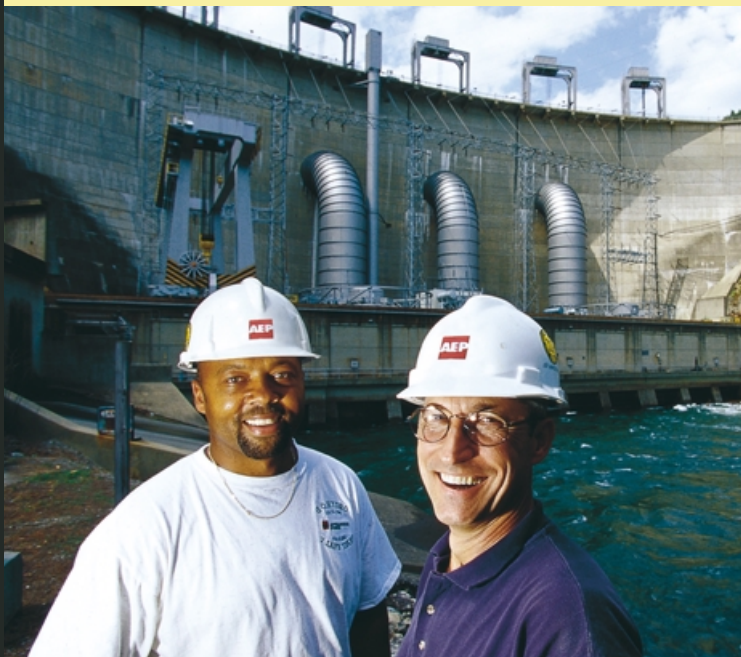




**AMERICAN[®]
ELECTRIC
POWER**



American Electric Power

2002 Summary Report to Shareholders



2002 SUMMARY

	2002	2001	% Change
Net Income (Loss) (in millions)			
ongoing	\$957	\$1,087	(12.0)
as reported	\$(519)	\$971	(153.5)
Earnings (Loss) Per Share			
ongoing	\$2.89	\$3.38	(14.5)
as reported	\$(1.57)	\$3.01	(152.2)
Revenues (in billions)	\$14.6	\$12.8	14.1
Cash Dividends	\$2.40	\$2.40	—
Year-End Closing Stock Price	\$27.33	\$43.53	(37.2)
Book Value at Year-End	\$20.85	\$25.54	(18.4)
Total Assets (in billions)	\$34.7	\$39.3	(11.7)
U.S. Customers (at year-end) (in thousands)	4,975	4,930	0.9
Global Employment	22,083	23,046	(4.2)

2002 reported loss of \$(1.57) per share adjusted for investment value and asset impairments (\$3.07 per share), disposition and asset impairments of SEEBOARD and CitiPower (\$1.34 per share), sustained earnings improvement initiative restructuring costs (\$0.16 per share), asset impairments of Texas plants (\$0.08 per share) and other items (\$0.04 per share), offset by a gain on disposition of Texas REPs (\$0.23 per share), produces ongoing earnings of \$2.89 per share.

2001 reported earnings of \$3.01 per share adjusted for merger costs (\$0.05 per share), write-off of Houston Pipe Line-related Enron purchase obligations (\$0.08 per share), severance accruals (\$0.08 per share), non-recurring adjustment for taxes other than FIT (\$0.04 per share), disposition and write-down of assets (\$0.01 per share) and an extraordinary loss from discontinuance of regulatory accounting for generation in certain states (\$0.16 per share), offset by the cumulative effect of SFAS 133 transition adjustment (\$0.05), produces ongoing earnings of \$3.38 per share.

This discussion includes forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. These forward-looking statements reflect assumptions, and involve a number of risks and uncertainties. Among the factors, both foreign and domestic, that could cause actual results to differ materially from forward-looking statements are: electric load and customer growth; abnormal weather conditions; available sources of and prices for coal and gas; availability of generating capacity; risks related to energy trading and construction under contract; the speed and degree to which competition is introduced to our power generation business; the structure and timing of a competitive market for electricity and its impact on prices; the ability to recover net regulatory assets, other stranded costs and implementation costs in connection with deregulation of generation in certain states; the timing of the implementation of AEP's restructuring plan, new legislation and government regulations; the ability to successfully control costs; the success of new business ventures; international developments affecting our foreign investments; the economic climate and growth in our service and trading territories, both domestic and foreign; the ability of the company to comply with and to successfully challenge new environmental regulations and to successfully litigate claims that the company violated the Clean Air Act; inflationary trends; litigation concerning AEP's merger with CSW; changes in electricity and gas market prices and interest rates; fluctuations in foreign currency exchange rates, and other risks and unforeseen events.

