



Submission No. 15-59  
 March 13, 2015

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: New TETCO M2 Index Future (Receipts) and Related Amendments (5 of 5)**  
**Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.2 and 40.6(a)**

Dear Mr. Kirkpatrick:

Pursuant to Commission Regulations 40.2 and 40.6(a), ICE Futures U.S., Inc. (“Exchange”) submits, by written certification, new Rules 18.A.167 through 18.A.171, Resolutions 1 and 2 of Chapter 18, and the Exchange’s Block Trade Procedures, which are codified in the Exchange’s Block Trade FAQ, as set forth in Exhibit A. The new rules and amendments provide for five new financial natural gas futures contracts, which will be listed on March 30, 2015.

**Transco Zone 5**

The Exchange is listing three new futures contracts which supplement the existing Transcontinental Gas Pipe Line’s (“Transco”) contracts. The Transco pipeline delivers natural gas through an interstate transmission pipeline system, extending from South Texas to New York City. Transco Zone 5 covers deliveries from Transco between the Georgia/South Carolina border and the Virginia/Maryland border. The Transco Zone 5 Basis Future contract is a monthly cash settled Exchange futures contract based on the result of subtracting the price of the NYMEX Henry Hub Natural Gas Futures Contract from the monthly price published in Inside FERC for Transco Zone 5. The Transco Zone 5 Swing Future contract is a daily cash settled Exchange Futures Contract based upon the daily price published by Gas Daily for Transco Zone 5. The Transco Zone 5 Index Future is a monthly cash settled Exchange Futures Contract based on the result of subtracting the monthly price published by Inside FERC for Transco Zone 5, from the average of the daily prices published by Gas Daily for Transco Zone 5.

Contract Name	Contract Size	Minimum Tick <sup>1</sup>	IPL Amount	IPL Recalc Time (Seconds)	IPL Hold Period (Seconds)	NCR <sup>2</sup>	Minimum Block Size	Spot Month Position Limit
Transco Zone 5 Basis Future	2,500	\$0.0005	\$4.00	3	5	20% of Basis/Spread FMV up to 0.05	25	36,900

<sup>1</sup> The minimum price fluctuation is either \$0.0005 (Basis and Index) or \$0.0010 (Swing) for screen trades, and \$0.0001 for blocks and other trades outside the central limit order book.

<sup>2</sup> NCR for the Transco Zone 5 Index Future contract is \$0.04 during Bidweek (Prompt Month Only).

Transco Zone 5 Swing Future	2,500	\$0.0010	\$4.00	3	5	0.05	25	36,900
Transco Zone 5 Index Future	2,500	\$0.0005	\$0.20	3	5	0.02	25	36,900

The listing cycle for the Transco Zone 5 Basis and Index Future contracts is up to 120 consecutive monthly contract periods. The listing cycle for the Transco Zone 5 Swing Future is up to 65 consecutive daily contract periods. Trading hours are 7:50PM to 6:05PM the next day. A Deliverable Supply Analysis detailing the methodology the Exchange used to determine the spot month position limits for the aforementioned contracts is attached as Exhibit B.

### **TETCO M2 (Receipts)**

The Exchange is listing two new contracts to supplement the existing Texas Eastern Transmission Corp. (“TETCO”) contracts. TETCO is the owner and operator of a pipeline, which brings natural gas produced in Texas and Louisiana as far north as the New York City area. The pipeline is divided into seven zones. Market Zone Two (“M-2”) covers the service area from Kentucky to Pennsylvania. The TETCO M2 Swing Future (Receipts) is a daily cash settled Exchange Futures Contract based upon the daily price published by Gas Daily for TETCO (M-2 Receipts). The TETCO M2 Index Future (Receipts) is a monthly cash settled Exchange futures contract based on the result of subtracting the monthly price published in Inside FERC for TETCO (M-2 Receipts) from the average of the daily prices published by Gas Daily for TETCO (M-2 Receipts).

Contract Name	Contract Size (MMBtu)	Minimum Tick <sup>3</sup>	IPL Amount	IPL Recalc Time (Seconds)	IPL Hold Period (Seconds)	NCR <sup>4</sup>	Minimum Block Size	Spot Month Position Limit
TETCO M2 Swing Future (Receipts)	2,500	\$0.0010	\$4.00	3	5	0.05	25	55,200
TETCO M2 Index Future (Receipts)	2,500	\$0.0005	\$0.20	3	5	0.02	25	55,200

The listing cycle for the TETCO M2 Index Future (Receipts) contract is up to 120 consecutive monthly contract periods. The listing cycle for the TETCO M2 Swing Future (Receipts) contract is up to 65 consecutive daily contract periods. Trading hours are 7:50PM to 6:05PM the next day. The spot month position limits for the TETCO M2 (Receipts) contracts are set consistent with the spot month position limit for similar natural gas contracts currently listed by the Exchange.

