

Edgar Filing: AMERICAN ELECTRIC POWER CO INC - Form 35-CERT

AMERICAN ELECTRIC POWER CO INC
Form 35-CERT
August 27, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

PUBLIC UTILITY HOLDING COMPANY ACT OF 1935
File No. 70-10088
FINAL REPORT

REPORT PERIOD
April 1, 2004 to June 30, 2004

In the matter of:
AMERICAN ELECTRIC POWER COMPANY, INC.

This Certificate of Notification is filed by American Electric Power Company, Inc., a New York corporation (AEP), pursuant to Rule 24 (17 C.F.R. 250.24) under the Public Utility Holding Company Act of 1935 (the Act). Such filing is made in connection with the Form U-1, as amended, filed by AEP and certain of its direct and indirect subsidiaries in File 70-10088 and as authorized by order of the Securities and Exchange Commission (the Commission) dated December 18, 2002 in that file. The order directs that AEP file with the Commission quarterly certificates pursuant to Rule 24 within 60 days after the fiscal quarter in which transactions occur.

The authority granted in this File has been replaced and superceded by authority granted in an Order in File No. 70-10166 (HCAR No. 35-27872) dated July 1, 2004. Reports on financing activity will be made in File No. 70-10166 beginning with transactions occurring in the third quarter of 2004. Attached as Appencix A to this report is a "past tense" opinion of counsel as to the transactions authorized by the Order in this File.

This Certificate of Notification reports transactions for the quarter ended June 30, 2004.

AEP hereby certifies for itself and its subsidiaries the following:

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AMERICAN ELECTRIC POWER COMPANY, INC., et al.
QUARTERLY REPORT PER REQUIREMENTS
OF HOLDING COMPANY ACT RELEASE NO. 27623
FILE NO. 70-10088
FOR THE QUARTER ENDED JUNE 30, 2004

Contents

| Item | Description |
|------|--|
| 1 | The amount and terms of any long-term debt issued during the quarter by AEP Texas Central Company, AEP Texas North Company, Southwestern Electric Power Company, or Wheeling Power Company issued under the authority granted in this order. |
| 2 | For all guarantees issued during the quarter, a listing of the names of the guarantors, the names of the beneficiaries of the guarantees, and the amount of the guarantees. |
| 3 | The amount and terms of any short-term debt issued by AEP, AEP Utilities, Inc. and/or any of the utility subsidiaries during the quarter. |
| 4 | The notional amount and principal terms of any hedge instruments or anticipatory hedges entered into during the quarter and the identity of the other parties to the transaction. |
| 5 | The name, parent company and the amount invested in any financing entity during the quarter. |
| 6 | Capitalization chart for AEP and each of the utility subsidiaries as of June 30, 2004. |
| 7 | For all participants in the Nonutility Money Pool and all participants in the Utility Money Pool, a listing of the maximum borrowings from and loans to the respective money pools during the quarter and the interest rate applied to those borrowings and loans. |
| 8 | Listing of Form U-6B-2 statements filed during the quarter with the Securities and Exchange Commission, including the name of the filing entity and the date of the filing. |
| 9 | The date, amount and payee of dividends out of capital or unearned surplus paid by all nonutility subsidiaries during the quarter. |
| 10 | Signature page. |
| 11 | Appendix A. |

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Item 1

The amount and terms of any long-term debt issued during the quarter by AEP Texas Central Company, AEP Texas North Company, Southwestern Electric Power Company, or Wheeling Power Company issued under the authority granted in this order.

AEP Texas Central Company

- Borrowing Limit - \$1.4 billion
- Long-term Debt Issued - None

AEP Texas North Company

- Borrowing Limit - \$500 million
- Long-term Debt Issued - None

Southwestern Electric Power Company

- Borrowing Limit - \$350 million
- Long-term Debt Issued - April 1, 2004 - \$41 million of variable rate, Trust Preferred Securities, due 2011

Wheeling Power Company

- Borrowing Limit - \$40 million
- Long-term Debt Issued - None

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Item 2

For all guarantees issued during the quarter, a listing of the names of the guarantors, the names of the beneficiaries of the guarantees, and the amount of the guarantees.

| Guarantor | Beneficiary | Amount of Guarantee (in thousands) | Type of Guarantee |
|------------------|--------------------------------------|---|--------------------------|
| AEP | BLC Leasing, Inc. | \$48,085 | Payment |
| AEP | Drax Power Limited | 11,765 | Payment |
| AEP | Glencore International AG | 10,000 | Payment |
| AEP | Kock Carbon LLC | 2,000 | Payment |
| AEP | Meadow Valley Co Inc. | 118 | Payment |
| AEP | RWE Trading GmbH | 19,910 | Payment |
| AEP | R Lee Smith | 21 | Payment |
| AEP | UK Coal Mining Limited | 5,430 | Payment |
| AEP | Union Central Life Insurance Company | 63 | Payment |

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Item 3

The amount and terms of any short-term debt issued by AEP, AEP Utilities, Inc. or any of the utility subsidiaries during the quarter.

