

Submission No. 17-52  
April 19, 2017

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 Gulf Coast LNG (Platts) Future and Related Amendments**  
**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 Rule 18.A.184, and amendments to the Exchange’s No Cancellation Range (“NCR”), 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 one new financial liquefied natural gas futures contract, which will be listed on May 4, 2017.

**Gulf Coast LNG (Platts) Future**

The Exchange is listing one new futures contract based on the price of liquefied natural gas (“LNG”) in the Gulf Coast Market. Specifically, Platts publishes a daily Gulf Coast LNG Marker, which denotes the value (USD/MMBtu) of spot LNG exported from the US Gulf Coast on a Free on Board (“FOB”) basis. The Gulf Coast LNG (Platts) Future is a monthly cash settled futures contract based on the monthly price published by Platts for the FOB Gulf Coast Marker.

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
Gulf Coast LNG (Platts) Future	2,500	\$0.001	\$0.60	3	5	0.15	25	3,400

The listing cycle for the Gulf Coast LNG (Platts) Future is up to 72 consecutive monthly Contract Periods, or as otherwise determined by the Exchange. The block trade minimum size of 25 lots is consistent with minimum sizes for similar natural gas contracts currently listed by the Exchange. A Deliverable Supply Analysis detailing the methodology the Exchange used to determine the spot month position limits for the Gulf Coast LNG (Platts) Future contract is attached hereto as Exhibit B.

**Certifications**

The new rule and rule amendments will become effective with the listing of the new financial liquefied natural gas contract on May 4, 2017. The Exchange is not aware of any substantive opposing

views to the new financial liquefied natural gas 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 liquefied natural gas futures contract are set forth in new Rule 18.A.184, and amendments to the Exchange's NCR, 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 liquefied natural gas futures contract is not readily subject to manipulation as it is based on 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 financial liquefied natural gas 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 liquefied natural gas 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 312-836-6746 or at [conor.weber@theice.com](mailto:conor.weber@theice.com).

Sincerely,



Conor Weber  
Compliance 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.184	Gulf Coast LNG (Platts) Future	\$0.001	\$0.001	
		*	*	*

**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.184	Gulf Coast LNG (Platts) Future	GCL	2,500	MMBtu	3,400	3,400	3,400	GCL		25

**18.A.184 Gulf Coast LNG (Platts) Future**

**Contract Description:** A monthly cash settled Future based upon the monthly price published by Platts for the location specified in Reference Price A.

**Contract Symbol:** GCL

**Settlement Method:** Cash Settlement

**Contract Size:** 2,500 MMBtus

**Currency:** USD

**Minimum Price Fluctuation:** The price quotation convention shall be One tenth of a cent (\$0.001) per MMBtu; minimum price fluctuation may vary by trade type. Please see Table in Resolution 1 to this Chapter 18.

**Listing Cycle:** Up to 72 consecutive monthly Contract Periods, or as otherwise determined by the Exchange

**Last Trading Day:** Three Business Days prior to the first calendar day of the Contract Period

**Reference Price A:** PLATTS FOB GULF COAST MARKER (GCM)

- a) **Description:** "PLATTS GULF COAST MARKER (GCM)" 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 "PLATTS DAILY LNG MARKERS (\$/MMBtu): FOB Gulf Coast Marker (GCM)" in the issue of LNG Daily that reports prices effective on that Pricing Date.
- b) **Pricing Date:** Three Business Days prior to the first calendar day of the Contract Period
- c) **Specified Price:** Settlement Price
- d) **Pricing calendar:** ICE
- e) **Delivery Date:** Contract Period

**Final Payment Date:** The first 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)
Gulf Coast LNG (Platts) Future	GCL	2,500	MMBtu	25

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**ICE FUTURES U.S.**  
**Energy Division No Cancellation Ranges**

\* \* \*

Financial Gas	Day	Spread	Month	Spread	Season	Spread	Calendar	Spread
Henry Hub	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Non-Henry Fixed Price	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Index			0.02	0.02	0.02	0.02	0.02	0.02
Index Bidweek (Prompt Month Only)			0.04	0.04	0.04	0.04	0.04	0.04
EIA Financial Weekly Index	10 BCF	10 BCF	10 BCF	10 BCF	10 BCF	10 BCF	10 BCF	10 BCF
EIA End of Draw / Storage Index	250 BCF	250 BCF	250 BCF	250 BCF	250 BCF	250 BCF	250 BCF	250 BCF
<u>Financial LNG</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>
Basis	20% of Basis/Spread FMV up to 0.05				Min/Max Range = 0.02/0.05			
Options	20% of Premium FMV up to 0.05				Min/Max Range = 0.005/0.05			

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**EXHIBIT B**

**[EXHIBIT REDACTED]**