

May 28, 2007

Carbon Disclosure Project (CDP6) Greenhouse Gas Emissions Questionnaire

1) Risks and Opportunities – Please see the Climate Change section in our [2008 Corporate Sustainability Report](#) for more details.

a) Risks

i) Regulatory Risks related to climate change

Scientific evidence has led us to conclude that human activity has contributed to global warming. AEP will continue to be part of local, national and international efforts to find a reasonable, achievable approach to carbon controls. AEP is working to develop federal legislation that combines a mandatory cap-and-trade program with provisions to help ensure the participation of all major emitting countries.

Since AEP is regulated by the public service commissions in the 11 states we serve, as well as the Federal Energy Regulatory Commission at the federal level, regulators review AEP's costs to ensure we are acting responsibly and prudently. As such, AEP must balance making investments in climate change mitigation technologies and regulatory recovery.

AEP is working to bring advanced coal technologies, including carbon capture and storage, ultrasupercritical pulverized coal and Integrated Gasification Combined Cycle (IGCC) to commercial operation. The West Virginia Public Service Commission recently approved our proposed 629-MW IGCC plant, a decision that recognizes the importance of this technology to our future energy security. We hope for a similar decision from the Virginia State Corporation Commission.

We are disappointed that a recent decision of the Ohio Supreme Court on our proposed IGCC plant rejected a PUCO-approved mechanism for timely recovery of future costs of the project. We remain hopeful we can resolve this issue.

Meanwhile, we will complete a validation project for carbon capture at our Mountaineer Plant in West Virginia in 2009. We plan to have the equipment and permits we need this year to drill the underground wells that will permanently store the carbon dioxide. We also received some approvals for one of our advanced clean-coal plants – the Turk Plant in Arkansas – but, unfortunately, Oklahoma rejected the other.

We were disappointed with the Department of Energy's (DOE) decision to end its funding of the FutureGen project – the first near-zero emissions coal power plant. The DOE has restructured the FutureGen project funding, giving us an opportunity to receive funds to support our carbon capture and storage initiatives, and we are pursuing that option.

AEP represents its own as well as its customers' and shareholders' interests before Regional Transmission Organizations (RTOs), Independent System Operators (ISOs), Congress and with state and federal agencies and must balance investment versus regulatory recovery.

Please see the statement by the CEO in [AEP's 2008 Corporate Sustainability Report](#) for more details.

ii) Physical

If warmer temperatures were to lead to an increase in the number and severity of storm events, the company could incur greater costs to repair affected facilities. Additionally, warming winter temperatures could diminish energy consumption for heating and reduce revenues.

iii) General

Our ability to address climate change will require new technology coupled with policies and regulations to support its deployment; legislative and regulatory support for energy efficiency programs and initiatives to help our customers decrease their demand and usage; expansion of the transmission grid to facilitate fuel diversity; renewable energy growth and reliability; continued availability of greenhouse gas offsets; and additional plant efficiencies. Before we invest in these solutions we collaborate with our stakeholders to ensure that we can recover our costs from these investments while meeting any new mandates.

iv) Risk Management

AEP uses an enterprise wide approach for risk management that encompasses all business units and aligns with our major business functions. Our objective is to review the company's total risk profile to assure accountability for the identification, measurement, evaluation and management of risk.

The Risk Executive Committee, which includes AEP senior leadership and risk managers, approves and monitors key risk factors and ensures they are integrated in strategic planning. This includes climate change, which we consider to be a potential high-impact risk. The committee determines which risks require an independent assessment and which risk factors are best measured through the business units. The Audit Committee of the Board of Directors regularly receives summary reports regarding the company's risks.

v) Financial and Business Implications – How do you assess the current and/or future financial effects of the risks you have identified and how those risks might affect your business?

AEP's Board of Directors have identified seven material issues that (1) have a significant impact on the finances or operation of the company; (2) have significant impact on the environment or society now or in the future; or (3) substantially influence the assessments and decisions of stakeholders. One of the material issues is climate change.

AEP is one of the largest greenhouse gas emitters in the Western Hemisphere. Our sustainability and financial stability, and the economic well being of our service territory, are at risk if we are not able to prosper with the proposed passage of a U.S. climate policy. Our success will be based on our ability to work with technology providers to bring new technologies to commercial scale.

