

November 30, 2012

Ms. Sauntia Warfield
Assistant Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

VIA ELECTRONIC MAIL

Re: *Comments in Support of Petition of Natural Gas Exchange Inc. for Modification of Order of Registration*

Dear Ms. Warfield:

On behalf of The Commercial Energy Working Group (the “Working Group”), Sutherland Asbill & Brennan LLP hereby submits these comments in support of the November 15, 2012 petition (the “Petition”) by Natural Gas Exchange, Inc. (“NGX”) to modify the Commodity Futures Trading Commission’s (the “Commission’s”) December 12, 2008 Order of Registration granted to NGX as a Derivatives Clearing Organization (“NGX DCO”).

The Working Group is a diverse group of commercial firms in the energy industry whose primary business activity is the physical delivery of one or more energy commodities to others, including industrial, commercial, and residential consumers. Members of the Working Group are energy producers, marketers, and utilities. The Working Group considers and responds to requests for comment regarding regulatory and legislative developments with respect to the trading of energy commodities, including derivatives and other contracts that reference energy commodities.

The Working Group supports the Petition and urges the Commission to grant the Petition as amended by NGX.¹ The proposed amendments to the Order of Registration will provide certainty to the market regarding NGX DCO’s clearing authority as the implementation phase of Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act continues to develop.

Further, granting the Petition will clarify that NGX DCO may continue clearing energy contracts traded on, or subject to the rules of, NGX, when, as is anticipated, NGX’s pending

¹ The Working Group takes no position on the March 23, 2012 petition filed by NGX and referenced in the Petition discussed herein to permit NGX DCO to provide for settlement of variation adjustments to collateral using an accrual methodology.

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application for registration as a Foreign Board of Trade (“FBOT”) is granted. Further, the Petition seeks confirmation that NGX DCO may clear OTC energy contracts traded bilaterally, spot or forward contracts, and energy swaps traded on a Designated Contract Market or Swap Execution Facility. Providing certainty regarding NGX DCO’s clearing authority for these energy contracts will benefit market participants and advance the Commission’s goals of market stability and transparency. The proposed amendments will not alter NGX DCO’s current clearing operations, adherence to its Order of Registration, or ongoing compliance with the DCO rules. Granting the Petition will simply improve clarity for the betterment of market participants and the Commission alike.

The Working Group supports appropriate regulation that brings transparency and stability to the swap markets in the United States. The Working Group appreciates this opportunity to comment on the Petition and offers its advice and experience to assist the Commission in implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Respectfully submitted,

/s/ R. Michael Sweeney, Jr.

R. Michael Sweeney, Jr.

Jennifer J. Kubicek

*Counsel for The Commercial Energy
Working Group*