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American Electric Power
1 Riverside Plaza
Columbus, OH 43215-2373
www.aep.com

David C. House
Senior Counsel

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The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

October 9, 2002

Re: **COLUMBUS SOUTHERN POWER COMPANY**

Gentlemen:

02-2628-EL-AIS

Enclosed on behalf of Columbus Southern Power Company are one executed and five conformed copies of an Application for authority to issue and sell promissory notes and enter into interest rate management agreements.

An additional copy of the Application is also enclosed. Please indicate by file-stamp the Commission's receipt and return the extra copy so marked to the undersigned.

Very truly yours,

David C. House

DCH/mms

Enclosures

c: Shahid Mahmud

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Before
THE PUBLIC UTILITIES COMMISSION OF OHIO

REGULATORY SECRETARY DIV

OCT 10 AM 9:44

PUCO

.....
In the Matter of :
the application of :
COLUMBUS SOUTHERN POWER COMPANY :
for authority to issue and sell :
promissory notes and :
enter into interest rate :
management agreements :
.....

2628
Case No. 02-____-EL-AIS

APPLICATION AND STATEMENT

TO THE HONORABLE

THE PUBLIC UTILITIES COMMISSION OF OHIO:

Your Applicant, Columbus Southern Power Company, respectfully shows:

FIRST: Applicant is an Ohio corporation engaged in the business of supplying to consumers within the State of Ohio electricity for light, heat and power purposes and is a public utility as defined by the Ohio Revised Code.

SECOND: Applicant's authorized and outstanding capital stock as of June 30, 2002 was as follows:

(1) 24,000,000 shares of Common Stock without par value authorized, of which there were 16,410,426 shares issued and outstanding;

(2) 2,500,000 Cumulative Preferred Shares (par value \$100) authorized, of which there were issued and outstanding a 7% Series consisting of 100,000 shares; and

(3) 7,000,000 Cumulative Preferred Shares (par value \$25) authorized, of which there were none issued and outstanding.

THIRD: The outstanding funded debt of Applicant as of June 30, 2002 consisted of the following issues, all issued pursuant to former orders of your Honorable Commission:

1. First Mortgage Bonds, 8.70% Series due 2022 \$ 2,000,000
2. First Mortgage Bonds, 8.55% Series due 2022 \$ 15,000,000
3. First Mortgage Bonds, 8.40% Series due 2022 \$ 13,000,000
4. First Mortgage Bonds, 8.40% Series due 2022 \$ 14,000,000
5. First Mortgage Bonds, 7.25% Series due 2002 \$ 14,000,000
6. First Mortgage Bonds, 7.15% Series due 2002 \$ 6,500,000
7. First Mortgage Bonds, 7.90% Series due 2023 \$ 40,000,000
8. First Mortgage Bonds, 6.80% Series due 2003 \$ 13,000,000
9. First Mortgage Bonds, 6.60% Series due 2003 \$ 25,000,000
10. First Mortgage Bonds, 7.75% Series due 2023 \$ 33,000,000
11. First Mortgage Bonds, 6.10% Series due 2003 \$ 5,000,000
12. First Mortgage Bonds, 6.55% Series due 2004 \$ 26,500,000
13. First Mortgage Bonds, 6.75% Series due 2004 \$ 26,000,000
14. First Mortgage Bonds, 7.60% Series due 2024 \$ 11,000,000

Other Long-Term Debt (including capital leases) \$822,629,000

Applicant had no short-term debt outstanding at June 30, 2002.

FOURTH: Attached hereto as Exhibit A are financial statements, including a balance sheet and statements of income and retained earnings of the Applicant as of June 30, 2002.

FIFTH: To provide Applicant with necessary capital for the purposes set forth herein, Applicant proposes, with the consent and approval of your Honorable Commission, to issue and sell, through October 31, 2003, secured or unsecured promissory notes ("Notes") in the aggregate principal amount of up to \$500,000,000. The Notes may be issued in the form of either First Mortgage Bonds, Senior or Subordinated Debentures (including Junior Subordinated Debentures) or other promissory notes. In addition, Applicant proposes to issue one or more unsecured promissory notes ("AEP Notes") to its parent American Electric Power Company, Inc. ("AEP"), provided that the aggregate amount of Notes and AEP Notes issued will not exceed \$500,000,000. The Notes and

the AEP Notes will be issued in accordance with the transition plans for Applicant approved by this Commission in Case No. 99-1729-EL-ETP.

The Notes will mature in not less than 9 months and not more than 50 years. The interest rate of the Notes may be fixed or variable and will be sold by (i) competitive bidding, (ii) through negotiation with underwriters or agents, or (iii) by direct placement with a commercial bank or other institutional investor. Any fixed rate Note will be sold by the Applicant at a yield to maturity which shall not exceed by more than 4.0% the yield to maturity on United States Treasury obligations of comparable maturity at the time of pricing. Any variable rate Note will be sold by the Applicant at a yield to maturity which shall not exceed by more than 4.0% the yield to maturity on United States Treasury obligations of comparable maturity at the time of pricing, and the initial interest rate on any variable rate Note will not exceed 10% per annum. The commission payable to agents or underwriters will not exceed 3.5% of the principal amount of the Notes sold. Applicant will agree to specific redemption provisions, if any, including redemption premiums, at the time of the pricing. The interest rates and maturity dates of any AEP Notes would be designed to parallel the cost of the capital of AEP in accordance with the Public Utility Holding Company Act of 1935, as amended. In addition, the interest rate and maturity parameters governing the Notes would apply to the AEP Notes.

In connection with the sale of unsecured Notes, Applicant may agree to restrictive covenants which would prohibit it from, among other things: (i) creating or permitting to exist any liens on its property, with certain stated exceptions; (ii) creating indebtedness except as specified therein; (iii) failing to maintain a specified financial condition; (iv) entering into certain mergers, consolidations and dispositions of assets; and (v) permitting certain events to occur in connection with pension plans. Applicant will not agree to any covenant more restrictive than those

currently existing under the Indenture, dated as of September 1, 1997, unless such unsecured Notes are callable (including, without limitation, with a provision for a make-whole call premium) by Applicant on or prior to December 31, 2005. In addition, Applicant may permit the holder of the Notes to require Applicant to prepay them after certain specified events, including an ownership change.

Applicant may have the right to defer payment of interest on the Junior Subordinated Debentures for up to five years. However, Applicant may not declare and pay dividends on its outstanding stock if payments under the Junior Subordinated Debentures are deferred. The payment of principal, premium and interest on Junior Subordinated Debentures will be subordinated in right of payment to the prior payment in full of senior indebtedness.

SIXTH: The First Mortgage Bonds will be issued under and secured by the Indenture of Mortgage and Deed of Trust, dated as of September 1, 1940, as supplemented and amended, and as to be further supplemented and amended by one or more Supplemental Indentures. A copy of the most recent Supplemental Indenture for First Mortgage Bonds utilized by the Applicant is attached as Exhibit B. It is proposed that a similar form of Supplemental Indenture be used for one or more series of the First Mortgage Bonds (except for provisions such as interest rate, maturity, redemption terms and certain administrative matters). Applicant will issue First Mortgage Bonds only if such First Mortgage Bonds are callable (including, without limitation, with a provision for a make-whole call premium) by Applicant on or prior to December 31, 2005.

The Junior Subordinated Debentures will be issued under an Indenture, dated as of September 1, 1995, as supplemented and amended, and as to be further supplemented and amended by one or more Supplemental Indentures. A copy of the most recent Supplemental Indenture for Junior Subordinated Debentures utilized by the Applicant is attached as Exhibit C. It is proposed

that a similar form of Supplemental Indenture be used for one or more series of the Junior Subordinated Debentures (except for provisions such as interest rate, maturity, redemption terms and certain administrative matters).

The unsecured Notes (other than Junior Subordinated Debentures) will be issued under an Indenture dated as of September 1, 1997, as supplemented and amended, and as to be further supplemented and amended by one or more Supplemental Indentures or Company Orders. A copy of the most recent Company Order utilized by the Applicant is attached hereto as Exhibit D. It is proposed that a similar form of Company Order or a Supplemental Indenture be used for one or more series of the unsecured Notes other than Junior Subordinated Debentures (except for provisions such as interest rate, maturity, redemption terms and certain administrative matters). The unsecured Notes may be assignable by Applicant to the post-corporate separation wires company. Any such assignment would be in lieu of the wires company issuing securities the proceeds of which would be transferred to Applicant to redeem indebtedness incurred prior to corporate separation as currently contemplated in Applicant's corporate separation proceedings. Applicant believes any such assignment would be consistent with applicable limitations on affiliate transactions.

* * *

SEVENTH: Applicant proposes, with the consent and approval of your Honorable Commission, to utilize interest rate management techniques and enter into Interest Rate Management Agreements. Such authority will allow Applicant sufficient alternatives and flexibility when striving to reduce its effective interest cost and manage interest cost on financings.

A. Interest Rate Management Agreements

The Interest Rate Management Agreements will be products commonly used in

today's capital markets, consisting of "interest rate swaps", "caps", "collars", "floors", "options", or hedging products such as "forwards" or "futures", or similar products, the purpose of which is to manage and minimize interest costs. Applicant expects to enter into these agreements with counterparties that are highly rated financial institutions. The transactions will be for a fixed period and a stated principal amount, and may be for underlying fixed or variable obligations of Applicant. Applicant will not agree to any covenant more restrictive than those contained in the underlying obligation unless such Interest Rate Management Agreement either expires by its terms or is unwindable on or prior to December 31, 2005.

B. Pricing Parameters

Applicant proposes that the pricing parameters for Interest Rate Management Agreements be governed by the parameters contained herein. Fees and commissions in connection with any Interest Rate Management Agreement will be in addition to the above parameters and will not exceed 1.00% of the amount of the underlying obligation involved.

C. Accounting

Applicant proposes to account for these transactions in accordance with generally accepted accounting principles.

D. Commission Authorization

Since market opportunities for these interest rate management alternatives are transitory, Applicant must be able to execute interest rate management transactions when the opportunity arises to obtain the most competitive pricing. Thus, Applicant seeks approval to enter into any or all of the described transactions within the parameters discussed above prior to the time Applicant reaches agreement with respect to the terms of such transactions.

If Applicant utilizes Interest Rate Management Agreements, Applicant's annual long-term interest charges could change. The authorization of the Interest Rate Management Agreements consistent with the parameters herein in no way relieves Applicant of its responsibility to obtain the best terms available for the product selected and, therefore, it is appropriate and reasonable for this Commission to authorize Applicant to agree to such terms and prices consistent with said parameters.

The authorization which Applicant requests herein to enter into Interest Rate Management Agreements is consistent with the authority granted by your Honorable Commission to Applicant in Case No. 01-2457-EL-AIS.

* * *

EIGHTH: The issuance of the Notes and the AEP Notes will be effected in compliance with all applicable indenture, charter and other standards relating to debt and equity securities and capitalization ratios of the Applicant.

NINTH: All proceeds realized from the sale of the Notes and the AEP Notes by the Applicant, together with any other funds which may become available to Applicant, will be used to pay at maturity or refund long-term debt and cumulative preferred stock, to repay short-term indebtedness used to pay at maturity or refund long-term debt and cumulative preferred stock, to fund its construction program and for working capital and other corporate purposes, including implementation of Applicant's corporate separation plan.

Applicant's First Mortgage Bonds, 6.10% Series due 2003 (\$5,000,000 principal amount outstanding) may be redeemed at their regular redemption price of 100.00%. Applicant's First Mortgage Bonds, 6.55% Series due 2004 (\$26,500,000 principal amount outstanding) may be redeemed at their regular redemption price of 100.00%. Applicant's First Mortgage Bonds, 6.60%

Series due 2003 (\$25,000,000 principal amount outstanding) may be redeemed at their regular redemption price of 100.00%. Applicant's First Mortgage Bonds, 6.75% Series due 2004 (\$26,000,000 principal amount outstanding), may be redeemed at their regular redemption price of 100.00%. Applicant's First Mortgage Bonds, 6.80% Series due 2003 (\$13,000,000 principal amount outstanding) may be redeemed at their regular redemption price of 100.00%. Applicant's First Mortgage Bonds, 7.90% due 2023 (\$40,000,000 principal amount outstanding) may be redeemed at their regular redemption price of 104.35% until May 1, 2003 and at 103.95% thereafter. Applicant's First Mortgage Bonds, 8.55% Series due 2022 (\$15,000,000 principal amount outstanding) may be redeemed at their regular redemption price of 104.28% until August 1, 2003 and at 103.85% thereafter. Applicant's First Mortgage Bonds, 8.70% Series due 2022 (\$2,000,000 principal amount outstanding) may be redeemed at their regular redemption price of 104.35% until July 1, 2003 and at 103.92% thereafter.

Applicant proposes to treat the corporate separation portion of incremental costs associated with any issuance of Notes, including reacquisition premiums, all related issuance expenses, and discounts or premiums on the Notes, as a regulatory asset associated with implementing restructuring and customer choice in Ohio subject to recovery and commensurate amortization in the next cost of service distribution base rate proceeding. Consistent with prior accounting, Applicant proposes to reclassify all existing unamortized costs associated with any long-term indebtedness redeemed or otherwise reacquired, including issuance expenses, discounts and premiums, to a new regulatory asset account to be amortized over the life of the new Notes. Applicant intends to utilize deferred tax accounting for the premium expense, in order to properly match the amortization of the expense and the related tax effect.

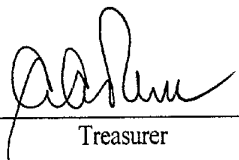
TENTH: The actual cost of the Notes and the AEP Notes will be determined at the time of the sale or sales thereof. The net effect on revenue requirements resulting from their issuance will be reflected in the determination of required revenue in rate proceedings in which all factors affecting rates are taken into account according to law.

WHEREFORE: Applicant prays for authority from your Honorable Commission (i) to issue secured or unsecured promissory notes (including AEP Notes) in the manner set forth herein in one or more new series, with a maturity of not less than 9 months and not more than 50 years in principal amounts of up to \$500,000,000, in one or more series, and to apply the proceeds of the sale thereof, all as proposed and described in this Application and (ii) to enter into Interest Rate Management Agreements within the parameters proposed and described in this Application.

Applicant prays for all other and further relief necessary and appropriate in the premises.

Respectfully submitted this 8th day of October, 2002.

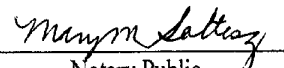
COLUMBUS SOUTHERN POWER COMPANY

By _____
Treasurer

By _____
Secretary

STATE OF OHIO)
) SS:
COUNTY OF FRANKLIN)

Before me, a Notary Public in and for Franklin County in the State of Ohio, personally appeared A. A. Pena and Thomas S. Ashford, Treasurer and Secretary, respectively, of Columbus Southern Power Company, the Applicant in the foregoing application, and each being duly sworn says that the facts and allegations herein contained are true to the best of his knowledge and belief.



Notary Public

Dated: October 8, 2002

MARY M. SOLTESZ
NOTARY PUBLIC, STATE OF OHIO
My Commission Expires 07-13-04

EXHIBIT A

Financial Statements of Applicant as of June 30, 2002

EXHIBIT B

Supplemental Indenture relating to issuance of First Mortgage Bonds

EXHIBIT C

Supplemental Indenture relating to issuance of Junior Subordinated Debentures

EXHIBIT D

Company Order relating to issuance of unsecured Notes other than Junior Subordinated Debentures

Exhibit A

COLUMBUS SOUTHERN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

	Three Months Ended June 30, 2002	2001	Six Months Ended June 30, 2002	2001
	(in thousands)			
OPERATING REVENUES:				
Electricity Marketing and Trading	\$772,779	\$ 969,836	\$1,611,868	\$1,977,667
Energy Delivery	123,062	120,314	225,610	219,310
Sales to AEP Affiliates	17,275	18,945	24,953	37,691
TOTAL OPERATING REVENUES	<u>913,116</u>	<u>1,109,095</u>	<u>1,862,431</u>	<u>2,234,668</u>
OPERATING EXPENSES:				
Fuel	43,064	42,368	88,714	89,398
Purchased Power:				
Electricity Marketing and Trading	572,644	777,356	1,210,565	1,576,995
AEP Affiliates	78,622	68,504	150,204	140,776
Other Operation	62,273	54,510	116,431	109,058
Maintenance	15,050	19,729	29,190	38,509
Depreciation and Amortization	32,402	31,379	65,138	62,861
Taxes Other Than Income Taxes	29,330	32,079	59,606	62,766
Income Taxes	21,691	20,276	38,995	39,479
TOTAL OPERATING EXPENSES	<u>855,076</u>	<u>1,046,201</u>	<u>1,758,843</u>	<u>2,119,842</u>
OPERATING INCOME	58,040	62,894	103,588	114,826
NONOPERATING INCOME	275,637	352,505	533,215	605,351
NONOPERATING EXPENSES	265,114	348,255	519,242	596,047
NONOPERATING INCOME TAX EXPENSE	3,450	1,238	4,797	2,820
INTEREST CHARGES	<u>13,392</u>	<u>18,488</u>	<u>27,185</u>	<u>36,221</u>
INCOME BEFORE EXTRAORDINARY ITEM	51,721	47,418	85,579	85,089
EXTRAORDINARY LOSS - EFFECTS OF DEREGULATION (INCLUSIVE OF TAX BENEFIT OF \$8,353,000)	-	(26,407)	-	(26,407)
NET INCOME	51,721	21,011	85,579	58,682
PREFERRED STOCK DIVIDEND REQUIREMENTS	<u>203</u>	<u>301</u>	<u>384</u>	<u>603</u>
EARNINGS APPLICABLE TO COMMON STOCK	<u>\$ 51,518</u>	<u>\$ 20,710</u>	<u>\$ 85,195</u>	<u>\$ 58,079</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended June 30, 2002	2001	Six Months Ended June 30, 2002	2001
	(in thousands)			
NET INCOME	\$51,721	\$21,011	\$85,579	\$58,682
OTHER COMPREHENSIVE INCOME (LOSS)				
Cash Flow Power Hedge	1,449	-	1,449	-
COMPREHENSIVE INCOME	<u>\$53,170</u>	<u>\$21,011</u>	<u>\$87,028</u>	<u>\$58,682</u>

The common stock of the Company is wholly owned by AEP.

See Notes to Financial Statements beginning on page L-1.

