

September 2, 2010

Mr. David A. Stawick
Secretary of the Commission

U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: *Petitions under Section 723(c) of Dodd-Frank Wall Street Reform Act*

Dear Mr. Secretary:

The Natural Gas Supply Association (“NGSA”) supports the August 26, 2010, petition letter submitted by Hunton & Williams LLP on behalf of the Working Group of Commercial Energy Firms (the “Working Group”) and urges the Commodity Futures Trading Commission (the “Commission”) to consider the Working Group’s petitions to act *sua sponte* to obtain legal certainty that exempt commodity transactions that fall within the terms of Section 2(h) of the Commodity Exchange Act (“CEA”) remain subject to CEA Section 2(h) for a one year period commencing on the general effective date of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Act”).

Established in 1965, the NGSA represents integrated and independent companies that produce and market natural gas – NGSA members produce about 40 percent of the natural gas consumed in the United States. Because of the potential for the Act to unnecessarily impede what is and has been a healthy and resilient natural gas market, the NGSA wishes to take an active role in educating the Commission during the rulemaking process.

As the Working Group points out, because of the lack of procedural and substantive guidance in Section 723(c)(1) of the Act, and the potentially overwhelming administrative burden that could be placed on the Commission to promptly review all petitions filed pursuant to Section 723(c)(1), NGSA requests that the commission act *sua sponte* and issue either:

- A blanket order pursuant to Section 723(c)(2) of the Act grandfathering all persons that transact, operate, or otherwise rely on the provisions of CEA Section 2(h), as well as all transactions subject to this provision of the CEA, for a one year period commencing on the Effective Date or for a period deemed appropriate by the Commission; or
- Formal guidance as soon as practicable regarding the procedural and substantive requirements for petitions submitted pursuant to Section 723(c)(1) of the Act.

As indicated by the Working Group, the issuance of a blanket order by the Commission pursuant to Section 723(c)(2) is in the public's best interest, as the public has an interest in the:

- Establishment by the Commission of an orderly transition process designed to efficiently use its resources to implement its new authority under Title VII of the Act via Congressionally-mandated rulemakings
- Avoidance of potentially harmful disruptions to markets for exempt commodities and the incurrence of unnecessary costs by commercial energy firms, either of which could result in increased natural gas prices.
- Implementation of the new framework for the regulation of derivatives set forth in Title VII of the Act in a manner that ensures that all persons transacting or operating in reliance on CEA Section 2(h), and all transactions subject to this statutory provision, are treated in a uniform and orderly fashion.

NGSA believes a blanket order will achieve these objectives and further provide legal certainty to all persons that transact or operate in reliance upon the existing provisions of the CEA Section 2(h). However, if the Commission decides against issuing a blanket order, NGSA respectfully requests that the Commission issue formal guidance regarding the necessary requirements to individual petitions submitted pursuant to Section 723(c)(1) of the Act.

For supporting information, NGSA strongly urges the Commission to consider the detailed comments filed by the Working Group on August 26, 2010, addressing these issues. It is critical that the Commission recognize that U.S. consumers are the direct beneficiary of a liquid and efficient natural gas marketplace. Grandfathering commercial natural gas firms, such as NGSA's members, that transact, operate, or otherwise rely on CEA Section 2(h) will help the Commission marshal its resources to timely develop and implement its new rulemaking authorities under the Act.

NGSA appreciates the Commission's attention to the Working Group's suggestions and stands ready to work with the Commission regarding important issues concerning implementation of the Act. Please do not hesitate to contact us if we can provide any additional information.

Sincerely,



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