

TENNESSEE REGULATORY AUTHORITY

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

December 6, 2006



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Mr. William C. Bovender
P. O. Box 3740
Kingsport, TN 37664

RE: DOCKET NO. 06-00301- Joint Petition of Kingsport Power Company D/B/A AEP
Appalachian Power and Weyerhaeuser Company for Approval of a Special Contract

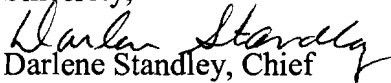
Dear Mr. Bovender:

On December 4, 2006, Kingsport Power Company d/b/a AEP Appalachian Power and Weyerhaeuser Company filed a joint petition for approval of a special contract. To assist the TRA in reviewing this petition, please provide the following information.

1. Please describe any conditions that could occur as a result of this contract that would impact retail rates of other Kingsport customers?
2. Will PJM pay Weyerhaeuser directly for power sold to the wholesale market or will the payments be passed through Kingsport Power Company?
3. Paragraph 7 of the Supplement states that AEP operating companies reserve the right to request FERC and TRA tariff changes to address issues related to Turbine Generator #1, including but not limited to differentials between embedded cost rates and market prices. Please provide an example of such a differential and the effect on Kingsport's wholesale and retail rates.
4. What, if any, filings and approvals will Kingsport, AEP, Weyerhaeuser, and/or PJM need to make before or receive from the Federal Energy Regulatory Commission before the contract can be fully executed?
5. What is Weyerhaeuser's current contract capacity?
6. Please provide Weyerhaeuser's monthly kW and kWh for the past 12 months.
7. Please provide 12 months of Weyerhaeuser's projected kW and kWh under the new Special Contract.

It is requested that this information be provided no later than 2:00 p.m. on December 7, 2006, and that you reference Docket No. 06-00301 on the response. In accordance with TRA rules submit either (1) thirteen written copies of your response or (2) four written copies and an electronic version. Should you have any questions regarding this request, please contact Ginger Collier at (615) 741-2904, ext. 174.

Sincerely,


Darlene Standley, Chief
Utilities Division