COLUMBUS SOUTHERN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	(in thousands)			
BALANCE AT BEGINNING OF PERIOD	\$187,766	\$115,486	\$176,103	\$ 99,069
NET INCOME	51,721	21,011	85,579	58,682
DEDUCTIONS:				
Cash Dividends Declared:				
Common Stock	21,768	20,738	43,534	41,476
Preferred Stock	175	263	350	525
Capital Stock Expense	<u>254</u>	<u>253</u>	<u>508</u>	<u>507</u>
BALANCE AT END OF PERIOD	<u>\$217,290</u>	<u>\$115,243</u>	<u>\$217,290</u>	<u>\$115,243</u>

See Notes to Financial Statements beginning on page L-1.

COLUMBUS SOUTHERN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2002 December 31, 2001
(in thousands)

ASSETS

ELECTRIC UTILITY PLANT:

Production	\$1,579,404	\$1,574,506
Transmission	409,373	401,405
Distribution	1,183,240	1,159,105
General	149,750	146,732
Construction Work in Progress	<u>80,695</u>	<u>72,572</u>
Total Electric Utility Plant	3,402,462	3,354,320
Accumulated Depreciation and Amortization	<u>1,424,191</u>	<u>1,377,032</u>
NET ELECTRIC UTILITY PLANT	<u>1,978,271</u>	<u>1,977,288</u>

OTHER PROPERTY AND INVESTMENTS	<u>39,319</u>	<u>40,369</u>
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LONG-TERM ENERGY TRADING CONTRACTS	<u>320,819</u>	<u>193,915</u>
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CURRENT ASSETS:

Cash and Cash Equivalents	3,414	12,358
Advances to Affiliates	20,709	-
Accounts Receivable:		
Customers	53,347	41,770
Affiliated Companies	154,468	63,470
Miscellaneous	17,006	16,968
Allowance for Uncollectible Accounts	(751)	(745)
Fuel - at average cost	21,864	20,019
Materials and Supplies - at average cost	39,716	38,984
Accrued Utility Revenues	17,376	7,087
Energy Trading Contracts	518,838	347,198
Prepayments and Other Current Assets	<u>37,919</u>	<u>28,733</u>
TOTAL CURRENT ASSETS	<u>883,906</u>	<u>575,842</u>

REGULATORY ASSETS	<u>257,378</u>	<u>262,267</u>
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DEFERRED CHARGES	<u>34,658</u>	<u>56,187</u>
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TOTAL ASSETS	<u>\$3,514,351</u>	<u>\$3,105,868</u>
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See Notes to Financial Statements beginning on page L-1.

COLUMBUS SOUTHERN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

June 30, 2002 December 31, 2001
(in thousands)

CAPITALIZATION AND LIABILITIES

CAPITALIZATION:

Common Stock - No Par Value:

Authorized - 24,000,000 Shares

Outstanding - 16,410,426 Shares

Paid-in Capital

Accumulated Other Comprehensive Income

Retained Earnings

Total Common Shareowner's Equity

Cumulative Preferred Stock - Subject to

Mandatory Redemption

Long-term Debt

\$ 41,026	\$ 41,026
574,877	574,369
1,449	-
<u>217,290</u>	<u>176,103</u>
834,642	791,498
-	10,000
<u>445,691</u>	<u>571,348</u>

TOTAL CAPITALIZATION

1,280,333 1,372,846

OTHER NONCURRENT LIABILITIES

37,350 36,715

CURRENT LIABILITIES:

Preferred Stock Due Within One Year

Long-term Debt Due Within One Year

Short-term Debt Affiliated

Advances from Affiliates

Accounts Payable - General

Accounts Payable - Affiliated Companies

Taxes Accrued

Interest Accrued

Energy Trading Contracts

Other

10,000	-
346,343	220,500
250,000	-
-	181,384
64,131	62,393
130,130	83,697
83,181	116,364
10,996	10,907
495,172	334,958
<u>32,889</u>	<u>34,600</u>

TOTAL CURRENT LIABILITIES

1,422,842 1,044,803

DEFERRED INCOME TAXES

439,988 443,722

DEFERRED INVESTMENT TAX CREDITS

35,619 37,176

LONG-TERM ENERGY TRADING CONTRACTS

282,341 157,706

DEFERRED CREDITS

15,878 12,900

CONTINGENCIES (Note 8)

TOTAL CAPITALIZATION AND LIABILITIES

\$3,514,351 \$3,105,868

See Notes to Financial Statements beginning on page L-1.

COLUMBUS SOUTHERN POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended June 30, (in thousands)	
	2002	2001
OPERATING ACTIVITIES:		
Net Income	\$ 85,579	\$ 58,682
Adjustments for Noncash Items:		
Depreciation and Amortization	65,192	63,686
Deferred Federal Income Taxes	(5,432)	18,384
Deferred Investment Tax Credits	(1,557)	(1,671)
Deferred Property Tax	23,971	35,416
Mark-to-Market Energy Trading Contracts	(11,260)	(52,316)
Changes in Certain Current Assets and Liabilities:		
Accounts Receivable (net)	(102,607)	(37,869)
Fuel, Materials and Supplies	(2,577)	(6,758)
Accrued Utility Revenues	(10,289)	9,638
Prepayments and Other Current Assets	(9,186)	19,077
Accounts Payable	48,171	28,155
Taxes Accrued	(33,183)	(45,627)
Other Assets	(7,865)	10,516
Other Liabilities	<u>3,529</u>	<u>(19,204)</u>
Net Cash Flows From Operating Activities	<u>42,486</u>	<u>80,109</u>
INVESTING ACTIVITIES:		
Construction Expenditures	(55,842)	(67,532)
Proceeds from Sale of Property	<u>389</u>	<u>1,284</u>
Net Cash Flows Used For Investing Activities	<u>(55,453)</u>	<u>(66,248)</u>
FINANCING ACTIVITIES:		
Change in Advances from Affiliates (net)	(202,093)	26,570
Change in Short-term Debt Affiliated (net)	250,000	-
Dividends Paid on Common Stock	(43,534)	(41,476)
Dividends Paid on Cumulative Preferred Stock	<u>(350)</u>	<u>(525)</u>
Net Cash Flows From (Used For) Financing Activities	<u>4,023</u>	<u>(15,431)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(8,944)	(1,570)
Cash and Cash Equivalents at Beginning of Period	<u>12,358</u>	<u>11,600</u>
Cash and Cash Equivalents at End of Period	<u>\$ 3,414</u>	<u>\$ 10,030</u>

Supplemental Disclosure:

Cash paid for interest net of capitalized amounts was \$26,262,000 and \$32,812,000 and for income taxes was \$32,254,000 and \$17,579,000 in 2002 and 2001, respectively. Noncash acquisitions under capital leases were \$734,000 in 2001.

See Notes to Financial Statements beginning on page L-1.

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Exhibit B

FIFTY-FOURTH SUPPLEMENTAL INDENTURE

COLUMBUS SOUTHERN POWER COMPANY

(formerly Columbus and Southern Ohio Electric Company)

TO

CITIBANK, N.A.,

Trustee

Dated: March 1, 1994

Creating an Issue of First Mortgage Bonds,
Designated Secured Medium Term Notes,
6.75% Series due May 1, 2004

and

Creating an Issue of First Mortgage Bonds,
Designated Secured Medium Term Notes,
7.60% Series due May 1, 2024

Supplemental to Indenture of Mortgage and Deed of Trust
Dated September 1, 1940

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ARTICLE I.

First Mortgage Bonds of the New Series

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ARTICLE II.

First Mortgage Bonds of the Second New Series

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Issue of Bonds of the New Series

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*This Table of Contents does not constitute part of this Supplemental Indenture or have any bearing upon the interpretation of any of its terms and provisions.

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FIFTY-FOURTH SUPPLEMENTAL INDENTURE, dated the first day of March, in the year One Thousand Nine Hundred Ninety Four (1994) (the "New Supplemental Indenture"), between Columbus Southern Power Company, the corporate title of which was, prior to September 10, 1987, Columbus and Southern Ohio Electric Company (hereinafter called the "Company"), a corporation duly organized and existing under and by virtue of the laws of the State of Ohio and having its principal office in the City of Columbus in said State, party of the first part, and Citibank, N.A., a national banking association incorporated and existing under and by virtue of the laws of the United States of America and having its principal place of business in the Borough of Manhattan, The City of New York in the State of New York, as Trustee under the Indenture of Mortgage and Deed of Trust, fifty-three indentures supplemental thereto and the Supplemental Agreement hereinafter mentioned, party of the second part,

W I T N E S S E T H :

WHEREAS, the Company has heretofore executed and delivered to First National City Trust Company (then called City Bank Farmers Trust Company) and its successors in trust, as trustee, the Company's Indenture of Mortgage and Deed of Trust, dated the first day of September, 1940 (hereinafter referred to as the "Indenture"), for the security of all bonds of the Company to be outstanding under the Indenture and all indentures supplemental thereto, and by said Indenture, as supplemented, has conveyed to said trustee and its successors in trust, upon certain trusts, terms and conditions, and with and subject to certain provisos and covenants therein contained, all and singular the property which the Company then owned or should thereafter acquire, excepting any property expressly excepted by the terms of the Indenture; and

WHEREAS, the Indenture has been supplemented by fifty-three supplemental indentures; and

WHEREAS, by a certain Supplemental Agreement, dated April 26, 1962, said First National City Trust Company has been succeeded by the party of the second part hereto, Citibank, N.A. (then called First National City Bank) (hereinafter referred to as the "Trustee"), as trustee under the Indenture and all indentures supplemental thereto; and

WHEREAS, the Indenture provides that the bonds issuable thereunder may be issued in one or more series and that, with respect to each series of bonds, the Company shall execute and deliver to the Trustee a supplemental indenture which specifies the designation, terms and provisions of the bonds of such series, as required in or permitted by the Indenture; and

WHEREAS, the Company has heretofore issued under the Indenture as heretofore supplemented fifty-eight series of bonds; and

WHEREAS, in addition to the property described in the Indenture, and the Second through Sixteenth and Eighteenth through Fifty-Third Supplemental Indentures supplemental thereto, the Company has acquired the property hereinafter described, and has covenanted in the Indenture to execute and deliver such further conveyances and transfers as may be necessary or proper for the

better assuring and confirming to the Trustee of all or any part of the trust estate; and

WHEREAS, the Company desires, without limiting hereby the principal amount of bonds of any Series heretofore created, or which may hereafter be issued under the Indenture as heretofore supplemented and as supplemented by this New Supplemental Indenture, to create by this New Supplemental Indenture two new series of bonds to be issued under the Indenture and to specify the designation, terms and provisions of the bonds of such series as in the Indenture provided or permitted; and

WHEREAS, all the conditions and requirements necessary to make this New Supplemental Indenture, when duly executed, a valid, binding and legal instrument in accordance with its terms and for the purposes herein expressed, have been done, performed and fulfilled, and the execution and delivery of this New Supplemental Indenture in the form and with the terms hereof have in all respects been duly authorized by resolution of the board of directors of the Company;

NOW, THEREFORE, in consideration of the premises, and in further consideration of the sum of One Dollar (\$1.00) in lawful money of the United States of America paid to the Company by the Trustee at or before the execution and delivery of this New Supplemental Indenture, and of other good and valuable considerations, the receipt whereof is hereby acknowledged, the Company has executed and delivered this New Supplemental Indenture and has granted, bargained, sold, warranted, aliened, remised, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and by these presents does grant, bargain, sell, warrant, alien, remise, release, convey, assign, transfer, mortgage, pledge, set over and confirm, unto Citibank, N.A., as Trustee as aforesaid, and to its successors in trust and to its and their assigns, forever, all of the property and interests in property, including all electric transmission lines of the Company and related equipment, all electric distribution systems and related equipment, all electric substations, switching stations and sites, all office buildings, service buildings, garages, and related facilities, all facilities for the handling and storage of fuel including coal handling and related facilities, and all other real property of the Company and all interests therein of every nature and description (except in all of the foregoing cases, property excepted and excluded from the lien and operation of the Indenture) constructed or otherwise acquired by the Company and not heretofore described in the Indenture or in any indenture supplemental thereto and not heretofore released from the lien of the Indenture, together with all and singular the tenements, hereditaments and appurtenances whatsoever belonging or in any wise appertaining to the aforesaid property or any part thereof; and the reversion and reversions, remainder and remainders, and the incomes, rents, issues and profits thereof, and of every part and parcel thereof; and all of the estate, right, title, interest, property, claim and demand of every nature and kind whatsoever of the Company at law, in equity or otherwise howsoever, of, in and to the same and every part and parcel thereof.

Also, to the extent permitted by law, the Company's interest in any other property, real, personal and mixed (except as may have been expressly provided in the Indenture to be excepted from the lien thereof) of whatsoever kind and character and all appurtenances thereto, including (but without limiting the generality of the foregoing) all and singular its corporate, municipal and other franchises, permits, ordinances, consents, privileges, immunities and licenses of every kind, description and character.

TO HAVE AND TO HOLD the foregoing properties unto the Trustee, and its successors and assigns, to and for the only proper use, benefit and behalf of the Trustee, and its successors and assigns forever:

SUBJECT, HOWEVER, to the exceptions and reservations and matters hereinabove recited; to existing leases; to taxes and assessments not in default; to alleys, streets and highways that may run across or encroach upon said lands; to undetermined liens and charges, if any, incidental to construction; to easements, rights-of-way, reservations, and restrictions (other than easements, rights-of-way, reservations or restrictions securing, or constituting a lien or charge for, the payment of money or its equivalent) existing by operation of law or otherwise, over, under, upon or against such property; to mortgages, encumbrances or other liens (existing at the date of acquisition) on properties and franchises acquired after the date of the Indenture; to purchase money mortgages upon properties and franchises, acquired after the date of the Indenture, created by the Company at the time of acquisition of such properties and franchises; to permissible encumbrances, as the term "permissible encumbrances" is defined in Article I of the Indenture; and to the Indenture.

IN TRUST NEVERTHELESS, for the purposes, to the extent, upon the conditions and for the period stated or provided in the Indenture and the indentures supplemental thereto.

THIS INDENTURE FURTHER WITNESSETH, that in further consideration of the premises and for the considerations aforesaid, it is agreed by and between the Company, for itself and its successors and assigns, and the Trustee, for itself and its successor or successors in trust under the Indenture, as follows:

ARTICLE I.

First Mortgage Bonds of the New Series

SECTION 1. There is hereby created, in addition to the fifty-eight series of bonds heretofore created under and secured by the Indenture and the series of bonds created in Article II of this New Supplemental Indenture, a fifty-ninth series of bonds to be issued under and secured by the Indenture, to be designated, distinguished and known as "First Mortgage Bonds, Designated Secured Medium Term Notes, 6.75% Series due May 1, 2004" of the Company (herein called "bonds of the New Series"). Bonds of the New Series may be issued in an aggregate principal amount not

to exceed \$50,000 00 (except as provided in section 8 of Article II of the Indenture). Said bonds shall forthwith be executed on behalf of the Company by its Chairman of the Board, President or a Vice President, under its corporate seal, attested by its Secretary or an Assistant Secretary, and delivered to the Trustee and shall be authenticated by the Trustee and delivered to or upon the order of the Company, subject, however, to all the terms, conditions and limitations in Article III of the Indenture, as heretofore supplemented.

Unless otherwise determined by the Company, the bonds of the New Series shall be issued in fully registered form without coupons in denominations of \$1,000 and integral multiples thereof. The bonds of the New Series shall mature on the date specified in their title, the principal of and premium (if any) and interest on the bonds of the New Series shall be payable in lawful money of the United States of America; the place where such principal and premium (if any) and such interest shall be payable shall be the office or agency of the Company in said Borough of Manhattan, The City of New York, provided that at the option of the Company interest may be mailed to registered owners of the bonds at their respective addresses that appear on the register thereof; and the rate of interest shall be the rate per annum specified in the title thereof, payable semi-annually on the first days of May and November of each year (commencing May 1, 1994) and on their maturity date.

The person in whose name any bond of the New Series is registered at the close of business on any record date (as hereinbelow defined) with respect to any regular semi-annual interest payment date (other than interest payable upon redemption or maturity) shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such bond of the New Series upon any registration of transfer or exchange thereof (including an exchange effected as an incident to a partial redemption thereof) subsequent to the record date and prior to such interest payment date, except if and to the extent the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the person in whose name such bond (or any bond or bonds issued, directly or after intermediate transactions, upon transfer or exchange or in substitution thereof) is registered on a subsequent record date for such payment established as hereinafter provided. A subsequent record date may be established by the Company by notice mailed to the holders of bonds not less than fifteen days preceding such record date. Interest payable upon redemption or maturity shall be paid to the person to whom principal is paid. The term "record date" as used in this Section with respect to any regular semi-annual interest payment date (other than interest payable upon redemption or maturity) shall mean the April 15 or October 15, as the case may be, next preceding such interest payment date, or, if such April 15 or October 15 is not a Business Day (as defined hereinbelow), the next preceding Business Day. The term "Business Day" with respect to any bond of the New Series shall mean any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in The City of New York, New York or the city in which is located any office or agency maintained for the payment of principal of or

premium, if any, interest on such bond of the New Series are authorized or required by law, regulation or executive order to remain closed.

Every registered bond of the New Series shall be dated the date of authentication ("Issue Date") and shall bear interest computed on the basis of a 360-day year consisting of twelve 30-day months from its Issue Date or from the latest semi-annual interest payment date to which interest has been paid on the bonds of the New Series preceding the Issue Date, unless such Issue Date be an interest payment date to which interest is being paid on the bonds of the New Series, in which case it shall bear interest from its Issue Date or unless the Issue Date be the record date for the interest payment date first following the date of original issuance of bonds of the New Series (the "Original Issue Date") or a date prior to such record date, then from the Original Issue Date; provided, that, so long as there is no existing default in the payment of interest on said bonds, the holder of any bond authenticated by the Trustee between the record date for any regular semi-annual interest payment date and such interest payment date (other than interest payable upon redemption or maturity) shall not be entitled to the payment of the interest due on such interest payment date and shall have no claim against the Company with respect thereto; provided, further, that, if and to the extent the Company shall default in the payment of the interest due on such interest payment date, then any such bond shall bear interest from the May 1 or November 1, as the case may be, next preceding its Issue Date, to which interest has been paid or, if the Company shall be in default with respect to the interest payment date first following the Original Issue Date, then from the Original Issue Date.

