

August 12, 2013

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: Rule 40.6(a) Certification. Notification Regarding the Delisting of Four (4) NYMEX
Natural Gas Futures Contracts
NYMEX Submission No. 13-333**

Dear Ms. Jurgens,

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the delisting of four (4) Natural Gas futures contracts effective immediately, as set out below:

Product Name	Clearing Code	NYMEX Rule Chapter
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Daily/Weekend Futures	PPD	227
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas BALMO Futures	PPB	228
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Futures	PPM	229
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Basis Futures	PPE	1107

These contracts will be delisted from CME Globex, and CME ClearPort, the venues on which they are currently listed. There is no open interest in these contracts.

NYMEX business staff responsible for the delisting of the contracts and the NYMEX Legal Department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, NYMEX staff identified that the delisting of the contracts may have some bearing on the following Core Principles:

- Emergency Authority: There is no open interest in these contracts, and therefore there will be no market disruption related to their delisting.
- Availability of General Information: Notice will be made of the contracts' delisting, and upon delisting, the terms and conditions of these contracts will no longer be available to the marketplace.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6(a), the Exchange hereby certifies that the delisting of these contracts complies with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or Christopher.bowen@cmegroup.com

Sincerely,

/s/Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A – Amendments to NYMEX Position Limit Table (under separate cover)
Appendix B – NYMEX Rulebook Revision

Appendix A

Amendments to NYMEX Chapter 5 Position Limit Table
(Under Separate Cover)

Appendix B

(strikethrough indicates deletion)

Chapter 227
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas
Daily/Weekend Futures

227.01 SCOPE

The provisions of the rules set forth below (“the Rules”) shall apply to all natural gas bought and sold for future delivery on the Exchange (the “Contract”) with delivery at the facilities of Pine Prairie Energy Center, LLC (“PPEC”).

227.01A PRODUCT PLACEMENT

As a condition precedent to trading any Contract, the Clearing Member (“Clearing Member”) transacting a Contract is responsible to ensure that the Buyer and Seller of such Clearing Member, or the Clearing Member if such Clearing Member is acting for its own account, shall have a valid PPEC NYMEX Pooling and Imbalance Service Agreement for the PPEC NYMEX Pooling and Imbalance Service and a valid PPEC Hub Services Agreement, as such terms are defined below.

227.02 DEFINITIONS

For the purpose of this Chapter, the terms set forth below shall be defined as follows:

- (A) “Natural Gas” means merchantable natural gas that meets or exceeds the quality specifications set forth in the PPEC Tariff.
- (B) “Btu” (British thermal unit) means the amount of heat required to raise the temperature of one (1) pound avoirdupois of pure water from fifty-eight and five tenths degrees (58.5) Fahrenheit to fifty-nine and five tenths degrees (59.5) Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute. MMBtu shall mean one million (1,000,000) Btu.
- (C) “Business Day” means any day that is not a Saturday, Sunday or a legal holiday on which the commercial banks in New York, New York are not open for business.
- (D) “Day” shall have the meaning assigned the term in the PPEC Tariff.
- (E) “PPEC Facilities” refers to natural gas storage caverns, pipeline, compression and appurtenant facilities owned and operated by PPEC all located in Evangeline, Acadia and Rapides Parishes, Louisiana.
- (F) “PPEC NYMEX Pool” means the virtual, intra-system point on the PPEC Facilities within the PPEC Pine Prairie Hub at which a Seller will deliver its scheduled quantities for physical delivery under its PPEC NYMEX Pooling and Imbalance Service Agreement, transfer of title will take place to Buyers, and Buyers will receive scheduled quantities for physical delivery under PPEC NYMEX Pooling and Imbalance Service Agreements.
- (G) “PPEC Hub Services Agreement” means a Hub Services Agreement under PPEC’s Tariff.
- (H) “PPEC NYMEX Pooling and Imbalance Service” means the scheduling and title transfer service, along with the imbalance service described in Rule 227.13, all of which is provided by PPEC as part of the PPEC NYMEX Pooling and Imbalance Service as defined in the PPEC Tariff.
- (I) “PPEC NYMEX Pooling and Imbalance Service Agreement” means the agreement between a Seller or Buyer and PPEC for PPEC NYMEX Pooling and Imbalance Service.
- (J) “PPEC Tariff” means PPEC’s currently effective FERC Gas Tariff, as such tariff may be filed with the Federal Energy Regulatory Commission from time to time.
- (K) “Unqualified Party” means a Buyer or Seller of a Clearing Member, or a Clearing Member if such Clearing Member is acting for its own account, which does not have a valid PPEC NYMEX Pooling and Imbalance Service Agreement for the PPEC NYMEX Pooling and Imbalance Service or a valid PPEC Hub Services Agreement.

