

AMERICAN ELECTRIC POWER CO INC
Form 424B5
June 10, 2005

The information in this preliminary prospectus supplement is not complete and may be changed without notice. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities nor are they soliciting offers to buy these securities in any state where the offer or sale is not permitted. These securities may not be sold nor may offers to buy be accepted before the prospectus supplement is delivered.

Subject to Completion, Dated June 9, 2005

**Prospectus Supplement
(To Prospectus dated June 9, 2005)**

\$

American Electric Power Company, Inc.

% Senior Notes due August 16, 2007

This is a remarketing of our senior notes due August 16, 2007 (Senior Notes) originally issued in 2002 in connection with our sale of 9.25% Equity Units. Each Equity Unit is comprised of a Senior Note in the principal amount of \$50 and a forward purchase contract under which the Equity Unit holder agrees to purchase shares of our common stock on August 16, 2005. The interest rate on the Senior Notes will be reset to % per annum effective on and after June 16, 2005. The Senior Notes will pay interest in arrears on each February 16, May 16, August 16 and November 16, commencing on August 16, 2005. The Senior Notes will mature on August 16, 2007 and do not have the benefit of any sinking fund. The Senior Notes are unsecured and rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. The Senior Notes will be remarketed in denominations of \$50 and integral multiples of \$50.

The Senior Notes are redeemable at our option on not less than 30 days' nor more than 60 days' prior written notice, in whole but not in part, upon the occurrence and continuation of a tax event under the circumstances and at the redemption price described in this pricing supplement. See SUPPLEMENTAL DESCRIPTION OF THE REMARKETED SENIOR NOTES - "Tax Event Redemption" in this prospectus supplement.

Investing in the Senior Notes involves risks. See "Risk Factors" on page S-4 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Senior Note	Total
Remarketed offering price (1)	%	\$
Remarketing fee to remarketing agents	%	\$

Net proceeds (2)	%	\$
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(1) Plus accrued interest from and including May 16, 2005 to June 16, 2005 at 5.75% and, if settlement occurs after June 16, 2005, additional accrued interest at the rate of %.

(2) We will not receive any proceeds from the remarketing. See "Use of Proceeds."

We expect that the Senior Notes will be ready for delivery through The Depository Trust Company on or about June 16, 2005.

Joint Remarketing Agents

Citigroup

Morgan Stanley

June , 2005

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this remarketing of the Senior Notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information, some of which does not apply to the Senior Notes. If the description of the remarketing varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and in the accompanying prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate as of the date on their respective covers. Our business, financial condition, results of operations and prospects may have changed since that date.

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SUMMARY INFORMATION

The following information supplements, and should be read together with, the information contained in the accompanying prospectus. You should carefully read this prospectus supplement and the accompanying prospectus as well as the documents they incorporate by reference, before making an investment decision. Unless we state otherwise or the context otherwise requires, references appearing in this prospectus supplement to the “Company”, “we”, “us” and “our” should be read to refer to American Electric Power Company, Inc. and its subsidiaries.

American Electric Power Company, Inc.

We are one of the largest investor-owned public utility holding companies in the United States. We provide, directly or indirectly, generation, transmission and distribution services to over five million retail customers in eleven states (Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia and West Virginia) through our electric utility operations.

Our portfolio of assets includes:

- 36,000 megawatts of generating capacity, one of the largest complements of generation in the United States;
- 39,000 miles of transmission lines;
- 177,000 miles of distribution lines that support delivery of electricity to our customers’ premises; and
- Substantial coal transportation assets (7,065 railcars, 2,230 barges, 53 towboats and one coal handling terminal).

Our principal executive offices are located at 1 Riverside Plaza, Columbus, Ohio, and our telephone number is (614) 716-1000.

