February 20, 2008

Old Dominion
Electric Cooperative

Via US Mail and Email NAESB@NAESB.org

Ms. Rae McQuade
Director
North American Energy Standards Board
1301 Fannin, Suite 2350
Houston, TX 77002

RE: Order No. 698: Intraday Nomination Timeline Proposals

Dear Ms. McQuade:

Old Dominion Electric Coooperative ("ODEC") wishes to make the following comments part of the record in the pending NAESB Wholesale Gas Quadrant's ("WGQ") discussions relating to the above referenced topic. It has come to my attention that a proposal has been sponsored that contemplates the inclusion of an additional Intraday "bumping" cycle that would afford firm capacity holders an opportunity to insure that its daily nominations can be adjusted to be more closely aligned with the evening peak demands. ODEC believes that such a proposal will enhance the value of firm capacity and the reliability of pipeline service. Moreover, additional value and flexibility will encourage the contracting of firm service and the related construction of necessary infrastructure. If interruptible shippers wish to avoid being "bumped" they have the option of entering into contracts for firm service.

ODEC also supports the proposal as a step towards providing better coordination between gas and electric scheduling. Specifically, the Intraday 4 cycle, which in the proposal has a nomination deadline of 5:00 a.m. and a Flow time of 7:00 a.m. provides flexibility that would facilitate coordination between gas and electric scheduling. Currently, the last nomination deadline is at 5:00 p.m. on the gas flow day, so it is impossible to nominate gas for generators that are dispatched for the morning peak. With respect to generators that are subject to dispatch instruction by a regional entity, generation could be dispatched at any time throughout the day and the generator is expected to follow dispatch. In order to more closely coordinate with morning peaks, we would suggest a nomination time of 4:00 a.m. and a Flow time of 6:00 a.m. for the new Intraday 4 cycle. In any event, ODEC believes that the increased flexibility provided by the proposed additional nomination cycles will help improve electric reliability and help reduce the cost of electricity. This is because the added flexibility will increase the availability

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of gas-fired generation and will reduce the start-up times of some generators (i.e., those that have long start-up times in order to avoid being dispatched when it would be impossible to schedule gas). Costs would be reduced, as generators who have oil capabilities will have more flexibility to utilize gas rather than oil, which is usually more expensive. Also, those generators that include the cost of gas imbalance risks and/or pipeline penalties in their bid prices will be able to reduce their bid prices once these risks are mitigated. All of these cost reductions should inure to the benefit of end-users.

Please post this to NAESB WGQ committee webpage.

Sincerely,

D. Richard Beam

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Vice President
Power Supply & Transmission Planning