Short-term Borrowings for the Quarter Ended June 30, 2004 (in thousands)

Borrower: American Electric Power Company, Inc.

| Source | Outside Borrowings During Period | Repayments During Period | Amount Outstanding at End of Period | Weighted Average Interest Rate During Period |
|--------------------------------------|---|---|--|---|
| Commercial Paper | \$786,754 | \$516,540 | \$553,714 | 1.4163% |
| Bank Credit Facility | - | - | - | -% |
| Total External Short-term Borrowings | \$786,754 | \$516,540 | \$553,714 | 1.4163% |

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Item 4

The notional amount and principal terms of any hedge instruments or anticipatory hedges entered into during the quarter and the identity of the other parties to the transaction.

| AEP Legal Entity | Date Entered | Date Settled | Maturity Date | Counterparty | Debt Amount (in millions) | Rate Given to Counter-party | Rate Received by AEP |
|---------------------------|--------------|--------------|---------------|------------------------|---------------------------|--------------------------------------|-------------------------------|
| AEP | 4/14/04 | 4/14/04 | 5/15/06 | Royal Bank of Scotland | \$75 | 6.125% | 6-month LIBOR plus 296.35 bps |
| AEP | 4/14/04 | 4/14/04 | 5/15/06 | West LB | 75 | 6.125% | 6-month LIBOR plus 296.35 bps |
| AEP | 4/21/04 | 4/21/04 | 5/15/06 | Lehman Brothers | 75 | 6.125% | 6-month LIBOR plus 282.5 bps |
| AEP | 4/21/04 | 4/21/04 | 5/15/06 | Key Bank | 75 | 6.125% | 6-month LIBOR plus 284 bps |
| AEP | 6/8/04 | 6/8/04 | 5/15/06 | Morgan Stanley | 100 | 6.125% | 6-month LIBOR plus 229 bps |
| Appalachian Power Company | 4/30/04 | 4/30/04 | 5/15/08 | JP Morgan | 50 | 3.6% | 6-month LIBOR less 4.05 bps |
| Appalachian Power Company | 5/4/04 | 10/15/04 | 5/4/14 | UBS | 115 | Market-Based (Forward Starting Swap) | 5.249% |
| Appalachian Power Company | 4/30/04 | 6/15/05 | 4/30/09 | JP Morgan | 60 | Market-Based (Forward Starting Swap) | 4.987% |

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Item 4 (CONTINUED)

The notional amount and principal terms of any hedge instruments or anticipatory hedges entered into during the quarter and the identity of the other parties to the transaction.

| AEP Legal Entity | Date Entered | Date Settled | Maturity Date | Counterparty | Debt Amount (in millions) | Rate Given | Rate Received |
|---|---------------------|---------------------|----------------------|---------------------|--|---|----------------------------------|
| Appalachian Power Company | 6/28/04 | 6/15/05 | 6/28/14 | ABN Amro | 60 | Market- Based (Forward Starting Swap) | 5.59% |
| Indiana Michigan Power Company | 5/4/04 | 8/16/04 | 5/4/14 | JP Morgan | 100 | Market- Based (Forward Starting Swap) | 5.164% |
| Indiana Michigan Power Company | 5/4/04 | 8/16/04 | 5/4/14 | ABN Amro | 75 | Market- Based (Forward Starting Swap) | 5.164% |
| Indiana Michigan Power Company | 4/30/04 | 4/30/04 | 12/15/06 | ABN Amro | 30 | 6.125% | 6-month LIBOR plus 3.0825% |
| Kentucky Power Company | 5/8/04 | 5/8/04 | 7/1/07 | RBS | 50 | 5.5% | 6-month LIBOR plus 1.7545% |

Item 5

The name, parent company and the amount invested in any financing entity during the quarter.

None

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Item 6

Capitalization chart for AEP and each of the utility subsidiaries as of June 30, 2004.

