

'03



2003 Summary

	2003	2002	Variance
Net Income (Loss) (in millions)			
ongoing	\$975	\$948	\$27
as reported	\$110	\$(519)	\$629
Earnings (Loss) Per Share			
ongoing	\$2.53	\$2.86	\$(0.33)
as reported	\$0.29	\$(1.57)	\$1.86
Revenues (in billions)	\$14.5	\$13.3	\$1.2
Cash Dividends	\$1.65	\$2.40	\$(0.75)
Year-End Closing Stock Price	\$30.51	\$27.33	\$3.18
Book Value at Year-End	\$19.93	\$20.85	\$(0.92)
Total Assets (in billions)	\$36.7	\$35.9	\$0.8
U.S. Customers (at year-end) (in thousands)	5,023	4,975	48
Global Employment (at year-end)	22,075	22,083	(8)

2003 reported earnings of \$0.29 per share adjusted for disposition and write-down of assets of \$2.42 per share, and UK and LIG discontinued operations (excluding write-down of assets) of \$0.32 per share, offset in part by the change in accounting principle for asset retirement obligations and mark-to-market accounting of (\$0.50) per share, produces ongoing earnings of \$2.53 per share.

2002 reported loss of (\$1.57) per share adjusted for disposition and write-down of assets of \$3.21 per share, the change in accounting principle for goodwill transition impairment of \$1.06 per share and severance and other accruals of \$0.19 per share, offset in part by LIG, UK and other foreign discontinued operations (excluding write-down of assets) of (\$0.03) per share, produces ongoing earnings of \$2.86 per share.

These reports made by AEP and its registrant subsidiaries contain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and its registrant subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are:

- Electric load and customer growth.
- Weather conditions.
- Available sources and costs of fuels.
- Availability of generating capacity and the performance of our generating plants.
- The ability to recover regulatory assets and stranded costs in connection with deregulation.
- New legislation and government regulation, including (i) requirements for reduced emissions of sulfur, nitrogen, carbon and other substances and (ii) electricity transmission policy.
- The resolution of pending and future rate cases and negotiations.
- Oversight and/or investigation of the energy sector or its participants.
- Our ability to successfully control costs.
- The success of disposing of existing investments that no longer match our corporate profile.
- International and country-specific developments affecting foreign investments, including the disposition of any current foreign investments.
- The economic climate and growth in our service territory and changes in market demand and demographic patterns.
- Inflationary trends.
- Accounting pronouncements periodically issued by accounting standard-setting bodies.
- The performance of AEP's pension plan.
- Electricity and gas market prices.
- Interest rates.
- Liquidity in the banking, capital and wholesale power markets.
- Actions of rating agencies, including changes in the ratings of debt and preferred stock.
- Changes in financial markets, particularly those affecting the availability of capital and the ability to refinance existing debt at attractive rates.
- Changes in technology, including the increased use of distributed generation within our transmission and distribution service territory.
- Other risks and unforeseen events, including wars, the effects of terrorism, embargoes and other catastrophic events.



From left: Michael G. Morris, Dr. E. Linn Draper, Jr.

Dear Fellow **Shareholders:**

In 2003, AEP demonstrated why it has a well-deserved reputation for overcoming challenges. Responding to substantial changes in the wholesale electricity market, a difficult economy and serious operational disruptions, the company refocused on its core electricity operations, reduced its market risk, and performed admirably when confronted with severe storms and the largest blackout in North American history.



"We now embark upon a new era for AEP in which we will deliver value to shareholders by doing what we do best: electric utility operations."

The company had ongoing earnings per share of \$2.53 for the year. Adjusted for discontinued operations excluding impairments, our earnings were \$2.21, within our projected range. However, as-reported or "GAAP" earnings were \$0.29 per share, reflecting impairments for non-core businesses and losses from discontinued operations. Our share price gained 11.6 percent for the year and total return to shareholders, including dividends, exceeded 19 percent.

AEP's tradition of accomplishment weighed heavily in my decision to accept the opportunity to succeed Linn Draper as chairman, president and chief executive officer. But I know we cannot rest on tradition. We have large issues and hard work ahead of us.

Important Progress in 2003

AEP made an extraordinary financial turnaround in 2003, which we will build upon this year. Those improvements included a \$1-billion equity offering in the first quarter and our reluctant decision to reduce the quarterly dividend on common stock from \$0.60 to \$0.35 per share.

