PROJECT NO. 35588

THIS FILING IS	
Item 1: [X] An Initial (Original) Submission	OR [ ] Resubmission No. ____

Form 1 Approved
OMB No. 1902-0021
(Expires 12/31/2011)
Form 1-F Approved
OMB No. 1902-0029
(Expires 12/31/2011)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 1/31/2012)

2010 NOV 29 PM 2:52

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

85

Exact Legal Name of Respondent (Company)	Year/Period of Report
AEP Texas North Company	End of 2010/Q3

FERC FORM No.1/3-Q (REV. 02-04)

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q)is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

(1) one million megawatt hours of total annual sales,
(2) 100 megawatt hours of annual sales for resale,
(3) 500 megawatt hours of annual power exchanges delivered, or
(4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: http://www.ferc.gov/docs-filing/eforms/form-1/elec-subm-soft.asp. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

Reference Schedules	Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of ___________ , we have also reviewed schedules __________________ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

(f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at http://www.ferc.gov/help/how-to.asp.

(g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from http://www.ferc.gov/docs-filing/eforms/form-1/form-1.pdf and http://www.ferc.gov/docs-filing/eforms.asp#3Q-gas .

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and

b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

III Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.

V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.

VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and" firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; ......

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be field..."

General Penalties

The Commission may assess up to $1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION

01 Exact Legal Name of Respondent AEP Texas North Company	02 Year/Period of Report End of 2010/Q3
03 Previous Name and Date of Change *(if name changed during year)*	/ /
04 Address of Principal Office at End of Period *(Street, City, State, Zip Code)* 1 Riverside Plaza, Columbus, OH 43215-2373	
05 Name of Contact Person Jason M. Johnson	06 Title of Contact Person Accountant
07 Address of Contact Person *(Street, City, State, Zip Code)* AEP Service Corporation, 1 Riverside Plaza, Columbus, Ohio 43215-2373	

08 Telephone of Contact Person, *Including Area Code* (614) 716-1000	09 This Report Is (1) [X] An Original (2) [ ] A Resubmission	10 Date of Report *(Mo, Da, Yr)* / /

QUARTERLY CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Joseph M. Buonaiuto	03 Signature Jos. M. Buonaiuto Joseph M. Buonaiuto	04 Date Signed *(Mo, Da, Yr)* 11/19/2010
02 Title Controller		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	Important Changes During the Quarter	108-109	
2	Comparative Balance Sheet	110-113	
3	Statement of Income for the Quarter	114-117	Page 116-N/A
4	Statement of Retained Earnings for the Quarter	118-119	
5	Statement of Cash Flows	120-121	
6	Notes to Financial Statements	122-123	
7	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122 (a)(b)	
8	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
9	Electric Plant In Service and Accum Provision For Depr by Function	208	
10	Transmission Service and Generation Interconnection Study Costs	231	
11	Other Regulatory Assets	232	
12	Other Regulatory Liabilities	278	
13	Elec Operating Revenues (Individual Schedule Lines 300-301)	300-301	
14	Regional Transmission Service Revenues (Account 457.1)	302	N/A
15	Electric Prod, Other Power Supply Exp, Trans and Distrib Exp	324	
16	Electric Customer Accts, Service, Sales, Admin and General Expenses	325	
17	Transmission of Electricity for Others	328-330	
18	Transmission of Electricity by ISO/RTOs	331	N/A
19	Transmission of Electricity by Others	332	
20	Deprec, Depl and Amort of Elec Plant (403,403.1,404,and 405) (except A	338	
21	Amounts Included in ISO/RTO Settlement Statements	397	
22	Monthly Peak Loads and Energy Output	399	
23	Monthly Transmission System Peak Load	400	
24	Monthly ISO/RTO Transmission System Peak Load	400a	N/A

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Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary capital ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

1.

Date Acquired Or Extended	Community	Period of Franchise & Termination	Consideration
Renewed on August 2, 2010	City of Ballinger, TX	Thirty (30) Year Franchise Renewal expiring on September 9, 2040	None
Renewed on August 9, 2010	City of Sterling, TX	Thirty (30) Year Franchise Renewal expiring on October 24, 2040	None

2. None

3. On October 23, 2009 American Electric Power Service Corporation (AEP) on behalf of its affiliates AEP Texas Central Company (AEPTC) and AEP Texas North Company (AEPTN), filed with the Commission a request for disclaimer of jurisdiction or, as an alternative, authorization under section 203 of the Federal Power Act, for the transfer of transmission facilities from AEPTC and AEPTN to Electric Transmission Texas, LLC (ETT). On January 6, 2010, the Commission issued an order (reference Docket Nos. EC10-8-000 and EC10-10-000) approving the proposed transfer under section 203(a)(1). On March 29, 2010, an agreement was signed that transferred ownership of the transmission facilities from AEPTC and AEPTN to ETT. On September 23, 2010, a filing of the proposed journal entries to record the sale of the transmission facilities transferred to ETT was made with the Commission in compliance with Section III., Part D., Item 34., of the above referenced order which states that AEPTC and AEPTN "shall submit their final accounting entries within six months of the date the transactions are consummated".

4. None

5. None

6. None

7. None

8. None

9. None

10. None

11. (Reserved)

12. Not Used

13. D. Michael Miller appointed as Director and Secretary effective July 1, 2010
A. Wade Smith appointed as Chief Operating Officer and President effective July 1, 2010

