

  
**Ice** FUTURES U.S.  
World Financial Center  
One North End Avenue  
New York, New York 10282

**BY ELECTRONIC TRANSMISSION**

Submission No. 12-38  
July 13, 2012

Mr. David Stawick  
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: Amendments to Exchange Rule 27.11 – TAS Spread Pricing**  
**Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6**

Dear Mr. Stawick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6, ICE Futures U.S., Inc. (“Exchange”) hereby notifies the Commission that the Exchange is making an amendment to Electronic Trading Rule 27.11(a)(viii), attached as Exhibit A, to clarify the procedure used to determine the price of spread pairings executed using the Trade-at-Settlement functionality (“TAS Spreads”) when one or both of the component contract months of the spread pairing are constrained by a daily price limit.

Electronic Trading Rule 27.11(viii) provides that in the event one or both of the component months of a TAS Spread settles at limit up or down, the price of the second component month of the TAS Spread shall be determined by using the prices of the corresponding calendar spread transactions traded during the settlement period (see ICE Futures U.S., Inc. Submission 10-44). A literal reading of the current language of the rule suggests that only actual trade prices of the relevant calendar spread during the settlement period may be used to determine the value of the second component month of the TAS Spread. The rule provides no guidance as to how the price of the second component month of the TAS Spread shall be determined in the absence of such actual trade prices. The amendment to Rule 27.11(a)(viii) addresses the omission, providing that the procedures used to determine Daily Settlement prices set forth in Rule 4.28 shall be used when there are no actual trade prices available in the relevant calendar spread. This includes the use of bid/offer prices and other relevant information to determine the price of the second component month of the TAS Spread.

The amendment to Rule 27.11(a)(viii) will be effective with the start of trading on Monday, July 30, 2012. The Exchange certifies that the amendment complies with the

requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. No substantive opposing views were expressed by members or others.

The Exchange 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/notices/RegulatoryFilings.shtml>).

If you have any questions or need further information, please contact me at 212-748-4021 or at [jason.fusco@theice.com](mailto:jason.fusco@theice.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Jason V. Fusco". The signature is written in a cursive style with a large, sweeping initial "J".

Jason V. Fusco  
Assistant General Counsel  
Market Regulation

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

## EXHIBIT A

[In the text below additions are underscored and deletions struck out]

### Rule 27.11. Acceptable Orders

(a) An ETS order shall be in one of the following order types (listed in alphabetical order):

\* \* \*

(viii) “Trade At Settlement orders” – Trade At Settlement (“TAS”) orders are orders to buy or sell a stated quantity at:

(A) the Trading Session’s Settlement Price or up to five (5) minimum price fluctuations above or below the Trading Session’s Settlement Price; or

(B) if a Calendar Spread, at the spread differential between the Trading Session’s Settlement Prices of the two (2) delivery months up to five (5) minimum price fluctuations above or below the spread differential between the Trading Session’s Settlement Prices of the two (2) delivery months; provided, however, that if either or both delivery months settles at a price that is limit up or limit down, then the price of the second leg of the Calendar Spread shall be determined by the Exchange on the basis of observed prices of Transactions involving such Calendar Spread executed during the settlement period or, in the absence of trades in such Calendar Spread during the settlement period by using the procedures used to determine Daily Settlement prices as provided in Rule 4.28.

TAS orders may be submitted only for those Commodity Contracts and delivery months and during such time periods as specified by the Exchange from time to time. TAS orders may result in transactions priced outside the daily price limits.

(Balance of the Rule unchanged.)