In addition, we refinanced more than \$2 billion of long-term debt, converted \$3 billion of short-term debt into long-term debt and restructured lines of credit to ensure a strong liquidity position. At the end of 2003, the company had approximately \$1.2 billion in cash and cash equivalents on its balance sheet and access to almost \$3 billion in credit facilities.

Last year the company embarked on a concerted effort to divest assets that are not part of our core utility business – particularly non-core assets that have dragged down earnings. In 2003 we sold our investments in two telecommunications businesses, a distribution company based in Brazil and two U.S.-based independent power projects.

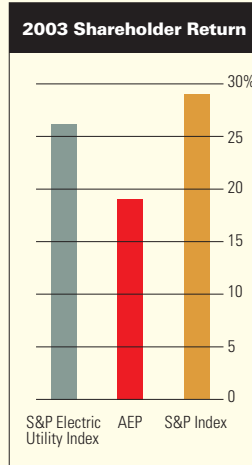
Our risk exposure continued to decline in 2003 as we further scaled back our energy marketing and trading activities, focusing only on those areas where we have assets and customers. The average value at risk (VaR) for our overall trading operations declined 40 percent from 2002, and average VaR for our ongoing U.S. trading business fell 58 percent. We settled claims with several trading counterparties, and we further lowered our risk profile by placing our enterprise security function – including both physical security and “cyber” security – within the risk management organization.

We saw continued improvement in ongoing earnings from our utility operations in 2003, despite unfavorable weather. Our plant availability was excellent throughout most of the year and our wholesale power sales were strong, allowing us to overcome relatively flat retail demand.

Cost control also played a role in improving our financial condition. We reduced our utility segment’s operations and maintenance expenses in 2003 by \$139 million, or almost 5 percent, despite greater storm-damage costs and higher pension and post-retirement benefits costs. Cost containment must be a consistent practice at AEP, but we know it cannot be the basis for growth. Continual earnings improvement comes chiefly from growing the business while controlling costs. We intend to do both.

Thanks largely to the measures outlined above, AEP maintained an investment-grade rating with a stable outlook – no small feat in our industry’s difficult credit environment.

AEP’s experienced work force carried on our tradition of operational excellence in 2003 with some important accomplishments. It is a point of pride that our people and systems performed properly during the Aug. 14 blackout. Thanks to our large and robust transmission system, our substantial generation facilities and the well-considered actions of our employees, AEP’s system withstood the severe power disruptions, preventing the blackout from spreading farther. AEP provided support to the U.S.-Canada task force that investigated the blackout and then developed recommendations aimed at preventing a recurrence.



AEP workers also distinguished themselves when they were called upon to restore service following several outbreaks of severe weather. Our assistance to Dominion Virginia Power following Hurricane Isabel’s landfall on Sept. 18 earned AEP the Edison Electric Institute’s Emergency Assistance Award.

The year 2003 was not without disappointments, however. Several of our investments continued to lose money throughout the year, hurting our earnings. Our United Kingdom operations were especially disappointing, losing \$132 million last year excluding impairment charges. Continued unfavorable plant

and trading margins were factors in the UK losses. We reclassified UK operations and our Louisiana Intrastate Gas business as discontinued during the fourth quarter after finalizing plans to exit these businesses in 2004.

In the U.S., sections of our service area, notably in parts of Ohio and Oklahoma, experienced reliability problems. In addition, our D.C. Cook nuclear plant performed below our expectations. We are determined to achieve and maintain operational excellence at Cook, and in 2003 we strengthened our nuclear management team to reach that goal. We also applied to the Nuclear Regulatory Commission to renew the operating licenses for Cook’s two units when their present licenses expire in 2014 and 2017. D.C. Cook is an important asset for AEP’s customers and shareholders and we will do what is necessary to operate the plant safely and efficiently.

We were deeply disappointed when the Commodities Futures Trading Commission filed suit against AEP in September for the reporting of false information to trade publications by several former company gas traders. The inappropriate activity came to light as a result of the company’s own investigation in 2002. AEP promptly dismissed the traders, reported the matter to authorities and scaled back gas trading operations sharply, and we have cooperated fully with investigators. It is our hope and intention to bring closure to this matter as soon as possible.