Please see the Climate Change section (pages 37-45) of [AEP's 2008 Corporate Sustainability Report](#) for more details.

b) Opportunities
i) Regulatory Opportunities

Our projected earnings growth rate of 5 percent to 9 percent per year through 2010 is based on making capital investments and securing timely regulatory recovery. Our business strategy is based on the idea that sustained capital investment supports earnings growth.

Our capital investment outlook presents opportunities from the short to the long term. We are investing \$2.5 billion per year to improve plant efficiency and reliability to keep our coal plants economically viable. Concurrently, we are completing our \$5.4 billion environmental retrofit program to comply with current mandates; investing \$1.3 billion in new generation facilities to meet growing demand within our service territory; and conducting research and feasibility studies on carbon capture and storage technology. With regulatory approval, we intend to invest \$1 billion to \$2 billion to modernize our electric distribution infrastructure through gridSMARTSM.

ii) Physical Opportunities

Warmer temperatures in the summer cooling season could increase energy consumption and revenues.

iii) General Opportunities – How does climate change present general opportunities for your company

Addressing climate change concerns while keeping electricity prices reasonable is driving new coal-fired generation technology developments. Historically, AEP has been a leader in technological innovation and plans to

continue that tradition through such innovations as ultra-supercritical pulverized coal generation, carbon capture, advanced storage technologies and integrated gasification combined cycle technologies. Please visit AEP.com/cr/technologies for more information.

- iv) Maximizing Opportunities – Do you invest in, or have plans to invest in products and services that are designed to minimize or adapt to the effects of climate change?

Over the long term, we expect carbon capture, advanced storage technologies and demand-side management and energy efficiency initiatives to contribute to reducing our GHG emissions while helping to meet increasing customer demand for electricity.

Last spring, we announced plans to install carbon-capture systems on two coal-fired plants, the first scale-up of experimental technologies to reduce CO₂ emissions from existing plants. We are partnering with Alstom, Battelle and Babcock & Wilcox on these projects.

One of the technologies, using Alstom's chilled ammonia process, is targeted for installation on a small scale (20 megawatts) on our Mountaineer Plant in West Virginia in 2009 and will be scaled up to commercial operation at another AEP plant in 2012. The CO₂ captured in West Virginia will be stored on site, nearly two miles underground. In Oklahoma, the captured CO₂ will be used for enhanced oil recovery.

We also plan to expand our use of large-scale battery technology. Last year, we established the goal of having 1,000 megawatts of advanced storage capacity on our system in the next decade. And we are exploring ways to reduce customer demand by 1,000 megawatts by 2012 through energy efficiency initiatives.

In addition, we have agreed to purchase some 4.6 million carbon credits between 2010 and 2017 from Environmental Credit Corporation as part of the first large scale livestock methane offset program in the nation.

Increased use of renewable energy is another component of our strategy to reduce GHG emissions. We use about 800 megawatts of wind generation in our western footprint and have contracted for 275 megawatts in our eastern footprint, our first use of wind in that region. We have committed to adding a total of 1,000 megawatts of wind in the East by 2011. Wind and hydroelectric power account for approximately 3 percent of our generating capacity, but we expect that figure to grow in the coming decades.

Because of the substantial lead time required for nuclear energy additions, we are evaluating the potential of new nuclear as a baseload option for some of

our future capacity needs. Our D.C. Cook nuclear plant, which represents 6 percent of AEP's generating capacity, continues to deliver exemplary performance. We increased the capacity of both Cook units by replacing certain components and achieving other efficiency gains during major planned outages in 2006 and 2007. Additional projects are planned that will further boost capacity over the next 10 years.

- v) Financial and Business Implications – How do you assess the current and/or future financial effects of the opportunities you have identified and how those opportunities might affect your business?

AEP's planned capital projects will help meet growing customers demand while also encouraging energy efficiency. They will mitigate environmental risks and address concerns about global warming. And they will support the need for a more robust and reliable interstate energy transmission network. AEP's continued industry leadership in technological innovation will underpin these investments. For more information, please review [AEP's 2007 Annual Report](#).

