

May 13, 2015

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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

Me Anne-Marie Beaudoin, Corporate Secretary
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Dear Sirs/Mesdames:

RE: CSA Notice and Request for Comment, Proposed National Instrument 94-101: *Mandatory Central Counterparty Clearing of Derivatives*

SaskEnergy Incorporated ("SaskEnergy") and TransGas Limited ("TransGas") welcome the opportunity to comment on Proposed National Instrument 94-101 and the Companion Policy thereto.

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.

Executive Summary of Rule

The purpose of the proposed rule is to impose central counterparty clearing of certain standardized over-the-counter ("OTC") derivatives transactions, "in order to improve transparency in the derivatives market and enhance the overall mitigation of systemic risk."

The rule itself address two rule making areas: (1) rules relating to mandatory central counterparty clearing, and (2) rule relating to the determination of what derivatives are to be subject to mandatory central counterparty clearing.

Comments

More regulation creates more cost to the utility consumer, and cost to the economy, whether it is through mandatory clearing, mandatory reporting, mandatory record keeping, mandatory capital or collateral requirements or otherwise. It is very important that regulatory obligations not be disproportionate to potential benefits gained, and if the benefit is uncertain SaskEnergy and Transgas would prefer less regulation, at least initially.

We understand from the Committees' replies to previous comments (Annex A) that it is the intention of the Committee that the clearing requirement will not include derivatives that are outside the scope of the local *Derivatives: Product Determination* rules. Removal from scope of OTC derivative transactions involving intended delivery of physical commodities such as natural gas is an important mitigation measure from SaskEnergy's perspective, and we support same.

As noted in our previous submissions, we do not understand (from our own experience and perspective) the requirement for a Crown guarantee for bodies which are agencies of the Crown, and whose assets are assets of the Crown, by statute. A guarantee has not been a requirement imposed by the market in our experience, and the need for same and legal effect of same may vary. The Committee seems to suggest in its replies to previous comments that each Province will have the right to modify the applicability of exemptions, presumably based on a more refined picture of provincially active Crown corporations, their roles, statutes and circumstance, but the need to do business interprovincially, and how those rules will interact, remains troublesome.

We are again grateful for the opportunity to comment.

Respectfully submitted,

SASKENERGY INCORPORATED



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Senior Legal Counsel

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Christine Short, Vice President, Finance and CFO
Dean Reeve, Executive Vice President
Lori Christie, Executive Director, Gas Supply, Marketing & Rates
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