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PLEASE RESPOND TO:
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KPOW.83302

Tre Hargett, Chairman
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460 James Robertson Parkway
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December 9, 2008
VIA FEDERAL EXPRESS

RECEIVED

DEC 10 2008

**TN REGULATORY AUTHORITY
UTILITIES DIVISION**

Re: Notice of Kingsport Power Company d/b/a AEP
Appalachian Power
TRA Docket No.: **08-00213**

Dear Chairman Hargett:

We submit herewith fourteen (14) copies of the Letter Order issued by the Federal Energy Regulatory Commission ("FERC") on December 8, 2008, regarding the Amended and Restated Agreement between Appalachian Power Company ("APCo") and Kingsport Power Company ("KgPCo"), that APCo filed at FERC on November 13, 2008, as First Revised FERC Rate Schedule No. 23. The Letter Order accepts First Revised FERC Rate Schedule No. 23, including the new rates contained therein, for filing. Pursuant to the Letter Order, the new rates will be implemented and become effective January 1, 2009.

This action by the FERC necessitates adjustments, as of January 1, 2009, to Kingsport's Purchased Power Adjustment Rider, the subject of this Docket, and about which the Tennessee Regulatory Authority has set a hearing on Monday, December 15, 2008.

Should there be questions, please contact us.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

William C. Bovender

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Enclosure

cc: Richard Collier, Esq. (via email)
James R. Bacha, Esq. (via email)
William A. Bosta (via email)
Barry L. Thomas (via email)

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
Appalachian Power Company
Docket No. ER09-288-000

Issued: 12/8/08

James R. Bacha
Assistant General Counsel
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215

Reference: Amended and Restated Interconnection Agreement

Dear Mr. Bacha:

Pursuant to authority delegated to the Director, Division of Tariffs and Market Development – East, under 18 C.F.R. § 375.307, your submittal in the above referenced docket is accepted for filing effective January 1, 2009, as requested.¹

On November 13, 2008, you filed on behalf of Appalachian Power Company (APCo) the Amended and Restated Agreement between APCo and Kingsport Power Company (Kingsport). The purpose of the Amended and Restated Agreement is to replace certain introductory provisions with more current language and to add new rates agreed to in the November 13, 2008 settlement agreement between APCo, Kingsport and East Tennessee Energy Consumers.

Notice of the filing was published in the Federal Register with comments due on or before November 28, 2008. No protests or adverse comments were filed. Notices of interventions and unopposed timely filed motions to intervene are granted pursuant to Rule 214 of the Commission's Rule of Practice and Procedure (18 C.F.R. § 385.214). Any unopposed or untimely motion to intervene is governed by provisions of Rule 214.

This acceptance for filing shall not be construed as constituting approval of any service, rate, charge, classification, or any rule, regulation, or practice affecting such rate

¹ Appalachian Power Company, First Revised FERC Rate Schedule No. 23.

or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such acceptance is without prejudice to any findings or order which have been or may hereafter be made by the Commission in any proceeding now pending on hereafter instituted by or against APCo.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Larry D. Gasteiger, Director
Division of Tariffs and Market
Development – East