If any semi-annual interest payment date, redemption date or the maturity date is not a Business Day, payment of amounts due on such date may be made on the next succeeding Business Day, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on such amounts for the period from and after such interest payment date, redemption date or maturity date, as the case may be, to such Business Day.

SECTION 2. The bonds of the New Series shall be redeemable prior to maturity at the option of the Company on or after May 1, 1999 in whole at any time or in part from time to time selected in any manner deemed proper by the Trustee, on notice given in the manner and with the effect provided in Article IV of the Indenture, and as in this Section 2 provided, and as further set forth in the form of bond contained in Schedule I to this New Supplemental Indenture.

In case the Company shall at any time elect to redeem all or any part of the bonds of the New Series it shall give notice to the effect that it has elected to redeem all or a part thereof, as the case may be, on a date therein designated, specifying in case of redemption of a part of the bonds of the New Series the distinctive numbers of the bonds to be redeemed, and in every case stating in substance that on said date there will become and be due and payable upon each bond so to be redeemed, at the office or agency of the Company in the Borough of Manhattan, The City of New

York, the redemption price thereof (or of a specified portion thereof in the case of partial redemption), and that on and after such date interest thereon will cease to accrue.

Such notice shall be mailed by the Company, postage prepaid, at least thirty (30) days prior to the date of redemption, to the registered owners of bonds to be so redeemed, to the addresses that shall appear upon the register thereof.

SECTION 3. The form of bonds of the New Series and the Trustee's certificate endorsed thereon shall be substantially as set forth in Schedule I to this New Supplemental Indenture.

SECTION 4. Bonds of the New Series may, at the option of the registered owners thereof and upon surrender thereof at the office or agency of the Company in the Borough of Manhattan, The City of New York, and at such other office or agency of the Company as the Company may from time to time designate, be exchanged without charge for bonds of the same series and aggregate principal amount but of different authorized denomination or denominations.

Bonds of the New Series so surrendered shall, if required by the Company or the Trustee, be accompanied by a proper transfer power duly executed by the registered owner transferring such bond to the Company, and the signature to such transfer power shall be guaranteed to the satisfaction of the Trustee.

All bonds so surrendered shall be forthwith canceled and destroyed, and the Trustee will furnish a certificate of such destruction to the Company.

All bonds executed, authenticated and delivered in exchange for bonds so surrendered shall be valid obligations of the Company, evidencing the same debt as the bonds surrendered, and shall be secured by the same lien and be entitled to the same benefits and protection as the bonds in exchange for which they are executed, authenticated and delivered.

For any registration of transfer of bonds of the New Series, the Company at its option may require only the payment of a sum sufficient to reimburse it for any tax or other governmental charge incident thereto. The Company shall not be required to make any such transfer or exchange of bonds of the New Series for a period of sixteen (16) days next preceding any interest payment date or next preceding any selection of bonds of the New Series to be redeemed, and the Company shall not be required to make transfers or exchanges of bonds of the New Series designated for redemption in whole or in part.

ARTICLE II.

First Mortgage Bonds of the Second New Series

SECTION 1. There is hereby created, in addition to the fifty-eight series of bonds heretofore created under and secured by the Indenture and the series of bonds created in Article I of this New Supplemental Indenture, a sixtieth series of bonds to

be issued under a secured by the Indenture to be designated, distinguished and known as "First Mortgage Bonds, Designated Secured Medium Term Notes, 7.60% Series due May 1, 2024" of the Company (herein called "bonds of the Second New Series"). Bonds of the Second New Series may be issued in an aggregate principal amount not to exceed \$50,000,000 (except as provided in Section 8 of Article II of the Indenture). Said bonds shall forthwith be executed on behalf of the Company by its Chairman of the Board, President or a Vice President, under its corporate seal, attested by its Secretary or an Assistant Secretary, and delivered to the Trustee and shall be authenticated by the Trustee and delivered to or upon the order of the Company, subject, however, to all the terms, conditions and limitations in Article III of the Indenture, as heretofore supplemented.

Unless otherwise determined by the Company, the bonds of the Second New Series shall be issued in fully registered form without coupons in denominations of \$1,000 and integral multiples thereof. The bonds of the Second New Series shall mature on the date specified in their title, the principal of and premium (if any) and interest on the bonds of the Second New Series shall be payable in lawful money of the United States of America; the place where such principal and premium (if any) and such interest shall be payable shall be the office or agency of the Company in said Borough of Manhattan, The City of New York, provided that at the option of the Company interest may be mailed to registered owners of the bonds at their respective addresses that appear on the register thereof; and the rate of interest shall be the rate per annum specified in the title thereof, payable semi-annually on the first days of May and November of each year (commencing May 1, 1994) and on their maturity date.

The person in whose name any bond of the Second New Series is registered at the close of business on any record date (as hereinbelow defined) with respect to any regular semi-annual interest payment date (other than interest payable upon redemption or maturity) shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such bond of the Second New Series upon any registration of transfer or exchange thereof (including an exchange effected as an incident to a partial redemption thereof) subsequent to the record date and prior to such interest payment date, except if and to the extent the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the person in whose name such bond (or any bond or bonds issued, directly or after intermediate transactions, upon transfer or exchange or in substitution thereof) is registered on a subsequent record date for such payment established as hereinafter provided. A subsequent record date may be established by the Company by notice mailed to the holders of bonds not less than fifteen days preceding such record date. Interest payable upon redemption or maturity shall be paid to the person to whom principal is paid. The term "record date" as used in this Section with respect to any regular semi-annual interest payment date (other than interest payable upon redemption or maturity) shall mean the April 15 or October 15, as the case may be, next preceding such interest payment date, or, if such April 15 or October 15 is not a Business Day (as defined hereinbelow), the next preceding

Business Day. The term "Business Day" with respect to any bond of the Second New Series shall mean any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in The City of New York, New York or the city in which is located any office or agency maintained for the payment of principal of or premium, if any, or interest on such bond of the Second New Series are authorized or required by law, regulation or executive order to remain closed.

Every registered bond of the Second New Series shall be dated the date of authentication ("Issue Date") and shall bear interest computed on the basis of a 360-day year consisting of twelve 30-day months from its Issue Date or from the latest semi-annual interest payment date to which interest has been paid on the bonds of the Second New Series preceding the Issue Date, unless such Issue Date be an interest payment date to which interest is being paid on the bonds of the Second New Series, in which case it shall bear interest from its Issue Date or unless the Issue Date be the record date for the interest payment date first following the date of original issuance of bonds of the Second New Series (the "Original Issue Date") or a date prior to such record date, then from the Original Issue Date; provided, that, so long as there is no existing default in the payment of interest on said bonds, the holder of any bond authenticated by the Trustee between the record date for any regular semi-annual interest payment date and such interest payment date (other than interest payable upon redemption or maturity) shall not be entitled to the payment of the interest due on such interest payment date and shall have no claim against the Company with respect thereto; provided, further, that, if and to the extent the Company shall default in the payment of the interest due on such interest payment date, then any such bond shall bear interest from the May 1 or November 1, as the case may be, next preceding its Issue Date, to which interest has been paid or, if the Company shall be in default with respect to the interest payment date first following the Original Issue Date, then from the Original Issue Date.

If any semi-annual interest payment date, redemption date or the maturity date is not a Business Day, payment of amounts due on such date may be made on the next succeeding Business Day, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on such amounts for the period from and after such interest payment date, redemption date or maturity date, as the case may be, to such Business Day.

SECTION 2. The bonds of the Second New Series shall be redeemable prior to maturity at the option of the Company on or after May 1, 2004 in whole at any time or in part from time to time selected in any manner deemed proper by the Trustee, on notice given in the manner and with the effect provided in Article IV of the Indenture, and as in this Section 2 provided, and as further set forth in the form of bond contained in Schedule II to this New Supplemental Indenture.

In case the Company shall at any time elect to redeem all or any part of the bonds of the Second New Series it shall give notice to the effect that it has elected to redeem all or a part thereof, as the case may be, on a date therein designated,

specifying in case of redemption of a part of the bonds of the Second New Series the distinctive numbers of the bonds to be redeemed, and in every case stating in substance that on said date there will become due and payable upon each bond so to be redeemed, at the office or agency of the Company in the Borough of Manhattan, The City of New York, the redemption price thereof (or of a specified portion thereof in the case of partial redemption), and that on and after such date interest thereon will cease to accrue.

Such notice shall be mailed by the Company, postage prepaid, at least thirty (30) days prior to the date of redemption, to the registered owners of bonds to be so redeemed, to the addresses that shall appear upon the register thereof.

SECTION 3. The form of bonds of the Second New Series and the Trustee's certificate endorsed thereon shall be substantially as set forth in Schedule II to this New Supplemental Indenture.

SECTION 4. Bonds of the Second New Series may, at the option of the registered owners thereof and upon surrender thereof at the office or agency of the Company in the Borough of Manhattan, The City of New York, and at such other office or agency of the Company as the Company may from time to time designate, be exchanged without charge for bonds of the same series and aggregate principal amount but of different authorized denomination or denominations.

Bonds of the Second New Series so surrendered shall, if required by the Company or the Trustee, be accompanied by a proper transfer power duly executed by the registered owner transferring such bond to the Company, and the signature to such transfer power shall be guaranteed to the satisfaction of the Trustee.

All bonds so surrendered shall be forthwith canceled and destroyed, and the Trustee will furnish a certificate of such destruction to the Company.

All bonds executed, authenticated and delivered in exchange for bonds so surrendered shall be valid obligations of the Company, evidencing the same debt as the bonds surrendered, and shall be secured by the same lien and be entitled to the same benefits and protection as the bonds in exchange for which they are executed, authenticated and delivered.

For any registration of transfer of bonds of the Second New Series, the Company at its option may require only the payment of a sum sufficient to reimburse it for any tax or other governmental charge incident thereto. The Company shall not be required to make any such transfer or exchange of bonds of the Second New Series for a period of sixteen (16) days next preceding any interest payment date or next preceding any selection of bonds of the Second New Series to be redeemed, and the Company shall not be required to make transfers or exchanges of bonds of the Second New Series designated for redemption in whole or in part.

ARTICLE III.

Issue of Bonds of the New Series

The bonds of the New Series may be executed, authenticated and delivered as permitted by the provisions of Article III of the Indenture, as supplemented.

ARTICLE IV.

Issue of Bonds of the Second New Series

The bonds of the Second New Series may be executed, authenticated and delivered as permitted by the provisions of Article III of the Indenture, as supplemented.

ARTICLE V.

Earnings Certificate

The provisions of Part II of subdivision 3(e) of Section 3 of Article III of the Indenture shall remain in effect so long as any bonds of the New Series and the Second New Series are outstanding to the same extent as if the provisions of said Part II were repeated in this New Supplemental Indenture with the words "bonds of the New Series" and "bonds of the Second New Series" substituted in place of the words "bonds of the Twenty-Seventh Series" wherever such words appear in said Part II of subdivision 3(e) of Section 3 of the Article III of the Indenture.

The provisions of Part I of subdivision 3(e) of Section 3 of Article III of the Indenture shall, as provided in Section 2 of Article IV of the Twenty-Eighth Supplemental Indenture, when none of the bonds of any of the twenty-six series created prior to October 1, 1980 shall be outstanding, be deleted from subdivision 3(e) of Section 3 of Article III of the Indenture and be of no further force or effect for any purpose under the Indenture.

ARTICLE VI.

Maintenance and Replacement Fund

The provisions of Article IV of the first indenture supplemental to the Indenture are hereby continued in effect so long as any bonds of the New Series and the Second New Series are outstanding hereunder, as if the words "bonds of the New Series" and "bonds of the Second New Series" were substituted for the words "bonds of 3-1/4% Series" wherever they appear in said Article IV. Any filing of documents under the provisions of said Article IV shall also constitute filing hereunder.

ARTICLE VII.

The Trustee

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this New Supplemental Indenture or the due execution hereof by the Company, or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Company.

Except as herein otherwise provided, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustee by reason of this New Supplemental Indenture other than as set forth in the Indenture; and this New Supplemental Indenture is executed and accepted on behalf of the Trustee, subject to all the terms and conditions set forth in the Indenture.

The Trustee hereby certifies that its precise name and address as Trustee hereunder is Citibank, N.A., 111 Wall Street, New York, New York 10043.

ARTICLE VIII.

Miscellaneous Provisions

SECTION 1. Except insofar as herein otherwise expressly provided, all the provisions, terms and conditions of the Indenture, as heretofore supplemented and amended, shall be deemed to be incorporated in, and made a part of, this New Supplemental Indenture; and the Indenture, as heretofore supplemented and amended, and as supplemented by this New Supplemental Indenture, is in all respects ratified and confirmed; and the Indenture, as heretofore supplemented and amended, and this New Supplemental Indenture shall be read, taken and construed as one and the same instrument.

SECTION 2. Nothing in this New Supplemental Indenture is intended, or shall be construed, to give to any person or corporation, other than the parties hereto and the holders of bonds issued and to be issued under and secured by the Indenture, any legal or equitable right, remedy or claim under or in respect of this New Supplemental Indenture, or under any covenant, condition or provision herein contained, all the covenants, conditions and provisions of this New Supplemental Indenture being intended to be, and being, for the sole and exclusive benefit of the parties hereto and of the holders of bonds issued and to be issued under the Indenture and secured thereby.

SECTION 3. All covenants, promises and agreements in this New Supplemental Indenture contained by or on behalf of the Company shall bind its successors and assigns whether so expressed or not.

SECTION . This New Supplement Indenture may be executed in any number of counterparts, and each of such counterparts when so executed shall be deemed to be an original; but all such counterparts shall together constitute but one and the same instrument.

SECTION 5. The Company hereby certifies that its precise name and address is Columbus Southern Power Company, 215 North Front Street, Columbus, Ohio 43215.

IN WITNESS WHEREOF, COLUMBUS SOUTHERN POWER COMPANY has caused this New Supplemental Indenture to be executed by its Chairman of the Board, President, a Vice President or an Assistant Treasurer, and its corporate seal to be hereunto affixed, duly attested by its Secretary or one of its Assistant Secretaries, and Citibank, N.A., as Trustee as aforesaid, has caused the same to be executed by one of its Vice Presidents and its corporate seal to be hereunto affixed, duly attested by one of its Assistant Vice Presidents, as of the day and year first above written.

COLUMBUS SOUTHERN POWER COMPANY

[Corporate Seal]

By: /s/ B. M. BARBER . .
(B. M. Barber)
Assistant Treasurer

Attest:

/s/ JEFFREY D. CROSS
(Jeffrey D. Cross)
Assistant Secretary

Signed, sealed, acknowledged and
delivered by COLUMBUS SOUTHERN
POWER COMPANY in the presence of:

/s/ A. A. PEÑA
(A. A. Peña)

/s/ JOHN M. ADAMS, JR.
(John M. Adams, Jr.)

CITIBANK, N.A.
as Trustee, as
hereinbefore set forth,

[Corporate Seal]

By: **/s/ E. J. JAWORSKI** .
(E. J. Jaworski)
Vice President

Attest:

/s/ CAROL NG
(Carol Ng)
Assistant Vice President

Signed, sealed, acknowledged and
delivered by CITIBANK, N.A.,
Trustee, in the presence of:

/s/ J. BERGER
(J. Berger)

/s/ JOHN R. GONZALEZ
(Jose R. Gonzalez)

STATE OF OHIO)
) ss.:
COUNTY OF FRANKLIN)

On this 28th day of February, A.D. 1994, personally appeared before me, a Notary Public within and for said County in the State aforesaid, B. M. Barber and Jeffrey D. Cross, to me known and known to me to be respectively an Assistant Treasurer and Assistant Secretary of COLUMBUS SOUTHERN POWER COMPANY, one of the corporations named in and which executed the foregoing instrument, who severally acknowledged that they did sign and seal said instrument as such Assistant Treasurer and Assistant Secretary for and on behalf of said corporation and that the same is their free act and deed as such Assistant Treasurer and Assistant Secretary, respectively, and the free and corporate act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Columbus, Ohio, this 28th day of February, A.D. 1994.

[Notarial Seal]

./s/. MARY M. SOLTESZ. . . .
MARY M. SOLTESZ
Notary Public, State of Ohio
My Commission Expires July 13, 1994

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 1st day of March, A.D. 1994, personally appeared before me, a Notary Public within and for said County in the State aforesaid, E. J. Jaworski and Carol Ng, to me known and known to me to be respectively a Vice President and Assistant Vice President of CITIBANK, N.A., the corporation named in and which executed the foregoing instrument as Trustee as therein set forth, who severally acknowledged that they did sign and seal said instrument as such Vice President and Assistant Vice President for and on behalf of said corporation and that the same is their free act and deed as such Vice President and Assistant Vice President, and the free and corporate act and deed of said corporation as such Trustee.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at New York, New York, this 1st day of March, A.D. 1994.

[Notarial Seal]

. /s/ PETER M.. PAVLYSHIN. . .
PETER M. PAVLYSHIN
Notary Public, State of New York
No. 41-4991297
Qualified in Queens County
Certificate Filed in New York County
Commission Expires January 27, 1996

This instrument was prepared by JEFFREY D. CROSS,
1 Riverside Plaza, Columbus, Ohio 43215.

SCHEDULE I

COLUMBUS SOUTHERN POWER COMPANY
FIRST MORTGAGE BOND, DESIGNATED
SECURED MEDIUM TERM NOTE, 6.75%
SERIES DUE MAY 1, 2004

Bond No:
Original Issue Date: March 9, 1994
Principal Amount:
Semiannual Interest Payment Dates: May 1 and November 1
Record Dates: April 15 and October 15
CUSIP No: 19958L AX 3

COLUMBUS SOUTHERN POWER COMPANY (hereinafter called the "Company"), a corporation of the State of Ohio, for value received, hereby promises to pay to _____ or registered assigns, the Principal Amount set forth above on the maturity date specified in the title of this bond in lawful money of the United States of America, at the office or agency of the Company in the Borough of Manhattan, The City of New York, and to pay to the registered holder hereof interest on said amount from the date of authentication of this bond (herein called the "Issue Date") or latest semi-annual interest payment date to which interest has been paid on the bonds of this series preceding the Issue Date, unless the Issue Date be an interest payment date to which interest is being paid, in which case from the Issue Date or unless the Issue Date be the record date for the interest payment date first following the Original Issue Date set forth above or a date prior to such record date, then from the Original Issue Date (or, if the Issue Date is between the record date for any interest payment date and such interest payment date, then from such interest payment date, provided, however, that if and to the extent that the Company shall default in the payment of the interest due on such interest payment date, then from the next preceding semi-annual interest payment date to which interest has been paid on the bonds of this series, or if such interest payment date is the interest payment date first following the Original Issue Date set forth above, then from the Original Issue Date), at the rate per annum, until the principal hereof shall have become due and payable, specified in the title of this bond, payable on May 1 and November 1 of each year (commencing May 1, 1994) and on the maturity date specified in the title of this bond; provided that, at the option of the Company, such interest may be paid by check, mailed to the registered owner of this bond at such owner's address appearing on the register hereof.

