



Peter Krenkel
President and CEO
Natural Gas Exchange Inc.
Suite 2330, 140 4th Avenue S.W.
Calgary, AB, Canada T2P 3N3
T (403) 974-1705
F (403) 974-1719
peter.krenkel@ngx.com

July 18, 2012

Office of the Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 - 21st Street, N.W.
Washington, D.C. 20581

Re: Natural Gas Exchange Inc. - Notification and self-certification of rule changes

Natural Gas Exchange Inc. ("NGX"), a registered Derivatives Clearing Organization ("DCO"), hereby submits amendments to its rulebook (the Contracting Party's Agreement or "CPA") for self-certification in accordance with Regulation 40.6(a) of the Commodity Futures Trading Commission (the "Commission").

NGX is amending its rules to add a representation that NGX will submit certain reports on large trader positions to its regulators on the behalf of its participants. The text of these amendments is attached as Appendix "A", with additions underlined and deletions struck out. NGX confirms that there were no substantive opposing views to the revisions.

The amendments will become effective as of August 13, 2012. This rule certification has been posted on the NGX website (www.ngx.com) under the "News and Notices" section. Upon the expiry of the Commission's review period, specific contacts at each of NGX's participants will be advised via email notice of the upcoming CPA amendment, as required under the provisions of section 1.1(b) of the CPA, and a further news posting will go up on the NGX website.

NGX hereby certifies that these amendments comply with the Commodity Exchange Act and the regulations thereunder as applicable to NGX. NGX further certifies that it complies, and will continue to comply, with all DCO core principles.

Please do not hesitate to contact myself (403-974-1705) or our Chief Legal Counsel, Cheryl Graden (416-947-4359) for any further information the Commission or its staff may require in connection with this rule amendment.

Yours truly,

A handwritten signature in black ink, appearing to read 'Peter Krenkel', written over a light blue horizontal line.

Peter Krenkel
President & CEO, Natural Gas Exchange Inc.

cc: Cheryl Graden, NGX
CFTC Southwestern Regional Office

Agreement will be true and correct as of the date of such information; and (c) the Contracting Party will provide upon request to Exchange all Regulatory Approvals applicable to it (or its investment manager or adviser, if any) in the jurisdiction of organization residence of the Contracting Party (or such investment manager or adviser), or any other information, including without limitation, regarding its corporate structure, governance, credit status or solvency, as may be reasonably required by Exchange.

[\(July 11, 2011\)](#)

2.4 Of Exchange: General

Exchange represents and warrants that: (a) Exchange is a corporation duly and validly incorporated and subsisting under the laws of Alberta; (b) Exchange has all requisite power, authority and capacity to enable it to execute and deliver this Agreement and to perform its Obligations and to carry out the transactions contemplated under this Agreement; (c) the execution and delivery of, and the performance of the Obligations of Exchange under, this Agreement have been duly and validly authorized by all action of Exchange necessary or desirable to ensure their validity and enforceability; (d) this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of Exchange; (e) Exchange is a registrant under the Excise Tax Act and its GST registration number is R136904232; (f) Exchange's sole business is conducted pursuant to Contracting Party Agreements with Contracting Parties and the matters contemplated therein; (g) Exchange's indebtedness for borrowed money consists solely of its indebtedness to Exchange's Principal Banker, all of which is incurred in conjunction with the Exchange Letter of Credit (as defined in Section 5.11) or to facilitate the payment of Invoices by Exchange; (h) Exchange is, to the extent required by U.S. law, an (i) "eligible swap participant", (ii) "eligible contract participant" and (iii) "eligible commercial entity" at the time when Exchange enters into a transaction hereunder; ~~and~~ (i) [where agreed upon between Exchange and its regulators, Exchange will file reports for and in the place of its Contracting Parties with respect to Transactions cleared through the NGX Clearing System in compliance with applicable laws or regulations; and](#) (j) all Regulatory Approvals, to the date of this representation and warranty, in connection with or for the due execution, delivery by Exchange of this Agreement and the performance of its terms by Exchange have been made, obtained and complied with, or are the subject of exemptions or waivers that are in full force and effect, on or prior to the date that the Contracting Party obtains access to the NGX Trading System and NGX Clearing System for the purpose of entering into Transactions.

[\(August 13, 2012\)](#)

2.5 Representations Repeated

The representations and warranties of Exchange and the Contracting Party will be deemed to be repeated on each date the Contracting Party enters into any Transaction.

2.6 Additional Representations of the Contracting Party

Each Contracting Party represents and warrants that:

- a. **Access to Transportation System.** To the extent it wishes to be entitled to enter into Physical Transactions, the Contracting Party has and will at all times have access to capacity on the Transportation Systems to allow the Contracting Party to perform its Obligations under all Physical Transactions.
- b. **Business Related.** With respect to each Transaction based upon the price of a commodity, on the date such Transaction is entered into, it will be entering into such Transaction in conjunction with a line of its business (including financial intermediation services) or the financing of a line of its business.
- c. **U.S. Status.** The Contracting Party has consulted the *Commodity Exchange Act* (United States) and the regulations of the Commodity Futures Trading Commission and to the extent required by