CME CLEARING EUROPE NOTICE - CONSULTATION ON THE CLEARING PROCEDURES

1. In line with forthcoming plans to add a physically-delivered Dutch Natural Gas Contract to its range of products available for OTC clearing, CME Clearing Europe Limited (“CMECE”) is consulting on a new section to be inserted into the Clearing Procedures. The new section will form part C of the Delivery procedures: “Dutch Natural Gas Delivery Procedures” and can be found in the Appendix to this Notice. Please note that this consultation is in addition to the consultation detailed in Notice 12-81 on UK Natural Gas: it does not replace it.

2. Please review the Appendix in conjunction with the Clearing Rules and the Clearing Procedures, which can be found on our website www.cmeclearingeurope.com (note that there are no changes required to the Clearing Rules).

3. In order to facilitate the review of the proposed additions to the Clearing Procedures, please note the following definitions, which will be added to the Commodity Contract Module in due course:

   **Acquiring Trade Nomination**, in respect of UK Natural Gas Contracts, has the meaning ascribed to it in the Uniform Network Code and shall include a nomination made by a Gas Transferee to acquire rights in natural gas at the National Balancing Point and, in respect of Dutch Natural Gas Contracts, means a trade nomination made by a Gas Transferee to acquire rights in natural gas at the Title Transfer Facility and submitted in the manner required by the GTS Rules;

   **Delivery Buyer** means a Clearing Member having an open long position in a Contract;

   **Delivery Seller** means a Clearing Member having an open short position in a Contract;

   **Disposing Trade Nomination** in respect of UK Natural Gas Contracts, has the meaning ascribed to it in the Uniform Network Code and shall include a nomination made by a Gas Transferee to dispose of rights in natural gas at the National Balancing Point and, in respect of Dutch Natural Gas Contracts, means a trade nomination made by a Gas Transferee to dispose of rights in natural gas at the Title Transfer Facility and submitted in the manner required by the GTS Rules;

   **Dutch Natural Gas Contracts** means a Contract cleared at the Clearing House which requires the physical delivery of natural gas in the Netherlands at the Title Transfer Facility;

   **Edig@s** means the electronic facility operated by GTS which enables users to submit Trade Nominations to GTS for the purposes of the delivery or acquisition of natural gas, and any successor system from time to time;

   **Gas Delivery Agent** means a third party appointed by the Clearing House to effect the submission of Trade Nominations on its behalf;

   **Gas Delivery Day** means, in respect of Dutch Natural Gas Contracts, the period beginning at 05:00 hours (London time) on any day on which the transfer of rights in respect of natural gas is to be made under a Dutch Natural Gas Contract and ending at 05:00 hours (London time) on the following day;
Gas Delivery Hour means, in respect of Dutch Natural Gas Contracts, an hour in a Gas Delivery Day on which the transfer of rights in respect of natural gas is to be made under a Dutch Natural Gas Contract;

Gas Transferee means a Clearing Member or a third party appointed by a Clearing Member to effect the submission of Trade Nominations on its behalf (as agent) in respect of an open long position and who in each case is permitted to make or take delivery of natural gas to or from the Clearing House as set out in the Delivery Procedures;

Gas Transferor means a Clearing Member or a third party appointed by a Clearing Member to effect the submission of Trade Nominations on its behalf (as agent) in respect of an open short position and who in each case is permitted to make or take delivery of natural gas to or from the Clearing House as set out in the Delivery Procedures;

Gas Transferor/Gas Transferee Notification Form means the form prescribed by the Clearing House used to notify the Clearing House of Gas Transferor / Gas Transferee details;

GTS means Gas Transport Services BV, a subsidiary of NV Nederlandse Gasunie, the independent operator of the national gas transmission system in the Netherlands;

GTS Rules means the Gasvoowaarden, the rules, regulations, operational manuals and procedures of GTS governing the operation of the national gas transmission system in the Netherlands from time to time under the Dutch Gas Act, including the Transportation Conditions Gas (TCG) and the Transmission Service Conditions (TSC) for gas trading at the TTF and such successor rules and regulations from time to time;

kWh means kilowatt hours;

MWh means megawatt hours, equal to 1,000 kilowatt hours;

National Gas Transmission System means the transmission system for natural gas in the Netherlands owned and operated by GTS;

Title Transfer Facility (TTF) means the virtual point of delivery within the GTS transmission system at which the balancing of deliveries into and out of the GTS transmission system is deemed to take place for the purposes of the Transmission Service Conditions;

Trade Nomination means, in respect of a UK Natural Gas Contract, a trade nomination within the meaning ascribed to it in the Uniform Network Code and, in respect of Dutch Natural Gas Contracts, a trade nomination within the meaning of the Transmission Service Conditions. In respect of both UK Natural Gas Contracts and Dutch Natural Gas Contracts, the term shall include Acquiring Trade Nominations and Disposing Trade Nominations;

Transmission Service Conditions (TSC) means the rules and arrangements for the transportation of natural gas through the TTF and the operation of the National Gas Transmission System, from time to time amended by GTS;

Transportation Conditions Gas (TCG) means the rules and arrangements regulating access to the National Gas Transmission System;

4. We would welcome comments from Clearing Members. Responses should be sent to compliance@cmeclearingeurope.com by 9 January 2013.

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Attachments: Appendix: Proposed Changes to CMECE Clearing Procedures