Although troubling, all of these disappointments pale next to the fact that four AEP employees lost their lives in job-related accidents during 2003. Such an overwhelming loss cannot be dismissed simply with a few words of sympathy and a pledge to do better. I will accept nothing less than a total commitment to safety and will take that message directly to all employees. Paradoxically, AEP recorded fewer employee safety incidents last year and the overall severity of those incidents was lower. Many work locations marked impressive safety milestones.

But we must and will achieve a higher state of safety awareness across the entire company to ensure that our employees are as safe as they can possibly be.



2004 Priorities

Despite the significant progress that we made last year, we still have plenty of work to do. Our divestiture program will accelerate in 2004. In addition to actively pursuing the sale of our UK operations and Louisiana Intrastate Gas, we are making progress on the sale of our coal holdings in Ohio and Kentucky, our remaining interests in several independent power projects and our investment in power generation in Mexico. We expect these actions to substantially reduce the drain on earnings that we have been experiencing and will use sale proceeds to reduce debt. Our target is to reduce our debt ratio to below 60 percent by year-end.

In 2004 we expect to sell our 4,500 megawatts of generating capacity owned by AEP Texas Central Company, one of our Texas-based operating companies that was formerly known as Central Power and Light. Texas deregulation legislation allows for the sale of assets to determine stranded costs, or the amount by which the book value of assets exceeds market value. Pursuant to a final order by the Public Utility Commission of Texas, the difference between the plants' sale proceeds and book value can then be securitized, providing cash for debt reduction and other purposes. The loss of this generating capacity will not compromise our system reliability in any way due to the sale of a large part of our Texas retail business to Centrica.

We will continue to sharpen our focus on our traditional utility operations. In particular, we will move aggressively to address service quality concerns in Ohio and Oklahoma. We have earmarked substantial resources for capital costs and operation and maintenance expenses to boost the reliability of our energy distribution system. In Ohio, we are embarking on a two-year program aimed at improving the performance of our least-reliable circuits by an average of 40 percent. Actions already taken in Oklahoma have sharply reduced the number of complaints filed with that state's regulatory commission.

We expect 2004 ongoing earnings in the range of \$2.20 to \$2.40 per share, a reachable target assuming modest growth in utility operations and continued focus on controlling costs. We will seek opportunities to increase revenues, reduce costs and improve the return on your investment as much as we can.

Environmental and Regulatory Opportunities

Among our most important priorities in 2004 will be the drive toward solutions for the significant regulatory and environmental opportunities facing AEP.

The Federal Energy Regulatory Commission (FERC) strongly advocates that utilities join regional transmission organizations, or RTOs.

However, certain states, including some in AEP's service territory, have concerns about the potential short-term impact on customers in their respective jurisdictions. AEP intends to honor the commitment we made as part of the CSW merger to join one or more RTOs because we believe significant long-term benefits will result for AEP's customers, shareholders, and – therefore – the states in which we provide energy. But we will be sensitive to the concerns of our states. Earnest dialogue among FERC, the states, AEP and other companies is the best way to resolve issues surrounding RTO participation, and we will promote that dialogue.

At the state level, we will be working to ensure that our customer and shareholder interests are balanced as we address a wide range of regulatory issues. The 11 states we serve include some that have undertaken utility restructuring and some that haven't. In some jurisdictions our rates are capped and in others we operate under traditional regulation. In all cases, we will pursue fair rate agreements that provide a reasonable return to shareholders without unduly burdening customers. We will also pursue recovery of expenditures for equipment that will improve the environment and allow our power plants to continue to provide low-cost energy for the benefit of our stakeholders.

AEP is the largest consumer of coal in America, using more than 75 million tons a year on average. Coal and lignite fuel 70 percent of our generating capacity. We also use natural gas, nuclear power, wind and hydro, but coal remains the backbone of electricity supply for AEP and for America.

We recognize that our reliance upon coal brings with it important environmental responsibilities. AEP has invested more than \$2 billion in pollution control equipment at our power plants since 1990, and we look forward to investing several billion dollars more in the coming years to improve the environmental performance of our plants so that they can continue to serve our customers with cost-effective energy. We have also spent millions of dollars to plant trees and preserve forests to sequester carbon dioxide and

to research and develop ways to burn coal more cleanly and efficiently. In 2003 AEP became a founding member of the Chicago Climate Exchange, the first voluntary program for trading greenhouse gas emission credits. We believe that creating a market in carbon dioxide credits will provide financial incentive for companies to reduce emissions in a way that is more efficient and flexible, just as it did for sulfur dioxide (SO₂) and nitrogen oxide (NO_x).

