



March 8, 2016

Secretary of the Commission  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

RE: Notice of Proposed Rulemaking on Regulation Automated Trading

Dear Mr. Kirkpatrick,

The American Gas Association (“AGA”), Edison Electric Institute (“EEI”), Electric Power Supply Association (“EPSA”), and the Natural Gas Supply Association (“NGSA”) (collectively, the “Joint Associations”) make this filing with the Commodity Futures Trading Commission (“CFTC” or “Commission”) in support of the request from the CME Group, Inc. and Intercontinental Exchange, Inc. dated March 1, 2016,<sup>1</sup> and the request by the Future Industry Association (“FIA”) dated March 4, 2016,<sup>2</sup> to extend the comment period for the Notice of Proposed Rulemaking on Regulation Automated Trading (“Regulation AT”)<sup>3</sup> (collectively, the “Extension Requests”).

The AGA, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 72 million residential, commercial and industrial natural gas customers in the U.S., of which 95 percent – just under 69 million customers – receive their gas from AGA members. AGA is an advocate for local natural gas utility companies and provides a broad range of programs and services for member natural gas pipelines, marketers, gatherers, international gas companies and industry associates.

EPSA is the national trade association representing leading competitive power suppliers, including generators and marketers. Competitive suppliers, which, collectively, account for 40 percent of the installed generating capacity in the United States, provide reliable and competitively priced electricity from environmentally responsible facilities. EPSA seeks to bring the benefits of competition to all power customers.

EEI is the association of U.S. shareholder-owned electric companies. EEI’s members own and operate electric generation, transmission and distribution facilities. EEI members serve 95 percent of the ultimate customers in the shareholder-owned segment of the U.S. electricity

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<sup>1</sup> Available at: <http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=60682&SearchText=>

<sup>2</sup> Available at: <http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=60689&SearchText=>

<sup>3</sup> Regulation Automated Trading, 80 Fed. Reg. 78824 (Dec. 17, 2015) (“Proposed Rule”).

industry, and represent approximately 70 percent of the U.S. electric power industry. EEI's members are physical commodity market participants that rely on swaps and futures contracts primarily to hedge and mitigate their commercial risk.

Established in 1965, NGSa encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets, thus encouraging increased supply and the reliable and efficient delivery of natural gas to U.S. customers.

The Joint Associations acknowledge and support the Commission's efforts to take a balanced approach to the regulations it believes are necessary to manage the risks of algorithmic trading. The Joint Associations are currently reviewing the proposal to ascertain the impact it may have on end-users, including whether it conflicts with other regulations that are important for end-users. As stated in the Extension Requests, Regulation AT is important, comprehensive, and will impact a large number of market participants. At the recent CFTC Technology Advisory Committee meeting, the Joint Associations greatly appreciated the discussion led by Commission staff regarding how trading activities beyond the algorithmic, high-frequency trading have been captured in the scope of the proposed rule. In response to this, the Joint Associations hope to provide meaningful comments that will help the Commission understand how commercial firms' use of automated tools in aspects of their trading should not be covered within the scope of Regulation AT. As the scope has the potential for such widespread impact, the Joint Associations agree with the Extension Requests that it is appropriate for the Commission to extend the comment period, at least a minimum of thirty (30) days, to allow stakeholders representing the end-user, commercial sector more time to develop a better understanding of the potential impacts of this proposed rule and allow for more thoughtful and informative comments.

Respectfully submitted,

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