LETTER FROM THE CHAIRMAN

Dear Fellow Shareholders:

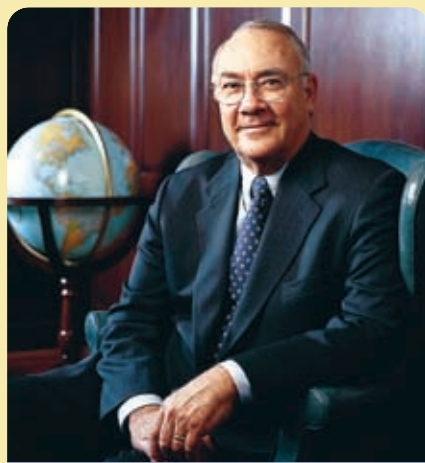
Last year was extremely difficult for AEP. Due to a variety of factors, our earnings fell dramatically, as did our stock price. We deeply regret that our performance was far below our goals and your expectations.

In response to the negative developments in 2002, we are taking decisive steps to strengthen our balance sheet and put the company back on track for value growth. We remain dedicated to providing low-cost electricity, superior customer service and an attractive return to investors.

A look back: Disappointing results

Our utility operations performed reasonably well in 2002 despite rising costs, but the withering of wholesale markets in the U.S. and abroad cut into earnings from our wholesale operations. As I'm sure you're aware, the wholesale arena – including power generation, associated assets and related marketing activity – had been highly profitable for us the past couple of years.

AEP's ongoing earnings totaled \$2.89 per share in 2002 compared with \$3.38 in 2001. As-reported earnings were negative \$1.57 per share, down from \$3.01 the previous year.



E. Linn Draper, Jr. — Chairman,
President & Chief Executive Officer

Writing down the value of poorly performing investments contributed to charges of approximately \$1.5 billion for 2002. Some of these write-offs, such as those related to telecommunications assets, were anticipated. Others, such as a \$415 million charge related to our generation assets in the United Kingdom, were not. We also incurred an equity reduction of nearly \$600 million because of lost value in our pension plan assets. While the latter event lowered the equity on our

balance sheet, the other items also reduced the earnings on our income statement.

On the positive side, despite last year's very tough market, we strengthened our balance sheet by \$2 billion. We did it by selling non-core assets and issuing additional common stock and equity units. In 2002 we completed the sale of SEEBOARD, a regional electric company in the UK, and CitiPower, an Australian electricity provider. AEP's first visit to the equity market in 20 years occurred last spring. Cash proceeds of approximately \$1.1 billion from the asset sales and \$990 million from the issuance of common stock and equity units were used to pay down debt.

We did not attain our capitalization goal for 2002 of 45 percent equity and 55 percent debt but we expect to



make significant progress this year. Our long-term goal is 50 percent to 55 percent debt.

A look ahead: Focus on the basics

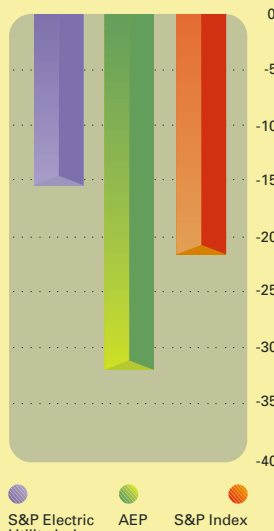
In 2003, we will focus on the basics. We are returning to a more traditional model of a regulated utility with a small commercial group dedicated to maximizing the value of our generation fleet, which is the largest in the United States.

Currently, we think AEP's traditional utility business will perform at roughly the same level as last year and the wholesale business will have a somewhat weaker year. We project 2003 ongoing earnings in the range of \$2.20 to \$2.40 per share, including the dilution from additional equity issued in this year's first quarter.

To bolster our balance sheet, we plan to lower costs, reduce the quarterly dividend, dispose of additional non-core assets, maintain our liquidity and current lines of credit, and maximize cash flow.

A company-wide cost reduction program should result in sustainable net savings in operations and maintenance costs of approximately \$60 million when compared with 2002 actual expenditures, and more than \$300 million when compared with previously projected 2003 expenditures. We reduced our work force by approximately 1,300 positions. Based on 2002 performance, bonuses for senior

2002 Shareholder Return



executive management will not be paid this year. In addition, we expect to pare our capital expenditures forecast for this year by \$200 million, to \$1.5 billion.

Our decision to recommend a reduction in the quarterly dividend of about 40 percent to our Board of Directors came after considerable analysis and was painful but necessary. Reducing the dividend to a quarterly rate of 35 cents per share, starting with the second quarter, will result in annual cash savings of \$340 million. This will immediately improve retained earnings and create free cash flow to boost liquidity and pay down debt. We believe the dividend will still have significant value and produce an attractive yield.

We began shedding assets to improve our balance sheet last year and anticipate that process will accelerate in 2003. Non-core assets are the most likely candidates for divestment. This will be an orderly disposition. Proceeds will go toward debt reduction.

Our liquidity position is strong. We have \$3.5 billion available in cash and credit facilities, and we had \$1.2 billion in cash at the end of last year. During 2003, we expect free cash flow of approximately \$130 million after dividends are paid.

