

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 12612-000--Washington
Narrows Tidal Energy Project
Tacoma Power

MAR 08 2006
Mar 8, 2006

Mr. Ted Beatty, Power Management
City of Tacoma
Department of Public Utilities, Light Division (dba Tacoma Power)
3628 South 35th Street
Tacoma, WA 98409-3192

Subject: Introductory Letter

Dear Mr. Beatty:

Article 4 of the recently issued preliminary permit for this project requires you to submit a progress report every six months. Enclosed for your convenience is a copy of article 4, which specifies the filing requirements.

The first progress report is due on July 31, 2006. Subsequent reports are due every six months. You should send four copies of the reports to:

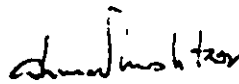
The Secretary
Federal Energy Regulatory Commission
ATTN: DHAC, PJ-12.2
888 First Street, NE
Washington D.C. 20426

Your preliminary permit may be cancelled if you fail to pursue diligently the required consultation and feasibility studies. Any license application for the project must be filed before the permit expires to maintain your priority of application for a license.

Please note that, pursuant to section 4.82 of the Commission's regulations, you must submit an application to amend your preliminary permit if you plan to change the project as proposed in your initial application. Also, please be advised that your preliminary permit does not authorize construction of any project works.

If you have any questions concerning this letter please call Ahmad Mushtaq at (202) 502-8833.

Sincerely,



William Y. Guey-Lee
Division of Hydropower
Administration and Compliance

Enclosure: Standard article 4

Standard Article 4

Article 4. At the close of each six-month period from the effective date of this permit, the permittee shall file four copies of a progress report with the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426; and shall serve a copy on the interveners in this proceeding. The report shall describe, for that report period, the nature and timing of what the permittee has done under the pre-filing requirements of 18 CFR 4.38 and other applicable regulations; and, where studies require access to and use of land not owned by the permittee, the status of the permittee's efforts to obtain permission therefor.