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**Via E-Mail**

OFC. OF THE SECRETARIAT

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

**Re: Amended Rule Certification. NYMEX Submission 05.62 – Notification of Amendments to NYMEX Division Rules 6.40B and 6.52, and new Rule 6.40D.**

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 Rules 6.40B, Trading at Settlement (Pilot Program), and 6.52, Settlement Prices for Crude Oil, Heating Oil, Gasoline, Gasoil, and Coal Futures Contracts; and new Rule 6.40D, Trading in One-Minute and Five-Minute Markers for Brent Crude Oil.

Effective Friday, April 8, 2005, NYMEX is incorporating Gasoil into the list of contracts eligible to be traded at settlement. Gasoil has been added to the list of contracts settling in accordance with Rule 6.52 settlement price procedures. NYMEX is also allowing Brent Crude Oil to trade at one-minute markers and five-minute markers occurring in the time period leading up to 5:30 p.m. Dublin/London time (original Submission letter incorrectly referenced Gasoil). Additionally, crosstrading will be permissible for Brent Crude Oil and Gasoil trading at settlement. Pursuant to Section 5c(c) of the Commodity Exchange Act (“Act”) and CFTC Rule 40.6, the Exchange hereby certifies that the amendments and new rule 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

(Additions are indicated by underlining in bold; deletions with strikethroughs.)

**NYMEX Rule 6.40B, Trading at Settlement (Pilot Program)**

(A) Trading at Settlement Procedure. A floor member may enter into a transaction at the settlement price through open outcry with another floor member in any futures contract and delivery month specified in Section (C) of this rule. Any such trade (collectively referred to as a trading at settlement or "TAS") shall be made by open outcry no later than 2:30 p.m. New York Time (except in Heating Oil where such trades shall be made by open outcry no later than one hour prior to the end of the Regular Trading Hours session for that trading day) or such other time as designated by the Board on that same trading day in the trading ring designated for trading in the particular contract.

(B) Prohibition on TAS Cross Trades. A Floor Member who has in hand buy and sell TAS orders of different principals for the same eligible commodity for future delivery in the same eligible delivery month shall not execute such orders directly between such principals. **This prohibition does not apply to Brent Crude Oil and Gasoil futures contracts.**

(C) Reporting and Recordation. All TAS transactions shall be identified as such on the executing member's trading records prepared in accordance with Rule 6.10 ("Reporting of Trades Executed on the Trading Floor").

(D) Transactions Eligible for Board Approval For Trading at Settlement Procedures.

The Board may, by resolution, authorize the execution of transactions in any or all of the futures contracts and delivery months specified below pursuant to the TAS order procedures set forth in this Rule 6.40B.

**Futures Contract Delivery Month**

Light Sweet Crude Oil Spot Month (except on the last trading day)

Brent Crude Oil Spot Month

And also Second Nearby Month (e.g., calendar month following the Spot Month)

Heating Oil Spot Month (except on the last trading day)

Natural Gas Spot Month (except on the last trading day)

Unleaded Gasoline Spot Month (except on the last trading day)

**Gasoil Spot Month and Second Nearby Month**

(E) This pilot program shall expire on the following dates:

<b>Futures Contract</b>	<b>Expiration Date</b>
Light Sweet Crude Oil	Extended until further notice
Brent Crude Oil	Extended until further notice
Heating Oil	January 31, 2005
Natural Gas	Extended until further notice

Unleaded Gasoline  
Gasoil

January 31, 2005  
Extended until further notice

**NYMEX Rule 6.40C, Average Price Calculations by Futures Commission Merchants**  
[Remains Unchanged]

**NYMEX Rule 6.40D, Trading in One-Minute and Five-Minute Markers for Brent Crude Oil**

**(A) One-minute Marker. A floor member may enter into a transaction at the One-Minute Marker price through open outcry with another floor member in the first nearby and second nearby futures contracts. The One-Minute Marker price shall be the average weighted price of open outcry transactions executed in the time period from 5:29 PM to 5:30 PM Dublin/London time in the first nearby and second nearby contract months, respectively. Any such trade shall be made by open outcry no later than 5:30 p.m. London time, or such other time as designated by the Board, on that same trading day in the trading ring designated for trading in the particular contract.**

