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OFC. OF THE SECRETARIAT

Via E-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 05.64 – Notification of
Amendments to NYMEX Division Rule 11.63.**

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 Rule 11.63, Electronic Trading Error Trade Procedures.

Effective April 8, 2005, the rule amendments establish for the Brent Crude Oil and Northwest Europe Gasoil Futures Contracts a range of prices within which trades executed in error on ACCESS® will not be subject to cancellation. Pursuant to Section 5c(c) of the Commodity Exchange Act (“Act”) and CFTC Rule 40.6, the Exchange hereby certifies that the 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

Attachment

cc: Thomas LaSala
Brian Regan

Amendments to NYMEX Rule 11.63

(Additions are in bold and underlined.)

NYMEX Rule 11.63, Electronic Trading Error Trade Procedures

(A) Whenever an Electronic Trader or Authorized Terminal User believes that he or she executed a trade through NYMEX ACCESS® or through an Alternative Electronic Trading System in error as a result of an error ("Error"), the Electronic Trader or Authorized Terminal User or a representative of the firm that is a party to the trade must contact the NYMEX Customer Service Call Center ("NCSCC") immediately. For the purposes of this rule, the term "Alternative Electronic Trading System" shall mean any electronic trading system other than NYMEX ACCESS® on which NYMEX Division or COMEX Division products are traded, but not including GLOBEX®.

(B) Except as provided in Section (F) below, if a potential user Error is observed by or brought to the attention of the NCSCC within ten (10) minutes after the trade occurs, the following procedures will apply:

(1) The NCSCC staff will determine whether the trade price is less than the number of ticks set forth below away from the fair market value as determined by the NCSCC. In determining the fair market value, the NCSCC will consider the notional settlement price, the actual settlement price, the last traded price, a better bid or offer price, or any other information the NCSCC staff deems relevant. If the trade price is within the relevant range, then the trade will stand.

Contract Outrights	# Ticks From Market	Minimum Tick Size	\$ per Tick
CL	10	0.01	10.00
<u>SC</u>	<u>10</u>	<u>0.01</u>	<u>10.00</u>
HO	25	0.0001	4.20
HU	25	0.0001	4.20
<u>GR</u>	<u>4</u>	<u>0.25</u>	<u>25.00</u>
NG	20	0.001	10.00
PN	25	0.0001	4.20
PL	20	0.10	5.00
PA	10	0.05	5.00
QL	10	0.01	15.50
GC	10	0.10	10.00

SI	4	0.005	25.00
HG	10	0.0005	12.50
AL	5	0.0005	22.00
JM	12	0.05	42.00

Intra-Commodity Spreads	# Ticks From Market	Minimum Tick Size	\$ per Tick
CL	4	0.01	10.00
HO	10	0.0001	4.20
HU	10	0.0001	4.20
NG	5	0.001	10.00
PN	10	0.0001	4.20
PL	10	0.10	5.00
PA	5	0.05	5.00
QL	10	0.01	15.50
GC	5	0.10	10.00
SI	10	0.001	25.00
HG	2	0.0005	12.50
AL	5	0.0005	22.00
JM	12	0.05	42.00

Inter-Commodity Spreads	# Ticks From Market	Minimum Tick Size	\$ per Tick
CL / HO	5	0.01	10.00
CL / HU	5	0.01	10.00
HO / HU	25	0.0001	4.20

Products Traded on an Alternative Electronic Trading System (categorized generically by

commodity and by unit size)

Product (Unit Size)	# Ticks From Market
Crude Oil and Crude Products (1000 Barrels)	10
Crude Oil and Crude Products (42,000 Gallons)	24
Natural Gas	16
Electricity	30

(2) Upon determining that the trade price is outside the relevant range indicated above, the NCSCC immediately will initiate an alert over the relevant trading system and to the quote vendor network indicating that the trade may be an Error and will attempt to contact the parties to the transaction to determine whether all parties to the trade consent to the cancellation of the trade.

(3) If both parties consent to void the trade within ten (10) minutes after the alert is sent, and no third party objects to the cancellation of the trade within ten (10) minutes of the alert, the trade will be cancelled.

