 2004 Annual Report for a description of all environmental matters affecting us, including, but not limited to, (1) the current air quality regulatory framework, (2) estimated air quality environmental investments, (3) the Comprehensive Environmental Response Compensation and Liability Act (Superfund) and state remediation, (4) global climate change, (5) costs for spent nuclear fuel disposal and decommissioning, and (6) Clean Water Act regulation.

Future Reduction Requirements for SO_2, NO_x, and Mercury

Regulatory Emissions Reductions

In January 2004, the Federal EPA published two proposed rules that would collectively require reductions of approximately 70% each in emissions of SO_2, NO_x and mercury from coal-fired electric generating units by 2015 (2018 for mercury). This initiative has two major components:

- The Federal EPA proposed a Clean Air Interstate Rule (CAIR) to reduce SO_2 and NO_x emissions across the Eastern United States (29 states and the District of Columbia) and make progress toward attainment of the new fine particulate matter and ground-level ozone national ambient air quality standards. These reductions could also satisfy these states' obligations to make reasonable progress towards the national visibility goal under the regional haze program.
- The Federal EPA proposed to regulate mercury emissions from coal-fired electric generating units.

On March 14, 2005, the Administrator of the Federal EPA signed the final CAIR. The rule includes both a seasonal and annual NO_x control program as well as an annual SO_2 control program. All of the states in which the Registrant Subsidiaries' generating facilities are located will be subject to the seasonal and annual NO_x control programs and the annual SO_2 control program, except for Texas, Oklahoma and Arkansas. Texas will be subject to the annual programs only. Arkansas will be subject to the seasonal NO_x control program only. Oklahoma is not affected by CAIR. In addition, the compliance deadline for Phase I for the NO_x control program has been accelerated to 2009, and will replace any obligations imposed by the NO_x State Implementation Plan (SIP) Call in 2009. On August 24, 2005, the Administrator of the Federal EPA published a proposed rule that includes a federal implementation plan (FIP) to reduce transport of fine particulate matter and ozone, modeled on the final CAIR, and proposes to deny the Section 126 petition filed by the State of North Carolina to require reductions of NO_x and SO_2 from specific facilities in thirteen states, including several AEP facilities. The proposed rule denies North Carolina's petition for action based on its ozone non-attainment area, since the Federal EPA's modeling predicts that this area will be in attainment with the 8-hour standard in 2010. The Federal EPA also proposes to deny the petition based on North Carolina's $PM_{2.5}$ non-attainment areas, based on the reductions prescribed by the FIP, or to withdraw its Section 126 findings with respect to any state that

submits a SIP implementing the CAIR requirements.

On March 15, 2005, the Administrator of the Federal EPA signed a final Clean Air Mercury Rule (CAMR) that will permit mercury emission reductions to be achieved from existing sources through a national cap-and-trade approach. The cap-and-trade approach would include a two-phase mercury reduction program for coal-fired utilities. The final CAMR imposes a national cap on mercury emissions from coal-fired power plants of 38 tons by 2010 and 15 tons by 2018. On October 21, 2005, the Federal EPA announced its decision to reconsider several issues in connection with the CAMR, including the legal basis for its decision to withdraw the December 2000 finding under Section 112 of the CAA and the impacts associated with the implementation of an emissions cap and trading program.

In April 2004, the Federal EPA Administrator signed a proposed rule detailing how states should analyze and include "Best Available Retrofit Technology" (BART) requirements for individual facilities in their SIPs to address regional haze. The requirements apply to facilities built between 1962 and 1977 that emit more than 250 tons per year of certain regulated pollutants in specific industrial categories, including utility boilers. On June 15, 2005, the Federal EPA issued its final "Clean Air Visibility Rule" (CAVR). The record for the final rule contains an analysis that demonstrates that for electric generating units subject to CAIR, CAIR will result in more visibility improvements than BART would provide. Therefore, states that adopt the CAIR are allowed to substitute CAIR for controls otherwise required by BART. On July 20, 2005, the Federal EPA also issued a proposed rule detailing the requirements for an emissions trading program that can satisfy the BART requirements for the regional haze program.