2) Greenhouse Gas Emissions Accounting

a) Accounting Parameters

- i) Reporting Boundary – Please indicate the category that best describes the company, entities or group for which your response is prepared:

This response has been prepared for American Electric Power. Please see [AEP's 2007 10-K](#) for detailed information

- (1) Companies over which financial control is exercised – per consolidated audited Financial Statements
- (a) Appalachian Power Company
 - (b) Columbus Southern Power Company
 - (c) Indiana Michigan Power Company
 - (d) Kentucky Power Company
 - (e) Kingsport Power Company
 - (f) Ohio Power Company
 - (g) Public Service Company of Oklahoma
 - (h) Southwestern Electric Power Company
 - (i) AEP Texas Central Company
 - (j) AEP Texas North Company
 - (k) Wheeling Power Company
 - (l) AEP Generating Company
 - (m) American Electric Power Service Corporation
 - (n) AEP MEMCO LLC
- (2) Companies over which operational control is exercised
- (a) Same as 2.a.i
- (3) Companies in which an equity share is held
- (a) Ohio Valley Electric Cooperative

- (b) Indiana Kentucky Electric Cooperative
- (4) Other
 - (a) Ohio Power Company and NPC, an affiliated of Buckeye Power, Inc (an unaffiliated corporation) entered into an agreement relating to a gas-fired peaking facility, the Mone Plant, owned by NPC. OPCo is entitled to 100% of the power generated by the Mone Plant through May 2012. Following that, NPC and OPCo will be entitled to 80% and 20% respectively. The Mone Plant is owned by NPC. For more information, please see page 12 of [AEP's 2007 10-K](#).

ii) Reporting Year – 2007

iii) Methodology

AEP’s power plant assets are in the United States. Greater than 98% of the company's greenhouse gas emissions come from the combustion of fossil fuels to generate electricity that produce CO2 emissions. AEP reports all direct U.S. CO2 emissions associated with our equity share of both utility and non-utility assets. Included in this total is AEP’s equity share of Ohio Valley Electric Cooperative (OVEC) and Indiana Kentucky Electric Cooperative (IKEC). 2007 was the first year to include OVEC and IKEC emissions. In addition, AEP reports SF6 emissions to the US EPA’s SF6 Emission Reduction Partnership for Electric Power Systems. AEP has estimated its’ emissions of CH4, N2O and HFCs and have found them de-minimus (approximately <1%).

b) Direct and Indirect Emissions – Scope 1 and 2 of the GHG Protocol

- i) Are you able to provide a breakdown of your direct and indirect emissions under Scopes 1 and 2 of the GHG Protocol and to analyze your electricity consumption? If so, please provide the following information together with a breakdown of the emissions reported under each category by country where possible. If not, please proceed to question 2b ii:

	2007	Annex B
	Globally	Countries
Scope 1 activity tonnes CO2e emitted countries	156,300,000*	0, no Annex B
Scope 2 activity tonnes CO2e emitted	0	0
MWh of purchased electricity - AEP is net seller	NA	NA
MWh of purchased electricity for Annex B countries	NA	NA
Total MWh of purchased electricity from Renewable sources.	1,177,764	0
Total MWh of purchase electricity form renewable Sources for Annex B countries	0	0

*Preliminary inventory submitted to CCX

- ii) If you are unable to detail your Scope 1 and Scope 2 GHG emissions and/or electricity consumption, please report the GHG emissions you are able to identify with a description of those emissions – See answer to 2.b.i.
- c) Other Emissions – Scope 3 of GHG Protocol

We do not track Scope 3 sources.

d) External Verification

- i) Has the information for 2b-c been externally verified or audited?

CO2 emissions from power plants are measured by Continuous Emission Monitor Systems (CEMS) on all smokestacks and reported to the U.S. Environmental Protection Agency (EPA) as specified under Title IV of the 1990 Clean Air Act Amendments (www.epa.gov). CEMS data meets all verification and validation standards of the program. These data are accessible through EPA's website. Additionally, the National Association of Securities Dealers (NASD) independently audits emissions data reported to CCX. Our emissions also are registered and monitored through our participation in the EPA's Climate Leaders program. We anticipate using similar protocols to monitor and verify offsets in the future. Presently, our 2007 emissions have been approved by EPA and are in the process of being audited by NASD.

