

De : Dairen Beblow [<mailto:dbeblow@saskpower.com>]

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À : Consultation-en-cours

Objet : Comments on Consultation Paper 91-407 – Derivatives: Registration

To: Alberta Securities Commission
Autorité des marchés financiers
British Columbia Securities Commission
Manitoba Securities Commission
New Brunswick Securities Commission
Nova Scotia Securities Commission
Ontario Securities Commission

Re: Comments on Consultation Paper 91-407 – Derivatives: Registration

To whom it may concern,

My name is Dairen Beblow and I am the Treasurer at Saskatchewan Power Corporation. I am writing on behalf of Saskatchewan Power Corporation and our subsidiary NorthPoint Energy Solutions Inc. to provide comments on Consultation Paper 91-407 – Derivatives: Registration. The comments on specific questions are as follows:

Q2: What is the appropriate standard for determining whether a person is a qualified party? Should the standard be based on the financial resources or the proficiency of the client or counterparty? If the standard is based on financial resources should it be based on the net assets of the client or counterparty, gross annual revenues of the client or counterparty, or some other factor or factors?

Comment: (1) A qualified party should be based on both proficiency and financial resources. (2) A qualified party should be defined in a similar manner to that under Saskatchewan Financial Services Commission General Order 91-907 (or other similar documents in other provinces) that would include provincial crown corporations by default and require corporations to have total assets in excess of \$25 million (or some other lower threshold). However it is recognized that having a specific limit in place in terms of assets, revenues, etc. doesn't necessarily answer the question of an entity's ability to meet the obligations on its contracts as this depends on the size of the positions taken on relative to the size of the company.

Q6: The Committee is not proposing to include frequent derivatives trading activity as a factor that we will consider when determining whether a person triggers registration as a derivative dealer. Should frequent derivatives trading activity trigger an obligation to register where an entity is not otherwise subject to a requirement to register as a derivatives dealer or a LDP? Should entities that are carrying on frequent derivatives trading activity for speculative purposes be subject to a different registration trigger than entities trading primarily for the purpose of managing their business risks?

Comment: (1) No, we don't feel that frequent derivatives trading activity should trigger an obligation to register in and of itself since the activity may not be significant relative to the size

of the market and only when the entity is considered an LDP should it be required to register. (2) We also don't feel that there should be a different registration trigger between entities trading for speculative purposes vs business risk purposes, particularly if the parties are qualified parties who are able to meet their obligations.

Q15: Should derivatives dealers dealing with qualified parties be subject to business conduct standards such as the ones described in part 7.2(b)(iii) above? If so, please explain what standards should apply.

Comment: No

Q22: Is the proposal to exempt crown corporations whose obligations are fully guaranteed by the applicable government from registration as a LDP and, in the circumstances described, as a derivatives dealer appropriate? Should entities such as crown corporations whose obligations are not fully guaranteed, foreign governments or corporation owned or controlled by foreign governments benefit from comparable exemptions? Please provide an explanation for your answer.

Comment: All domestic crown corporations should be exempt.

Q23: Are the proposed registration exemptions appropriate? Are there additional exemptions from the obligation to register or from registration requirements that should be considered but that have not been listed?

Comment: SaskPower agrees with the exemption related to affiliates.

Dairen Beblow

Treasurer

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On behalf of:

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