The changes in the Federal EPA's final CAIR, CAMR and CAVR have not caused us to revise our estimates of the capital investments necessary to achieve compliance with these requirements. However, the final rules give states substantial discretion in developing their rules to implement these programs, and states will have 18 months after publication of the notice of final rulemaking to submit their revised SIPs. In addition, the CAIR, CAMR and CAVR have been challenged in the United States Court of Appeals for the District of Columbia. As a result, the ultimate requirements may not be known for several years and may depart significantly from the rules described herein. If the final rules are remanded by the court, if states elect not to participate in the federal cap-and-trade programs, and/or if states elect to impose additional requirements on individual units that are already subject to the CAIR, CAVR and/or CAMR, our costs could increase significantly. The cost of compliance could have an adverse effect on future results of operations, cash flows and financial condition unless recovered from customers.

New Source Review (NSR) Litigation

The Federal EPA and a number of states have alleged APCo, CSPCo, I&M, OPCo and other nonaffiliated utilities modified certain units at coal-fired generating plants in violation of the new source review requirements of the CAA. The Federal EPA filed its complaints against AEP subsidiaries in U.S. District Court for the Southern District of Ohio. The Court also consolidated a separate lawsuit, initiated by certain special interest groups, with the Federal EPA case. The alleged modifications occurred at the generating units over a 20-year period. A bench trial on the liability issues was held during July 2005. Briefing has concluded.

Under the CAA, if a plant undertakes a major modification that directly results in an emissions increase, permitting requirements might be triggered and the plant may be required to install additional pollution control technology. This requirement does not apply to activities such as routine maintenance, replacement of degraded equipment or failed components, or other repairs needed for the reliable, safe and efficient operation of the plant.

In June 2004, the Federal EPA issued a Notice of Violation (NOV) in order to "perfect" its complaint in the pending litigation. The NOV expands the number of alleged "modifications" undertaken at the Amos, Cardinal, Conesville, Kammer, Muskingum River, Sporn and Tanners Creek plants during scheduled outages on these units from 1979 through the present. Approximately one-third of the allegations in the NOV were already contained in allegations made by the states or the special interest groups in the pending litigation. The Federal EPA filed a motion to amend its complaints and to expand the scope of the pending litigation. The AEP subsidiaries opposed that motion. In September 2004, the judge disallowed the addition of claims to the pending case. The judge also granted motions to dismiss a number of allegations in the original filing. Subsequently, the Federal EPA and eight Northeastern states each filed an additional complaint containing the same allegations against the Amos and Conesville plants that the judge disallowed in the pending case. The Northeastern states' complaint has been assigned to the same judge in the U.S. District Court for the Southern District of Ohio. AEP filed an answer to the Northeastern states' complaint to the Federal EPA's complaint, denying the allegations and stating its defenses.

On June 24, 2005, the United States Court of Appeals for the District of Columbia Circuit issued a decision affirming in part the new source review reform regulations adopted by the Federal EPA in December 2002. The court upheld the Federal EPA's decision to apply an actual-to-future actual emissions, and includes test, utilizing a five-year look back period to establish actual baseline emissions for utilities and a ten-year period for other sources. This excludes increased emissions unrelated to a physical change from the projected emissions and includes emissions associated with demand growth. The court vacated the Federal EPA's adoption of a broad pollution control project exclusion that includes projects that result in a significant collateral emissions increase, and the "clean unit" applicability test, and remanded certain recordkeeping requirements to the Federal EPA.

On August 30, 2005, the United States Court of Appeals for the Fourth Circuit denied the petitions for rehearing filed by the United States and other appellants in the Duke Energy case. On October 13, 2005, the Administrator of the Federal EPA signed a proposed rule that would adopt a test for determining when an emissions increase results from a change at an existing electric utility generating unit under the federal NSR programs that would be consistent with the test adopted and applied by the Fourth Circuit in the Duke Energy case. This would be based on maximum hourly emissions before and after the change. The Federal EPA is also seeking comments on two alternative formulations of the emission increase test. We have filed a Motion in the NSR litigation that asks the Court, among other things, to dismiss the NSR cases on due process grounds based on the statements and admissions the Federal EPA made in promulgating the proposed rule.

