SMUD
SACRAMENTO MUNICIPAL UTILITY DISTRICT
The Power To Do More.℠

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February 21, 2008

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 item 7C: Intraday Nomination Timeline Proposals

Dear Ms. McQuade,

The Sacramento Municipal Utility District ("SMUD") 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 our attention that a proposal has been sponsored that contemplates the inclusion of two additional scheduling cycles.

SMUD takes its role of providing reliable service to our customers very seriously and we have purchased or contracted for enough firm pipeline and or storage capacity to meet all of our expected needs. SMUD has firm long-term interstate capacity on Gas Transmission Northwest, Kern River and Transwestern. We have held capacity on El Paso in the past. We also have capacity on the PG&E/SMUD Backbone system within California. Further we contract for storage services and we own and operate our own local 71 mile pipeline system.

We are not opposed to additional gas cycles, provided that utilities such as SMUD gain some benefit. The current proposal has no appreciable benefit to SMUD's operations, yet would increase staffing requirements and unnecessarily add cost and complexity to the scheduling process.

As a possible alternative, we suggest the committee consider retaining four cycles per day with the existing timely, evening and ID-2 deadlines and existing bumping rights, but moving the ID-1 deadline to later in the day.

Please post this letter to the NAESB WGQ committee webpage.

Sincerely,

Jay Glaubitz
Sr. Energy Trading Specialist