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August 16, 2004

Via E-Mail and US Mail

Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**Re: Rule Certification. NYMEX Submission 04.108 –Notification of
Amendments to NYMEX Division Rules 9.26, 9.27 and 9.34.**

Dear Ms. Jean Webb:

The New York Mercantile Exchange, Inc. (“NYMEX” or the “Exchange”) hereby notifies the Commodity Futures Trading Commission (“CFTC”) of amendments to NYMEX Division Rules 9.26, All Month/Any One Month Position Accountability; 9.27, Expiration and Current Delivery Month Position Limits; and 9.34, Reportable Levels.

Effective August 23, 2004, these amendments include the addition of position limits, accountability levels and reportable levels for the Natural Gas Index Swaps and Natural Gas Swing contracts. Pursuant to Section 5c(c) of the Commodity Exchange Act (“Act”) and CFTC Rule 40.6, the Exchange hereby certifies that the new amendments comply with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact the undersigned at 212-299-2940.

Very truly yours,

Nancy M. Minett
Vice President
Compliance Department

Attachments

cc: Thomas LaSala
Brian Regan

Amendments to NYMEX Rules 9.26, 9.27 and 9.34
(Strikethroughs indicate deletions; underlining indicates additions.)

9.26 All Month/Any One Month Position Accountability

Sections (A) through (D) IV Cash-Settled Crude Oil and Crude Products and Cash-Settled Electricity Power Products remain the same.

**IV. Futures Contracts Listed for Trading Only on NYMEX
ClearPortsm Trading and also Listed for Clearing of Off-Exchange
Transactions Through NYMEX ClearPortsm Clearing**

**Net Futures
or Futures-
Equivalent
Position
Accountability
Levels**

Cash-Settled Natural Gas Products

Henry Hub Swap

Note: For purposes of this rule, positions in this contract are aggregated with positions in the Natural Gas futures contract as indicated in Subsection I. above.

| | |
|---|-------------------------|
| Henry Hub Basis Swap | 12,000 contracts |
| AECO/NIT Basis Swap | 10,000 contracts |
| Chicago Basis Swap | 10,000 contracts |
| Houston Ship Channel Basis Swap | 10,000 contracts |
| San Juan Basis Swap | 10,000 contracts |
| SoCal Basis Swap | 10,000 contracts |
| Transco Zone 6 Basis Swap | 10,000 contracts |
| NYH Unleaded Crack Calendar Swap | 10,000 contracts |
| NYH No. 2 Crack Calendar Swap | 10,000 contracts |
| Northwest Rockies Basis Swap | 10,000 contracts |
| Panhandle Basis Swap | 10,000 contracts |
| | |
| MichCon Basis Swap (Platts IFERC) | 10,000 contracts |
| Permian Basis Swap (Platts IFERC) | 10,000 contracts |
| M-3 Basis Swap (Platts IFERC) | 10,000 contracts |
| TCO Basis Swap (Platts IFERC) | 10,000 contracts |
| Malin Basis Swap (NGI) | 10,000 contracts |
| PG&E Citygate Basis Swap (NGI) | 10,000 contracts |
| NGPL Texok Basis Swap (Platts IFERC) | 10,000 contracts |
| NGPL LA Basis Swap (Platts IFERC) | 10,000 contracts |
| ANR OK Basis Swap (Platts IFERC) | 10,000 contracts |
| Sumas Basis Swap | 10,000 contracts |
| NGPL Mid-Con Basis Swap (Platts IFERC) | 10,000 contracts |
| Demarc Basis Swap (Platts IFERC) | 10,000 contracts |
| Ventura Basis Swap (Platts IFERC) | 10,000 contracts |
| Dominion Basis Swap (Platts IFERC) | 10,000 contracts |
| Waha Basis Swap (Platts IFERC) | 10,000 contracts |
| CIG Rockies Basis Swap (Platts IFERC) | 10,000 contracts |
| Transco Zone 3 Basis Swap (Platts IFERC) | 10,000 contracts |
| TETCO STX Basis Swap (Platts IFERC) | 10,000 contracts |
| TETCO ELA Basis Swap (Platts IFERC) | 10,000 contracts |
| Columbia Gulf Louisiana Basis Swap (Platts IFERC) | 10,000 contracts |
| | |
| <u>Chicago Index Swap</u> | <u>10,000 contracts</u> |
| <u>Permian Index Swap</u> | <u>10,000 contracts</u> |
| <u>Henry Hub Index Swap</u> | <u>10,000 contracts</u> |

| | |
|---------------------------------|------------------|
| Houston Ship Channel Index Swap | 10,000 contracts |
| Panhandle Index Swap | 10,000 contracts |
| Waha Index Swap | 10,000 contracts |
| Chicago Swing Swap | 10,000 contracts |
| Permian Swing Swap | 10,000 contracts |
| Henry Hub Swing Swap | 10,000 contracts |
| Houston Ship Channel Swing Swap | 10,000 contracts |
| Panhandle Swing Swap | 10,000 contracts |
| Waha Swing Swap | 10,000 contracts |