In 2003, we aim for year-end capitalization consistent with a strong BBB rating. We will continue to seek

"AEP's regulated operations generate stable, reasonably predictable revenue and earnings. They have been a steady contributor to our performance all along."



opportunities for further debt reduction and to work with the rating agencies to ensure we're addressing their concerns.

With deregulation at a standstill in much of our service area, we are re-evaluating our corporate separation initiative. The legal separation of our regulated and unregulated businesses is provided for in Texas and Ohio, where generation is deregulated and customers in most areas are able to choose their electricity supplier. However, the cost savings and benefits for all customers of a company-wide separation are now uncertain. We are exploring these issues with our regulators. Our intent is to comply with restructuring legislation in the states that provide for a legal separation and to maintain a functional separation elsewhere.

Even with deregulation stalled, many of the nearly 5 million customers linked to our wires will benefit from rate freezes in their respective states for the next several years.

Utility operations: Stable, predictable

AEP's regulated operations generate stable, reasonably predictable revenue and earnings. They have been a steady contributor to our performance all along. The mission of our regulated business unit is to provide safe, cost-effective and reliable service to customers.

Ongoing earnings from utility operations in 2002 totaled \$3.26 per share, up from \$3.19 in 2001. Retail gross margins rose \$250 million in Texas, \$178 million in Ohio and \$91 million in other jurisdictions throughout AEP's

11-state service territory, thanks in part to increased usage by residential customers.

AEP's Texas operations were a major contributor to last year's utility-related earnings improvement. Customer choice was introduced in January 2002 in most areas of our Texas service territory. AEP's obligation to supply retail electric providers (REPs) in that state last year contributed \$495 million to gross margin. Sale of our affiliated REPs to Centrica, a leading retail energy provider, near the end of 2002 provided immediate cash proceeds of \$146 million. The transaction includes an arrangement through 2006 that allows AEP to share in any increased earnings opportunities that develop in the Texas retail market, protecting us against downside exposure.

Transmission represents a significant piece of our regulated business. AEP, following Federal Energy Regulatory Commission (FERC) guidance, continues working toward transferring functional control of its 38,000-mile transmission network to regional transmission organizations, or RTOs.

You may recall that AEP was among the companies deeply involved in recent years in developing a proposed for-profit RTO called the Alliance. Last spring, however, FERC turned down our proposal, so we are pursuing affiliation with PJM Interconnection for our eastern assets and the Midwest Independent System Operator in the west. At this point, we don't anticipate divesting our transmission assets. We project RTO-related costs of \$30 million to \$40 million in 2003.

"We are returning to a more traditional model of a regulated utility with a small commercial group dedicated to maximizing the value of our generation fleet, which is the largest in the United States."



Wholesale investments: Unmet expectations

Our unregulated operations performed well below our projections in 2002. AEP's wholesale investments lost \$45 million or 13 cents per share. Some of these investments, such as our natural gas and barge-line holdings, contributed positively to earnings, but the UK generation we acquired in 2001 – the Fiddler's Ferry and Ferrybridge plants – posted a \$59 million operating loss.

The UK has proved to be a very disappointing and difficult market. The oversupply conditions worsened as the year progressed, particularly after the British government decided to subsidize British Energy. The \$415 million write-down of UK generation that I mentioned earlier stems from recent analyses showing that UK power prices won't recover to levels that will support the carrying value of the plants on our books at the original purchase price of roughly \$1 billion.

As I noted above, we will be looking to divest certain wholesale assets and the UK generation certainly will be considered. An even greater loss is possible in the UK in 2003. We're evaluating the best way to reduce earnings drags and preserve shareholder value in this investment.

Other unregulated investments not related to our wholesale business also fared poorly and are candidates for divestment. Our telecommunications business had a \$36 million operating loss. We are actively seeking buyers for this business.

Energy marketing: Asset focus

Most of the output of our generating units is committed to our retail customers. The rest is marketed to other utilities and wholesale customers.

Our decision to greatly scale back our energy marketing and trading operations and concentrate on optimizing the value of our assets is reducing our risk exposure and helping to preserve our credit ratings. Net margins from trading activities declined by \$349 million last year because of our reduced activity and because earnings from trading in 2001 were exceptionally strong.

The outstanding net fair value of trading contracts has fallen from approximately \$450 million to \$250 million over the past year. The average duration of our existing trading book is year-end 2003 for gas and second-half 2004 for power.

Our risk management group continues to work closely with the trading group to ensure limits are enforced. We reduced value-at-risk limits by 50 percent last year.

Environmental: Compliance and beyond

Coal-fired generation remains AEP's mainstay. At the end of 2002, our generating capacity mix was 69 percent coal and lignite, 20 percent natural gas, 8 percent nuclear and 3 percent wind, hydro and other.

Use of fossil fuels brings with it environmental expenditures, but our customer prices remain among the lowest in the regions where we operate.



Our ongoing program to meet federal standards to control nitrogen oxide emissions will cost an estimated \$1.3 billion to \$2 billion in capital expenditures.

AEP remains a leader in policy discussions and research to address environmental concerns.

