

CME Group Announces Launch of Pine Prairie Energy Center Delivered Natural Gas Futures

CHICAGO, Jan. 21, 2011 /PRNewswire/ -- CME Group, the world's leading and most diverse derivatives marketplace, today announced the introduction of three new natural gas futures contracts physically delivered at Pine Prairie Energy Center (PPEC), which is owned by PAA Natural Gas Storage, L.P. (NYSE: PNG). The [contracts](#) will be traded on the NYMEX floor, electronically through [CME Globex](#) and available for clearing services through CME [ClearPort](#). The contracts will be listed on February 6, 2011 for trading on February 7, 2011, and will be listed with, and subject to, the rules and regulations of NYMEX.

The PPEC delivered natural gas futures contracts are an extension of CME Group's flagship natural gas benchmark product offering by providing customers shorter-term contracts including: daily, balance-of-month and monthly contracts all with backstopped delivery. These contracts are sized at 2,500 MMBtu per day during the delivery period and priced at a minimum increment of \$0.0025 per MMBtu. PPEC has received Federal Energy Regulatory Commission ([FERC](#)) approval to make modifications to the PPEC Gas Tariff allowing for new services to accommodate these contracts.

"Our new Pine Prairie Energy Center delivered natural gas contracts were developed to meet the fast-moving, short-term and long-term base load needs in today's natural gas marketplace," said Joe Raia, Managing Director, Energy & Metals Products. "The launch of these innovative contracts is another testament to CME Group's commitment to providing customers with access to the broadest array of products for managing global energy risk."

"We believe the combination of CME Group's resources with PPEC's operational capabilities will provide natural gas industry participants with a recognized, flexible and scalable physical balancing location," said Todd Brown, VP-Optimization for PNG. "These new contracts fill an important need and should attract additional participants and increase an already healthy level of hub services volume at Pine Prairie. The increased liquidity should benefit new and existing customers."

The three PPEC futures contracts to be listed include: PPEC Physically Delivered Natural Gas Daily/Weekend Futures (**PPD**), PPEC Physically Delivered Natural Gas BALMO Futures (**PPB**) and PPEC Physically Delivered Natural Gas Monthly Futures (**PPM**). These contracts provide the dual benefit of termination through backstopped physical delivery and security of an exchange-cleared transaction.

The physical delivery point for these contracts will be the PPEC, a highly-flexible salt cavern storage facility located in Evangeline Parish, Louisiana. PPEC is strategically located 50 miles from Henry Hub and has nine interconnects to eight major pipelines that service the Gulf Coast, Midwest, Northeast and Southeast markets.

As the world's leading and most diverse derivatives marketplace, CME Group (www.cmegroup.com) is where the world comes to manage risk. CME Group exchanges offer the widest range of global benchmark products across all major asset classes, including futures and options based on interest rates, equity indexes, foreign exchange, energy, agricultural commodities, metals, weather and real estate. CME Group brings buyers and sellers together through its CME Globex electronic trading platform and its trading facilities in New York and Chicago. CME Group also operates CME Clearing, one of the largest central counterparty clearing services in the world, which provides clearing and settlement services for exchange-traded contracts, as well as for over-the-counter derivatives transactions through CME ClearPort. These products and services ensure that businesses everywhere can substantially mitigate counterparty credit risk in both listed and over-the-counter derivatives markets.

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