Management is unable to estimate the loss or range of loss related to any contingent liability the AEP subsidiaries might have for civil penalties under the CAA proceedings. Management is also unable to predict the timing of resolution of these matters due to the number of alleged violations and the significant number of issues yet to be determined by the court. If the AEP subsidiaries do not prevail,

management believes they can recover any capital and operating costs of additional pollution control equipment that may be required through regulated rates and market prices for electricity. If the AEP subsidiaries are unable to recover such costs or if material penalties are imposed, it would adversely affect future results of operations, cash flows and possibly financial condition.

SWEPCo Notice of Enforcement and Notice of Citizen Suit

On July 13, 2004, two special interest groups issued a notice of intent to commence a citizen suit under the CAA for alleged violations of various permit conditions in permits issued to several SWEPCo generating plants. On March 10, 2005, a complaint was filed in Federal District Court for the Eastern District of Texas by the two special interest groups, alleging violations of the CAA at Welsh Plant. SWEPCo filed a response to the complaint in May 2005.

On July 19, 2004, the Texas Commission on Environmental Quality (TCEQ) issued a Notice of Enforcement to SWEPCo relating to the Welsh Plant containing a summary of findings resulting from a compliance investigation at the plant. On April 11, 2005, TCEQ issued an Executive Director's Preliminary Report and Petition recommending the entry of an enforcement order to undertake certain corrective actions and assessing an administrative penalty of approximately $228 thousand against SWEPCo based on alleged violations of certain representations regarding heat input and fuel characteristics in SWEPCo's permit application and the violations of certain recordkeeping and reporting requirements. SWEPCo responded to the preliminary report and petition on May 2, 2005. The enforcement order contains a recommendation that would limit the heat input on each Welsh unit to the referenced heat input contained within the permit application within 10 days of the issuance of a final TCEQ order and until a permit amendment is issued. SWEPCo had previously requested a permit alteration to remove the references to a specific heat input value for each Welsh unit.

Management is unable to predict the timing of any future action by TCEQ or the special interest groups or the effect of such actions on results of operations, cash flows or financial condition.

Emergency Release Reporting

Superfund requires immediate reporting to the Federal EPA for releases of hazardous substances to the environment above the identified reportable quantity (RQ). The Environmental Planning and Community Right-to-Know Act (EPCRA) requires immediate reporting of releases of hazardous substances that cross property boundaries of the releasing facility.

On July 27, 2004, the Federal EPA Region 5 issued an Administrative Complaint related to the alleged failure of I&M to immediately report under Superfund and EPCRA a November 2002 release of sodium hypochlorite from the Cook Plant. I&M and the Federal EPA signed a Final Consent Agreement and Final Order related to the Administrative Complaint effective June 30, 2005. I&M paid a $15 thousand penalty and will invest in a supplemental environmental project at the Cook Plant.

On December 21, 2004, the Federal EPA notified OPCo of its intent to file a Civil Administrative Complaint, alleging one violation of Superfund reporting obligations and two violations of EPCRA for failure to timely report a June 2004 release of an RQ amount of ammonia from OPCo's Gavin Plant

SCR system. The Federal EPA indicated its intent to seek civil penalties. OPCo and the Federal EPA signed a Final Consent Agreement and Final Order related to the Administrative Complaint effective September 30, 2005. OPCo paid a $16 thousand penalty and will invest in a supplemental environmental project at the Gavin Plant.

Carbon Dioxide Public Nuisance Claims

In July 2004, attorneys general from eight states and the corporation counsel for the City of New York filed an action in federal district court for the Southern District of New York against AEP, AEPSC and four other nonaffiliated governmental and investor-owned electric utility systems. That same day, a similar complaint was filed in the same court against the same defendants by the Natural Resources Defense Council on behalf of three special interest groups. The actions alleged that carbon dioxide emissions from power generation facilities constitute a public nuisance under federal common law due to impacts associated with global warming, and sought injunctive relief in the form of specific emission reduction commitments from the defendants. In September 2004, the defendants, including AEP and AEPSC, filed a motion to dismiss the lawsuits. In September 2005, the lawsuits were dismissed. A notice of appeal to the Second Circuit Court of Appeals has been filed on behalf of all plaintiffs. A briefing schedule has not been established.

