**Chapter 523**

**UK Natural Gas (ICIS Heren) vs. Dutch Natural Gas (ICIS Heren) (Euro per MWh)**

**Spread Calendar Swap**

52301. **Description**

52301.1 A financially settled spread swap based on the price differential between UK NBP Gas and Dutch TTF Gas. The spread will be traded in Euros and quoted in Euros per MWh.

52301.2 The CME Clearing Europe commodity code shall be NVTE.

52302. **Contract size**

52302.1 The contract size shall be 10 megawatt hours (MWh). Transaction sizes for trades submitted to clearing in any contract month shall be restricted to multiples of ten times the total number of hours in the gas flow days in that contract month (including adjustments to reflect daylight saving where appropriate).

52303. **Contract months**

52303.1 Monthly contracts listed for the current year and two additional calendar years. An additional 12 monthly contracts will be listed on the first business day of each calendar year.

52304. **Prices**

52304.1 Prices shall be quoted in Euro per MWh.

52304.2 The minimum price fluctuation shall be Euro 0.005 per MWh.

52304.3 There shall be no maximum price fluctuation.

52305. **Daily Settlement Prices**

52305.1 The Clearing House shall establish settlement prices in respect of open positions for the purpose of daily position valuations and variation margin calculations, as described in the Clearing House Procedures.

52306. **Termination of Trading**

52306.1 Trading shall cease on the first London business day immediately preceding the last calendar day of the contract month.

52306.2 On the last trading day, as described in 52306.1, the final time for trade submission shall be 4.30pm London time.

52307. **Floating Price**

52307.1 The Floating Price is based on the day-ahead and the weekend NBP and TTF Price Assessments published by ICIS Heren in the European Spot Gas Market report. A Price...
Assessment is used for each gas flow day in the contract month. Where the gas flow day is a business day in London, the Day-ahead Price Assessment published by ICIS Heren in respect of that gas flow day shall be used. Where the gas flow day is not a business day in London, the final Weekend Price Assessment published by ICIS Heren applying to that gas flow day shall be used.

52307.2 The Floating Price for each contract month shall be equal to the arithmetic average of the mid-point between the bid and offer quotations for the Price Assessment of the NBP Gas for each gas flow day in the contract month minus the arithmetic average of the mid-point between the bid and offer quotations for the Price Assessment of TTF Gas used for each gas flow day in the contract month.

52307.3 For purposes of determining the Floating Price, each Price Assessment of the NBP Gas will be converted each day to a value denominated in Euros per MWh. The conversion factor for converting from therms to MWh will be 0.0293071 MWh per therm. Each NBP Gas Price Assessment that is used in the calculation of the Floating Price shall be converted into Euros using the European Central Bank Euro Foreign Exchange Reference Rate for Pound Sterling (GBP), as published on the European Central Bank website, for the day of publication. If a Euro Foreign Exchange Reference Rate is not issued for the day of the Price Assessment’s publication the previously issued Euro Foreign Exchange Reference Rate shall be used.

52308. Final Settlement
52308.1 Final settlement for the UK Natural Gas (ICIS Heren) vs. Dutch Natural Gas (ICIS Heren) (Euro per MWh) Spread Calendar Swap shall be by financial settlement.

52308.2 Where the Floating Price exceeds the Trade Price, a buyer of a UK Natural Gas (ICIS Heren) vs. Dutch Natural Gas (ICIS Heren) (Euro per MWh) Spread Calendar Swap shall receive from the Clearing House the difference between the Floating Price and the Trade Price, multiplied by the contract size. Where the Trade Price exceeds the Floating Price, a buyer of a UK Natural Gas (ICIS Heren) vs. Dutch Natural Gas (ICIS Heren) (Euro per MWh) Spread Calendar Swap shall pay to the Clearing House the difference between the Floating Price and the Trade Price, multiplied by the contract size.

52308.3 Where the Floating Price exceeds the Trade Price, a seller of a UK Natural Gas (ICIS Heren) vs. Dutch Natural Gas (ICIS Heren) (Euro per MWh) Spread Calendar Swap shall pay to the Clearing House the difference between the Floating Price and the Trade Price, multiplied by the contract size. Where the Trade Price exceeds the Floating Price, a seller of a UK Natural Gas (ICIS Heren) vs. Dutch Natural Gas (ICIS Heren) (Euro per MWh) Spread Calendar Swap shall receive from the Clearing House the difference between the Floating Price and the Trade Price, multiplied by the contract size.

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