Option Contract Gross Option Quadrant Position Accountability Levels

| | |
|--|------------------|
| Crude Oil Light Sweet | 40,000 contracts |
| NYMEX Brent Crude Oil | 40,000 contracts |
| N.Y. Heating Oil | 20,000 contracts |
| N.Y. Harbor Unleaded Gasoline | 20,000 contracts |
| N.Y. Heating Oil-Crude Oil Light Sweet Spread | 20,000 contracts |
| N.Y. Harbor Unleaded Gasoline-Crude Oil Light Sweet Spread | 20,000 contracts |
| Natural Gas | 20,000 contracts |
| Platinum | 20,000 contracts |

Crude Oil Average Price Option

(Note: For purposes of this rule, this APO contract will be aggregated with the Light Sweet Crude Oil futures contract.)

Unleaded Gasoline Average Price Option

(Note: For purposes of this rule, this APO contract will be aggregated with the New York Harbor Unleaded Gasoline futures contract.)

Heating Oil Average Price Option

(Note: For purposes of this rule, this APO contract will be aggregated with the New York Harbor Heating Oil futures contract.)

For the purposes of this Rule 9.26, option quadrants are: (a) long call; (b) short call; (c) long put; (d) short put.

Section V remains the same.

9.27 Expiration and Current Delivery Month Position Limits or Position Accountability

Sections (A) through (B) IV - Cash-Settled Crude Oil and Crude Oil Products and Cash-Settled Electricity Power Products remain the same.

IV. Futures Contracts Listed for Trading Only on NYMEX ClearPortsm Trading and Listed for Clearing of Off-Exchange Transactions Through NYMEX ClearPortsm Clearing

Cash-Settled Contracts

Net Futures or Futures-Equivalent Expiration Position Limits

Cash-Settled Natural Gas Products

Henry Hub Swap

Note: For purposes of this rule, positions in this contract are aggregated with positions in the Natural Gas futures contract.

| | |
|-----------------------------------|-----------------|
| MichCon Basis Swap (Platts IFERC) | 500 contracts |
| Permian Basis Swap (Platts IFERC) | 2,000 contracts |
| M-3 Basis Swap (Platts IFERC) | 500 contracts |
| TCO Basis Swap (Platts IFERC) | 1,000 contracts |

| | |
|---|------------------------|
| Malin Basis Swap (NGI) | 2,000 contracts |
| PG&E Citygate Basis Swap (NGI) | 2,000 contracts |
| NGPL Texok Basis Swap (Platts IFERC) | 1,000 contracts |
| NGPL LA Basis Swap (Platts IFERC) | 500 contracts |
| ANR OK Basis Swap (Platts IFERC) | 500 contracts |
| Sumas Basis Swap | 1,000 contracts |
| NGPL Mid-Con Basis Swap (Platts IFERC) | 500 contracts |
| Demarc Basis Swap (Platts IFERC) | 1,000 contracts |
| Ventura Basis Swap (Platts IFERC) | 2,000 contracts |
| Dominion Basis Swap (Platts IFERC) | 1,000 contracts |
| Waha Basis Swap | 2,000 contracts |
| CIG Rockies Basis Swap (Platts IFERC) | 1,000 contracts |
| AECO/NIT Basis Swap | 2,000 contracts |
| Chicago Basis Swap | 2,000 contracts |
| Henry Hub Basis Swap | 2,000 contracts |
| Houston Ship Channel Basis Swap | 1,000 contracts |
| San Juan Basis Swap | 2,000 contracts |
| SoCal Basis Swap | 2,000 contracts |
| Transco Zone 6 Basis Swap | 500 contracts |
| NYH Unleaded Crack Calendar Swap | 2,000 contracts |
| NYH No. 2 Crack Calendar Swap | 2,000 contracts |
| Northwest Rockies Basis Swap | 2,000 contracts |
| Panhandle Basis Swap | 2,000 contracts |
| Transco Zone 3 Basis Swap (Platts IFERC) | 1,000 contracts |
| TETCO STX Basis Swap (Platts IFERC) | 1,000 contracts |
| TETCO ELA Basis Swap (Platts IFERC) | 500 contracts |
| Columbia Gulf Louisiana Basis Swap (Platts IFERC) | 500 contracts |
| <u>Chicago Index Swap</u> | <u>2,000 contracts</u> |
| <u>Permian Index Swap</u> | <u>2,000 contracts</u> |
| <u>Henry Hub Index Swap</u> | <u>2,000 contracts</u> |
| <u>Waha Index Swap</u> | <u>2,000 contracts</u> |
| <u>Panhandle Index Swap</u> | <u>2,000 contracts</u> |
| <u>Houston Ship Channel Index Swap</u> | <u>1,000 contracts</u> |
| <u>* Chicago Swing</u> | <u>2,000 contracts</u> |
| <u>* Permian Swing</u> | <u>2,000 contracts</u> |
| <u>* Henry Hub Swing</u> | <u>2,000 contracts</u> |
| <u>* Waha Swing</u> | <u>2,000 contracts</u> |
| <u>* Panhandle Swing</u> | <u>2,000 contracts</u> |
| <u>* Houston Ship Channel Swing</u> | <u>1,000 contracts</u> |