CONTROLS AND PROCEDURES

During the third quarter of 2005, management, including the principal executive officer and principal financial officer of each of AEP, AEGCo, APCo, CSPCo, I&M, KPCo, OPCo, PSO, SWEPCo, TCC and TNC (collectively, the Registrants), evaluated the Registrants' disclosure controls and procedures. Disclosure controls and procedures are defined as controls and other procedures of the Registrants that are designed to ensure that information required to be disclosed by the Registrants in the reports that they file or submit under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Registrants in the reports that they file or submit under the Exchange Act is accumulated and communicated to the Registrants' management, including the principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As of September 30, 2005, these officers concluded that the disclosure controls and procedures in place are effective and provide reasonable assurance that the disclosure controls and procedures accomplished their objectives. The Registrants continually strive to improve their disclosure controls and procedures to enhance the quality of their financial reporting and to maintain dynamic systems that change as events warrant.

There was no change in the Registrants' internal control over financial reporting (as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the third quarter of 2005 that materially affected, or is reasonably likely to materially affect, the Registrants' internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of material legal proceedings, see Note 5, *Commitments and Contingencies,* incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

NONE

Item 5. Other Information

NONE

Item 6. Exhibits

AEP

31(a) - Certification of AEP Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(c) - Certification of AEP Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

AEP, APCo, CSPCo, I&M, KPCo, OPCo, PSO, SWEPCo, TCC and TNC

12 - Computation of Consolidated Ratio of Earnings to Fixed Charges.

AEGCo, APCo, CSPCo, I&M, KPCo, OPCo, PSO, SWEPCo, TCC and TNC

31(b) - Certification of Registrant Subsidiaries' Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(d) - Certification of Registrant Subsidiaries' Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

AEP, AEGCo, APCo, CSPCo, I&M, KPCo, OPCo, PSO, SWEPCo, TCC and TNC

32(a) - Certification of Chief Executive Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code.
32(b) - Certification of Chief Financial Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company and any subsidiaries thereof.

AMERICAN ELECTRIC POWER COMPANY, INC.

By: /s/Joseph M. Buonaiuto
Joseph M. Buonaiuto
Controller and Chief Accounting Officer

AEP GENERATING COMPANY
AEP TEXAS CENTRAL COMPANY
AEP TEXAS NORTH COMPANY
APPALACHIAN POWER COMPANY
COLUMBUS SOUTHERN POWER COMPANY
INDIANA MICHIGAN POWER COMPANY
KENTUCKY POWER COMPANY
OHIO POWER COMPANY
PUBLIC SERVICE COMPANY OF OKLAHOMA
SOUTHWESTERN ELECTRIC POWER COMPANY

By: /s/Joseph M. Buonaiuto
Joseph M. Buonaiuto
Controller and Chief Accounting Officer

Date: November 4, 2005

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Michael G. Morris, certify that:

1. I have reviewed this report on Form 10-Q of American Electric Power Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial

reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2005

By: /s/ Michael G. Morris
Michael G. Morris
Chief Executive Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Michael G. Morris, certify that:

1. I have reviewed this report on Form 10-Q of:

AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Columbus Southern Power Company
Indiana Michigan Power Company
Kentucky Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;

4. Each registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's

fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. Each registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2005

By: /s/ Michael G. Morris
Michael G. Morris
Chief Executive Officer

EXHIBIT 31(c)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Susan Tomasky, certify that:

1. I have reviewed this report on Form 10-Q of American Electric Power Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2005 By: /s/ Susan Tomasky

Susan Tomasky
Chief Financial Officer

EXHIBIT 31(d)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Susan Tomasky, certify that:

1. I have reviewed this report on Form 10-Q of:

AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Columbus Southern Power Company
Indiana Michigan Power Company
Kentucky Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;

4. Each registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's

fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. Each registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2005

By: /s/ Susan Tomasky
Susan Tomasky
Chief Financial Officer

Exhibit 32(a)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of the Companies (as defined below) on Form 10-Q (the "Reports") for the quarterly period ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof, I, Michael G. Morris, the chief executive officer of

American Electric Power Company, Inc.
AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Columbus Southern Power Company
Indiana Michigan Power Company
Kentucky Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company

(the "Companies"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Reports fully comply with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Reports fairly presents, in all material respects, the financial condition and results of operations of the Companies.

