

May 27, 2014

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Melissa Jurgens  
Secretary  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: Review of Swap Data Recordkeeping and Reporting Requirements (RIN No. 3038-AE12)**

Dear Secretary Jurgens,

The Commodity Futures Trading Commission ("Commission") has requested public comment on part 45 of its regulations. Just Energy ("JE") is an energy retailer and enters into commodity swaps to hedge the commercial risk in the retail energy business. JE is an end-user of derivatives and, as such, does not have any reporting obligations as JE's counterparties are either required to or have agreed to be the reporting party. JE maintains electronic and paper records for its swaps and has in place confirmation and portfolio reconciliation processes to validate reporting counterparty records. JE notifies the reporting counterparty of any errors or omissions discovered through these processes.

JE requests the Commission to clarify the responsibilities of a non-reporting end-user to inform the reporting counterparty that the data reported to a swap data repository ("SDR") is accurate and complete. JE submits the following comments in response to Question 46 presented in the Commission's request for comment, *Review of Swap Data Recordkeeping and Reporting Requirements*.<sup>1</sup> JE appreciates the Commission's consideration of these comments.

- 46. Commission regulation 49.11(b) requires SDRs to verify with both counterparties the accuracy of swaps data reported to an SDR pursuant to part 45. What specific, affirmative steps should SDRs take to verify the accuracy of data submitted? Please include in your response steps that SDRs should take regarding data submitted by reporting counterparties on behalf of non-reporting counterparties who are not participants or users of the SDR.**

While required when transacting swaps with SDs, many end-users also have adopted confirmation and portfolio reconciliation processes that help ensure the accuracy of the data reported to an SDR. Further, to the extent errors or omissions are discovered in the SDR data, part 45 of the Commission's regulations require a non-reporting counterparty to report these to the reporting counterparty and a reporting counterparty to report these to the SDR. Therefore, JE submits that the current regulations ensure the accuracy of the SDR data and, accordingly, recommends that

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<sup>1</sup> See *Review of Swap Data Recordkeeping and Reporting Requirements*, Request for Comment, 79 Fed. Reg. 16,689 (Mar. 26, 2014).



6345 Dixie Road, Suite 200  
Mississauga, Ontario L5T 2E6

T 905.670.4440  
F 905.564.6069  
Legal Department

the Commission *not* impose any new requirements on a non-reporting counterparty to validate the data reported to the SDRs.

Given that JE transacts swaps with SDs or other end-users that have agreed to be the reporting counterparty, it has not registered with any SDR. JE appreciates that the Commission's reporting regulations do not mandate it to register with an SDR as a non-reporting counterparty. If the Commission determines that an additional layer of validation of the SDR data is needed and requires a non-reporting counterparty to review and confirm the accuracy of the data submitted to the SDR, it will impose significant costs on non-reporting counterparties who must implement new information technology systems and processes to interface with the SDRs and confirm the SDR data is accurate and complete.

Should the Commission decline to adopt JE's recommendation above, it requests that the Commission, at a minimum, require the SDRs to make available without any associated fees read-only services for non-reporting counterparties to view and confirm the accuracy of the data submitted to the SDRs. If end-users, such as JE, were required to pay for such a service, they would need to pass through the additional costs to its residential and small commercial power and natural gas customers, thereby increasing the cost of the final physical commodity to them.

If the Commission has any questions regarding these comments, please contact the undersigned.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Stephanie Bird".

Stephanie Bird

Senior Vice President, Corporate Risk Officer