

AMERICAN ELECTRIC POWER COMPANY, INC.
COMMITTEE ON DIRECTORS AND CORPORATE GOVERNANCE
CHARTER

As of February 22, 2005

I. PURPOSE

The Committee on Directors and Corporate Governance (the “Committee”) shall provide assistance to the Board of Directors in fulfilling its responsibility to the shareholders, potential shareholders and investment community by:

- A. Identifying individuals qualified to become directors and selecting, or recommending that the Board of Directors select, the candidates for all directorships to be filled by the Board of Directors or by the shareholders;
- B. Developing and recommending to the Board of Directors a set of corporate governance principles applicable to the corporation; and

Otherwise taking a leadership role in shaping the corporate governance of the corporation.

II. STRUCTURE AND OPERATIONS

A. Composition and Qualifications

The Committee shall be comprised of three or more members of the Board of Directors, each of whom is determined by the Board of Directors to be “independent” in accordance with the rules of the New York Stock Exchange, Inc. (“NYSE”)

B. Appointment and Removal

The members of the Committee shall be appointed by the Board of Directors and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

C. Chairman

The Chairman shall be elected by the full Board of Directors. The Chairman shall be entitled to cast a vote to resolve any ties. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

III. MEETINGS

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Chairman of the Board or any member of the Committee may call meetings of the Committee. Meetings of the Committee may be held telephonically.

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, management of the corporation and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

IV. RESPONSIBILITIES AND DUTIES

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in Section I of this Charter. The Committee shall have access to, and authority to approve the fees of, such independent advisors it deems necessary to carry out its duties and responsibilities.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate.

A. Board Selection, Composition, Evaluation and Compensation

1. Establish criteria for the selection of directors to serve on the Board of Directors. Such criteria should include:

- Maintaining the highest personal and professional ethics, integrity and values;
- Being committed to representing the long-term interests of the shareholders;
- Having an inquisitive and objective perspective, practical wisdom and mature judgment; and
- Possessing a willingness to devote sufficient time to carrying out their duties and responsibilities effectively, including attendance at meetings.

2. Identify individuals believed to be qualified as candidates to serve on the Board of Directors and recommend that the Board of Directors select the candidates for all directorships to be filled by the Board of Directors or by the shareholders at an annual or special meeting. Collectively, the Board should be balanced by having complementary knowledge, expertise and skill in areas such as business, finance, accounting, marketing, public policy, manufacturing and operations, government, technology, environmental and other areas that the Board has decided are desirable and helpful to fulfilling its role. Diversity in gender, race, and background of directors, consistent with the Board's requirements for knowledge, standards, and experience, are desirable in the mix of the Board.

3. Review and make recommendations to the full Board of Directors whether members of the Board should stand for re-election. Consider matters relating to the retirement of Board members, including age caps.

4. Conduct all necessary and appropriate inquiries into the backgrounds and qualifications of possible candidates. In that connection, the Committee shall have authority to retain and to terminate any search firm to be used to assist it in identifying candidates to serve as directors of the corporation, including sole authority to approve the fees payable to such search firm and any other terms of retention.

5. Review, at least annually, the independence and possible conflicts of interest of members of the Board of Directors and executive officers.

6. Review and make recommendations, as the Committee deems appropriate, regarding the composition and size of the Board of Directors in order to ensure the Board has the requisite expertise consisting of persons with sufficiently diverse and independent backgrounds.

7. Oversee evaluation of, at least annually, and as circumstances otherwise dictate, the Board of Directors and Committees of the Board.

8. Review and make recommendations to the Board of Directors regarding the compensation of the members of the Board.

B. Committee Selection and Composition

1. Recommend members of the Board of Directors to serve on the committees of the Board, giving consideration to the criteria for service on each committee as set forth in the charter for such committee, as well as to any other factors the Committee deems relevant, and where appropriate, make recommendations regarding the removal of any member of any committee.

2. Recommend members of the Board of Directors to serve as the Chair of the committees of the Board of Directors.

3. Establish, monitor and recommend the purpose, structure and operations of the various committees of the Board of Directors, the qualifications and criteria for membership on each committee of the Board and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the committees.

4. Periodically review the charter and composition of each committee of the Board of Directors and make recommendations to the Board for the creation of additional committees or the elimination of Board committees. The Committee shall also, at least annually, evaluate and review the charters of the Human Resources Committee and the Audit Committee to ensure compliance with any law, regulation or rule of any state, local or federal governmental body or the New York Stock Exchange.

C. Corporate Governance

1. Consider the adequacy of the by-laws of the corporation and recommend to the Board of Directors, as conditions dictate, that it propose amendments to the certificate of incorporation and by-laws for consideration by the shareholders.

2. Develop and recommend to the Board of Directors a set of corporate governance principles.

3. Encourage and provide opportunities for outside education for all members of the Board of Directors covering legislation, rules, procedures and best practices relevant to corporate governance issues and best practices training in Board and committee participation, as needed.

4. Supervise on a continuing basis the implementation of the AEP Corporate Compliance Program, including reporting by the chief compliance officer, the development of specific programs of legal compliance in various important areas of concern to the operation of AEP System companies, and the designation of successor chief compliance officers.

D. Reports

1. Report regularly to the Board of Directors with respect to such other matters as are relevant to the Committee's discharge of its responsibilities. The report to the Board of Directors may take the form of an oral report by the Chairman or any other member of the Committee designated by the Committee to make such report.

2. Maintain minutes or other records of meetings and activities of the Committee.

V. ANNUAL PERFORMANCE EVALUATION

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee, including the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.