This bond is one, of the series hereinafter specified, of a duly authorized issue of bonds of the Company (herein called the "bonds") known as its "First Mortgage Bonds," issued and to be issued in one or more series under, and all equally and ratably secured by, an Indenture of Mortgage and Deed of Trust dated September 1, 1940, duly executed by the Company to City Bank Farmers Trust Company, as trustee (Citibank, N.A., as successor trustee, herein called the "Trustee"), to which Indenture and all

indentures supplemental thereto, including the New Supplemental Indenture hereinafter referred to, reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the terms and conditions upon which the bonds are, and are to be, issued and secured, and the rights of the bearers or registered owners of the bonds and of the Trustee in respect of such security.

As provided in said Indenture, said bonds may be for various principal sums and are issuable in series, which may mature at different times, may bear interest at different rates and may otherwise vary as therein provided, and this bond is one of a series entitled "First Mortgage Bonds, Designated Secured Medium Term Notes, 6.75% Series due May 1, 2004" (herein called "bonds of the New Series") created by a Fifty-fourth Supplemental Indenture dated March 1, 1994 (the "New Supplemental Indenture"), as provided for in said Indenture.

The interest payable on any May 1 or November 1 (other than interest payable upon redemption or maturity) will, subject to certain exceptions provided in said New Supplemental Indenture, be paid to the person in whose name this bond is registered at the close of business on the record date, which shall be the April 15 or October 15, as the case may be, next preceding such interest payment date, or, if such April 15 or October 15 is not a Business Day (as hereinbelow defined), the next preceding Business Day. Interest payable upon redemption or maturity shall be paid to the person to whom principal is paid. The term "Business Day" means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in The City of New York, New York or the city in which is located any office or agency maintained for the payment of principal of or premium, if any, or interest on bonds of the New Series are authorized or required by law, regulation or executive order to remain closed.

If any semi-annual interest payment date, redemption date or the maturity date is not a Business Day, payment of amounts due on such date may be made on the next succeeding Business Day, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on such amounts for the period from and after such interest payment date, redemption date or the maturity date, as the case may be, to such Business Day.

To the extent permitted by said Indenture, modifications or alterations of said Indenture or of any indenture supplemental thereto and of the rights and obligations of the Company and of the bearers or registered owners of the bonds and coupons may be made with the consent of the Company by an affirmative vote of the bearers or registered owners of not less than sixty-six and two-thirds per cent. (66-2/3%) in principal amount of the bonds entitled to vote at a meeting of bondholders called and held as provided in said Indenture and by an affirmative vote of not less than sixty-six and two-thirds per cent. (66-2/3%) in principal amount of the bonds entitled to vote of each series affected by such modification or alteration in case one or more, but less than all, of the series of bonds then outstanding under said Indenture are so affected; provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment

of the principal or interest or premium (if any) on this bond, or the right of any bondholder to institute suit for the enforcement of any such payment on or after the respective due dates expressed in this bond, or (b) permit the creation by the Company of any mortgage lien ranking prior to or on a parity with the lien of said Indenture or any indenture supplemental thereto, with respect to any property covered thereby, otherwise than as permitted by said Indenture, or (c) reduce the above sixty-six and two-thirds per cent. (66-2/3%) voting requirement; all as more fully provided in said Indenture.

The Company and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of principal or (subject to the provisions hereof) interest hereon and for all other purposes and the Company and the Trustee shall not be affected by any notice to the contrary.

The Company shall not be required to make transfers or exchanges of bonds of the New Series for a period of sixteen days next preceding any interest payment date, or next preceding any selection of bonds of the New Series to be redeemed, and the Company shall not be required to make transfers or exchanges of any bonds of the New Series designated for redemption in whole or in part.

The bonds of the New Series may be redeemed by the Company on or after May 1, 1999 at its option, in whole at any time or in part from time to time (a) if redeemed otherwise than by the use or application of cash deposited pursuant to the maintenance and replacement fund provisions of Article IV of the Supplemental Indenture dated September 1, 1940 or cash deposited with or held by the Trustee representing the proceeds of insurance or released property pursuant to Section 2 of Article VIII of the Indenture, at an amount equal to a percentage of the principal amount thereof determined as set forth in Annex A hereto under the heading "Regular Redemption Price" together in each case with accrued interest to the date fixed for redemption; or (b) if redeemed by the use or application of cash deposited pursuant to the maintenance and replacement fund provisions of Article IV of the Supplemental Indenture dated September 1, 1940 or cash deposited with or held by the Trustee representing the proceeds of insurance or released property pursuant to Section 2 of Article VIII of the Indenture, at an amount equal to 100.00% of the principal amount thereof, together in each case with accrued interest to the date fixed for redemption.

Except as otherwise provided in said New Supplemental Indenture, notice of any redemption of bonds to be redeemed at the option of the Company shall be mailed, postage prepaid, at least thirty (30) days prior to the date of redemption, to the registered owners of bonds to be so redeemed, to the addresses that shall appear upon the register thereof; all subject to the conditions set forth and as more fully provided in said Indenture and said New Supplemental Indenture.. Said Indenture and said New Supplemental Indenture provide, among other things, that notice of redemption having been duly given, this bond or the portion hereof which shall have been called for redemption shall become due and payable upon

the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue on and after the redemption date, and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in said Indenture, this bond or the portion hereof which shall have been called for redemption shall no longer be entitled to any lien or benefit of said Indenture.

In the event that this bond shall not be presented for payment when the principal hereof becomes due, either at maturity or otherwise or at the date fixed for the redemption thereof, and the Company shall have on deposit with the Trustee in trust for the purpose, on the date when this bond is so due, funds sufficient to pay the principal (and premium, if any) of this bond, together with all interest due hereon to the date of maturity of this bond or to the date fixed for the redemption hereof, for the use and benefit of the registered owner hereof, then all liability of the Company to the registered owner hereof for the payment of the principal hereof (and premium, if any) and interest hereon shall forthwith cease, determine and be completely discharged.

In case an event of default as defined in said Indenture shall occur, the principal of this bond may become or be declared due and payable in the manner, with the effect, and subject to the conditions provided in said Indenture.

This bond is transferable without charge other than for any tax or other governmental charge incident thereto by the registered owner hereof in person, or by attorney duly authorized in writing, at the office or agency of the Company in the Borough of Manhattan, The City of New York, and at such other office or agency of the Company as the Company may from time to time designate, upon surrender and cancellation of this bond as provided in said New Supplemental Indenture, and upon any such transfer a new registered bond (or bonds), of the same series, for the same aggregate principal amount will be issued to the transferee (or transferees) in exchange therefor.

In the manner and subject to the limitations provided in said New Supplemental Indenture, bonds of the New Series may, at the option of the registered owner and upon surrender at said office or agency, be exchanged without charge for bonds of the New Series of the same aggregate principal amount in larger or smaller authorized denominations.

No recourse shall be had for the payment of the principal of or interest or premium (if any) on this bond, or for any claim based hereon or otherwise in respect hereof or of said Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, past, present or future, of the Company, as such, or of any predecessor or successor corporation; either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise,

of incorporators, stockholders, directors or officers being waived and released by every owner hereof by the acceptance of this bond and as part of the consideration for the issue hereof, and being likewise waived and released by the terms of said Indenture.

This bond shall not be valid or become obligatory for any purpose unless and until the certificate endorsed hereon shall have been executed by the Trustee or its successor in trust under said Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

COLUMBUS SOUTHERN POWER COMPANY

By _____
Vice President

(SEAL)

Attest: _____
Assistant Secretary

TRUSTEE'S CERTIFICATE

This bond is one of the bonds of the series designated therein, described in the within-mentioned Indenture and New Supplemental Indenture.

CITIBANK, N.A.,

as Trustee,

By _____
Authorized Officer

ANNEX A TO FIRST MORTGAGE BOND,
DESIGNATED SECURED MEDIUM TERM NOTE,
6.75% SERIES DUE MAY 1, 2004

(If redeemed during the twelve months beginning May 1) Year	Regular Redemption Price
1999	101.93%
2000	100.97
2001	100.00
2002	100.00
2003	100.00

FOR VALUE RECEIVED, the undersigned hereby sell(s),
assign(s) and transfer(s) unto

(PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE)

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF
ASSIGNEE) the within Bond and all rights thereunder, hereby
irrevocably constituting and appointing such person attorney to
transfer such note on the books of the Issuer, with full power of
substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with
the name as written upon the face of the within Bond in
every particular without alteration or enlargement or
any change whatsoever.

SCHEDULE II

COLUMBUS SOUTHERN POWER COMPANY
FIRST MORTGAGE BOND, DESIGNATED
SECURED MEDIUM TERM NOTE, 7.60%
SERIES DUE MAY 1, 2024

Bond No:
Original Issue Date: March 9, 1994
Principal Amount:
Semiannual Interest Payment Dates: May 1 and November 1
Record Dates: April 15 and October 15
CUSIP No: 19958L AZ 8

COLUMBUS SOUTHERN POWER COMPANY (hereinafter called the "Company"), a corporation of the State of Ohio, for value received, hereby promises to pay to or registered assigns, the Principal Amount set forth above on the maturity date specified in the title of this bond in lawful money of the United States of America, at the office or agency of the Company in the Borough of Manhattan, The City of New York, and to pay to the registered holder hereof interest on said amount from the date of authentication of this bond (herein called the "Issue Date") or latest semi-annual interest payment date to which interest has been paid on the bonds of this series preceding the Issue Date, unless the Issue Date be an interest payment date to which interest is being paid, in which case from the Issue Date or unless the Issue Date be the record date for the interest payment date first following the Original Issue Date set forth above or a date prior to such record date, then from the Original Issue Date (or, if the Issue Date is between the record date for any interest payment date and such interest payment date, then from such interest payment date, provided, however, that if and to the extent that the Company shall default in the payment of the interest due on such interest payment date, then from the next preceding semi-annual interest payment date to which interest has been paid on the bonds of this series, or if such interest payment date is the interest payment date first following the Original Issue Date set forth above, then from the Original Issue Date), at the rate per annum, until the principal hereof shall have become due and payable, specified in the title of this bond, payable on May 1 and November 1 of each year (commencing May 1, 1994) and on the maturity date specified in the title of this bond; provided that, at the option of the Company, such interest may be paid by check, mailed to the registered owner of this bond at such owner's address appearing on the register hereof.

This bond is one, of the series hereinafter specified, of a duly authorized issue of bonds of the Company (herein called the "bonds") known as its "First Mortgage Bonds," issued and to be issued in one or more series under, and all equally and ratably secured by, an Indenture of Mortgage and Deed of Trust dated September 1, 1940, duly executed by the Company to City Bank Farmers Trust Company, as trustee (Citibank, N.A., as successor trustee, herein called the "Trustee"), to which Indenture and all

indentures supplemental thereto, including the New Supplemental Indenture hereinafter referred to, reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the terms and conditions upon which the bonds are, and are to be, issued and secured, and the rights of the bearers or registered owners of the bonds and of the Trustee in respect of such security.

As provided in said Indenture, said bonds may be for various principal sums and are issuable in series, which may mature at different times, may bear interest at different rates and may otherwise vary as therein provided, and this bond is one of a series entitled "First Mortgage Bonds, Designated Secured Medium Term Notes, 7.60% Series due May 1, 2024" (herein called "bonds of the New Series") created by a Fifty-fourth Supplemental Indenture dated March 1, 1994 (the "New Supplemental Indenture"), as provided for in said Indenture.

The interest payable on any May 1 or November 1 (other than interest payable upon redemption or maturity) will, subject to certain exceptions provided in said New Supplemental Indenture, be paid to the person in whose name this bond is registered at the close of business on the record date, which shall be the April 15 or October 15, as the case may be, next preceding such interest payment date, or, if such April 15 or October 15 is not a Business Day (as hereinbelow defined), the next preceding Business Day. Interest payable upon redemption or maturity shall be paid to the person to whom principal is paid. The term "Business Day" means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in The City of New York, New York or the city in which is located any office or agency maintained for the payment of principal of or premium, if any, or interest on bonds of the New Series are authorized or required by law, regulation or executive order to remain closed.

If any semi-annual interest payment date, redemption date or the maturity date is not a Business Day, payment of amounts due on such date may be made on the next succeeding Business Day, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on such amounts for the period from and after such interest payment date, redemption date, or the maturity date, as the case may be, to such Business Day.

To the extent permitted by said Indenture, modifications or alterations of said Indenture or of any indenture supplemental thereto and of the rights and obligations of the Company and of the bearers or registered owners of the bonds and coupons may be made with the consent of the Company by an affirmative vote of the bearers or registered owners of not less than sixty-six and two-thirds per cent. (66-2/3%) in principal amount of the bonds entitled to vote at a meeting of bondholders called and held as provided in said Indenture and by an affirmative vote of not less than sixty-six and two-thirds per cent. (66-2/3%) in principal amount of the bonds entitled to vote of each series affected by such modification or alteration in case one or more, but less than all, of the series of bonds then outstanding under said Indenture are so affected; provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment

of the principal or interest or premium (if any) on this bond, or the right of any bondholder to institute suit for the enforcement of any such payment on or after the respective due dates expressed in this bond, or (b) permit the creation by the Company of any mortgage lien ranking prior to or on a parity with the lien of said Indenture or any indenture supplemental thereto, with respect to any property covered thereby, otherwise than as permitted by said Indenture, or (c) reduce the above sixty-six and two-thirds per cent. (66-2/3%) voting requirement; all as more fully provided in said Indenture.

The Company and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of principal or (subject to the provisions hereof) interest hereon and for all other purposes and the Company and the Trustee shall not be affected by any notice to the contrary.

The Company shall not be required to make transfers or exchanges of bonds of the New Series for a period of sixteen days next preceding any interest payment date, or next preceding any selection of bonds of the New Series to be redeemed, and the Company shall not be required to make transfers or exchanges of any bonds of the New Series designated for redemption in whole or in part.

The bonds of the New Series may be redeemed by the Company on or after May 1, 2004 at its option, in whole at any time or in part from time to time (a) if redeemed otherwise than by the use or application of cash deposited pursuant to the maintenance and replacement fund provisions of Article IV of the Supplemental Indenture dated September 1, 1940 or cash deposited with or held by the Trustee representing the proceeds of insurance or released property pursuant to Section 2 of Article VIII of the Indenture, at an amount equal to a percentage of the principal amount thereof determined as set forth in Annex A hereto under the heading "Regular Redemption Price" together in each case with accrued interest to the date fixed for redemption; or (b) if redeemed by the use or application of cash deposited pursuant to the maintenance and replacement fund provisions of Article IV of the Supplemental Indenture dated September 1, 1940 or cash deposited with or held by the Trustee representing the proceeds of insurance or released property pursuant to Section 2 of Article VIII of the Indenture, at an amount equal to 100.00% of the principal amount thereof, together in each case with accrued interest to the date fixed for redemption.

Except as otherwise provided in said New Supplemental Indenture, notice of any redemption of bonds to be redeemed at the option of the Company shall be mailed, postage prepaid, at least thirty (30) days prior to the date of redemption, to the registered owners of bonds to be so redeemed, to the addresses that shall appear upon the register thereof; all subject to the conditions set forth and as more fully provided in said Indenture and said New Supplemental Indenture. Said Indenture and said New Supplemental Indenture provide, among other things, that notice of redemption having been duly given, this bond or the portion hereof which shall have been called for redemption shall become due and payable upon

the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest thereon shall cease to accrue on and after the redemption date, and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in said Indenture, this bond or the portion hereof which shall have been called for redemption shall no longer be entitled to any lien or benefit of said Indenture.

In the event that this bond shall not be presented for payment when the principal hereof becomes due, either at maturity or otherwise or at the date fixed for the redemption hereof, and the Company shall have on deposit with the Trustee in trust for the purpose, on the date when this bond is so due, funds sufficient to pay the principal (and premium, if any) of this bond, together with all interest due hereon to the date of maturity of this bond, or to the date fixed for the redemption hereof, for the use and benefit of the registered owner hereof, then all liability of the Company to the registered owner hereof for the payment of the principal hereof (and premium, if any) and interest hereon shall forthwith cease, determine and be completely discharged.

In case an event of default as defined in said Indenture shall occur, the principal of this bond may become or be declared due and payable in the manner, with the effect, and subject to the conditions provided in said Indenture.

This bond is transferable without charge other than for any tax or other governmental charge incident thereto by the registered owner hereof in person, or by attorney duly authorized in writing, at the office or agency of the Company in the Borough of Manhattan, The City of New York, and at such other office or agency of the Company as the Company may from time to time designate, upon surrender and cancellation of this bond as provided in said New Supplemental Indenture, and upon any such transfer a new registered bond (or bonds), of the same series, for the same aggregate principal amount will be issued to the transferee (or transferees) in exchange therefor.

In the manner and subject to the limitations provided in said New Supplemental Indenture, bonds of the New Series may, at the option of the registered owner and upon surrender at said office or agency, be exchanged without charge for bonds of the New Series of the same aggregate principal amount in larger or smaller authorized denominations.

No recourse shall be had for the payment of the principal of or interest or premium (if any) on this bond, or for any claim based hereon or otherwise in respect hereof or of said Indenture or any indenture supplemental thereto, against any incorporator, or against any stockholder, director or officer, past, present or future, of the Company, as such, or of any predecessor or successor corporation, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute or otherwise,

of incorporators, stockholders, directors or officers being waived and released by every owner hereof by the acceptance of this bond and as part of the consideration for the issue hereof, and being likewise waived and released by the terms of said Indenture.

This bond shall not be valid or become obligatory for any purpose unless and until the certificate endorsed hereon shall have been executed by the Trustee or its successor in trust under said Indenture. .

