



**APPALACHIAN  
POWER**

*A unit of American Electric Power*

**Appalachian Power**  
Three James Center  
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Richmond, VA 23219  
[www.apocustomer.com](http://www.apocustomer.com)

November 22, 2005

Mr. Dennis S. Rooker  
Chairman  
Albemarle County Bd of Supervisors  
401 McIntire Road  
Charlottesville, VA 22902-4596

In re: Appalachian Power Company  
Va. S.C.C. Case No. PUE-2005-00090

Dear Sir or Madam:

On October 21, 2005, Appalachian Power Company filed with the State Corporation Commission (SCC), in the subject proceeding, an application requesting a change in its Virginia jurisdictional fuel factor to be effective January 1, 2006.

Pursuant to the local government service requirements in ordering paragraph 6 of the SCC's Order Establishing 2006 Fuel Factor Proceeding (Order) dated November 4, 2005, enclosed herewith is a copy of the above referenced Order.

Sincerely,

Thomas L. Stephens  
Principal Regulatory Consultant  
Regulatory Services – VA/TN

TLS/cde  
Enclosure

COMMONWEALTH OF VIRGINIA  
DOCUMENT CONTROL  
STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 4, 2005

2005 NOV -4 P 1:16

APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUE-2005-00090

To revise its fuel factor pursuant to  
§ 56-249.6 of the Code of Virginia

ORDER ESTABLISHING 2006 FUEL FACTOR PROCEEDING

On October 21, 2005, Appalachian Power Company ("Appalachian" or the "Company") filed with the State Corporation Commission ("Commission") an application along with testimony, exhibits, and a proposed tariff intended to increase its current fuel factor from 1.420¢ per kWh to 1.785¢ per kWh, effective with bills rendered on and after January 1, 2006.

The application states that the revision from 1.420¢ per kWh to 1.785¢ per kWh is necessary to reflect the appropriate level of fuel expense recovery over the period January 1, 2006, through December 31, 2006, within the meaning of § 56-249.6 of the Code of Virginia ("Code"). The proposed fuel factor change will result in an estimated annual revenue increase of approximately \$57.7 million.

NOW THE COMMISSION, having considered the application and applicable statutes and regulations, is of the opinion and finds that this matter should be docketed, that public notice and an opportunity for participation in this proceeding should be given, and that a hearing should be scheduled. Based on the timing of the procedural schedule, we will permit the proposed fuel factor of 1.785¢ per kWh be placed into effect on an interim basis, effective with bills rendered on and after January 1, 2006.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUE-2005-00090.

(2) A public hearing shall be convened on January 12, 2006, at 10:00 a.m., in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive comments from members of the public and to receive evidence related to the application. Any person not participating as a respondent as provided for in Ordering Paragraph (8) below may give oral testimony at the January 12, 2006, public hearing. Any person desiring to make such a testimonial statement need only appear in the Commission's Second Floor Courtroom in the Tyler Building at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff.

(3) Appalachian shall put its proposed fuel factor into effect, on an interim basis, effective with bills rendered on or after January 1, 2006.

(4) Copies of the Company's application, prefiled testimony, exhibits, and proposed tariff, as well as this Order, are available to the public by submitting a request to counsel for Appalachian, Anthony J. Gambardella, Jr., Esquire, Woods Rogers PLC, 823 East Main Street, Suite 1200, Richmond, Virginia 23219. In addition, interested persons may review copies in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday, or download unofficial copies from the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>.

(5) On or before November 23, 2005, Appalachian shall cause a copy of the following notice to be published as display advertising (not classified) on one occasion in newspapers of general circulation throughout its service territory:

NOTICE TO THE PUBLIC OF  
APPALACHIAN POWER COMPANY'S REQUEST  
TO REVISE ITS FUEL FACTOR  
CASE NO. PUE-2005-00090

On October 21, 2005, Appalachian Power Company ("Appalachian" or the "Company") filed with the State Corporation Commission (the "Commission") an application along with testimony, exhibits, and a proposed tariff intended to increase its current fuel factor from 1.420¢ per kWh to 1.785¢ per kWh, effective with bills rendered on and after January 1, 2006.

