

To:

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Thank you for the opportunity to comment on the Model Provincial Rule on Mandatory Central Counterparty Clearing of Derivatives. My comments are as follows:

Section 3

SaskPower is a crown corporation of the province of Saskatchewan and is responsible for supplying electricity to the province. Electricity is supplied by SaskPower owned power plants and also through power purchase agreements. Some of the power purchase agreements in place relate to natural gas facilities and therefore the price of electricity that SaskPower pays is largely dependent on the price of natural gas. SaskPower manages the price of this electricity indirectly by hedging a portion of the underlying anticipated natural gas requirements for the facility. I am unclear as to whether this scenario would be viewed as fitting under subparagraph 3(a)(i), however it is intended that this be captured instead under subparagraph 3(a)(ii) I would like to request that commodity prices be added to the list as the section limits the impacts to subparagraph (i) to fluctuations in interest rates, inflation rates, foreign exchange rates or credit risk only. Clearly the example provided is one where a commercial activity risk is being mitigated.

Section 11

I believe that an exemption should also be applicable when a crown corporation or other corporation owned by the government is an agent of the Crown without a guarantee being in place or that the other corporation is guaranteed by such crown corporation. This would be consistent with the extension of the exemption provided for in subparagraph 7(2)(a) where an agent is acting on behalf of an exempt entity without a guarantee being required.

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