MGEX MINNEAPOLIS GRAIN EXCHANGE

Electronic Mail

March 15, 2004

Ms. Jean A. Webb
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, D.C. 20581

RE: Rule Certification

Dear Ms. Webb:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c)(1) and Commodity Futures Trading Commission (ACommission@) Regulation 40.6(a), the Minneapolis Grain Exchange (AMGEX@) hereby certifies that the attached amended Regulation 2015.00. complies with the CEAct and the regulations thereunder. Additions have been underlined while deletions have been crossed-out.

The purpose for amending Regulation 2015.00. is to permit options traded by open outcry to be theoretically settled by the MGEX in conjunction with the Quotations Committee.

Pursuant to the authority of MGEX Rule 210.01., the Board of Directors approved amending the Regulation. The MGEX plans to implement the changes during April, 2004.

If there are any questions regarding this submission, please contact me at (612) 321-7166. Thank you for your attention to this matter.

Sincerely,

M Bagan

Mark G. Bagan
Vice President,
Market Administration

Enclosure
cc: Anne Reuter

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2015.00. SETTLEMENT PREMIUMS.

A. Open Outcry Contracts.

Promptly after the close of trading in each Options Contract, Exchange staff, in conjunction with the Quotations Committee, shall ~~meet and establish the settlement premium for each striking price of each option month of each option listed for trading. Each such settlement premium shall be established~~compute settlement premiums as follows. The settlement premium shall be price consistent with the minimum fluctuations of the ~~c~~Contract.

1. ~~After the closing bell, all Brokers and Traders in the Pit shall report to the Market Observer and a member of the Quotations Committee all trades, bids and offers made in the closing period. The settlement price shall be determined by the weighted average of the trades and applicable bids and offers made in the closing period.~~Exchange staff shall review all trades executed during the closing period, and subsequent higher bids and lower offers that were in existence at the close of the market, to determine the closing premium or range for each Contract. Exchange staff, in conjunction with the Quotations Committee, shall then determine the settlement premiums by using a theoretical pricing model.

~~2. If no trade occurs in the closing period, the settlement price shall be the last trade price, unless there is a higher bid or lower offer. If there is no trade during the day, the settlement price shall remain unchanged, unless there is a higher bid or lower offer. In such cases, the higher bid or lower offer shall be the settlement price.~~

~~3~~2. If Exchange staff, in conjunction with the Quotations Committee, believes, based on its review of the market and market conditions that the settlement premium established ~~in 1. or 2.~~ above is not representative of market conditions, or if the settlement premium was inaccurately determined, then Exchange staff may establish a settlement premium based on the settlement price of the underlying Futures Contract and the previously prevailing differentials:

   a. among the premiums for the listed striking prices for the option month;

   b. among the premiums for the different option months listed for trading; and

   c. between the premium for the relevant striking price and the price of the underlying Futures Contract.

Where a settlement premium is established in accordance with this section by Exchange staff, in conjunction with the Quotations Committee, a written record shall be prepared setting forth the basis for the establishment of such settlement premium.

B. MGEXpress Contracts.

Promptly after the close of the morning trading session in each Options Contract, Exchange staff shall compute settlement premiums as follows. The settlement premium shall be price consistent with the minimum fluctuations of the Contract.

1. Exchange staff shall review all trades executed during the closing period, and subsequent higher bids and lower offers that were in existence at the close of the market, to determine the closing premium or range for each Contract. Exchange staff shall then determine the settlement premiums by using a theoretical pricing model.

2. If Exchange staff believes, based on its review of the market and market conditions that the settlement premium established above is not representative of market conditions, or if the settlement premium was inaccurately determined, then Exchange staff may establish a settlement premium based on the settlement price of the underlying Futures Contract and the previously prevailing differentials:

   a. among the premiums for the listed striking prices for the option month;

   b. among the premiums for the different option months listed for trading; and

   c. between the premium for the relevant striking price and the price of the underlying Futures Contract.

Where a settlement premium is established in accordance with this section by Exchange staff, a written record shall be prepared setting forth the basis for the establishment of such settlement premium.