14. Proprietary capital ratio exceeds 30%

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	1,444,048,582	1,452,242,936
3	Construction Work in Progress (107)	200-201	31,832,905	63,469,663
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		1,475,881,487	1,515,712,599
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	599,853,555	581,652,253
6	Net Utility Plant (Enter Total of line 4 less 5)		876,027,932	934,060,346
7	Nuclear Fuel in Process of Ref., Conv.,Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		876,027,932	934,060,346
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		675,813	675,813
19	(Less) Accum. Prov. for Depr. and Amort. (122)		96,225	84,950
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	7,294,598	7,053,700
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		47,519	47,519
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		1,662	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		7,923,367	7,692,082
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		0	0
36	Special Deposits (132-134)		72,941	36,716
37	Working Fund (135)		200,000	200,000
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		12,804,564	203,870
41	Other Accounts Receivable (143)		-2,193	10,165,858
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		182,155	295,783
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		44,907,031	46,619,719
45	Fuel Stock (151)	227	4,586,686	6,334,546
46	Fuel Stock Expenses Undistributed (152)	227	126,297	141,063
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	11,572,769	10,945,498
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		652,527	308,140
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		647,728	183,870
60	Rents Receivable (172)		90,040	127,873
61	Accrued Utility Revenues (173)		8,516,504	6,900,452
62	Miscellaneous Current and Accrued Assets (174)		1,020	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		12,408	112,380
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176		1,662	0
67	Total Current and Accrued Assets (Lines 34 through 66)		84,004,505	81,984,202
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		1,528,722	1,712,736
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	65,418,741	66,964,171
73	Prelim. Survey and Investigation Charges (Electric) (183)		0	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	58,507
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	3,750,379	993,517
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		1,359,274	1,470,498
82	Accumulated Deferred Income Taxes (190)	234	41,544,074	43,670,746
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		113,601,190	114,870,175
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		1,081,556,994	1,138,606,805

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	end of 2010/Q3

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	137,214,000	137,214,000
3	Preferred Stock Issued (204)	250-251	2,348,600	2,348,600
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		114,027	114,027
7	Other Paid-In Capital (208-211)	253	3,324,976	3,324,976
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	173,567,384	179,060,977
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	6,507,892	6,266,994
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-15,664,857	-16,069,920
16	Total Proprietary Capital (lines 2 through 15)		307,412,022	312,259,654
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	370,312,116	370,316,214
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		188,188	255,529
24	Total Long-Term Debt (lines 18 through 23)		370,123,928	370,060,685
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		253,126	653,497
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		598	4,404
29	Accumulated Provision for Pensions and Benefits (228.3)		36,261,855	40,837,509
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		-3,555	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		3,555	0
34	Asset Retirement Obligations (230)		672,008	689,291
35	Total Other Noncurrent Liabilities (lines 26 through 34)		37,187,587	42,184,701
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		6,011,610	7,029,217
39	Notes Payable to Associated Companies (233)		41,339,125	87,995,670
40	Accounts Payable to Associated Companies (234)		40,250,491	45,036,692
41	Customer Deposits (235)		9,536	1,020,000
42	Taxes Accrued (236)	262-263	31,653,171	27,656,754
43	Interest Accrued (237)		5,524,339	5,987,736
44	Dividends Declared (238)		25,835	25,835
45	Matured Long-Term Debt (239)		0	0

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	end of 2010/Q3

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		330,847	432,771
48	Miscellaneous Current and Accrued Liabilities (242)		7,191,481	10,036,601
49	Obligations Under Capital Leases-Current (243)		736,464	727,895
50	Derivative Instrument Liabilities (244)		-7,728	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		-3,555	0
52	Derivative Instrument Liabilities - Hedges (245)		7,728	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		3,555	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		133,072,899	185,949,171
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		0	0
57	Accumulated Deferred Investment Tax Credits (255)	266-267	12,157,224	12,938,955
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	28,985,193	23,531,884
60	Other Regulatory Liabilities (254)	278	33,553,206	29,098,585
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		133,483,007	137,275,071
64	Accum. Deferred Income Taxes-Other (283)		25,581,928	25,308,099
65	Total Deferred Credits (lines 56 through 64)		233,760,558	228,152,594
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		1,081,556,994	1,138,606,805

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

STATEMENT OF INCOME

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	212,618,565	192,473,883	78,320,941	69,930,008
3	Operating Expenses					
4	Operation Expenses (401)	320-323	98,704,635	78,375,207	33,063,360	30,393,853
5	Maintenance Expenses (402)	320-323	15,235,602	17,267,270	5,162,968	4,697,582
6	Depreciation Expense (403)	336-337	36,699,869	33,431,350	12,180,027	11,199,393
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	13,430	-135	5,047	-15
8	Amort. & Depl. of Utility Plant (404-405)	336-337	2,182,609	2,528,647	761,328	852,349
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		365,088	365,088	121,696	121,696
13	(Less) Regulatory Credits (407.4)		372,009	372,009	124,003	124,003
14	Taxes Other Than Income Taxes (408.1)	262-263	13,637,381	13,518,825	4,466,607	4,019,530
15	Income Taxes - Federal (409.1)	262-263	13,784,948	16,657,577	7,125,249	3,132,684
16	- Other (409.1)	262-263	2,240,391	1,485,149	823,438	538,156
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	9,964,114	16,522,990	2,626,808	5,503,219
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	14,066,047	22,697,508	4,018,073	4,224,527
19	Investment Tax Credit Adj. - Net (411.4)	266	-781,731	-787,329	-260,577	-262,443
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					271
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		33,169	26,916	10,996	9,120
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		177,641,449	156,322,038	61,944,871	55,856,323
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		34,977,116	36,151,845	16,376,070	14,073,685

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	Line No.
						1
212,618,565	192,473,883					2
						3
98,704,635	78,375,207					4
15,235,602	17,267,270					5
36,699,869	33,431,350					6
13,430	-135					7
2,182,609	2,528,647					8
						9
						10
						11
365,088	365,088					12
372,009	372,009					13
13,637,381	13,518,825					14
13,784,948	16,657,577					15
2,240,391	1,485,149					16
9,964,114	16,522,990					17
14,066,047	22,697,508					18
-781,731	-787,329					19
						20
						21
						22
						23
33,169	26,916					24
177,641,449	156,322,038					25
34,977,116	36,151,845					26

