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OMB No. 1902-0021
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FERC Form No. 1: ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

This report is mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)

COLUMBUS SOUTHERN POWER COMPANY

Year of Report

Dec 31, 1996

INSTRUCTIONS FOR FILING THE

FERC FORM NO. 1

GENERAL INFORMATION

I. Purpose

This form is a regulatory support requirement (18 CFR 141.1). It is designed to collect financial and operational information from major electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. This report is also secondarily considered to be a nonconfidential public use form supporting a statistical publication (Financial Statistics of Selected Electric Utilities), published by the Energy Information Administration.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 CFR 101), must submit this form.

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) One million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

- (a) Submit this form on electronic media consisting of two (2) duplicate data diskettes and an original and six (6) conformed paper copies, properly filed in and attested, to:

Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE.
Room 1A-21
Washington, DC 20426

Retain one copy of this report for your files.

Include with the original and each conformed paper copy of this form the subscription statement required by 18 C.F.R. 385.2011(c)(5). Paragraph (c)(5) of 18 C.F.R. 385.2011 requires each respondent submitting data electronically to file a subscription stating that the paper copies contain the same information as contained on the electronic media, that the signer knows the contents of the paper copies and electronic media, and that the contents as stated in the copies and on the electronic media are true to the best knowledge and belief of the signer.

- (b) Submit immediately upon publication, four (4) copies of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Page 4, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to:

Chief Accountant
Federal Energy Regulatory Commission
888 First Street, NE.
Room 1A-21
Washington, DC 20426

- (c) For the CPA certification, submit with the original submission, or within 30 days after the filing date for this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984):
- (i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
 - (ii) Signed by independent certified public accountants or an independent licensed public accountant, certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 CFR 41.10-41.12 for specific qualifications.)

GENERAL INFORMATION (Continued)

III. What and Where to Submit (Continued)

(c) Continued

Schedules	Reference Pages
Comparative Balance Sheet	110 - 113
Statement of Income	114 - 117
Statement of Retained Earnings	118 - 119
Statement of Cash Flows	120 - 121
Notes to Financial Statements	122 - 123

When accompanying this form, insert the letter or report immediately following the cover sheet. When submitting after the filing date for this form, send the letter or report to the Office of the Secretary at the address indicated at III (a).

Use the following form for the letter or report unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____ we have also reviewed schedules _____ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

State in the letter or report, which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

(d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirements free of charge from:

Public Reference and Files Maintenance Branch
 Federal Energy Regulatory Commission
 888 First Street, NE.
 Room 2A-1 ED-12.2
 Washington, DC 20426
 (202) 208-2474

IV. When to Submit:

Submit this report form on or before April 30th of the year following the year covered by this report.

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for this collection of information is estimated to average 1,217 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426 (Attention: Mr. Michael Miller, ED-12.3); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 101) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U. S. of A.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2, 3, and 4.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below). The date of the resubmission must be reported in the header for all form pages, whether or not they are changed from the previous filing.
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses. ().
- VII. For any resubmissions, two (2) new data diskettes and an original and six (6) conformed paper copies of the entire form, as well as the appropriate number of copies of the subscription statement indicated at instruction III (a) must be filed. Resubmissions must be numbered sequentially both on the diskettes and on the cover page of the paper copies of the form. In addition, the cover page of each paper copy must indicate that the filing is a resubmission. Send the resubmissions to the address indicated at instruction III (a).
- VIII. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.

DEFINITIONS

- I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.
- II. Respondent -- The person, corporation, licensee, agency, authority, or other legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. 791a-825r)

"Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to wit:
... (3) 'corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities' as hereinafter defined;

(4) 'person' means an individual or a corporation;

(5) 'licensee' means any person, State, or municipality licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality' means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting, utilizing, or distributing power;...."

(11) 'project' means a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or forebay reservoirs directly connected therewith, the primary line or lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered -

(a) To make investigations and to collect and record data concerning the utilization of the water resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development costs, and relation to markets of power sites,...to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every licensee and every public utility shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and form in which such reports shall be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies."

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed...."

GENERAL PENALTIES

"Sec. 315. (a) Any licensee or public utility which willfully fails, within the time prescribed by the Commission, to comply with any order of the Commission, to file any report required under this Act or any rule or regulation of the Commission thereunder, to submit any information or document required by the Commission in the course of an investigation conducted under this Act,...shall forfeit to the United States an amount not exceeding \$1,000 to be fixed by the Commission after notice and opportunity for hearing...."

FERC FORM NO. 1:
ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES LICENSEES AND OTHER

IDENTIFICATION

01 Exact legal Name of Respondent COLUMBUS SOUTHERN POWER COMPANY		02 Year of Report Dec. 31, 1996
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) 215 North Front Street, Columbus, Ohio 43215		
05 Name of Contact Person G. C. Dean		06 Title of Contact Person Financial Reports Manager
07 Address of Contact Person (Street, City, State, Zip Code) American Electric Power Service Corp. 1 Riverside Plaza, Columbus, Oh 43215		
08 Telephone of Contact Person, including Area Code 614-223-2780	09 This Report is (1) x An Original (2) A Resubmission	10 Date of Report (Mo, Da, Yr)

ATTESTATION

The undersigned officer certifies that he/she has examined the accompanying report, that to the best of his / her knowledge information and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.

01 Name T. P. Bowman	03 Signature <i>J. P. Bowman</i>	04 Date Signed (Mo, Da, Yr) 04/22/97
02 Title Asst. Controller & Asst. Secretary		

Title 18, U.S.C. 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent COLUMBUS SOUTHERN POWER COMPANY	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 1996
LIST OF SCHEDULES (Electric Utility)			
Enter in column (d) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".			
Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
General Information	101	Ed. 12-87	
Control Over Respondent	102	Ed. 12-96	
Corporations Controlled by Respondent	103	Ed. 12-96	
Officers	104	Ed. 12-96	
Directors	105	Ed. 12-95	
Security Holders and Voting Powers	106 - 107	Ed. 12-96	
Important Changes During the Year	108 - 109	Ed. 12-96	
Comparative Balance Sheet	110 - 113	Ed. 12-94	
Statement of Income for the Year	114 - 117	Ed. 12-96	
Statement of Retained Earnings for the Year	118 - 119	Ed. 12-96	
Statement of Cash Flows	120 - 121	Ed. 12-96	
Notes to Financial Statements	122 - 123	Ed. 12-96	
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion			
Nuclear Fuel Materials	200 - 201	Ed. 12-89	
Electric Plant in Service	202 - 203	Ed. 12-89	none
Electric Plant Leased to Others	204 - 207	Rev. 12-95	
Electric Plant Held for Future Use	213	Rev. 12-95	none
Construction Work in Progress -- Electric	214	Ed. 12-89	
Construction Overheads -- Electric	216	Ed. 12-87	
General Description of Construction Overhead Procedure	217	Ed. 12-89	
Accumulated Provision for Depreciation of Electric Utility Plant	218	Ed. 12-88	
Nonutility Property	219	Ed. 12-88	
Investment in Subsidiary Companies	221	Rev. 12-95	
Materials and Supplies	224 - 225	Ed. 12-89	
Allowances	227	Ed. 12-96	
Extraordinary Property Losses	228 - 229	Ed. 12-95	
Unrecovered Plant and Regulatory Study Costs	230	Ed. 12-93	none
Other Regulatory Assets	230	Ed. 12-93	none
Miscellaneous Deferred Debits	232	Ed. 12-95	
Accumulated Deferred Income Taxes (Account 190)	233	Ed. 12-94	
	234	Ed. 12-88	
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
Capital Stock	250 - 251	Ed. 12-91	
Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252	Rev. 12-95	
Other Paid-in Capital	253	Ed. 12-87	
Discount on Capital Stock	254	Ed. 12-87	none
Capital Stock Expense	254	Ed. 12-86	none
Long-Term Debt	256 - 257	Ed. 12-96	

Name of Respondent
COLUMBUS SOUTHERN POWER COMPANY

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, YF)

Year of Report
Dec. 31, 1996

LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)			
Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261	Ed. 12-96	
Taxes Accrued, Prepaid and Charged During Year	262 - 263	Ed. 12-96	
Accumulated Deferred Investment Tax Credits	266 - 267	Ed. 12-89	
Other Deferred Credits	269	Ed. 12-88	
Accumulated Deferred Income Taxes -- Accelerated Amortization Property	272 - 273	Ed. 12-96	none
Accumulated Deferred Income Taxes -- Other Property	274 - 275	Ed. 12-96	
Accumulated Deferred Income Taxes -- Other	276 - 277	Ed. 12-96	
Other Regulatory Liabilities	278	Ed. 12-94	
INCOME ACCOUNT SUPPORTING SCHEDULES			
Electric Operating Revenues	300 - 301	Ed. 12-96	
Sales of Electricity by Rate Schedules	304	Ed. 12-95	
Sales of Resale	310 - 311	Ed. 12-88	
Electric Operation and Maintenance Expenses	320 - 323	Ed. 12-95	
Number of Electric Department Employees	323	Ed. 12-93	
Purchased Power	326 - 327	Ed. 12-95	
Transmission of Electricity for Others	328 - 330	Ed. 12-90	
Transmission of Electricity by Others	332	Ed. 12-90	
Miscellaneous General Expenses -- Electric	335	Ed. 12-94	
Depreciation and Amortization of Electric Plant	336 - 337	Ed. 12-95	
Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340	Ed. 12-87	
COMMON SECTION			
Regulatory Commission Expenses	350 - 351	Ed. 12-96	
Research, Development and Demonstration Activities	352 - 353	Ed. 12-87	
Distribution of Salaries and Wages	354 - 355	Ed. 12-88	
Common Utility Plant and Expenses	356	Ed. 12-87	none
ELECTRIC PLANT STATISTICAL DATA			
Electric Energy Account	401	Rev. 12-90	
Monthly Peaks and Output	401	Rev. 12-90	
Steam-Electric Generating Plant Statistics (Large Plants)	402 - 403	Rev. 12-95	
Hydroelectric Generating Plant Statistics (Large Plants)	406 - 407	Ed. 12-89	none
Pumped Storage Generating Plant Statistics (Large Plants)	408 - 409	Ed. 12-88	none
Generating Plant Statistics (Small Plants)	410 - 411	Ed. 12-87	none

LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
ELECTRIC PLANT STATISTICAL DATA (Continued)			
Transmission Line Statistics	422 - 423	Ed. 12-87	none
Transmission Lines Added During Year	424 - 425	Ed. 12-86	
Substations	426 - 427	Ed. 12-96	
Electric Distribution Meters and Line Transformers	429	Ed. 12-88	
Environmental Protection Facilities	430	Ed. 12-88	
Environmental Protection Expenses	431	Ed. 12-88	
Footnote Data	450	Ed. 12-87	
<p>Stockholders' Reports Check appropriate box:</p> <p><input type="checkbox"/> Four copies will be submitted.</p> <p><input type="checkbox"/> No annual report to stockholders is prepared.</p>			

Name of Respondent COLUMBUS SOUTHERN POWER COMPANY	This Report Is: () [X] An Original (2) [] A Resubmission	Date of Report (Mo, Da, YF)	Year of Report Dec. 31, 1996
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GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of the office where any other corporate books are kept, if different from that where the general corporate books are kept.

T. P. Bowman, Assistant Secretary and Assistant Controller
301-315 Cleveland Avenue, S.W.
Canton, OH 44702

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Ohio - May 13, 1937

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

None

4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric - Ohio

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

Yes...Enter the date when such independent accountant was initially engaged:

X No

Name of Respondent COLUMBUS SOUTHERN POWER COMPANY	This Report Is: <input type="checkbox"/> (1) An Original <input checked="" type="checkbox"/> (2) A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 1996	Year of Report Dec. 31, 1996
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CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

American Electric Power Company, Inc.
 Ownership of 100% of the Common Stock

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.

2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.

3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent

of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Simco, Inc.	Owns and leases a coal conveyor system to Conesville Coal Preparation Company (a subsidiary company).	100	
2				
3				
4				
5				
6				
7	Colomet, Inc.	Acquires and holds property for possible future industrial sites.	100	
8				
9				
10		Provides coal washing services for one of the Company's generating stations.	100	
11	Conesville Coal Preparation Company			
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Name of Respondent
COLUMBUS SOUTHERN POWER COMPANY

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)

Year of Report
Dec. 31, 1996

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person

who performs similar policymaking functions.

2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	* See attached page included in filed copy only.		
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Executive Compensation

The following table shows for 1996 the compensation earned by the chief executive officer and the four other most highly compensated executive officers (as defined by regulations of the Securities and Exchange Commission) of the Company at December 31, 1996.

Summary Compensation Table

Name and Principal Position	Annual Compensation		Long-Term Compensation	All Other Compensation
	Salary (\$)	Bonus (\$)(1)	Payouts LTIP Payouts (\$)(1)	(\$)(2)
E. Linn Draper, Jr. Chairman of the board and chief executive officer of the Company; chairman, president and chief executive officer of AEP Co., Inc. and Service Corporation; chairman and chief executive officer of other subsidiaries	720,000	281,664	675,903	31,990
Peter J. DeMaria Vice president, controller and director of the Company; executive vice president administration and chief accounting officer and director of the Service Corporation; vice president, controller and director of other subsidiaries	360,000	140,832	290,825	21,190
G.P. Maloney Vice president and director of the Company; executive vice president chief financial officer and director of the Service Corporation; vice president and director of other subsidiaries	360,000	140,832	286,288	21,190
William J. Lhota President, chief operating officer and director of the Company; executive vice president and director of the Service Corporation; president, chief operating officer and director of other subsidiaries	320,000	125,184	263,114	19,690
James J. Markowsky Vice president and director of the Company; executive vice president power generation and director of the Service Corporation; vice president and				

director of other subsidiaries

303,000 118,534 254,535 19,480

(1) Amounts in the "Bonus" column reflect payments under the Management Incentive Compensation Plan for performance measured for the year ended December 31, 1996. Payments are made in March of the subsequent year. Amounts for 1996 are estimates but should not change significantly.

Amounts in the "Long-Term Compensation" column reflect performance share unit targets earned under the Performance Share Incentive Plan three-year performance period ending December 31, 1996.

(2) For 1996, includes (i) employer matching contributions under the AEP System Employees Savings Plan: Dr. Draper, \$3,600; Mr. DeMaria, \$3,175; Mr. Maloney, \$4,500; Mr. Lhota, \$4,500; and Dr. Markowsky, \$3,235; (ii) employer matching contributions under the AEP System Supplemental Savings Plan, a non-qualified plan designed to supplement the AEP Savings Plan: Dr. Draper, \$18,000; Mr. DeMaria, \$7,625; Mr. Maloney, \$6,300; Mr. Lhota, \$4,800; and Dr. Markowsky, \$5,855; and (iii) subsidiary companies director fees: \$10,390 for each of the named executive officers.

Name of Respondent COLUMBUS SOUTHERN POWER COMPANY	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Dec. 31, 1996	Year of Report Dec. 31, 1996
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DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.

2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	E. LINN DRAPER, JR. CHAIRMAN OF THE BOARD AND	COLUMBUS, OHIO
2	CHIEF EXECUTIVE OFFICER	
3		
4	C. A. ERIKSON, PRESIDENT AND CHIEF OPERATING OFFICER (A)	COLUMBUS, OHIO
5		
6	W. J. LHOTA, PRESIDENT AND CHIEF OPERATING OFFICER (B)	COLUMBUS, OHIO
7		
8	HENRY FAYNE	COLUMBUS, OHIO
9		
10	G. P. MALONEY, VICE PRESIDENT	COLUMBUS, OHIO
11		
12	J. J. MARKOWSKY, VICE PRESIDENT	COLUMBUS, OHIO
13		
14	P. J. DEMARIA, VICE PRESIDENT AND CONTROLLER	COLUMBUS, OHIO
15		
16	J. H. VIPPERMAN, VICE PRESIDENT (B)	COLUMBUS, OHIO
17		
18	ITEM 2 -COMPANY DOES NOT HAVE AN EXECUTIVE COMMITTEE	
19		
20	(A) RESIGNED JANUARY 1, 1996	
21		
22	(B) ELECTED JANUARY 1, 1996	
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Name of Respondent
COLUMBUS SOUTHERN POWER COMPANY

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)

Year of Report
Dec. 31, 1996

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a footnote the circumstances

whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:

Stock book does not close.

2. State the total number of votes cast at the latest general meeting prior to end of year for election of directors or the respondent and number of such votes cast by proxy

Total: 16,410,426

By proxy: 16,410,426

3. Give the date and place of such meeting:

April 30, 1996

Columbus, Ohio

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES Number of votes as of (date): December 31, 1996			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	16,410,426	16,410,426		
5	TOTAL number of security holders	1	1		
6	TOTAL votes of Security holders listed below	16,410,426	16,410,426		
7	American Electric Power Company, Inc.				
8	1 Riverside Plaza				
9	Columbus, Ohio 43215	16,410,426	16,410,426		
10					
11					
12	Item 2 - None				
13					
14	Item 3 - None				
15					
16	Item 4 - None				
17					
18					

Name of Respondent
COLUMBUS SOUTHERN POWER COMPANY

This Report Is:
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Date of Report
(Mo, Da, Yr)

Year of Report
Dec. 31, 1996

SECURITY HOLDERS AND VOTING POWERS (Continued)

Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
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Name of Respondent COLUMBUS SOUTHERN POWER COMPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 1996
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IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none" "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefor and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform system of Accounts were submitted to the Commission.

4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each

natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements etc.

6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11. (Reserved.)

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by instructions 1 to 11 above, such notes may be included on this page.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION

Name of Respondent COLUMBUS SOUTHERN POWER CO MPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 1996
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IMPORTANT CHANGES DURING THE YEAR (Continued)

Columbus Southern Power Company

1. The following franchise rights secured as original franchise or an extension of present rights:

Date Acquired	Acquired From	Period	Consideration
1/16/96	Village of Jacksonville, OH	50 years	None
3/23/96	Village of Buchtel, OH	25 years	None
5/28/96	City of Worthington, Oh	1.6 years	None
12/23/96	Village of Manchester, OH	54 years	None

2. None

3. None

4. None

5. None

6. SEC File No. 70-8693 under the Public Utility Holding Company Act of 1935. Short-term borrowing authority not to exceed \$175,000,000 for the period January 1, 1996 through December 31, 2000.

7. None

8 The 1996 wage agreement resulted in a general increase of 3.0% for represented employees.

9. On April 12, 1993, Columbus Southern Power Company (CSPCo) and other AEP System companies filed a transmission tariff with the Federal Energy Regulatory Commission (FERC) under which these AEP System companies would provide limited transmission service to certain companies. The tariff covered the terms and conditions of the service, as well as the price which the companies pay for transmission services, regardless of the source of electric power generation. On September 3, 1993, the FERC issued an order accepting the transmission service tariff for filing, with the tariff becoming effective on September 7, 1993, subject to refund.