AEP supports reasonable multi-emission legislation to further reduce SO₂, NO_x and mercury emissions. In addition, we have pledged to reduce greenhouse gas emissions by 4 percent by 2006.

While the environmental compliance requirements ahead of us may seem daunting to some, we see an opportunity to make strategic investments that will keep our generating facilities productive and profitable for many years to come while helping further clean the environment. Our customers will continue to enjoy reliable electricity at very attractive rates compared with our neighbors, even with these environmental investments. And shareholders can be assured that we expect to achieve a reasonable return for them while also improving air quality to benefit the communities in which our facilities are located.

Dear Fellow Shareholders:

As I begin my retirement, I want to tell you what an honor it has been to serve as your chairman for nearly 11 years. During that time there have been substantial accomplishments and difficult challenges, but we have never wavered from our goal of moving AEP forward and providing the highest possible return on your investment.

Today AEP is considered an industry leader by almost any measure. We have one of the largest and most efficient generating fleets in America, an unparalleled transmission system and distribution operations that range from Michigan to the Mexican border. But even assets as rich as ours pale in value compared to our talented and experienced work force. Truly, the people of AEP are extraordinary and I can never thank them enough for the support they have given me.

I want to express my most heartfelt thanks to the AEP Board of Directors for their guidance and counsel. It was my good fortune to be associated with such a dedicated and insightful group of individuals. To the many regulators and elected officials with whom I had the pleasure to work, I am grateful for our constructive partnership that enabled so many of our achievements. And I'd like to

A New Era

I am honored to have the opportunity to succeed Linn Draper and carry on the proud tradition of achievement at AEP. We are indebted to Linn for his many contributions to the company and the industry, and we wish him a long and enjoyable retirement. We also bid farewell to Linda Stuntz, who is leaving the AEP Board after 11 years of dedicated service. Linda's sharp intellect and sound judgment have been invaluable as AEP has navigated one of the most tumultuous periods in the history of the electric utility industry.

We now embark upon a new era for AEP in which we will deliver value to shareholders by doing what we do best: electric utility operations. Through careful use of our substantial assets, a respectful, productive relationship with government and regulatory officials, and the hard work of a talented, diverse, ethical and safety-conscious work force, AEP's future achievements can exceed those of its remarkable past.



Michael G. Morris

Chairman, President and Chief Executive Officer
March 5, 2004

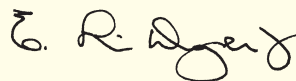
say thanks as well to the many environmental and public interest groups with whom we worked to advance our business in a socially responsible manner.

To our customers, the millions of people and businesses we are so proud to serve, it has been rewarding to join you in helping to bring growth and prosperity to our communities. And, finally, my sincere thanks to our loyal shareholders. Many of you have expressed your support when we needed it most and I will always be grateful.

AEP is certain to continue its leadership under the direction of Mike Morris. With his knowledge, deep experience and leadership skills, there is really no telling how much AEP can grow. We have every reason to expect a bright future.

Thank you for your support and for your belief in AEP.

Sincerely,



E. Linn Draper, Jr.

Past Chairman
March 5, 2004

Condensed Consolidated Balance Sheets

At December 31
(In Millions)

