

Energy Clearing: Further information in relation to the publication of Early SPAN and Price Files

Further to Circular C11/021 dated 24 February 2011, Energy Clearing Members are advised that ICE Clear Europe (the 'Clearing House') is generating Early SPAN and Price files on a daily basis. The purpose of this Circular is to provide further information on the use of these files.

Background

Energy Clearing Members are advised that an Early SPAN Array File (marked "E") rather than "F" and an Early Price File named GSPVE are available on both AFTS and the ICE website. Both files increase incrementally as new Price Files become available. Please note that neither file is available on the CME website.

These files have been made available to Energy Clearing Members in response to a number of requests from Firms who have indicated that, in the event that the Final SPAN and Price Files are delayed due to the omission of a small number of prices (which may be in products where those Energy Clearing Members do not hold positions), then they would like the choice of using a SPAN and/or Price File which is 99% complete, rather than using the Final SPAN and/or Price File which is significantly delayed.

In relation to the Early Span File and Early Price Files, Energy Clearing Members are advised that:

- (i) these files do not go through the same set of price checks which the Clearing House undertakes on the Final SPAN and Price Files;
- (ii) the Clearing House estimates that the Early SPAN and Price Files are accurate in approximately 99% of occasions; and
- (iii) the Clearing House recommends that Energy Clearing Members discuss internally and with their Middle and Back Office Vendor what their internal procedures should be in regard to potentially using the Early SPAN/Price file in instances when Final SPAN is delayed.

Please note that, until further notice, the Clearing House strongly recommends that the early SPAN and Price Files are used in exceptional circumstances only.

Operational Procedures

Where possible in the event that the Clearing House experiences significant delays in its End of Day Processing which may result in the production of Final SPAN and/or Price Files after 01:00 London Time, the Clearing House will issue a Broadcast Message notifying Energy Clearing Members. A draft Broadcast Message is set out below.

Draft Broadcast Message

ICE Clear Europe is experiencing issues in the production of the Final Span and/or Price Files

CIRCULAR C11/035

28 March 2011

Category:

Operations

Attachments:

None

Summary of content:

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One of the below

- *We believe the Final SPAN and/or Price File will be available at XXXX*
- *At this point we have no ETA on the publication of the Final SPAN and/or Price file*
- *At this point we have no ETA on the publication of the Final SPAN and/or Price file, however we believe it will be at least xxx minutes from now.*

An early SPAN/Price file is available from span@euafits.theice.com and <https://www.theice.com/SPANFiles.shtml?iceClearEurope> . Please note that <ftp://ftp.cmegroup.com/pub/span/data/ice/> does not support the Early Span /Price file. A separate early price file is available from <https://euafits.theice.com>

One of the below

- *The Early SPAN and/or/Price file is missing the following commodities (insert list)*
- *The Early SPAN and/or Price File will include yesterday's settlement prices for the following commodity/month combinations. (insert list)*

Please note that: (i) the Clearing House has not conducted the complete set of checks on the Early SPAN and/or Price Files which are normally conducted on the Final SPAN and/or Price File; and (ii) the Clearing House estimates that the Early Span File has been accurate in approximately 99% of occasions.

Although extremely unlikely, should the Final SPAN/Price File contain changes to the Early SPAN/Price File then we will publish a further broadcast message highlighting the changes.

Energy Clearing Members may want to consider, given the above circumstances whether the use of the Early SPAN/Price File is appropriate for their business needs.

Future developments

The Clearing House is reviewing its End of Day processes to ensure that the same set of checks which are currently conducted on the Final SPAN File before its publication are extended to Early SPAN/Price File. Further information will be communicated once these changes are implemented.

Should you have any questions in relation to this Circular or require any further information, please contact Francois Lepart, Head of Operations by phone on +44 (0)20 7065 7605 or email francois.lepart@theice.com or Dave Allen, Director – Operations, by phone on +44 (0)20 7065 7619 or email dave.allen@theice.com.

Please ensure that the appropriate members of staff within your organisation and customers are advised of the content of this Circular.

Signed:



Paul Swann
President & Chief Operating Officer