The application states that the revision from 1.420¢ per kWh to 1.785¢ per kWh is necessary to reflect the appropriate level of fuel expense recovery over the period January 1, 2006, through December 31, 2006, within the meaning of § 56-249.6 of the Code of Virginia. The proposed fuel factor change will result in an estimated annual revenue increase of approximately \$57.7 million.

The Commission has scheduled a public hearing to commence at 10:00 a.m. on January 12, 2006, in the Commission's Second Floor Courtroom, Tyler Building, 1300 East Main Street, Richmond, Virginia, for the purpose of receiving comments from members of the public and evidence related to the application.

Copies of Appalachian's application, prefiled testimony, exhibits, and proposed tariff, as well as a copy of the Commission's Order in this proceeding, are available to the public by submitting request to counsel for Appalachian, Anthony J. Gambardella, Jr., Esquire, Woods Rogers PLC, 823 East Main Street, Suite 1200, Richmond, Virginia 23219. In addition, interested persons may review copies in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday, or download unofficial copies from the Commission's website:  
<http://www.scc.virginia.gov/caseinfo.htm>.

On or before December 2, 2005, any interested person may participate as a respondent in this proceeding as provided by the Commission's Rules of Practice and Procedure by filing an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Interested parties should obtain

a copy of the Commission's Order in this proceeding for further details on participation as a respondent.

Any person not participating as a respondent as provided above and desiring to make a testimonial statement at the public hearing concerning the application may appear in the Commission's Second Floor Courtroom in the Tyler Building at 9:45 a.m. on the day of the hearing and sign up to speak.

All filings with the Clerk of the Commission shall refer to Case No. PUE-2005-00090 and shall simultaneously be served on counsel for the Company at the address set forth above.

#### APPALACHIAN POWER COMPANY

(6) On or before November 23, 2005, Appalachian shall serve a copy of this Order on the chairman of the board of supervisors and county attorney of each county and upon the mayor or manager of every city and town (or upon equivalent officials in counties, towns and cities having alternate forms of government) in which the Company provides service. Service shall be made by first-class mail to the customary place of business or residence of the person served.

(7) On or before December 2, 2005, any interested person may participate as a respondent in this proceeding by filing an original and fifteen (15) copies a notice of participation with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall simultaneously serve a copy of the notice of participation on counsel to the Company at the address set forth in Ordering Paragraph (4) above. Pursuant to Rule 5 VAC 5-20-80 of the Commission's Rules of Practice and Procedure, any notice of participation shall set forth (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Interested parties shall refer in all their filed papers to Case No. PUE-2005-00090.

(8) Within five (5) business days of receipt of a notice of participation as a respondent, Appalachian shall serve upon each respondent a copy of this Order, a copy of the application, and all other materials that it has filed with the Commission, unless these materials have already been provided to the respondent.

(9) On or before December 16, 2005, each respondent may file with the Clerk of the Commission at the address set forth in Ordering Paragraph (7) above an original and fifteen (15) copies of any testimony and exhibits by which it expects to establish its case. Each respondent shall serve copies of the testimony and exhibits on counsel to Appalachian and on all other respondents.

(10) On or before December 22, 2005, Appalachian shall file with the Clerk of the Commission proof of the publication and service as required in this Order.

(11) The Commission Staff shall investigate the reasonableness of Appalachian's estimated costs and proposed fuel factor. On or before December 30, 2005, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of testimony and exhibits regarding its investigation of the application and shall promptly serve a copy on counsel to the Company and all respondents.

(12) On or before January 6, 2006, Appalachian shall file with the Clerk of the Commission an original and fifteen (15) copies of any rebuttal testimony that the Company expects to offer in rebuttal to the testimony and exhibits of the respondents and the Commission Staff and shall on the same day serve one copy on Staff and all respondents.

(13) Appalachian and respondents shall respond to written interrogatories within seven (7) calendar days after receipt of the same. Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:  
Anthony J. Gambardella, Jr., Esquire, Woods Rogers PLC, 823 East Main Street, Suite 1200,  
Richmond, Virginia 23219; C. Meade Browder, Jr., Senior Assistant Attorney General, Division  
of Consumer Counsel, Office of Attorney General, 900 East Main Street, Second Floor,  
Richmond, Virginia 23219; and the Commission's Divisions of Energy Regulation, Public Utility  
Accounting, and Economics and Finance.

A True Copy  
Testis:  
  
Clerk of the  
State Corporation Commission