	2003	2002
Assets		
Cash and Cash Equivalents	\$1,182	\$1,199
Accounts Receivable	1,710	2,089
Other Current Assets	2,005	2,030
Property, Plant and Equipment	36,033	34,127
Accumulated Depreciation and Amortization	(14,004)	(13,539)
Net Property, Plant and Equipment	<u>22,029</u>	<u>20,588</u>
Regulatory Assets	3,548	2,688
Assets Held for Sale	3,082	3,601
Assets of Discontinued Operations	—	15
Other Non-Current Assets	<u>3,188</u>	<u>3,680</u>
Total	<u>\$36,744</u>	<u>\$35,890</u>
Capitalization and Liabilities		
Accounts Payable	\$1,337	\$1,892
Short-Term Debt and Long-Term Debt Due within One Year	2,105	4,066
Other Current Liabilities	2,540	2,698
Long-Term Debt	12,322	8,863
Deferred Income Taxes	3,957	3,916
Regulatory Liabilities and Deferred Investment Tax Credits	2,259	939
Liabilities Held for Sale	1,876	1,279
Liabilities of Discontinued Operations	—	12
Other Non-Current Liabilities	<u>2,413</u>	<u>3,936</u>
Total Liabilities	28,809	27,601
Cumulative Preferred Stocks of Subsidiaries	61	145
Certain Subsidiary Obligated, Mandatorily Redeemable, Preferred Securities of Subsidiary Trusts Holding Solely Junior Subordinated Debentures of Such Subsidiaries	—	321
Minority Interest in Financing Subsidiary	—	759
Common Shareholders' Equity	<u>7,874</u>	<u>7,064</u>
Total	<u>\$36,744</u>	<u>\$35,890</u>

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

Condensed Consolidated Statements of Operations

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

	2003	2002	Variance
Revenues	<u>\$14,545</u>	<u>\$13,308</u>	\$1,237
Expenses:			
Fuel and Purchased Energy	6,610	5,055	1,555
Maintenance and Other Operation	3,673	4,065	(392)
Asset Impairments and Other Related Charges	650	318	332
Depreciation and Amortization	1,299	1,348	(49)
Taxes Other than Income Taxes	<u>681</u>	<u>718</u>	(37)
Total Expenses	<u>12,913</u>	<u>11,504</u>	1,409
Other Income	387	461	(74)
Investment Value Losses	70	321	(251)
Other Expenses	<u>227</u>	<u>323</u>	(96)
Income Before Interest, Preferred Dividends, Minority Interest and Income Taxes	1,722	1,621	101
Interest, Preferred Dividends and Minority Interest	842	821	21
Income Taxes	<u>358</u>	<u>315</u>	43
Income Before Discontinued Operations and Cumulative Effect	522	485	37
Discontinued Operations - Loss (net of tax)	(605)	(654)	49
Cumulative Effect of Accounting Changes (net of tax)	<u>193</u>	<u>(350)</u>	543
Net Income (Loss)	<u>\$ 110</u>	<u>\$(519)</u>	\$629
Average Number of Shares Outstanding	<u>385</u>	<u>332</u>	53
Earnings Per Share:			
Income Before Discontinued Operations and Cumulative Effect	\$ 1.35	\$ 1.46	\$(0.11)
Discontinued Operations	(1.57)	(1.97)	0.40
Cumulative Effect	<u>0.51</u>	<u>(1.06)</u>	1.57
Net Income (Loss)	<u>\$0.29</u>	<u>\$(1.57)</u>	\$1.86
Cash Dividends Paid Per Share	<u>\$1.65</u>	<u>\$2.40</u>	\$(0.75)

Condensed Consolidated Statements of Cash Flows

Year Ended December 31

(In Millions)

	2003	2002
Operating Activities		
Net Income (Loss)	\$110	\$(519)
Plus: Discontinued Operations Loss	<u>605</u>	<u>654</u>
Net Income from Continuing Operations	715	135
Depreciation and Amortization	1,299	1,375
Cumulative Effect of Accounting Changes	(193)	350
Asset and Investment Value Impairments and Other Related Charges	720	639
Adjustments for Other Noncash Items and Working Capital	<u>(233)</u>	<u>(432)</u>
Net Cash Flows from Operating Activities	<u>2,308</u>	<u>2,067</u>
Investing Activities		
Construction Expenditures	(1,358)	(1,685)
Investment in Discontinued Operations (net)	(615)	—
Proceeds from Sale of Assets	82	1,263
Other	<u>3</u>	<u>44</u>
Net Cash Flows Used for Investing Activities	<u>(1,888)</u>	<u>(378)</u>
Financing Activities		
Issuance of Common Stock	1,142	656
Issuance of Equity Unit Senior Notes	—	334
Change in Long-Term Debt (net)	2,054	380
Retirement of Cumulative Preferred Stock	(9)	(10)
Retirement of Minority Interest	(225)	—
Change in Short-Term Debt (net)	(2,781)	(1,248)
Dividends Paid on Common Stock	<u>(618)</u>	<u>(793)</u>
Net Cash Flows Used for Financing Activities	<u>(437)</u>	<u>(681)</u>
Effect of Exchange Rate Changes on Cash	<u>—</u>	<u>(3)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(17)	1,005
Cash and Cash Equivalents from Continuing Operations - Beginning of Period	<u>1,199</u>	<u>194</u>
Cash and Cash Equivalents from Continuing Operations - End of Period	<u>\$1,182</u>	<u>\$1,199</u>
Net Decrease in Cash and Cash Equivalents from Discontinued Operations	\$(10)	\$(116)
Cash and Cash Equivalents from Discontinued Operations - Beginning of Period	<u>23</u>	<u>139</u>
Cash and Cash Equivalents from Discontinued Operations - End of Period	<u>\$13</u>	<u>\$23</u>