On April 24, 1996, the FERC issued orders 888 and 889. These orders, which resulted from the FERC's March 29, 1995 Notice of Proposed Rulemaking ("Mega-NOPR"), require each public utility that owns or controls interstate transmission facilities to file an open access network and point-to-point

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IMPORTANT CHANGES DURING THE YEAR (Continued)

transmission tariff that offers services comparable to the utility's own uses of its transmission system. The orders also require utilities to functionally unbundle their services, by requiring them to use their own tariffs in making off-system and third-party sales. As part of the orders, the FERC issued a pro-forma tariff which reflects the FERC's views on the minimum non-price terms and conditions for non-discriminatory transmission service. In addition, the orders require all transmitting utilities to establish an Open Access Same-time Information System ("OASIS") which electronically posts transmission information such as available capacity and prices, and require utilities to comply with Standards of Conduct which prohibit utilities' system operators from providing non-public transmission information to the utility's merchant employees. The orders also allow a utility to seek recovery of certain prudently-incurred stranded costs that result from unbundled transmission service. On July 9, 1996, the AEP System companies filed a tariff conforming with the FERC's pro-forma transmission tariff, subject to the resolution of certain pricing issues, which are still pending before the FERC.

The Acid Rain Program (Title IV) of the Clean Air Act Amendments of 1990 (CAAA) contain provisions governing nitrogen oxides (NOx) emissions. In April 1995, the United States Environmental Protection Agency (Federal EPA) promulgated NOx emission limitations for tangentially fired boilers and dry bottom wall-fired boilers for Phase I and Phase II units. In addition, on December 19, 1996, Federal EPA published final NOx emission limitations in the Federal Register for wet bottom wall-fired boilers, cyclone boilers, units applying cell burner technology and all other types of boilers. These emission limitations are to be achieved by January 1, 2000. A petition for review of the regulations was filed by a number of utilities, including CSPCo, in the U.S. Court of Appeals for the District of Columbia Circuit on December 26, 1996.

The CAAA contains additional provisions, other than the Acid Rain Program, which could require reductions in emissions of nitrogen oxides from fossil fuel-fired power plants. Title I, dealing generally with attainment of federally set National Ambient Air Quality Standards, establishes a tiered system for classifying degrees of non-attainment with the air quality standard for ozone. Depending upon the severity of non-attainment within a given non-attainment area, reductions in nitrogen oxides emissions from fossil fuel-fired power plants may be required as part of a state's plan for achieving attainment with the ozone air quality standard. While ozone non-attainment is largely restricted to urban areas, AEP System generating units could be determined to be affecting ozone concentrations and may therefore, eventually be required to reduce nitrogen oxides emissions pursuant to Title I.

In addition, certain environmental organizations and states have taken the position that nitrogen oxides emissions from the midwest must be reduced in order to achieve the air quality standard for ozone in the

Name of Respondent COLUMBUS SOUTHERN POWER CO MPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 1996
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IMPORTANT CHANGES DURING THE YEAR (Continued)

northeast as well as the Lake Michigan and Atlanta, Georgia areas. All AEP coal-fired plants are potentially subject to the imposition of additional emission controls resulting from these initiatives. The Environmental Council of States formed the Ozone Transport Assessment Group (OTAG) in early 1995 to develop estimates of levels of reduction in volatile organic compound and/or nitrogen oxides emissions required for significant reductions in ozone concentrations in the eastern United States. OTAG, consisting of the environmental commissioners and air directors of 37 eastern states, Federal EPA and representatives from environmental and industry groups, is currently scheduled to complete modeling and technical work by the spring of 1997 with evaluation of technical findings and recommendations on regional emission controls to be submitted to Federal EPA in the summer of 1997. Federal EPA published a notice of intent in the January 10, 1997 Federal Register proposing the specification of ranges or amounts of nitrogen oxides and volatile organic compounds reductions required by states to reduce downwind concentrations of ozone. Federal EPA will direct states to revise their state implementation plans (SIPs) to provide for specified emission reductions within a set time period. Federal EPA's proposal for reductions of nitrogen oxides and volatile organic compounds is scheduled to be issued in March 1997 and final SIP calls requiring revisions in state plans will be issued in the summer of 1997. The cost of meeting NOx emissions reduction requirements which might be imposed to achieve the ozone ambient air quality standard cannot be precisely predicted but could be substantial.

On June 27, 1985, Federal EPA issued stack height regulations pursuant to an order of the United States Court of Appeals for the District of Columbia Circuit. These regulations were appealed by a number of states, environmental groups and investor-owned electric utilities (including CSPCo), along with three electric utility trade associations. Various petitions for reconsideration filed with and denied by Federal EPA were also appealed. This litigation was consolidated into a single case. On January 22, 1988, the U.S. Court of Appeals for the District of Columbia Circuit issued a decision in part upholding the June 1985 stack height rules and remanding certain of the June 1985 rules to Federal EPA for further consideration. While it is not possible to state with particularity the ultimate impact of the final rules on CSPCo operations, at present it appears that the final rules could possibly result in more stringent emission limitations at CSPCo's Conesville Plant.

On July 21, 1992, Federal EPA published final regulations in the Federal Register governing application of new source rules to generating plant repairs and pollution control projects undertaken to comply with the Clean Air Act Amendments of 1990. Generally, the rule provides that plants undertaking pollution control projects will not trigger new source review requirements. The Natural Resources Defense Council and a group of utilities, including CSPCo, have filed petitions in the U.S. Court of Appeals for the District of Columbia Circuit seeking a review of the

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IMPORTANT CHANGES DURING THE YEAR (Continued)

regulations.

On June 1, 1989, the Ohio Environmental Protection Agency (Ohio EPA) adopted a rule concerning CSPCo's Conesville Plant in response to Federal EPA's stack height rules adopted in 1985. Under Federal EPA policy published in January 1988, emission reductions required by the stack height rules may be obtained at plants other than the plant directly affected by the rules, and thereafter credited to the directly affected plant. Under Ohio EPA's June 1, 1989 rule, the sulfur dioxide emission limitations for Conesville Units 5 and 6 remain at 1.2 pounds sulfur dioxide per million Btu heat input as long as the emission rate at CSPCo's retired Poston Units 1-4 remains at 0.0 pounds sulfur dioxide per million Btu heat input. Federal EPA has yet to take action concerning Ohio EPA's June 1, 1989 rule.

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and similar state law provide governmental agencies with the authority to require clean-up of hazardous waste sites and releases of hazardous substances into the environment and to seek compensation for damages to natural resources. Since liability under CERCLA is strict and can be applied retroactively, AEP System companies which previously disposed of PCB-containing electrical equipment and other hazardous substances may be required to participate in remedial activities at such disposal sites should environmental problems result. CSPCo has been named as a potentially responsible party at one federal remediation site. CSPCo's share of clean-up costs, however, is not expected to be significant.

10. None

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Name of Respondent COLUMBUS SOUTHERN POWER COMPANY		This Report Is: {2} [x] An Original [] A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 1996
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)	
1	UTILITY PLANT				
2	Utility Plant (101-106, 114)	200-201	\$2,739,423,011	\$2,827,846,767	
3	Construction Work in Progress (107)	200-201	64,072,329	54,062,267	
4	TOTAL UTILITY PLANT (Enter Total of lines 2 and 3)		\$2,803,495,340	\$2,881,909,034	
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	937,620,282	999,897,403	
6	Net Utility Plant (Enter Total of line 4 Less 5)	-	\$1,865,875,058	\$1,882,011,631	
7	Nuclear Fuel (120.1-120.4, 120.6)	202-203	0	0	
8	(Less) Accum. Prov. for Amort. of Nucl. Assemblies (120.5)	202-203	0	0	
9	Net Nuclear Fuel (Enter Total of lines 7 Less 8)	-	0	0	
10	Net Utility Plant (Enter Total of lines 6 and 9)	-	\$1,865,875,058	\$1,882,011,631	
11	Utility Plant Adjustments (116)	122	0	0	
12	Gas Stored Underground-Noncurrent (117)	-	0	0	
13	OTHER PROPERTY AND INVESTMENTS				
14	Nonutility Property (121)	221	19,028,057	18,316,642	
15	(Less) Accum. Prov. for Depr. and Amort. (122)	-	3,233,958	2,557,352	
16	Investments in Associated Companies (123)	-	0	0	
17	Investment in Subsidiary Companies (123.1)	224-225	4,450,174	4,406,049	
18	(For Cost of Account 123.1, See Footnote Page 224, Line 42)	-			
19	Noncurrent Portion of Allowances	228-229	0	0	
20	Other Investments (124)		7,404,576	5,652,847	
21	Special Funds (125-128)	-	27,738	27,738	
22	TOTAL Other Property and Investments (Total of lines 14-17, 19-21)		\$27,676,587	\$25,845,924	
23	CURRENT AND ACCRUED ASSETS				
24	Cash (131)	-	3,817,226	3,693,400	
25	Special Deposits (132-134)	-	187,941	187,941	
26	Working Fund (135)	-	6,361,834	5,001,546	
27	Temporary Cash Investments (136)	-	0	0	
28	Notes Receivable (141)	-	275	135	
29	Customer Accounts Receivable (142)	-	52,390,155	50,557,064	
30	Other Accounts Receivable (143)	-	10,015,769	8,496,215	
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	-	1,060,750	1,031,802	
32	Notes Receivable from Associated Companies (145)	-	0	0	
33	Accounts Receivable from Assoc. Companies (146)	-	4,488,211	4,449,432	
34	Fuel Stock (151)	227	23,866,323	18,172,018	
35	Fuel Stock Expenses Undistributed (152)	227	449,462	105,525	
36	Residuals (Elec) and Extracted Products (153)	227	0	0	
37	Plant Materials and Operating Supplies (154)	227	22,110,753	20,654,892	
38	Merchandise (155)	227	100,500	0	
39	Other Materials and Supplies (156)	227	0	0	
40	Nuclear Materials Held for Sale (157)	202-203/227	0	0	
41	Allowances (158.1 and 158.2)	228-229	0	2,034,753	
42	(Less) Noncurrent Portion of Allowances	228-229	0	0	
43	Stores Expense Undistributed (163)	-	426,462	400,766	
44	Gas Stored Underground-Current (164.1)	-	0	0	
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	-	0	0	
46	Prepayments (165)	-	32,176,406	32,452,168	
47	Advances for Gas (166-167)	-	0	0	
48	Interest and Dividends Receivable (171)	-	0	0	
49	Rents Receivable (172)	-	0	495,479	
50	Accrued Utility Revenues (173)	-	40,389,368	31,826,863	
51	Miscellaneous Current and Accrued Assets (174)	-	(114,602)	(184,762)	
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 51)		\$195,605,333	\$177,311,633	