- ii) Please provide a copy of the audit or verification or state your plans for verification

See answer to 2.d.i

- iii) Please specify the Standard or Protocol against which the information has been or will be audited or verified.

See answer to 2.d.i

- e) Data Accuracy (New to CDP6) – Does your company have a system in place to assess the accuracy of GHG emissions inventory calculation methods, data processes and other systems relating to GHG measurement? If so, please provide details. If not, please explain how data accuracy is managed.

Over 98% of AEP's direct emissions are measured by EPA certified CEMS. This regulatory requirement requires regular stack testing. AEP is building an inventory system into AEP's electronic compliance management system where all calculations and methodologies will be transparent.

- f) Emissions History – Do the emissions reported for your last accounting year vary significantly compared to the previous years? If so, please explain.

2007 was the first year CCX required AEP to report on emissions for equity owned power-producing assets. The addition of these sources increased AEP's CO₂e emissions inventory by approximately 6 million tonnes versus previous years. AEP's CCX baseline and 2003-2006 annual emissions were adjusted as well.

g) Emissions Trading

- i) Does your company have facilities covered by the EU Emissions Trading Scheme?

No

- ii) What is your company's strategy for trading or participating in regional and/or international trading schemes (e.g. CCX)?

AEP is a founding member and has participated in the design and implementation of the Chicago Climate Exchange (CCX), a voluntary pilot greenhouse gas trading program developed by Environmental Financial Products, LLC. AEP has supported CCX in numerous ways, including serving on the board, providing input on the development of the rulebook (including protocols concerning accounting, verification and validation of emission reductions), purchasing allowances in the initial CCX auction, and by actively trading on the exchange. We are doing so to demonstrate the cost-effectiveness of reducing emissions by utilizing this market-based instrument. It is our hope that the "lessons learned" will inform the policy debate on climate change and positively influence the design of greenhouse gas mitigation policies at the international, federal and state levels. Our experience with emissions trading programs, most notably the SO₂ allowance trading program, demonstrate that these market-based approaches to environmental compliance, as compared to the traditional system of command-and-control regulations, can produce emission reductions quicker and cheaper, and foster innovation.

AEP was the first US electric power company to join CCX. As a member, AEP has made a voluntary commitment to reduce its GHG emissions over the 2003 to 2010 time period. Participating in CCX has also prompted AEP to expand our electronic systems for managing and accounting for emission allowance/credit activities. (See response to Question # 3 a)

h) Energy Costs

- i) Please identify the total costs in US \$ of your energy consumption from fossil fuels and electric power.
- ii) What percentage of your total operating costs does this represent?

For 2007 (in millions) –

Fuel and Other Consumables Used for Electric Generation \$3,829

Total Expenses \$11,061
% of Total Expenses 35%
Total Expenses minus Depreciation, Amortization, and Taxes Other Than Income Taxes \$8,793
% of Operating Expenses 44%

For 2006 (in millions) –
Fuel and Other Consumables Used for Electric Generation \$3,817
Total Expenses \$10,656
% of Total Expenses 36%
Total Expenses minus Depreciation, Amortization, and Taxes Other Than Income Taxes \$8,452
% of Operating Expenses 45%

For 2005 (in millions)–
Fuel and Other Consumables Used for Electric Generation \$3,592
Total Expenses \$10,184
% of Total Expenses 35%
Total Expenses minus Depreciation, Amortization, and Taxes Other Than Income Taxes \$8,073
% of Operating Expenses 44%

Page 50 of Appendix A to the 2007 Proxy Statement

iii) What percentage of energy costs is incurred on energy from renewable sources? (New to CDP6)

AEP is a net producer of electricity. In 2007, AEP's total generating capacity was 37,736 MW*. Hydro, wind and pumped storage accounted for approximately 1,033 MW or 3% of AEP's generation portfolio.

