

**SECTION 7D1 - CONTRACT RULES: ICE FUTURES UK NATURAL GAS DAILY FINANCIAL FUTURES
CONTRACT¹**

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¹ Inserted 7 December 2020

7D1.1 SCOPE

- (a) The provisions of this Section 7D1 and in 7D2 shall apply to contracts for the UK NBP Natural Gas Daily Financial Futures (ICIS).

7D1.2 DEFINITIONS

In these Contract Rules and the Administrative Procedures the following terms shall bear the meanings set out opposite them, if not inconsistent with the subject or context:

“Balance of the Month”	means a strip of two or more Daily Contracts, tradeable on a Business Day (“the Trade Day”) in a contract month, starting two Business Days forward from such Trade Day continuing through to the end of the contract month. In the event that the first and/or second day(s) subsequent to the Trade Day is a non-Business Day, then the first such non-Business Day is counted as a Business Day for the purposes of establishing when the strip of Daily Contracts that constitute the Balance of Month for that Trade Day starts;
“Balance of Week”	means a strip of two or more Daily Contracts, starting one Business Day forward and including all of the Business Days in the respective week.
"National Grid"	means the operator of the Transmission System known as National Grid, or any successor thereto;
“Daily Contract”	means a Contract made pursuant to the Regulations which settles on a specified day;
“Lot”	means 1,000 Therms per day
"National Balancing Point"	means, in respect of a Contract, a notional point within the Transmission System at which the balancing of the amounts of Natural Gas delivered into and out of the Transmission System takes place for the purposes of the Network Code;
"Natural Gas"	means any hydrocarbons or mixture of hydrocarbons and other gases consisting predominantly of methane which at a temperature of 15 degrees Celsius and at an absolute pressure of 1.01325 bar are or is predominantly in the gaseous state where "degree Celsius" and "bar" are as defined in ISO 1000:1992(E) or any standard replacing the same as nominated by the Exchange;
“Uniform Network Code”	means the document, as amended from time to time, setting out National Grid’s arrangements for transportation of Natural Gas pursuant to its public gas transporter’s license under the Gas Act, 1986;
“ICIS”	means a price in pence Sterling per therm equal to the midpoint between the bid and offer quotations for of the NBP Day-ahead and Weekend price assessments as published by ICIS in the European Spot Gas Market report;
“Trade Day”	means a Business Day during which a Balance of the Month contract is made available to trade;
"Therm"	means 29.3071 kWh;
“Transmission System”	means the onshore transmission pipeline system owned and operated by National Grid as may be enlarged, extended or altered from time to time;
“Weekend”	means a strip of the Daily Contracts corresponding to the Saturday and Sunday of the relevant week.

“Working Days Next Week” means a strip of Daily Contracts corresponding to the Business Days of the relevant week forward from the current week.

7D1.3 PRICE

The contract price shall be in Sterling and pence per Therm and Contracts may be traded with minimum fluctuations of 0.01 of a pence per Therm for Futures transactions. EFPs and EFSs can be registered with minimum fluctuations of 0.001 of a pence per Therm.

7D1.4 QUANTITY

Contracts shall be for one or more lots of Natural Gas of 1,000 Therms. The Exchange may, in its absolute discretion, determine from time to time that Contracts shall be traded in a minimum number of Lots or multiples thereof.

7D1.5 CASH SETTLEMENT PRICE

- (a) The Exchange shall publish a cash settlement price following the cessation of trading.
- (b) Subject to the Contract Rules and Administrative Procedures, the cash settlement price shall be equal to the midpoint between the bid and offer quotations for of the NBP Day-ahead and Weekend price assessments as published by ICIS in the European Spot Gas Market report.

7D1.6 CASH SETTLEMENT OBLIGATIONS

- (a) Contracts remaining open in the relevant contract date at cessation of trading on the Business Day immediately prior to the date of the Contract date shall be subject to the cash settlement procedure set out in this Rule.
- (b) In respect of every lot comprised in the Contract, the following payments shall be made:

Where the cash settlement price

- (i) exceeds the contract price, payment by the Seller to the Clearing House;
- (ii) exceeds the contract price, payment by the Clearing House to the Buyer;
- (iii) is less than the contract price, payment by the Clearing House to the Seller;
- (iv) is less than the contract price, payment by the Buyer to the Clearing House,

of an amount calculated by multiplying the difference between the cash settlement price and the contract price by 1,000.

- (c) All payments to be made hereunder shall be made in such manner and by such time as the Clearing House may determine. They shall be made no later than the Trading Day following the date of publication of the cash settlement price, in accordance with Clearing House procedures.

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FINANCIAL FUTURES (ICIS)**