Independent Auditors' Report

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 subsidiaries as of December 31, 2003 and 2002, 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, 2003. Such consolidated financial statements and our report thereon dated March 5, 2004, expressing an unqualified opinion and including explanatory paragraphs referring to the adoption of SFAS 142 "Goodwill and Other Intangible Assets," SFAS 143 "Accounting for Asset Retirement Obligations," EITF 02-3 "Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management Activities," and FIN 46 "Consolidation of Variable Interest Entities," (which are not included herein), are included in Appendix A to the proxy statement for the 2003 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, 2003 and 2002 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

March 5, 2004

Management's Statement of Responsibility for Financial Statements

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.

Michael G. Housh

Chairman, President and Chief Executive Officer

Susan Korman

Chief Financial Officer

Board of Directors

Donald G. Smith

Michael G. Morris

Lester A. Hudson, Jr.

E.R. Brooks

John P. DesBarres

Richard L. Sandor



William R. Howell

Linda Gillespie Stuntz

Robert W. Fri

Thomas V. Shockley, III

Kathryn D. Sullivan

Donald M. Carlton

Leonard J. Kujawa

Dr. E. Linn Draper, Jr., 62
Past Chairman
(1992)
(Is not standing for re-election)

Michael G. Morris, 57
Chairman, President and
Chief Executive Officer
(2004) ^E

E.R. Brooks, 66
Retired Chairman and
Chief Executive Officer,
Central & Southwest Corp.
Granbury, Texas
(2000) ^{F, N, P}

Dr. Donald M. Carlton, 66
Retired President and
Chief Executive Officer,
Radian International, LLC
Austin, Texas
(2000) ^{A, E, N, P}

John P. DesBarres, 64
Investor
Park City, Utah
(1997) ^{E, H, N, P}

Robert W. Fri, 68
Visiting Scholar,
Resources for the Future
Washington, D.C.
(1995) ^{H, N, P}

William R. Howell, 68
Chairman Emeritus,
J.C. Penney Company, Inc.
Dallas, Texas
(2000) ^{D, H, P}

Dr. Lester A. Hudson, Jr., 64
Professor, McColl Graduate
School of Business,
Queens University of Charlotte
Charlotte, North Carolina
(1987) ^{A, D, P}

Leonard J. Kujawa, 71
International Energy Consultant
Atlanta, Georgia
(1997) ^{A, D, P}

Dr. Richard L. Sandor, 62
Chairman and Chief
Executive Officer,
Chicago Climate Exchange, Inc.
Chicago, Illinois
(2000) ^{F, N, P}

Thomas V. Shockley, III, 58
Vice Chairman
(2000)
(Is not standing for re-election)

Donald G. Smith, 68
Chairman, President and
Chief Executive Officer,
Roanoke Electric Steel Corp.
Roanoke, Virginia
(1994) ^P

Linda Gillespie Stuntz, 49
Partner,
Stuntz, Davis & Staffier, P.C.
Washington, D.C.
(1993) ^{D, E, F, P}
(Is not standing for re-election)

Dr. Kathryn D. Sullivan, 52
President and 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 (Morris),

^F Finance (Stuntz),

^H Human Resources (DesBarres),

^N Nuclear Oversight (Sullivan),

^P Policy (Fri)

Executive Council

Susan Tomasky

Henry W. Fayne

Thomas M. Hagan

Thomas V. Shockley, III

Holly K. Koepfel

Michael G. Morris

Robert P. Powers



Officers

American Electric Power Company, Inc.

