

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA, in the City of Charleston on the 20th day of August, 2001.

CASE NO. 01-0994-E-P

APPALACHIAN POWER COMPANY,
dba AMERICAN ELECTRIC POWER.

Petition for certificate of revenue
deficiency associated with the 20%
Rate Discount Program.

COMMISSION FINAL ORDER

On July 25, 2001, Appalachian Power Company, dba American Electric Power (hereinafter the Company), a corporation, filed P.S.C. W.Va. Form No. 234.10, pursuant to Article 2C of Chapter 24 of the West Virginia Code and G.O. No. 214.6 of the West Virginia Public Service Commission.

On August 1, 2001, the Company filed a revised supporting schedule.

The Company's filing indicated that it had experienced a revenue deficiency in the amount of \$1,158,484.04 for the billing months of December 2000 through April 2001 as a result of the implementation of the 20% rate discount year.

All of the operating divisions of the Commission have had an opportunity to review the filing and, by Initial and Final Staff Memorandum prepared by David Kennedy, Utilities Analyst, Utilities Division, dated August 3, 2001 and filed August 17, 2001, the Commission's Legal Division submitted the Staff recommendation in this proceeding. Commission Staff is recommending that the amount of \$1,158,484.04 be certified for use in its computation of B&O taxes on a non-revenue basis (§11-13-2o). As of January 1, 1998, electric utilities will be assessed a B&O tax liability strictly on the basis of kilowatt hours. Thus, no tax adjustment to the requested revenue deficiency is needed.

Upon consideration whereof, the Commission is of the opinion that a revenue deficiency in the amount of \$1,158,484.04 should be certified pursuant to General Order No. 214.6 and Article 2A of Chapter 24 of the West Virginia Code.

FINDINGS OF FACT

Appalachian Power Company, dba American Electric Power, has experienced a revenue deficiency in the amount of \$1,158,484.04 as a result of the implementation of the 20% rate discount program December 2000 through April 2001. (Joint Staff Memorandum filed August 17, 2001).

CONCLUSION OF LAW

A revenue deficiency as recommended by Staff should be certified as the revenue deficiency experienced by Appalachian Power Company, dba American Electric Power, as a result of the application of the 20% rate discount program, pursuant to the requirements of General Order No. 214.6 and Article 2A of Chapter 24 of the West Virginia Code.

ORDER

IT IS, THEREFORE, ORDERED that a revenue deficiency in the amount of \$1,158,484.04 be, and it hereby is, certified as the revenue deficiency experienced by Appalachian Power Company, dba American Electric Power, as a result of the implementation of the 20% rate discount program for the billing months of December 2000 through April 2001 program year, pursuant to Article 2A of Chapter 24 of the West Virginia Code and General Order No. 214.6.

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order upon all parties of record by United States first Class Mail and upon Commission Staff by hand delivery.

James D. Williams, Chairman

Martha Y. Walker, Commissioner

Charlotte R. Lane, Commissioner

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