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AMEP/Z.82329

March 1, 2007

PLEASE RESPOND TO:
KINGSFORT OFFICE

Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: **TRA Docket No. 06-00190:** *Application of Appalachian Power Company Seeking Approval for Financing Up to \$800,000,000 Through December 31, 2007*

Dear Chairman Kyle:

We have been reluctant to bring this matter to your attention but feel we need to address same at this point.

Back in August, 2006, we submitted, on behalf of Appalachian Power Company, a Petition Seeking Approval For Financing Up to \$800,000,000 Through December 31, 2007.

At the Authority Conference of Monday, September 25, 2006, the Directors unanimously approved our Petition. We attach a copy of the transcript as Exhibit "1" hereto.

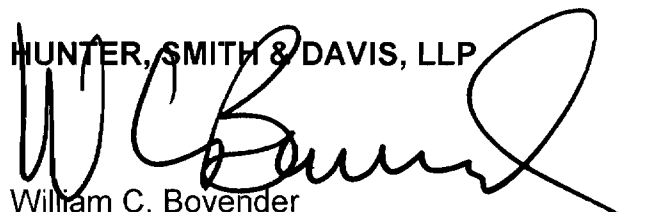
The problem is that no Order has ever been issued by the Authority relative to the approval of this financing.

We presume there has merely been an oversight. However, Appalachian Power Company respectfully requests the Authority consider issuing the Order, which would allow it to more completely document the Authority's action with creditors.

We apologize for having to bring this to your attention.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



William C. Bovender
Counsel for Appalachian Power Company

WCB/pl

Enclosure

cc: William E. Johnson, Esq. (via e-mail)
James R. Bacha, Esq. (via e-mail)
Barry L. Thomas (via e-mail)

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BEFORE THE TENNESSEE REGULATORY AUTHORITY

TRANSCRIPT OF AUTHORITY CONFERENCE

Monday, September 25, 2006

APPEARANCES:

For EPB:	Mr. Melvin J. Malone
For Aeneas:	Mr. Paul Rice (via telephone)
For Tennessee Wastewater Systems:	Mr. Charles Pickney, Jr.
For BellSouth:	Mr. Guy Hicks
For TRA Staff:	Mr. Richard Collier
TRA Docket Manager:	Ms. Sharla Dillon

Reported By:
Patricia W. Smith, RPR, CCR

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EXHIBIT

tabbles

<u>DOCKET</u>	<u>DISPOSITION</u>	<u>PAGE</u>
<u>SECTION 1 - AUTHORITY BUSINESS</u>		
	Miscellaneous Business	4
<u>SECTION 2 - MILLER, KYLE, AND ROBERSON</u>		
06-00181	Approved 3-0	5
06-00202	Approved 3-0	6
06-00219	Overtured 3-0	7
<u>INTERCONNECTION AND RESALE AGREEMENTS</u>		
06-00211	Approved 3-0	9
Miscellaneous Business - None		
<u>SECTION 3 - MILLER, JONES, AND KYLE</u>		
06-00206	Petition approved 3-0	9, 55
<u>INTERCONNECTION AND RESALE AGREEMENTS</u>		
06-00208	Approved 3-0	9
06-00218	Approved 3-0	9
<u>CANCELLATION OF CERTIFICATION PER COMPANY REQUEST</u>		
00-01052	Grant cancellation 3-0	10
Miscellaneous Business - None		

<u>DOCKET</u>	<u>DISPOSITION</u>	<u>PAGE</u>
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06-00227	Petition approved 2-0 (RJ abstaining)	38
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06-00209	Approved 3-0	43
Miscellaneous Business - None		
<u>SECTION 5 - MILLER, JONES, AND ROBERSON</u>		
06-00198	Petition approved 3-0	43
06-00204	Petition approved 3-0	47
06-00226	Overturn denial 3-0	50
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Miscellaneous Business - None		