CAPITALIZATION STRUCTURE
(as of June 30, 2004)
(\$s in thousands)

| Company | Common Equity | | Preferred Stock * | | Long-term Debt | | Short-term Debt ** | | Total Capitalization | |
|---------------------------------------|---------------|------|-------------------|-----|----------------|------|--------------------|------|----------------------|-------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| American Electric Power Company, Inc. | \$8,083,000 | 36.4 | \$133,000 | 0.6 | \$13,398,000 | 60.3 | \$596,000 | 2.7 | \$22,210,000 | 100.0 |
| AEP Generating Company | 46,685 | 34.8 | - | 0.0 | 44,815 | 33.4 | 42,758 | 31.8 | 134,258 | 100.0 |
| AEP Texas Central Company | 1,178,111 | 33.5 | 5,940 | 0.2 | 2,256,823 | 64.2 | 72,341 | 2.1 | 3,513,215 | 100.0 |
| AEP Texas North Company | 253,906 | 43.1 | 2,357 | 0.4 | 332,775 | 56.5 | - | 0.0 | 589,038 | 100.0 |
| Appalachian Power Company | 1,369,287 | 41.2 | 23,144 | 0.7 | 1,779,928 | 53.5 | 151,558 | 4.6 | 3,323,917 | 100.0 |
| Columbus Southern Power Company | 908,858 | 50.5 | - | 0.0 | 887,204 | 49.2 | 5,959 | 0.3 | 1,802,021 | 100.0 |
| Indiana Michigan Power Company | 1,085,645 | 43.9 | 69,546 | 2.8 | 1,285,993 | 52.0 | 31,965 | 1.3 | 2,473,149 | 100.0 |
| Kentucky Power Company | 319,355 | 38.6 | - | 0.0 | 507,841 | 61.4 | - | 0.0 | 827,196 | 100.0 |
| Kingsport Power Company | 25,487 | 53.9 | - | 0.0 | 20,000 | 42.4 | 1,729 | 3.7 | 47,216 | 100.0 |
| Ohio Power Company | 1,461,307 | 41.2 | 21,644 | 0.6 | 2,044,337 | 57.6 | 21,539 | 0.6 | 3,548,827 | 100.0 |
| Public Service Company of Oklahoma | 463,266 | 42.4 | 5,262 | 0.5 | 547,018 | 50.2 | 75,034 | 6.9 | 1,090,580 | 100.0 |

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Item 6 (CONTINUED)

Capitalization chart for AEP and each of the utility subsidiaries as of June 30, 2004.

CAPITALIZATION STRUCTURE
(as of June 30, 2004)
(\$s in thousands)

| Company | Common Equity | | Preferred Stock * | | Long-term Debt | | Short-term Debt ** | | Total Capitalization | |
|-------------------------------------|----------------------|----------|--------------------------|----------|-----------------------|----------|---------------------------|----------|-----------------------------|----------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Southwestern Electric Power Company | 721,961 | 47.2 | 4,700 | 0.3 | 773,730 | 50.7 | 26,918 | 1.8 | 1,527,309 | 100.0 |
| Wheeling Power Company | 36,268 | 59.2 | - | 0.0 | 25,000 | 40.8 | - | 0.0 | 61,268 | 100.0 |

*Preferred stock of American Electric Power Company, Inc. includes Cumulative Preferred Stocks of Subsidiaries Subject to Mandatory Redemption (\$72 million) and Cumulative Preferred Stocks of Subsidiaries not Subject to Mandatory Redemption (\$61 million).

** Short-term Debt includes both Short-term Debt and Advances from Affiliates.

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Item 7

For all participants in the Nonutility Money Pool and all participants in the Utility Money Pool, a listing of the maximum borrowings from and loans to the respective money pools during the quarter and the interest rate applied to those borrowings and loans.

Nonutility Money Pool Internal Maximum Short-term Borrowings and Loans for the Quarter Ended June 30, 2004 (in thousands)

