



23 February 2012

By email to [submissions@cftc.gov](mailto:submissions@cftc.gov) in pdf format  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, NW  
Washington, DC 20581

Dear Sir or Madam,

**ICE Clear Europe Limited – Regulation 40.6 Self-Certification**

ICE Clear Europe Limited (“ICE Clear”), a derivatives clearing organization and a private limited company organized under the laws of England and Wales, hereby submits a rule amendment pursuant to CFTC Regulation 40.6, effective not before 9 March 2012.

Please find enclosed:

1. a submission cover sheet; and,
2. the text of the proposed rule amendments.

The proposed rule amendments relate to certain of the ICE OTC Standard Contract Terms (the PJM WH Real Time Daily Swap; the PJM WH Real Time Daily Options; the PJM WH Same Day Swap; the PJM WH Same Day Options; the Mid Columbia Day Ahead, Peak Monthly Swap; and the Mid Columbia Day Ahead, Off-Peak Monthly Swap (“the Financial Power Contracts”), the Natural Gas Swing Swap:Henry (“the Financial Gas Contract”), and the Crude Oil – TMX WCS 1b Index Swap (“the Oil Contract”).

In the case of the Financial Power Contracts and the Financial Gas Contract the amendments amount to an alteration to the number of days or months, as appropriate, in the respective contract series’. In respect of the Oil Contract, the amendments confirm the basis upon which the swap is to be calculated and settled, through revised expiry and floating and final settlement price calculation arrangements.

ICE Clear hereby certifies that the proposed rule amendment complies with the applicable provisions of the Commodity Exchange Act, including the DCO core principles and the Commission’s regulations thereunder.

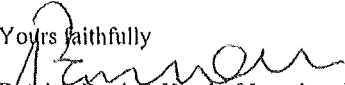
Specifically, the following Core Principle is potentially impacted by these proposed rule amendments: (L) Public information.

ICE Clear has received no opposing views in relation to the proposed rule amendment.

The proposed rule amendment has been provided to ICE Clear Clearing Members by Circular C12/013 [https://www.theice.com/publicdocs/clear\\_europe/circulars/C12013.pdf](https://www.theice.com/publicdocs/clear_europe/circulars/C12013.pdf); [https://www.theice.com/publicdocs/clear\\_europe/circulars/C12013\\_att1.pdf](https://www.theice.com/publicdocs/clear_europe/circulars/C12013_att1.pdf).

If you have any further questions, or require any further information, please feel free to call the undersigned at +44 (0)20 7065 7738.

Yours faithfully

  
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Enclosures



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## Updated Cleared Product Specifications

February 23, 2012

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## Table of Contents

1	FINANCIAL POWER.....	3
1.1	PJM WH Real Time Daily Swap .....	3
1.2	PJM WH Real Time Daily Options .....	3
1.3	PJM WH Same Day Swap.....	4
1.4	PJM WH Same Day Options.....	5
1.5	Mid Columbia Day Ahead, Peak Monthly Swap .....	6
1.6	Mid Columbia Day Ahead, Off-Peak Monthly Swap .....	7
2	FINANCIAL GAS.....	8
2.1	Natural Gas Swing Swap: Henry.....	8
3	OIL.....	8
3.1	Crude Oil –TMX WCS 1b Index Swap.....	8

## 1 FINANCIAL POWER

### 1.1 PJM WH Real Time Daily Swap

<b>Description</b>	Financial Power swap – Peak, PJM WH Real Time LMP, Same Day
<b>Contract Symbol</b>	PDQ
<b>Contract Size</b>	800 MWhs
<b>Unit of Trading</b>	Any multiple of 800 MWhs
<b>Currency</b>	US Dollars and cents
<b>Trading Price Quotation</b>	One cent (\$0.01) per MWh; (\$0.05 on screen)
<b>Settlement Price Quotation</b>	One cent (\$0.01) per MWh
<b>Minimum Price Fluctuation</b>	One cent (\$0.01) per MWh
<b>Last Trading Day</b>	One business day following the nominal contract day.
<b>Contract Series</b>	<del>80</del> 365 consecutive peak days
<b>Floating Price</b>	In respect of daily settlement, the Floating Price will be determined by ICE based on Volume Weighted Trades in the settlement period plus consideration of other cash and derivative markets where necessary.
<b>Final Settlement Price</b>	In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the hourly real time Locational Marginal Price (LMPs) during the settlement (nominal) date for PJM Western Hub published by PJM.
<b>Final Payment Dates</b>	One Business Day following the Last Trading Day
<b>Business Days</b>	US Business Days