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		34,977,116	36,151,845	16,376,070	14,073,685
28	Other Income and Deductions					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)		7,142	14,427		2,296
34	(Less) Expenses of Nonutility Operations (417.1)		47,423	13,635	40,545	2,303
35	Nonoperating Rental Income (418)		61,114	82,317	1,122	579
36	Equity in Earnings of Subsidiary Companies (418.1)	119	240,898	1,061,810	53,534	18,503
37	Interest and Dividend Income (419)		13	65,571		
38	Allowance for Other Funds Used During Construction (419.1)		-59,839	554,771	-3,494	189,376
39	Miscellaneous Nonoperating Income (421)		101,261	127,463	19,553	48,811
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		303,166	1,892,724	30,170	257,262
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)			112,502		112,502
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		167,183	202,188	37,369	48,509
46	Life Insurance (426.2)					
47	Penalties (426.3)		86,677	112,643		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		249,813	102,720	85,618	61,936
49	Other Deductions (426.5)		1,138,000	171,155	348,204	17,650
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		1,641,673	701,208	471,191	240,597
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	250	250	250	
53	Income Taxes-Federal (409.2)	262-263	-1,219,296	-1,136,963	-411,132	-342,271
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	136,114		48,749	
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	21,461	70,766		70,766
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		-1,104,393	-1,207,479	-362,133	-413,037
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		-234,114	2,398,995	-78,888	429,702
61	Interest Charges					
62	Interest on Long-Term Debt (427)		15,668,245	15,634,346	5,222,733	5,211,449
63	Amort. of Debt Disc. and Expense (428)		313,389	308,220	102,740	102,740
64	Amortization of Loss on Reaquired Debt (428.1)		111,223	111,223	37,074	37,074
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)		104,941	400,926	37,089	82,315
68	Other Interest Expense (431)		347,245	508,454	173,586	-149,401
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		126,850	929,757	52,373	236,808
70	Net Interest Charges (Total of lines 62 thru 69)		16,418,193	16,033,412	5,520,849	5,047,369
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		18,324,809	22,517,428	10,776,333	9,456,018
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		18,324,809	22,517,428	10,776,333	9,456,018

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		179,060,977	193,859,568
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		18,083,911	21,455,619
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24	4.4% Series, $100 par value - 23,486 shares outstanding		-77,504	(77,504)
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)		-77,504	(77,504)
30	Dividends Declared-Common Stock (Account 438)			
31	$25 par value - 5,488,560 shares outstanding		-23,500,000	(24,000,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-23,500,000	(24,000,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		173,567,384	191,237,683
	APPROPRIATED RETAINED EARNINGS (Account 215)			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		173,567,384	191,237,683
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent AEP Texas North Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2010/Q3

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	18,324,809	22,517,428
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	38,895,908	35,959,863
5	Amortization of Regulatory Debits and Credits (Net)	-6,921	-6,921
6			
7			
8	Deferred Income Taxes (Net)	-3,987,280	-6,245,284
9	Investment Tax Credit Adjustment (Net)	-781,731	-787,329
10	Net (Increase) Decrease in Receivables	-758,222	12,076,248
11	Net (Increase) Decrease in Inventory	1,135,354	293,487
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-2,158,218	16,574,260
14	Net (Increase) Decrease in Other Regulatory Assets	761,182	215,274
15	Net Increase (Decrease) in Other Regulatory Liabilities	3,256,018	-242,035
16	(Less) Allowance for Other Funds Used During Construction	-59,839	554,771
17	(Less) Undistributed Earnings from Subsidiary Companies	240,898	1,061,810
18	Other (provide details in footnote):	-6,877,647	-1,417,167
19			
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	47,622,193	77,321,243
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-51,059,278	-68,498,254
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	59,839	-554,771
31	Other (provide details in footnote):		
32	Acquisition of Assets - Subject to Leaseback	-234,395	-327,929
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-51,353,512	-68,271,412
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	73,845,601	2,726,510
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54	(Increase) Decrease in Other Special Deposits	497	
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	22,492,586	-65,544,902
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Proceeds on Capital Leaseback	123,368	139,516
68	Notes Payable to Associated Companies - Issued		12,161,647
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	123,368	12,301,163
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-4,098	
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77	Notes Payable to Associated Companies - Retired	-46,656,545	
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock	-77,504	-77,504
81	Dividends on Common Stock	-23,500,000	-24,000,000
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-70,114,779	-11,776,341
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)		
87			
88	Cash and Cash Equivalents at Beginning of Period	200,000	200,000
89			
90	Cash and Cash Equivalents at End of period	200,000	200,000

Schedule Page: 120 Line No.: 18 Column: b

OPERATING ACTIVITIES

	Column (b) 2010 Cash Flow Incr / (Decr)	Column (c) 2009 Cash Flow Incr / (Decr)
Utility Plant, Net	$ (2,299,702)	$ (2,983,595)
Property and Investments, Net	11,274	1,435
Margin Deposits	(36,722)	(76,242)
Mark-to-Market of Risk Management Contracts	(7,728)	-
Prepayments	(2,351,931)	68,894
Accrued Utility Revenues, Net	(1,616,052)	(645,227)
Miscellaneous Current and Accr Assets	(1,020)	(1,131)
Unamortized Debt Expense	184,014	178,844
Other Deferred Debits, Net	(2,565,098)	(2,338,585)
Other Comprehensive Income, Net	41,093	(11,062)
Unamortized Discount/Premium on Long-Term Debt	67,341	67,341
Accumulated Provisions - Misc	313,108	2,411,236
Current and Accrued Liabilities, Net	(4,016,386)	(3,999,763)
Other Deferred Credits, Net	5,400,162	5,910,688
Total	**$ (6,877,647)**	**$ (1,417,167)**

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

INDEX OF NOTES TO FINANCIAL STATEMENTS

GLOSSARY OF TERMS FOR NOTES

When the following terms and abbreviations appear in the text of this report, they have the meanings indicated below.