| | Maximum Borrowings from Nonutility Money Pool | Maximum Loans to Nonutility Money Pool |
|--|--|---|
| AEP Acquisition, LLC | \$2 | \$- |
| AEP C&I Company, LLC | 6,580 | - |
| AEP Coal Company | 76,726 | - |
| AEP Communications, Inc. | - | 1,206 |
| AEP Communications, LLC | 65,819 | - |
| AEP Delaware Investment Company | 1 | - |
| AEP Desert Sky LP, LLC | 19,952 | - |
| AEP Elmwood, LLC | - | 17,087 |
| AEP EmTech, LLC | 11,707 | - |
| AEP Energy Services, Inc. | 248,338 | 8,882 |
| AEP Energy Services, Ltd | 351,522 | - |
| AEP Energy Services Gas Holding Company | - | 29,786 |
| AEP Fiber Venture, LLC | 28,207 | - |
| AEP Gas Marketing LP | - | 71,674 |
| AEP Gas Power GP, LLC | 19,360 | - |
| AEP Holdings I CV | - | 33 |
| AEP Investments, Inc. | 7,905 | - |
| AEP MEMCo, LLC | - | 62,959 |
| AEP ProServ, Inc. | - | 21,668 |
| AEP Resources, Inc. | 377,592 | - |
| AEP T&D Services, LLC | 396 | - |
| AEP Texas C&I Retail, GP, LLC | 249 | - |
| AEP Texas C&I Retail, LP | - | 13,975 |
| AEP Texas POLR, LLC | - | 2,182 |
| C3 Networks GP, LLC | 751 | - |
| C3 Communications, Inc. | 48,479 | - |
| CSW Development I, Inc. | - | 12,122 |
| CSW Energy, Inc. | 90,771 | - |
| CSW Energy Services, Inc. (ESI) | 28,879 | - |
| CSW International, Inc. | 43,101 | - |
| CSWE/Fort Lupton, Inc. | - | 10,312 |
| Dolet Hills Lignite Company, LLC | 3,849 | 3,175 |
| Houston Pipeline Company, LP | - | 166,771 |
| Jefferson Island Storage & Hub, LLC | - | 7,156 |
| LIG Chemical Company | 26,254 | - |
| LIG Liquids, LLC | 5,806 | - |
| LIG Pipeline Company | 54 | - |
| LIG, Inc. | 35 | - |
| Louisiana Intrastate Gas Company, LLC | 293 | 29,497 |
| MidTexas Pipeline Company | - | 156 |
| Mutual Energy SWEPCo, LP | 2,640 | - |
| Mutual Energy, LLC | - | 7,009 |
| Newgulf Power Venture | 10 | - |
| POLR Power, LP | 10,168 | - |

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Item 7 (CONTINUED)

For all participants in the Nonutility Money Pool and all participants in the Utility Money Pool, a listing of the maximum borrowings from and loans to the respective money pools during the quarter and the interest rate applied to those borrowings and loans.

Nonutility Money Pool Internal Maximum Short-term Borrowings and Loans for the Quarter Ended June 30, 2004 (in thousands)

| | Maximum Borrowings from Nonutility Money Pool | Maximum Loans to Nonutility Money Pool |
|-----------------------------|--|---|
| REP General Partner, LLC | \$- | \$3,150 |
| Rep Holdco, Inc. | - | 33,510 |
| Tuscaloosa Pipeline Company | - | 368 |
| United Sciences Technology | 173 | 2,752 |
| Ventures Lease Co., LLC | 3,348 | 7,042 |

| | Interest Rate | Days Borrowed/Invested |
|---|----------------------|-------------------------------|
| Weighted Average Interest Rate for Borrowed Funds | 1.4163% | 91 |
| Weighted Average Interest Rate for Invested Funds | 0.0000% | 0 |

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Item 7 (CONTINUED)

For all participants in the Nonutility Money Pool and all participants in the Utility Money Pool, a listing of the maximum borrowings from and loans to the respective money pools during the quarter and the interest rate applied to those borrowings and loans.

Utility Money Pool Internal Maximum Short-term Borrowings and Loans for the Quarter Ended June 30, 2004 (in thousands)

| | Maximum Borrowings from Utility Money Pool | Maximum Loans to Utility Money Pool |
|-------------------------------------|---|--|
| AEP Generating Company | \$56,525 | \$- |
| AEP Service Corporation | 123,325 | 7,806 |
| AEP System Pool | 76,705 | 95,356 |
| AEP Texas Central Company | 109,696 | 77,432 |
| AEP Texas North Company | 3,986 | 64,102 |
| Appalachian Power Company | 194,383 | - |
| Blackhawk Coal Company | - | 16,484 |
| Cedar Coal Company | - | 11,801 |
| Central Appalachian Coal Company | - | 1,857 |
| Central Coal Company | - | 490 |
| Colomet Inc. | - | 1,691 |
| Columbus Southern Power Company | 33,378 | 27,598 |
| Conesville Coal Prep Company | - | 2,402 |
| Franklin Real Estate Company | 149 | 35 |
| Indiana & Michigan Power Company | 97,438 | - |
| Indiana Franklin Realty | 21 | 17 |
| Kentucky Power Company | 12,140 | 14,269 |
| Kingsport Power Company | 4,201 | 1,562 |
| Ohio Power Company | - | 211,094 |
| Public Service Company of Oklahoma | 145,619 | - |
| Simco Inc. | - | 398 |
| Southern Appalachian Coal Company | - | 8,579 |
| Southwestern Electric Power Company | 71,252 | - |
| Wheeling Power Company | - | 14,261 |