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

COLUMBUS SOUTHERN POWER COMPANY

By _____
Vice President

(SEAL)

Attest: _____
Assistant Secretary

TRUSTEE'S CERTIFICATE

This bond is one of the bonds of the series designated therein, described in the within-mentioned Indenture and New Supplemental Indenture.

CITIBANK, N.A.,

as Trustee,

By _____
Authorized Officer

ANNEX A TO FIRST MORTGAGE BOND,
DESIGNATED SECURED MEDIUM TERM NOTE,
7.60% SERIES DUE MAY 1, 2024

(If redeemed during the twelve months beginning May 1) <u>Year</u>	<u>Regular Redemption Price</u>
2004	103.80%
2005	103.42
2006	103.04
2007	102.66
2008	102.28
2009	101.90
2010	101.52
2011	101.14
2012	100.76
2013	100.38
2014	100.00
2015	100.00
2016	100.00
2017	100.00
2018	100.00
2019	100.00
2020	100.00
2021	100.00
2022	100.00
2023	100.00

FOR VALUE RECEIVED, the undersigned hereby sell(s),
assign(s) and transfer(s) unto

(PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE)

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF
ASSIGNEE) the within Bond and all rights thereunder, hereby
irrevocably constituting and appointing such person attorney to
transfer such note on the books of the Issuer, with full power of
substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the
name as written upon the face of the within Bond in every
particular without alteration or enlargement or any
change whatsoever.

Exhibit C

COLUMBUS SOUTHERN POWER COMPANY

AND

THE FIRST NATIONAL BANK OF CHICAGO,
as Trustee

SECOND SUPPLEMENTAL INDENTURE

Dated as of February 1, 1997

TO

INDENTURE

Dated as of September 1, 1995

7.92% Junior Subordinated
Deferrable Interest Debentures,
Series B, Due 2027

SECOND SUPPLEMENTAL INDENTURE, dated as of the 1st day of February, 1997 (the "Second Supplemental Indenture"), between COLUMBUS SOUTHERN POWER COMPANY, a corporation duly organized and existing under the laws of the State of Ohio (hereinafter sometimes referred to as the "Company"), and THE FIRST NATIONAL BANK OF CHICAGO, a national banking association organized and existing under the laws of the United States, as trustee (hereinafter sometimes referred to as the "Trustee") under the Indenture dated as of September 1, 1995 between the Company and the Trustee, as supplemented by the First Supplemental Indenture dated September 1, 1995 (the "Indenture"); all terms used and not defined herein are used as defined in the Indenture.

WHEREAS, the Company executed and delivered the Indenture to the Trustee to provide for the future issuance of its junior subordinated debentures (the "Debentures"), said Debentures to be issued from time to time in series as might be determined by the Company under the Indenture, in an unlimited aggregate principal amount which may be authenticated and delivered thereunder as in the Indenture provided; and

WHEREAS, pursuant to the terms of the Indenture, the Company desires to provide for the establishment of a new series of its Debentures to be known as its 7.92% Junior Subordinated Deferrable Interest Debentures, Series B, Due 2027 (said series being hereinafter referred to as the "Series B Debentures"), the form and substance of such Series B Debentures and the terms, provisions and conditions thereof to be set forth as provided in the Indenture and this Second Supplemental Indenture; and

WHEREAS, the Company desires and has requested the Trustee to join with it in the execution and delivery of this Second Supplemental Indenture, and all requirements necessary to make this Second Supplemental Indenture a valid instrument, in accordance with its terms, and to make the Series B Debentures, when executed by the Company and authenticated and delivered by the Trustee, the valid obligations of the Company, have been performed and fulfilled, and the execution and delivery hereof have been in all respects duly authorized;

NOW THEREFORE, in consideration of the purchase and acceptance of the Series B Debentures by the holders thereof, and for the purpose of setting forth, as provided in the Indenture, the form and substance of the Series B Debentures and the terms, provisions and conditions thereof, the Company covenants and agrees with the Trustee as follows:

ARTICLE ONE

General Terms and Conditions of the Series B Debentures

SECTION 1.01. There shall be and is hereby authorized a series of Debentures designated the "7.92% Junior Subordinated Deferrable Interest Debentures, Series B, Due 2027", limited in aggregate principal amount to \$40,000,000, which amount shall be as set forth in any written order of the Company for the authentication and delivery of Series B Debentures pursuant to Section 2.01 of the Indenture. The Series B Debentures shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on March 31, 2027, and shall be issued in the form of registered Series B Debentures without coupons.

SECTION 1.02. Except as provided in Section 2.11(c) of the Indenture, the Series B Debentures shall be issued initially in the form of a Global Debenture in an aggregate principal amount equal to all outstanding Series B Debentures, to be registered in the name of the Depository, or its nominee, and delivered by the Trustee to the Depository for crediting to the accounts of its participants pursuant to the instructions of the Company. The Company shall execute a Global Debenture in such aggregate principal amount and deliver the same to the Trustee for authentication and delivery as hereinabove and in the Indenture provided. Payments on the Series B Debentures issued as a Global Debenture will be made to the Depository. The Depository for the Series B Debentures shall be The Depository Trust Company, New York, New York.

SECTION 1.03. If, pursuant to the provisions of Section 2.11(c) of the Indenture, the Series B Debentures are issued in certificated form, principal, premium, if any, and interest on the Series B Debentures will be payable, the transfer of such Series B Debentures will be registrable and such Series B Debentures will be exchangeable for Series B Debentures bearing identical terms and provisions at the office or agency of the Company only upon surrender of such certificated Series B Debenture and such other documents as required by the Indenture; provided, however, that payment of interest may be made at the option of the Company by check mailed to the registered holder at such address as shall appear in the Debenture Register.

SECTION 1.04. Each Series B Debenture shall bear interest at the rate of 7.92% per annum from the original date of issuance until the principal thereof becomes due and payable, and on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum, payable (subject to the provisions of Article Three hereof) quarterly in arrears on each

March 31, June 30, September 30 and December 31 (each, an "Interest Payment Date"), commencing on March 31, 1997. Interest (other than interest payable on redemption or maturity) shall be payable to the person in whose name such Series B Debenture or any predecessor Series B Debenture is registered at the close of business on the regular record date for such interest installment. The regular record date for such interest installment shall be the close of business on the business day next preceding that Interest Payment Date; except that if, pursuant to the provisions of Section 2.11(c) of the Indenture, the Series B Debentures are no longer represented by a Global Debenture, the regular record date for such interest installment shall be the close of business on the March 15, June 15, September 15 or December 15 (whether or not a business day) next preceding the Interest Payment Date. Interest payable on redemption or maturity shall be payable to the person to whom the principal is paid. Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered holders on such regular record date, and may be paid to the person in whose name the Series B Debenture (or one or more Predecessor Debentures) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof shall be given to the registered holders of the Series B Debentures not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series B Debentures may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on the Series B Debentures is not a business day, then payment of interest payable on such date will be made on the next succeeding day which is a business day (and without any interest or other payment in respect of any such delay), except that, if such business day is in the next succeeding calendar year, such payment shall be made on the immediately preceding business day, in each case with the same force and effect as if made on such date.

ARTICLE TWO

Redemption of the Series B Debentures

SECTION 2.01. Subject to the terms of Article Three of the Indenture, the Company shall have the right to redeem the Series B Debentures, in whole or in part, from time to time, at the time and redemption price set forth in the form of Debenture contained in Exhibit A hereto. Any redemption pursuant to this Section will be made upon not less than 30 nor more than 60 days' notice. If the Series B Debentures are only partially redeemed pursuant to this

Section, the Debentures will be redeemed pro rata or by lot or by any other method utilized by the Trustee; provided, that if at the time of redemption, the Series B Debentures are registered as a Global Debenture, the Depository shall determine by lot the principal amount of such Series B Debentures held by each Series B Debentureholder to be redeemed.

ARTICLE THREE

Extension of Interest Payment Period

SECTION 3.01. The Company shall have the right, at any time during the term of the Series B Debentures, from time to time to extend the interest payment period of such Series B Debentures for up to 20 consecutive quarters (the "Extended Interest Payment Period"), at the end of which period the Company shall pay all interest accrued and unpaid thereon (together with interest thereon compounded quarterly at the rate specified for the Series B Debentures to the extent permitted by applicable law); provided that, during such Extended Interest Payment Period, the Company shall not declare or pay any dividend on, or purchase, acquire or make a liquidation payment with respect to, any of its capital stock or make any guarantee payments with respect to the foregoing. Prior to the termination of any such Extended Interest Payment Period, the Company may further extend such period, provided that such period together with all such previous and further extensions thereof shall not exceed 20 consecutive quarters or extend beyond the maturity of the Series B Debentures. Upon the termination of any Extended Interest Payment Period and upon the payment of all accrued and unpaid interest then due, the Company may select a new Extended Interest Payment Period, subject to the foregoing requirements. No interest shall be due and payable during an Extended Interest Payment Period, except at the end thereof.

SECTION 3.02. (a) The Company shall give the holders of the Series B Debentures and the Trustee written notice of its selection of such Extended Interest Payment Period at least 10 business days prior to the earlier of (i) the next succeeding Interest Payment Date or (ii) the date the Company is required to give notice to holders of the Series B Debentures (or, if applicable, to the New York Stock Exchange or other applicable self-regulatory organization), of the record or payment date of such interest payment, but in any event not less than two business days prior to such record date.

(b) The quarter in which any notice is given pursuant to paragraph (a) of this Section shall constitute one of the 20 quarters which comprise the maximum Extended Interest Payment Period.

ARTICLE FOUR

Form of Series B Debenture

SECTION 4.01. The Series B Debentures and the Trustee's Certificate of Authentication to be endorsed thereon are to be substantially in the form of Exhibit A hereto.

ARTICLE FIVE

Original Issue of Series B Debentures

SECTION 5.01. Series B Debentures in the aggregate principal amount of \$40,000,000 may, upon execution of this Second Supplemental Indenture, or from time to time thereafter, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Debentures to or upon the written order of the Company, signed by its Chairman of the Board, its President, or any Vice President and its Treasurer or an Assistant Treasurer, without any further action by the Company.

ARTICLE SIX

Covenant of the Company

SECTION 6.01. The Company will not declare or pay any dividend on, or purchase, acquire or make a distribution or liquidation payment with respect to, any of its capital stock, or make any guarantee payments with respect thereto, if at such time (i) there shall have occurred and be continuing any Event of Default under the Indenture or (ii) the Company shall have given notice of its selection of an Extended Interest Payment Period and such period, or any extension thereof, shall be continuing.

ARTICLE SEVEN

Miscellaneous Provisions

SECTION 7.01. Except as otherwise expressly provided in this Second Supplemental Indenture or in the form of Series B Debenture or otherwise clearly required by the context hereof or thereof, all terms used herein or in said form of Series B Debenture that are defined in the Indenture shall have the several meanings respectively assigned to them thereby.


SECTION 7.02. The Indenture, as supplemented by this Second Supplemental Indenture, is in all respects ratified and confirmed, and this Second Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

SECTION 7.03. The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Second Supplemental Indenture.


SECTION 7.04. This Second Supplemental Indenture may be executed in any number of counterparts each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, on the date or dates indicated in the acknowledgments and as of the day and year first above written.

COLUMBUS SOUTHERN POWER COMPANY

By 
Treasurer

Attest:

By 
Assistant Secretary

THE FIRST NATIONAL BANK OF CHICAGO
as Trustee

By _____
Vice President

Attest:

By _____
Authorized Officer

SECTION 7.02. The Indenture, as supplemented by this Second Supplemental Indenture, is in all respects ratified and confirmed, and this Second Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

SECTION 7.03. The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Second Supplemental Indenture.

SECTION 7.04. This Second Supplemental Indenture may be executed in any number of counterparts each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, on the date or dates indicated in the acknowledgments and as of the day and year first above written.

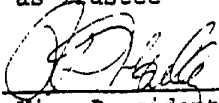
COLUMBUS SOUTHERN POWER COMPANY

By _____
Treasurer

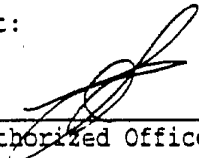
Attest:

By _____
Assistant Secretary

THE FIRST NATIONAL BANK OF CHICAGO
as Trustee

By  _____
Vice President

Attest:

By  _____
Authorized Officer

Leland Hansen

State of Ohio }
County of Franklin, } ss:

On this 27th day of February, 1997, personally appeared before me, a Notary Public within and for said County in the State aforesaid, A. A. Pena and John M. Adams, Jr., to me known and known to me to be respectively Treasurer and Assistant Secretary of COLUMBUS SOUTHERN POWER COMPANY, one of the corporations named in and which executed the foregoing instrument, who severally acknowledged that they did sign and seal said instrument as such Treasurer and Assistant Secretary for and on behalf of said corporation and that the same is their free act and deed as such Treasurer and Assistant Secretary, respectively, and the free and corporate act and deed of said corporation.

In Witness Whereof, I have hereunto set my hand and notarial seal this 27th day of February, 1997.

[Notarial Seal]

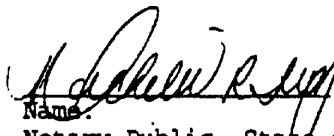
Mary M. Soltesz
Name: MARY M. SOLTESZ
Notary Public, State of Ohio
My Commission Expires 7-12-99

State of }
County of } ss:

Be it remembered, that on this 28th day of February, 1997, personally appeared before me the undersigned, a Notary Public within and for said County and State, THE FIRST NATIONAL BANK OF CHICAGO, one of the corporations named in and which executed the foregoing instrument, by Richard Manella, one of its Vice Presidents, and by Leiland Hansen, one of its Authorized Officers, to me known and known by me to be such Vice President and Authorized Officer, respectively, who severally duly acknowledged the signing and sealing of the foregoing instrument to be their free act and voluntary deed, and the free act and voluntary deed of each of them as such Vice President and Authorized Officer, respectively, and the free act and voluntary deed of said corporation, for the uses and purposes therein expressed and mentioned.

In Witness Whereof, I have hereunto set my hand and notarial seal this 28th day of February, 1997.

[Notarial Seal]


Name _____
Notary Public, State of _____
My Commission Expires _____



(FORM OF FACE OF DEBENTURE)

[IF THE SERIES B DEBENTURE IS TO BE A GLOBAL DEBENTURE, INSERT
- This Debenture is a Global Debenture within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depository or a nominee of a Depository. This Debenture is exchangeable for Debentures registered in the name of a person other than the Depository or its nominee only in the limited circumstances described in the Indenture, and no transfer of this Debenture (other than a transfer of this Debenture as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in limited circumstances.

Unless this Debenture is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any Debenture issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC and any payment hereon is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

No. _____ \$ _____

CUSIP No. _____

COLUMBUS SOUTHERN POWER COMPANY

7.92% JUNIOR SUBORDINATED
DEFERRABLE INTEREST DEBENTURE,
SERIES B, DUE 2027

COLUMBUS SOUTHERN POWER COMPANY, a corporation duly organized and existing under the laws of the State of Ohio (herein referred to as the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of _____ Dollars on March 31, 2027, and to pay interest on said principal sum from March 5, 1997 or from the most recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, quarterly (subject to deferral as set forth herein) in arrears on each March 31, June 30, September 30 and December 31 commencing

March 31, 1997 at the rate of 7.92% per annum until the principal hereof shall have become due and payable, and on any overdue principal and premium, if any, and (without duplication and to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum during such overdue period. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Debenture is not a business day, then payment of interest payable on such date will be made on the next succeeding day which is a business day (and without any interest or other payment in respect of any such delay), except that, if such business day is in the next succeeding calendar year, such payment shall be made on the immediately preceding business day, in each case with the same force and effect as if made on such date. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date (other than interest payable on redemption or maturity) will, as provided in the Indenture, be paid to the person in whose name this Debenture (or one or more Predecessor Debentures, as defined in said Indenture) is registered at the close of business on the regular record date for such interest installment, [which shall be the close of business on the business day next preceding such Interest Payment Date.] [IF PURSUANT TO THE PROVISIONS OF SECTION 2.11(C) OF THE INDENTURE THE SERIES B DEBENTURES ARE NO LONGER REPRESENTED BY A GLOBAL DEBENTURE -- which shall be the close of business on the March 15, June 15, September 15 or December 15 (whether or not a business day) next preceding such Interest Payment Date.] Interest payable on redemption or maturity shall be payable to the person to whom the principal is paid. Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered holders on such regular record date, and may be paid to the person in whose name this Debenture (or one or more Predecessor Debentures) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof shall be given to the registered holders of this series of Debentures not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Debentures may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture. The principal of (and premium, if any) and the interest on this Debenture shall be payable at the office or agency of the Company maintained for that purpose, in any coin or currency of the United States of America which at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest may be made at the option of the Company by check mailed to the registered holder at such address as shall appear in the Debenture Register.

Payment of the principal of, premium, if any, and interest on this Debenture is, to the extent provided in the Indenture, subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness, as defined in the Indenture, and this Debenture is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Debenture, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee his or her attorney-in-fact for any and all such purposes. Each Holder hereof, by his or her acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Indebtedness, whether now outstanding or hereafter incurred, and waives reliance by each such holder upon said provisions.

This Debenture shall not be entitled to any benefit under the Indenture hereinafter referred to, be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

Unless the Certificate of Authentication hereon has been executed by the Trustee or a duly appointed Authentication Agent referred to on the reverse side hereof, this Debenture shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

The provisions of this Debenture are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this Instrument to be executed.

Dated _____

COLUMBUS SOUTHERN POWER COMPANY

By _____

Attest:

By _____

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Debentures of the series of Debentures described in the within-mentioned Indenture.

THE FIRST NATIONAL BANK OF CHICAGO
as Trustee or as Authentication Agent

By _____
Authorized Signatory

(FORM OF REVERSE OF DEBENTURE)

This Debenture is one of a duly authorized series of Debentures of the Company (herein sometimes referred to as the "Debentures"), specified in the Indenture, all issued or to be issued in one or more series under and pursuant to an Indenture dated as of September 1, 1995 duly executed and delivered between the Company and The First National Bank of Chicago, a national banking association organized and existing under the laws of the United States, as Trustee (herein referred to as the "Trustee"), as supplemented by the First Supplemental Indenture dated as of September 1, 1995 and the Second Supplemental Indenture dated as of February 1, 1997 between the Company and the Trustee (said Indenture as so supplemented being hereinafter referred to as the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Debentures. By the terms of the Indenture, the Debentures are issuable in series which may vary as to amount, date of maturity, rate of interest and in other respects as in the Indenture provided. This series of Debentures is limited in aggregate principal amount as specified in said Second Supplemental Indenture.

