

IntercontinentalExchange, Inc.

EXEMPT COMMERCIAL MARKET ANALYSIS OF COMPLIANCE WITH CORE PRINCIPLES

Sec. 2 (h) (7) CORE PRINCIPLE	PROPOSAL & COMMENTS	Relevant Rules
Core Principle 1- Contracts not Readily Susceptible to Manipulation. The electronic facility will only list contracts not readily susceptible to manipulation.	ICE will submit the terms and conditions of any SPDC and will submit quarterly reports detailing possible SPDCs	
Core Principle 2-Monitor of Trading-The electronic facility shall monitor trading in significant price discovery contracts to prevent market manipulation, price distortion and disruptions of the delivery of cash-settlement process through market surveillance, compliance and disciplinary practices and procedures.	ICE's Surveillance Department will implement practices and procedures to monitor trading, including large trader positions, to prevent manipulation, price distortion and disruptions of the cash settled Henry Hub LD1 Natural Gas Swap. The market supervision staff in Atlanta will monitor trading on a real-time basis.	See ICE's Compliance Procedures Rules 1.11-1.29& 2.01-2.16 Participant Agreement Section 3(f)
Core Principle 3-Ability to Obtain Information	ICE is able to obtain information according to Rule 1.07 and its Participant Agreement.	Rule 1.07 Participant Agreement Section 3(h)
Core Principle 4-Position Limits or Accountability-The electronic trading facility shall adopt, where necessary and appropriate, position limitations or position accountability for speculators in significant price discovery contracts.	Position Limits and accountability levels will be set by ICE and will comply with the general criteria set forth by the Commission. Ice Rules regarding position limits contemplates exemptions for certain qualified hedge transactions. ICE Rules provide for aggregation of all positions for which a person controls trading or has a financial interest of 10% or greater. Ice Compliance will monitor for compliance with the position limits and accountability levels. Violations of these levels may be sanctioned according to Ice Rule xx.	Rules 1.11-1.29
Core Principle 5- Emergency Authority-The electronic trading	Procedures and guidelines for the exercise of	Rules 1.01-1.03

<p>facility shall adopt rules to provide for the exercise of emergency authority.</p>	<p>emergency authority by ICE are set forth in our rules. Among other things, the rule requires that ICE notify the Commission of any emergency action taken, or proposed to be taken and to document its decision making process for using its emergency authority.</p>	
<p>Core Principle 6- Publication of Trading Information-The electronic trading facility shall make public daily information on price, trading volume and other trading data to the extent appropriate for SPDCs.</p>	<p>ICE will publish information regarding settlement prices, volume, open interest and opening/closing ranges for SPDC contracts on our website on the next business day.</p>	<p>Participant Agreement Section 6(e)</p>
<p>Core Principle 7- Compliance with Rules-The electronic trading facility shall monitor and enforce compliance with the rules of the electronic trading facility, including the terms and conditions of any contracts to be traded and any limitations on access to the electronic trading facility.</p>	<p>Rules regarding discipline and enforcement are set forth in Chapter 2 of ICE Rules.</p>	<p>Rule 2.01 et seq. Participant Agreement Section 3(d), Annex B, Annex H</p>
<p>Core Principle 8- Conflicts of Interest-The electronic trading facility on which significant price discovery contracts are executed or traded shall establish and enforce rules to minimize conflicts of interest in decision making.</p>	<p>ICE's methods for identifying and existence of conflicts of interest to make decisions in the event of such conflict are described in Rule 2.16.</p>	<p>Rule 2.16 Participant Agreement Section 15</p>
<p>Core Principle 9- Antitrust Considerations-Unless necessary or appropriate to achieve the purposes of the ACT, the electronic trading facility, with respect to any significant price discovery contracts, shall endeavor to avoid adopting any rules or taking any actions that result in any unreasonable restraints of trade or imposing any material anticompetitive burden on trading on the electronic trading facility.</p>	<p>ICE's Rules have been designed to avoid unreasonable restraints of trade or the imposition of any material anticompetitive burden on trading. The ICE System will without discrimination among different users or user groups. Trade information will be disseminated both to Participants and to the public on a continuous basis.</p>	<p>See generally Rules or other agreements included in the application.</p>