



BY ELECTRONIC TRANSMISSION

Submission No. 18-348
May 15, 2018

Mr. Christopher J. Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Amendments to Terms of ICE Futures U.S. Henry Hub Natural Gas Broker Program Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, ICE Futures U.S., Inc. (“Exchange”) submits, by written certification, notice that the Exchange is amending the terms of the ICE Futures U.S. Natural Gas Broker Program (“the Program”). The amendments eliminate Program incentives to brokers reporting non-screen trades of natural gas basis futures and options contracts, as described below. Brokers participating in the Program will continue to receive Program incentives for reporting non-screen trades of Henry Hub natural gas futures and options contracts.

The Program is open to all brokers. Participating brokers currently receive a per side payment on all cleared non-screen trades in basis futures and options products that are reported to the Exchange during a calendar month, as follows:

Basis Futures (includes Financial Basis contracts, Henry Hub LD1 and IF/NG/CGPR index contracts)
Up to 500,000 sides – payment of 15 cents per side;
500,001 to 750,000 sides – payment of 20 cents per side;
750,001 to 1,000,000 sides – payment of 22.5 cents per side;
Over 1,000,000 sides – payment of 25 cents per side.
Once a tier threshold is reached in a month then all program volume will receive the payment indicated for that threshold.

The amendments to the Program eliminate the foregoing incentives for basis futures and options. However, brokers will continue to receive Program incentives for reporting non-screen trades of Henry Hub natural gas futures and options contracts, as follows:

Henry Hub Natural Gas Futures and Options [includes NG Financial products, Fixed Price for LD1 ICE Lots, Fixed Price for Penultimate contracts and Fixed Price for Penultimate (Equity) contracts]
Up to 1,500,000 sides – payment of 15 cents per side
1,500,001 to 2,500,000 sides – payment of 20 cents per side
2,500,001 to 3,500,000 sides – payment of 22.5 cents per side
Over 3,500,000 sides – payment of 25 cents per side
Once a tier threshold is reached in a month then all program volume will receive the payment indicated for that threshold.

The Exchange certifies that the amended Program complies with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. In particular, the amendments comply with Core Principle 4 (Monitoring of Trading), Core Principle 9 (Execution of Transactions) and Core Principle 12 (Protection of Market Participants). The amended Program is structured so that they do not create incentives for participants to engage in market abuses such as manipulative trading or wash sales. In addition, the Exchange's Market Regulation Department actively monitors for trading abuses using electronic exception reports and will take appropriate action against any participants engaging in market abuses. The amended Program does not impact order execution priority or otherwise give participants any execution preference or advantage.

The Exchange further certifies that, concurrent with this filing, a notice of pending certification was posted on the Exchange's website. A copy of this submission may be accessed at (<https://www.theice.com/notices/RegulatoryFilings.shtml>). The amendments will become effective on June 1, 2018. The Exchange is not aware of any substantive opposing views with respect to the extension.

If you have any questions or need further information, please contact me at 212-748-4021 or at jason.fusco@theice.com.

Sincerely,



Jason V. Fusco
Assistant General Counsel
Market Regulation

Enc.
cc: Division of Market Oversight
New York Regional Office