Subject to the terms of Article Three of the Indenture, the Company shall have the right to redeem this Debenture at the option of the Company, without premium or penalty, in whole or in part at any time on or after March 5, 2002 (an "Optional Redemption"), at a redemption price equal to 100% of the principal amount plus any accrued but unpaid interest to the date of such redemption (the "Optional Redemption Price"). Any redemption pursuant to this paragraph will be made upon not less than 30 nor more than 60 days' notice, at the Optional Redemption Price. If the Debentures are only partially redeemed by the Company pursuant to an Optional Redemption, the Debentures will be redeemed pro rata or by lot or

by any other method utilized by the Trustee; provided that if at the time of redemption, the Debentures are registered as a Global Debenture, the Depository shall determine by lot the principal amount of such Debentures held by each Debentureholder to be redeemed.

In the event of redemption of this Debenture in part only, a new Debenture or Debentures of this series for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Debentures may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Debenture upon compliance by the Company with certain conditions set forth therein.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Debentures of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Debentures; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Debentures of any series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the holder of each Debenture so affected or (ii) reduce the aforesaid percentage of Debentures, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of each Debenture then outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Debentures of all series at the time outstanding affected thereby, on behalf of the Holders of the Debentures of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences, except a default in the payment of the principal of or premium, if any, or interest on any of the Debentures of such series. Any such consent or waiver by the registered Holder of this Debenture (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Debenture and of any Debenture issued in exchange herefor or in place hereof (whether by registration of transfer or

otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Debenture.

No reference herein to the Indenture and no provision of this Debenture or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Debenture at the time and place and at the rate and in the money herein prescribed.

The Company shall have the right at any time during the term of the Debentures, from time to time to extend the interest payment period of such Debentures for up to 20 consecutive quarters (the "Extended Interest Payment Period"), at the end of which period the Company shall pay all interest then accrued and unpaid (together with interest thereon compounded quarterly at the rate specified for the Debentures to the extent that payment of such interest is enforceable under applicable law); provided that, during such Extended Interest Payment Period the Company shall not declare or pay any dividend on, or purchase, acquire or make a liquidation payment with respect to, any of its capital stock, or make any guarantee payments with respect thereto. Prior to the termination of any such Extended Interest Payment Period, the Company may further extend such Extended Interest Payment Period, provided that such Period together with all such previous and further extensions thereof shall not exceed 20 consecutive quarters or extend beyond the maturity of the Debentures. At the termination of any such Extended Interest Payment Period and upon the payment of all accrued and unpaid interest and any additional amounts then due, the Company may select a new Extended Interest Payment Period:

As provided in the Indenture and subject to certain limitations therein set forth, this Debenture is transferable by the registered holder hereof on the Debenture Register of the Company, upon surrender of this Debenture for registration of transfer at the office or agency of the Company accompanied by a written instrument or instruments of transfer in form satisfactory to the Company or the Trustee duly executed by the registered Holder hereof or his or her attorney duly authorized in writing, and thereupon one or more new Debentures of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Debenture, the Company, the Trustee, any paying agent and any Debenture Registrar may deem and treat the registered Holder hereof as the absolute owner hereof (whether or not this Debenture shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Debenture Registrar) for the

purpose of receiving payment of or on account of the principal hereof and premium, if any, and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Debenture Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Debenture, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

[The Debentures of this series are issuable only in registered form without coupons in denominations of \$25 and any integral multiple thereof.] [This Global Debenture is exchangeable for Debentures in definitive form only under certain limited circumstances set forth in the Indenture. Debentures of this series so issued are issuable only in registered form without coupons in denominations of \$25 and any integral multiple thereof.] As provided in the Indenture and subject to certain limitations [herein and] therein set forth, Debentures of this series [so issued] are exchangeable for a like aggregate principal amount of Debentures of this series of a different authorized denomination, as requested by the Holder surrendering the same.

All terms used in this Debenture which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s)
and transfer(s) unto

(PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE)

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF
ASSIGNEE) the within Debenture and all rights thereunder, hereby
irrevocably constituting and appointing such person attorney to
transfer such Debenture on the books of the Issuer, with full
power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the
name as written upon the face of the within Debenture in
every particular, without alteration or enlargement or
any change whatever and NOTICE: Signature(s) must be
guaranteed by a financial institution that is a member of
the Securities Transfer Agents Medallion Program
("STAMP"), the Stock Exchange Medallion Program ("SEMP")
or the New York Stock Exchange, Inc. Medallion Signature
Program ("MSP").

June 18, 1998

Company Order and Officers' Certificate
Unsecured Medium Term Notes, Series B

Bankers Trust Company, as Trustee
Four Albany Street
New York, New York 10006

Attn: Corporate Trust Division

Ladies and Gentlemen:

Pursuant to Article Two of the Indenture, dated as of September 1, 1997 (as it may be amended or supplemented, the "Indenture"), from Columbus Southern Power Company (the "Company") to Bankers Trust Company, as trustee (the "Trustee"), and the Board Resolutions dated April 22, 1998, a copy of which certified by the Secretary or an Assistant Secretary of the Company is being delivered herewith under Section 2.01 of the Indenture, and unless otherwise provided in a subsequent Company Order pursuant to Section 2.04 of the Indenture,

1. The Company's Unsecured Medium Term Notes, Series B (the "Notes") are hereby established and shall be subject to a Periodic Offering. Fixed Rate Notes shall be in substantially the form attached hereto as Exhibit 1 and Floating Rate Notes shall be in substantially the form attached hereto as Exhibit 2.

2. The terms and characteristics of the Notes shall be as follows (the numbered clauses set forth below corresponding to the numbered subsections of Section 2.01 of the Indenture, with terms used and not defined herein having the meanings specified in the Indenture):

(i) the aggregate principal amount of Notes which may be authenticated and delivered under the Indenture shall be limited to \$150,000,000, except as contemplated in Section 2.01(i) of the Indenture;

(ii) the date or dates on which the principal of the Notes shall be payable shall be determined by an officer of the Company and communicated to the Trustee by Instructions, as defined below, or otherwise in accordance with procedures, acceptable to the Trustee, specified in a Company Order or Orders (both of such methods of determination being hereinafter referred to as "determined pursuant to Instructions"); provided, however, that no Note shall have a term of less than nine months or more than 42 years;

(iii) interest shall accrue from the date of authentication of the Notes; with respect to fixed rate Notes, the Interest Payment Dates on which such interest will be payable shall be March 1 and September 1 or such other date or dates as determined pursuant to Instructions, with respect to floating rate Notes, the Interest Payment Dates shall be as determined pursuant to Instructions; the Regular Record Date shall be the fifteenth calendar day immediately preceding the related Interest Payment Date or such other date or dates as determined pursuant to Instructions; provided however that if the Original Issue Date of a Note shall be after a Regular Record Date and before the corresponding Interest Payment Date, payment of interest shall commence on the second Interest Payment Date succeeding such Original Issue Date and shall be paid to the Person in whose name this Note was registered on the Regular Record Date for such second Interest Payment Date; and provided further, that interest payable on Stated Maturity Date or any Redemption Date shall be paid to the Person to whom principal shall be paid;

(iv) the interest rate or rates, or interest rate formula or formulas, if any, at which the Notes, or any Tranche thereof, shall bear interest shall be determined pursuant to Instructions;

(v) the terms, if any, regarding the redemption, purchase or repayment of such series, shall be determined pursuant to Instructions;

(vi) (a) the Notes shall be issued in the form of a Global Note; (b) the Depository for such Global Note shall be The Depository Trust Company; and (c) the procedures with respect to transfer and exchange of Global Notes shall be as set forth in the form of Note attached hereto;

(vii) the title of the Notes shall be "Unsecured Medium Term Notes, Series B";

(viii) the form of the Notes shall be as set forth in Paragraph 1, above;

(ix) the maximum interest rate on fixed rate Notes shall not exceed by 2.5% the yield to maturity at the date of pricing on United States Treasury Bonds of comparable maturity and the initial interest rate on any floating rate Note shall not exceed 10%;

(x) the Notes shall be subject to a Periodic Offering;

(xi) not applicable;

(xii) any other information necessary to complete the Notes shall be determined pursuant to Instructions;

(xiii) not applicable;

(xiv) not applicable;

(xv) not applicable;

(xvi) whether any Notes shall be issued as Discount Securities and the terms thereof shall be determined pursuant to Instructions;

(xvii) not applicable;

(xviii) not applicable; and

(xix) any other terms of the Notes not inconsistent with the Indenture may be determined pursuant to Instructions.

3. You are hereby requested to authenticate, from time to time after the date hereof and in the manner provided by the Indenture, such aggregate principal amount of the Notes not to exceed \$150,000,000 as shall be set forth in Instructions (the "Instructions") in substantially the form attached hereto as Exhibit 3 for Fixed Rate Notes and Exhibit 4 for Floating Rate Notes.

4. You are hereby requested to hold the Notes authenticated pursuant to each of the Instructions in accordance with the Administrative Procedures attached as Exhibit A to the Selling Agency Agreement dated June 18, 1998, between the Company and each of the agents named therein.

5. Concurrently with this Company Order, an Opinion of Counsel under Sections 2.04 and 13.06 of the Indenture is being delivered to you.

6. The undersigned Armando A. Pena and John F. Di Lorenzo, Jr., the Treasurer and Secretary, respectively, of the Company do hereby certify that:

(i) we have read the relevant portions of the Indenture, including without limitation the conditions precedent provided for therein relating to the action proposed to be taken by the Trustee as requested in this Company Order and Officers' Certificate, and the definitions in the Indenture relating thereto;

(ii) we have read the Board Resolutions of the Company and the Opinion of Counsel referred to above;

(iii) we have conferred with other officers of the Company, have examined such records of the Company and have made such other investigation as we deemed relevant for purposes of this certificate;

(iv) in our opinion, we have made such examination or investigation as is necessary to enable us to express an informed opinion as to whether or not such conditions have been complied with; and

(v) on the basis of the foregoing, we are of the opinion that all conditions precedent provided for in the Indenture relating to the action proposed to be taken by the Trustee as requested herein have been complied with.

Kindly acknowledge receipt of this Company Order and Officers' Certificate, including the documents listed herein, and confirm the arrangements set forth herein by signing and returning the copy of this document attached hereto.

Very truly yours,

COLUMBUS SOUTHERN POWER COMPANY

By: _____
Treasurer

And: _____
Secretary

Acknowledged by Trustee:

By: _____

[Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any certificate to be issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

No.

COLUMBUS SOUTHERN POWER COMPANY
Unsecured Medium Term Note, Series B
(Fixed Rate)

CUSIP: Original Issue Date:

Stated Maturity: Interest Rate:

Principal Amount:

Redeemable:	Yes	_____	No	_____
In Whole:	Yes	_____	No	_____
In Part:	Yes	_____	No	_____

Initial Redemption Date:

Redemption Limitation Date:

Initial Redemption Price:

Reduction Percentage:

COLUMBUS SOUTHERN POWER COMPANY, a corporation duly organized and existing under the laws of the State of Ohio (herein referred to as the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO. or registered assigns, the Principal Amount specified above on Stated Maturity specified above, and to pay interest on said Principal Amount from the Original Issue Date specified above or from the most recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, [semi-annually in arrears on March 1 and September 1 in each year,] commencing (except as provided in the following sentence) with the Interest Payment Date next succeeding the Original Issue Date specified above, at the Interest Rate per annum specified above, until the Principal Amount shall have been paid or duly provided for. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date, as provided in the Indenture, as hereinafter defined, shall be paid to the Person in whose name this Note (or one or more Predecessor Securities) shall have been registered at the close of business on the Regular Record Date with respect to such Interest Payment Date, which shall be the fifteenth calendar day (whether or not a Business Day), as the case may be, immediately preceding such Interest Payment Date; provided however that if the Original Issue Date of this Note shall be after a Regular Record Date and before the corresponding Interest Payment Date, payment of interest shall commence on the second Interest Payment Date succeeding such Original Issue Date and shall be paid to the Person in whose name this Note was registered on the Regular Record Date for such second Interest Payment Date; and provided further, that interest payable on Stated Maturity or any Redemption Date shall be paid to the Person to whom principal shall be paid. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and shall be paid as provided in said Indenture.

If any Interest Payment Date, any Redemption Date or Stated Maturity is not a Business Day, then payment of the amounts due on this Note on such date will be made on the next succeeding Business Day, and no interest shall accrue on such amounts for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be. The principal of (and premium, if any) and the interest on this Note shall be payable at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City of New York, New York, in any coin or currency of the United States of America which at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest (other than interest payable on Stated Maturity or any Redemption Date) may be made at the option of the Company by check mailed to the registered holder at such address as shall appear in the Note Register.

This Note is one of a duly authorized series of Notes of the Company (herein sometimes referred to as the "Notes"), specified in the Indenture, all issued or to be issued in one or more series under and pursuant to an Indenture dated as of September 1, 1997 duly executed and delivered between the Company and Bankers Trust Company, a corporation organized and existing under the laws of the State of New York, as Trustee (herein referred to as the "Trustee") (such Indenture, as originally executed and delivered and as thereafter supplemented and amended being hereinafter referred to as the "Indenture"), to which Indenture and all indentures supplemental thereto or Company Orders reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Notes. By the terms of the Indenture, the Notes are issuable in series which may vary as to amount, date of maturity, rate of interest and in other respects as in the Indenture provided. This Note is one of the series of Notes designated on the face hereof.

[If so specified on the face hereof and subject to the terms of Article Three of the Indenture, this Note is subject to redemption at any time on or after the Initial Redemption Date specified on the face hereof, as a whole or, if specified, in part, at the election of the Company, at the applicable redemption price (as described below) plus any accrued but unpaid interest to the date of such redemption. Unless otherwise specified on the face hereof, such redemption price shall be the Initial Redemption Price specified on the face hereof for the twelve-month period commencing on the Initial Redemption Date and shall decline for the twelve-month period commencing on each anniversary of the Initial Redemption Date by a percentage of principal amount equal to the Reduction Percentage specified on the face hereof until such redemption price is 100% of the principal amount of this Note to be redeemed.]

[Notwithstanding the foregoing, the Company may not, prior to the Redemption Limitation Date, if any, specified on the face hereof, redeem any Note of this series and Tranche as contemplated above as a part of, or in anticipation of, any refunding operation by the application, directly or indirectly, of moneys borrowed having an effective interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than the effective interest cost the Company (similarly calculated) of this Note.]

[This Note shall be redeemable to the extent set forth herein and in the Indenture upon not less than thirty, but not more than sixty, days previous notice by mail to the registered owner.]

The Company shall not be required to (i) issue, exchange or register the transfer of any Notes during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of less than all the outstanding Notes of the same series and Tranche and ending at the close of business on the day of such mailing, nor (ii) register the transfer of or exchange of any Notes of any series or portions thereof called for redemption. This Global Note is exchangeable for Notes in definitive registered form only under certain limited circumstances set forth in the Indenture.

In the event of redemption of this Note in part only, a new Note or Notes of this series and Tranche, of like tenor, for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender of this Note.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Note upon compliance by the Company with certain conditions set forth therein.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Notes; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Notes of any series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, or reduce the amount of the principal of a Discount Security that would be due and payable upon a declaration of acceleration of the maturity thereof pursuant to the Indenture, without the consent of the holder of each Note then outstanding and affected; (ii) reduce the aforesaid percentage of Notes, the holders of which are required to consent to any such supplemental indenture, or reduce the percentage of Notes, the holders of which are required to waive any default and its consequences, without the consent of the holder of each Note then outstanding and affected thereby; or (iii) modify any provision of Section 6.01(c) of the Indenture (except to increase the percentage of principal amount of securities required to rescind and annul any declaration of amounts due and payable under the Notes), without the consent of the holder of each Note then outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes of all series at the time outstanding affected thereby, on behalf of the Holders of the Notes of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences, except a default in the payment of the principal of or premium, if any, or interest on any of the Notes of such series. Any such consent or waiver by the registered Holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Note and of any Note issued in exchange herefor or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Note at the time and place and at the rate and in the money herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, this Note is transferable by the registered holder hereof on the Note Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Company as may be designated by the Company accompanied by a written instrument or instruments of transfer in form satisfactory to the Company or the Trustee duly executed by the registered Holder hereof or his or her attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Note, the Company, the Trustee, any paying agent and any Note Registrar may deem and treat the registered Holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Note Registrar) for the purpose of receiving payment of or on account of the principal hereof and premium, if any, and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Note Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

The Notes of this series are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations, Notes of this series and Tranche are exchangeable for a like aggregate principal amount of Notes of this series and Tranche of a different authorized denomination, as requested by the Holder surrendering the same.

All terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

This Note shall not be entitled to any benefit under the Indenture hereinafter referred to, be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

IN WITNESS WHEREOF, the Company has caused this Instrument to be executed.

Dated _____

COLUMBUS SOUTHERN POWER COMPANY

By: _____

Attest:

By: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series of Notes designated in accordance with, and referred to in, the within-mentioned Indenture.

Dated: _____

BANKERS TRUST COMPANY

By: _____
Authorized Signatory

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s)
and transfer(s) unto

(PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE)

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF
ASSIGNEE) the within Note and all rights thereunder, hereby
irrevocably constituting and appointing such person attorney to
transfer such Note on the books of the Issuer, with full
power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the
name as written upon the face of the within Note in every
particular, without alteration or enlargement or any
change whatever and NOTICE: Signature(s) must be
guaranteed by a financial institution that is a member of
the Securities Transfer Agents Medallion Program
("STAMP"), the Stock Exchange Medallion Program ("SEMP")
or the New York Stock Exchange, Inc. Medallion Signature
Program ("MSP").

Exhibit 2

[Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any certificate to be issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein. Except as otherwise provided in Section 2.11 of the Indenture, this Security may be transferred, in whole but not in part, only to another nominee of the Depository or to a successor Depository or to a nominee of such successor Depository.]