227.03 REFERENCE TO BUYER AND SELLER

The term “Buyer” shall mean the customer of a Clearing Member buying the Contract or the long Clearing Member if such Clearing Member is acting for its own account. The term “Seller” shall mean the customer of the Clearing Member selling the Contract or the short Clearing Member if such Clearing Member is acting for its own account.

227.04 CONTRACT UNIT

The Contract unit shall be 2,500 MMBtu. Transaction size shall be restricted to whole number multiples of the number of calendar days in the delivery period.

227.05 GRADE AND QUALITY SPECIFICATIONS

Natural Gas meeting the specifications set forth in the PPEC Tariff as then in effect at the time of delivery shall be deliverable in satisfaction of the Contract delivery obligations.

227.06 DELIVERY PERIOD

Trading shall be conducted in Contracts providing for delivery in such period as shall be determined by the Exchange. The Contract delivery period shall be for delivery over the next Day. Transactions conducted on Friday are for delivery on Saturday, Sunday, and Monday inclusively. Transactions conducted on the Business Day prior to an Exchange holiday shall include delivery through and including the next Business Day after the Holiday.

When the last day of a calendar month occurs during a weekend (Saturday, Sunday and, when it applies, Holiday Friday or Holiday Monday) then, for the weekend delivery Days and following Business Day, the following shall apply: For delivery Days for the remainder of current month, transactions conducted on two Business Days immediately prior to the start of the weekend are for delivery through the remainder of the current month.

For delivery Days for the next month, transactions conducted on the Business Day immediately prior to the start of the weekend are for delivery from the first calendar day of the next month through the first Business Day of the next month.

227.07 PRICES AND MINIMUM FLUCTUATION SIZE

Prices shall be quoted in US (\$) dollars and cents per million British thermal units (MMBtu).

The minimum price fluctuation shall be \$0.0025 per MMBtu. There shall be no price fluctuation limitation.

227.08 TERMINATION OF TRADING

(A) Trading of the Contract shall cease at 11:30 a.m. on the Business Day prior to the first Day of the delivery period ("Termination of Trading"). In the event that the originally listed Termination of Trading date is an Exchange holiday, Termination of Trading will occur on the Business Day immediately prior. Any Contracts remaining open after the Termination of Trading must be delivered in accordance with Rule 227.10.

(B) When the last day of a calendar month occurs during a weekend (Saturday, Sunday and when it applies, Holiday Friday or Holiday Monday) then, for the weekend delivery Days and following Business Day, the following shall apply: For delivery Days for the remainder of current month, trading will terminate two Business Days immediately prior to the start of the weekend;

For delivery Days for the next month, trading will terminate one Business Day immediately prior to the start of the weekend.

227.09 CONTRACT DELIVERY

(A) Contract Delivery shall take place at the PPEC NYMEX Pool pursuant to a Buyer's or Seller's previously executed PPEC NYMEX Pooling and Imbalance Service Agreement. It is a Seller's obligation to perform an intra-system delivery at the PPEC NYMEX Pool and it is the Buyer's obligation to have the ability to receive such intra-system delivery at the PPEC NYMEX Pool. Delivery shall be made in accordance with the PPEC Tariff and all applicable Federal, State and Local laws and regulations. PPEC shall confirm the satisfaction of the delivery by notifying the Exchange. Title will transfer in the aggregate from all Sellers to all Buyers at the PPEC NYMEX Pool.

The Seller shall provide Natural Gas which is free from all liens, encumbrances, unpaid taxes, fees and other charges.

(B) All Contract deliveries made in accordance with these Rules shall be final and there shall be no appeal.

(C) A Buyer's or Seller's delivery obligation resulting from a position in any or all of Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Daily/Weekend Futures, Pine Prairie

Energy Center (PPEC) Physically Delivered Natural Gas BALMO Futures and Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Futures contracts shall be offset, in whole or in part, by the Exchange. For example, a Daily/Weekend contract may be used to offset one Day of the delivery obligation of a BALMO or Monthly contract with the Buyer or Seller, as appropriate. Buyer or Seller shall be responsible for any financial obligation arising from the value differential created by the position offset. Any remaining delivery obligations resulting from open positions following Termination of Trading must be delivered or received in accordance with Rule 227.10.

