

Submission No. 16-96
August 5, 2016

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 Tennessee 800L Index Future and Related Amendments (4 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.179-18.A.183, and amendments to 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 August 22, 2016.

Katy

The Exchange is listing three new futures contracts based on Katy Hub. Katy, located in East Texas, is defined by Platts as deliveries into Oasis Pipeline, Lone Star Pipeline, Houston Pipe Line and Kinder Morgan Texas Pipelines in the Katy, Texas, area, including deliveries and receipts into and out of Katy storage. The Katy Basis Future is a monthly cash settled futures contract based on the result of subtracting the price of the NYMEX Henry Hub Natural Gas Futures Contract from the monthly price published by Inside FERC for Katy. The Katy Index Future is a monthly cash settled futures contract based on the result of subtracting the monthly price published by Inside FERC for Katy from the average of the daily prices published by Gas Daily for Katy. The Katy Swing Future is a daily cash settled futures contract based on the daily price published by Gas Daily for Katy.

Contract Name	Contract Size (MMBtu)	Minimum Tick ¹	IPL Amount	IPL Recalc Time (Seconds)	IPL Hold Period (Seconds)	NCR	Minimum Block Size	Spot Month Position Limit	Single Month Accountability Level
Katy Basis Future	2,500	\$0.0005	\$4.00	3	5	20% of Basis/Spread FMV up to 0.05	25	12,000	12,000
Katy Index Future	2,500	\$0.0005	\$0.20	3	5	0.02	25	12,000	12,000

¹ As noted, above, the minimum price fluctuation is \$0.0005 for screen trades for the Katy Basis and Index contracts and \$0.0010 for screen trades for the Katy Swing contract. For blocks and other trades outside the central limit order book, the minimum price fluctuation is \$0.0001 for the aforementioned futures.

Katy Swing Future	2,500	\$0.0010	\$4.00	3	5	0.05	25	12,000	12,000
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The listing cycle for the Katy Basis Future and Index Future is up to 120 consecutive monthly contract periods, or as otherwise determined by the Exchange. The listing cycle for the Katy Swing Future is up to 65 consecutive daily 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 aforementioned Katy contracts is attached hereto as Exhibit B.

Tennessee 800L

The Exchange is listing three new contracts to supplement the existing Tennessee Gas Pipeline Company (“TGP” or “Tennessee”) contracts. TGP is the owner of a pipeline that runs from the Gulf Coast to the Northeastern seaboard. TGP is divided into eight zones. Tennessee 800 Leg (“800L”) includes deliveries into Tennessee Gas Pipeline’s 800 Leg in zone L in southeastern Louisiana, including deliveries from the offshore Blue Water Header system. The leg meets the boundary of the market area at station 834 at Winnsboro in central Louisiana. The Tennessee 800L Index Future is a monthly cash settled futures contract based upon the result of subtracting the monthly price published by Inside FERC for Tennessee 800 Leg from the average of the daily prices published by Gas Daily for Tennessee 800 Leg. The Tennessee 800L Swing Future is a daily cash settled futures contract based on the daily price published by Gas Daily for Tennessee 800 Leg.

Contract Name	Contract Size (MMBtu)	Minimum Tick ²	IPL Amount	IPL Recalc Time (Seconds)	IPL Hold Period (Seconds)	NCR	Minimum Block Size	Spot Month Position Limit	Single Month Accountability Level
Tennessee 800L Index Future	2,500	\$0.0005	\$0.20	3	5	0.02	25	1,000	2,000
Tennessee 800L Swing Future	2,500	\$0.0010	\$4.00	3	5	0.05	25	1,000	2,000

The listing cycle for the Tennessee 800L Index Future contract is up to 120 consecutive monthly Contract Periods, or at otherwise determined by the Exchange. The listing cycle for the Tennessee 800L Swing Future is up to 65 consecutive daily Contract Periods, or at otherwise determined by the Exchange. The spot month position limits and accountability levels for the Tennessee 800L Index and Swing Future contracts are consistent with the spot month position limit and single month accountability levels for similar natural gas contracts currently listed 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.

Certifications

The new rules and rule amendments will become effective with the listing of the new financial natural gas contracts on August 22, 2016. 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

² As noted, above, the minimum price fluctuation is \$0.0005 for screen trades for the Tennessee 800L Index contracts and \$0.0010 for screen trades for the Tennessee 800L Swing contract. For blocks and other trades outside the central limit order book, the minimum price fluctuation is \$0.0001 for the aforementioned futures.

