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S&P Global Platts Announces North America Natural Gas Assessment Methodology Details Following its Agreement with Intercontinental Exchange to Improve Price Transparency and Bolster Benchmarks

Announced Methodology Changes Follow Consultations with the Marketplace

NEW YORK, Feb. 9, 2017 /PRNewswire/ -- S&P Global Platts ("Platts"), the leading independent provider of information and benchmark prices for the commodities and energy markets, today announced updates to its North America natural gas price assessment methodology. This follows the November 21, 2016 agreement between Platts and Intercontinental Exchange (ICE), a leading operator of global exchanges and clearing houses, to strengthen the natural gas benchmarks, streamline the reporting process, and further improve transparency in over-the-counter (OTC) pricing. The updates will be implemented at the end of the transition period, which will conclude on May 24 for monthly indices and May 31 for daily indices.

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Mark Callahan, editorial director of Americas generating fuels and power pricing, S&P Global Platts:
"After our consultations with market participants, Platts is pleased to announce details of updates to our methodology for assessing natural gas prices. The methodology changes will help ensure the S&P Global Platts North America natural gas benchmarks continue to be the most robust available and should further underpin market confidence in our benchmark indices."

As first announced in November, revised following industry feedback, and as announced to clients today via subscriber note, S&P Global Platts will make changes to its North America natural gas price assessment process in four key areas:

- **Greater market data inclusion:** The final daily and monthly indices for Platts locations will reflect all ICE Exchange trades and data, in addition to the existing Platts price reporter transaction data. Procedures will be implemented to streamline reporting and guard against double counting. Platts will consider non-Platts price reporter matched ICE eConfirm trades and transactional data for assessment purposes when there are no Platts price reporter trades or ICE Exchange trades. (http://www.platts.com/subscriber-notes-details/26659588)
- **More indices published:** Platts to publish preliminary and final daily indices for Platts locations, final daily indices for ICE locations, and preliminary and final monthly indices for both Platts and ICE locations. The final indices for Platts locations will be subject to Platts' long-established quality protocols to maintain the integrity of the price assessment process. (http://www.platts.com/subscriber-notes-details/21847965)
- **Streamlined reporting option:** Price reporters who currently email physical natural gas trade data to Platts will have the

option to instead transact on an ICE exchange and report automatically or report through the ICE eConfirm matched trade service. (http://www.platts.com/subscriber-notes-details/21847911)

- **Method for publishing daily assessment on "no trade" days:** By incorporating Platts' editorial process into the daily methodology for Platts locations, Platts will be able to assess and publish a daily price assessment on days when either there are no reported transactions or if the volume-weighted average is not deemed to be representative of trading activity. In such cases, Platts will use other market information such as non-Platts price reporter ICE matched eConfirm trades, ICE physical bids and offers, historical daily prices and basis relationships to values at related liquid locations in the assessment process. This will allow Platts to publish daily and monthly index prices when Platts believes it has sufficient market information to do so. This is particularly important for benchmark locations, where market participants have asked for price information in instances when there are no reported transactions. (http://www.platts.com/subscriber-notes-details/21847900)

David Goone, chief strategy officer, ICE: "Following the incorporation of anonymized ICE exchange data, the Platts North America natural gas price assessments will be unparalleled in data inclusiveness and will strengthen Platts position as the key benchmark for the North American physical and financial gas trading community. Enabling market participants' use of the ICE platform to execute daily and bidweek physical trades ensures that this transaction data is used by Platts in the price assessment process, further strengthening the benchmark and bringing increased transparency to natural gas markets."

Access the online resource page at www.platts.com/ice for additional information on the data and technology agreement between S&P Global Platts and ICE.

Platts price references in natural gas have been recognized by the marketplace and industry as the North American benchmarks for approximately 30 years. Platts, with more than a century experience developing price assessment processes in energy, publishes natural gas prices for 109 daily locations and 90 monthly locations.

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