We are actively promoting enactment of legislation to further reduce sulfur dioxide, nitrogen oxide and mercury emissions to address air quality issues associated with coal-fired generation. AEP is one of the founding members of the Chicago Climate Exchange, the first voluntary pilot program for trading greenhouse gas emission credits. We've committed to reducing our greenhouse gas emissions by 4 percent over the next four years. AEP also is participating in a project, led by Battelle, to assess whether deep injection of carbon dioxide into the earth is a feasible climate-change mitigation technology.

Commitment to improve

I want to thank our employees for their hard work during these unsettling times in the power industry. Assets are AEP's strength, and our employees are our strongest assets. Their dedication, talent and continued commitment to our business mission are at the heart of our plan for recovery in the year ahead.

I also want to recognize the enormous contributions of our Board of Directors and senior management team. Stepping up to new duties last year were Holly Koeppel, who was named to oversee our unregulated businesses after the departure of Eric van der Walde; and Tom

Hagan, head of our shared services organization. Tom succeeded Joe Vipperman, who retired last year after more than four decades of dedicated service.

Last year was indeed difficult and 2003 also holds many challenges. But I believe the measures I have outlined will improve our performance, and we are committed to doing what it takes to rebuild the value of your investment.

E. Linn Draper, Jr.

Chairman, President & Chief Executive Officer
February 28, 2003

CONDENSED CONSOLIDATED BALANCE SHEETS

At December 31
(In Millions)

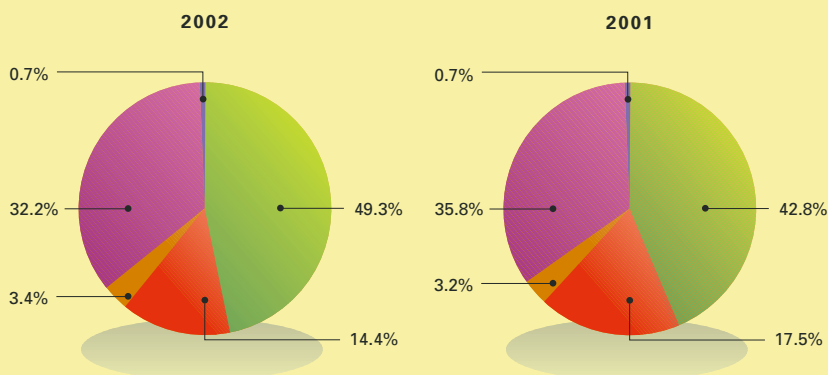
	2002	2001
Assets		
Cash and Cash Equivalents	\$ 1,213	\$ 224
Energy Trading and Derivative Contracts – Current	1,046	2,125
Other Current Assets	3,842	3,315
Property, Plant and Equipment	37,857	37,414
Accumulated Depreciation and Amortization	(16,173)	(15,310)
Net Property, Plant and Equipment	21,684	22,104
Regulatory Assets	2,688	3,162
Other Assets	4,268	8,367
Total	\$34,741	\$ 39,297
Capitalization and Liabilities		
Energy Trading and Derivative Contracts – Current	\$ 1,147	\$ 1,877
Other Current Liabilities	8,643	8,944
Long-Term Debt	8,863	8,410
Deferred Income Taxes and Investment Tax Credits	4,371	4,991
Minority Interest in Financing Subsidiary	759	750
Other Liabilities	3,749	5,940
Total Liabilities	27,532	30,912
Cumulative Preferred Stocks of Subsidiaries	145	156
Common Shareholders' Equity	7,064	8,229
Total	\$34,741	\$ 39,297

6

Full disclosure of all financial information is included in the Appendix A to the Proxy Statement.

Capitalization Ratio

- Long-Term Debt
- Short-Term Debt
- Minority Interest
- Common Equity
- Preferred Stock



CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Year Ended December 31
(In Millions—Except Per Share Amounts)

	2002	2001	% Change
Revenues	<u>\$14,555</u>	<u>\$12,767</u>	14.0
Expenses:			
Fuel and Purchased Energy	6,307	4,944	27.6
Maintenance and Other Operation	4,013	3,710	8.2
Non-Recoverable Merger Costs	10	21	(52.4)
Asset Impairments	867	—	N.M.
Depreciation and Amortization	1,377	1,243	10.8
Taxes Other Than Income Taxes	<u>718</u>	<u>667</u>	7.6
Total Expenses	<u>13,292</u>	<u>10,585</u>	25.6
Other Income	445	335	32.8
Investment Value and Other Impairment Losses	321	—	N.M.
Other Expenses	<u>321</u>	<u>187</u>	71.7
Income Before Interest, Preferred Dividends, Minority Interest and Income Taxes	1,066	2,330	(54.2)
Interest, Preferred Dividends and Minority Interest	831	867	(4.2)
Income Taxes	<u>214</u>	<u>546</u>	(60.8)
Income Before Discontinued Operations, Extraordinary Items and Cumulative Effect	21	917	(97.7)
Discontinued Operations - Income (Loss) (net of tax)	(190)	86	N.M.
Extraordinary Losses (net of tax):			
Discontinuance of Regulatory Accounting for Generation	—	(48)	N.M.
Loss on Reacquired Debt	—	(2)	N.M.
Cumulative Effect of Accounting Change (net of tax)	<u>(350)</u>	<u>18</u>	N.M.
Net Income (Loss)	<u>\$ (519)</u>	<u>\$ 971</u>	(153.5)
Average Number of Shares Outstanding	<u>332</u>	<u>322</u>	3.1
Earnings Per Share:			
Income Before Discontinued Operations,			
Extraordinary Items and Cumulative Effect	\$ 0.06	\$ 2.85	(97.9)
Discontinued Operations	(0.57)	0.26	N.M.
Extraordinary Losses	—	(0.16)	N.M.
Cumulative Effect	<u>(1.06)</u>	<u>0.06</u>	N.M.
Net Income (Loss)	<u>\$ (1.57)</u>	<u>\$ 3.01</u>	(152.2)
Cash Dividends Paid Per Share	<u>\$ 2.40</u>	<u>\$ 2.40</u>	—

