



May 20, 2008

The Honorable Joseph T. Kelliher, Chairman
The Honorable Suedeen Kelly
The Honorable Phillip Moeller
The Honorable Marc Spitzer
The Honorable Jon Wellinghoff
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

RE: Promotion of a More Efficient Capacity Release Market,
Docket No. RM08-1-000

Dear Chairman Kelliher and Commissioners:

The Natural Gas Supply Association (NGSA) supports the Marketer Petitioners' May 16, 2008 request for expedited action in the above-captioned proceeding and urges the Commission to act on a final rule as soon as possible. Absent action in the near-term, industry participants may not be able to rely upon asset management arrangements for the upcoming winter heating season.

On November 15, 2007, the Commission issued a Notice of Proposed Rulemaking (NOPR) in Docket No. RM08-1-000 proposing to modify its regulations to facilitate the use of AMA's, primarily by exempting such releases made as part of AMA's from the existing prohibition on tying, as well as from the bidding requirements of Section 284.8. The Commission, in this same proceeding, proposed to remove the rate ceiling for capacity release transactions of one year or less. On February 14, 2008, Constellation Energy Commodities Group (CECG) submitted an emergency request for expedited action, citing various compelling reasons for the Commission to rule on AMA-related issues, even if only on an interim basis. The CECG request also cited various earlier comments in response to the NOPR, particularly by the Marketer Petitioners, who raised the same concern regarding the need for urgency in dealing with the AMA issue. Most recently, on May 16, 2008, the Marketer Petitioners sent a letter to the Commission urging expedited action in time for negotiations for the upcoming winter heating season.

NGSA subscribes to the reasons given in the aforementioned filings and requests an expedited decision on AMAs. NGSA fully appreciates the need for the

Commission to act deliberately in considering issues of complexity, since one of its fundamental responsibilities is to ensure that the record on which its decisions are based is well reasoned and defensible in the event of an appeal. However, the reaction of commentors to the proposals surrounding the Commission's AMA proposal were overwhelmingly positive, stressing not only the utility and benefits of AMA's, but also the importance of getting the AMA-related rules in place as early as possible so that those benefits can be realized by market participants and the gas consuming public.

As stated in NGSAs January 25, 2008 comments in response to the NOPR:

The Commission correctly concludes that AMAs provide significant benefits to participants in the natural gas and electric industry [footnote omitted] and, given the significant and broad cross section of support for AMAs, such arrangements are in the public interest [footnote omitted]. By showing a willingness to foster market efficiencies and ensure that market participants have the best means available to meet their needs, the Commission has shown it is in tune with the needs of today's complex natural gas market. The added flexibility for AMAs proposed by the Commission will provide significant efficiencies for market participants, including end-users and ultimately consumers (Comments of the Natural Gas Supply Association, pp. 8-9).

Yet, the vast benefits provided by the use of AMAs can not be fully realized until such time as the Commission confirms that the operation of such transactions fully comply with or are exempt from certain Commission policies and regulations.

For the reasons stated above, NGSAs urges the Commission to act on a final rule in this proceeding without delay.

Sincerely,



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