### 1.2 PJM WH Real Time Daily Options

<b>Description</b>	Financial Power Options on Peak Daily, PJM WH Real Time LMP
<b>Contract Symbol</b>	PDQ
<b>Contract Size</b>	800 MWhs
<b>Unit of Trading</b>	Any multiple of 800 MWhs
<b>Currency</b>	US Dollars and cents
<b>Trading Price Quotation</b>	One cent (\$0.01) per MWh

<b>Settlement Price Quotation</b>	One cent (\$0.01) per MWh
<b>Minimum Price Fluctuation</b>	One cent (\$0.01) per MWh
<b>Last Trading Day</b>	One business day following the nominal contract day.
<b>Option Type</b>	Options are European style and will be automatically exercised on the expiry day if they are "in the money". If an option is "out of the money" it will expire automatically. It is not permitted to exercise the option on any other day or in any other circumstances. No manual exercise is permitted.
<b>Option Premium/Daily Margin</b>	Options are equity-style and there is no daily Variation Margin payment. The premium is paid/received on the business day following the day of trade. Net Liquidating Value (NLV) will be re-calculated each business day based on the relevant daily settlement prices. For buyers of options the NLV credit will be used to off-set their Original Margin (OM) requirement; for sellers of options, the NLV debit must be covered by cash or collateral in the same manner as OM requirement. OM for all options contracts is based on SPAN.
<b>Expiry</b>	22:30 London Time (17:30 EST). Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or more 'in the money' with reference to the relevant reference price. Members cannot override automatic exercise settings or manually enter exercise instructions for this contract. The reference price will be a price in USD and cents per MWh equal to the price for the PJM WH Real Time as made public by the ICE, Inc. When exercised against, the Clearing House, at its discretion, selects sellers against which to exercise on a pro-rata basis.
<b>Contract Series</b>	80-365 consecutive peak days
<b>Final Payment Dates</b>	One Business Day following the Last Trading Day
<b>Business Days</b>	US Business Days

### 1.3 PJM WH Same Day Swap

<b>Description</b>	Financial Power swap – Peak, PJM WH Real Time LMP, Same Day
<b>Contract Symbol</b>	PDS
<b>Contract Size</b>	800 MWhs
<b>Unit of Trading</b>	Any multiple of 800 MWhs
<b>Currency</b>	US Dollars and cents
<b>Trading Price Quotation</b>	One cent (\$0.01) per MWh; (\$0.05 on screen)

<b>Settlement Price Quotation</b>	One cent (\$0.01) per MWh
<b>Minimum Price Fluctuation</b>	One cent (\$0.01) per MWh
<b>Last Trading Day</b>	One business day before the nominal contract day.
<b>Contract Series</b>	Up to <del>80</del> <u>365</u> consecutive peak days
<b>Floating Price</b>	In respect of daily settlement, the Floating Price will be determined by ICE based on Volume Weighted Trades in the settlement period plus consideration of other cash and derivative markets where necessary.
<b>Final Settlement Price</b>	In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the hourly real time Locational Marginal Price (LMPs) during the settlement (nominal) date for PJM Western Hub published by PJM.
<b>Final Payment Dates</b>	One Business Day following the Last Trading Day
<b>Business Days</b>	US Business Days

#### 1.4 PJM WH Same Day Options

<b>Description</b>	Financial Power Options on Peak, PJM WH Real Time LMP, Same Day
<b>Contract Symbol</b>	PDS
<b>Contract Size</b>	800 MWhs
<b>Unit of Trading</b>	Any multiple of 800 MWhs
<b>Currency</b>	US Dollars and cents
<b>Trading Price Quotation</b>	One cent (\$0.01) per MWh
<b>Settlement Price Quotation</b>	One cent (\$0.01) per MWh
<b>Minimum Price Fluctuation</b>	One cent (\$0.01) per MWh
<b>Last Trading Day</b>	One business day before the nominal contract day
<b>Option Type</b>	Options are European style and will be automatically exercised on the expiry day if they are "in the money". If an option is "out of the money" it will expire automatically. It is not permitted to exercise the option on any other day or in any other circumstances. No manual exercise is permitted.
<b>Option Premium/Daily Margin</b>	Options are equity-style. Options expiring on the current business day are settling in the same day clearing run, therefore there is no overnight margin requirement.

