



November 3, 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 Swap Transaction Compliance and Implementation Schedule: Trading Documentation and Margining Requirements under Section 4s of the Commodity Exchange Act, RIN Numbers 3038-AC96 and 3038-AC97

Dear Secretary Stawick:

Encana Marketing (USA) Inc. (EMUS) hereby files comments on the Further 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 regulations that would establish a schedule to phase-in compliance with the previously-proposed swap trading relationship documentation requirements² and certain margin requirements for uncleared swaps.³ The Commission proposes to phase-in compliance

¹ *Swap Transaction Compliance and Implementation Schedule: Trading Documentation and Margining Requirements under Section 4s of the CEA*, 76 Fed. Reg. 58,176 (Sept. 20, 2011).

² *Swap Trading Relationship Documentation Requirements for Swap Dealers and Major Swap Participants*, 76 Fed. Reg. 6,715 (Feb. 8, 2011).

³ *Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants*, 76 Fed. Reg. 23,732 (Apr. 28, 2011).

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with these requirements by type of market participant based on a variety of factors, including the market participant's experience, resources, and the size and complexity of its transactions. The Commission also proposes to provide market participants with additional time to comply with these new regulations.

In principle, EMUS supports the Commission's proposal to phase-in compliance with new regulations adopted pursuant to the Dodd-Frank Act. Although EMUS takes no position on the specific compliance schedules proposed by the Commission in this NOPR, it encourages the Commission to afford more time for uncleared swap transactions involving non-financial commercial end-users to be brought into compliance with the new regulations.

EMUS also encourages the Commission to clarify that a non-financial commercial end-user that enters into any uncleared swap transactions would qualify as a Category 4 Entity for purposes of the compliance schedule for margin requirements documentation in proposed 17 C.F.R. § 23.175 and the compliance schedule for swap trading relationship documentation requirements in proposed 17 C.F.R. § 23.575. This Commission guidance will be a great assistance to the many 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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