1 Nos. 06-00208 and 06-00218.

2 CHAIRMAN KYLE: Move to approve.

3 DIRECTOR MILLER: Second and vote aye.

4 DIRECTOR JONES: Vote yes.

5 MS. DILLON: Cancellation of
6 certification per company request, Docket No. 00-01052.

7 CHAIRMAN KYLE: Move to cancel.

8 DIRECTOR MILLER: Second and vote aye.

9 DIRECTOR JONES: Vote yes.

10 MS. DILLON: Miscellaneous business.

11 CHAIRMAN KYLE: None.

12 MS. DILLON: Next we have Section 4,
13 Directors Jones, Kyle, and Roberson. Docket
14 No. 06-00190, Appalachian Power Company, petition of
15 Appalachian Power Company for financing up to
16 \$800,000,000 through December 31st, 2007, consider
17 financing.

18 CHAIRMAN KYLE: Do my fellow directors
19 have a motion?

20 If not, I find that this financing
21 transaction is subject to Authority approval pursuant
22 to T.C.A. 65-4-109. The transaction is being made in
23 accordance with the laws enforceable by this agency.
24 And the purpose of this transaction is in the public
25 interest of Appalachian Power Company's consumers and

1 investors by providing them with sound and prudent
2 financial policy. Specifically, the transaction will
3 allow and/or provide Appalachian Power Company with
4 sufficient alternatives and flexibility when striving
5 to reduce its effective interest cost and manage
6 interest cost on financing, and it will provide
7 consumers with meaningful competition.

8 Appalachian Power shall be bound by
9 the same conditions as set forth in the order of the
10 Virginia State Corporations Commission that was filed
11 with the Authority on August 23rd, 2006.

12 Furthermore, the authorization and
13 approval given hereby shall not be used by any party
14 for the purpose of inferring an analysis or assessment
15 of the risk involved. And the decision is not intended
16 to create any liability on the part of the Tennessee
17 Regulatory Authority, the State of Tennessee, or any
18 political subdivision thereof. And I would so move.

19 DIRECTOR ROBERSON: Second and vote
20 aye.

21 DIRECTOR JONES: I vote yes.

22 MS. DILLON: Next we have Docket
23 No. 06-00193, Electric Power Board of Chattanooga,
24 application of Electric Power Board of Chattanooga for
25 expanded certificate of public convenience and

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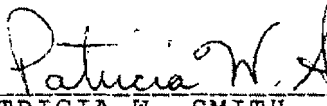
REPORTER'S CERTIFICATE

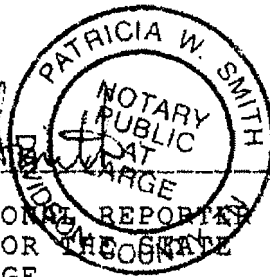
STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

I, Patricia W. Smith, Registered Professional Reporter, with offices in Nashville, Tennessee, hereby certify that I reported the foregoing proceedings at the time and place set forth in the caption thereof; that the proceedings were stenographically reported by me; and that the foregoing proceedings constitute a true and correct transcript of said proceedings to the best of my ability.

I FURTHER CERTIFY that I am not related to any of the parties named herein, nor their counsel, and have no interest, financial or otherwise, in the outcome or events of this action.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and seal of office this 28th day of September, 2006.


PATRICIA W. SMITH,
REGISTERED PROFESSIONAL REPORTER
AND NOTARY PUBLIC FOR THE STATE
OF TENNESSEE AT LARGE



My Commission Expires:
July 19, 2008

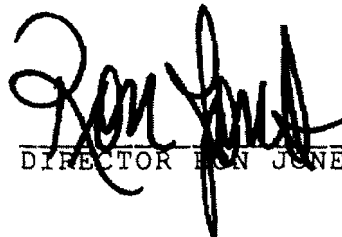
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Minutes of the Authority Conference of
Monday, September 25, 2006, stand approved.


CHAIRMAN SARA KYLE


DIRECTOR EDDIE ROBERSON


DIRECTOR PAT MILLER


DIRECTOR RON JONES