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November 5, 2004

RECORDATION NO. 25192-F FILED

NOV 0 5 '04 9-55 AM

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W. - Room 704
Washington, D.C. 20423-0001

Re: Lease Financing of Railcars
Indiana Michigan Power Company - Lessee
Third Closing

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two copies of the secondary document described below. As an attorney representing one of the parties in this transaction, I have knowledge of the matters described in this letter.

The secondary document is as follows:

Lease and Security Agreement Supplement No. 3, dated as of November 5, 2004, between the Lessor and the Lessee.

The primary document to which Lease and Security Agreement Supplement No. 3 is connected is the Railcar Lease and Security Agreement, dated as of September 17, 2004, covering the new railroad rolling stock bearing the road numbers listed in the exhibit thereto, which was assigned Recordation Number 25192.

The names and addresses of the parties to the enclosed document are as follows:

LEASE AND SECURITY AGREEMENT SUPPLEMENT NO. 3

Lessor: Indiana Michigan Power Statutory Trust-2004-A
c/o Wilmington Trust Company, as Security Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890

Lessee: Indiana Michigan Power Company
c/o American Electric Power Service Corporation
1 Riverside Plaza
Columbus, Indiana Michigan 43215

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The description of the Equipment covered as of the date hereof by the aforesaid Lease and Security Agreement Supplement No. 3 is as set forth on **Exhibit A** hereto.

A fee of thirty dollars ($30.00) is enclosed. Please time and date stamp the enclosed copy of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such documents and this letter not needed by the Board for recordation to:

Richard J. DiLallo, Esq.
Chapman and Cutler LLP
111 West Monroe Street
Chicago, IL 60603-4080

A short summary of the document to appear in the index follows:

"LEASE AND SECURITY AGREEMENT SUPPLEMENT NO. 3, dated as of November 5, 2004, covering new railroad rolling stock bearing the road numbers listed in the exhibit thereto. Lease and Security Agreement Supplement No. 3 is related to the Railcar Lease and Security Agreement between the Lessor and the Lessee dated as of September 17, 2004, which is filed and assigned Recordation Number 25192."

If you have any questions or need further information, please do not hesitate to contact me at (312) 845-3481.

Sincerely,

CHAPMAN AND CUTLER LLP

By _____
Richard J. DiLallo

RJD
Enclosures

EXHIBIT A

DESCRIPTION	NUMBER OF CARS	MARKS	CAR NUMBERS
Aluminum Gons, 4,402 cubic foot capacity, 122 Ton cars	120	COEH	7318 through 7437 (inclusive)

RECORDATION NO. 25192-F FILED

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SURFACE TRANSPORTATION BOARD

LEASE AND SECURITY AGREEMENT SUPPLEMENT NO. 3

THIS LEASE AND SECURITY AGREEMENT SUPPLEMENT NO. 3 dated as of November 5, 2004 between INDIANA MICHIGAN POWER STATUTORY TRUST-2004-A, a Delaware statutory trust (*"Lessor"*), and INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (*"Lessee"*),

WITNESSETH:

1. Lessor and Lessee have heretofore entered into a Railcar Lease and Security Agreement dated as of September 17, 2004 (the *"Lease"*) providing for the execution and delivery of Lease and Security Agreement Supplements substantially in the form hereof. The terms defined in the Lease shall have the same meanings when used herein.

2. Lessee hereby acknowledges and confirms that on or prior to the date hereof, the Subject Equipment described in Schedule 1 attached hereto (the *"Subject Equipment"*) has been delivered and assembled. Lessee represents that the Subject Equipment is free and clear of all liens and encumbrances.

3. Lessee hereby certifies that the date of acceptance of the Subject Equipment is November 5, 2004 and commencement of the Lease Term with respect thereto is December 15, 2004.

4. Lessee hereby certifies that such Acquisition Price for the Subject Equipment as of the date hereof is $6,357,771.08. Lessee hereby certifies that the Equipment Cost for the Subject Equipment as of the date hereof is $6,298,320.00.

5. Interim Rent, Fixed Rent, Stipulated Loss Values and Termination Amounts for the Subject Equipment is payable in the amounts and on the Rent Payment Dates set forth in **Schedule 2** attached hereto.

