

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY)	
POWER COMPANY, D/B/A AMERICAN)	
ELECTRIC POWER COMPANY FOR)	
AUTHORITY TO ISSUE AND SELL)	CASE NO. 2001-035
SECURED OR UNSECURED)	
PROMISSORY NOTES OF ONE OR)	
MORE NEW SERIES)	

O R D E R

On February 5, 2001, American Electric Power Company ("AEP") submitted an application to issue and sell secured or unsecured promissory notes of one or more new series in an amount not to exceed \$200,000,000 and to assume certain obligations in connection therewith. AEP indicated that it will use the proceeds to repay or purchase directly or indirectly currently outstanding long-term debt, to repay short-term debt, and to fund AEP's construction program. The proceeds will also be used for other corporate purposes which include investment in poles and meters, as well as unforeseen costs as a result of extreme weather conditions. On February 19, 2001, the Commission notified AEP that the application was deficient. On February 27, 2001, AEP supplemented its application and cured the deficiencies. AEP provided additional information on March 28, 2001 in response to a Commission information request.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance of the proposed bonds is for lawful objects within the corporate purposes of AEP's utility operations, is necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair its

ability to perform that service, is reasonably necessary and appropriate for such purposes, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. AEP is authorized to issue secured or unsecured promissory notes of one or more new series in an aggregate principal amount not to exceed \$200,000,000 and to assume certain obligations in connection therewith.

2. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application and Item 6(a) of the responses to data requests propounded by Commission Staff.

3. AEP shall agree only to such terms and prices that are consistent with the parameters set out in its application.

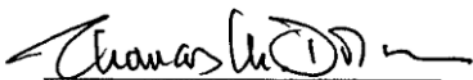
4. AEP shall, within 30 days from the date of issuance, file with this Commission a statement setting forth the date or dates of issuance, the price paid, the interest rate, and all fees and expenses, including underwriting discounts or commission or other compensation, involved in the issuance and distribution.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 9th day of April, 2001.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas M. Dixon", written over a horizontal line.

Executive Director