

Submission No. 18-470
   
 September 14, 2018

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) Last Day 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, amendments to Rule 18.F.001, and amendments to Resolutions 1 and 2 of Chapter 18 of the Exchange Rulebook, 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 October 1, 2018. As background, the Exchange previously listed a Financial LNG contract with similar terms and conditions, which was delisted on August 29, 2018 (See ICE Futures U.S. Submission No. 18-397).

**Gulf Coast LNG (Platts) Last Day 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) Last Day 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	Spot Month Position Limit
Gulf Coast LNG (Platts) Last Day Future	10,000	\$0.001	\$0.60	3	5	0.15	850

The listing cycle for the Gulf Coast LNG (Platts) Last Day Future is up to 72 consecutive monthly Contract Periods, or as otherwise determined 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) Last Day Future contract is attached hereto as Exhibit B.

## Certifications

The new rule amendments will become effective with the listing of the new financial liquefied natural gas contract on October 1, 2018. 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 amendments to Rule 18.F.001, and amendments to the Exchange's NCR, Resolutions 1 and 2 of Chapter 18, and will be enforced by the Exchange. In addition, trading of the contract 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 312-836-6745 or at [patrick.swartz@theice.com](mailto:patrick.swartz@theice.com).

Sincerely,



Patrick Swartz  
Manager  
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.

<b>Rule Number</b>	<b>Product</b>	<b>Minimum Price Fluctuation</b>	
		<b>Screen</b>	<b>Blocks and other trades outside the central limit order book</b>
<u>18.F.001</u>	<u>Gulf Coast LNG (Platts) Last Day 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.001</u>	<u>Gulf Coast LNG (Platts) Last Day Future</u>	<u>GCL</u>	<u>10.000</u>	<u>MMBtu</u>	<u>850</u>	<u>850</u>	<u>850</u>	<u>GCL</u>		<u>25</u>

## Subchapter 18F – LNG Futures Contracts

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### **18.F.001 Gulf Coast LNG (Platts) Last Day Future**

**Contract Description:** A monthly cash settled Future based on the price assessment published by Platts for the FOB Gulf Coast Marker (GCM) as specified in Reference Price A.

**Contract Symbol:** GCL

**Settlement Method:** Cash Settlement

**Contract Size:** 10,000 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:** FOB Gulf Coast Marker (GCM)

- a) **Description:** "FOB Gulf Coast Marker (GCM)" means that the price for a Pricing Date will be that day's Specified Price in US dollars per MMBTU for delivery on the Delivery Date as published in "Platts LNG Daily" under the heading "PLATTS DAILY LNG MARKERS (\$/MMBtu)", subheading "FOB Gulf Coast Marker (GCM)" for "GCM (month)" in the issue of "Platts 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]

**EXHIBIT B**

**[EXHIBIT REDACTED]**