



August 8, 2011

David A. Stawick, Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Comments of Encana Marketing (USA) Inc. on the Adaptation of Regulations to Incorporate Swaps Proposed Rule, RIN Number 3038-AD53

Dear Secretary Stawick:

Encana Marketing (USA) Inc. (EMUS) hereby files comments on the Notice of Proposed Rulemaking (NOPR) issued by the Commodity Futures Trading Commission (Commission) in this proceeding.¹ EMUS is an indirect, wholly-owned subsidiary of Encana Corporation (Encana). Its principal U.S. office is located in Denver, Colorado. EMUS' marketing activities include selling and purchasing natural gas, natural gas liquids, other related energy commodities and services in the U.S. wholesale energy markets. As part of EMUS' marketing activities, Encana, for itself and its subsidiaries, enters into hedging transactions or swaps to manage and mitigate commercial risks associated with EMUS' sales, purchases and movement of these energy commodities. It considers itself to be a non-financial commercial end-user of swaps under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

Comments

In the NOPR, the Commission proposes to make a number of conforming changes to its regulations to integrate them more fully with the new statutory and regulatory framework established by the Dodd-Frank Act. The Commission, among other things, proposes amendments to the books and records requirements in Regulation 1.31. It does not appear that the books and records requirements set forth in Regulation 1.31 would apply to a non-financial commercial end-user. However, out of an abundance of caution, EMUS asks the Commission to clarify in the final rule that Regulation 1.31 does not apply to a non-financial commercial end-user that is not a futures commission merchant, introducing broker, member of a designated contract market, member of a swap execution facility, swap dealer or major swap participant, as those terms are defined in the Commodity Exchange Act or the Commission's regulations.

¹ *Adaptation of Regulations to Incorporate Swaps*, 76 Fed. Reg. 33,066 (Jun 7, 2011).

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EMUS would like to offer an additional recommendation to the Commission as it enters the final rulemaking process. EMUS encourages the Commission to make it clear which requirements apply to non-financial commercial end-users when it issues final rules in the future. In particular, EMUS urges the Commission to identify what books and records, recordkeeping and reporting requirements apply (or may apply under certain circumstances) to non-financial commercial end-users. This Commission guidance will be a great assistance to the thousands of market participants that will qualify as non-financial commercial end-users, many of which do not have much experience with the Commission's regulations, as they develop and implement the internal policies and procedures necessary to comply with the new regulatory requirements adopted by the Commission under the Dodd-Frank Act.

Conclusion

EMUS appreciates the opportunity to file comments on the NOPR, and encourages the Commission to provide the clarifications requested above.

Sincerely,

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