



Rae McQuade  
Director  
North American Energy Standards Board  
1301 Fannin, Suite 2350  
Houston, Texas 77002

**Re: Order No. 698, Intraday Nomination Timeline Proposals**

Dear Ms. McQuade:

Old Dominion Electric Cooperative (“Old Dominion”) wishes to make these comments part of the record in the pending NAESB Wholesale Gas Quadrant’s (“WGQ”) discussions relating to the above-referenced issue. As discussed in my letter to you dated February 20, 2008, Old Dominion wholeheartedly supports the inclusion of an additional Intraday “bumping” cycle that would afford firm capacity holders an opportunity to insure that their daily nominations can be adjusted to be more closely aligned with evening peak demands. Moreover, Old Dominion is particularly supportive of efforts to improve coordination between gas and electric scheduling.

It is my understanding that at the meeting scheduled for May 19, 2008, two alternatives for an additional “bumping” cycle will be discussed; an intraday cycle with a nomination deadline of 1:00 p.m. Central Time or an intraday cycle with a nomination deadline of 3:30 p.m. Central Time. Old Dominion supports the proposal for an intraday bumping cycle with a nomination deadline of 3:30 p.m. Central Time. As the Commission noted in Order No. 698, this effort by NAESB is to consider whether changes to existing intra-day schedules would “better provide for coordination between gas and electric scheduling.” The intraday bumping cycle with a nomination deadline of 3:30 p.m. Central Time would further that goal, and the 1:00 p.m. nomination deadline simply would not provide value for electric generation owners like Old Dominion.

Old Dominion’s generation facilities are located in the region of PJM Interconnection, L.L.C. (“PJM”) and are subject to dispatch by PJM. Old Dominion receives its dispatch instruction from PJM for the Day-Ahead market at 4:00 p.m. Eastern Time each day. The current gas nomination cycles do not permit Old Dominion an opportunity to nominate gas for the next day after it has received its dispatch instruction from PJM. Instead, Old Dominion has to increase its bids to supply energy in the PJM markets in order to account for unknown gas costs, such as penalties or imbalance charges that result from the mismatch between gas and electric scheduling opportunities.

Given the timing of PJM’s dispatch instruction, the proposed 1:00 p.m. intraday cycle would not address the disconnect between gas and electric scheduling, at least for electric generators like Old Dominion that are subject to dispatch instructions received after 1:00 p.m. The proposed intraday bumping cycle with a nomination deadline of 3:30 p.m. would allow Old Dominion an opportunity to nominate gas after it receives its daily dispatch instruction from PJM, thereby

reducing or eliminating many of the cost and administrative inefficiencies that exist under the current scheduling disconnect. In this manner, the additional intraday nomination schedule with a 3:30 p.m. deadline is an initial solution to address the day-ahead scheduling problem.

Old Dominion notes that while the 3:30 p.m. intraday nomination is helpful for day-ahead dispatch instructions, it does not address intraday nominations. In Old Dominion's experience, the existing pipeline scheduling restrictions limit generation owners' ability to efficiently utilize transportation service to run their generation facilities as needed. As an example, Old Dominion owns 50% of a 680 MW, simple-cycle combustion turbine electric generating Rock Springs Plant in Cecil County, Maryland. Natural gas transportation service to the Rock Springs plant is provided by Columbia Gas Transmission Corporation, and Old Dominion takes Firm Transportation Service ("FTS") from Columbia for this purpose. During periods of peak demand, Columbia requires that gas be scheduled via a "batching" process, whereby natural gas is batched from an interconnecting pipe during the anticipated run times of the generation facility and matches the hourly burn profile of the plant. For example, if Rocks Springs will burn 3,000 dekatherms per hour for hours 12 through 16 in a particular gas day, then gas is batched into the pipeline during those hours and at that burn rate. This batching process occurs outside of the NAESB nomination cycles and relies upon the coordination of the two pipeline gas control groups. Rather than rely on uncertain coordination between pipelines, additional scheduling flexibility should be developed so that generation owners like Old Dominion can utilize FTS in order to meet facility needs, particularly in situations where such flexibility will not adversely affect pipelines or other market participants. Such intraday scheduling flexibility would also allow Old Dominion to nominate gas that would flow later in the same day to address emergency reliability situations.

Old Dominion recognizes that there are difficulties that must be addressed in this effort, and that perhaps the gas and electric schedules will never be fully synchronized. However, having begun this effort, Old Dominion believes that NAESB should work to adopt an additional intraday schedule that actually addresses the problems of the current disconnect between the gas and electric schedules. The proposed intraday bumping cycle with a 3:30 p.m. nomination deadline advances this goal, to the benefit of end-users and presumably without undue burden on pipelines over the proposed intraday bumping cycle with a 1:00 p.m. nomination deadline.

Please post this correspondence to the NAESB WGQ Committee webpage.

Sincerely,



D. Richard Beam  
Vice President  
Power Supply & Transmission Planning