*Includes 270 MW of retired/decommissioned generating capacity

3) Performance

a) Reduction Plans

i) Does your company have a GHG emissions reduction plan in place? If so, please provide details

In 2003 AEP became a founding member of the Chicago Climate Exchange (CCX), the first voluntary GHG credit trading system in the United States. We committed to reduce or offset GHG emissions by 1 percent in 2003, 2 percent in 2004, 3 percent in 2005 and 4 percent in 2006 below baseline emission levels (an average of 1998-2001 annual emissions). In 2005, we announced we would extend our CCX commitment to achieve further reductions or offsets in emissions during 2007-2010, reaching an annual target of 6 percent by 2010. These reductions are cumulative and are adjusted to account for divestitures, acquisitions or retirements of older power plants.

ii) What is the baseline year for the emissions reduction plan

An average of 1998-2001 annual emissions

iii) What are the emissions reductions targets and over what period do those target extend?

Today, AEP's adjusted carbon emissions baseline is 161.6 million metric tons. The total cumulative CO₂ equivalent reduction requirement to meet the CCX commitment is approximately 46 million metric tons by 2010.

iv) What activities are you undertaking to reduce your emissions? What targets have you set for each and over what timescales do they extend?

For the future, we have planned improvements to our existing power plants that will further reduce GHG emissions by more than 400,000 tons per year by 2010. We outlined our post-2010 strategy in our first Corporate Responsibility Report and predicted our emissions would grow by as much as 10 million to 15 million tons annually between 2011 and 2020 as we build power plants. We committed to offset CO₂ emissions by an additional 5 million tons annually through offsets, as follows:

- Purchasing an additional 1,000 MW of new wind power by 2011 and adding some of it in our eastern states. In 2007 we signed agreements to buy 275 MW of wind energy that will serve customers in Indiana, Michigan, Virginia and West Virginia. In January 2008 we began receiving delivery of the first 75 MW of wind-generated power.
- Investing in domestic offsets. AEP signed an agreement in 2007 with the Environmental Credit Corp. to purchase 4.6 million carbon credits (one carbon credit is equal to reducing one metric ton of CO₂) between 2010 and 2017. The credits would be created by capturing and destroying methane on 200 U.S. livestock farms, at least half of which will be within our 11-state service territory. The first two manure lagoons to capture methane were completed on a farm in upstate New York in December. These credits will offset 0.6 million metric ton of CO₂ between 2011 and 2017.
- Increasing our investments in domestic offsets, including forestry, between 2011 and 2020. As described in the offsets section that follows, investments in new forestry projects have been hampered by the conversion of lands to grow crops, often for biofuels.
- Offsetting 0.2 million ton of CO₂ emissions from our mobile fleet and aircraft. We achieved this goal in 2007 and we took steps to increase the number of hybrid electric vehicles in our 11,000-vehicle fleet. Of 542 light-duty vehicles planned for purchase in the coming year, 31 percent will be hybrid or flex fuel.

We remain committed to our post-2010 climate change strategy in terms of the overall goals, but our recent experiences demonstrate the need for flexibility in how we can achieve them in a cost-effective manner.

- v) What investment has been or will be required to achieve the targets and what time period?

Even as the company works to complete its \$5.4 billion program to retrofit its coal-fueled generating fleet to reduce emissions of sulfur dioxide, nitrogen oxides and mercury, AEP will focus on its strategy to address its greenhouse gas emissions (GHG). The company will validate carbon capture and storage technology in 2009 on its existing Mountaineer Power Plant in New Haven, W.Va. If deemed technically and economically feasible, AEP plans to install the technology at commercial-scale on AEP's Northeastern Station in Oklahoma in 2012. Additionally, AEP continues to seek regulatory approval to start construction of Integrated Gasification Combined Cycle (IGCC) clean-coal generation.

Because of the Ohio restructuring law that took effect in 2000, the proposed Ohio IGCC plant faces legal challenges. The Ohio Supreme Court ruled in March 2008 that the plant cannot be added to the regulated companies' rate base and sent the case back to the Public Utilities Commission of Ohio. We are hopeful we can resolve the issue.