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.179-18.A.183, and amendments to 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 limit and accountability levels 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>).

If you have any questions or need further information, please contact me at 312-836-6746 or at 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

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18.A.179	Katy Basis Future	\$0.0005	\$0.0001
18.A.180	Katy Index Future	\$0.0005	\$0.0001
18.A.181	Katy Swing Future	\$0.0010	\$0.0001
18.A.182	Tennessee 800L Index Future	\$0.0005	\$0.0001
18.A.183	Tennessee 800L Swing Future	\$0.0010	\$0.0001

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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
18.A.179	Katy Basis Future	KTB	2,500	MMBtu	12,000	12,000	12,000	KTB		25
18.A.180	Katy Index Future	KTI	2,500	MMBtu	12,000	12,000	12,000	KTS	KTB	25
18.A.181	Katy Swing Future	KTS	2,500	MMBtu	12,000	12,000	12,000	KTS		1
18.A.182	Tennessee 800L Index Future	TSI	2,500	MMBtu	1,000	2,000	10,000	TSC	TSB	25
18.A.183	Tennessee 800L Swing Future	TSC	2,500	MMBtu	1,000	2,000	10,000	TSC		1

18.A.179 Katy 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: KTB

Settlement Method: Cash settlement

Contract Size: 2500 MMBtu

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, or at otherwise determined by the Exchange.

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-EAST TEXAS, KATY-INSIDE FERC

- a) **Description:** "NATURAL GAS-EAST TEXAS, KATY-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 "Monthly Bidweek Spot Gas Prices (\$/MMBtu): East Texas, Katy: 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.180 Katy 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: KTI

Settlement Method: Cash settlement

Contract Size: 2500 MMBtu

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, or at otherwise determined by the Exchange.

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

Final Settlement: Reference Price A

Reference Price A: NATURAL GAS-EAST TEXAS, KATY-GAS DAILY

- a) **Description:** "NATURAL GAS-EAST TEXAS, KATY-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): East Texas, Katy: 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-EAST TEXAS, KATY-INSIDE FERC

- a) **Description:** "NATURAL GAS-EAST TEXAS, KATY-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 "Monthly Bidweek Spot Gas Prices (\$/MMBtu): East Texas, Katy: 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.181 Katy 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: KTS

Settlement Method: Cash settlement

Contract Size: 2500 MMBtu

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, or at otherwise determined by the Exchange.

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

Final Settlement: Reference Price A

Reference Price A: NATURAL GAS-EAST TEXAS, KATY-GAS DAILY

- a) **Description:** "NATURAL GAS-EAST TEXAS, KATY-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): East Texas, Katy: 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.182 Tennessee 800L 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: TSI

Settlement Method: Cash settlement

Contract Size: 2500 MMBtu

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, or at otherwise determined by the Exchange.

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

Final Settlement: Reference Price A

Reference Price A: NATURAL GAS-LOUISIANA/SOUTHEAST, TENNESSEE, 800 LEG-GAS DAILY

- a) **Description:** "NATURAL GAS-LOUISIANA/SOUTHEAST, TENNESSEE, 800 LEG-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): Louisiana/Southeast, Tennessee, 800 Leg: 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-LOUISIANA/SOUTHEAST, TENNESSEE, LOUISIANA, 800 LEG-INSIDE FERC

- a) **Description:** "NATURAL GAS-LOUISIANA/SOUTHEAST, TENNESSEE, LOUISIANA, 800 LEG-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 "Monthly Bidweek Spot Gas Prices (\$/MMBtu): Louisiana/Southeast, Tennessee, Louisiana, 800 Leg: 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.183 Tennessee 800L 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: TSC

Settlement Method: Cash settlement

Contract Size: 2500 MMBtu

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, or at otherwise determined by the Exchange.

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

Final Settlement: Reference Price A

Reference Price A: NATURAL GAS-LOUISIANA/SOUTHEAST, TENNESSEE, 800 LEG-GAS DAILY

- a) **Description:** "NATURAL GAS-LOUISIANA/SOUTHEAST, TENNESSEE, 800 LEG-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): Louisiana/Southeast, Tennessee, 800 Leg: 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

[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)
Katy Basis Future	KTB	2,500	MMBtu	25
Katy Index Future	KTI	2,500	MMBtu	25
Katy Swing Future	KTS	2,500	MMBtu	25
Tennessee 800L Index Future	TSI	2,500	MMBtu	25
Tennessee 800L Swing Future	TSC	2,500	MMBtu	25

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EXHIBIT B

[EXHIBIT REDACTED]