Michael G. Morris
Chairman, President and
Chief Executive Officer

Thomas V. Shockley, III
Vice Chairman

Henry W. Fayne
Vice President

Stephen P. Smith
Treasurer

Susan Tomasky
Vice President, Secretary
and Chief Financial Officer

Joseph M. Buonaiuto
Controller and
Chief Accounting Officer

American Electric Power Service Corporation

Michael G. Morris
Chairman, President and
Chief Executive Officer

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

Henry W. Fayne
Executive Vice President –
Energy Delivery

Thomas M. Hagan
Executive Vice President –
Shared Services

Holly K. Koepfel
Executive Vice President –
Commercial Operations

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

C.R. Boyle, III
Senior Vice President –
Commercial Business Services

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

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

Glenn M. Files
Senior Vice President –
Distribution

Joseph Hamrock
Senior Vice President and
Chief Information Officer

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

Michelle S. Kalnas
Senior Vice President –
Supply Chain

Mark W. Marano
Senior Vice President –
Generation Business Services

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

Mano K. Nazar
Senior Vice President
and Chief Nuclear Officer

Andrew W. Patterson
Senior Vice President –
Planning and Business
Development

Armando A. Peña
Senior Vice President –
Financial Policy

Michael W. Rencheck
Senior Vice President –
Engineering, Technical and
Environmental Services

Marsha P. Ryan
Senior Vice President –
Customer Operations

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

Scott N. Smith
Senior Vice President
and Chief Risk Officer

Stephen P. Smith
Treasurer and
Senior Vice President –
Corporate Accounting,
Planning and Strategy

Brian X. Tierney
Senior Vice President –
Energy Marketing Administration

Richard P. Verret
Senior Vice President –
Transmission

Charles E. Zebula
Senior Vice President –
Fuel, Emissions and Logistics

Shareholder Information

Corporate Headquarters

1 Riverside Plaza
Columbus, OH 43215-2373
614-716-1000
www.aep.com

AEP is incorporated in the State of New York.

Annual Meeting – The 97th annual meeting of shareholders of American Electric Power Company will be held at 9:30 a.m. Tuesday, April 27, 2004, 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.

Inquiries Regarding Your Stock Holdings – Registered shareholders (shares owned by you, in your name) should contact the Company's transfer agent, listed below, if you have questions about your account, address changes, stock transfer, lost certificates, direct deposits, dividend checks and other administrative matters. 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 and 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

Beneficial Holders – (Stock Held in a Bank or Brokerage Account, sometimes referred to as "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, and this is sometimes referred to as "street name" or a "beneficial owner." 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.

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.

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, through initial cash investments, cash dividends, and/or additional optional cash purchases. You may obtain the Plan prospectus and enrollment authorization form by contacting the transfer agent.

Stock Exchange Listing – 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 55 years.

Dividends – The Company paid \$1.65 in cash dividends on common stock in 2003, all of which are taxable for federal income tax purposes. 60 cents per share was paid in the first quarter, and 35 cents per share was paid in each quarter thereafter in 2003. AEP normally pays dividends on common stock four times a year, generally around the 15th of March, June, September and December. AEP has paid 375 consecutive quarterly dividends on common stock beginning in 1910.

Quarterly Stock Price Information

Quarter	2003		2002	
	High	Low	High	Low
First	\$30.63	\$19.01	\$47.08	\$39.70
Second	31.51	22.56	48.80	39.00
Third	30.00	26.58	40.37	22.74
Fourth	30.59	26.69	30.55	15.10
Year-end	30.51		27.33	

Number of Shareholders

As of December 31, 2003, there were approximately 150,000 registered shareholders, and approximately 240,000 individual shareholders holding stock in "street name" through a bank or broker. There were 395,016,421 shares outstanding at December 31, 2003.

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

Financial and Other Information – Earnings and other financial results, corporate news and company information are available from 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.com. This same information is also available on our website at www.aep.com.