Term	Meaning
AEP or Parent	American Electric Power Company, Inc.
AEP System	American Electric Power System, an rated electric utility system, owned and operated by AEP's electric utility subsidiaries.
AEPSC	American Electric Power Service Corporation, a service subsidiary providing management and professional services to AEP and its subsidiaries.
AOCI	Accumulated Other Comprehensive Income.
CO_2	Carbon Dioxide and other greenhouse gases.
CWIP	Construction Work in Progress.
ERCOT	Electric Reliability Council of Texas.
ETT	Electric Transmission Texas, LLC, an equity interest joint venture between AEP Utilities, Inc. and MidAmerican Energy Holdings Company Texas Transco, LLC formed to own and operate electric transmission facilities in ERCOT.
Federal EPA	United States Environmental Protection Agency.
FERC	Federal Energy Regulatory Commission.
OPEB	Other Postretirement Benefit Plans.
OTC	Over the counter.
PUCT	Public Utility Commission of Texas.
Risk Management Contracts	Trading and nontrading derivatives, including those derivatives designated as cash flow and fair value hedges.
TNC	AEP Texas North Company, an AEP electric utility subsidiary.
Utility Money Pool	AEP System's Utility Money Pool.

1. SIGNIFICANT ACCOUNTING MATTERS

General

The unaudited financial statements and footnotes should be read in conjunction with TNC's 2009 FERC Form 1 (2009 Annual Report).

In the opinion of management, the unaudited interim financial statements reflect all normal and recurring accruals and adjustments necessary for a fair presentation of the net income, financial position and cash flows for the interim periods. Net income for the three and nine months ended September 30, 2010 is not necessarily indicative of results that may be expected for the year ending December 31, 2010.

Management reviewed subsequent events through November 19, 2010, the date that the 2010 third quarter report was issued.

Cash and Cash Equivalents

Cash and Cash Equivalents on the Statement of Cash Flows include Cash, Working Fund and Temporary Cash Investments on the Comparative Balance Sheet with original maturities of three months or less.

Supplementary Information

	2010	2009
For the Nine Months Ended September 30,	(in thousands)	
Cash Was Paid for:		
Interest (Net of Capitalized Amounts)	$ 16,935	$ 19,212
Income Taxes (Net of Refunds)	11,190	3,368
Noncash Acquisitions Under Capital Leases	174	268
At September 30,		
Noncash Construction Expenditures Included in Accounts Payable	2,781	3,998

Related Party Transactions

AEPSC provides certain managerial and professional services to TNC and other subsidiaries. AEP is the sole equity owner of AEPSC. The costs of the services are based on a direct charge or on a prorated basis and billed to TNC and other subsidiaries at AEPSC's cost. TNC and other subsidiaries have not provided financial or other support outside the reimbursement of costs for services rendered. AEPSC finances its operations through cost reimbursement from other AEP subsidiaries. There are no other terms or arrangements between AEPSC and TNC and other subsidiaries that could require additional financial support from TNC and other subsidiaries or expose them to losses outside of the normal course of business. AEPSC and its billings are subject to regulation by the FERC. TNC and other subsidiaries are exposed to losses to the extent they cannot recover the costs of AEPSC through their normal business operations. In the event AEPSC would require financing or other support outside the cost reimbursement billings, this financing would be provided by AEP. Total billings from AEPSC for the three months ended September 30, 2010 and 2009 were $6 million and $8 million, respectively, and for the nine months ended September 30, 2010 and 2009 were $26 million and $22 million, respectively.

Adjustments to Benefit Plans Footnote

In Note 5 – Benefit Plans, the disclosure was expanded for TNC to reflect certain prior period amounts related to the Net Periodic Benefit Costs and the Estimated Future Benefit Payments and Contributions that were not previously disclosed. These omissions were not material to the financial statements and had no impact on TNC's previously reported net income, changes in shareholder's equity, financial position or cash flows.

2. RATE MATTERS

As discussed in TNC's 2009 Annual Report, TNC is involved in rate and regulatory proceedings at the FERC and the PUCT. The Rate Matters note within TNC's 2009 Annual Report should be read in conjunction with this report to gain a complete understanding of material rate matters still pending that could impact net income, cash flows and possibly financial condition. The following discusses ratemaking developments in 2010 and updates the 2009 Annual Report.

ETT 2007 Formation Appeal

ETT is a joint venture between AEP Utilities, Inc. and MidAmerican Energy Holdings Company Texas Transco, LLC. TCC and TNC have sold transmission assets both in service and under construction to ETT. The PUCT approved ETT's initial rates, a request for a transfer of in-service assets and CWIP and a certificate of convenience and necessity (CCN) to operate as a stand alone transmission utility in ERCOT. ETT was allowed a 9.96% return on common equity. Intervenors appealed the PUCT's decision. In March 2010, the Texas Court of Appeals affirmed the PUCT's decision in all material respects. Intervenors filed for rehearing at the Texas Court of Appeals which was denied in May 2010. The deadline to appeal this decision to the Texas Supreme Court has expired.

In a separate development, the Texas governor signed a new law that clarifies the PUCT's authority to grant CCNs to transmission only utilities such as ETT. ETT filed an application with the PUCT for a CCN under the new law. In March 2010, the PUCT approved the application for a CCN under the new law.

3. COMMITMENTS, GUARANTEES AND CONTINGENCIES

TNC is subject to certain claims and legal actions arising in its ordinary course of business. In addition, TNC's business activities are subject to extensive governmental regulation related to public health and the environment. The ultimate outcome of such pending or potential litigation cannot be predicted. For current proceedings not specifically discussed below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material adverse effect on the financial statements. The Commitments, Guarantees and Contingencies note within the 2009 Annual Report should be read in conjunction with this report.

GUARANTEES

Liabilities for guarantees are recorded in accordance with the accounting guidance for "Guarantees." There is no collateral held in relation to any guarantees. In the event any guarantee is drawn, there is no recourse to third parties.

Indemnifications and Other Guarantees

Contracts

TNC enters 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. There are no material liabilities recorded for any indemnifications.

Master Lease Agreements

TNC leases certain equipment under master lease agreements. GE Capital Commercial Inc. (GE) notified management in November 2008 that they elected to terminate the Master Leasing Agreements in accordance with the termination rights specified within the contract. In 2011, TNC will be required to purchase all equipment under the lease and pay GE an amount equal to the unamortized value of all equipment then leased. Management is currently in negotiations to replace this agreement. In December 2008 and 2009, management signed new master lease agreements that include lease terms of up to 10 years.