The block trade minimum size of 25 lots for the Transco Zone 5 and TETCO M2 contracts is consistent with minimum sizes for similar natural gas contracts currently listed by the Exchange.

<sup>3</sup> The minimum price fluctuation is either \$0.0005 (Index) or \$0.0010 (Swing) for screen trades, and \$0.0001 for blocks and other trades outside the central limit order book.

<sup>4</sup> NCR for the TETCO M2 Index Future (Receipts) is \$0.04 during Bidweek (Prompt Month Only).

## **Certifications**

The new rules and rule amendments will become effective with the listing of the new financial natural gas contracts on March 30, 2015. The Exchange is not aware of any substantive opposing views to the new financial natural gas contracts. 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 natural gas futures contracts are set forth in new Rules 18.A.167 through 18.A.171, Resolutions 1 and 2 of Chapter 18, and the Exchange's Block Trade Procedures, 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 natural gas futures contracts are not readily subject to manipulation as they are based on established and liquid underlying cash markets. In addition, trading of the new contracts will be monitored by the Market Regulation Department.

### **POSITION LIMITS OR ACCOUNTABILITY**

Positions in the new financial natural gas futures contracts will be subject to position limits set by the Exchange. As described above, such position limits are based upon existing levels set for substantially similar products or 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 natural gas futures contracts 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](mailto:jason.fusco@theice.com).

Sincerely,



Jason V. Fusco  
Assistant General Counsel  
Market Regulation

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

## EXHIBIT A

### 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

\* \* \*

18.A.167	Transco Zone 5 Basis Future	0.0005	0.0001
18.A.168	Transco Zone 5 Swing Future	0.0010	0.0001
18.A.169	Transco Zone 5 Index Future	0.0005	0.0001
18.A.170	TETCO M2 Swing Future (Receipts)	0.0010	0.0001
18.A.171	TETCO M2 Index Future (receipts)	0.0005	0.0001

\* \* \*

## 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
18.A.171	TETCO M2 Index Future (Receipts)	MB4	2,500	MMBtu	55,200	55,200	55,200	BM3	BM2	25
18.A.170	TETCO M2 Swing Future (Receipts)	BM3	2,500	MMBtu	55,200	55,200	55,200	BM3		1
18.A.167	Transco Zone 5 Basis Future	DKR	2,500	MMBtu	36,900	36,900	36,900	DKR		25
18.A.169	Transco Zone 5 Index Future	DKT	2,500	MMBtu	36,900	36,900	36,900	DKS	DKR	25
18.A.168	Transco Zone 5 Swing Future	DKS	2,500	MMBtu	36,900	36,900	36,900	DKS		1

### **18.A.167 Transco Zone 5 Basis Future**

**Contract Description:** A monthly cash settled Exchange Futures Contract based upon the mathematical result of subtracting the price of the NYMEX Henry Hub Natural Gas Futures Contract, as defined in Reference Price B, from the monthly price published by Inside FERC for the location specified in Reference Price A.

**Contract Symbol:** DKR

**Settlement Method:** Cash settlement

**Contract Size:** 2500 MMBtus

**Currency:** USD

**Minimum Price Fluctuation:** The price quotation convention shall be One hundredth of a cent (\$0.0001) per MMBtu; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

**Listing Cycle:** Up to 120 consecutive monthly Contract Periods

**Last Trading Day:** The last Business Day prior to the first calendar day of the Contract Period

**Final Settlement:** Reference Price A minus Reference Price B

**Reference Price A:** NATURAL GAS-TRANSCONTINENTAL GAS PIPE LINE, ZONE 5 DELIVERED-INSIDE FERC

- a) **Description:** "NATURAL GAS-TRANSCONTINENTAL GAS PIPE LINE, ZONE 5 DELIVERED-INSIDE FERC" 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 under the heading "Market Center Spot Gas Prices(\$/MMBtu): Transcontinental Gas Pipe Line: Leidy Line receipts: Index" in the issue of Inside FERC that reports prices effective on that Pricing Date.
- b) **Pricing Date:** First publication date of Contract Period
- c) **Specified Price:** Index
- d) **Pricing calendar:** Inside FERC
- e) **Delivery Date:** Contract Period