N.M.=Not Meaningful

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31
(In Millions)

	2002	2001
Operating Activities		
Net Income (Loss)	\$ (519)	\$ 971
Plus: Discontinued Operations Loss (Income)	<u>540</u>	<u>(86)</u>
Net Income from Continuing Operations	21	885
Depreciation and Amortization	1,403	1,277
Asset Impairments, Investment Value and Other Impairments	1,188	—
Adjustments for Other Noncash Items and Working Capital	<u>(935)</u>	<u>597</u>
Net Cash Flows from Operating Activities	<u>1,677</u>	2,759
Investing Activities		
Construction Expenditures	(1,722)	(1,654)
Purchase of Gas Pipe Line	—	(727)
Purchase of UK Generation	—	(943)
Purchase of Coal Company	—	(101)
Purchase of Barging Operations	—	(266)
Purchase of Wind Generation	—	(175)
Proceeds from Sale of Retail Electric Providers	146	—
Proceeds from Sale of Foreign Investments	1,117	383
Proceeds from Sale of U.S. Generation	—	265
Other	<u>37</u>	<u>(42)</u>
Net Cash Flows used for Investing Activities	<u>(422)</u>	(3,260)
Financing Activities		
Issuance of Common Stock	656	11
Issuance of Minority Interest	—	744
Issuance of Equity Unit Senior Notes	334	—
Change in Long-term Debt (net)	379	1,293
Retirement of Cumulative Preferred Stock	(10)	(5)
Change in Short-term Debt (net)	(829)	(790)
Dividends Paid on Common Stock	(793)	(773)
Other	<u>—</u>	<u>(5)</u>
Net Cash Flows from (used for) Financing Activities	<u>(263)</u>	475
Effect of Exchange Rate Changes on Cash	<u>(3)</u>	<u>(1)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	989	(27)
Cash and Cash Equivalents from Continuing Operations - Beginning of Period	<u>224</u>	<u>251</u>
Cash and Cash Equivalents from Continuing Operations - End of Period	<u>\$1,213</u>	\$ 224
Net Increase (Decrease) in Cash and Cash Equivalents from Discontinued Operations	\$ (100)	\$ 17
Cash and Cash Equivalents from Discontinued Operations - Beginning of Period	<u>108</u>	<u>91</u>
Cash and Cash Equivalents from Discontinued Operations - End of Period	<u>\$ 8</u>	\$ 108

INDEPENDENT AUDITORS' REPORT

MANAGEMENT RESPONSIBILITY

To the Shareholders and Board of Directors of American Electric Power Company, Inc.:

We have audited the consolidated balance sheets of American Electric Power Company, Inc., and its subsidiaries as of December 31, 2002 and 2001, and the related consolidated statements of operations, common shareholders' equity and comprehensive income, and cash flows for each of the three years in the period ended December 31, 2002. These consolidated financial statements and our report thereon dated February 21, 2003, expressing an unqualified opinion (which are not included herein) are included in Appendix A to the proxy statement for the 2002 annual meeting of shareholders. The accompanying condensed consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on such condensed consolidated financial statements in relation to the complete consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated balance sheets as of December 31, 2002 and 2001, and the related condensed consolidated statements of operations and of cash flows for the years then ended is fairly stated in all material respects in relation to the basic consolidated financial statements from which it has been derived.

Deloitte & Touche LLP

Columbus, Ohio

February 21, 2003

The management of American Electric Power Company, Inc., is responsible for the integrity, representations and objectivity of the information in the Company's summary annual report and condensed consolidated financial statements. The condensed consolidated financial statements are derived from the consolidated financial statements included in Appendix A to the proxy statement, which has been prepared in conformity with generally accepted accounting principles, using informed estimates where appropriate, to reflect the Company's financial condition and results of operations. The information in other sections of this summary annual report is consistent with these statements.