AEP also is moving forward with its goal to add 1,000 megawatts of renewable energy to its generation fleet by 2011. Long-term power purchase agreements were signed in 2007 to add 275 megawatts of wind capacity to serve Appalachian Power and Indiana Michigan Power customers. AEP's Appalachian Power and Southwestern Electric Power Co. (SWEPCO) subsidiaries issued RFP's in April 2008 for an additional 165 megawatts of renewable generation. These renewable capacity additions are part of AEP's overall strategy to help reduce the growth in GHG emissions fueled by increasing customer demand. The strategy includes investments in domestic GHG offsets, including methane and forestry programs; power plant and consumer-based efficiency improvements; and programs to reduce emissions from the company's vehicle and aviation fleet. The strategy is detailed in the company's 2008 Corporate Responsibility Report, which was provided to shareholders attending the annual meeting.

AEP's investment plans for transmission and distribution will contribute to reducing GHG emissions while supporting the company's earnings growth strategy.

Investments in efficiency and renewables notwithstanding, customer demand growth requires that AEP build additional new baseload generation. AEP completed 340 megawatts of new simple cycle natural gas generation in

Arkansas in 2007. In 2008, AEP will complete construction of 340 MW of natural gas generation in Oklahoma and hopes to begin work on another 508 megawatts of natural gas generation in Louisiana. AEP also will start construction on a partially completed, 580-MW natural gas plant in Ohio that was acquired in 2007.

The company received approval in two of three jurisdictions to build a 600-MW ultra-supercritical, advanced pulverized coal plant in Arkansas and is moving forward with approved pre-construction activities while waiting for approval from Texas.

For more detail, please review [AEP's Annual Report](#) or [AEP's 2008 Corporate Sustainability Report](#)

- vi) What emissions reductions and associated costs or savings have been achieved to date as a result of the plan?

From 2003 through 2007 we have achieved approximately 43 million metric tons in reductions.

b) Emissions Intensity

- i) What is the most appropriate measurement of emission intensity for your company?

AEP's voluntary emissions reduction targets have traditionally been stated in absolute terms rather than intensity-based.

- ii) Please state your GHG emissions intensity in terms of total tones of CO₂e reported under Scope 1 and Scope 2 per US \$m turnover and EBITDA for the reporting year.

AEP's GHG emissions intensity ratio [expressed as CO₂ (US tons) / Generation (MWH)] was .88 in 2007. AEP's historic emission intensity ratios are as follows: .88 in 2006, .86 in 2005, 0.86 in 2004, 0.89 in 2003, 0.88 in 2002, 0.88 in 2001, and 0.93 in 2000.

- iii) Has your company developed emissions intensity targets? No.
If not, please explain why.

AEP belongs The Chicago Climate Exchange (CCX), which uses absolute emission reductions for target purposes. In order to provide planning and communication consistency, AEP uses the CCX absolute reduction targets.

- (1) Please state your emission intensity targets - NA
(2) Please state what reductions in emissions intensity have been achieved against targets and over what time period - NA

c) Planning – Do you forecast your company’s future emissions and/or energy use?

Yes. If so:

- i) Please provide details of those forecasts, summarize the methodology used and the assumptions made

In order to successfully meet future regulatory requirements as well as voluntary commitments, AEP estimates future emissions. Due to the nature of AEP’s business, the methodologies and results of those forecasts are proprietary in nature. However, AEP has predicted emission will grow by as much as 10 million tons annually between now and 2020 as new power plants are built. AEP committed to offset CO2 emissions by an additional 5 million tons annually in 2011 and after.

- ii) How do you factor the cost of future emissions into capital expenditure planning?

Investments related to improving AEP System plants’ environmental performance and compliance with air and water quality standards during 2005, 2006 and 2007 and the current estimates for 2008, 2009 and 2010 are shown below, in each case excluding AFUDC or capitalized interest. AEP expects to make substantial investments in addition to the amounts set forth below in future years in connection with the modification and addition of facilities at generating plants for environmental quality controls. Such future investments are needed in order to comply with air and water quality standards which have been adopted and have deadlines for compliance after 2010 or have been proposed and may be adopted. Future investments could be significantly greater if emissions reduction requirements are accelerated or otherwise become more onerous or if CO2 becomes regulated. See *Management’s Financial Discussion and Analysis of Results of Operations* under the heading entitled *Environmental Matters* and Note 6 to the consolidated financial statements, entitled *Commitments, Guarantees and Contingencies*, included in the [2007 Annual Reports](#), for more information regarding environmental expenditures in general.