/s/ Michael G. Morris
Michael G. Morris
Chief Executive Officer

November 4, 2005

A signed original of this written statement required by Section 906 has been provided to American Electric Power Company, Inc. and will be retained by American Electric Power Company, Inc. and

furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of the Companies (as defined below) on Form 10-Q (the "Reports") for the quarterly period ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof, I, Susan Tomasky, the chief financial officer of

American Electric Power Company, Inc.
AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Columbus Southern Power Company
Indiana Michigan Power Company
Kentucky Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company

(the "Companies"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Reports fully comply with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Reports fairly presents, in all material respects, the financial condition and results of operations of the Companies.

/s/ Susan Tomasky
Susan Tomasky
Chief Financial Officer

November 4, 2005

A signed original of this written statement required by Section 906 has been provided to American Electric Power Company, Inc. and will be retained by American Electric Power Company, Inc. and

furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 12

AMERICAN ELECTRIC POWER COMPANY, INC. AND SUBSIDIARIES
Computation of Consolidated Ratios of Earnings to Fixed Charges
(in millions except ratio data)

	Year Ended December 31,					Twelve Months Ended
	2000	2001	2002	2003	2004	9/30/05
FIXED CHARGES						
Interest on Long-term Debt	$ 608	$ 599	$ 642	$ 735	$ 673	$ 625
Interest on Short-term Debt	258	143	62	23	17	15
Miscellaneous Interest Charges	161	133	103	80	113	102
Estimated Interest Element in Lease Rentals	241	242	255	232	215	215
Preferred Stock Dividends	32	15	18	15	9	10
Total Fixed Charges	$ 1,300	$ 1,132	$ 1,080	$ 1,085	$ 1,027	$ 967
EARNINGS						
Income Before Income Taxes	$ 779	$ 1,513	$ 800	$ 880	$ 1,699	$ 1,811
Plus Fixed Charges (as above)	1,300	1,132	1,080	1,085	1,027	967
Less Undistributed Earnings in Equity Investments	46	28	12	10	18	13
Total Earnings	$ 2,033	$ 2,617	$ 1,868	$ 1,955	$ 2,708	$ 2,765
Ratio of Earnings to Fixed Charges	1.56	2.31	1.72	1.80	2.63	2.85

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Michael G. Morris, certify that:

1. I have reviewed this report on Form 10-Q of American Electric Power Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2005 By: /s/ Michael G. Morris

Michael G. Morris
Chief Executive Officer

EXHIBIT 31(c)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Susan Tomasky, certify that:

1. I have reviewed this report on Form 10-Q of American Electric Power Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2005

By: /s/ Susan Tomasky
Susan Tomasky
Chief Financial Officer

Exhibit 32(a)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of the Companies (as defined below) on Form 10-Q (the "Reports") for the quarterly period ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof, I, Michael G. Morris, the chief executive officer of

American Electric Power Company, Inc.
AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Columbus Southern Power Company
Indiana Michigan Power Company
Kentucky Power Company
Ohio Power Company

Public Service Company of Oklahoma
Southwestern Electric Power Company

(the "Companies"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Reports fully comply with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Reports fairly presents, in all material respects, the financial condition and results of operations of the Companies.

/s/ Michael G. Morris
Michael G. Morris
Chief Executive Officer

November 8, 2005

A signed original of this written statement required by Section 906 has been provided to American Electric Power Company, Inc. and will be retained by American Electric Power Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Quarterly Report of the Companies (as defined below) on Form 10-Q (the "Reports") for the quarterly period ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof, I, Susan Tomasky, the chief financial officer of

American Electric Power Company, Inc.
AEP Generating Company
AEP Texas Central Company
AEP Texas North Company
Appalachian Power Company
Columbus Southern Power Company
Indiana Michigan Power Company
Kentucky Power Company
Ohio Power Company
Public Service Company of Oklahoma
Southwestern Electric Power Company

(the "Companies"), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Reports fully comply with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Reports fairly presents, in all material respects, the financial condition and results of operations of the Companies.

/s/ Susan Tomasky
Susan Tomasky
Chief Financial Officer

November 8, 2005

A signed original of this written statement required by Section 906 has been provided to American Electric Power Company, Inc. and will be retained by American Electric Power Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

End of Filing