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May 9, 2006

Paul E. Norman
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**Re: Clarification of the Comments of the Western Public Agencies Group
On BPA's Power Function Review II Draft Close-out Letter**

Dear Mr. Norman:

On April 26, 2006, the Western Public Agencies Group (WPAG) provided comments on your draft close-out letter of April 4th, 2006, for Phase II of the Power Function Review (PFR II). We would like to clarify the remarks contained in section 2 of those comments.

The WPAG utilities have urged BPA to carefully scrutinize all costs that go into its rates, whether they are Corps, Bureau, Energy Northwest or BPA's internal costs. Consistent with that approach, section 2 of the WPAG comments suggested that the budget item for the ENW condenser replacement receive a similar review.

Since the WPAG comments were submitted, we have received additional information on this item from ENW. Based on that information, the WPAG utilities are persuaded that this budget item has been substantiated in the amount and with the timing proposed.

The WPAG utilities felt it was important that you receive this information as promptly as possible. This is an instance where the PFR II process has worked as it should – a question was raised, and a fully responsive answer was timely provided.

May 9, 2006
Page 2

Yours truly,

/S/ Terence L. Mundorf

Terence L. Mundorf
Attorney for the Western Public
Agencies Group