	Premium payments will be settled together with the NLV difference, comparing trade price to the settlement price on the close of the same business day.
<b>Expiry</b>	22:30 London Time (17:30 EST). Automatic exercise settings are pre-set to exercise contracts which are one minimum price fluctuation or more 'in the money' with reference to the relevant reference price. Members cannot override automatic exercise settings or manually enter exercise instructions for this contract. The reference price will be a price in USD and cents per MWh equal to the price for the PJM WH Real Time as made public by the ICE, Inc. in the <u>ICE Day Ahead Option Marker Report</u> . When exercised against, the Clearing House, at its discretion, selects sellers against which to exercise on a pro-rata basis.
<b>Contract Series</b>	Up to 80-365 consecutive days
<b>Final Payment Dates</b>	One Business Day following the Last Trading Day
<b>Business Days</b>	US Business Days

#### 1.5 Mid Columbia Day Ahead, Peak Monthly Swap

<b>Description</b>	Monthly cash settled Financial Power Swap – Peak, Fixed Price for ICE Day Ahead Power Price Report - Mid Columbia
<b>Contract Symbol</b>	MDC
<b>Contract Size</b>	400 Mwh
<b>Unit of Trading</b>	Any multiple of 400 MWh
<b>Currency</b>	US \$ and cents per MWh
<b>Trading Price Quotation</b>	One cent (\$0.01) per MWh; (\$0.05 on screen)
<b>Settlement Price Quotation</b>	One cent (\$0.01) per MWh
<b>Minimum Price Fluctuation</b>	One cent (\$0.01) per MWh
<b>Last Trading Day</b>	Close of business on the last US Business Day of the contract series
<b>Fixed Price</b>	The traded price or the previous day's settlement price
<b>Floating Price</b>	In respect of daily settlement, the Floating Price will be determined by ICE based on Volume Weighted Trade in the settlement period plus consideration of other cash and derivative markets where necessary
<b>Final Settlement</b>	In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the peak day ahead prices as published in the 'ICE Day Ahead Power Price Report' for all peak hours in the month of production as per ISDA commodity

	definitions.
<b>Contract Series</b>	Up to 86-110 months
<b>Final Payment Date</b>	The Business Day following the Last Trading Day
<b>Business Days</b>	US Business Days

#### 1.6 Mid Columbia Day Ahead, Off-Peak Monthly Swap

<b>Description</b>	Monthly cash settled Financial Power Swap – Off-Peak, Fixed Price for ICE Day Ahead Power Price Report - Mid Columbia
<b>Contract Symbol</b>	OMC
<b>Contract Size</b>	25 Mwh
<b>Unit of Trading</b>	Any multiple of 25 MWh
<b>Currency</b>	US \$ and cents per MWh
<b>Trading Price Quotation</b>	One cent (\$0.01) per MWh; (\$0.05 on screen)
<b>Settlement Price Quotation</b>	One cent (\$0.01) per MWh
<b>Minimum Price Fluctuation</b>	One cent (\$0.01) per MWh
<b>Last Trading Day</b>	Close of business on the last US Business Day of the contract series
<b>Fixed Price</b>	The traded price or the previous day's settlement price
<b>Floating Price</b>	In respect of daily settlement, the Floating Price will be determined by ICE based on Volume Weighted Trade in the settlement period plus consideration of other cash and derivative markets where necessary
<b>Final Settlement</b>	In respect of final settlement, the Floating Price will be a price in USD and cents per MWh equal to the arithmetic average of the off-peak day ahead prices as published in the 'ICE Day Ahead Power Price Report' for all off-peak hours in the month of production as per ISDA commodity definitions.
<b>Contract Series</b>	Up to 86-110 months
<b>Final Payment Date</b>	The Business Day following the Last Trading Day
<b>Business Days</b>	US Business Days



## 2 FINANCIAL GAS

### 2.1 Natural Gas Swing Swap: Henry

<b>Description</b>	Financial Natural Gas Swing Swap: Fixed Price for Platts Gas Daily; Henry.
<b>Contract Symbol</b>	HHD
<b>Contract Size per lot</b>	2,500 MMBtu
<b>Unit of Trading</b>	Any multiple of 2,500 MMBtus
<b>Currency</b>	USD and cents
<b>Trading Price Quotation</b>	One tenth of a cent (\$0.001) per MMBtu
<b>Settlement Price Quotation</b>	One hundredth of a cent (\$0.0001) per MMBtu
<b>Minimum Price Fluctuation</b>	One hundredth of a cent (\$0.0001) per MMBtu
<b>Fixed Price</b>	The traded price or the previous day's settlement price
<b>Floating Price</b>	In respect of daily settlement, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward, and derivative markets for both physical and financial products
<b>Final Settlement</b>	In respect of final settlement, the Floating Price will be a price in USD and cents per MMBtu based on the Gas Daily Day Ahead Index for Henry Hub, as published in Platts' 'Daily Price Survey' table of 'Gas Daily'
<b>Contract Series</b>	65-365 consecutive daily contracts
<b>Last Trading Day</b>	One business day following the Nominal Contract Day
<b>Final Payment Date</b>	One Business Day following the Last Trading Day
<b>Business Days</b>	US Business Days