Registered No. FLR-_____

COLUMBUS SOUTHERN POWER COMPANY
UNSECURED MEDIUM-TERM NOTE, SERIES B
(Floating Rate)

CUSIP No.:
Original Issue Date:
Stated Maturity:

Principal Amount:

INTEREST RATE BASIS OR BASES:

IF LIBOR:
[] LIBOR Reuters
[] LIBOR Telerate

IF CMT RATE:
Designated CMT Telerate Page:
Designated CMT Maturity Index:

INDEX CURRENCY:

INDEX MATURITY: INITIAL INTEREST RATE: % INTEREST PAYMENT DATE(S):

SPREAD SPREAD MULTIPLIER: INITIAL INTEREST RESET DATE:
(PLUS OR MINUS):

MINIMUM INTEREST RATE: % MAXIMUM INTEREST RATE: % INTEREST RESET DATE(S):

INITIAL REDEMPTION DATE: INITIAL REDEMPTION ANNUAL REDEMPTION
PERCENTAGE: % PERCENTAGE REDUCTION: %

OPTIONAL REPAYMENT DATE(S): CALCULATION AGENT:

INTEREST CATEGORY: DAY COUNT CONVENTION:
[] Regular Floating Rate Note [] 30/360 for the period
[] Floating Rate/Fixed Rate Note from to
Fixed Rate Commencement Date: [] Actual/360 for the period
Fixed Interest Rate: % from to

☐ Inverse Floating Rate Note
Fixed Interest Rate: %
☐ Original Issue Discount Note
Issue Price: %

☐ Actual/Actual for the period
from to
Applicable Interest Rate Basis:

SPECIFIED CURRENCY:

☐ United States dollars
☐ Other

AUTHORIZED DENOMINATION:

☐ \$1,000 and integral multiples thereof
☐ Other:

EXCHANGE RATE AGENT:

DEFAULT RATE: %

ADDENDUM ATTACHED

☐ Yes
☐ No

ELIGIBLE OBLIGATIONS (IF OTHER THAN UNITED STATES DOLLARS):

OTHER/ADDITIONAL PROVISIONS:

COLUMBUS SOUTHERN POWER COMPANY, a corporation duly organized and existing under the laws of the State of Ohio (herein referred to as the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the Principal Amount specified above, on the Stated Maturity specified above (or any Redemption Date or Repayment Date, each as defined herein) (each such Stated Maturity, Redemption Date or Repayment Date being hereinafter referred to as the "Maturity Date" with respect to the principal repayable on such date) and to pay interest thereon, at a rate per annum equal to the Initial Interest Rate specified above until the Initial Interest Reset Date specified above and thereafter at a rate determined in accordance with the provisions specified above and as herein provided with respect to one or more Interest Rate Bases specified above until the principal hereof is paid or duly made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the Default Rate per annum specified above on any overdue principal, premium and/or interest. The Company will pay interest in arrears on each Interest Payment Date, if any, specified above (each, an "Interest Payment Date"), commencing with the first Interest Payment Date next succeeding the Original Issue Date specified above, and on the Maturity Date; provided, however, that if the Original Issue Date occurs between a Regular Record Date (as defined below) and the next succeeding Interest Payment Date, interest payments will commence on the second Interest Payment Date next succeeding the Original Issue Date to the holder of this Note on the Regular Record Date with respect to such second Interest Payment Date.

Interest on this Note will accrue from, and including, the immediately preceding Interest Payment Date to which interest has been paid or duly provided for (or from, and including, the Original Issue Date if no interest has been paid or duly provided for) to, but excluding, the applicable Interest Payment Date or the

Maturity Date, as the case may be (each, an "Interest Period"). The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, subject to certain exceptions described herein, be paid to the person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the fifteenth calendar day (whether or not a Business Day, as defined herein) immediately preceding such Interest Payment Date (the "Regular Record Date"); provided, however, that interest payable on the Maturity Date will be payable to the person to whom the principal hereof and premium, if any, hereon shall be payable. Any such interest not so punctually paid or duly provided for ("Defaulted Interest") will forthwith cease to be payable to the holder on any Regular Record Date, and shall be paid to the person in whose name this Note is registered at the close of business on a special record date (the "Special Regular Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee hereinafter referred to, notice whereof shall be given to the holder of this Note by the Trustee not less than 10 calendar days prior to such Special Regular Record Date or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this note may be listed, and upon such notice as may be required by such exchange, all as more fully provided for in the Indenture.

Payment of principal, premium, if any, and interest in respect of this Note due on the Maturity Date will be made in immediately available funds upon presentation and surrender of this Note (and, with respect to any applicable repayment of this Note, a duly completed election form as contemplated herein) at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, New York; provided, however, that if such payment is to be made in a Specified Currency other than United States dollars as set forth below, such payment will be made by wire transfer of immediately available funds to an account with a bank designated by the holder hereof at least 15 calendar days prior to the Maturity Date, provided that such bank has appropriate facilities therefor and that this Note (and, if applicable, a duly completed repayment election form) is presented and surrendered at the aforementioned office or agency of the Company in time for the Company to make such payment in such funds in accordance with its normal procedures. Payment of interest due on any Interest Payment Date other than the Maturity Date will be made by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register maintained at the aforementioned office or agency of the Company; provided, however, that a holder of U.S.\$10,000,000 (or, if the Specified Currency specified above is other than United States dollars, the equivalent thereof in the Specified Currency) or more in aggregate principal amount of Notes (whether having identical or different terms and provisions) will be entitled to receive interest payments on such Interest Payment Date by wire transfer of immediately available funds if appropriate wire transfer instructions have been received in writing by the Company not less than 15 calendar days prior to such Interest

Payment Date. Any such wire transfer instructions received by the Company shall remain in effect until revoked by such holder.

If any Interest Payment Date other than the Maturity Date would otherwise be a day that is not a Business Day, such Interest Payment Date shall be postponed to the next succeeding Business Day, except that if LIBOR is an applicable Interest Rate Basis and such Business Day falls in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day. If the Maturity Date falls on a day that is not a Business Day, the required payment of principal, premium, if any, and interest shall be made on the next succeeding Business Day with the same force and effect as if made on the date such payment was due, and no interest shall accrue with respect to such payment for the period from and after the Maturity Date to the date of such payment on the next succeeding Business Day.

The Company is obligated to make payment of principal, premium, if any, and interest in respect of this Note in the Specified Currency (or, if the Specified Currency is not at the time of such payment legal tender for the payment of public and private debts, in such other coin or currency of the country which issued the Specified Currency as at the time of such payment is legal tender for the payment of such debts). If the Specified Currency is other than United States dollars, any such amounts so payable by the Company will be converted by the Exchange Rate Agent specified above into United States dollars for payment to the holder of this Note; provided, however, that the holder of this Note may elect to receive such amounts in such Specified Currency pursuant to the provisions set forth below.

If the Specified Currency is other than United States dollars and the holder of this Note shall not have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency, any United States dollar amount to be received by the holder of this Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of whom may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by the Company for the purchase by the quoting dealer of the Specified Currency for United States dollars for settlement on such payment date in the aggregate amount of the Specified Currency payable to all holders of Notes scheduled to receive United States dollar payments and at which the applicable dealer commits to execute a contract. All currency exchange costs will be borne by the holder of this Note by deductions from such payments. If three such bid quotations are not available, payments on this Note will be made in the Specified Currency.

If the Specified Currency is other than United States dollars, the holder of this Note may elect to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency by submitting a written request for such payment to the Company at its office or agency in The City of New York on or prior to the applicable Regular Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be. Such written request may be mailed or hand delivered or sent by cable, telex or other form of facsimile transmission. The holder of this Note may elect to receive all or a specified portion of all future payments in the Specified Currency in respect of such principal, premium, if any, and/or interest and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Company, but written notice of any such revocation must be received by the Company on or prior to the applicable Regular Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be.

If the Specified Currency is other than United States dollars or a composite currency and the holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency and if the Specified Currency is not available due to the imposition of exchange controls or other circumstances beyond the control of the Company, the Company will be entitled to satisfy its obligations to the holder of this Note by making such payment in United States dollars on the basis of the Market Exchange Rate (as defined below) on the second Business Day prior to such payment date or, if such Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate or as otherwise specified herein. The "Market Exchange Rate" for the Specified Currency means the noon dollar buying rate in The City of New York for cable transfers for the Specified Currency as certified for customs purposes by (or if not so certified, as otherwise determined by) the Federal Reserve Bank of New York. Any payment made under such circumstances in United States dollars will not constitute an Event of Default (as defined in the Indenture).

If the Specified Currency is a composite currency and the holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency and if such composite currency is unavailable due to the imposition of exchange controls or other circumstances beyond the control of the Company, then the Company will be entitled to satisfy its obligations to the holder of this Note by making such payment in United States dollars. The amount of each payment in United States dollars shall be computed by the Exchange Rate Agent on the basis of the equivalent of the composite currency in United States dollars. The component currencies of the composite currency

for this purpose (collectively, the "Component Currencies" and each, a "Component Currency") shall be the currency amounts that were components of the composite currency as of the last day on which the composite currency was used. The equivalent of the composite currency in United States dollars shall be calculated by aggregating the United States dollar equivalents of the Component Currencies. The United States dollar equivalent of each of the Component Currencies shall be determined by the Exchange Rate Agent on the basis of the most recently available Market Exchange Rate for each such Component Currency, or as otherwise specified herein.

If the official unit of any Component Currency is altered by way of combination or subdivision, the number of units of the currency as a Component Currency shall be divided or multiplied in the same proportion. If two or more Component Currencies are consolidated into a single currency, the amounts of those currencies as Component Currencies shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated Component Currencies expressed in such single currency. If any Component Currency is divided into two or more currencies, the amount of the original Component Currency shall be replaced by the amounts of such two or more currencies, the sum of which shall be equal to the amount of the original Component Currency.

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the holder of this Note.

Reference is hereby made to the further provisions of this Note set forth herein and, if so specified above, in the Addendum hereto, which further provisions shall have the same force and effect as if set forth herein.

This Note is one of a duly authorized series of Debt Securities (the "Debt Securities") of the Company issued and to be issued under an Indenture, dated as of September 1, 1997, as amended, modified or supplemented from time to time (the "Indenture"), between the Company and Bankers Trust Company, as Trustee (the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental and Company Orders thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the holders of the Debt Securities, and of the terms upon which the Debt Securities are, and are to be, authenticated and delivered. This Note is one of the series of Debt Securities designated as "Unsecured Medium-Term Notes, Series B" (the "Notes"). All terms used but not defined in this Note specified herein or in an Addendum hereto shall have the meanings assigned to such terms in the Indenture.

This Note is issuable only in registered form without coupons in minimum denominations of U.S.\$1,000 and integral multiples thereof or the minimum Authorized Denomination specified herein.

This Note will not be subject to any sinking fund and, unless otherwise provided herein in accordance with the provisions of the following two paragraphs, will not be redeemable or repayable prior to the Stated Maturity.

[If so specified on the face hereof and subject to the terms of Article Three of the Indenture, this Note is subject to redemption at the option of the Company on any date on or after the Initial Redemption Date, if any, specified herein, in whole or from time to time in part in increments of U.S.\$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S.\$1,000 or such minimum Authorized Denomination), at the Redemption Price (as defined below), together with unpaid interest accrued thereon to the date fixed for redemption (each, a "Redemption Date"), on notice given no more than 60 nor less than 30 calendar days prior to the Redemption Date and in accordance with the provisions of the Indenture. The "Redemption Price" shall initially be the Initial Redemption Percentage specified herein multiplied by the unpaid principal amount of this Note to be redeemed. The Initial Redemption Percentage shall decline at each anniversary of the Initial Redemption Date by the Annual Redemption Percentage Reduction, if any, specified herein until the Redemption Price is 100% of unpaid principal amount to be redeemed. In the event of redemption of this Note in part only, a new Note of like tenor for the unredeemed portion hereof and otherwise having the same terms as this Note shall be issued in the name of the holder hereof upon the presentation and surrender hereof.]

[This Note is subject to repayment by the Company at the option of the holder hereof on the Optional Repayment Date(s), if any, specified herein, in whole or in part in increments of U.S.\$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S.\$1,000 or such minimum Authorized Denomination), at a repayment price equal to 100% of the unpaid principal amount to be repaid, together with unpaid interest accrued thereon to the date fixed for repayment (each, a "Repayment Date"). For this Note to be repaid, this Note must be received, together with the form hereon entitled "Option to Elect Repayment" duly completed, by the Trustee at its corporate trust office not more than 60 nor less than 30 calendar days prior to the Repayment Date. Exercise of such repayment option by the holder hereof will be irrevocable. In the event of repayment of this Note in part only, a new Note of like tenor for the unrepaid portion hereof and otherwise having the same terms as this Note shall be issued in the name of the holder hereof upon the presentation and surrender hereof.]

[If the Interest Category of this Note is specified herein as an Original Issue Discount Note, the amount payable to the holder of this Note in the event of redemption, repayment or acceleration of maturity of this Note will be equal to the sum of (1) the Issue Price specified herein (increased by any accruals of the Discount, as defined below) and, in the event of any redemption of this Note (if applicable), multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable) and (2) any unpaid interest on this Note accrued from the Original Issue Date to the Redemption Date, Repayment Date or date of acceleration of maturity, as the case may be. The difference between the Issue Price and 100% of the principal amount of this Note is referred to herein as the "Discount."]

[For purposes of determining the amount of Discount that has accrued as of any Redemption Date, Repayment Date or date of acceleration of maturity of this Note, such Discount will be accrued so as to cause an assumed yield on the Note to be constant. The assumed constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates (with ratable accruals within a compounding period), a constant coupon rate equal to the initial interest rate applicable to this Note and an assumption that the maturity of this Note will not be accelerated. If the period from the Original Issue Date to the initial Interest Payment Date (the "Initial Period") is shorter than the compounding period for this Note, a proportionate amount of the yield for an entire compounding period will be accrued. If the Initial Period is longer than the compounding period, then such period will be divided into a regular compounding period and a short period, with the short period being ~~treated as provided in the preceding sentence.~~]

The interest rate borne by this Note will be determined as follows:

(i) Unless the Interest Category of this Note is specified herein as a "Floating Rate/Fixed Rate Note" or an "Inverse Floating Rate Note", this Note shall be designated as a "Regular Floating Rate Note" and, except as set forth herein, shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any, in each case as specified herein. Commencing on the Initial Interest Reset Date, the rate at which interest on this Note shall be payable shall be reset as of each Interest Reset Date specified herein; provided, however, that the interest rate in effect for the period, if any, from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate.

(ii) If the Interest Category of this Note is specified herein as a "Floating Rate/Fixed Rate Note", then, except as set forth herein, this Note shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any. Commencing on the Initial Interest Reset Date, the rate at which interest on this Note shall be payable shall be reset as of each Interest Reset Date; provided, however, that (y) the interest rate in effect for the period, if any, from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate and (z) the interest rate in effect for the period commencing on the Fixed Rate Commencement Date specified herein to the Maturity Date shall be the Fixed Interest Rate specified herein or, if no such Fixed Interest Rate is specified, the interest rate in effect hereon on the day immediately preceding the Fixed Rate Commencement Date.

(iii) If the Interest Category of this Note is specified herein as an "Inverse Floating Rate Note", then, except as set forth herein, this Note shall bear interest at the Fixed Interest Rate minus the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any; provided, however, that, unless otherwise specified herein, the interest rate hereon shall not be less than zero. Commencing on the Initial Interest Reset Date, the rate at which interest on this Note shall be payable shall be reset as of each Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate.

----- Unless otherwise specified herein, the rate with respect to each Interest Rate Basis will be determined in accordance with the applicable provisions below. Except as set forth herein, the interest rate in effect on each day shall be (i) if such day is an Interest Reset Date, the interest rate determined as of the Interest Determination Date (as defined below) immediately preceding such Interest Reset Date or (ii) if such day is not an Interest Reset Date, the interest rate determined as of the Interest Determination Date immediately preceding the most recent Interest Reset Date.

If any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next succeeding Business Day, except that if LIBOR is an applicable Interest Rate Basis and such Business Day falls in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day. In addition, if the Treasury Rate is an applicable Interest Rate Basis is an applicable Interest Rate Basis and the Interest Determination Date would otherwise fall on an Interest Reset Date, then such Interest Reset Date will be postponed to the next succeeding Business Day.

As used herein, "Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or executive order to close in The City of New York or in any Place of Payment; provided, however, that if the Specified Currency is other than United States dollars and any payment is to be made in the Specified Currency in accordance with the provisions hereof, such day is also not a day on which banking institutions are authorized or required by law or executive order to close in the Principal Financial Center (as defined below) of the country issuing the Specified Currency (or, in the case of European Currency Units ("ECU"), is not a day that appears as an ECU non-settlement day on the display designated as "ISDE" on the Reuter Monitor Money Rates Service (or a day so designated by the ECU Banking Association) or, if ECU non-settlement days do not appear on that page (and are not so designated), is not a day on which payments in ECU cannot be settled in the international interbank market); provided, further, that if LIBOR is an applicable Interest Rate Basis, such day is also a London Business Day (as defined below). "London Business Day" means (i) if the Index Currency (as defined below) is other than ECU, any day on which dealings in such Index Currency are transacted in the London interbank market or (ii) if the Index Currency is ECU, any day that does not appear as an ECU non-settlement day on the display designated as "ISDE" on the Reuter Monitor Money Rates Service (or a day so designated by the ECU Banking Association) or, if ECU non-settlement days do not appear on that page (and are not so designated), is not a day on which payments in ECU cannot be settled in the international interbank market. "Principal Financial Center" means the capital city of the country issuing the Specified Currency, or solely with respect to the calculation of LIBOR, the Index Currency, except that with respect to United States dollars, Canadian dollars, Australian dollars, Deutsche marks, Dutch guilders, Italian lire, Swiss francs and ECU, the "Principal Financial Center" shall be The City of New York, Toronto, Sydney, Frankfurt, Amsterdam, Milan, Zurich and Luxembourg, respectively.