The consolidated financial statements have been audited by Deloitte & Touche LLP, from which these condensed consolidated financial statements have been derived and whose report appears on this page. The auditors provide an objective, independent review as to management's discharge of its responsibilities insofar as they relate to the fairness of the Company's reported financial condition and results of operations. Their audit includes procedures believed by them to provide reasonable assurance that the financial statements are free of material misstatement and includes an evaluation of the Company's internal control structure over financial reporting.

E. R. Dyer

Chairman, President &

Chief Executive Officer

Susan Yonash

Chief Financial Officer

BOARD OF DIRECTORS

Board of Directors:

Front row left to right: Donald G. Smith, E.R. Brooks, E. Linn Draper, Jr., John P. DesBarres, Robert W. Fri, Back row left to right: Donald M. Carlton, William R. Howell, Linda Gillespie Stuntz, Leonard J. Kujawa, Richard L. Sandor, Kathryn D. Sullivan, Thomas V. Shockley, III, Lester A. Hudson, Jr.

Dr. E. Linn Draper, Jr., 61
Chairman, President
& Chief Executive Officer
(1992)^E

E.R. Brooks, 65
Retired Chairman
& Chief Executive Officer,
Central & South West Corp.
Granbury, Texas
(2000)^{E,N,P}

Dr. Donald M. Carlton, 65
Retired President
& Chief Executive Officer,
Radian International, LLC
Austin, Texas
(2000)^{A,E,N,P}

John P. DesBarres, 63
Investor/Consultant
Park City, Utah
(1997)^{E,H,N,P}

Robert W. Fri, 67
Visiting Scholar,
Resources for the Future
Washington, D.C.
(1995)^{H,N,P}

William R. Howell, 67
Chairman Emeritus,
J.C. Penney Company, Inc.
Dallas, Texas
(2000)^{D,H,P}

Dr. Lester A. Hudson, Jr., 63
Professor of Business Strategy,
Clemson University
Greenville, South Carolina
(1987)^{A,D,P}



Leonard J. Kujawa, 70
International Energy Consultant
Atlanta, Georgia
(1997)^{A,D,P}

Dr. Richard L. Sandor, 61
Chairman & Chief
Executive Officer,
Environmental Financial
Products, LLC
Chicago, Illinois
(2000)^{D,E,P}

Thomas V. Shockley, III, 57
Vice Chairman
(2000)

Donald G. Smith, 67
Chairman, President
& Chief Executive Officer,
Roanoke Electric Steel Corp.
Roanoke, Virginia
(1994)^{H,N,P}

Linda Gillespie Stuntz, 48
Partner,
Stuntz, Davis & Staffier, P.C.
Washington, D.C.
(1993)^{D,E,F,P}

Dr. Kathryn D. Sullivan, 51
President & Chief
Executive Officer,
Center of Science & Industry
Columbus, Ohio
(1997)^{A,N,P}

Committees of the Board:

The chairman is listed in ().

^A Audit (Carlton),

^D Directors and Corporate
Governance (Hudson),

^E Executive (Draper),

^F Finance (Stuntz),

^H Human Resources (DesBarres),

^N Nuclear Oversight (Sullivan),

^P Policy (Fri)

OFFICE OF THE CHAIRMAN



Office of the Chairman

Front row left to right: Holly K. Koepfel, E. Linn Draper, Jr., Thomas M. Hagan, Susan Tomasky, *Back row left to right:* Robert P. Powers, Henry W. Fayne, Thomas V. Shockley, III

American Electric Power Company, Inc.

E. Linn Draper, Jr.
Chairman, President and Chief Executive Officer

Thomas V. Shockley, III
Vice Chairman

Henry W. Fayne
Vice President

Armando A. Peña
Treasurer

Susan Tomasky
Vice President, Secretary and Chief Financial Officer

Joseph M. Buonaiuto
Controller and Chief Accounting Officer

American Electric Power Service Corporation

E. Linn Draper, Jr.
Chairman, President and Chief Executive Officer

Thomas V. Shockley, III
Vice Chairman and Chief Operating Officer

Henry W. Fayne
Executive Vice President

Thomas M. Hagan
Executive Vice President – Shared Services

Holly K. Koepfel
Executive Vice President

Robert P. Powers
Executive Vice President – Generation

Susan Tomasky
Executive Vice President – Policy, Finance and Strategic Planning, and Assistant Secretary

Melinda S. Ackerman
Senior Vice President – Human Resources

Nicholas J. Ashooh
Senior Vice President – Corporate Communications

J. Craig Baker
Senior Vice President – Regulation and Public Policy

A. Christopher Bakken, III
Senior Vice President – Nuclear Operations

Joseph M. Buonaiuto
Senior Vice President, Controller and Chief Accounting Officer

