

March 30, 2015

S9279

Alberta Securities Commission
Autorité des marchés financiers
British Columbia Securities Commission
Manitoba Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Ontario Securities Commission

c/o Josée Turcotte, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario
M5H 3S8
Fax: 416-593-2318
E-mail: comments@osc.gov.on.ca

Me Anne-Marie Beaudoin, Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec
H4Z 1G3
Fax : 514-864-6381
E-mail: consultation-en-cours@lautorite.qc.ca

RE: CSA Staff Notices 92-401 Derivatives Trading Facilities

SaskEnergy Incorporated ("SaskEnergy") and TransGas Limited ("TransGas") welcome the opportunity to comment on CSA Staff Notice 92-401.

About SaskEnergy and TransGas

SaskEnergy is a Saskatchewan Crown Corporation and operates as a natural gas distribution utility. TransGas is a wholly owned subsidiary of SaskEnergy and operates primarily as a natural gas transmission and storage utility.

SaskEnergy serves in excess of 380,000 customers in approximately 93% of Saskatchewan's communities.



CSA Executive Summary

The executive summary to CSA Staff Notice 92-401 provides in part as follows:

“Any DTF, regardless of whether it offers trading in OTC derivatives that are mandated to be traded on a DTF, would require an authorization from the securities regulatory authority in each jurisdiction in which it operates, or an exemption from such requirement.

DTFs generally would be regulated similarly to an exchange. For example, all DTFs would be required to have rules governing the conduct of participants, designed to ensure compliance with applicable legislation, prevent fraud and manipulative acts and practices, and promote just and equitable principles of trade.

. . . In determining whether to require a class of OTC derivatives to be traded exclusively on a DTF, the Committee recommends that the CSA consider factors including whether the class of OTC derivatives is: subject to a clearing mandate, sufficiently liquid and standardized, subject to a similar trading mandate in other jurisdictions, or already trading through the facilities of a DTF or foreign trading platform.

Please describe any specific characteristics of the Canadian OTC derivatives markets that the Committee should consider, which might justify a divergence between Canadian rules and those in effect in the US and the EU. Please consider transparency requirements, the trading mandate, and anything else you think relevant. Please refer to specific consequences of the characteristics you identify.

Canada is likely not unique, but the number of provincial regulatory regimes and disparate resources and interests of different provinces could create a challenge.

Moreover, based on our extremely limited experience with existing trading platforms, we have some concern that DTFs will be motivated to obtain authorization, or an exemption order, from security regulatory authorities in all provinces, in the same way and in a timely way.

A particular province might have to have a differing regulatory regime, or a delayed regulatory regime, simply out of necessity. Alternatively, it may have to defer to the decisions made solely in another province, where different factors are in play, so as to encourage DTFs to apply and to diligently work through the application or exemption process.

In terms of mandatory trading on a DTF, one might even foresee disparate treatment of commodity derivatives, for example, from province to province simply because no DTF is available.

If DTFs become the norm, a province without a DTF or with a slightly different regime, may have liquidity issues for its consumers.

Derivatives trading provides a real public benefit to gas consumers in Saskatchewan. It is a key component in reducing gas price volatility for residential and small commercial users, for example.

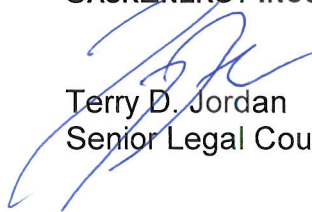
A working trading regime in natural gas and natural gas derivatives existed prior to this regulation. Where any doubt exists that the benefits of the new regulatory regime will not warrant its cost, or any uncertainty as to the effect on the Canadian market as a whole, SaskEnergy would argue for some caution, some care, and potentially a narrower scope initially.

Anything that can be done to ensure that DTF proponents apply in all participating provinces would be helpful.

SaskEnergy and TransGas are thankful for the opportunity to provide these comments, and we hope they are of some assistance.

Respectfully submitted,

SASKENERGY INCORPORATED



Terry D. Jordan
Senior Legal Counsel

TJ/lh

cc: Mark H. J. Guillet, Vice President, General Counsel & Corporate Secretary
Christine Short, Vice President, Finance and CFO
Dean Reeve, Executive Vice President
Lori Christie, Executive Director, Gas Supply, Marketing & Rates
Dan Parent, Director, Gas Supply and Marketing
Dennis Terry, Senior Vice President, TransGas Business Services
David Wark, Director, TransGas Policy, Rates & Regulation
Cory Little, Treasurer