227.10 DELIVERY PROCEDURE

(A) POOL NOMINATION

Following the Termination of Trading, the Exchange will, on behalf of each Seller and Buyer of a Contract that is not netted, submit a PPEC NYMEX Pool nomination to PPEC by 12:30 p.m. on each Business Day for such Contracts going to physical delivery. A PPEC NYMEX Pool nomination shall include party (Seller or Buyer), respective Clearing Member, quantity, receipt or delivery, as applicable, and PPEC Contract number information provided by the Exchange to enable PPEC to commence the process of scheduling the PPEC NYMEX Pooling Service for any quantities going to physical delivery. A PPEC NYMEX Pool nomination may represent only a portion of the information necessary for PPEC to schedule quantities for physical delivery and, therefore, is not a substitute for the responsibility of any Buyer or Seller to submit the required information for receipt and delivery, respectively, of any physical gas on the PPEC Facilities, as provided in 227.10(B).

Each Seller's Clearing Member and Buyer's Clearing Member agrees that the Exchange will act on its behalf for the expressly limited purpose of submitting the PPEC NYMEX Pool nomination for all quantities that go to physical

delivery, that PPEC may rely upon the PPEC NYMEX Pool nomination for the purpose of scheduling the PPEC NYMEX Pooling Services under PPEC NYMEX Pooling and Imbalance Service Agreement, and that all affected customers will waive, as against PPEC, its officers, directors, servants, and agents any claim, demand or cause of action it might have as a consequence of PPEC's reliance upon a Pool Nomination furnished by the Exchange for PPEC to schedule natural gas quantities for physical delivery.

The PPEC NYMEX Pool nominations are for notification purposes only and in no way obligate the Exchange or CME Group as agent for delivery.

Each Buyer and Seller is responsible to notify the Exchange's clearing house ("Clearing House") no later than the end of the Evening nomination cycle of PPEC of any discrepancy in the netted quantity in the PPEC NYMEX Pool nomination, and in turn, each Buyer and Seller shall notify the Clearing Member of such Buyer or Seller of the reported discrepancy as soon as practicable. In the event that the Clearing House was not notified of such discrepancy, or in the event that the Clearing House was notified of such discrepancy after the end of the Evening nomination cycle of PPEC, than the original nomination under the PPEC NYMEX Pool nomination shall remain in effect.

(B) TRANSPORTATION AND OTHER NOMINATIONS

If a PPEC NYMEX Pool nomination has been submitted on behalf of a Seller or Buyer, the Seller or Buyer is responsible for (i) arranging transportation from or to the points of receipt and delivery between the PPEC NYMEX Pool and the interconnecting upstream and downstream natural gas pipelines or to or from PPEC storage, and (ii) submitting an appropriate nomination to PPEC to permit PPEC to schedule the receipt and delivery of the quantities specified in the PPEC NYMEX Pool nomination. Sellers shall be responsible for nominating transportation and related services from points of receipt on the PPEC Facilities to the PPEC NYMEX Pool. Buyers shall be responsible for nominating transportation and related services from the PPEC NYMEX Pool to points of delivery on the PPEC Facilities. Failure to submit an appropriate nomination will be deemed to be either a Non-Delivery or Non-Receipt under Rule 227.13, and NYMEX Pooling Imbalance Service shall apply and the applicable amount shall be charged.

227.11 TIMING OF DELIVERY

Delivery shall take place ratably in conformance with PPEC's operating procedures over the delivery period of the Contract.

227.12 DELIVERY MARGINS AND PAYMENTS

(A) For the purposes of this Rule 227.12,

(1) "Payment Date" shall mean two Business Days following confirmation that delivery has occurred. If such day is an Exchange holiday, the Payment Date shall be the following Business Day.

(B) For delivery that will take place on a Business Day, by 9 a.m. on the delivery Day, the Buyer's Clearing Member shall obtain from the Buyer delivery margin equal to the full value of the Contract to be delivered on that Business Day. For delivery that will take place on a Day that is not a Business Day, by 3 p.m. on the Business Day prior to the delivery Day, the Buyer's Clearing Member shall obtain from the Buyer delivery margin equal to the full value of the Contract to be delivered on the following non-Business Day. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and, shall be drawn in favor of the Exchange. Upon confirmation of payment to the Seller's Clearing Member, Buyer's Clearing Member shall release full delivery margin to the Buyer.