The "Interest Determination Date" with respect to the CD Rate, the CMT Rate, the Commercial Paper Rate, the Federal Funds Rate and the Prime Rate will be the second Business Day immediately preceding the applicable Interest Reset Date; and the "Interest Determination Date" with respect to LIBOR shall be the second London Business Day immediately preceding the applicable Interest Reset Date, unless the Index Currency is British pounds sterling, in which case the "Interest Determination Date" will be the applicable Interest Reset Date. The "Interest Determination Date" with respect to the Treasury Rate shall be the day in the week in which the applicable Interest Reset Date falls on which day Treasury Bills (as defined below) are normally auctioned (Treasury Bills are normally sold at an auction held on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction

may be held on the preceding Friday); provided, however, that if an auction is held on the Friday of the week preceding the applicable Interest Reset Date, the Interest Determination Date shall be such preceding Friday. If the interest rate of this Note is determined with reference to two or more Interest Rate Bases specified herein, the "Interest Determination Date" pertaining to this Note shall be the most recent Business Day which is at least two Business Days prior to the applicable Interest Reset Date on which each Interest Rate Basis is determinable. Each Interest Rate Basis shall be determined as of such date, and the applicable interest rate shall take effect on the related Interest Reset Date.

CD Rate. If an Interest Rate Basis for this Note is specified herein as the CD Rate, the CD Rate shall be determined as of the applicable Interest Determination Date (a "CD Rate Interest Determination Date") as the rate on such date for negotiable United States dollar certificates of deposit having the Index Maturity specified herein as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates" or any successor publication ("H.15(519)") under the heading "CDs (Secondary Market)", or, if not published by 3:00 P.M., New York City time, on the related Calculation Date (as defined below), the rate on such CD Rate Interest Determination Date for negotiable United States dollar certificates of deposit of the Index Maturity as published by the Federal Reserve Bank of New York in its daily statistical release "Composite 3:30 P.M. Quotations for United States Government Securities" or any successor publication ("Composite Quotations") under the heading "Certificates of Deposit". If such rate is not yet published in either H.15(519) or Composite Quotations by 3:00 P.M., New York City time, on the related Calculation Date, then the CD Rate on such CD Rate Interest Determination Date will be calculated by the Calculation Agent specified herein and will be the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such CD Rate Interest Determination Date, of three leading nonbank dealers in negotiable United States dollar certificates of deposit in The City of New York selected by the Calculation Agent for negotiable United States dollar certificates of deposit of major United States money center banks for negotiable United States dollar certificates of deposit with a remaining maturity closest to the Index Maturity in an amount that is representative for a single transaction in that market at that time; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the CD Rate determined as of such CD Rate Interest Determination Date will be the CD Rate in effect on such CD Rate Interest Determination Date.

CMT Rate. If an Interest Rate Basis for this Note is specified herein as the CMT rate, the CMT Rate shall be determined as of the applicable Interest Determination Date (a "CMT Rate Interest Determination Date") as the rate displayed on the

Designated CMT Telerate Page (as defined below) under the caption "...Treasury Constant Maturities...Federal Reserve Board Release H.15...Mondays Approximately 3:45 P.M.", under the column for the Designated CMT Maturity Index (as defined below) for (i) if the Designated CMT Telerate Page is 7055, the rate on such CMT Rate Interest Determination Date and (ii) if the Designated CMT Telerate Page is 7052, the week, or the month, as applicable, ended immediately preceding the week in which the related CMT Rate Interest Determination Date occurs. If such rate is no longer displayed on the relevant page or is not displayed by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Rate Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index as published in the relevant H.15(519). If such rate is no longer published or is not published by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate on such CMT Rate Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the CMT Rate Interest Determination Date with respect to such Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in the relevant H.15(519). If such information is not provided by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate on the CMT Rate Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 P.M., New York City time, on such CMT Rate Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers (each, a "Reference Dealer") in The City of New York selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for the most recently issued direct noncallable fixed rate obligations of the United States ("Treasury Notes") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year. If the Calculation Agent is unable to obtain three such Treasury Note quotations, the CMT Rate on such CMT Rate Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market offer side prices as of approximately 3:30 P.M., New York City time, on such CMT Rate Interest Determination Date of three Reference Dealers in The City of New York (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the

highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least U.S.\$100 million. If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of such quotes will be eliminated; provided, however, that if fewer than three Reference Dealers selected by the Calculation Agent are quoting as mentioned herein, the CMT Rate determined as of such CMT Rate Interest Determination Date will be the CMT Rate in effect on such CMT Rate Interest Determination Date. If two Treasury Notes with an original maturity as described in the second preceding sentence have remaining terms to maturity equally close to the Designated CMT Maturity Index, the Calculation Agent will obtain from five Reference Dealers quotations for the Treasury Note with the shorter remaining term to maturity.

"Designated CMT Telerate Page" means the display on the Dow Jones Telerate Service (or any successor service) on the page specified herein (or any other page as may replace such page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519)) for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no such page is specified herein, the Designated CMT Telerate Page shall be 7052, for the most recent week.

"Designated CMT Maturity Index" means the original period to maturity of the United States Treasury securities (either 1, 2, 3, 5, 7, 10, 20 or 30 years) specified herein with respect to which the CMT Rate will be calculated. If no such maturity is specified herein, the Designated CMT Maturity Index shall be 2 years.

Commercial Paper Rate. If an Interest Rate Basis for this Note is specified herein as the Commercial Paper Rate, the Commercial Paper Rate shall be determined as of the applicable Interest Determination Date (a "Commercial Paper Rate Interest Determination Date") as the Money Market Yield (as defined below) on such date of the rate for commercial paper having the Index Maturity as published in H.15(519) under the heading "Commercial Paper-Nonfinancial". In the event that such rate is not published by 3:00 P.M., New York City time, on such Calculation Date, then the Commercial Paper Rate on such Commercial Paper Rate Interest Determination Date will be the Money Market Yield of the rate for commercial paper having the Index Maturity as published in Composite Quotations under the heading "Commercial Paper" (with an Index Maturity of one month or three months being deemed to be equivalent to an Index Maturity of 30 days or 90 days, respectively). If such rate is not yet published in either H.15(519) or Composite Quotations by 3:00 P.M., New York City time, on such Calculation Date, then the Commercial Paper Rate on such

Commercial Paper Rate Interest Determination Date will be calculated by the Calculation Agent and shall be the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, on such Commercial Paper Rate Interest Determination Date of three leading dealers of commercial paper in The City of New York selected by the Calculation Agent for commercial paper having the Index Maturity placed for an industrial issuer whose bond rating is "Aa", or the equivalent from a nationally recognized statistical rating organization; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate determined as of such Commercial Paper Rate Interest Determination Date will be the Commercial Paper Rate in effect on such Commercial Paper Rate Interest Determination Date.

"Money Market Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = ((D \times 360) / (360 - (D \times M))) \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the Interest Period for which interest is being calculated.

Federal Funds Rate. If an Interest Rate Basis for this Note is specified herein as the Federal Funds Rate, the Federal Funds Rate shall be determined as of the applicable Interest Determination Date (a "Federal Funds Rate Interest Determination Date") as the rate on such date for United States dollar federal funds as published in H.15(519) under the heading "Federal Funds (Effective)" or, if not published by 3:00 P.M., New York City time, on the Calculation Date, the rate on such Federal Funds Rate Interest Determination Date as published in Composite Quotations under the heading "Federal Funds/Effective Rate". If such rate is not published in either H.15(519) or Composite Quotations by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date shall be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of federal funds transactions in The City of New York selected by the Calculation Agent, prior to 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; provided, however, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate in effect on such Federal Funds Rate Interest Determination Date.

LIBOR. If an Interest Rate Basis for this Note is specified herein as LIBOR, LIBOR shall be determined by the Calculation Agent as of the applicable Interest Determination Date (a "LIBOR Interest Determination Date") in accordance with the following provisions:

(i) if (a) "LIBOR Reuters" is specified herein, the arithmetic mean of the offered rates (unless the Designated LIBOR Page (as defined below) by its terms provides only for a single rate, in which case such single rate will be used) for deposits in the Index Currency having the Index Maturity, commencing on the applicable Interest Reset Date, that appear (or, if only a single rate is required as aforesaid, appears) on the Designated LIBOR Page (as defined below) as of 11:00 A.M., London time, on such LIBOR Interest Determination Date, or (b) "LIBOR Telerate" is specified herein, or if neither "LIBOR Reuters" nor "LIBOR Telerate" is specified herein as the method for calculating LIBOR, the rate for deposits in the Index Currency having the Index Maturity, commencing on such Interest Reset Date, that appears on the Designated LIBOR Page as of 11:00 A.M., London time, on such LIBOR Interest Determination Date. If fewer than two such offered rates appear, or if no such rate appears, as applicable, LIBOR on such LIBOR Interest Determination Date shall be determined in accordance with the provisions described in clause (ii) below.

(ii) With respect to a LIBOR Interest Determination Date on which fewer than two offered rates appear, or no rate appears, as the case may be, on the Designated LIBOR Page as specified in clause (i) above, the Calculation Agent shall request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in the Index Currency for the period of the Index Maturity, commencing on the applicable Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in such Index Currency in such market at such time. If at least two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center, on such LIBOR Interest Determination Date by three major banks in such Principal Financial Center selected by the Calculation Agent for loans in the Index Currency to leading European banks, having the Index Maturity and in a principal amount that is representative for a single transaction in such Index Currency in such market at such time; provided, however, that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR determined as of such LIBOR Interest Determination Date shall be LIBOR in effect on such LIBOR Interest Determination Date.

"Index Currency" means the currency or composite currency specified herein as to which LIBOR shall be calculated. If no such currency or composite currency is specified herein, the Index Currency shall be United States dollars.

"Designated LIBOR Page" means (a) if "LIBOR Reuters" is specified herein, the display on the Reuter Monitor Money Rates Service (or any successor service) for the purpose of displaying the London interbank rates of major banks for the Index Currency, or (b) if "LIBOR Telerate" is specified herein or neither "LIBOR Reuters" nor "LIBOR Telerate" is specified herein as the method for calculating LIBOR, the display on the Dow Jones Telerate Service (or any successor service) for the purpose of displaying the London interbank rates of major banks for the Index Currency.

Prime Rate. If an Interest Rate Basis for this Note is specified on the face hereto as the Prime Rate, the Prime Rate shall be determined as of the applicable Interest Determination Date (a "Prime Rate Interest Determination Date") as the rate on such date as such rate is published in H.15(519) under the heading "Bank Prime Loan". If such rate is not published prior to 3:00 P.M., New York City time, on the related Calculation Date, then the Prime Rate shall be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME1 Page (as defined below) as such bank's prime rate or base lending rate as in effect for such Prime Rate Interest Determination Date. If fewer than four such rates appear on the Reuters Screen USPRIME1 Page for such Prime Rate Interest Determination Date, the Prime Rate shall be the arithmetic mean of the prime rates or base leading rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Prime Rate Interest Determination Date by four major money center banks in The City of New York selected by the Calculation Agent. If fewer than four such quotations are so provided, the Prime Rate shall be the arithmetic mean of four prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Prime Rate Interest Determination Date as furnished in The City of New York by the major money center banks, if any, that have provided such quotations and by as many substitute banks or trust companies as necessary to obtain four such prime rate quotations, provided such substitute banks or trust companies are organized and doing business under the laws of the United States, or any State thereof, each having total equity capital of at least U.S.\$500 million and being subject to supervision or examination by Federal or State authority, selected by the Calculation Agent to provide such rate or rates; provided, however, that if the banks or trust companies so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Prime Rate determined as of such Prime Rate Interest Determination Date will be the Prime Rate in effect on such Prime Rate Interest Determination Date.

"Reuters Screen USPRIME1 Page" means the display designated as page "USPRIME1" on the Reuter Monitor Money Rates Service or any successor service (or such other page as may replace the USPRIME1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

Treasury Rate. If an Interest Rate Basis for this Note is specified herein as the Treasury Rate, the Treasury Rate shall be determined as of the applicable Interest Determination Date (a "Treasury Rate Interest Determination Date") as the rate from the auction held on such Treasury Rate Interest Determination Date (the "Auction") of direct obligations of the United States ("Treasury Bills") having the Index Maturity, as such rate is published in H.15(519) under the heading "Treasury Bills-auction average (investment)" or, if not published by 3:00 P.M., New York City time, on the related Calculation Date, the auction average rate of such Treasury Bills (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) as otherwise announced by the United States Department of the Treasury. In the event that the results of the Auction of Treasury Bills having the Index Maturity are not reported as provided above by 3:00 P.M., New York City time, on such Calculation Date, or if no such Auction is held, then the Treasury Rate shall be calculated by the Calculation Agent and shall be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Treasury Rate Interest Determination Date, of three leading primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate determined as of such Treasury Rate Interest Determination Date will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date.

Notwithstanding the foregoing, the interest rate hereon shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, in each case as specified herein. The interest rate on this Note will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application.

The Calculation Agent shall calculate the interest rate hereon on or before each Calculation Date. The "Calculation Date", if applicable, pertaining to any Interest Determination Date shall be the earlier of (i) the tenth calendar day after such Interest Determination Date or, if such day is not a Business Day, the next succeeding Business Day or (ii) the Business Day immediately preceding the applicable Interest Payment Date or the Maturity Date, as the case may be. At the request of the Holder hereof, the

Calculation Agent will provide to the Holder hereof the interest rate hereon then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next succeeding Interest Reset Date.

Accrued interest hereon shall be an amount calculated by multiplying the principal amount hereof by an accrued interest factor. Such accrued interest factor shall be computed by adding the interest factor calculated for each day in the applicable Interest Period. Unless otherwise specified as the Day Count Convention herein, the interest factor for each such date shall be computed by dividing the interest rate applicable to such day by 360 if the CD Rate, the Commercial Paper Rate, the Federal Funds Rate, LIBOR or the Prime Rate is an applicable Interest Rate Basis or by the actual number of days in the year if the CMT Rate or the Treasury Rate is an applicable Interest Rate Basis. Unless otherwise specified as the Day Count Convention herein, the interest factor for this Note, if the interest rate is calculated with reference to two or more Interest Rate Bases, shall be calculated in each period in the same manner as if only the Applicable Interest Rate Basis specified herein applied.

All percentages resulting from any calculation on this Note shall be rounded to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards, and all amounts used in or resulting from such calculation on this Note shall be rounded, in the case of United States dollars, to the nearest cent or, in the case of a Specified Currency other than United States dollars, to the nearest unit (with one-half cent or unit being rounded upwards).

~~In case an Event of Default, as defined in the Indenture,~~ shall have occurred and be continuing, the principal of all of the Notes may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Note upon compliance by the Company with certain conditions set forth therein.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Notes; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Notes of any series, or reduce the principal amount thereof, or reduce the rate or extend the time of

payment of interest thereon, or reduce any premium payable upon the redemption thereof, or reduce the amount of the principal of a Discount Security that would be due and payable upon a declaration of acceleration of the maturity thereof pursuant to the Indenture, without the consent of the holder of each Note then outstanding and affected; (ii) reduce the aforesaid percentage of Notes, the holders of which are required to consent to any such supplemental indenture, or reduce the percentage of Notes, the holders of which are required to waive any default and its consequences, without the consent of the holder of each Note then outstanding and affected thereby; or (iii) modify any provision of Section 6.01(c) of the Indenture (except to increase the percentage of principal amount of securities required to rescind and annul any declaration of amounts due and payable under the Notes), without the consent of the holder of each Note then outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Notes of all series at the time outstanding affected thereby, on behalf of the Holders of the Notes of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences, except a default in the payment of the principal of or premium, if any, or interest on any of the Notes of such series. Any such consent or waiver by the registered Holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Note and of any Note issued in exchange herefor or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Note.

~~No reference herein to the Indenture and no provision of this~~
Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Note at the time and place and at the rate and in the money herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, this Note is transferable by the registered holder hereof on the Note Register of the Company, upon surrender of this Note for registration of transfer at the office or agency of the Company as may be designated by the Company accompanied by a written instrument or instruments of transfer in form satisfactory to the Company or the Trustee duly executed by the registered Holder hereof or his or her attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Note, the Company, the Trustee, any paying agent and any Note Registrar may deem and treat the registered Holder hereof as the absolute owner hereof (whether or not this Note shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Note Registrar) for the purpose of receiving payment of or on account of the principal hereof and premium, if any, and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Note Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Note, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

This Note shall not be entitled to any benefit under the Indenture hereinafter referred to, be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

The Indenture and this Note shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely in such State.

IN WITNESS WHEREOF, the Company has caused this Instrument to be executed.

COLUMBUS SOUTHERN POWER COMPANY

By: _____
Treasurer

Attest:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Notes of the series of Notes designated in accordance with, and referred to in, the within-mentioned Indenture.

Dated:

BANKERS TRUST COMPANY, as Trustee

By: _____
Authorized Signatory

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s)
and transfer(s) unto

(PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE)

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF
ASSIGNEE) the within Note and all rights thereunder, hereby
irrevocably constituting and appointing such person attorney to
transfer such Note on the books of the Issuer, with full
power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the
name as written upon the face of the within Note in every
particular, without alteration or enlargement or any
change whatever and NOTICE: Signature(s) must be
guaranteed by a financial institution that is a member of
the Securities Transfer Agents Medallion Program
("STAMP"), the Stock Exchange Medallion Program ("SEMP")
or the New York Stock Exchange, Inc. Medallion Signature
Program ("MSP").

[FORM OF ABBREVIATIONS]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entirety
JT TEN - as joint tenants with right
of survivorship and not as
tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
Under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used though not in list above.

[OPTION TO ELECT REPAYMENT]

The undersigned hereby irrevocably request(s) and instruct(s) the Company to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to 100% of the principal amount to be repaid, together with unpaid interest accrued hereon to the Repayment Date, to the undersigned, at _____

(Please print or typewrite name and address of the undersigned)

For this Note to be repaid, the Trustee must receive at its corporate trust office in the Borough of Manhattan, The City of New York, currently located at _____, not more than 60 nor less than 30 calendar days prior to the Repayment Date, this Note with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this Note is to be repaid, specify the portion hereof (which shall be increments of U.S.\$1,000 (or, if the Specified Currency is other than United States dollars, the minimum Authorized Denomination specified herein)) which the holder elects to have repaid and specify the denomination or denominations (which shall be an Authorized Denomination) of the Notes to be issued to the holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid).

Principal Amount

to be Repaid: \$ _____

Date: _____

Notice: The signature(s) on this Option to Elect Repayment must correspond with the name(s) as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

Notwithstanding any provisions to the contrary contained herein, if the face of this Note specifies that an Addendum is attached hereto or that "Other/Additional Provisions" apply, this Note shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions".

Unless the Certificate of Authentication hereon has been executed by the Company by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.]