Name of Respondent
COLUMBUS SOUTHERN POWER COMPANY

This Report Is:
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Dec. 31, 1996

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
53	DEFERRED DEBITS			
54	Unamortized Debt Expenses (181)	-	\$2,579,164	\$2,410,297
55	Extraordinary Property Losses (182.1)	230	0	0
56	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
57	Other Regulatory Assets (182.3)	232	454,822,995	396,758,231
58	Prelim. Survey and Investigation Charges (Electric) (183)	-	8,711	8,711
59	Prelim. Sur. and Invest. Charges (Gas) (183.1, 183.2)	-	0	0
60	Clearing Accounts (184)	-	98,614	(172,092)
61	Temporary Facilities (185)	-	1,200	9,831
62	Miscellaneous Deferred Debits (186)	233	63,462,061	67,897,750
63	Def. Losses from Disposition of Utility Plt. (187)	-	0	0
64	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
65	Unamortized Loss on Reacquired Debt (189)	-	31,024,583	32,739,962
66	Accumulated Deferred Income Taxes (190)	234	68,634,301	77,111,139
67	Unrecovered Purchased Gas Costs (191)	-	0	0
68	TOTAL Deferred Debits (Enter Total of lines 54 thru 67)		\$620,631,629	\$576,763,829
69	TOTAL Assets and other Debits (Enter Total of lines 10,11,12, 22,52, and 68)		\$2,709,788,607	\$2,661,933,017

Name of Respondent COLUMBUS SOUTHERN POWER COMPANY		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 1996
COMPARATIVE BALANCE SHEET (LIABILITES AND OTHER CREDITS)					
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)	
1	PROPRIETARY CAPITAL				
2	Common Stock Issued (201)	250-251	\$41,026,065	\$41,026,065	
3	Preferred Stock Issued (204)	250-251	82,500,000	75,000,000	
4	Capital Stock Subscribed (202, 205)	252	0	0	
5	Stock Liability for Conversion (203, 206)	252	0	0	
6	Premium on Capital Stock (207)	252	257,892,418	257,892,418	
7	Other Paid-in Capital (208-211)	253	316,534,462	316,816,549	
8	Installments Received on Capital Stock (212)	252	0	0	
9	(Less) Discount on Capital Stock (213)	254	0	0	
10	(Less) Capital Stock Expense (214)	254	0	0	
11	Retained Earnings (215, 215.1, 216)	118-119	72,248,790	97,555,245	
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	2,070,770	2,026,644	
13	(Less) Reacquired Capital Stock (217)	250-251	0	0	
14	TOTAL Proprietary Capital (Enter Total of Lines 2 thru 13)	-	\$772,272,505	\$790,316,921	
15	LONG-TERM DEBT				
16	Bonds (221)	256-257	906,390,000	811,890,000	
17	(Less) Reacquired Bonds (222)	256-257	0	0	
18	Advances from Associated Companies (223)	256-257	0	0	
19	Other Long-Term Debt (224)	256-257	92,245,000	92,245,000	
20	Unamortized Premium on Long-Term Debt (225)	-	0	0	
21	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	-	7,838,967	6,853,967	
22	TOTAL Long-Term Debt (Enter Total of Lines 16 thru 21)	-	\$990,796,033	\$897,281,033	
23	OTHER NONCURRENT LIABILITIES				
24	Obligations Under Capital Leases-Noncurrent (227)	-	22,825,110	30,412,325	
25	Accumulated Provision for Property Insurance (228.1)	-	0	0	
26	Accumulated Provision for Injuries and Damages (228.2)	-	1,959,328	1,410,378	
27	Accumulated Provision for Pensions and Benefits (228.3)	-	16,089	16,089	
28	Accumulated Miscellaneous Operating Provisions (228.4)	-	8,849,914	7,341,544	
29	Accumulated Provision for Rate Refunds (229)	-	0	0	
30	TOTAL OTHER Noncurrent Liabilities (Enter Total of lines 24 thru 29)		\$33,650,441	\$39,180,336	
31	CURRENT AND ACCRUED LIABILITIES				
32	Notes Payable (231)	-	34,325,000	51,800,000	
33	Accounts Payable (232)	-	31,067,074	34,175,183	
34	Notes Payable to Associated Companies (233)	-	0	0	
35	Account Payable to Associated Companies (234)	-	23,072,346	22,932,099	
36	Customer Deposits (235)	-	5,004,996	4,890,204	
37	Taxes Accrued (236)	262-263	120,091,680	129,398,217	
38	Interest Accrued (237)	-	17,015,923	13,605,088	
39	Dividends Declared (238)	-	1,600,000	1,421,875	
40	Matured Long-Term Debt (239)	-	0	0	
41	Matured Interests (240)	-	0	0	
42	Tax Collections Payable (241)	-	1,081,483	694,498	
43	Miscellaneous Current and Accrued Liabilities (242)	-	17,381,197	18,454,750	
44	Obligations Under Capital Leases-Current (243)	-	4,737,175	5,548,322	
45	TOTAL Current and Accrued Liabilities(Enter Total of lines 32 thru 44)		\$255,376,874	\$282,920,236	

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
46	DEFERRED CREDITS			
47	Customer Advances for Construction (252)		\$772,271	\$612,370
48	Accumulated Deferred Investment Tax Credits (255)	266-267	60,960,532	57,057,127
49	Deferred Gains from Disposition of Utility Plant (256)		0	0
50	Other Deferred Credits (253)	269	1,934,743	6,651,168
51	Other Regulatory Liabilities (254)	278	59,851,844	68,346,359
52	Unamortized Gain on Reacquired Debt (257)	269	621,170	434,819
53	Accumulated Deferred Income Taxes (281-283)	272-277	533,552,194	519,132,648
54	TOTAL Deferred Credits (Enter Total of Lines 47 thru 53)		\$657,692,754	\$652,234,491
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68	TOTAL Liabilities and Other Credits (Enter Total of Lines 14, 22, 30, 45 and 54)		\$2,709,788,607	\$2,661,933,017

Name of Respondent
COLUMBUS SOUTHERN POWER COMPANY

This Report is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)

Year of Report
Dec. 31, 1996

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another Utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 02 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
3. Report data for lines 7,9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
4. Use pages 122-123 for important notes regarding the statement of income or any account thereof.

5. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in a material refund to the utility with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power and gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year.

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)			
3	Operating Expenses	300-301	\$1,105,682,739	\$1,071,861,355
4	Operation Expenses (401)			
5	Maintenance Expenses (402)	320-323	555,735,017	528,246,885
6	Depreciation Expense (403)	320-323	65,414,427	71,021,996
7	Amort. & Depl. of Utility Plant (404-405)	336-337	87,949,934	85,364,031
8	Amort. of Utility Plant Acq. Adj. (406)	336-337	119,524	83,735
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)		99	0
10	Amort. of Conversion Expenses (407)		0	0
11	Regulatory Debits (407.3)		0	0
12	(Less) Regulatory Credits (407.4)		33,937,109	33,267,943
13	Taxes Other Than Income Taxes (408.1)		0	0
14	Income Taxes - Federal (409.1)	262-263	115,518,212	109,679,647
15	- Other (409.1)	262-263	78,195,646	59,987,293
16	Provision for Deferred Income Taxes (410.1)	262-263	0	0
17	(Less) Provision for Deferred Income Taxes - Cr. (411.1)	234,272-277	65,239,554	78,437,685
18	Investment Tax Credit Adj. - Net (411.4)	234,272-277	77,084,568	76,435,075
19	(Less) Gains from Disp. of Utility Plant (411.6)	266	(3,619,338)	(3,327,985)
20	Losses from Disp. of Utility Plant (411.7)		0	0
21	(Less) Gains from Disposition of Allowances (411.8)		0	0
22	Losses from Disposition of Allowances (411.9)		1,050,080	0
23	TOTAL Utility Operating Expenses (Enter Total of Lines 4 thru 22)		\$920,355,536	\$886,326,155
24	Net Utility Operating Income (Enter Total of Line 2 less 23) (Carry forward to page 117, Line 25)		\$185,327,203	\$185,535,200

Name of Respondent
COLUMBUS SOUTHERN POWER COMPANY

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(MO, DA, YF)

Year of Report
Dec. 31, 1996

STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on pages 122-123.