6. Lessee hereby certifies that the Lease Balance for the Subject Equipment as of the date hereof is $6,357,771.08.

7. Pursuant to and amending, supplementing and modifying Section 8 of the Lease, for purposes of Federal, state and local income tax, accounting and commercial law and bankruptcy insolvency, conservatorship, receivership and UCC purposes, it is the intention of the parties hereto that (i) the Lease and this Lease and Security Agreement Supplement be treated as a security agreement (the *"Lessee Security Agreement"*), (ii) the Lessee Security Agreement will secure the payment and performance of the Secured Obligations, (iii) all payments of Interim Rent, Fixed Rent and Supplemental Rent shall be treated as payment of principal, interest or premium, if any, on the Secured Obligations, and all payments of Stipulated Loss Value and Termination Amount and Lease Balance shall be treated as payment of principal of the Secured Obligations, (iv) Lessee should be treated as entitled to all benefits of ownership of the Equipment, (v) Lessor shall have all of the rights, powers and remedies of a secured party

available under Applicable Law to take possession of and sell (whether by judicial foreclosure, power of sale or otherwise) the Lessee Collateral, (vi) the effective date of the Lessee Security Agreement will be the date of this Lease and Security Agreement Supplement (vii) the reference to Section 8 of the Lease and Security Agreement in this Lease and Security Agreement Supplement shall be deemed to be the recording of the Lessee Security Agreement and (viii) Lessor shall be treated as having advanced funds to Lessee in the form of a loan secured by a Lien on the Items of Equipment and the other Lessee Collateral. Without limiting the foregoing, Lessee acknowledges that Lessor is concurrently with the grant of the security interest pursuant to Section 8 entering into the Security Agreement pursuant to which Lessor is assigning and granting a security interest in the Collateral (as such term is used in the Security Agreement), to all of which and to the terms of such Security Agreement Lessee unconditionally agrees.

8. It is expressly understood and agreed by the parties that with respect to the Lessor Trustee (a) this document is executed and delivered by Wilmington Trust Company, not individually or personally, but solely as Lessor Trustee, in the exercise of the powers and authority conferred and vested in it, pursuant to the Trust Agreement, (b) each of the representations, undertakings and agreements herein made on the part of the Lessor Trustee or the Debtor, is made and intended not as personal representations, undertakings and agreements by Wilmington Trust, (c) nothing herein contained shall be construed as creating any liability on Wilmington Trust Company, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto, and (d) under no circumstances shall Wilmington Trust Company be personally liable for the payment of any indebtedness or expenses of the Lessor Trustee or the Debtor, as the case may be, or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Lessor Trustee or the Debtor, as the case may be, under this Agreement or any other related documents.

Counterpart No. 2 of 7.

IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be executed, all as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY

By Stephan T Haynes
Its Assistant Treasurer

INDIANA MICHIGAN POWER STATUTORY TRUST-2004-A

By: WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Lessor Trustee

By _____
Its _____

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

On this, the 1st day of November, 2004, before me, a Notary Public in and for said County and State, personally appeared Stephan T. Haynes, the Assistant Treasurer of INDIANA MICHIGAN POWER COMPANY, who acknowledged himself to be a duly authorized officer of INDIANA MICHIGAN POWER COMPANY, and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: _____
Notary Public
My Commission Expires:
Residing in _____

DAVID C. HOUSE, ATTORNEY AT LAW
NOTARY PUBLIC, STATE OF OHIO
My commission has no expiration date.
Section 147.03 R.C.

IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be executed, all as of the day and year first above written.

INDIANA MICHIGAN POWER COMPANY

By _____
Its _____

INDIANA MICHIGAN POWER STATUTORY TRUST-2004-A

By: WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Lessor Trustee

By _____
Its Tira L. Johnson
Financial Services Officer

STATE OF DELAWARE)
) SS.:
COUNTY OF NEW CASTLE)

On this, the 29 day of October, 2004, before me, a Notary Public in and for said County and State, personally appeared Tira L. Johnson, the Financial Services Officer of WILMINGTON TRUST COMPANY who acknowledged himself to be a duly authorized officer of WILMINGTON TRUST COMPANY and that, as such officer, being authorized to do so, he executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: Kimberly E. Faulhaber
Notary Public
My Commission Expires:
Residing in

KIMBERLY ELIZABETH FAULHABER
NOTARY PUBLIC - DELAWARE
My Commission Expires April 9, 2005

Receipt of this original counterpart of the foregoing Lease and Security Agreement Supplement is hereby acknowledged this 5th day of November, 2004.

WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Security Trustee

By _____

Its _____

Tira L. Johnson

Financial Services Officer

DESCRIPTION OF EQUIPMENT

DESCRIPTION	NUMBER OF CARS	MARKS	CAR NUMBERS
Aluminum Gons, 4,402 cubic foot capacity, 122 Ton cars	120	COEH	7318 through 7437 (inclusive)

SCHEDULE I
(to Railcar Lease and Security Agreement
Supplement No. 3)