



Permian WTI Storage and Dock Auction Details and Process

Storage Auctions

- The auction bidding is transparent meaning participants can see all bids entered into the market.
- On the Thursday prior to the Storage Auction, Magellan and ICE will distribute the volume available and the reserve price for each contract month.
- The minimum quantity and volume increment is 1 lot (1,000 bbls)
- Auction Pre-Open will occur at 10:30 AM EST on the first Tuesday of the month.
 - When the auction session begins there will be a 5 minute pre-open period during which traders can post their bids for the first three contract months. After the first three months go into lockdown, there will be a 10 minute pre-open for all additional months.
 - When the Pre-Open period expires, the auction will automatically be executed; all losing bids will be removed from the market.
 - The auction will be matched (if the reserve price is met) and all winning bids will be matched at the lowest price that meets the reserve.
 - Deal confirmation via WebICE will contain the following:
 - Deal ID, Date and Timestamp
 - Quantity matched
 - Deal Price matched - All matches within the market will be at the same price.
 - The resulting position will be automatically converted to an HOS future via EFP.
 - That HOS position is then tradable (and storage rights are transferrable) like any other futures contract. ***In order to take the contract to expiry and utilize the Capacity Allocation Contract (CAC) to store crude at Magellan's East Houston facility, participants must contact Magellan and sign their System Services Agreement.

Dock Capacity Auctions

- Auction bidding is transparent meaning participants see all bids entered into the market.
- The reserve price is blind in the Dock Auctions, however...
 - New functionality added in this release to show the **bid price in bold** and *italics when reserve is met*
 - Participants are made aware of the volume available for each expiry

- The minimum quantity and volume increment is 1 lot (contract size varies by location - e.g. Galena 1 lot = 400k bbl and Seabrook 1 lot = 650K bbl)
- Auction Pre-Open will occur at 10:30 AM EST on 2nd Tuesday of the month
 - When the auction session begins for the Seabrook dock there will be a 10 minute pre-open period during which traders can post their bids for the all available contract months. After auction is executed for Seabrook, this process will be repeated for Galena.
 - When the Pre-Open period expires, the auction will automatically be executed; all losing bids will be removed from the market.
 - The auction will be matched (if the reserve price is met) and all winning bids will be matched at the bidder's price. Deal confirmation via WebICE will contain the following:
 - Deal ID, Date and Timestamp
 - Counterparty (Magellan) contact information
 - Quantity matched
 - Deal Price matched
 - Counterparties must communicate directly with Magellan in order to schedule delivery.

For More Information

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