8. Enter on pages 122-123 a concise explanation of only those changes in accounting methods made during the year

which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on pages 122-123 or in a footnote.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
\$1,105,682,739	\$1,071,861,355					1
						2
						3
555,735,017	528,246,885					4
65,414,427	71,021,996					5
87,949,934	85,364,031					6
119,524	83,735					7
99	0					8
0	0					9
0	0					10
33,937,109	33,267,943					11
0	0					12
115,518,212	109,679,647					13
78,195,646	59,987,293					14
0	0					15
65,239,554	78,437,685					16
77,084,568	76,435,075					17
(3,619,338)	(3,327,985)					18
0	0					19
0	0					20
1,050,080	0					21
0	0					22
\$920,355,536	\$886,326,155					23
\$185,327,203	\$185,535,200					24

Name of Respondent COLUMBUS SOUTHERN POWER COMPANY		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 1996	
STATEMENT OF INCOME FOR THE YEAR (Continued)						
Line No.	OTHER UTILITY		OTHER UTILITY		OTHER UTILITY	
	Current Year (k)	Previous Year (l)	Current Year (m)	Previous Year (n)	Current Year (o)	Previous Year (p)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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19						
20						
21						
22						
23						
24						

Name of Respondent COLUMBUS SOUTHERN POWER COMPANY		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 1996
STATEMENT OF INCOME FOR THE YEAR (Continued)					
Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL		
			Current Year (c)	Previous Year (d)	
25	Net Utility Operating Income (Carried forward from page 114)	--	\$185,327,203	\$185,535,200	
26	Other Income and Deductions				
27	Other Income				
28	Nonutility Operating Income				
29	Revenues From Merchandising, Jobbing and Contract Work (415)		343,955	224,877	
30	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		385,740	301,023	
31	Revenues From Nonutility Operations (417)		0	0	
32	(Less) Expenses of Nonutility Operations (417.1)		0	0	
33	Nonoperating Rental Income (418)		205,434	212,972	
34	Equity in Earnings of Subsidiary Companies (418.1)	119	555,679	541,260	
35	Interest and Dividend Income (419)		766,074	3,338,470	
36	Allowance for Other Funds Used During Construction (419.1)		320,653	1,106,943	
37	Miscellaneous Nonoperating Income (421)		1,148,578	4,237,882	
38	Gain on Disposition of Property (421.1)		2,630	201,667	
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		\$2,957,263	\$9,563,048	
40	Other Income Deductions				
41	Loss on Disposition of Property (421.2)		16,920	372	
42	Miscellaneous Amortization (425)	340	0	0	
43	Miscellaneous Income Deductions (426.1-426.5)	340	6,110,134	4,149,368	
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)		\$6,127,054	\$4,149,740	
45	Taxes Applic. to Other Income and Deductions				
46	Taxes Other Than Income Taxes (408.2)	262-263	248,972	223,242	
47	Income Taxes - Federal (409.2)	262-263	(1,452,581)	(1,019,094)	
48	Income Taxes - Other (409.2)	262-263	0	0	
49	Provision for Deferred Inc. Taxes (410.2)	234,272-277	1,317,770	2,252,391	
50	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	234,272-277	2,248,375	1,368,298	
51	Investment Tax Credit Adj. - Net (411.5)		(284,067)	(149,409)	
52	(Less) Investment Tax Credits (420)		0	0	
53	TOTAL Taxes on Other Income and Deduct. (Total of 46 thru 52)		(\$2,418,281)	(\$61,168)	
54	Net Other Income and Deductions (Enter Total of lines 39, 44, 53)		(\$751,510)	\$5,474,476	
55	Interest Charges				
56	Interest on Long-Term Debt (427)		71,835,917	75,639,656	
57	Amort. of Debt Disc. and Expense (428)		637,466	625,677	
58	Amortization of Loss on Reacquired Debt (428.1)		3,407,799	3,814,865	
59	(Less) Amort. of Premium on Debt - Credit (429)		0	0	
60	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)		186,351	186,351	
61	Interest on Debt to Assoc. Companies (430)	340	0	0	
62	Other Interest Expense (431)	340	2,913,408	1,730,972	
63	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,140,363	1,231,199	
64	Net Interest Charges (Enter Total of lines 56 thru 63)		\$77,467,876	\$80,393,620	
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		\$107,107,817	\$110,616,056	
66	Extraordinary Items				
67	Extraordinary Income (434)		0	0	
68	(Less) Extraordinary Deductions (435)		0	0	
69	Net Extraordinary Items (Enter Total of line 67 less line 68)		0	0	
70	Income Taxes-Federal and Other (409.3)	262-263	0	0	
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)		0	0	
72	Net Income (Enter Total of lines 65 and 71)		\$107,107,817	\$110,616,056	

Name of Respondent
COLUMBUS SOUTHERN POWER COMPANY

This Report Is:
(1) [] An Original
(2) [X] A Resubmission

Date of Report
(Mo, Da, Yr)

Year of Report
Dec. 31, 1996

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.

5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance - Beginning of Year		
2	Changes (Identify by prescribed retained earnings accounts)		\$72,248,790
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Acc. 439) (Total of lines 4 thru 8)		
10	Debit: Amortization of Deferred Stock Issuance Expense	210	(139,262)
11	Debit: Amortization of Loss on Redemption of Preferred Stock	210	(142,824)
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Acc. 439) (Total of lines 10 thru 14)		(\$282,086)
16	Balance Transferred from Income (Account 433 less Account 418.1)		106,552,138
17	Appropriations of Retained Earnings (Account 436)		
18			
19			
20			
21			
22	TOTAL Appropriations of Retained Earnings (Acc. 436) (Total of lines 18 thru 21)		
23	Dividends Declared - Preferred Stock (Account 437)		
24	Preferred Stock: 7.875%	238	(3,937,500)
25	7.00%	238	(1,750,000)
26			
27			
28			
29	TOTAL Dividends Declared - Preferred Stock (Acct. 437) (Total of lines 24 thru 28)		(5,687,500)
30	Dividends Declared - Common Stock (Account 438)		
31	Common Stock	238	(75,875,902)
32			
33			
34			
35			
36	TOTAL Dividends Declared - Common Stock (Acct. 438) (Total of lines 31 thru 35)		(\$75,875,902)
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		599,805
38	Balance - End of Year (Total of lines 01, 09, 15, 16, 22, 29, 36, and 37)		\$97,555,245

Name of Respondent COLUMBUS SOUTHERN POWER COMPANY	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 1996
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)

Line No.	Item (a)	Amount (b)
	APPROPRIATED RETAINED EARNINGS (Account 215) State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.	
39		
40		
41		
42		
43		
44		
45	TOTAL Appropriated Retained Earnings (Account 215)	
	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1) State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.	
46	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)	
47	TOTAL Appropriated Retained Earnings (Account 215, 215.1) (Enter total of lines 45 and 46)	
48	TOTAL Retained Earnings (Account 215, 215.1, 216) (Enter total of lines 38 and 47)	\$97,555,245
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (ACCOUNT 216.1)	
49	Balance - Beginning of Year (Debit or Credit)	2,070,770
50	Equity in Earnings for Year (Credit) (Account 418.1)	555,679
51	(Less) Dividends Received (Debit)	599,805
52	Other Changes (Explain)	
53	Balance - End of Year (Total of Lines 49 Thru 52)	\$2,026,644

Name of Respondent
COLUMBUS SOUTHERN POWER COMPANY

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STATEMENT OF CASH FLOWS

1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be included in pages 122-123. Information about noncash investing and financing activities should be provided on pages 122-123. Provide also on pages 122-123 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.
2. Under "Other" specify significant amounts and group others.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on pages 122-123 the amount of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	Description (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)
1	Net Cash Flow from Operating Activities:	
2	Net Income (Line 72(c) on page 117)	\$107,107,817
3	Noncash Charges (Credits) to Income:	
4	Depreciation and Depletion	87,566,763
5	Amortization of (Specify)	
6	Zimmer Post-In-Service Deferrals and Amortizations	32,152,297
7		
8	Deferred Income Taxes (Net)	(12,775,619)
9	Investment Tax Credit Adjustment (Net)	(3,903,405)
10	Net (Increase) Decrease in Receivables	2,867,137
11	Net (Increase) Decrease in Inventory	7,620,299
12	Net (Increase) Decrease in Allowances Inventory	(2,034,753)
13	Net Increase (Decrease) in Payables and Accrued Expenses	10,246,487
14	Net (Increase) Decrease in Other Regulatory Assets	11,092,771
15	Net Increase (Decrease) in Other Regulatory Liabilities	12,576,238
16	(Less) Allowance for Other Funds Used During Construction	320,653
17	(Less) Undistributed Earnings from Subsidiary Companies	(44,126)
18	Other:Net (Increase) Decrease in Accrued Utility Revenues	8,562,505
19	Other Operating Items (Net)	(1,776,500)
20		
21		
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	\$259,025,510
23		
24	Cash Flows from Investment Activities:	
25	Construction and Acquisition of Plant (Including Land):	
26	Gross Additions to Utility Plant (less nuclear fuel)	(92,966,777)
27	Gross Additions to Nuclear Fuel	0
28	Gross Additions to Common Utility Plant	0
29	Gross Additions to Nonutility Plant	0
30	(Less) Allowance for Other Funds Used During Construction	320,653
31	Other:	
32		
33		
34	Cash Outflows for Plant (Total of lines 26 thru 33)	(\$92,646,124)
35		
36	Acquisition of Other Noncurrent Assets (d)	0
37	Proceeds from Disposal of Noncurrent Assets (d)	0
38		
39	Investments in and Advances to Assoc. and Subsidiary Companies	2,956,027
40	Contributions and Advances from Assoc. and Subsidiary Companies	0
41	Disposition of Investments in (and Advances to)	
42	Associated and Subsidiary Companies	0
43		
44	Purchase of Investment Securities (a)	0
45	Proceeds from Sales of Investment Securities (a)	0

STATEMENT OF CASH FLOWS (Continued)

4. Investing Activities

Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on pages 122-123.