For equipment under the GE master lease agreements that expire in 2011, the lessor is guaranteed receipt of up to 87% of the unamortized balance of the equipment at the end of the lease term. If the fair value of the leased equipment is below the unamortized balance at the end of the lease term, TNC is committed to pay the difference between the fair value and the unamortized balance, with the total guarantee not to exceed 87% of the unamortized balance. Under the new master lease agreements, the lessor is guaranteed a residual value up to a stated percentage of either the unamortized balance or the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, TNC is committed to pay the difference between the actual fair value and the residual value guarantee. At September 30, 2010, the maximum potential loss for these lease agreements was approximately $213 thousand assuming the fair value of the equipment is zero at the end of the lease term. Historically, at the end of the lease term the fair value has been in excess of the unamortized balance.

CONTINGENCIES

Carbon Dioxide Public Nuisance Claims

In 2004, eight states and the City of New York filed an action in Federal District Court for the Southern District of New York against AEP, AEPSC, Cinergy Corp, Xcel Energy, Southern Company and Tennessee Valley Authority (TVA). The Natural Resources Defense Council, on behalf of three special interest groups, filed a similar complaint against the same defendants. The actions allege that CO_2 emissions from the defendants' power plants constitute a public nuisance under federal common law due to impacts of global warming and sought injunctive relief in the form of specific emission reduction commitments from the defendants. The trial court dismissed the lawsuits.

In September 2009, the Second Circuit Court of Appeals issued a ruling on appeal remanding the cases to the Federal District Court for the Southern District of New York. The Second Circuit held that the issues of climate change and global warming do not raise political questions and that Congress' refusal to regulate CO_2 emissions does not mean that plaintiffs must wait for an initial policy determination by Congress or the President's administration to secure the relief sought in their complaints. The court stated that Congress could enact comprehensive legislation to regulate CO_2 emissions or that the Federal EPA could regulate CO_2 emissions under existing Clean Air Act authorities and that either of these actions could override any decision made by the district court under federal common law. The Second Circuit did not rule on whether the plaintiffs could proceed with their state common law nuisance claims. The defendants' petition for rehearing was denied. Management believes the actions are without merit and intends to continue to defend against the claims. The defendants, excluding TVA, filed a petition for review with the U.S. Supreme Court in August 2010. The Solicitor General filed a brief in support of the petition on behalf of TVA. Responses to the petition are due in November 2010.

In October 2009, the Fifth Circuit Court of Appeals reversed a decision by the Federal District Court for the District of Mississippi dismissing state common law nuisance claims in a putative class action by Mississippi residents asserting that CO_2 emissions exacerbated the effects of Hurricane Katrina. The Fifth Circuit held that there was no exclusive commitment of the common law issues raised in plaintiffs' complaint to a coordinate branch of government and that no initial policy determination was required to adjudicate these claims. The court granted petitions for rehearing. An additional recusal left the Fifth Circuit without a quorum to reconsider the decision and the appeal was dismissed, leaving the district court's decision in place. TNC was initially dismissed from this case without prejudice, but is named as a defendant in a pending fourth amended complaint. Plaintiffs filed a petition with the U.S. Supreme Court asking the court to remand the case to the Fifth Circuit and reinstate the panel decision. Responses to the petition are due in November 2010.

Management is unable to determine a range of potential losses that are reasonably possible of occurring.

Alaskan Villages' Claims

In 2008, the Native Village of Kivalina and the City of Kivalina, Alaska filed a lawsuit in Federal Court in the Northern District of California against AEP, AEPSC and 22 other unrelated defendants including oil and gas companies, a coal company and other electric generating companies. The complaint alleges that the defendants' emissions of CO_2 contribute to global warming and constitute a public and private nuisance and that the defendants are acting together. The complaint further alleges that some of the defendants, including AEP, conspired to create a false scientific debate about global warming in order to deceive the public and perpetuate the alleged nuisance. The plaintiffs also allege that the effects of global warming will require the relocation of the village at an alleged cost of $95 million to $400 million. In October 2009, the judge dismissed plaintiffs' federal common law claim for nuisance, finding the claim barred by the political question doctrine and by plaintiffs' lack of standing to bring the claim. The judge also dismissed plaintiffs' state law claims without prejudice to refiling in state court. The plaintiffs appealed the decision. Briefing is complete and no date has been set for oral argument. Management believes the action is without merit and intends to defend against the claims. Management is unable to determine a range of potential losses that are reasonably possible of occurring.

4. DISPOSITIONS

2010

TNC sold $73 million of transmission facilities to ETT for the nine months ended September 30, 2010. There were no gains or losses recorded on these transactions.

2009

TNC sold $1 million of transmission facilities to ETT for the nine months ended September 30, 2009. There were no gains or losses recorded on these transactions.

5. BENEFIT PLANS

TNC participates in an AEP sponsored qualified pension plan and two unfunded nonqualified pension plans. A substantial majority of employees are covered by the qualified plan or both the qualified and a nonqualified pension plan. In addition, TNC participates in OPEB plans sponsored by AEP to provide medical and life insurance benefits for retired employees.

Components of Net Periodic Benefit Cost

The following tables provide the components of TNC's net periodic benefit cost for the plans for the three and nine months ended September 30, 2010 and 2009:

	Pension Plans		Other Postretirement Benefit Plans	
	Three Months Ended September 30,		Three Months Ended September 30,	
	2010	2009	2010	2009
	(in thousands)			
Service Cost	$ 460	$ 460	$ 211	$ 195
Interest Cost	1,430	1,511	657	656
Expected Return on Plan Assets	(1,988)	(2,052)	(638)	(506)
Amortization of Transition Obligation	-	-	382	382
Amortization of Prior Service Credit	(105)	(119)	-	-
Amortization of Net Actuarial Loss	501	349	164	252
Net Periodic Benefit Cost	$ 298	$ 149	$ 776	$ 979

	Pension Plans		Other Postretirement Benefit Plans	
	Nine Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
	(in thousands)			
Service Cost	$ 1,379	$ 1,382	$ 632	$ 583
Interest Cost	4,290	4,532	1,972	1,968
Expected Return on Plan Assets	(5,963)	(6,154)	(1,912)	(1,517)
Amortization of Transition Obligation	-	-	1,145	1,145
Amortization of Prior Service Credit	(315)	(357)	-	-
Amortization of Net Actuarial Loss	1,504	1,046	492	758
Net Periodic Benefit Cost	$ 895	$ 449	$ 2,329	$ 2,937

The following table provides TNC's actual contributions and payments for the pension and OPEB plans during the first nine months of 2010 and the expected contributions and payments for the remainder of 2010:

Paid as of September 30, 2010		Remainder Expected to be Paid in 2010	
Pension Plans	Other Postretirement Benefit Plans	Pension Plans	Other Postretirement Benefit Plans
	(in thousands)		
$ 2,883	$ 2,569	$ 499	$ 840

6. BUSINESS SEGMENTS

TNC has one reportable segment, a generation, transmission and distribution business. TNC's other activities are insignificant.