**Reference Price B:** NATURAL GAS-NYMEX

- a) **Description:** "NATURAL GAS-NYMEX" means that the price for a Pricing Date will be that day's Specified Price per MMBtu of natural gas on the NYMEX of the Henry Hub Natural Gas Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX on that Pricing Date.
- b) **Pricing Date:** Last scheduled trading day of the NYMEX Henry Hub Natural Gas Futures Contract for the Delivery Date

- c) **Specified Price:** Settlement price
- d) **Pricing Calendar:** NYMEX
- e) **Delivery Date:** Contract Period

**Final Payment Date:** The third Clearing Organization business day following the Last Trading Day

### **18.A.168 Transco Zone 5 Swing Future**

**Contract Description:** A daily cash settled Exchange Futures Contract based upon the daily price published by Gas Daily for the location specified in Reference Price A.

**Contract Symbol:** DKS

**Settlement Method:** Cash settlement

**Contract Size:** 2500 MMBtus

**Currency:** USD

**Minimum Price Fluctuation:** The price quotation convention shall be One hundredth of a cent (\$0.0001) per MMBtu; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

**Listing Cycle:** Up to 65 consecutive daily Contract Periods

**Last Trading Day:** The Business Day prior to the Contract Period

**Final Settlement:** Reference Price A

**Reference Price A:** NATURAL GAS-CITYGATES, TRANSCO, ZONE 5 DEL.-GAS DAILY

- a) **Description:** "NATURAL GAS-CITYGATES, TRANSCO, ZONE 5 DEL.-GAS DAILY" 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 under the heading "Daily price survey (\$/MMBtu): Appalachia: Transco, Leidy Line receipts: Midpoint" in the issue of Gas Daily that reports prices effective on that Pricing Date.
- b) **Pricing Date:** Each day that prices are reported for the Delivery Date
- c) **Specified Price:** Midpoint
- d) **Pricing calendar:** Gas Daily

e) **Delivery Date:** Contract Period

**Final Payment Date:** The third Clearing Organization business day following the Last Trading Day

### **18.A.169 Transco Zone 5 Index Future**

**Contract Description:** A monthly cash settled Exchange Futures Contract based upon the mathematical result of subtracting the monthly price published by Inside FERC, as defined in Reference Price B, from the average of the daily prices published by Gas Daily, as defined in Reference Price A.

**Contract Symbol:** DKT

**Settlement Method:** Cash settlement

**Contract Size:** 2500 MMBtus

**Currency:** USD

**Minimum Price Fluctuation:** The price quotation convention shall be One hundredth of a cent (\$0.0001) per MMBtu; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

**Listing Cycle:** Up to 120 consecutive monthly Contract Periods

**Last Trading Day:** The Business Day prior to the Contract Period

**Final Settlement:** Reference Price A

**Reference Price A:** NATURAL GAS-CITYGATES, TRANSCO, ZONE 5 DEL.-GAS DAILY

- a) **Description:** "NATURAL GAS-CITYGATES, TRANSCO, ZONE 5 DEL.-GAS DAILY" 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 under the heading "Daily price survey (\$/MMBtu): Appalachia: Transco, Leidy Line receipts: Midpoint" in the issue of Gas Daily that reports prices effective on that Pricing Date.
- b) **Pricing Date:** Each day that prices are reported for the Delivery Date
- c) **Specified Price:** Midpoint
- d) **Pricing calendar:** Gas Daily
- e) **Delivery Date:** Contract Period

**Reference Price B:** NATURAL GAS-TRANSCONTINENTAL GAS PIPE LINE, ZONE 5 DELIVERED-INSIDE FERC



- a) **Description:** “NATURAL GAS-TRANSCONTINENTAL GAS PIPE LINE, ZONE 5 DELIVERED-INSIDE FERC” 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 under the heading "Market Center Spot Gas Prices(\$/MMBtu): Transcontinental Gas Pipe Line: Leidy Line receipts: Index" in the issue of Inside FERC that reports prices effective on that Pricing Date.
- b) **Pricing Date:** First publication date of Contract Period
- c) **Specified Price:** Index
- d) **Pricing calendar:** Inside FERC
- e) **Delivery Date:** Contract Period

**Final Payment Date:** The third Clearing Organization business day following the Last Trading Day

#### **18.A.170 TETCO M2 Swing Future (Receipts)**

**Contract Description:** A daily cash settled Exchange Futures Contract based upon the daily price published by Gas Daily for the location specified in Reference Price A.