Do not include on this statement the dollar amount of leases capitalized per US of A General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on pages 122-123.

5. Codes used:

- (a) Net proceeds or payments.
- (b) Bonds, debentures and other long term debt.
- (c) Include commercial paper.
- (d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on pages 122-123 clarifications and explanations.

Line No.	Description (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)
46	Loans Made or Purchased	0
47	Collections on Loans	0
48		
49	Net (Increase) Decrease in Receivables	0
50	Net (Increase) Decrease in Inventory	0
51	Net (Increase) Decrease in Allowances Held for Speculation	0
52	Net Increase (Decrease) in Payables and Accrued Expenses	0
53	Other:	
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 34 thru 55)	(\$89,690,097)
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long - Term Debt (b)	0
62	Preferred Stock	0
63	Common Stock	0
64	Other:	
65		
66	Net Increase in Short - Term Debt (c)	17,475,000
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	\$17,475,000
71		
72	Payments for Retirement of:	
73	Long - term Debt (b)	(94,500,000)
74	Preferred Stock	(7,500,000)
75	Common Stock	0
76	Other: Premium Paid on Redemptions of Bonds	(4,553,000)
77		
78	Net Decrease in Short-Term Debt (c)	
79		
80	Dividends on Preferred Stock	(5,865,625)
81	Dividends on Common Stock	(75,875,902)
82	Net Cash provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	(\$170,819,527)
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57, and 83)	(\$1,484,114)
87		
88	Cash and Cash Equivalents at Beginning of Year	10,367,001
89		
90	Cash and Cash Equivalents at End of Year	8,882,887

Name of Respondent
COLUMBUS SOUTHERN POWER COMPANY

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)

Year of Report
Dec. 31, 1996

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.

2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.

3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and

plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.

4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.

5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION

Name of Respondent COLUMBUS SOUTHERN POWER CO MPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 1996
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NOTES TO FINANCIAL STATEMENTS (Continued)

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:

Organization

Columbus Southern Power Company (the Company or CSPCo) is a wholly-owned subsidiary of American Electric Power Company, Inc. (AEP Co., Inc.), a public utility holding company. The Company is engaged in the generation, purchase, transmission and distribution of electric power serving 609,000 retail customers in its service territory in central and southern Ohio. Wholesale electric power is supplied to neighboring utility systems, power marketers and the American Electric Power (AEP) System Power Pool (Power Pool). As a member of the Power Pool and a signatory company to the AEP Transmission Equalization Agreement, CSPCo's facilities are operated in conjunction with the facilities of certain other AEP affiliated utilities as an integrated utility system.

Regulation

As a subsidiary of AEP Co., Inc., CSPCo is subject to the regulation of the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935 (1935 Act). Retail rates are regulated by the Public Utilities Commission of Ohio (PUCO). The Federal Energy Regulatory Commission (FERC) regulates wholesale rates.

Basis of Accounting

The accounting of the Company is subject in certain respects to both the requirements of the PUCO and the FERC. The financial statements of the Company have been prepared in accordance with the accounting requirements of the uniform system of accounts prescribed by the FERC. The principal differences from generally accepted accounting principles include accounting for subsidiaries on the equity basis, the exclusion of current maturities of long-term debt from current liabilities, the exclusion of comparative statements of retained earnings and cash flows and the requirement to report deferred tax assets and liabilities separately rather than as a single amount.

Name of Respondent COLUMBUS SOUTHERN POWER CO MPANY	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec. 31, 1996
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NOTES TO FINANCIAL STATEMENTS (Continued)

As a cost-based rate-regulated entity, CSPCo's financial statements reflect the actions of regulators that result in the recognition of revenues and expenses in different time periods than enterprises that are not rate regulated. In accordance with Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation," regulatory assets (deferred expenses) and regulatory liabilities (deferred income) are recorded to reflect the economic effects of regulation.

Use of Estimates

The preparation of these financial statements requires in certain instances the use of management's estimates. Actual results could differ from those estimates.

Utility Plant

Electric utility plant is stated at original cost and is generally subject to first mortgage liens. Additions, major replacements and betterments are added to the plant accounts. Retirements from the plant accounts and associated removal costs, net of salvage, are deducted from accumulated depreciation.

The costs of labor, materials and overheads incurred to operate and maintain utility plant are included in operating expenses.

Allowance for Funds Used During Construction (AFUDC)

AFUDC is a noncash nonoperating income item that is recovered with regulator approval over the service life of utility plant through depreciation and represents the estimated cost of borrowed and equity funds used to finance construction projects. The amounts of AFUDC in 1996 and 1995 were not significant.

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NOTES TO FINANCIAL STATEMENTS (Continued)

Depreciation

Depreciation of electric utility plant is provided on a straight-line basis over the estimated useful lives of utility plant and is calculated largely through the use of composite rates by functional class as follows:

Functional Class of Property	Composite Depreciation Annual Rates
Production	3.2%
Transmission	2.3%
Distribution	3.7%
General	3.5%

Amounts to be used for removal of plant are recovered through depreciation charges included in rates.

Cash and Cash Equivalents

Cash and cash equivalents include temporary cash investments with original maturities of three months or less.

Sale of Receivables

Under an agreement that was terminated in January 1997, CSPCo sold \$50 million of undivided interests in designated pools of accounts receivable and accrued utility revenues with limited recourse. As collections reduced previously sold pools, interests in new pools were sold. At December 31, 1996 and 1995, \$50 million remained to be collected and remitted to the buyer.

Operating Revenues

Revenues include the accrual of electricity consumed but unbilled at month-end as well as billed revenues.

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Fuel Costs

Changes in retail jurisdictional fuel cost are deferred until reflected in revenues in later months through a PUCO fuel cost recovery mechanism. As a result the Company practices deferral accounting for changes in retail fuel costs. The deferral will be amortized to fuel expense as it is recovered in rates. Wholesale jurisdictional fuel cost changes are expensed and billed as incurred.

Income Taxes

The Company follows the liability method of accounting for income taxes as prescribed by SFAS 109, "Accounting for Income Taxes." Under the liability method, deferred income taxes are provided for all temporary differences between book cost and tax basis of assets and liabilities which will result in a future tax consequence. Where the flow-through method of accounting for temporary differences is reflected in rates, deferred income taxes are recorded with related regulatory assets and liabilities in accordance with SFAS 71.

Investment Tax Credits

The Company's policy was to account for investment tax credits under the flow-through method except where regulatory commissions reflected investment tax credits in the rate-making process on a deferral basis. Deferred investment tax credits, which represent a regulatory liability, are being amortized over the life of the related plant investment commensurate with recovery in rates.

Debt and Preferred Stock

Gains and losses on reacquired debt are deferred and amortized over the remaining term of the reacquired debt in accordance with rate-making treatment. If the debt is refinanced the reacquisition costs are deferred and amortized over the term of the replacement debt commensurate with their recovery in rates.

In accordance with rate-making treatment debt discount or premium and debt issuance expenses are amortized over the term of the related debt, with the amortization included in interest charges.

Redemption premiums paid to reacquire preferred stock are included in paid-in capital and amortized to retained earnings in accordance with rate-making treatment.

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Other Property and Investments

The Company has investments in the net assets of three wholly-owned subsidiaries: Conesville Coal Preparation Company (CCPC) which provides coal washing services for one of the Company's generating stations; Simco Inc. which is engaged in leasing a coal conveyor system to CCPC; and Colomet, Inc. which is engaged in real estate activities for its parent. Coal washing services provided by CCPC are priced at cost plus an SEC approved return on investment. The Company paid \$8.6 million in 1996 and \$8.8 million in 1995 for such services. The Company carries its investments at cost plus its equity in undistributed earnings since acquisition. The Company's net investment at December 31, 1996 and 1995 was \$4,406,000 and \$4,450,000, respectively. Other property and investments are stated at cost.

2. ZIMMER PHASE-IN PLAN:

The rate phase-in plan deferrals are applicable to the Zimmer Plant, a 1,300 mw coal-fired plant which commenced commercial operation in 1991. CSPCo owns 25.4% of the plant with the remainder owned by two unaffiliated companies. In May 1992 the PUCO issued an order providing for a phased in rate increase of \$123 million to be implemented in three steps over a two-year period and disallowed \$165 million of Zimmer Plant investment. CSPCo appealed the PUCO ordered Zimmer disallowance and phase-in plan to the Ohio Supreme Court. In November 1993 the Supreme Court issued a decision on CSPCo's appeal affirming the PUCO disallowance but finding that the PUCO did not have statutory authority to order phased-in rates. The Court instructed the PUCO to fix rates to provide gross annual revenues in accordance with the law and to provide a mechanism to recover the amounts deferred as regulatory assets under the phase-in order.

As a result of the Supreme Court decision, in January 1994 the PUCO approved a 7.11% rate increase effective February 1, 1994. The increase is comprised of a 3.72% base rate increase to complete the rate increase phase-in and a temporary 3.39% surcharge, which will be in effect until the deferrals are recovered, estimated to be in 1997. In 1996 and 1995 \$31.5 million and \$28.5 million, respectively, of net phase-in deferrals were collected through the surcharge. The deferral balance was \$15.4 million at December 31, 1996 and \$46.9 million at December 31, 1995. The recovery of amounts deferred under the phase-in plan and the increase in rates to the full rate level did not affect net income since the deferred costs are amortized commensurate with their recovery. From the in-service date of March 1991 until rates went into effect in May 1992 deferred carrying charges of \$43 million were recorded on the Zimmer Plant investment. Recovery of the deferred carrying charges will be sought in the next PUCO base rate proceeding in accordance with the PUCO accounting order that authorized the deferral.