7. DERIVATIVES AND HEDGING

Cash Flow Hedging Strategies

TNC's vehicle fleet is exposed to gasoline and diesel fuel price volatility. AEPSC, on behalf of TNC, enters into financial heating oil and gasoline derivative contracts in order to mitigate price risk of future fuel purchases. Not all fuel price risk exposure is hedged.

The gross notional volumes of TNC's outstanding derivative contracts for heating oil and gasoline as of September 30, 2010 and December 31, 2009 were 495 thousand gallons and 418 thousand gallons, respectively.

The following tables represent the gross fair value impact of TNC's derivative activity on the balance sheets as of September 30, 2010 and December 31, 2009:

Fair Value of Derivative Instruments
September 30, 2010

Balance Sheet Location	Hedging Contracts (a)	Other (a) (b)	Total
		(in thousands)	
Derivative Instrument Assets – Hedges	$ 34	$ (21)	$ 13
Long-Term Portion of Derivative Instrument Assets – Hedges	2	-	2
Derivative Instrument Liabilities – Hedges	30	(30)	-
Long-Term Portion of Derivative Instrument Liabilities – Hedges	4	(4)	-

Fair Value of Derivative Instruments
December 31, 2009

Balance Sheet Location	Hedging Contracts (a)	Other (a) (b)	Total
		(in thousands)	
Derivative Instrument Assets – Hedges	$ 113	$ (1)	$ 112
Derivative Instrument Liabilities – Hedges	1	(1)	-

(a) Derivative instruments within these categories are reported gross. These instruments are subject to master netting agreements and are presented on the balance sheets on a net basis in accordance with the accounting guidance for "Derivatives and Hedging."

(b) Amounts represent counterparty netting of risk management and hedging contracts, associated cash collateral in accordance with the accounting guidance for "Derivatives and Hedging" and dedesignated risk management contracts.

Accounting for Cash Flow Hedging Strategies

For cash flow hedges (i.e. hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), TNC initially reports the effective portion of the gain or loss on the derivative instrument as a component of Accumulated Other Comprehensive Income on its balance sheets until the period the hedged item affects Net Income. TNC records hedge ineffectiveness as a regulatory asset (for losses) or a regulatory liability (for gains).

TNC reclassifies gains and losses on financial fuel derivative contracts designated as cash flow hedges from Accumulated Other Comprehensive Income on its balance sheets into Operation Expenses, Maintenance Expenses or Depreciation Expense, as it relates to capital projects, on its statements of income. During the three and nine months ended September 30, 2010 and 2009, TNC designated cash flow hedging strategies of forecasted fuel purchases. Hedge ineffectiveness was immaterial for this hedge strategy.

The following tables provide details on designated, effective cash flow hedges included in AOCI on TNC's balance sheets and the reasons for changes in cash flow hedges for the three and nine months ended September 30, 2010 and 2009. All amounts in the following tables are presented net of related income taxes.

Total Accumulated Other Comprehensive Income (Loss) Activity for Cash Flow Hedges
For the Three Months Ended September 30, 2010 and 2009

	2010	2009
	(in thousands)	
Balance in AOCI as of July 1,	$ (23)	$ 95
Changes in Fair Value Recognized in AOCI	41	(30)
Amount of (Gain) or Loss Reclassified from AOCI to Income Statements/within Balance Sheets:		
Operation Expenses	(5)	(14)
Maintenance Expenses	(2)	-
Utility Plant	(4)	(8)
Balance in AOCI as of September 30,	$ 7	$ 43

Total Accumulated Other Comprehensive Income (Loss) Activity for Cash Flow Hedges
For the Nine Months Ended September 30, 2010 and 2009

	2010	2009
	(in thousands)	
Balance in AOCI as of January 1,	$ 74	$ -
Changes in Fair Value Recognized in AOCI	(21)	68
Amount of (Gain) or Loss Reclassified from AOCI to Income Statements/within Balance Sheets:		
Operation Expenses	(21)	(16)
Maintenance Expenses	(8)	-
Utility Plant	(17)	(9)
Balance in AOCI as of September 30,	$ 7	$ 43

Cash flow hedges included in Accumulated Other Comprehensive Income on TNC's balance sheets at September 30, 2010 and December 31, 2009 were:

Impact of Cash Flow Hedges on the Balance Sheet
September 30, 2010 and December 31, 2009

	September 30, 2010	December 31, 2009
	(in thousands)	
Hedging Assets	$ 12	$ 112
Hedging Liabilities	(8)	-
AOCI Gain Net of Tax	7	74
Portion Expected to be Reclassified to Net Income During the Next Twelve Months	9	74

The actual amounts that TNC reclassifies from Accumulated Other Comprehensive Income to Net Income can differ from the estimate above due to market price changes. As of September 30, 2010, the maximum length of time that TNC is hedging (with contracts subject to the accounting guidance for "Derivatives and Hedging") exposure to variability in future cash flows related to forecasted transactions is 15 months.

8. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy and Valuation Techniques

The accounting guidance for "Fair Value Measurements and Disclosures" establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. When quoted market prices are not available, pricing may be completed using comparable securities, dealer values, operating data and general market conditions to determine fair value. Valuation models utilize various inputs such as commodity, interest rate and, to a lesser degree, volatility and credit that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, market corroborated inputs (i.e. inputs derived principally from, or correlated to, observable market data) and other observable inputs for the asset or liability.

