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March 6, 2006
VIA FEDERAL EXPRESS

Chairman Ron Jones
ATTN: Sharla Dillon, Dockets Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: Docket No. 05-00313

Dear Ms. Dillon:

Enclosed herewith for filing in the above referenced matter are the original and 13 conformed copies of a Preliminary Report of Action of a Pre-Issuance Hedge Entered Into Pursuant to Docket No. 05-00313 (Beginning Date: 2/24/06).

If you have any questions, please do not hesitate to contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

William C. Bovender

WCB/pl
Enclosures

cc: William E. Johnson, Esq. (via e-mail, w/out encl.)
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Isaac Webb (via e-mail, w/out encl.)
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TENNESSEE:

Before the

TENNESSEE REGULATORY AUTHORITY

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REPORT :
Of : Docket No. 05-00313
APPALACHIAN POWER COMPANY :
.....

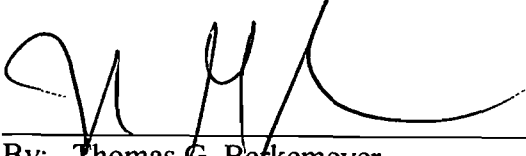
PRELIMINARY REPORT OF ACTION
OF A PRE-ISSUANCE HEDGE
ENTERED INTO PURSUANT TO
DOCKET NO. 05-00313

1. Appalachian Power Company ("APCo") has entered into the following pre-issuance hedge pursuant to Docket No. 05-00313:

<u>Beginning Date</u>	<u>Maturity Date</u>	<u>Notional Amount</u>	<u>Security to be issued</u>	<u>Agreement Description</u>
2/24/06	4/17/06	\$50 MM	Up to \$250 MM 30 year notes in April 2006	Forward starting 30-year interest rate swap (APCo pays fixed of 4.510%, counterparty pays float)

Respectfully submitted this 1st day of March 2006.

APPALACHIAN POWER COMPANY


By: Thomas G. Berkemeyer
Assistant Secretary