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Filed Electronically

David A. Stawick
Secretary
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

Re: “Real-Time Public Reporting of Swap Transaction Data,” 75 *Fed. Reg.* 76139
(Dec. 7, 2010), RIN 3038–AD08

Dear Mr. Stawick:

The Commodity Futures Trading Commission (“CFTC” or “Commission”) recently reopened the comment period¹ in order to provide the public with an opportunity to comment on the mosaic of proposed rules implementing Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) in its entirety.² Natural Gas Exchange Inc. (“NGX”) appreciates the Commission inviting comment on the rules as a complete package.

NGX is taking this opportunity to supplement its previously filed comment letters with this comment on the proposed rules entitled “Real-Time Public Reporting of Swap Transaction Data,” 75 *Fed. Reg.* 76139 (Dec. 7, 2010), RIN 3038–AD08 (“Proposed Rules”). Proposed regulation 45.7 would require the real-time reporting of swap transactions and swap transaction data to swap data repositories (“SDRs”). NGX respectfully requests that the Commission consider expanding the scope of this rule to permit derivatives clearing organizations (“DCOs”) to act as final repositories for regulatory information regarding trades cleared by the DCO.

NGX

NGX operates a trading and clearing system for energy products that provides electronic trading, central counterparty clearing and data services to the North American natural gas,

¹ “Reopening and Extension of Comment Periods for Rulemakings Implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act,” 76 *Fed. Reg.* 25274 (May 4, 2011).

² See Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law No. 111-203, 124 Stat. 1376 (2010).

electricity and oil markets. On December 12, 2008, NGX was registered by the Commission as a DCO.³

Swap Data Reporting to DCOs


DCOs are the natural, traditional repositories of data for cleared trades. Permitting DCOs to maintain this role would minimize the costs of new systems development required for swaps data reporting and improve the efficiency of market operations. DCOs, such as NGX, which currently clear swap transactions already have and will maintain the information required to comply with the Commission's reporting obligations. DCOs would be able to receive data from derivatives contract markets ("DCMs") and swaps execution facilities ("SEFs") via existing connections without any additional burdens on the market. Finally, permitting DCOs to serve as a final repository for this data would reduce the risks of ambiguity from multiple record sets and errors in the reporting chain. If DCOs have to report swap trades into a non-DCO SDR, the Commission would be requiring DCOs to replicate many of their own data processing tasks and engage in a time consuming and technologically complex process without realizing any tangible benefits for the public, market participants, or the Commission itself. Accordingly, NGX respectfully requests that the Commission provide in its final rules that the initial terms report for a swap that is required to be cleared must be reported to the applicable DCO clearing the trade.

Conclusion

NGX recognizes the importance of maintaining a transparent swaps data reporting regime. However, we believe that DCOs should continue to serve their role as repositories of data for cleared trades. Accordingly, NGX respectfully requests that the Commission provide in its final rules that swap data for cleared swaps be reported to the applicable DCO clearing the trade.

NGX appreciates the opportunity to comment on the Commission's Proposed Rules. Please feel free to contact me at (403) 974-1705 or peter.krenkel@ngx.com with any questions.

Respectfully submitted,


for: Peter Krenkel, President and CEO

³ NGX also operates as an exempt commercial market ("ECM"). NGX notified the Commission on November 5, 2002, of its operation as an ECM and has requested an extension to operate as an ECM for a period of one year following the effective date of the Dodd-Frank Act.