



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

May 13, 2014

VIA E-MAIL

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

**RE: Modifications to the NYMEX Natural Gas Basis ClearPort Fee Discount Program
NYMEX Submission No. 14-160**

Dear Ms. Jurgens:

New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") that it plans to modify its ClearPort fee discount program in support of Natural Gas Basis energy products ("Program"). The modifications to the Program will become effective on May 29, 2014.

Exhibit 1 sets forth the terms of the Program, with additions underlined and deletions ~~stricken through~~.

NYMEX reviewed the designated contract market ("DCM") core principles as set forth in the Commodity Exchange Act ("CEA"). During the review, NYMEX staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program does not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. The Exchange's market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The Program does not impact the Exchange's order execution. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The proposed Program will be subject to the Exchange's record retention policies which comply with the CEA.

NYMEX certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to the modifications to the Program.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

If you require any additional information regarding this submission, please contact Tim Elliott at 312-466-7478 or via e-mail at tim.elliott@cmegroup.com, or contact me at 212-299-2200. Please reference our NYMEX Submission No. 14-160 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

NYMEX Natural Gas Basis ClearPort Fee Discount Program

Program Purpose

The purpose of the Program is to incentivize additional liquidity in the products listed below. A more liquid contract benefits all participants in the market.

Product Scope

All NYMEX Natural Gas Basis products that are accepted for clearing on CME ClearPort ("Products").

Eligible Participants

There is no limit to the number of participants in the Program. All members and non-members are eligible to participate. The fee discount described below will be automatically applied to all executed trades in the Products.

Program Term

Start date is January 13, 2014. End date is ~~September 30, 2014~~ December 31, 2014.

Hours

N/A

Program Incentives

Fee Discounts. All members and non-members will have a ~~three-month~~ ClearPort fee holiday from January 13, 2014 through ~~March 31, 2014~~ December 31, 2014. ~~From April 1, 2014 through September 30, 2014 there will be a discount where base member and non-member fees will be reduced to \$0.25 for non-Globex trades.~~

Dates	ClearPort Fees
January 13, 2014 – March 31, 2014 <u>December 31, 2014</u>	\$0.00
April 1, 2014 – September 30, 2014	\$0.25