**(B) Five-Minute Marker. A floor member may enter into a transaction at the Five-Minute Marker price through open outcry with another floor member in the first nearby and second nearby futures contracts. The Five-Minute Marker price shall be the average weighted price of open outcry transactions executed in the time period from 5:25 PM to 5:30 PM Dublin/London time in the first nearby and second nearby contract months, respectively. Any such trade shall be made by open outcry no later than 5:30 p.m. London time, or such other time as designated by the Board, on that same trading day in the trading ring designated for trading in the particular contract.**

**(C) In the event that no transactions occur in the market during the time period referenced in (A) or (B) above, the Settlement Price Committee will use all market information available to determine an appropriate price.**

**NYMEX Rule 6.52, Settlement Prices for Crude Oil, Heating Oil, Gasoline, Gasoil, and Coal Futures Contracts**

(A) For crude oil, Brent crude oil, gasoil, heating oil, gasoline or coal futures contracts, the settlement price for each delivery month that: (1) as of the opening of business for that day has more than ten percent (10%) of the total open interest for all delivery months of the futures contract and (2) for which 10% of the closing range volume in that commodity is done in that delivery month (excluding, for the purposes of this calculation volume done during the closing range on the last day of trading in an expiring contract), shall be the weighted average price (rounded to the nearest minimum fluctuation) of all outright transactions in that delivery month which occur in the closing range. (3) Additionally, TAS volume, if applicable, shall be included as closing range volume for the purpose of item (2) above, to determine percentage of closing range volume in a delivery month. TAS volume shall not be used to calculate settlement.

(B) In all other delivery months for such futures contracts that do not satisfy the open interest and volume criteria set forth in paragraph (A), the settlement price shall be determined based upon spread relationships between and among contract months, which relationships shall be determined in the judgment of the Settlement Price Committee with: (a) greatest weight given to spreads executed late in the trading day in large volumes, and (b) lesser weight given to (i) spreads traded in lesser volumes, (ii) spread bids and offers actively represented late in the trading day, and (iii) spread transactions, bids and offers from earlier in the trading day, provided that, in any circumstance where the Committee is considering bids and offers for spreads, it shall consider the mid-point of the best bid and best offer and not the individual best bid or best offer. In the event of a "price spike in the closing range" in any contract month where the settlement price is determined by weighted average according to the open interest and volume criteria set forth in paragraph (A), the Settlement Price Committee may disregard the settlement price for a spiked month in considering spread relationships pursuant to this paragraph. For the purpose of this rule, a "price spike in the closing range" shall have occurred if, in the sole discretion of the Settlement Price Committee, a significant change in the spread relationships between the "spiked month" and the contract months immediately preceding and following such month occurred during the closing range. Notwithstanding the foregoing, no settlement price shall be established that would be lower than the best bid, or higher than the best offer that: (a) was for at least 100 contracts for outright or at least 200 contracts for spreads in crude oil futures contracts or for at least 50 contracts (outright or spreads) for heating oil or gasoline futures contracts or for at least 10 contracts for coal futures, and (b) had been posted with the Exchange and remained available for execution and unfilled for the final fifteen (15) minutes of trading.

(C) If any settlement price, determined pursuant to paragraphs (A) or (B), is inconsistent with transactions that occurred during the closing range in other delivery months of the same futures contract or with market information known to the Settlement Price Committee, (including, but not limited to, (i) bids or offers for outright transactions and spreads that were unfilled during the closing range, (ii) bids, offers or transactions in strips, and (iii) outright transactions executed prior to the closing range) the Committee may establish a settlement price at a level consistent with such other transactions or market information. In such event the Committee shall prepare a written record of the basis for any settlement price so established.

(D) In the event that the Settlement Price Committee: establishes a settlement price in accordance with paragraph (C) of this Rule; determines that a "price spike in the closing range occurred", in accordance with paragraph (B) of this Rule; or fails to determine a settlement price by unanimous agreement of the six Members designated by the Chairman to establish settlement prices pursuant to Rule 6.51, the Committee shall prepare a written record of the basis upon which it established such settlement price.

(E) Notwithstanding the above, the settlement price for the last day of trading in a contract month in the Exchange's Brent Crude Oil futures contract shall be determined in accordance with the rules in NYMEX Chapter 205 (Brent Crude Oil Futures Contract). **Further, the settlement price used as the price for delivery for the Northwest Europe Gasoil futures contract shall be the final settlement price for the business day prior to the last trading day of the expiring delivery month.**