

C.F.T.C.  
OFFICE OF THE SECRETARIAT  
2009 APR 30 PM 4 30

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

April 30, 2009

Attention: Secretary

Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 - 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

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

**1. SUBMISSION**

In accordance with Regulation 40.6(a), Natural Gas Exchange Inc. ("NGX") hereby submits amendments to its rulebook (the "Contracting Party's Agreement" or "CPA").

**2. TEXT OF RULE CHANGE**

The text of the rule amendments is attached as Appendix "A", with additions underlined and deletions struck out.

**3. DATE OF IMPLEMENTATION/EFFECTIVE DATE**

The amendments will become effective as of May 1, 2009.

**4. OPPOSING VIEWS**

There were no substantive opposing views to the amendments.

**5. APPLICATION OF THE ACT AND REGULATIONS**

An officer's certificate is attached as Appendix "B".

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,



Peter Krenkel  
President, Natural Gas Exchange Inc.

cc: Cheryl Graden, NGX  
Southwestern Regional Office

**NATURAL GAS EXCHANGE INC. ("NGX")**

**CONTRACTING PARTY'S AGREEMENT ("CPA") - SUMMARY OF AMENDMENTS**

The following chart summarizes a number of the key amendments to the Terms and Conditions and Schedules of the CPA. These additions and revisions are to incorporate changes related to the launch of NGX crude oil products for trading and clearing through NGX as well as certain other revisions.

<b>ARTICLE OR SCHEDULE</b>	<b>AMENDED ARTICLES</b>
Article 1 - Interpretation	<p>Article 1 has been revised to:</p> <ol style="list-style-type: none"> <li>1. add new and/or revise existing defined terms.</li> <li>2. clarify that all defined terms in the Terms &amp; Conditions and Schedules will retain that meaning in all related certificates, reports or documents, unless specifically defined in such certificate, report or document (s. 1.3).</li> <li>3. add a new section regarding the interpretation/preparation of the Terms and Conditions or Schedules (s. 1.8).</li> <li>4. add a new section confirming that any amount for services (fees, prices, liquidated damages, etc.) charged excludes taxes, levies or assessments unless specifically referenced (1.9).</li> </ol>
Article 2 - Representations and Warranties	<p>Article 2 has been revised to:</p> <ol style="list-style-type: none"> <li>1. clarify that an ICE Participant Agreement isn't required for bilateral or oil trading/clearing (s. 2.1).</li> <li>2. amend the NAFTA section (2.6(f)) to reflect crude oil.</li> </ol>
Article 3 - General	<p>Article 3 has been revised to:</p> <ol style="list-style-type: none"> <li>1. clarify procedures for (i) nominating designated persons for access; (ii) Off-Exchange Clearing procedures for oil; and (iii) bilateral transacting (s. 3.1).</li> <li>2. provide clarification re: types of eligible credit support and collateral to be provided by contracting parties, and the rights and remedies of NGX (s. 3.2).</li> <li>3. clarify how confirmations are to be provided for gas, electricity and oil (s. 3.3(f)).</li> <li>4. clarify trade in error language (s. 3.7)</li> </ol>
Article 4 - Physical Transactions and Physical Products	<p>Article 4 has been revised to accommodate oil products regarding invoicing procedures.</p>
Article 5 - Recourse and Liability	<p>Article 5 has been revised to:</p> <ol style="list-style-type: none"> <li>1. revise procedures upon a failure to deliver (s. 5.1), failure to pay (s. 5.2) and failure to take (s. 5.3) to include crude oil.</li> <li>2. amend the rights of NGX in the event of a default or dispute for physical transactions (s. 5.5) to add crude oil.</li> <li>3. clarify language with respect to limitations on liability (s. 5.8).</li> <li>4. revise valuations procedures upon an exchange bankruptcy event of default (s. 5.13).</li> </ol>

ARTICLE OR SCHEDULE	AMENDED ARTICLES
Article 6 - Suspension or Termination	Article 6 has been revised to clarify code of conduct (s. 6.1 and 6.2) and contracting party suspension (s. 6.6 and 6.7) language.
Article 7 - Taxes	Article 7 has been revised to clarify GST obligations (s. 7.1).
Article 8 - Swap Products and Option Products	Article 8 has been revised to add crude oil to the rights of NGX in the event of a default or dispute for swap products and option products (s. 8.2).
Schedule A - Fee Schedule	Schedule A has been revised to add fees with respect to trading and clearing crude oil and to change terminology from 'hubs' to 'delivery points'.
Schedule C - Risk Management Policy	<p>Schedule C has been revised to:</p> <ol style="list-style-type: none"> <li>1. add new and/or revise existing defined terms (s. 1).</li> <li>2. address minimum qualification requirements for crude oil transactions (s. 5).</li> <li>3. clarify existing practices regarding collateral, available margin and margin requirements (s. 6 and 7).</li> <li>4. change terminology from 'collateral' to 'eligible credit support' and to clarify procedures surrounding the return of cash collateral (s. 8).</li> </ol>
Schedule D - NGX Product List	<p>Schedule D has been revised to:</p> <ol style="list-style-type: none"> <li>1. add new, and/or revise existing, defined terms and product types.</li> <li>2. update the NGX Product List to reflect new crude oil products.</li> </ol>
Schedule E - Natural Gas, Oil and Electricity Swaps and Options	<p>Schedule E has been revised to:</p> <ol style="list-style-type: none"> <li>1. add references to crude oil in various sections.</li> <li>2. add a new section, "all or nothing oil swap transactions", setting out how swap transactions should be entered in the oil trading platform (s. 8).</li> <li>3. add new and/or revise existing defined terms, including a correction for daylight savings time (s. 10).</li> </ol>
Schedule F - Physical Gas - Canadian Delivery Points	Schedule F has been revised to clarify that this schedule deals with Canadian physical gas transactions only, and to modify terminology from 'hubs' to 'delivery points'.
Schedule G - Physical Gas - U.S. Delivery Points with Mediated Delivery Nominations	Schedule G has been revised to change terminology from 'hubs' to 'delivery points' throughout, and to clarify that this schedule refers to U.S. physical gas transactions only.
Schedule H - Physical Oil Transactions	New - Schedule H builds in rules, procedures and trading specifications for the crude oil products NGX will begin offering for trading and/or clearing.