

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Eddie Roberson, Director
Pat Miller, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

August 7, 2006

Mr. William C. Bovender, Counsel
Hunter, Smith, & Davis LLP
P.O. Box 3740
Kingsport, TN 37664

RE: Docket 06-00190: *Application of Appalachian Power Company Seeking Approval for Financing Up to \$800,000,000 Through December 31, 2007*

Dear Mr. Bovender:

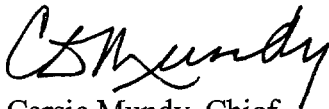
In order to fully analyze the above-referenced application, the Tennessee Regulatory Authority (TRA) requires additional information. Please provide the information requested below by August 14, 2006, and refer to this correspondence as Data Request No. 1 in the response.

1. Has Appalachian Power Company ("Appalachian") filed similar applications in other states and what is the status of any such application?
2. Has Appalachian applied for approval for financing from any Federal agency? Have they notified any Federal Agency? If so, what is the status of any such application or notification?
3. How many end-user customers are served, directly or indirectly, by Appalachian, including customers of Kingsport Power Company ("Kingsport Power") d/b/a/ American Electric Power Company ("AEP")?
4. Will any Tennessee Assets (Kingsport Power Company) be pledged as collateral for any secured debt issued? If so, what percentage of Kingsport Power Company's assets will be pledged?
5. Will any of these funds be used for plant expansion, modernization, or otherwise used for the benefit of Kingsport ratepayers? Please itemize projects and approximate amounts projected. Include retirement of debt from the current Kingsport Power Company balance sheet as one of the benefits and/or other benefits such as reduced interest expense for Kingsport Power Company rate payers.
6. Provide the status and periodic updates of the Application including approval by the Virginia State Corporation Commission.

If you have any questions, or need further assistance, please call Carlos Black at 615-741-2904, ext. 196 or email him at carlos.black@state.tn.us. Please respond by sending the original and 13 copies either by U.S. Mail or express mail. Alternatively, you may send the original and four (4) copies along with and electronic file of the original to:

Ms. Sharla Dillon, Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505
Email: sharla.dillion@state.tn.us

Sincerely,

A handwritten signature in black ink, appearing to read "Carsie Mundy". The signature is fluid and cursive, with the first name "Carsie" and last name "Mundy" clearly distinguishable.

Carsie Mundy, Chief
Competitive Markets & Policy Division

c: William E. Johnson, Esq.
Docket Room