Historical and Projected Environmental Investments

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Estimate	2010 Estimate
	(in thousands)					
Total AEP System*	\$811,400	\$1,366,200	\$994,100	\$875,300	\$606,400	\$394,200
APCo	231,200	532,800	351,900	315,900	255,900	177,100
CSPCo	32,200	138,900	130,000	139,900	66,800	23,700
I&M	62,900	23,200	9,300	51,500	20,500	3,100
OPCo	458,600	660,800	481,700	291,700	179,200	43,100
PSO	200	500	1,500	25,800	22,100	47,000
SWEPCo	11,900	21,000	14,300	33,000	32,700	66,800

* Includes expenditures of both the subsidiaries shown below and other subsidiaries not shown. The figures reflect construction expenditures, not investments in subsidiary companies. Excludes discontinued operations.

iii) How have these considerations made an impact on your investment decisions?

Please see 3.c.ii

4) Governance

a) Responsibility – Does a Board Committee or other executive bodies have overall responsibility for climate change? If not, please state how overall responsibility for climate change is managed

i) Which Board Committee or executive body has overall responsibility for climate change?

The Board's Policy Committee is responsible for examining the Company's policies on major public issues affecting the AEP System, including environmental, industry change and other matters, as well as established System policies that affect the relationship of the Company and its subsidiaries to their service areas and the general public.

Additionally, the Environment, Safety & Health and Facilities group, headed by Dennis Welch, Executive Vice President Environment, Safety & Health and Facilities, has the overall responsibility of implementing AEP's Climate Change strategy. Dennis Welch reports directly to Carl English, Chief Operating Officer of American Electric Power. The Chief Operating Officer reports to Michael Morris, Chairman, President & Chief Executive Officer of AEP.

ii) What is the mechanism by which the Board or other executive body reviews the company's progress and status regarding climate change?

Please review AEP's [Principles of Corporate Governance](#) for details

- b) Individual Performance – Do you assess or provide incentive mechanisms for individual management of climate change issues including attainment or GHG targets? If so, please provide details

AEP's Senior Officer Incentive Plan (SOIP) includes environmental goals related to optimizing NOx compliance for the generating fleet and a Notices of Violation (NOV) measure. There is no specific measurement for GHG targets at this time.

Additionally, visit: [Notice of 2008 Annual Meeting - Proxy Statement](#) (page 18)

- c) Communications – Please indicate whether you publish information about the risks and opportunities presented to your company by climate change, details of your GHG emissions and plans to reduce emissions through any of the following communications
- i) The company's Annual Report or other statutory filings

Please see page 7 of the [2007 Annual Report](#)

- ii) Formal communications with shareholders or external parties

AEP's climate change position is listed on its corporate website (<http://www.aep.com/citizenship/crreport/climatechange/>) and has been communicated via investor road shows ([Investor Presentations](#)). For an example, please see page 26 of the [EEI International Utility Conference and Road Show, March 2008, United Kingdom](#).

- iii) Voluntary communications such as Corporate Social Responsibility reporting

Please see [AEP's 2008 Corporate Sustainability report](#) pages 37-45.

If so, please provide details and a link to the document(s) or a copy of the relevant excerpt

- d) Public Policy – Do you engage with policymakers on possible responses to climate change including taxation, regulation and carbon trading? If so, please provide details.

AEP is regulated by the public service commissions in the 11 states we serve, as well as the Federal Energy Regulatory Commission at the federal level. AEP represents its own as well as its customers' and shareholders' interests before Regional Transmission Organizations (RTOs), Independent System Operators (ISOs), Congress and with state and federal agencies.

As a company that operates in a highly regulated industry, AEP conducts robust public policy activities on the local, national and international levels. These may

range from local zoning questions regarding the siting of equipment or facilities to international issues regarding climate change.

AEP's Corporate Sustainability Report details our ongoing involvement with policy makers regarding climate change issues. Details can be found on pages 29-25 of the [AEP 2008 CSR](#).