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**BY ELECTRONIC TRANSMISSION**

Submission No. 18-478  
October 11, 2018

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

**Re: Emergency Rule Certification - Final Settlement of Certain Sumas Swing Futures  
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”) and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), ICE Futures U.S., Inc. (“IFUS” or “Exchange”) hereby notifies the Commission that the Exchange is taking emergency action concerning certain cash-settled natural gas contracts in response to a pipeline rupture in British Columbia. As described below, the Exchange’s Board of Directors (“Board”) has determined, pursuant to IFUS Rule 6.01, to liquidate certain Sumas Swing Futures Contracts (“Sumas Swing”) and to restrict trading to liquidation only in certain Sumas Swing Futures and NWP Sumas Index Futures Contracts (“Sumas Index”).

The Sumas Swing is a daily cash settled contract based on the daily price published by Platts for the “Northwest, Canadian border (Sumas)” price hub. Specifically, the contract settles to the daily price for next day gas flows at the Sumas hub. A pipeline, which flows through the Sumas price hub, ruptured near Prince George, B.C at approximately 5:45 p.m. PST on October 9, 2018. The rupture occurred on a 36-inch pipe and has stopped the flow of natural gas through the hub. While repairs are underway, it is believed that flow will be disrupted for at least 3-4 days.

Due to the rupture and resultant disruption of flow, Platts announced that it would not publish a daily price for next day gas flows for Sumas on October 10, 2018. As a result, there is no underlying index price to use to determine the final settlement for the October 11, 2018

Sumas Swing and, potentially, there may not be an underlying index price for subsequent expirations of the daily contract.

In accordance with IFUS Rule 4.34(b)(v), the Exchange initially delayed the final settlement of the October 11, 2018 Sumas Swing, which was scheduled to take place on October 10, 2018, and issued a [notice](#) announcing such delay. The Board has now determined that all open positions in the October 11, 2018 NWP Sumas Swing Future shall be liquidated at their original trade price. The Board has also determined that the Exchange may liquidate open positions, at their original trade prices, in each subsequent expiration of the Sumas Swing for which Platts does not publish a price for next day gas flows for Sumas hub. A [notice](#) announcing such action was posted earlier today.

As a precautionary measure, the Board also determined that trading in (1) Sumas Swing for all other October 2018 contract dates and (2) Sumas Index for the October 2018 monthly expiration (which is also potentially impacted by the pipeline rupture) shall be for liquidation only, until such time as Platts resumes publishing a price for next day gas flows for Sumas hub.

The actions described above were taken in accordance with Exchange Rule 6.01, which provides that the Exchange's Board of Directors may place into immediate effect a rule which in the opinion of the Board is necessary or appropriate to address an Emergency. In the context of this rule, "the term 'Emergency' means any occurrence or circumstance which, in the opinion of the Board, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to, any agreements, Commodity Contracts, or Transactions on the Exchange." The Exchange's conflict of interest rules were not invoked because no person with a position in Exchange contracts was involved in the decision making process.

The Exchange is not aware of any opposing views and certifies that the action described above complies with the requirements of the Act and the rules and regulations promulgated thereunder. The Exchange further certifies that concurrent with this filing, a copy of this submission was posted on the Exchange's website, which may be accessed at <https://www.theice.com/futures-us/regulation#Rule-Filings>.

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

Sincerely,



Jason V. Fusco  
Assistant General Counsel  
Market Regulation

Enc.  
cc: Division of Market Oversight