| | Interest Rate | Days Borrowed/Invested |
|---|---------------|------------------------|
| Weighted Average Interest Rate for Borrowed Funds | 1.4426% | 78 |
| Weighted Average Interest Rate for Invested Funds | 0.9343% | 13 |

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Item 8

Listing of Form U-6B-2 statements filed during the quarter with the Securities and Exchange Commission, including the name of the filing entity and the date of the filing.

| Filing | Company | Filing Date |
|---------------|---------------------------------------|--------------------|
| U-6B-2 | American Electric Power Company, Inc. | April 7, 2004 |

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Item 9

The date, amount and payee of dividends out of capital or unearned surplus paid by all nonutility subsidiaries during the quarter.

| Dividend Paid by | Date Paid | Amount | Paid To |
|--|------------------|---------------|--|
| AEP Energy Services Investments, Inc. | April 1, 2004 | 69,118,546* | AEP Energy Services Gas Holding Company II, LLC |
| HPL Holdings, Inc. | June 25, 2004 | 12,500,000 | AEP Energy Services Gas Holding Company II, LLC |

* Amount represents proceeds from the April 2004 sale of Louisiana Intrastate Gas Pipeline Company.

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Item 10

Signature Page

Said transactions have been carried out in accordance with the terms and conditions of, and for the purpose represented in, the Form U-1 Application-Declaration, as amended, of AEP, et al, in File No. 70-10088 and in accordance with the terms and conditions of the Commission's order dated December 18, 2002, permitting said Application-Declaration to become effective.

DATED: August 27, 2004

BY: AMERICAN ELECTRIC POWER COMPANY, INC. for itself and its subsidiaries

BY: /s/ Joseph M. Buonaiuto

Joseph M. Buonaiuto
Controller and Chief Accounting Officer

Item 11

Appendix A

August 27, 2004

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: American Electric Power Company, Inc.
Application-Declaration on Form U-1
File No. 70-10088

Dear Sirs:

I am an attorney employed by American Electric Power Service Corporation, a subsidiary of American Electric Power, Inc. ("AEP") and have acted as counsel for American Electric Power Company, Inc. and its subsidiaries (the "Subsidiaries") in connection with the various financing and related transactions (the "Transactions") authorized in the Order of the Commission in this file through June 30, 2004.

In connection with the transactions proposed and described in the Application or Declaration on Form U-1 filed with this Commission in the captioned proceeding, and the Certificate of Notification to which this Opinion is attached, I have examined, among other things, the Application or Declaration on Form U-1, as amended.

Based upon such investigation as I have deemed necessary, it is my opinion that:

- (a) All state laws applicable to the proposed transactions have been complied with;
- (b) The securities issued by American Electric Power Company, Inc. ("Issuer") and its subsidiaries are valid and binding obligations of each Issuer in accordance with their terms; subject, however, to the qualification that the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights in general and by general principles of equity; and
- (c) The consummation of the proposed transactions has not violated the legal rights of the holders of any securities issued by Issuer or any associate company thereof.

The opinions expressed above in respect of the Proposed Transactions described in the Application are subject to the following assumptions or conditions:

- (a) The Transactions have been duly authorized and approved to the extent required by state law by the Boards of Directors of AEP and the Subsidiaries.
- (b) The Securities and Exchange Commission has duly entered an appropriate order or orders granting and permitting the Application to become effective.
- (c) The Transactions have been consummated in accordance with any required approvals, authorizations, consents, certificates and orders of any state commission or regulatory authority and all such required approvals, authorizations, consents, certificates and orders shall have been obtained and remain in effect.

I hereby consent to the filing of this "past tense" opinion as an exhibit to the above-mentioned Certificate of Notification.

Very truly yours,

/s/ Ann B. Graf

Ann. B. Graf
Counsel to American Electric Power Company, Inc. and its Subsidiaries