



# Arizona Electric Power Cooperative, Inc.

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February 19, 2008

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,

Arizona Electric Power Cooperative, Inc. (AEPCO) wishes to make the following comments part of the record in the pending NAESB Wholesale Gas Quadrant's ("WGQ") discussions relating to the above subject.

As information, AEPCO operates [5] natural gas-fired generating units at Cochise, Arizona, which supply critically-needed electric power to AEPCO's member cooperatives and their customers in Arizona and California. Cochise is located adjacent to the southern main line of El Paso Natural Gas Company (El Paso), and AEPCO has contracted for firm service on El Paso in order to be assured of receiving the gas it needs to serve its customers.

We understand that NAESB is currently considering a proposal for the inclusion of an additional Intraday "bumping" cycle in the daily nomination timeline, which if adopted would afford firm capacity holders such as AEPCO an opportunity to adjust their daily nominations in response to unforeseen changes in their customers' evening peak demands.



AEPCO strongly supports this proposal. AEPCO is paying maximum rates for the firm capacity it needs in order to satisfy its natural gas transportation requirements, and an additional bumping cycle will allow us to manage that capacity more effectively. Moreover, AEPCO believes that the proposed additional bumping cycle will enhance the value of firm capacity on El Paso and other pipelines, and at the same time foster improvements in the reliability of pipeline service, particularly if it induces some interruptible shippers to contract for firm service and thereby fosters the construction of needed additional infrastructure to the benefit of all concerned.

Please post this to NAESB WGQ committee webpage.

Sincerely,

A handwritten signature in cursive script that reads "Walter Bray".

Walter Bray  
Manager of Power Trading