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

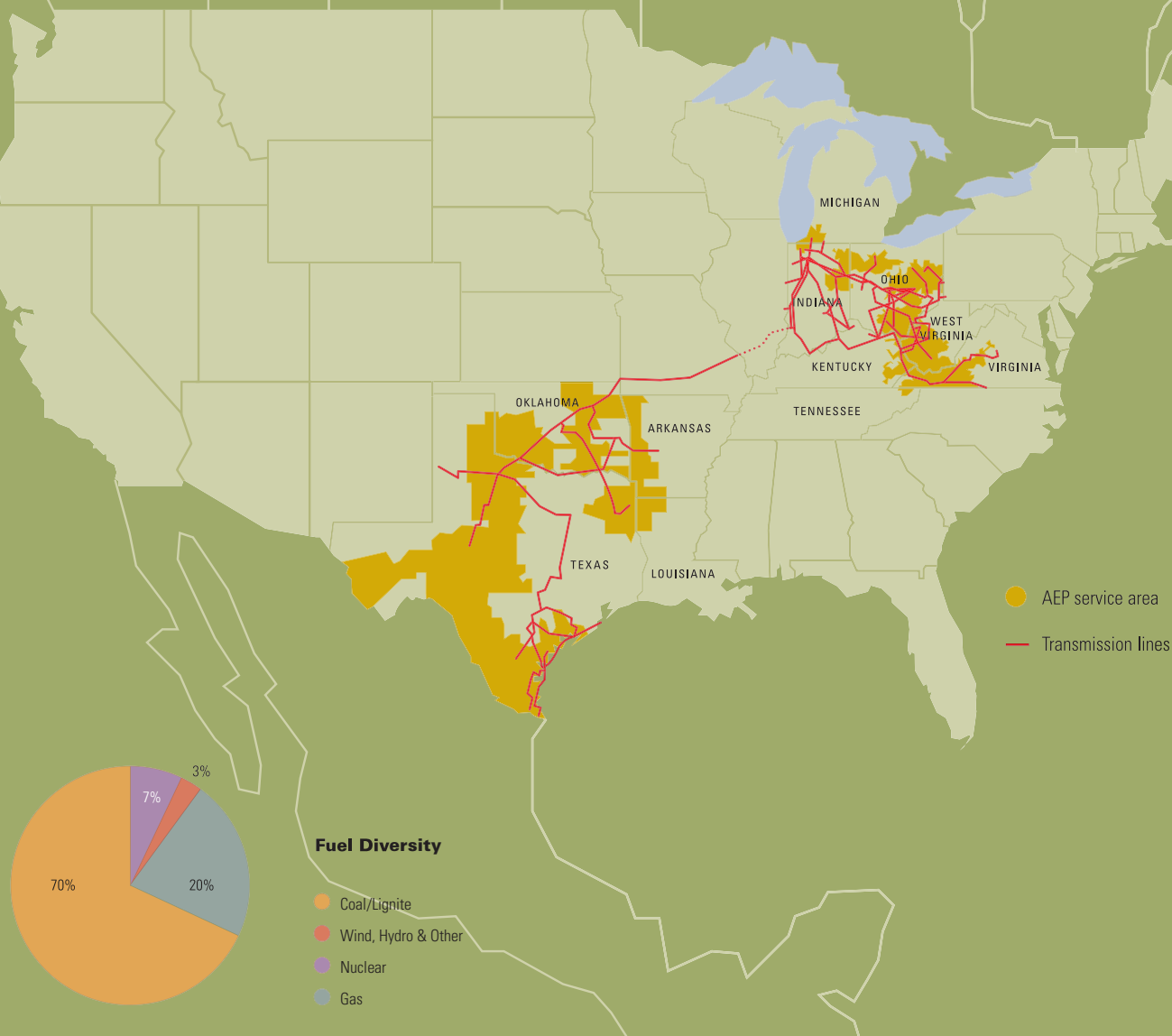
Independent Auditors

Deloitte and Touche
155 East Broad St.
Columbus, OH 43215

Receive Annual Reports and Proxy Materials Electronically

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.

AEP Service Territory



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 more than 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.

Outside the United States, AEP holds interests in the United Kingdom, Australia and Mexico. AEP is based in Columbus, Ohio.

- More than 42,000 megawatts of electric generating capacity, including the largest generation fleet in the U.S.
- 39,000 circuit miles of transmission lines
- 210,000 miles of overhead and underground distribution lines
- 127 billion cubic feet of gas storage
- 6,400 miles of natural gas pipeline*
- 7,000 rail cars
- 1,800 barges and 37 towboats
- Annual coal production capability of more than 7 million tons

* AEP has entered into an agreement to sell 2,000 miles of this pipeline



American Electric Power
1 Riverside Plaza
Columbus, OH 43215-2373
614-716-1000
www.aep.com