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NEB / ONE

February 27, 2006

Michel Mantha
Secretary of the Board
National Energy Board
444 Seventh Avenue SW
Calgary, Alberta
T2P 0X8

**Re: Comments of Powerex Corp.
175-A000-72-2 – Proposed Cost Recovery Concept for
Electricity Sector**

Dear Mr. Mantha:

Powerex supports the proposed amendments made by the National Energy Board (“NEB”) in Toronto on January 19, 2006. We believe the new methodology is better aligned with broad benefits (electrical energy, capacity and reliability) attributable to International Power Lines (“IPLs”). Furthermore, the model provides a reasonably straight forward cost recovery mechanism that is in alignment with the model used by the NEB in its regulation of the oil and gas transportation sectors.

In addition, in response to the letter of January 30, 2006, Powerex also supports the shift of the NEB cost recovery year to match the NEB fiscal year. We believe the reduced workload and related cost savings will be beneficial to all NEB regulated entities. We recognize that a transition will be necessary to achieve the longer term efficiencies associated with the proposed change.

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commitment.

Please feel free to contact the undersigned if you have any questions or clarifications.

Yours truly,

Mike MacDougall
Director
Trade Policy

C: Chantal Robert, Project Manager

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