


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

BY ELECTRONIC TRANSMISSION

Submission No. 13-11
February 1, 2013

Ms. Melissa Jurgens
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Amendments to Appendix 1 to Chapter 27
Submission Pursuant to Section 5c(c)(1) of the Act and Regulation 40.6

Dear Ms. Jurgens:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended, and Commission Regulation 40.6(a), ICE Futures U.S., Inc. hereby notifies the Commission of amendments to the Exchange's Error Policy (Appendix 1 to Chapter 27 of the Rules) with respect to the No Cancellation Ranges ("NCRs") applicable to certain Financial Gas and Power Futures and Options Contracts. The new NCRs are specified in Exhibit A and will become effective February 19, 2013.

The amendments provide separate and more restrictive NCR levels for index and basis Financial Gas Futures Contracts. For index futures, the NCR is being reduced from 0.05 to 0.04 (generally) and from 0.05 to 0.02 (for the prompt month during bidweek). The NCR for basis contracts is being changed from 0.05 to 20% of fair market value for the basis, with a minimum level of 0.02 and a maximum level of 0.05. For Financial Gas Options Contracts, the minimum level of the fair market value calculation used to determine the NCR is being reduced from 0.01 to 0.005.

With regard to the Financial Power Contracts, the amendments also separate and provide more restrictive NCR levels for monthly (from 1.00 to 0.60), quarterly (from 0.60 to 0.40) and calendar (from 0.60 to 0.40) contracts and the corresponding spreads for PJM Western Hub Real-Time Peak Fixed Price Futures, MISO Indiana Hub Real-Time Peak Fixed Price Futures, and ISO New England Massachusetts Hub Day-Ahead Peak Fixed Price Futures. The amendments also provide a separate NCR levels for monthly (0.60), quarterly (0.40) and calendar (0.40) Day-Ahead/Real Time (DART) spreads. For Financial Power Options Contracts, the minimum level of the fair market value calculation used to determine the NCR is being reduced from \$1.00 to \$0.50.

The Exchange believes the revised NCR levels are appropriate for these contracts based upon current market conditions and experience to date applying the current NCR levels. No opposing views were expressed to the Exchange with respect to the amendments.

The Exchange certifies that the rule amendments comply with the requirements of the Commodity Exchange Act and the rules and regulations promulgated thereunder. Specifically, the amendments address the Core Principle 4 requirement that the Exchange have the capacity to prevent price distortions, and are consistent with Regulation 38.255 regarding the establishment of risk controls by a DCM and the Acceptable Practices issued by the Commission.

The Exchange further certifies that, concurrent with this filing, a copy of this submission was posted on the Exchange's website, which may be accessed at (<https://www.theice.com/notices/Notices.shtml?regulatoryFilings>).

If you have any questions or need further information, please contact me at 212-748-4021 or at 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

**APPENDIX I
ERROR TRADE POLICY**

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4. No Cancellation Range¹

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**ICE Futures U.S. – Energy Division No Cancellation Ranges
(Maximum Number of Ticks from Market Value expressed as Price Difference)**

Financial Gas	Day	Spread	Month	Spread	Season	Spread	Calendar	Spread
Henry Hub	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
[Basis, Swing, and Index] Non-Henry Fixed Price	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Index			<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>
Index Bidweek (Prompt Month Only)			<u>0.04</u>	<u>0.04</u>	<u>0.04</u>	<u>0.04</u>	<u>0.04</u>	<u>0.04</u>
Basis	<u>20% of Basis/Spread FMV up to 0.05</u>					Min/Max Range =		<u>0.02/0.05</u>
Options	<u>20% of Premium FMV up to 0.05</u>					Min/Max Range =		<u>[0.01]0.005/0.05</u>
Financial Power	BalDay/ NextDay/ BalWeek	Spread	Weekly & Balmo	Spread	Month & Season	Spread	Quarter & Calendar	Spread
PJM WH RT, Indiana RT, Nepool DA	<u>5.00</u>	<u>5.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.60</u>	<u>0.60</u>	<u>0.40</u>	<u>0.40</u>
All <u>other</u> contracts	5.00	5.00	2.00	2.00	1.00	1.00	0.60	0.60
Post Daily LMP Publish	0.05	0.05						
Options	<u>20% of Premium FMV up to 5.00</u>					Min/Max Range =		<u>[1.00] 0.50/5.00</u>
Power Spreads	Month			Quarters			Calendar	
[All Contracts] Heat Rate	0.30			0.30			0.30	
DART	<u>0.60</u>			<u>0.40</u>			<u>0.40</u>	
Physical Environmental	Month		Option			Min/Max Range		
RGGI	0.10		20% of Premium FMV up to 0.10			0.05/0.10		
CAR-CRT, CFI-US & REC-NJ	0.25		20% of Premium FMV up to 0.25			0.05/0.25		
CCA & SFI	0.50		20% of Premium FMV up to 0.50			0.05/0.50		
CT & MA REC	1.00		N/A			N/A		
CSAPR SO2 & NOX	10.00		20% of Premium FMV up to 10.00			0.50/10.00		

¹ No Cancellation Ranges are subject to change