For commercial activities, exchange traded derivatives, namely futures contracts, are generally fair valued based on unadjusted quoted prices in active markets and are classified as Level 1. Level 2 inputs primarily consist of OTC broker quotes in moderately active or less active markets, as well as exchange traded contracts where there is insufficient market liquidity to warrant inclusion in Level 1. Management verifies price curves using these broker quotes and classifies these fair values within Level 2 when substantially all of the fair value can be corroborated. Management typically obtains multiple broker quotes, which are non-binding in nature, but are based on recent trades in the marketplace. When multiple broker quotes are obtained, the quoted bid and ask prices are averaged. In certain circumstances, a broker quote may be discarded if it is a clear outlier. Management uses a historical correlation analysis between the broker quoted location and the illiquid locations and if the points are highly correlated, these locations are included within Level 2 as well. Certain OTC and bilaterally executed derivative instruments are executed in less active markets with a lower availability of pricing information. Long-dated and illiquid complex or structured transactions and FTRs can introduce the need for internally developed modeling inputs based upon extrapolations and assumptions of observable market data to estimate fair value. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3.

Fair Value Measurements of Long-term Debt

The fair values of Long-term Debt are based on quoted market prices, without credit enhancements, for the same or similar issues and the current interest rates offered for instruments with similar maturities. These instruments are not marked-to-market. The estimates presented are not necessarily indicative of the amounts that could be realized in a current market exchange.

The book values and fair values of TNC's Long-term Debt as of September 30, 2010 and December 31, 2009 are summarized in the following table:

	September 30, 2010		December 31, 2009	
	Book Value	Fair Value	Book Value	Fair Value
	(in thousands)			
Long-term Debt	$ 370,124	$ 413,353	$ 370,060	$ 393,633

Fair Value Measurements of Financial Assets and Liabilities

The following tables set forth, by level within the fair value hierarchy, TNC's financial assets and liabilities that were accounted for at fair value on a recurring basis as of September 30, 2010 and December 31, 2009. As required by the accounting guidance for "Fair Value Measurements and Disclosures," financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. There have not been any significant changes in management's valuation techniques.

Assets and Liabilities Measured at Fair Value on a Recurring Basis
September 30, 2010

	Level 1	Level 2	Level 3	Other	Total
			(in thousands)		
Derivative Instrument Assets – Hedges					
Cash Flow Hedges – Commodity (a)	$ -	$ 34	$ -	$ (21)	$ 13
Derivative Instrument Liabilities – Hedges					
Cash Flow Hedges – Commodity (a)	$ -	$ 30	$ -	$ (30)	$ -

Assets and Liabilities Measured at Fair Value on a Recurring Basis
December 31, 2009

	Level 1	Level 2	Level 3	Other	Total
			(in thousands)		
Derivative Instrument Assets – Hedges					
Cash Flow Hedges – Commodity (a)	$ -	$ 113	$ -	$ (1)	$ 112
Derivative Instrument Liabilities – Hedges					
Cash Flow Hedges – Commodity (a)	$ -	$ 1	$ -	$ (1)	$ -

(a) Amounts in "Other" column primarily represent counterparty netting of risk management and hedging contracts and associated cash collateral under the accounting guidance for "Derivatives and Hedging."

There have been no transfers between Level 1 and Level 2 during the nine months ended September 30, 2010.

9. INCOME TAXES

TNC joins in the filing of a consolidated federal income tax return with its affiliates in the AEP System. The allocation of the AEP System's current consolidated federal income tax to the AEP System companies allocates the benefit of current tax losses to the AEP System companies giving rise to such losses in determining their current tax expense. The tax benefit of the Parent is allocated to its subsidiaries with taxable income. With the exception of the loss of the Parent, the method of allocation reflects a separate return result for each company in the consolidated group.

TNC and other AEP subsidiaries are no longer subject to U.S. federal examination for years before 2001. TNC and other AEP subsidiaries have completed the exam for the years 2001 through 2006 and have issues that are being pursued at the appeals level. The years 2007 and 2008 are currently under examination. Although the outcome of tax audits is uncertain, in management's opinion, adequate provisions for income taxes have been made for potential liabilities resulting from such matters. In addition, TNC accrues interest on these uncertain tax positions. Management is not aware of any issues for open tax years that upon final resolution are expected to have a material adverse effect on net income.

TNC and other AEP subsidiaries file income tax returns in various state and local jurisdictions. These taxing authorities routinely examine the tax returns and TNC and other AEP subsidiaries are currently under examination in several state and local jurisdictions. Management believes that previously filed tax returns have positions that may be challenged by these tax authorities. However, management believes that the ultimate resolution of these audits will not materially impact net income. With few exceptions, TNC is no longer subject to state or local income tax examinations by tax authorities for years before 2000.

Federal Legislation

The Patient Protection and Affordable Care Act and the related Health Care and Education Reconciliation Act (Health Care Acts) were enacted in March 2010. The Health Care Acts amend tax rules so that the portion of employer health care costs that are reimbursed by the Medicare Part D prescription drug subsidy will no longer be deductible by the employer for federal income tax purposes effective for years beginning after December 31, 2012. Because of the loss of the future tax deduction, a reduction in the deferred tax asset related to the nondeductible OPEB liabilities accrued to date was recorded by TNC in March 2010. This reduction, which was partially offset by recording net tax regulatory assets, did not materially affect TNC's cash flows or financial condition, but decreased net income by approximately $300 thousand for the nine months ended September 30, 2010.

The Small Business Jobs Act was enacted in September 2010. Included in this act was a one-year extension of the 50% bonus depreciation provision. The enacted provision will not have a material impact on TNC's net income or financial condition but will have a material favorable impact on cash flows.