Jeffrey D. Cross
Senior Vice President, General Counsel and Assistant Secretary

Joseph Hamrock
Senior Vice President – General Services

Dale E. Heydlauff
Senior Vice President – Governmental and Environmental Affairs

Michelle S. Kalnas
Senior Vice President – Supply Chain

Richard E. Munczinski
Senior Vice President – Corporate Planning and Budgeting

Armando A. Peña
Senior Vice President – Finance and Treasurer

Michael W. Rencheck
Senior Vice President – Technical Services

William L. Sigmon, Jr.
Senior Vice President – Fossil and Hydro Generation

Scott N. Smith
Senior Vice President and Chief Risk Officer

SHAREHOLDER INFORMATION

Annual Meeting – The 96th annual meeting of shareholders of American Electric Power Company will be held at 9:30 a.m. Wednesday, April 23, 2003, at The Ohio State University's Fawcett Center, 2400 Olentangy River Road, Columbus, Ohio. Admission is by ticket only. To obtain a ticket, please note the instructions in the Notice of Annual Meeting mailed to shareholders or call the Company. If you hold your shares through a broker, please bring proof of share ownership as of the record date.

Shareholder Inquiries – If you have questions about your account, contact the Company's transfer agent, listed below. You should have your Social Security number or account number ready; the transfer agent will not speak to third parties about an account without the shareholder's approval or appropriate documents.

Transfer Agent & Registrar

EquiServe Trust Company, N.A.
(formerly First Chicago Trust Company of New York)
P.O. Box 43069
Providence, RI 02940-3069
Telephone Response Group: 1-800-328-6955
Internet address: www.equiserve.com
Hearing Impaired #: TDD: 1-800-952-9245

Internet Access to Your Account – If you are a registered shareholder, you can access your account information through the Internet at www.equiserve.com. Information about obtaining a password is available toll-free at 1-877-843-9327.

Replacement of Dividend Checks – If you do not receive your dividend check within five business days after the dividend payment date, or if your check is lost, destroyed or stolen, you should notify the transfer agent for a replacement.

Lost or Stolen Stock Certificates – If your stock certificate is lost, destroyed or stolen, you should notify the transfer agent immediately so a "stop transfer" order can be placed on the missing certificate. The transfer agent then will send you the required documents to obtain a replacement certificate.

Address Changes – It is important that we have your current address on file so that you do not become a lost shareholder. Please contact the transfer agent for address changes for both record and dividend mailing addresses. We also can provide automatic seasonal address changes.

Stock Transfer – Please contact the transfer agent if you have questions regarding the transfer of stock and related legal requirements.

Dividend Reinvestment and Direct Stock Purchase Plan – A Dividend Reinvestment and Direct Stock Purchase Plan is available to all investors. It is an economical and convenient method of purchasing shares of AEP common stock. You may obtain the Plan prospectus and enrollment authorization form by contacting the transfer agent.

Direct Deposit of Dividends – The Company does offer electronic deposit of your dividends. Contact the transfer agent for details.

Stock Held in Brokerage Account ("Street Name") – When you purchase stock and it is held for you by your broker, it is listed with the Company in the broker's name or "street name." AEP does not know the identity of individual shareholders who hold their shares in this manner; we simply know that a broker holds a certain number of shares which may be for any number of customers. If you hold your stock in street name, you receive all dividend payments, annual reports and proxy materials through your broker. Therefore, if your shares are held in this manner, any questions you may have about your account should be directed to your broker.

How to Consolidate Accounts – If you want to consolidate your separate accounts into one account, you should contact the transfer agent to obtain the necessary instructions. When accounts are consolidated, it may be necessary to reissue the stock certificates.

How to Eliminate Duplicate Mailings – If you want to maintain more than one account but eliminate additional mailings of annual reports, you may do so by contacting the transfer agent, indicating the names you wish to keep on the mailing list for annual reports and the names you wish to delete. This will affect only these mailings; dividend checks and proxy materials will continue to be sent to each account.

Stock Trading – The Company's common stock is traded principally on the New York Stock Exchange under the ticker symbol AEP. AEP stock has been traded on the NYSE for 54 years.

Taxes on Dividends – The Company paid \$2.40 in cash dividends in 2002, all of which are taxable for federal income tax purposes. AEP has paid consecutive quarterly dividends since 1910.