## 3 OIL

### 3.1 Crude Fin FP, for TMX WCS 1b Swap Oil – TMX WCS 1b Index Swap

<b>Description</b>	A monthly cash settled fixed for floating swap based on the WCS (West Canadian Select) TMX Daily Weighted Index Price (WCS TMX 1B). The TMX WCS 1b is expressed as a differential to the NYMEX WTI 1'
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	line swap (CMA Swap). A monthly cash-settled swap based on the WCS TMX Daily Weighted Index Price (WCS TMX-1B)
<b>Contract Symbol</b>	TDX
<b>Contract Size</b>	1,000 Barrels
<b>Unit of Trading</b>	Any multiple of 1,000 Barrels
<b>Currency</b>	US Dollars and cents
<b>Trading Price Quotation</b>	One hundredth of one cent (\$0.0001) per Barrel
<b>Settlement Price Quotation</b>	One hundredth of one cent (\$0.0001) per Barrel
<b>Minimum Price Fluctuation</b>	One tenth of one cent (\$0.0010) per Barrel
<b>Last Trading Day</b>	Trading shall cease one Canadian business day prior to the Notice of Shipments (NOS) date on the Enbridge Pipeline. The NOS date occurs on or about the 20th calendar day of the month, subject to confirmation by Enbridge Pipeline. The official schedule for the NOS dates will be made publicly available by Enbridge Pipeline prior to the start of each year. Trading terminates on the first business day prior to the "Initial Notice of Shipment" day (NOS) as determined by the Crude Oil Logistics Committee (COLC) in the Forecast Reporting Calendar. Generally, the NOS is a date that varies between the 17th calendar day and the 21st calendar day of the month preceding the contract month.
<b>Final Settlement Date</b>	<del>One business day after the Last Trading Day. In respect of final settlement, the Floating Price will be the WCS TMX Daily Weighted Index Price (WCS TMX-1B) for the contract month, as published by NGX.</del>
<b>Fixed Price</b>	The traded price or the previous day's settlement price
<b>Floating Price</b>	<u>In respect of daily settlement, the Floating Price will be the simple average of the volume-weighted averages for</u>  <u>each trading day during the same period, as published by NGX. (Note: where no trades exist for a given day, a number of sources including spot, forward and derivative markets for both physical and financial products will be used) The NGX Index is expressed as a differential vs the NYMEX WTI 1st line swap (CMA Swap).</u>  <u>For forward months, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products. In respect of daily settlement, the Floating Price will be the WCS TMX Daily Weighted Index Price (WCS TMX-1B) for the prompt month, as published by NGX. For forward months, the Floating Price will be determined by ICE using price data from a number of sources including spot, forward and derivative markets for both physical and financial products.</u>
<b>Final Settlement Price</b>	<u>In respect of final settlement, the Floating Price will be a price in USD and cents per Barrel based on the WCS TMX Daily Weighted Index</u>

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	<p>Price (WCS TMX 1B) for the contract month, as published by NGX. The index pricing period begins on the first Canadian Business day of the prior month and ends on the day prior to NOS in the same month (as published by Enbridge). During the pricing period the last published NGX TMX 1B Index Price will be projected to the end of the pricing period. In respect of final settlement, the Floating Price will be the WCS TMX Daily Weighted Index Price (WCS TMX 1B) for the contract month, as published by NGX.</p>
<b>Contract Series</b>	<p>Up to 60 consecutive months will be listed commencing with the next calendar month. Quarterly and calendar tenors will be listed within the total number of listed monthly contract months as appropriate. Up to 36 consecutive months will be listed commencing with the next calendar month. Quarterly and calendar tenors will be listed within the total number of listed monthly contract months as appropriate. An additional 12 months will be added to the end of the series upon the expiry of prompt December contract.</p>
<b>Final Payment Dates</b>	<p>One Business Day following the Last Trading Day</p>
<b>Business Days</b>	<p>Canadian Business Days</p>

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