10. FINANCING ACTIVITIES

Long-term Debt

Long-term debt principal payments made during the first nine months of 2010 were:

Type of Debt	Principal Amount Paid	Interest Rate	Due Date
	(in thousands)	(%)	
Notes Payable	$ 4	4.50	2059

Dividend Restrictions

Federal Power Act

The Federal Power Act prohibits TNC from participating "in the making or paying of any dividends of such public utility from any funds properly included in capital account." The term "capital account" is not defined in the Federal Power Act or its regulations. Management understands "capital account" to mean the par value of the common stock multiplied by the number of shares outstanding. This restriction does not limit the ability of TNC to pay dividends out of retained earnings.

Charter and Leverage Restrictions

Provisions within the articles or certificates of incorporation of TNC relating to preferred stock or shares restrict the payment of cash dividends on common and preferred stock or shares. Pursuant to credit agreement leverage restrictions, as of September 30, 2010, approximately $50 million of the retained earnings of TNC have restrictions related to the payment of dividends.

Utility Money Pool – 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. The AEP System Utility Money Pool operates in accordance with the terms and conditions approved in a regulatory order. The amount of outstanding borrowings from the Utility Money Pool as of September 30, 2010 and December 31, 2009 is included in Notes Payable to Associated Companies on the balance sheets. TNC's Utility Money Pool activity and corresponding authorized borrowing limit for the nine months ended September 30, 2010 is described in the following table:

Maximum Borrowings from Utility Money Pool	Maximum Loans to Utility Money Pool	Average Borrowings from Utility Money Pool	Average Loans to Utility Money Pool	Borrowings from Utility Money Pool as of September 30, 2010	Authorized Short-Term Borrowing Limit
		(in thousands)			
$ 108,321	$ -	$ 60,919	$ -	$ 41,339	$ 250,000

Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Utility Money Pool for the nine months ended September 30, 2010 and 2009 are summarized in the following table:

	Maximum Interest Rates for Funds Borrowed from the Utility Money Pool	Minimum Interest Rates for Funds Borrowed from the Utility Money Pool	Maximum Interest Rates for Funds Loaned to the Utility Money Pool	Minimum Interest Rates for Funds Loaned to the Utility Money Pool	Average Interest Rates for Funds Borrowed from the Utility Money Pool	Average Interest Rates for Funds Loaned to the Utility Money Pool
2010	0.55 %	0.09 %	- %	- %	0.23 %	- %
2009	2.28 %	0.27 %	- %	- %	1.00 %	- %

Credit Facilities

In June 2010, TNC and certain other companies in the AEP System reduced the $627 million credit agreement to $478 million. Under the facility, letters of credit may be issued. As of September 30, 2010, there were no outstanding amounts for TNC under the facility.

11. COST REDUCTION INITIATIVES

In April 2010, management began initiatives to decrease both labor and non-labor expenses with a goal of achieving significant reductions in operation and maintenance expenses. A total of 2,461 positions were eliminated across the AEP System as a result of process improvements, streamlined organizational designs and other efficiencies. Most of the affected employees terminated employment on May 31, 2010. The severance program provides two weeks of base pay for every year of service along with other severance benefits.

TNC recorded a charge to expense in the second quarter of 2010 primarily related to the headcount reduction initiatives.

Expense Allocation from AEPSC	Incurred	Settled	Adjustments	Remaining Balance at September 30, 2010
		(in thousands)		
$ 4,538	$ 4,000	$ 7,704	$ 81	$ 915

These costs relate primarily to severance benefits.

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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
4. Report data on a year-to-date basis.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				(16,255,384)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				439,233
3	Preceding Quarter/Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)				439,233
5	Balance of Account 219 at End of Preceding Quarter/Year				(15,816,151)
6	Balance of Account 219 at Beginning of Current Year				(16,143,881)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				471,669
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)				471,669
10	Balance of Account 219 at End of Current Quarter/Year				(15,672,212)

Name of Respondent AEP Texas North Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2010/Q3

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Commodity] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1			(16,255,384)		
2			439,233		
3		43,124	43,124		
4		43,124	482,357	22,517,428	22,999,785
5		43,124	(15,773,027)		
6		73,961	(16,069,920)		
7		(46,658)	425,011		
8		(19,948)	(19,948)		
9		(66,606)	405,063	18,324,809	18,729,872
10		7,355	(15,664,857)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	1,390,571,191	1,390,571,191
4	Property Under Capital Leases	989,590	989,590
5	Plant Purchased or Sold		
6	Completed Construction not Classified	50,642,370	50,642,370
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	1,442,203,151	1,442,203,151
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	31,832,905	31,832,905
12	Acquisition Adjustments	1,845,431	1,845,431
13	Total Utility Plant (8 thru 12)	1,475,881,487	1,475,881,487
14	Accum Prov for Depr, Amort, & Depl	599,853,555	599,853,555
15	Net Utility Plant (13 less 14)	876,027,932	876,027,932
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	581,097,755	581,097,755
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	16,910,369	16,910,369
22	Total In Service (18 thru 21)	598,008,124	598,008,124
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj	1,845,431	1,845,431
33	Total Accum Prov (equals 14) (22,26,30,31,32)	599,853,555	599,853,555

Name of Respondent AEP Texas North Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2010/Q3

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
AEP Texas North Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2010/Q3

ELECTRIC PLANT IN SERVICE AND ACCUMULATED PROVISION FOR DEPRECIATION BY FUNCTION

1. Report below the original cost of plant in service by function. In addition to Account 101, include Account 102, and Account 106. Report in column (b) the original cost of plant in service and in column(c) the accumulated provision for depreciation and amortization by function.

Line No.	Item (a)	Plant in Service Balance at End of Quarter (b)	Accumulated Depreciation and Amortization Balance at End of Quarter (c)
1	Intangible Plant	21,264,742	16,910,369
2	Steam Production Plant	304,029,884	143,353,734
3	Nuclear Production Plant		
4	Hydraulic Production - Conventional		
5	Hydraulic Production - Pumped Storage		
6	Other Production		
7	Transmission	449,393,245	152,589,956
8	Distribution	589,409,775	222,379,917
9	Regional Transmission and Market Operation		
10	General	77,115,915	62,774,148
11	TOTAL (Total of lines 1 through 10)	1,441,213,561	598,008,124