Summary of the Remarketing

Issuer	American Electric Power Company, Inc.
Senior Notes	\$ aggregate principal amount of % Senior Notes due August 16, 2007.
Maturity Date	The Senior Notes will mature on August 16, 2007.
Interest Rate	The Senior Notes bear interest at the rate of 5.75% to June 16, 2005 and will bear interest at the rate of % per year, effective on and after June 16, 2005.
Interest Payment Dates	The Senior Notes will pay interest in arrears on each February 16, May 16, August 16 and November 16, commencing on August 16, 2005.
Ranking	The Senior Notes will be unsecured and unsubordinated obligations ranking equally with our other outstanding and future unsecured and unsubordinated indebtedness.
Tax Event Redemption	The Senior Notes are redeemable at our option on not less than 30 days' nor more than 60 days' prior written notice, in whole but not in part, upon the occurrence and continuation of a tax event under the circumstances and at the redemption price described under SUPPLEMENTAL DESCRIPTION OF THE REMARKETED SENIOR NOTES - "Tax Event Redemption" in this prospectus supplement.
Use of Proceeds	We will not receive any proceeds from the remarketing of the Senior Notes. For more information, see USE OF PROCEEDS in this prospectus supplement.
Restrictive Covenants	For a discussion of the restrictive covenants relating to the Senior Notes, see "Limitation upon Liens on Stock of Certain Subsidiaries" and "Limitation upon Mergers, Consolidations and Sale of Assets" under SUPPLEMENTAL DESCRIPTION OF THE REMARKETED SENIOR NOTES - "Restrictive Covenants" in this prospectus supplement.

RISK FACTORS

Investing in our securities involves risk. Please see the risk factors described in our Annual Report on Form 10-K, as amended by Form 10-K/A, for the fiscal year ended December 31, 2004, along with disclosure related to the risk factors contained in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, which are incorporated by reference in this prospectus supplement. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus. The risks and uncertainties described are those presently known to us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations, our financial results and the value of our securities.

USE OF PROCEEDS

We are remarketing \$ aggregate principal amount of Senior Notes on behalf of participating holders of our Equity Units issued in June 2002. Each Equity Unit consists of a unit comprised of a Senior Note in the principal amount of \$50 and a forward purchase contract under which the Equity Unit holder agrees to purchase shares of our common stock on August 16, 2005 (or earlier under some circumstances). We will not receive any proceeds from the remarketing. The total proceeds of the remarketing, which includes accrued interest, of the Senior Notes will be used to purchase on June 16, 2005 a treasury portfolio that will serve as the substitute collateral for the Senior Note component of the Equity Units to secure Equity Units holders' obligations to us under the forward purchase contracts that are a component of the Equity Units. Any remaining proceeds from the sale of Senior Notes will be remitted to the holders of the Equity Units whose Senior Notes were sold in the remarketing, after deducting a remarketing fee not to exceed 25 basis points of the total proceeds from such remarketing.

SUPPLEMENTAL DESCRIPTION OF THE REMARKETED SENIOR NOTES

The following description of the particular terms of the Senior Notes, which are referred to in the accompanying prospectus as "Senior Notes," supplements and, to the extent it is inconsistent with the description in the accompanying prospectus, replaces the description of the general terms and provisions of the Senior Notes in the prospectus. The Senior Notes will be issued under an indenture dated as of May 1, 2001 between us and The Bank of New York, as trustee, as supplemented and amended, and as to be further supplemented and amended. References in this prospectus supplement to the indenture will mean the indenture as so supplemented. This summary is qualified in its entirety by reference to the indenture.

The trustee will act as our U.S. paying agent, our authenticating agent and registrar, and, if and when such notes are issued in definitive form, our U.S. transfer agent.

Any money that we deposit with the trustee or any paying agent for the payment of principal, premium, if any, or any interest on the Senior Notes that remains unclaimed for two years after the date upon which the principal, premium, if any, and interest are due and payable, will be repaid to us upon our request unless otherwise required by mandatory provisions of any applicable unclaimed property law. After that time, unless otherwise required by mandatory provisions of any applicable unclaimed property law, the holder of Senior Notes will be able to seek any payment to which that holder may be entitled to collect only from us.

General

The Senior Notes are being remarketed in the principal amount of \$. We may, without the consent of the holders of the Senior Notes, create and issue additional debt securities under the indenture, ranking equally with the Senior Notes.

The Senior Notes will mature on August 16, 2007. The Senior Notes accrued interest at the rate of 5.75% to June 16, 2005 and will bear interest at the annual rate of % effective on and after June 16, 2005. Interest will be payable in arrears on each February 16, May 16, August 16 and November 16, commencing on August 16, 2005 until the Senior Notes mature on August 16, 2007. The Senior Notes are not redeemable before their stated maturity except as described below.

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The amount of interest payable for any period will be computed (1) for any full quarterly period on the basis of a 360-day year of twelve 30-day months, (2) for any period shorter than a full quarterly period, on the basis of a 30-day month and (3) for periods of less than a month, on the basis of the actual number of days elapsed per 30-day month. If any date on which interest is payable on the Senior Notes is not a business day, the payment of the interest payable on that date will be made on the next day that is a business day, without any interest or other payment in respect of the delay, except that, if the business day is in the next calendar year, then the payment will be made on the immediately preceding business day, in each case with the same force and effect as if made on the scheduled payment date.