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NOTES TO FINANCIAL STATEMENTS (Continued)

3. COMMITMENTS AND CONTINGENCIES:

Construction and Other Commitments

Substantial construction commitments have been made. Such commitments do not include any expenditures for new generating capacity. The aggregate construction program expenditures for 1997-1999 are estimated to be \$346 million.

Long-term fuel supply contracts contain clauses that provide for periodic price adjustments. The PUCO has a fuel clause mechanism that provides for deferral and subsequent recovery or refund of changes in the cost of fuel with commission review and approval. The contracts are for various terms, the longest of which extends to 2007, and contain various clauses that would release the Company from its obligation under certain force majeure conditions.

Litigation

The Company is involved in a number of legal proceedings and claims. While management is unable to predict the outcome of litigation, it is not expected that the resolution of these matters will have a material adverse effect on the results of operations or financial condition.

4. RELATED PARTY TRANSACTIONS:

Benefits and costs of the AEP System's generating plants are shared by members of the Power Pool. The Company is a member of the Power Pool. Under the terms of the System Interconnection Agreement, capacity charges and credits are designed to allocate the cost of the System's capacity among the Power Pool members based on their relative peak demands and generating reserves. Power Pool members are also compensated for the out-of-pocket costs of energy delivered to the Power Pool and charged for energy received from the Power Pool.

Operating revenues include \$15.4 million in 1996 and \$14.8 million in 1995 for energy supplied to the Power Pool.

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Since the Company's internal peak demand exceeds its generating capacity charges for Power Pool capacity reservation and energy received were included in purchased power expense as follows:

	Year Ended December 31,	
	1996	1995
	(in thousands)	
Capacity Charges	\$ 83,723	\$ 83,318
Energy Charges	76,758	74,100
Total	\$160,481	\$157,418

Power Pool members share in wholesale sales to unaffiliated entities made by the Power Pool. The Company's share of these wholesale Power Pool sales included in operating revenues were \$63.6 million in 1996 and \$45.8 million in 1995.

In addition, the Power Pool purchases power from unaffiliated companies for immediate resale to other unaffiliated utilities. The Company's share of these purchases was included in purchased power expense and totaled \$7.1 million in 1996 and \$10 million in 1995. Revenues from these transactions including a transmission fee are included in the above Power Pool wholesale operating revenues.

AEP System companies participate in a transmission equalization agreement. This agreement combines certain AEP System companies' investments in transmission facilities and shares the costs of ownership in proportion to the System companies' respective peak demands. Pursuant to the terms of the agreement, other operation expense includes equalization charges of \$30.6 million and \$31.1 million in 1996 and 1995, respectively.

American Electric Power Service Corporation (AEPSC) provides certain managerial and professional services to AEP System companies. The costs of the services are billed by AEPSC on a direct-charge basis to the extent practicable and on reasonable bases of proration for indirect costs. The charges for services are made at cost and include no compensation for the use of equity capital, which is furnished to AEPSC by AEP Co., Inc. Billings from AEPSC are capitalized or expensed depending on the nature of the services rendered. AEPSC and its billings are subject to the regulation of the SEC under the 1935 Act.

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5. BENEFIT PLANS:

The Company participates in the AEP System pension plan, a trustee, noncontributory defined benefit plan covering all employees meeting eligibility requirements. Benefits are based on service years and compensation levels. Pension costs are allocated by first charging each System company with its service cost and then allocating the remaining pension cost in proportion to its share of the projected benefit obligation. The funding policy is to make annual trust fund contributions equal to the net periodic pension cost up to the maximum amount deductible for federal income taxes, but not less than the minimum required contribution in accordance with the Employee Retirement Income Security Act of 1974. Net pension costs for the years ended December 31, 1996 and 1995 were \$1.4 million and \$0.8 million, respectively.

An employee savings plan is offered which allows participants to contribute up to 17% of their salaries into various investment alternatives, including AEP Co., Inc. common stock. An employer matching contribution, equaling one-half of the employees' contribution to the plan up to a maximum of 3% of the employees' base salary, is invested in AEP Co., Inc. common stock. The Company's annual contributions totaled \$1.8 million in 1996 and \$2.1 million in 1995.

Postretirement benefits other than pensions (OPEB) are provided for retired employees under an AEP System plan. Substantially all employees are eligible for postretirement health care and life insurance if they retire from active service after reaching age 55 and have at least 10 service years. OPEB costs are determined by the application of AEP System actuarial assumptions to each operating company's employee complement. The annual accrued costs, which includes the recognition of one-twentieth of the prior service transition obligation, were \$13.4 million in 1996 and \$11 million in 1995. The funding policy for AEP's OPEB plan is to make contributions to an external Voluntary Employees Beneficiary Association trust fund equal to the incremental OPEB costs (i.e., the amount that the total postretirement benefits cost under SFAS 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," exceeds the pay-as-you-go amount). Contributions were \$8.2 million in 1996 and \$14.3 million in 1995.

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6. COMMON OWNERSHIP OF GENERATING AND TRANSMISSION FACILITIES:

The Company jointly owns, as tenants in common, four generating units and transmission facilities with two unaffiliated companies. Each of the participating companies is obligated to pay its share of the costs of any such jointly owned facilities in the same proportion as its ownership interest. The Company's proportionate share of the operating costs associated with such facilities is included in the Statement of Income and the amounts reflected in the accompanying Comparative Balance Sheet under utility plant include such costs as follows:

	Percent of Ownership	Company's Share December 31, 1996	
		Utility Plant in Service (in thousands)	Construction Work in Progress
Production:			
W.C. Beckjord Generating Station (Unit No. 6)	12.5	\$ 13,628	\$ 46
Conesville Generating Station (Unit No. 4)	43.5	79,484	268
J.M. Stuart Generating Station	26.0	179,633	2,973
Wm. H. Zimmer Generating Station	25.4	698,765	1,349
		\$971,510	\$4,636
Transmission	(a)	\$59,105	\$324

	Percent of Ownership	Company's Share December 31, 1995	
		Utility Plant in Service (in thousands)	Construction Work in Progress
Production:			
W.C. Beckjord Generating Station (Unit No. 6)	12.5	\$ 13,876	\$ 13
Conesville Generating Station (Unit No. 4)	43.5	78,193	555
J.M. Stuart Generating Station	26.0	181,362	2,127
Wm. H. Zimmer Generating Station	25.4	696,661	2,403
		\$970,092	\$5,098
Transmission	(a)	\$59,208	\$ -0-

(a) Varying percentages of ownership.

At December 31, 1996 and 1995, the accumulated depreciation with respect to the Company's share of jointly owned facilities amounted to \$271.2 million and \$247.6 million, respectively.

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7. CUMULATIVE PREFERRED STOCK:

At December 31, 1996, authorized shares of cumulative preferred stock were as follows:

Par Value	Shares Authorized
\$100	2,500,000
25	7,000,000

The cumulative preferred stock outstanding shown below is subject to mandatory redemption and has an involuntary liquidation preference of par value.

Series (a)	Call Price December 31, 1996	Par Value	Shares Outstanding 12/31/96	Amount December 31,	
				1996	1995 (in thousands)
7% (b)	(b)	\$100	250,000	\$25,000	\$25,000
7-7/8% (c)	(c)	100	500,000	50,000	50,000
9.50% (d)	(d)	100	-	-	7,500
				\$75,000	\$82,500

(a) The sinking fund provisions of the 7% and 7-7/8% series aggregate \$2,500,000, \$2,500,000 and \$7,500,000 and \$7,500,000 in 1998, 1999, 2000 and 2001, respectively.

(b) Shares issued June 1994. Commencing in 2000, a sinking fund will require the redemption of 50,000 shares at \$100 a share on or before August 1 of each year. The Company has the right, on each sinking fund date, to redeem an additional 50,000 shares. Redemption of this series is prohibited prior to August 1, 2000.

(c) Called for redemption in March 1997.

(d) Redeemed 675,000 shares of 9.5% series in November 1995 and the remaining 75,000 shares in February 1996.

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NOTES TO FINANCIAL STATEMENTS (Continued)

8. FEDERAL INCOME TAXES:

The details of federal income taxes as reported are as follows:

	Year Ended December 31, 1996	1995
	(in thousands)	
Charged (Credited) to Operating Expenses (net):		
Current	\$ 78,196	\$59,987
Deferred	(11,845)	2,003
Deferred Investment Tax Credits	(3,619)	(3,328)
Total	62,732	58,662
Charged (Credited) to Nonoperating Income (net):		
Current	(1,453)	(1,019)
Deferred	(931)	884
Deferred Investment Tax Credits	(284)	(149)
Total	(2,668)	(284)
Total Federal Income Taxes as Reported	\$ 60,064	\$58,378

The following is a reconciliation of the difference between the amount of federal income taxes computed by multiplying book income before federal income taxes by the statutory tax rate, and the amount of federal income taxes reported.

