



February 9, 2005

**DELIVERED & VIA E-MAIL**

Mr. John Stevenson  
Secretary  
Ontario Securities Commission  
20 Queen Street West  
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Toronto, ON M5H 3S8

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Dear Mr. Stevenson.

**Re: Request for Comment on Proposed OSC Rule 14-502 Designation of Additional Commodities (Proposal)**

TSX Group Inc. (TSX Group) welcomes the opportunity to submit revised comments on the Proposal published by the Ontario Securities Commission (Commission) on September 17, 2004. TSX Group originally submitted comments regarding the Proposal on December 17<sup>th</sup>, 2004. TSX Group operates Toronto Stock Exchange and TSX Venture Exchange as well as NGX, a leading North American exchange for the trading and clearing of natural gas and electricity contracts.

TSX Group agrees with the Commission's goal to have contracts traded on commodity futures exchanges regulated in a consistent manner. We also appreciate the Commission's commitment to engage in an approach to the definition of commodities that is consistent with other jurisdictions. Regarding the definition of commodity, TSX Group specifically agrees that electricity should be designated as a commodity.

We submit that the inconsistent use of "fuel" vs. "hydrocarbon fuel" may be confusing. Section 1.1(a) of the proposed rule refers to "fuel", whereas the definition of commodity in section 1 of the CFA already uses the term "hydrocarbon fuel" (commonly known to include oil and natural gas). This is very confusing in particular because the proposed rule states that the listed commodities (which includes "fuel") are *in addition* to those listed in section 1 of the CFA (which includes "hydrocarbon fuel"). We suggest that section 1.1(a) of the proposed rule be revised to cure these conflicting statements.

Thank you for providing us with the opportunity to comment on the Proposal. Should you wish to discuss our revised comments in more detail, I would be pleased to respond.

Please call me with any questions.

Yours truly,

A handwritten signature in black ink, appearing to read "Cheryl Graden", is written over the typed name below it.

Cheryl Graden