



Submission No. 17-264
December 20, 2017

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: New JKM LNG (Platts) Future and Related Amendments
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.2**

Dear Mr. Kirkpatrick:

Pursuant to Commission Regulations 40.2, ICE Futures U.S., Inc. (“Exchange”) submits, by written certification, new Rule 18.F.002, and amendments to Resolutions 1 and 2 of Chapter 18 as set forth in Exhibit A. The new rules and amendments provide for one new financial liquefied natural gas (“LNG”) futures contract, which will be listed on January 3, 2018.

JKM LNG (Platts) Future

The Exchange is listing one new futures contract based on the price of LNG in the Japan/Korea Market. Specifically, Platts publishes a daily Japan Korea LNG Marker (JKM), which denotes the value (USD/MMBtu) of spot LNG delivered ex-ship (DES) into Japan and South Korea. The JKM futures contract will settle based on the average of daily prices published by Platts for the Japan Korea Marker (JKM) during the first fifteen business days of the calendar month prior to the contract month.

Contract Name	Contract Size (MMBtu)	Minimum Tick	IPL Amount	IPL Recalc Time (Seconds)	IPL Hold Period (Seconds)	NCR	Minimum Block Size	Spot Month Position Limit
JKM LNG (Platts) Future	10,000	\$0.001	\$0.60	3	5	0.15	5	12,200

The listing cycle for the JKM LNG (Platts) Future is up to 72 consecutive monthly Contract Periods, or as otherwise determined by the Exchange. Trading hours, no cancellation ranges, reasonability limits and interval price limits will be applicable to the LNG contract as already specified in Exchange Rules and Notices for other energy contracts. A Deliverable Supply Analysis detailing the methodology the Exchange used to determine the spot month position limits for the JKM LNG (Platts) Futures contract is attached hereto as Exhibit B.

This futures contract currently trades on ICE Futures Europe and is cleared by ICE Clear Europe. The contract is being listed on the Exchange to consolidate ICE’s US Dollar-denominated liquid natural gas contracts in a single exchange. The contract will continue to be cleared by ICE Clear Europe, which

currently clears all of the Exchange's Energy contracts in its capacity as a registered derivatives clearing organization.

Certifications

The Exchange is not aware of any substantive opposing views to the new financial LNG contract. The Exchange certifies that the rule amendments comply with the requirements of the Act and the rules and regulations promulgated thereunder. The Exchange has reviewed the designated contract market core principles ("Core Principles") as set forth in the Act and has determined that the listing of the contract complies with the following relevant Core Principles:

COMPLIANCE WITH RULES

The terms and conditions of the new financial LNG futures contract are set forth in new Rule 18.F.002, and amendments to Resolutions 1 and 2 of Chapter 18, and will be enforced by the Exchange. In addition, trading of the contracts is subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

CONTRACTS NOT READILY SUBJECT TO MANIPULATION

The new financial LNG futures contract is not readily subject to manipulation as it is based on an established and liquid underlying cash market. In addition, trading of the new contract will be monitored by the Market Regulation Department.

POSITION LIMITS OR ACCOUNTABILITY

Positions in the new LNG futures contract will be subject to position limit and accountability levels set by the Exchange. As described above, such position limits are based upon the deliverable supply in the cash market. A Deliverable Supply Analysis is attached hereto as Exhibit B.

FINANCIAL INTEGRITY OF CONTRACTS

The new financial LNG futures contract will be cleared by ICE Clear Europe, a registered derivatives clearing organization subject to Commission regulation, and carried by registered futures commission merchants qualified to handle customer business.

The Exchange further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website and 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.

Sincerely,



Jason V. Fusco
Assistant General Counsel
Market Regulation

Enc.
cc: Division of Market Oversight

EXHIBIT A

**Subchapter 18F - LNG
Futures Contracts**

Rule	Subject
18.F.001	Gulf Coast LNG (Platts) Future
<u>18.F.002</u>	<u>JKM LNG (Platts) Future</u>

18. F.002 JKM LNG (Platts) Future

<u>Contract Description</u>	A monthly cash settled Exchange Futures Contract based upon the mathematical average of daily prices specified in Reference Price A.
<u>Contract Symbol</u>	<u>JKL</u>
<u>Settlement Method</u>	<u>Cash Settlement</u>
<u>Contract Size</u>	<u>10,000 MMBtu</u>
<u>Currency</u>	<u>USD</u>
<u>Minimum Price Fluctuation</u>	<u>One tenth of one cent (\$0.001) per MMBtu</u>
<u>Listing Cycle</u>	<u>Up to 60 consecutive months</u>
<u>Last Trading Day</u>	<u>The 15th calendar day of the calendar month prior to the Contract Period. If the 15th calendar day is not a business day (as defined below), then trading shall cease on the next preceding business day.</u>
<u>Reference Price A</u>	<u>PLATTS LNG Japan/Korea (JKM)</u>

a) **Description** “Platts LNG Japan/Korea Marker (JKM)” means that the price for a Pricing Date will be that day’s Specified Price per MMBtu of natural gas for delivery on the Delivery Date, stated in U.S. Dollars, published in “Platts LNG Daily” under the heading “Platts daily LNG markers (\$/MMBtu” subheading “DES Japan/Korea Marker (JKM)” for “JKM (month)” or any successor headings, that reports prices effective on that Pricing Date.

b) **Pricing Date:** Each day that prices are reported for the Delivery Date.

c) **Specified Price: Index**

d) **Pricing Calendar: Platts LNG Daily**

e) **Delivery Date: Contract Period**

Final Payment Date: Two Clearing Organization Business Days following the Last Trading Day

Final Settlement Price: Average of Reference Price A prices

business days: Publication days for Platts LNG Daily

Resolution No. 1-Minimum Price Fluctuation Table

The following minimum price fluctuations shall be applicable to Energy Contracts.

Rule Number	Product	Minimum Price Fluctuation	
		Screen	Blocks and other trades outside the central limit order book

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<u>18.F.002</u>	<u>JKM LNG (Platts) Future</u>	<u>\$0.001</u>	<u>\$0.001</u>
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Resolution No. 2 – Position Limit/Accountability Table

Rule	Contract Name	Commodity Code	Contract Size	Unit of Trading	Spot Month Limit	Single Month Accountability Level	All Month Accountability Level	Aggregate 1 (Positive Correlation)	Aggregate 2 (Negative Correlation)	Exchange Reportable Level
<u>18.F.002</u>	<u>JKM LNG (Platts) Future</u>	<u>JKM</u>	<u>10,000</u>	<u>MMBtu</u>	<u>12,200</u>	<u>12,200</u>	<u>12,200</u>			<u>1</u>

EXHIBIT B

[EXHIBIT REDACTED]