

ICE NGX CANADA INC.
Rule Amendment Submission
October 6, 2020

1. The text of the amended provisions to the ICE NGX Canada Inc. ("ICE NGX") Contracting Party Agreement ("CPA") are attached as the Appendix. The CPA is part of ICE NGX's rulebook. Additions to the text are underlined and deletions are struck through.
2. The date of intended implementation for these amendments is November 2, 2020 or such later date as determined by ICE NGX.
3. Attached, please find a certification that: (a) these rule amendments comply with the Commodity Exchange Act (the "Act"), and the Commission's regulations thereunder; and (b) concurrent with this submission, ICE NGX posted on its website: (i) a notice of pending certification of the amendments with the Commission; and (ii) a copy of this submission.
4. A concise explanation and analysis of the operation, purpose, and effect of the amendments appears below.
5. There were no opposing views expressed regarding these amendments.
6. Confidential treatment is not requested.

CONCISE EXPLANATION AND ANALYSIS OF THE OPERATION, PURPOSE, AND EFFECT OF THE
RULE AMENDMENT AND ITS COMPLIANCE WITH APPLICABLE PROVISIONS OF THE ACT,
INCLUDING CORE PRINCIPLES AND THE COMMISSION'S REGULATIONS THEREUNDER

Pursuant to Commission Rule 40.6(a)(7)(vi), the following is a concise explanation and analysis of the operation, purpose, and effect of the amendments to the ICE NGX CPA.¹

ICE NGX is making this submission to implement certain changes around scheduling procedures for Yesterday ("YD") products at Alliance delivery points.

The proposed amendments would establish that any nominations by ICE NGX in Alliance YD products that are not confirmed by the relevant Contracting Party within a prescribed timeframe will be confirmed by ICE NGX on behalf of the Contracting Party, and that the Contracting Party waives all recourse against ICE NGX in respect of such nominations.

The waiver is a substitute for the typical electronic waiver that ICE NGX has established at other delivery points and for other products at Alliance delivery points, and reflects limitations with Alliance's scheduling system for YD products.

ICE NGX intends to implement the Amendments on November 2, 2020 (or on such later date as may be designated by ICE NGX).

These amendments comply with Core Principle E - Settlement Procedures, as these amendments clearly establish rules relating to physical settlement of YD products at Alliance delivery points, and clearly allocate risks as between ICE NGX and its Contracting Parties trading Alliance YD products. Further, the amendments

¹ As a registered FBOT, ICE NGX has submitted contemporaneously with this 40.6 rule amendment self-certification a notification under Commission Rule 48.8(b)(ii)(B) of a material change to its rules (i.e., the CPA).

streamline ICE NGX's physical delivery of Alliance YD products, while effectively mitigating risks to ICE NGX relating to physically settling these products through the establishment of the waiver in the CPA.

No opposing views were expressed in relation to the amendments. The Amendments are set out in Attachment A; additions are underlined and deletions are struck through.

**CERTIFICATIONS PURSUANT TO SECTION 5c OF THE COMMODITY EXCHANGE ACT, 7 U.S.C. §7A-2
AND COMMODITY FUTURES TRADING COMMISSION RULE 40.6, 17 C.F.R. §40.6**

I hereby certify that:

- (1) the amended provisions of the Contracting Party Agreement comply with the Commodity Exchange Act, and the Commodity Futures Trading Commission's regulations thereunder; and
- (2) concurrent with this submission, ICE NGX Canada Inc. posted on its website: (a) a notice of pending certification of these rules with the Commission; and (b) a copy of this submission.



Greg Abbott (Oct 6, 2020 11:01 MDT)

By: Greg Abbott
Title: President & COO
Date: October 6, 2020

APPENDIX

AMENDMENTS TO SCHEDULE "F" - PHYSICALLY SETTLED GAS FUTURES - CANADIAN DELIVERY POINTS

[Note: Insertions are underlined, deletions are struck through.]

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45. DELIVERY PROCEDURES

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F. ALLIANCE DELIVERY POINTS

a. Yesterday Products

On each Trading Day before 11:15 a.m. CST, Exchange will submit imbalance trade Nominations for the take or delivery of the net Daily Contract Quantity for all Alliance Yesterday products as follows:

- i. Exchange will offset the Daily Contract Quantities due for delivery against the Daily Contract Quantities due to be taken in the Alliance Yesterday Products to determine a net Daily Contract Quantity at the applicable Delivery Point;
- ii. Exchange will submit imbalance trade Nominations for all net Daily Contract Quantities of gas to be delivered or taken at the applicable Delivery Point with an imbalance trade identifier;
- iii. each Contracting Party will have until 11:45 a.m. CST to confirm the imbalance trade Nomination with Alliance; any imbalance trade Nominations for Alliance Yesterday Products not confirmed by 11:45 a.m. CST will be confirmed by Exchange with Alliance on behalf of the Contracting Party.

Each Contracting Party that enters into a transaction in an Alliance Yesterday product waives any recourse against Exchange in respect of imbalance trade Nominations confirmed by Exchange in accordance with this paragraph.

b. All Other Alliance Products

On each Trading Day, Exchange will submit Nominations for the delivery or take of gas under all Physically Settled Gas Futures Transactions at the applicable Delivery Point entered into through the Trading System before the NAESB Timely Nomination Deadline on each Trading Day as follows:

- aj. both Exchange and the Contracting Parties will offset the Daily Contract Quantities due for delivery against the Daily Contract Quantities due to be taken on each Delivery Day for all Physically Settled Gas Futures Transactions to determine a net Daily Contract Quantity at the applicable Delivery Point;
- bjj. Exchange will submit Nominations via Alliance Pipeline's nomination entry tool before the NAESB Timely Nomination Deadline for all net Daily Contract Quantities of gas to be delivered or to be taken on each Delivery Day at the applicable Delivery Point. The Nomination will also include a unique package number, Contracting Party mnemonic and beginning and end date, and a standard Heat Rate of 39; and

- eiii. Any Contracting Party with a net Daily Contract Quantity to be delivered or to be taken at the applicable Delivery Point must enable a nomination waiver with Alliance Pipelines, which will in turn provide the Contracting Party with an acknowledgment of the Nominations submitted by Exchange before the NAESB Timely Nomination Deadline via the Alliance Pipeline's nomination entry tool found on the Alliance Customer Activity Site.

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