(1) Payment shall be performed in accordance with instructions provided by the Clearing House to Clearing Members.

(C) The Seller's Clearing Member will receive the full Contract value on the payment date.

Upon receipt of payment, the Seller's Clearing Member shall notify the Exchange.

(D) The Seller's Clearing Member shall obtain from the Seller margin in the amount fixed, from time to time, by the Exchange.

(E) The Buyer's Clearing Member and the Seller's Clearing Member shall deposit with the Exchange margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(F) FEE FOR PPEC NYMEX POOLING SERVICE. The PPEC NYMEX Pooling Service shall be contracted by Seller and Buyer, respectively, pursuant to the PPEC NYMEX Pooling and Imbalance Service Agreement at the per-MMBtu rate specified in the PPEC NYMEX Pooling and Imbalance Service Agreement.

227.13 INVOCATION OF, AND PAYMENT FOR, PPEC NYMEX IMBALANCE SERVICE

(A) "Non-Delivery" by a Seller and "Non-Receipt" by a Buyer shall mean a failure to comply with nomination requirements under Rule 227.10 or failure to deliver or receive Natural Gas under the PPEC NYMEX Pooling Service. "Non-Delivery" by a Seller and "Non-Receipt" by a Buyer will occur in the event there is an imbalance, as determined by PPEC, at the close of the Intraday 1 nomination cycle. The Non-Delivery or Non-Receipt quantities (in MMBtu) will equal the imbalance quantity. For each instance of Non-Delivery or Non-Receipt, subject to the terms of the PPEC

Tariff and the PPEC NYMEX Pooling and Imbalance Service Agreement, PPEC will fulfill the PPEC NYMEX Pool nomination by either receiving or delivering, as applicable, the imbalance quantities of natural gas to satisfy the PPEC NYMEX Pool nominations.

The charge under the PPEC NYMEX Pooling and Imbalance Service Agreement shall be an amount equal to 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the prior Day, current Day or next Day (whichever yields the highest dollar amount), multiplied by the imbalance quantities.

(B) The imbalance quantity shall be based on the daily activity report received from PPEC pursuant to Rule 227.15, to be due, without limiting the right of the respective Seller or Buyer to seek recovery of any disputed amounts pursuant to the procedures set forth in the PPEC Tariff.

(C) In the event of an imbalance resulting from a service interruption within the PPEC NYMEX Pool, neither Buyer's Clearing Member nor Seller's Clearing Member shall be subject to charges under its customer's PPEC NYMEX Pooling and Imbalance Service Agreement.

227.14 UNQUALIFIED PARTY PENALTY

(A) In the event an Unqualified Party holds a short open position after 11:30 a.m. on the business day prior to the first day of delivery, (1) the short position held by such Unqualified Party shall be assumed by a third party as approved by the Exchange, and (2) the Unqualified Party's Clearing Member shall pay to the third party through the Exchange an amount per MMBtu per day through the next trading day or the end of the delivery period, whichever is earlier, equal to the higher of (i) difference between 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the current Day and the invoice price, or (ii) difference between the approved third party's documented actual cost of procuring and delivering (through the use of transportation and/or storage services) the natural gas required to meet the delivery obligation of the assumed short position and the invoice price.

(B) In the event an Unqualified Party holds a long open position after 11:30 a.m. on the business day prior to the first day of delivery, (1) the long position held by such Unqualified Party shall be assumed by a third party as approved by the Exchange, and (2) the Unqualified Party's Clearing Member shall pay to the third party through the Exchange an amount per MMBtu per day through the next trading day or the end of the delivery period, whichever is earlier, equal to the (i) difference between 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the current Day and the invoice price, plus (ii) any amount by which the approved third party's documented actual cost of disposing of the natural gas required to meet the delivery obligation exceeds the value calculated for (i). The "cost of disposing" shall include any negative difference between the price received by the third party on resale of such gas and the settled price of the assumed long position and any out-of-pocket transportation and storage costs incurred by the third party to facilitate such resale, provided such resale occurs no later than the next business day.

