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Wednesday, June 5, 2002

Submitted for filing in OCC Cause PUD 980000188

Jay M. Galt, Esq. White, Coffey, Galt & Fite, P.C. 6520 North Western, Suite 300 Oklahoma City, Oklahoma 73116

Re: OCC Cause PUD 980000188 Filing of "Communications Received from and Communications to Michael McAdams"

Dear Mr. Galt:

This communication (to be transmitted via e-mail and facsimile) responds to your filing of May 28, 2002, in OCC Cause PUD 980000188, of "Communications Received from and Communications to Michael McAdams."

That filing included (a) a letter of May 28, 2002, from "Mike McAdams" to "John" (whom you identify as ONEOK general counsel John Gaberino), (b) an e-mail message of May 25, 2002, from me to "Mike and Sylvia McAdams" (to the authenticity of the copy of which I hereby attest and the formal filing of which in the record of this Cause I appreciate), and (c) a letter of May 28, 2002, from you to Michael E. McAdams.

The purpose of this communication is to address statements in the final two penultimate (i.e., the penpenultimate and penultimate) paragraphs of your letter to Mr. McAdams, purporting to "clear up a few misstatements in Mr. Dresch's May 25 e-mail."

In the first of these paragraphs you state: "The \$450,000 attorney fee amount was determined by the Oklahoma Corporation Commission and not by ONG." It is my understanding that the Oklahoma Corporation Commission (i.e., Commissioners Bode, Apple and Anthony) only became involved in the settlement at the first hearing called for the anticipated purpose of ratifying the settlement. Yet the prior settlement negotiations had assumed attorney's fees of \$450,000. I presumed that this represented an offer from ONG (acceptance of which was perhaps encouraged by the staff of the Commission). While that presumption may have been unwarranted, I find it difficult to believe that the fee amount "was determined by" Commissioners Bode, Apple and Anthony.

In that paragraph you further state: "Neither I nor anyone associated with ONG ever offered to make any payment to you outside the \$450,000 that ONG agreed to fund as part of the settlement." First, note that I did not state that ONG had "offered to make any payment to" McAdams. Rather, I stated, "Galt went so far as to offer [to Russell Walker] that ONG would cover (apart from the \$450k) a significant share of any payment made to" McAdams; on the basis of representations made (and reaffirmed) to me by a party to this discussion, I stand by this statement.

Finally, in the penultimate paragraph of your letter you state: "I was never associated with Bill Anderson on either a professional or personal basis." This statement is presumably in response to my observation, with reference to my above-referenced statement concerning ONG's offer to "cover ... a significant share of any payment made to" McAdams, "Russ [Walker] rejected that proposal on ethical grounds (which, apparently, do not weigh so heavily with Galt, former second-string bagman for first-string bagman Tater Anderson)." In response to your disclaimer of any association, professional or personal, with Bill [William L.] Anderson, I offer the following, based directly on material available in the files of the Oklahoma Corporation Commission:

As commissioner-elect Anthony did not have to wait long for Tater Anderson's next approach. At 7 p.m. on the day after the election Anderson called Anthony at home to congratulate him on his victory. In mid December, after another intercession by Hank Bradley of Metro Bank, Anderson called Anthony again, offering to raise money to retire his campaign debt. Anderson suggested a reception at which Anthony could meet people interested in being of assistance, advising that the reception should take place before Anthony took office to avoid campaign-finance prohibitions.

Anderson's first installment toward retirement of Anthony's campaign debt came through Oklahoma City attorney Jay Galt, who represented a regulated utility, Public Service Corporation of Oklahoma. As had Anderson in October, Galt gave Anthony \$1,000 in cash and a list of five purported donors. Galt explained that the funds in fact came from Anderson. Among the purported donors were T. M. Anderson, Stephen C. Anderson and LaRuth Anderson.

I hereby request that you enter this letter in the file of the referenced Cause before the Oklahoma Corporation Commission.

Sincerely,

Stephen P. Dresch, Ph.D.