	Year Ended December 31, 1996	1995
	(in thousands)	
Net Income	\$107,108	\$110,616
Federal Income Taxes	60,064	58,378
Pre-tax Book Income	\$167,172	\$168,994
Federal Income Taxes on Pre-tax Book Income at Statutory Rate (35%)	\$58,510	\$59,148
Increase (Decrease) in Federal Income Taxes Resulting From the Following Items:		
Depreciation	7,861	7,959
Corporate Owned Life Insurance	(1,636)	(2,842)
Investment Tax Credits (net)	(3,903)	(3,843)
Other	(768)	(2,044)
Total Federal Income Taxes as Reported	\$60,064	\$58,378
Effective Federal Income Tax Rate	35.9%	34.5%

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NOTES TO FINANCIAL STATEMENTS (Continued)

The following tables show the elements of the net deferred tax liability and the significant temporary differences giving rise to such deferrals:

	December 31,	
	1996	1995
	(in thousands)	
Deferred Tax Assets	\$ 77,111	\$ 68,634
Deferred Tax Liabilities	(519,133)	(533,552)
Net Deferred Tax Liabilities	\$ (442,022)	\$ (464,918)
Property Related Temporary Differences	\$ (341,431)	\$ (336,565)
Amounts Due From Customers For Future Federal Income Taxes	(94,336)	(97,882)
All Other (net)	(6,255)	(30,471)
Total Net Deferred Tax Liabilities	\$ (442,022)	\$ (464,918)

The Company joins in the filing of a consolidated federal income tax return with its affiliates in the AEP System. The allocation of the AEP System's current consolidated federal income tax to the System companies is in accordance with SEC rules under the 1935 Act. These rules permit the allocation of the benefit of current tax losses to the System companies giving rise to them in determining their current tax expense. The tax loss of the System parent company, AEP Co., Inc., is allocated to its subsidiaries with taxable income. With the exception of the loss of the parent company, the method of allocation approximates a separate return result for each company in the consolidated group.

The AEP System has settled with the Internal Revenue Service (IRS) all issues from the audits of the consolidated federal income tax returns for the years prior to 1991. Returns for the years 1991 through 1993 are presently being audited by the IRS. During the audit the IRS agents requested a ruling from their National Office that certain interest deductions relating to corporate owned life insurance (COLI) claimed by the Company for 1991 through 1993 should not be allowed. The COLI program was established in 1990 as part of the Company's strategy to fund and reduce the cost of medical benefits for retired employees. AEP filed a brief with the IRS National Office refuting the agents' position. Although no adjustments have been proposed, a disallowance of the COLI interest deductions through December 31, 1996 would reduce earnings by approximately \$34 million (including interest). Management believes it will ultimately prevail on this issue and will vigorously contest any adjustments that may be assessed. Accordingly, no provision for this amount has been recorded. In the opinion of management, the final settlement of open years will not have a material effect on results of operations.

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NOTES TO FINANCIAL STATEMENTS (Continued)

9. SUPPLEMENTARY INFORMATION:

Year Ended December 31,
1996
(in thousands)

Cash was paid for:

Interest (net of capitalized amounts)	\$77,020
Income Taxes	75,976

Noncash Acquisitions under

Capital Leases were	14,224
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10. LEASES:

Leases of property, plant and equipment are for periods of up to 31 years and require payments of related property taxes, maintenance and operating costs. The majority of the leases have purchase or renewal options and will be renewed or replaced by other leases.

Lease rentals for both operating and capital leases are generally charged to operating expenses in accordance with rate-making treatment. The components of rental costs are as follows:

	Year Ended December 31,	
	1996	1995
	(in thousands)	
Operating Leases	\$ 4,074	\$ 4,205
Amortization of Capital Leases	5,073	4,835
Interest on Capital Leases	2,076	1,521
Total Rental Costs	\$11,223	\$10,561

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Properties under capital leases and related obligations recorded on the Comparative Balance Sheet are as follows:

	December 31,	
	1996	1995
	(in thousands)	
Electric Utility Plant:		
Production	\$ 1,952	\$ 1,952
General	47,327	37,542
Total Electric Utility Plant	49,279	39,494
Other Property	2,189	1,838
Total Properties	51,468	41,332
Accumulated Amortization	15,507	13,770
Net Properties under Capital Leases	\$35,961	\$27,562
Obligations under Capital Leases:*		
Noncurrent Liability	\$30,413	\$22,825
Liability Due Within One Year	5,548	4,737
Total Capital Lease Obligations	\$35,961	\$27,562

* Represents the present value of future minimum lease payments.

Properties under operating leases and related obligations are not included in the Comparative Balance Sheet.

Future minimum lease payments consisted of the following at December 31, 1996:

	Capital Leases	Noncancelable Operating Leases
	(in thousands)	
1997	\$ 7,639	\$ 2,141
1998	6,723	1,914
1999	6,105	1,577
2000	5,477	1,369
2001	4,276	1,045
Later Years	13,468	7,012
Total Future Minimum Lease Payments	43,688	\$15,058
Less Estimated Interest Element	7,727	
Estimated Present Value of Future Minimum Lease Payments	\$35,961	

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11. COMMON SHAREHOLDER'S EQUITY:

The Company received from AEP Co., Inc. a cash capital contribution of \$15 million in 1995 which was credited to paid-in capital. In 1996 and 1995 net charges to paid-in capital of \$282,000 and \$6,215,000, respectively, represented expenses of issuing and retiring cumulative preferred stock. There were no other material transactions affecting the common stock and paid-in capital accounts in 1996 and 1995.

12. LONG-TERM DEBT AND LINES OF CREDIT:

Long-term debt by major category was outstanding as follows:

	December 31,	
	1996	1995
	(in thousands)	
First Mortgage Bonds	\$733,522	\$827,167
Debentures	72,810	72,734
Installment Purchase Contracts	90,949	90,895
	897,281	990,796
Less Portion Due Within		
One Year	14,640	-
Total	\$882,641	\$990,796

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First mortgage bonds outstanding were as follows:

% Rate	Due	December 31,	
		1996	1995
		(in thousands)	
6-1/4	1997 - October 1	\$ 14,640	\$ 14,640
9.15	1998 - February 2	57,000	57,000
7	1998 - June 1	24,750	24,750
9.31	2001 - August 1	-	30,000
7.95	2002 - July 1	40,000	40,000
7.25	2002 - October 1	75,000	75,000
7.15	2002 - November 1	20,000	20,000
6.80	2003 - May 1	50,000	50,000
6.60	2003 - August 1	40,000	40,000
6.10	2003 - November 1	20,000	20,000
6.55	2004 - March 1	50,000	50,000
6.75	2004 - May 1	50,000	50,000
9.625	2021 - June 1	-	50,000
8.70	2022 - July 1	35,000	35,000
8.40	2022 - August 1	15,000	15,000
8.55	2022 - August 1	15,000	15,000
8.40	2022 - August 15	25,500	40,000
8.40	2022 - October 15	15,000	15,000
7.90	2023 - May 1	50,000	50,000
7.75	2023 - August 1	40,000	40,000
7.45	2024 - March 1	50,000	50,000
7.60	2024 - May 1	50,000	50,000
Unamortized Discount (net)		(3,368)	(4,223)
		733,522	827,167
Less Portion Due Within			
One year		14,640	-
Total		\$718,882	\$827,767

Certain indentures relating to the first mortgage bonds contain improvement, maintenance and replacement provisions requiring the deposit of cash or bonds with the trustee, or in lieu thereof, certification of unfunded property additions.

Debentures represent \$75 million of 8-3/8% Series A Junior Subordinated Deferrable Interest Debentures due in September 2025.

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Installment purchase contracts have been entered into in connection with the issuance of pollution control revenue bonds by the Ohio Air Quality Development Authority as follows:

	December 31,	
	1996	1995
	(in thousands)	
% Rate Due		
6-3/8 2020 - December 1	\$48,550	\$48,550
6-1/4 2020 - December 1	43,695	43,695
Unamortized Discount	(1,296)	(1,350)
Total	\$90,949	\$90,895

Under the terms of the installment purchase contracts, the Company is required to pay amounts sufficient to enable the payment of interest on and the principal of related pollution control revenue bonds issued to finance the Company's share of construction of pollution control facilities at the Zimmer Plant.

At December 31, 1996 future annual long-term debt payments, excluding premium or discount, are as follows:

	Principal Amount
	(in thousands)
1997	\$ 14,640
1998	81,750
1999	-
2000	-
2001	-
Later Years	807,745
Total	\$904,135

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Short-term debt borrowings are limited by provisions of the 1935 Act to \$175 million. Lines of credit are shared with AEP System companies and at December 31, 1996 and 1995 were available in the amounts of \$409 million and \$372 million, respectively. Commitment fees of approximately 1/8 of 1% of the unused short-term lines of credit are required to maintain the lines of credit. Outstanding short-term debt consisted of:

	Balance Outstanding (in thousands)	Year-end Weighted Average Interest Rate
December 31, 1996:		
Notes Payable	\$20,000	6.4%
Commercial Paper	31,800	7.4
Total	\$51,800	7.0
December 31, 1995:		
Notes Payable	\$13,125	6.0%
Commercial Paper	21,200	6.1
Total	\$34,325	6.1

13. FAIR VALUE OF FINANCIAL INSTRUMENTS:

The carrying amounts of cash and cash equivalents, accounts receivable, short-term debt and accounts payable approximate fair value because of the short-term maturity of these instruments. At December 31, 1996 and 1995 fair values for preferred stock subject to mandatory redemption were \$79.5 million and \$88.8 million, and for long-term debt were \$910 million and \$1,032 million, respectively. The carrying amounts for preferred stock subject to mandatory redemption were \$75 million and \$82.5 million, and for long-term debt were \$897 million and \$991 million at December 31, 1996 and 1995, respectively. Fair values are based on quoted market prices for the same or similar issues and the current dividend or interest rates offered for instruments of the same remaining maturities.

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