(4) If a third party contacts the NCSCC within ten (10) minutes of the time the system alert and the alert to the quote vendor network set forth in Subsection (B)(2) were sent, objecting to the cancellation of the trade, the NCSCC will not immediately cancel the trade and the transaction will be reviewed by the Electronic Trading Review Committee.

(5) If the NCSCC is unable to contact all parties to a transaction or both parties do not consent to cancel the trade within ten (10) minutes after the NCSCC is notified of a potential user Error then the transaction will be reviewed by the Electronic Trading Review Committee, which shall be comprised of Exchange employees in accordance with Exchange Rule 3.46.

(6) (a) If a transaction is to be reviewed by the Electronic Trading Review Committee, a Panel of at least two (2) members of the Committee shall be convened to review circumstances surrounding the transaction and determine whether the transaction was an Error and, if so, whether such trade should be cancelled. The panel may, at its discretion, consult with Electronic Traders, Authorized Terminal Users or market participants and consider market information provided by those sources in rendering its decision.

(b) The factors that may be considered by the Committee include:

(i) the market conditions before and after the transaction occurred, including, but not limited to,

current bids and/or offers or transactions in other contract months;

(ii) whether one or more parties to the trade believe the trade was at a valid price or quantity, as applicable;

(iii) whether there is any indication that the transaction in question triggered stops or resulted in the execution of a spread transaction as a result thereof;

(iv) whether a third party relied on the price; and

(v) any other factors that the Committee deems relevant.

(c) The Panel shall make its decision as soon as practicable after being convened. The decision of the Panel shall be a final decision.

(7) Once the Panel has reached a decision, the NCSCC shall send a system notice indicating whether the trade will be cancelled and shall also directly contact the parties to the trade in this regard.

(8) In addition, the NCSCC will initiate an alert to the quote vendor network indicating whether the trade will be cancelled.

(9) If a trade is cancelled subject to these error procedures, the NCSCC may also cancel any and all trades that were executed, and bids or offers posted, as a result of contingent orders having been elected by the Error trade. NCSCC shall consider the factors indicated in subsection (6)(b), above, in determining whether to cancel such additional trades and shall take the actions required under subsection (B)(7) and (B)(8) of this rule in connection with such cancelled trades.

(C) The party requesting that the trade be cancelled must submit to the NCSCC no later than two (2) hours after the end of the applicable trading session, a completed Exchange form documenting in writing the reasons for the request that previously had been provided verbally to the NCSCC.

(D) A fee for each Error trade cancelled in accordance with this rule shall be charged to the party responsible for such Error trade as follows:

(1) \$250 for each of the first three (3) instances within one calendar year;

(2) \$500 for each of the next five (5) instances within one calendar year; and

(3) \$1000 for each instance thereafter within one calendar year.

Notwithstanding the above, there shall be no fee charged in connection with any Error Trade cancelled for any product traded on an Alternative Electronic Trading System, i.e., NYMEX ClearPortSM Trading.

(E) Except as provided in Section (F) below, if a potential user Error is brought to the attention of the NCSCC by one of the parties to the potential Error trade later than ten (10) minutes after the trade occurs, the trade will stand. However, NCSCC staff will assign both sides of the transaction to the account of one of the parties if:

(1) The trade would otherwise qualify for treatment as an Error in accordance with section (B)(1) of this rule;

(2) the NCSCC staff, using its best efforts, is able to contact the opposite party to the transaction; and

(3) both parties to the transaction agree to the assignment.

The party reporting the Error and requesting the assignment under this section shall be charged an Error fee in accordance with section (D) of this rule.

(F) Clearly Erroneous Trades Brought to the NCSCC Attention Outside 10-Minute Window. If any transaction is brought to the attention of or is otherwise identified by NCSCC Staff as clearly erroneous and thus inconsistent with the maintenance of overall integrity in the marketplace, Staff shall be authorized to assemble an Electronic Trading Review Committee for the purpose of determining whether to cancel or bust such transaction regardless of whether the notification occurred outside the prescribed 10-minute notification period.