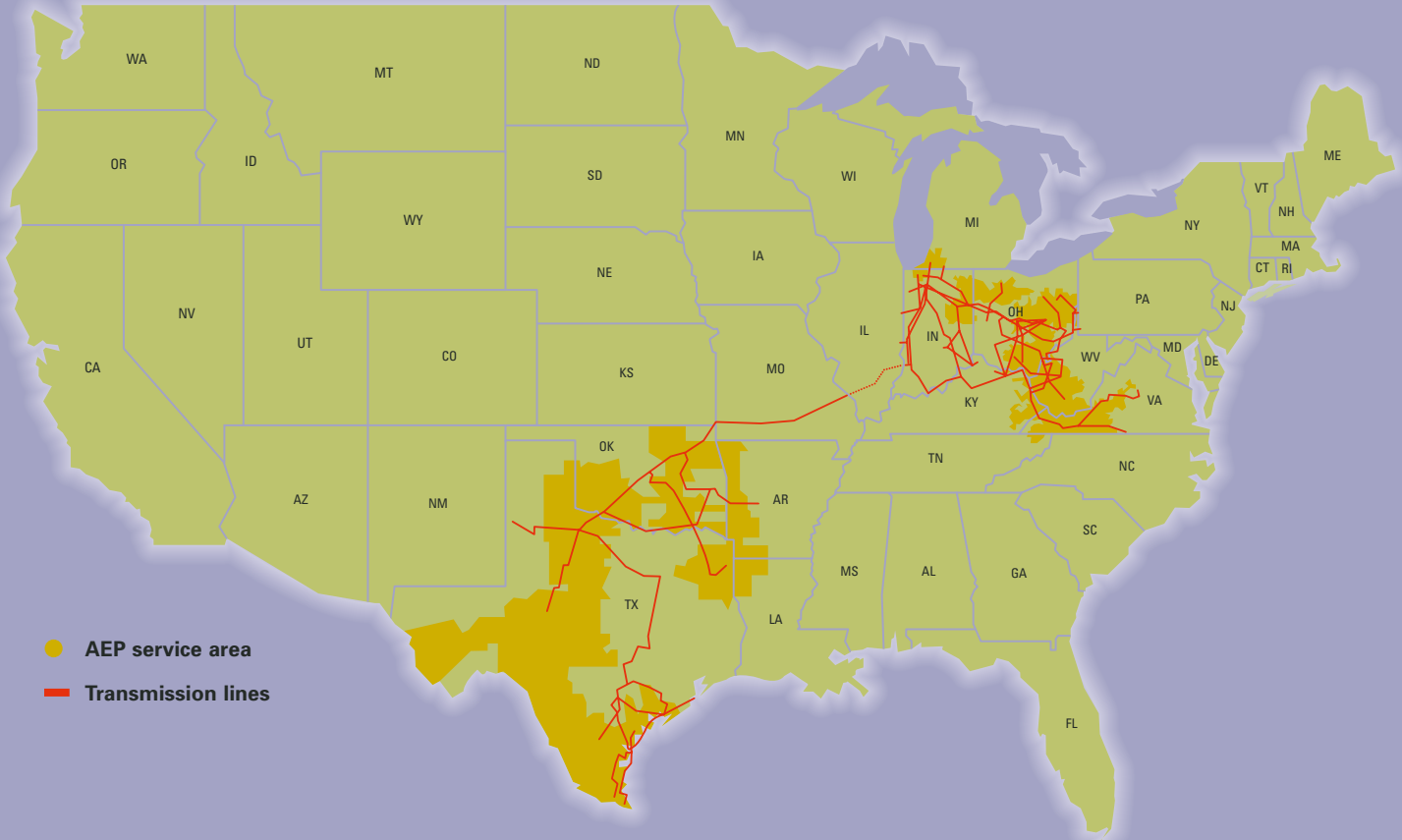
Shareholder Direct – An array of timely recorded messages about AEP, including dividend and earnings information and recent news releases, is available from AEP Shareholder Direct at 1-800-551-1AEP (1237) anytime day or night. Hard copies of information can be obtained via fax or mail. Requests for annual reports, 10-K's, 10-Q's, Proxy Statements and Summary Annual Reports should be made through Shareholder Direct.

Financial Community Inquiries – Institutional investors or securities analysts who have questions about the Company should direct inquiries to Bette Jo Rozsa, 614-716-2840, bjrozsa@aep.com, or Julie Sloat, 614-716-2885, jsloat@aep.com; individual shareholders should contact Kathleen Kozero, 614-716-2819, klkozero@aep.com, or April Dawson, 614-716-2591, addawson@aep.com.

Internet Home Page – Information about AEP, including financial documents, SEC filings, news releases and customer service information, is available on the Company's home page on the Internet at www.aep.com.

Annual Report and Proxy Materials – You can receive future annual reports, proxy statements and proxies electronically rather than by mail; if you are a registered holder, log on to www.econsent.com/aep. If you hold your shares in street name, contact your broker.

SERVICE TERRITORY



- AEP service area
- Transmission lines

Vast portfolio of assets

- More than 42,000 megawatts of electric generating capacity, including the largest generation fleet in the U.S.
- 38,000 circuit miles of transmission lines
- 186,000 miles of distribution lines
- 128 billion cubic feet of gas storage
- 6,400 miles of natural gas pipeline
- 7,000 rail cars
- 1,800 barges and 37 tug boats
- Annual coal production capability of 10 million tons

American Electric Power owns and operates more than 42,000 megawatts of generating capacity in the United States and select international markets and is the largest electricity generator in the U.S. AEP is also one of the largest electric utilities in the United States, with almost 5 million customers linked to AEP's electricity transmission and distribution grid. Those customers are located in 11 states – Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia and

West Virginia. The company's distribution service area covers 197,500 square miles.

Outside the United States, AEP holds interests in the United Kingdom, Australia, Brazil, China, Mexico and the Pacific Region.

AEP is based in Columbus, Ohio.

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