* The expiration position limits for the Swing contracts are applicable for the aggregate of each daily position during the expiration month, and are effective on the first calendar day of the expiration month continuing until the conclusion of trading in the expiring contract. No position for any one day during the expiration month may exceed one-tenth of the expiration position limit.

Sections V through (D)(1) remain the same.

9.34 Reporting Levels

Section (A), including Commodity, and Futures Contracts listed for Trading Only on NYMEX ClearPort(sm) Trading and also Listed for Clearing of Off-Exchange Transactions Through NYMEX ClearPort(sm) Clearing, remain the same.

(A) The quantities fixed for the purposes of filing a report under Rule 9.33 are:

Physical Delivery Contracts

| | |
|--|---------------|
| Mid-Columbia Electricity | 25 contracts |
| Palo Verde Electricity | 25 contracts |
| PJM Electricity | 25 contracts |
| <i>Cash-Settled Contracts</i> | |
| Dubai Crude Oil Calendar Swap | 25 contracts |
| U.S. Gulf Coast Unl 87 Crack Spread Calendar | 25 contracts |
| U.S. Gulf Coast No. 2 Crack Spread Calendar | 25 contracts |
| Unl 87 Up-Down Spread Calendar Swap | 25 contracts |
| No. 2 Up-Down Spread Calendar Swap | 25 contracts |
| AECO/NIT Basis Swap | 25 contracts |
| Chicago Basis Swap | 175 contracts |
| Henry Hub Basis Swap | 25 contracts |
| Houston Ship Channel Basis Swap | 25 contracts |
| San Juan Basis Swap SoCal Basis Swap | 25 contracts |
| SoCal Basis Swap | 25 contracts |
| Transco Zone 6 Basis Swap | 25 contracts |
| NYH Unleaded Crack Calendar Swap | 25 contracts |
| NYH No. 2 Crack Calendar Swap | 25 contracts |
| Northwest Rockies Basis | 25 contracts |
| E-Miny Crude Oil | 350 contracts |
| E-Miny Natural Gas | 175 contracts |
| CIG Rockies Basis Swap | 25 contracts |
| Sumas Basis Swap | 25 contracts |
| Waha Basis Swap | 175 contracts |
| Transco Zone 3 Basis Swap | 175 contracts |
| TETCO STX Basis Swap | 175 contracts |
| TETCO ELA Basis Swap | 175 contracts |
| Columbia Gulf Louisiana Basis Swap | 175 contracts |
| | |
| Chicago Index Swap | 25 contracts |
| Permian Index Swap | 25 contracts |
| Henry Hub Index Swap | 25 contracts |
| Houston Ship Channel Index Swap | 25 contracts |
| Panhandle Index Swap | 25 contracts |
| Waha Index Swap | 25 contracts |
| | |
| Chicago Swing Swap | 25 contracts |
| Permian Swing Swap | 25 contracts |
| Henry Hub Swing Swap | 25 contracts |
| Houston Ship Channel Swing Swap | 25 contracts |
| Panhandle Swing Swap | 25 contracts |
| Waha Swing Swap | 25 contracts |