The Senior Notes will be remarketed in denominations of \$50 and integral multiples of \$50.

The Senior Notes will not have the benefit of a sinking fund; that is, we will not deposit money on a regular basis into any separate custodial account to repay the Senior Notes.

Payment of the principal and interest on the Senior Notes will rank equally with that of all of our other unsecured and unsubordinated debt. As of June 3, 2005, there existed approximately \$1.474 billion principal amount of indebtedness issued under the indenture that would have ranked equally with the Senior Notes. The indenture does not limit the amount of additional senior indebtedness that we or any of our subsidiaries may incur. The Senior Notes will be our exclusive obligations.

Because we are a holding company, the claims of creditors of our subsidiaries will have a priority over our equity rights and the rights of our creditors (including holders of the Senior Notes) to participate in the assets of the subsidiary upon the subsidiary's liquidation. As of March 31, 2005, our subsidiaries had approximately \$10.335 billion principal amount of outstanding long-term debt (including debt due within one year). Since our operations are conducted through subsidiaries, our cash flow and our consequent ability to service debt, including our Senior Notes, are partially dependent upon the earnings of our subsidiaries and the distribution of those earnings to us or upon other payments of funds by those subsidiaries to us. The subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the Senior Notes or to make funds available for payments on the Senior Notes, whether by dividends or other payments. In addition, the payment of dividends and the making of advances to us by our subsidiaries may be subject to statutory, regulatory or contractual restrictions, are contingent upon the earnings of those subsidiaries, and are subject to various business considerations.

Any right we have to receive assets of any of our subsidiaries upon their liquidation or reorganization and the resulting right of the holders of the Senior Notes to participate in those assets will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors, except to the extent that we are ourselves recognized as a creditor of the subsidiary, in which case our claims would be subordinated to any security interests in the assets of the subsidiary and any indebtedness of the subsidiary senior to the debt held by us.

Tax Event Redemption

If a tax event occurs, we may, at our option, redeem the Senior Notes in whole, but not in part, at any time at a price, which we refer to as the redemption price, equal to, for each Senior Note, the redemption amount referred to below. Installments of interest on Senior Notes that are due and payable on or before a redemption date will be payable to holders of the Senior Notes registered as holders at the close of business on the relevant record dates. If we exercise our option to redeem the Senior Notes, the proceeds of the redemption will be payable in cash to the holders of the Senior Notes.

"Tax event" means the receipt by us of an opinion of nationally recognized independent tax counsel experienced in matters of this kind, which may be Hunton & Williams LLP, to the effect that there is more than an insubstantial risk that interest payable by us on the Senior Notes would not be deductible, in whole or in part, by us for United States

federal income tax purposes as a result of (1) any amendment to, change in, or announced proposed change in, the laws, or any regulations under the laws, of the United States or any political subdivision or taxing authority of or in the United States affecting taxation; (2) any amendment to or change in an official interpretation or application of any laws or regulations of this kind by any legislative body, court, governmental agency or regulatory authority; or (3) any interpretation or pronouncement that provides for a position with respect

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to any laws or regulations that differs from the generally accepted position on the issue date, which amendment, change, or proposed change is effective or which interpretation or pronouncement is announced on or after June 11, 2002.

“Redemption amount” means the principal amount of the Senior Notes plus accrued and unpaid interest, if any.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each registered holder of Senior Notes to be redeemed at its registered address. Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Senior Notes. If any Senior Notes are called for redemption, neither we nor the trustee will be required to register the transfer of or exchange the Senior Notes to be redeemed.

Restrictive Covenants

Limitation upon Liens on Stock of Certain Subsidiaries

For so long as any Senior Notes remain outstanding, we will not create or incur or allow any of our subsidiaries to create or incur any pledge or security interest on any of the capital stock of a public utility subsidiary held by us or one of our subsidiaries or a significant subsidiary.

For purposes of this covenant, a public utility subsidiary means, at any particular time, a direct or indirect subsidiary of ours that, as a substantial part of its business, distributes or transmits electric energy to retail or wholesale customers at rates or tariffs that are regulated by either a state or Federal regulatory authority.

For purposes of this covenant, significant subsidiary means, at any particular time, any direct subsidiary of ours whose consolidated gross assets or consolidated gross revenues (having regard to our direct beneficial interest in the shares, or the like, of that subsidiary) represent at least 25% of our consolidated gross assets or our consolidated gross revenues.

