



55 East 52nd Street
New York, NY 10055

BY ELECTRONIC TRANSMISSION

Submission No. 18-384
July 31, 2018

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: Amendments to Resolution No. 2 of Chapter 18 - Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Commodity Futures Trading Commission (“CFTC” or “Commission”) Regulation 40.6(a), ICE Futures U.S., Inc. (“Exchange”) hereby certifies amendments to Resolution No. 2 of Chapter 18 of the Exchange’s Rulebook, as set forth in Exhibit A. The amendments to Resolution No. 2 of Chapter 18 change the positive and negative aggregation requirements for certain natural gas futures in related markets in Alberta, Canada.

The acronym AB-NIT refers to the Alberta, Canada and Nova Inventory Transfer hub. The Alberta System is a network comprising 14,100 miles of pipeline that gathers natural gas for use both in Alberta and for delivery to provincial border points for export to North American markets. The Alberta System is one of the largest natural gas transmission systems in North America and gathers more than half of the natural gas produced in Western Canada.

The natural gas underlying the Exchange’s AB NIT (7a/5a) Index Future (“NG7”) and the AB NIT 5a Swing Future (US/MM) (“NG5”) contracts represent the same deliverable supply of natural gas as the existing AB NIT Basis Future (“AEC”), AB NIT Index Future (“AIS”) and AB NIT Swing Future (“ASS”) contracts; and the NG7 and NG5 futures contracts are often utilized by market participants as substitutes for the AIS and ASS contracts. Additionally, the AEC, AIS, and NG7 contracts have exposure to the Month Ahead 7a Index.

Currently, the NG7 contract aggregates positively with the NG5 contract. The amendments provide that positions held in the NG7 and NG5 contracts will aggregate positively with positions held in

the ASS contract. Further, the amendments provide that positions held in the NG7 contract will aggregate negatively with positions held in the AEC contract. All other aggregation requirements will remain unchanged. The changes to the aggregation requirements are provided in Exhibit A.

The Exchange will implement the changes to Resolution No. 2 on August 15, 2018, effective for all expiration months, including those with open interest.

Certifications

The Exchange certifies that the amendments to Resolution No. 2 of Chapter 18 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 amendments comply with the following relevant Core Principles:

COMPLIANCE WITH RULES

The amended aggregation of the aforementioned futures contracts are set forth in Resolution No.2 of Chapter 18 and will be enforced by the Exchange. In addition, trading of these contracts is subject to all relevant Exchange rules which are enforced by the Market Regulation Department.

CONTRACTS NOT READILY SUBJECT TO MANIPULATION

The Exchange's financial natural gas contracts are not readily subject to manipulation as they are based on established and liquid underlying cash markets. In addition, trading of the contracts will continue to be monitored by the Market Regulation Department.

POSITION LIMITS OR ACCOUNTABILITY

Positions in the aforementioned financial natural gas futures contracts will continue to be subject to position limits set by the Exchange. As described above, such position limits are based upon the deliverable supply in the cash market.

FINANCIAL INTEGRITY OF CONTRACTS

The aforementioned financial natural gas futures contracts will continue to 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 is not aware of any substantive opposing views expressed by members or others with respect to the amendments and 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>).

If you have any questions or need further information, please contact me at 312-836-6745 or at patrick.swartz@theice.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat", with a long horizontal stroke extending to the right.

Patrick Swartz
Manager
Market Regulation

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

EXHIBIT A

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)
18.A.001	AB NIT Basis Future	AEC	2,500	MMBtu	14,300	14,300	50,000	AEC	
18.A.136	AB NIT ICE-NGX Same Day 5a Fixed Price Future	NGA	2,500	GJ	14,300	14,300	50,000	AEC	
18.A.051	AB NIT Index Future	AIS	2,500	MMBtu	14,300	20,000/14,300	25,000/50,000	ASS	AEC
18.A.184	AB NIT (7a/5a) Index Future	NG7	2,500	MMBtu	14,300	14,300	50,000	[NG5] <u>ASS</u>	<u>AEC</u>
18.A.095	AB NIT Swing Future	ASS	2,500	MMBtu	14,300	20,000	25,000	ASS	
18.A.185	AB NIT 5a Swing Future (US/MM)	NG5	2,500	MMBtu	14,300	14,300	50,000	[NG5] <u>ASS</u>	