



## U.S. COMMODITY FUTURES TRADING COMMISSION

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Division of  
Market Oversight

CFTC Letter No. 10-26  
No-Action  
July 27, 2010  
Division of Market Oversight

R. Trabue Bland, Esq.  
Director of Regulatory Affairs and Assistant General Counsel  
IntercontinentalExchange, Inc.  
2100 River Edge Parkway  
Suite 500  
Atlanta, GA 30328

Re: Request for No-Action Relief with Regard to Commission Orders Deeming SP-15, PJM and Mid-C Contracts Significant Price Discovery Contracts

Dear Mr. Bland:

This is in response to your letter dated July 21, 2010 to the Division of Market Oversight (Division) of the Commodity Futures Trading Commission (Commission).<sup>1</sup> By this correspondence, you request confirmation that the Division will not recommend that the Commission initiate an enforcement action against the IntercontinentalExchange, Inc. (ICE) for violation of Commission Regulation 36.3(c)(4) (no-action request).

You represent that over the past month, the Commission deemed ICE's Mid-C, PJM, and SP-15 electricity contracts as significant price discovery contracts (SPDCs) and acknowledge that Regulation 36.3 mandates compliance with the SPDC core principle regime within 30 days of issuance of the Commission's orders. You represent that a number of days elapsed before the Commission informed ICE and the public of the orders' issuance. Because of the subsequent short time frame for compliance with the regulation, you request that the Commission extend the deadline for ICE to demonstrate compliance with the SPDC core principles by the Mid-C, PJM, and SP-15 contracts until August 18, 2010.

Based specifically upon the representations made by ICE in support of its no-action request and subject to compliance with the condition stated below, the Division will not recommend that the Commission institute enforcement action against ICE for violation of Commission Regulation 36.3 for failure to provide a written demonstration of compliance with the SPDC core principle regime within 30 days of issuance of the Commission's order.

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<sup>1</sup> Letter from R. Trabue Bland, Esq., IntercontinentalExchange, Inc., to Richard A. Shilts, Director, Division of Market Oversight, Commodity Futures Trading Commission (July 21, 2010).

Specifically, the Division will not recommend that the Commission institute enforcement action against ICE if it provides a written demonstration of compliance with the new core principle regime for the Mid-C, PJM, and SP-15 contracts by August 18, 2010. This no-action position applies only to the Mid-C, PJM, and SP-15 contracts.

The no-action position taken herein is taken by the Division only and does not necessarily reflect the views of the Commission or any other unit or member of the Commission's staff. Because this position is based upon the representations contained in ICE's no-action request, it should be noted that any materially different, changed, or omitted facts or circumstances may require a different conclusion or render this letter void. Finally, as with all no-action letters, the Division retains the authority to condition further, modify, suspend, terminate, or otherwise restrict the terms of the no-action relief provided herein, in its discretion.

If you have any questions regarding this correspondence, please contact David P. Van Wagner, Chief Counsel, Division of Market Oversight, at [dvanwagner@cftc.gov](mailto:dvanwagner@cftc.gov) or by phone at (202) 418-5481.

Sincerely,

Richard A. Shilts  
Director