Limitation upon Mergers, Consolidations and Sale of Assets

Nothing in the indenture or the Senior Notes prevents us from consolidating or merging with or into, or selling or otherwise disposing of all or substantially all of our property to another entity, provided that (1) we agree to obtain a supplemental indenture pursuant to which the surviving entity or transferee agrees to assume our obligations relating to all outstanding debt securities issued under the indenture and (2) the surviving entity or transferee is organized under the laws of the United States, any state thereof or the District of Columbia.

Defeasance and Discharge

The defeasance provisions of the indenture described under DESCRIPTION OF SENIOR NOTES - “Legal Defeasance” and DESCRIPTION OF SENIOR NOTES - “Covenant Defeasance” in the accompanying prospectus will not apply to the Senior Notes.

Same-day Settlement and Payment

Settlement by purchasers of the Senior Notes will be made in immediately available funds. All payments by us to the depository of principal and interest will be made in immediately available funds. So long as any Senior Notes are represented by global securities registered in the name of the depository or its nominee, those Senior Notes will trade in the depository’s Same-Day Funds Settlement System and secondary market trading in those Senior Notes will therefore be required by the depository to settle in immediately available funds. No assurance can be given as to the

effect, if any, of settlement in immediately available funds on trading activity in Senior Notes.

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Book-Entry and Settlement

Senior Notes will be issued in the form of one or more global certificates, which we refer to as global securities, registered in the name of DTC or its nominee. Except as provided below, owners of beneficial interests in a global security will not be entitled to receive physical delivery of notes in certificated form and will not be considered the holders of the Senior Notes for any purpose under the indenture, and no global security representing notes will be exchangeable, except for another global security of the same denomination and tenor to be registered in the name of DTC or its nominee or a successor depositary or its nominee. Accordingly, each beneficial owner must rely on the procedures of DTC and if the beneficial owner is not a participant, on the procedures of the participant through which the beneficial owner owns its interest to exercise any rights of a holder under the indenture.

The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of the securities in certificated form. These laws may impair the ability to transfer beneficial interests in a global security.

Certificates for the Senior Notes will be printed and delivered in exchange for beneficial interests in the global securities if:

- DTC notifies us that it is unwilling or unable to continue as a depositary for the global security certificates and no successor depositary has been appointed within 90 days after this notice, or
- DTC at any time ceases to be a clearing agency registered under the Securities Exchange Act and no successor depositary has been appointed within 90 days after we learn that DTC has ceased to be so registered, or
- we determine in our sole discretion that we will no longer have senior debt securities represented by global securities or will permit any of the global security certificates to be exchangeable, subject to the procedures of DTC, or an event of default under the indenture has occurred and is continuing.

Any global note that is exchangeable as described in the preceding sentence will be exchangeable for note certificates registered in the names directed by DTC. We expect that these instructions will be based upon directions received by DTC from its participants with respect to ownership of beneficial interests in the global security certificates.

Trustee

The Bank of New York will serve as the indenture trustee with respect to the Senior Notes. The trustee is one of a number of banks with which we and our subsidiaries maintain ordinary banking and trust relationships.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion of material United States federal income tax consequences is not intended or written by us or our counsel to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer. It was written to support the promotion or marketing of the transaction(s) or matter(s) addressed by the following discussion, namely, the remarketing of the Senior Notes. You should seek advice based on your particular circumstances from an independent tax advisor.

The following is a summary of the material United States federal income tax consequences of the purchase, ownership and disposition of the Senior Notes, but does not purport to be a complete analysis of all the potential tax consequences relating thereto. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, administrative rulings and judicial decisions as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in United States federal

income tax consequences different from those set forth below.

This discussion is limited to holders who purchase Senior Notes in the remarketing and who hold the Senior Notes as capital assets (generally, property held for investment). This discussion also does not address the tax considerations arising under the laws of any foreign, state or local jurisdiction, or under United States federal

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estate or gift tax laws. In addition, this discussion does not address all tax considerations that may be applicable to a holder's particular circumstances or to holders that may be subject to special tax rules, including, without limitation:

- holders subject to the alternative minimum tax;
- banks, insurance companies, or other financial institutions;
- foreign persons or entities (except to the extent specifically set forth below);
 - tax-exempt organizations;
 - dealers in securities or commodities;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- partnerships or other entities treated as partnerships for United States federal income tax purposes;
 - U.S. holders (as defined below) whose "functional currency" is not the United States dollar;
 - holders of Senior Notes that are being remarketed in the remarketing;
- holders that hold Senior Notes as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction; or
 - persons deemed to sell the Senior Notes under the constructive sale provisions of the Code.

