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February 21, 2008

Via US Mail and Email [NAESB@NAESB.org](mailto: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,

Phelps Dodge Corporation (“PDC”) 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.

PDC, through its operating division, Phelps Dodge Mining Company, is a major producer of copper with mines and smelters, and associated power facilities, located in Arizona and New Mexico and a refinery located in Texas. It utilizes a substantial amount of natural gas at these facilities, primarily for power generation, and delivers this gas via contracts for firm gas transport services on the El Paso Natural Gas Company system.

PDC has been advised that a proposal has been sponsored at NAESB that contemplates the inclusion of an additional Intraday “bumping” cycle that would afford firm capacity holders an opportunity to insure that daily nominations can be adjusted to be more closely aligned with actual demands. PDC believes that implementation of such a proposal would be beneficial to shippers on the El Paso system in that it will enhance both the value of firm capacity and the reliability of pipeline service. Moreover, the additional value and flexibility associated with firm service rights will encourage the contracting of firm service and the related construction, as needed, of necessary infrastructure.

Please post this to NAESB WGQ committee webpage.

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin M. Lee', written in a cursive style.

Darin M. Lee  
Vice President, Technical Services