**Contract Symbol:** BM3

**Settlement Method:** Cash settlement

**Contract Size:** 2500 MMBtus

**Currency:** USD

**Minimum Price Fluctuation:** The price quotation convention shall be One hundredth of a cent (\$0.0001) per MMBtu; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

**Listing Cycle:** Up to 65 consecutive daily Contract Periods

**Last Trading Day:** The Business Day prior to the Contract Period

**Final Settlement:** Reference Price A

**Reference Price A:** NATURAL GAS-APPALACHIA (TEXAS EASTERN, M-2 RECEIPTS)-GAS DAILY

- a) **Description:** "NATURAL GAS-APPALACHIA (TEXAS EASTERN, M-2 RECEIPTS)-GAS DAILY " 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 under the heading "Daily price survey (\$/MMBtu): Appalachia: Texas Eastern: M-2 receipts: Midpoint" in the issue of Gas Daily that reports prices effective on that Pricing Date.
- b) **Pricing Date:** Each day that prices are reported for the Delivery Date
- c) **Specified Price:** Midpoint
- d) **Pricing calendar:** Gas Daily
- e) **Delivery Date:** Contract Period

**Final Payment Date:** The third Clearing Organization business day following the Last Trading Day

#### **18.A.171 TETCO M2 Index Future (Receipts)**

**Contract Description:** A monthly cash settled Exchange Futures Contract based upon the mathematical result of subtracting the monthly price published by Inside FERC, as defined in Reference Price B, from the average of the daily prices published by Gas Daily, as defined in Reference Price A.

**Contract Symbol:** MB4

**Settlement Method:** Cash settlement

**Contract Size:** 2500 MMBtus

**Currency:** USD

**Minimum Price Fluctuation:** The price quotation convention shall be One hundredth of a cent (\$0.0001) per MMBtu; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

**Listing Cycle:** Up to 120 consecutive monthly Contract Periods

**Last Trading Day:** The Business Day prior to the Contract Period

**Final Settlement:** Reference Price A

**Reference Price A:** NATURAL GAS-APPALACHIA (TEXAS EASTERN, M-2 RECEIPTS)-GAS DAILY

- a) **Description:** “NATURAL GAS-APPALACHIA (TEXAS EASTERN, M-2 RECEIPTS)-GAS DAILY ” 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 under the heading "Daily price survey (\$/MMBtu): Appalachia: Texas Eastern, M-2 receipts: Midpoint" in the issue of Gas Daily that reports prices effective on that Pricing Date.
- b) **Pricing Date:** Each day that prices are reported for the Delivery Date
- c) **Specified Price:** Midpoint
- d) **Pricing calendar:** Gas Daily
- e) **Delivery Date:** Contract Period

**Reference Price B: NATURAL GAS-TEXAS EASTERN TRANSMISSION CORP. (M-2 RECEIPTS)-INSIDE FERC**

- a) **Description:** “NATURAL GAS-TEXAS EASTERN TRANSMISSION CORP. (M-2 RECEIPTS)-INSIDE FERC” 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 under the heading "Market Center Spot Gas Prices(\$/MMBtu): Texas Eastern Transmission Corp: M-2 receipts: Index” in the issue of Inside FERC that reports prices effective on that Pricing Date.
- b) **Pricing Date:** First publication date of Contract Period
- c) **Specified Price:** Index
- d) **Pricing calendar:** Inside FERC
- e) **Delivery Date:** Contract Period

**Final Payment Date:** The third Clearing Organization business day following the Last Trading Day

**[REMAINDER OF RULE UNCHANGED]**

**ICE FUTURES U.S.  
BLOCK TRADE – FAQs**

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Contract Name	Commodity Code	Contract Size	Unit of Trading	Block MQR (in Lots)
Transco Zone 5 Basis Future	DKR	2,500	MMBtu	25
Transco Zone 5 Swing Future	DKS	2,500	MMBtu	25
Transco Zone 5 Index Future	DKT	2,500	MMBtu	25
TETCO M2 Swing Future (Receipts)	BM3	2,500	MMBtu	25
TETCO M2 Index Future (Receipts)	MB4	2,500	MMBtu	25

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