In addition, if a partnership (including any entity treated as a partnership for United States federal income tax purposes) or other pass-through entity holds Senior Notes, the tax treatment of a partner in the partnership or owner of the applicable pass-through entity generally will depend upon the status of the partner or owner and the activities of the partnership or pass-through entity. If you are a partnership or pass-through entity, or a partner or owner of a partnership or other pass-through entity, as applicable, acquiring our Senior Notes, you should consult your tax advisor regarding the tax consequences of the ownership and disposition of Senior Notes.

No statutory, administrative or judicial authority directly addresses the treatment of Senior Notes or instruments similar to Senior Notes for United States federal income tax purposes, and we have not sought any ruling from the IRS with respect to the statements made and conclusions reached herein. As a result, no assurance can be given that the IRS will agree with the tax consequences described herein. Each prospective investor is urged to consult its tax advisor as to the particular tax consequences of purchasing, owning and disposing of the Senior Notes, including the application and effect of United States federal, state, local and foreign tax laws.

Classification of the Senior Notes

Generally, characterization of an obligation as indebtedness for United States federal income tax purposes is made at the time of the issuance of the obligation. Consistent with our belief that the Senior Notes constituted indebtedness for United States federal income tax purposes at the time of the issuance of the Senior Notes, we have treated and will continue to treat the Senior Notes in that manner. It is possible that the IRS will successfully assert that the Senior Notes are not properly treated as indebtedness prior to the remarketing, in which case the tax consequences of the ownership and disposition of the Senior Notes may differ from those described below. By acquiring Senior Notes in the remarketing, you will be deemed to have agreed to treat the Senior Notes as indebtedness for United States federal income tax purposes.

Because of the manner in which the interest rate on the Senior Notes is reset, we have treated and will continue to treat the Senior Notes for United States federal income tax purposes as indebtedness that is subject to the Treasury regulations governing contingent payment debt instruments (the “contingent payment debt regulations”). However, the proper application of the contingent payment debt regulations to the Senior Notes following the

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remarketing is uncertain in a number of respects, and no assurance can be given that the IRS will not successfully assert that the Senior Notes should be treated differently than as described below. A different treatment of the Senior Notes could materially affect the amount, timing and character of income, gain or loss with respect to an investment in the Senior Notes. Accordingly, you are urged to consult your tax advisor regarding the United States federal income tax consequences of owning the Senior Notes.

The remainder of this discussion assumes that the notes will be treated as contingent payment debt instruments subject to the contingent payment debt regulations for United States federal income tax purposes.

U.S. Holders

The following is a summary of the United States federal income tax consequences that will apply to you if you are a U.S. holder of Senior Notes. Certain consequences to “Non-U.S. holders” of Senior Notes are described under “ - Non-U.S. Holders” below. You are a “U.S. holder” if you are a beneficial owner of Senior Notes, and you are:

- a citizen or resident of the United States as determined for United States federal income tax purposes;
- a corporation (or any entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision of the United States;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if (1) a court within the United States can exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of such trust or (2) the trust has in effect a valid election to be treated as a domestic trust for U.S. federal income tax purposes.

Interest Accruals Based on Comparable Yield and Projected Payment Schedule

Under the contingent payment debt regulations (subject to the discussion below), regardless of your method of accounting for United States federal income tax purposes, you are required to accrue interest income on the Senior Notes on a constant-yield basis at an assumed yield (the “comparable yield”) that was determined at the time of issuance of the Senior Notes, and to take into account any differences between the actual payments you receive at the reset interest rate and the projected schedule of payments we constructed at the time of the original issuance of the Senior Notes, as more fully described below. The comparable yield for the Senior Notes was based on the yield at which we could have issued, at the time of issuance of the Senior Notes, a fixed-rate debt instrument with no contingent payments but with terms otherwise similar to those of the Senior Notes. Solely for purposes of determining the amount of interest income that accrues on the Senior Notes, we were required, at the time of issuance of the Senior Notes, to construct a “projected payment schedule” in respect of the Senior Notes representing a series of payments the amount and timing of which would produce a yield to maturity on the Senior Notes equal to the comparable yield. A difference between the actual amount of a payment and the projected amount of a payment generally is taken into account as an adjustment to interest income.

For United States federal income tax purposes, you generally are required under the contingent payment debt regulations to use the comparable yield and the projected payment schedule in determining interest accruals and adjustments in respect of a Senior Note, unless you timely disclose and justify the use of a diffe