



December 14, 2021

VIA CFTC PORTAL

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

Re: ICE NGX Self-Certification of Rule Amendments: Contracting Party Agreement - Submission Pursuant to Section 5c(c)(1) of the Commodity Exchange Act and Commission Regulation 40.6(a)

Dear Mr. Kirkpatrick:

In accordance with Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Commodity Futures Trading Commission (“Commission”) Regulation 40.6(a), ICE NGX Canada Inc. (“ICE NGX”) is submitting this self-certification to amend the ICE NGX Contracting Party Agreement (“CPA”). The CPA functions as the rulebook for ICE NGX’s exchange and clearinghouse operations and is a “rule” as that term is defined under Commission Regulation 40.1(j). ICE NGX intends to implement the amendments on January 10, 2022, or such later date as ICE NGX may designate.

1. Overview

ICE NGX is making certain amendments (the “Amendments”) to the CPA in respect of:

- (a) definitions relating to financially-settled Ontario power products; and
- (b) confirming performance of physically settled natural gas futures at assigned delivery locations.

The text of the amended CPA provisions is attached as the Appendix to this submission.

2. Details of Rule Changes

Definitions - Ontario Financial Power Products

The Amendments make changes to definitions relating to Ontario power products to facilitate potential market changes currently under consideration by the independent system operator.

Confirming Performance of Assigned Delivery Contracts

The Amendments strengthen ICE NGX’s ability to confirm delivery performance of Assigned Delivery products, in order to reduce and mitigate the risk to ICE NGX arising from the lack of transparency on actual delivery. Specifically, the Amendments:



- require a Contracting Party to confirm performance on an Assigned Delivery product promptly and no later than three business days following a request by ICE NGX for confirmation of performance - in order for ICE NGX to mitigate the risk of an undiscovered Assigned Delivery failure in the case of a default and liquidation; and
- reduce the time period for a Contracting Party to inform ICE NGX of an adjustment to the quantity actually delivered on an Assigned Delivery product.

3. Compliance with the Act and Regulations

ICE NGX reviewed the Amendments and determined that they comply with the requirements of the Act and the rules and regulations promulgated by the Commission in implementing the Act. In this regard, ICE NGX reviewed the derivatives clearing organizations core principles (“Core Principles”) and determined that the amendments are potentially relevant to the following Core Principles and the applicable regulations of the Commission thereunder.

Participant and Product Eligibility (Core Principle C): The Amendments facilitate ICE NGX’s compliance with Core Principle C - Participant and Product Eligibility and Commission Regulation 39.12(b), as the Amendments strengthen the availability of reliable prices in respect of Ontario financially settled power products, in light of potential market changes currently under consideration by the independent system operator.

Settlement Procedures (Core Principle E): The Amendments facilitate ICE NGX’s compliance with Core Principle E - Settlement procedures and Commission Regulation 39.14, as the Amendments clarify and strengthen ICE NGX’s settlement processes. Specifically, the Amendments strengthen ICE NGX’s ability to confirm delivery performance of Assigned Delivery products, in order to reduce and mitigate the risk of ICE NGX arising from the lack of transparency on actual delivery including in the case of a default and liquidation.

4. Certifications

ICE NGX hereby certifies that the Amendments to the CPA discussed in this submission comply with the Act and the rules and regulations promulgated by the Commission thereunder. ICE NGX is not aware of any substantive opposing views expressed regarding the Amendments. ICE NGX further certifies that, concurrent with this filing, a copy of the submission was posted on ICE NGX’s website and may be accessed at <https://www.theice.com/ngx>.



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Please do not hesitate to contact me (403-974-1701) or our General Counsel and CCO, Martin McGregor (403-974-1740) for any further information the Commission or its staff may require in connection with this notice.

Yours truly,

A handwritten signature in black ink, appearing to read 'G. Abbott'.

Greg Abbott
President & COO

Encls.



APPENDIX

AMENDMENTS TO THE ICE NGX CONTRACTING PARTY AGREEMENT

SCHEDULE "E" – NATURAL GAS OPTIONS AND GAS AND POWER FINANCIALLY SETTLED FUTURES TRANSACTIONS

[Note: Insertions are underlined, deletions are struck through.]

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9. Definitions

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~~"Cherrywood Transformer Station" means the 500kV transformer station currently owned by Hydro One Networks Inc. located at 2275 Fairport Road North in Pickering, Ontario;~~

...

"Hourly Ontario Financial Power Price" or "HOEP" means the Hourly Ontario Financial Power Price as published by IESO on their website. In the event that Locational Marginal Pricing is introduced in the Ontario financial power market or Exchange determines, in its sole discretion acting reasonably, that the HOEP is no longer the applicable reference to determine the Floating Price Description for the Ontario Financial Power Products, the Floating Price Description for the Ontario Financial Power Products shall be the Ontario Zonal Price as defined and published by the IESO~~hourly price paid by a Load Facility at the nodal, zonal or other price reference location on the IESO-controlled Grid that is either at, includes or is closest to the Cherrywood Transformer Station;~~



SCHEDULE "J" – PHYSICALLY SETTLED GAS FUTURES CONTRACTS WITH ASSIGNED DELIVERY – U.S. DELIVERY POINTS

[Note: Insertions are underlined, deletions are struck through.]

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5. PERFORMANCE OF THE PHYSICALLY SETTLED GAS FUTURES TRANSACTIONS

a. The Physically Settled Gas Futures Transactions at the applicable U.S. Delivery Points will be performed as follows:

a. ~~(i)~~ By the Contracting Party:

~~(i)~~ (I) upon the acceptance of the Title Transfers by the applicable U.S. Delivery Point Operator for the net Daily Contract Quantities of gas nominated for delivery or take at the U.S. Delivery Points or upon assignment of the Transportation Entitlement; and

~~(ii)~~ (II) by the payment to Exchange of the Invoice amounts for the Physically Settled Gas Futures Transactions at the U.S. Delivery Points.

b. ~~(ii)~~ By Exchange:

~~(i)~~ (I) upon the acceptance of the Title Transfers by the applicable U.S. Delivery Point Operator for the net Daily Contract Quantities of gas nominated for delivery or take at the U.S. Delivery Points or upon assignment of the Transportation Entitlement; and

~~(ii)~~ (II) by the payment to the Contracting Party of the Invoice amounts for the Physically Settled Gas Futures Transactions at the U.S. Delivery Points.

b. Confirmation of Performance upon Request by Exchange - The Contracting Party agrees to confirm performance of the Physically Settled Gas Futures Transactions at the applicable U.S. Delivery Points promptly upon request by Exchange, and in any event no later than 3 business days following receipt of such request.

c. Quantity Alternatives: and Invoice Adjustments - If Exchange receives a notice of adjustment from the Contracting Party indicating that the volume or quantity contracted for at the applicable U.S. delivery points was not performed.

(i) by the 10th day of the calendar month following delivery, Exchange will adjust the volume or quantity on the invoice for the delivery; and

~~(ii) In the case of a.(ii) above with respect to the Contracting Party's performance, Invoices shall be subject to retroactive adjustment by Exchange upon receipt by Exchange of a Post Settlement Delivery Adjustment within 3060 days following the~~



posting by Exchange of the original Invoice, Exchange will enter a trade adjustment on the subsequent invoice.