(C) In the event an Unqualified Party holds a short or long open position after 11:30 a.m. on the business day prior to the first day of delivery and the open position is not assumed by a third party as approved by the Exchange, then the Unqualified Party's Clearing Member shall be subject to Exchange Rule 7B14. In no event shall the penalties assessed under Exchange Rule 7B14 be less than the penalties assessed under Rule 227.14(A) or Rule 227.14(B), as applicable.

227.15 DAILY REPORT OF DELIVERIES OR RECEIPTS

A report specifying each Buyer's or Seller's deliveries or receipts accomplished on any Day under Contracts for which PPEC NYMEX Pool nominations have been supplied by the Exchange shall be provided to the Exchange by PPEC, broken down to show that quantities actually delivered, quantities netted, and quantities covered by means of the NYMEX Imbalance Service or other PPEC Storage Service Agreement. The report will be submitted by 2 p.m. on any delivery Day (or, for a Day that is not a Business Day, by 2 p.m. on the next following Business Day). Each Buyer and Seller is entitled to seek from PPEC a similar daily activities report of such entity's specific daily delivery activities. Each Buyer and Seller shall be deemed to have consented to PPEC disclosure to the Exchange of its customer-specific information in this regard.

227.16 VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity, or accuracy of any document or instrument delivered pursuant to these Rules.

227.17 EXCHANGE FOR RELATED POSITION

Any Exchange for Related Position (EFRP) transaction shall be governed by the provision of Exchange Rule 538. An EFRP will not be permitted after Termination of Trading.

227.18 FORCE MAJEURE

(A) DEFINITIONS. As used in this Rule 227.17, and without prejudice to any definition of similar terms included in the PPEC Tariff, the following terms, as well as variations thereof shall have the meanings described below.

~~(1) "Force Majeure" shall mean circumstances (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which are beyond the control of the Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in this Chapter. Whether circumstances exist constituting Force Majeure shall be determined by the delivery group as provided for in these Rules; provided, however, that other than with respect to PPEC NYMEX Pooling and Imbalance Service, and absent other circumstances constituting Force Majeure, non-performance or the non-clearance of any nomination for transportation service pursuant to an interruptible transportation service agreement, or interruption of service pursuant to an interruptible service agreement shall not constitute Force Majeure.~~

~~(2) "Party" means a Buyer's Clearing Member or Seller's Clearing Member and "Parties" means both a Buyer's Clearing Member and Seller's Clearing Member.~~

~~(B) DELIVERY GROUP~~

~~(1) Force Majeure shall be determined by the delivery group as empanelled by the Chief Regulatory Officer.~~

~~(2) The Chief Regulatory Officer will determine when to convene the delivery group, which will determine if Force Majeure circumstances hold as soon as practicable:~~

~~(a) when the Chief Regulatory Officer is advised that a Force Majeure may have occurred;~~

~~(b) upon the written request of both the Buyer's Clearing Member and Seller's Clearing Member; or~~

~~(c) if any Party notifies the Exchange that circumstances constituting Force Majeure prevent the performance of payment obligations at the time and site designated by the parties.~~

~~(3) Upon a finding of Force Majeure, the delivery group shall determine what actions are to be taken, including:~~

~~(a) modifying the method or timing of delivery or payment; or~~

~~(b) referring the matter to the Chief Regulatory Officer for consideration of recommending emergency action.~~

227.19 EXCLUSION OF LIABILITY

~~Except as specifically provided in the rules (and to the extent permitted by law), the Exchange accepts no liability in connection with this futures contract, its performance, non-performance or its termination whether based on breach of contract, warranty, negligence or tort. In particular, but without limitation, the Exchange shall not be responsible for or shall have any liability whatsoever to any Buyer or Seller for the availability, suitability, unavailability or malfunction of nomination system or any part thereof; the performance or non-performance by PPEC of its respective obligations under the PPEC Tariff or otherwise; any act or omission of any operator of nomination system or any part thereof; any performance or non-performance by the Exchange in relation to its serving as a provider of pipeline nominations; any performance or non-performance by the Exchange in relation to its serving as a party to the deliveries, and the Exchange shall under no circumstances be liable for any indirect or consequential loss or loss of profits. Additionally, nothing in these Rules will constrain the Clearing House from performing its duties under Chicago Mercantile Exchange Inc. Rule 802.~~

227.20 TIME REFERENCES

~~For purposes of these Rules, unless otherwise specified, times referred to herein shall refer to and indicate New York prevailing time.~~

227.21 NO CONFLICT

~~Nothing herein shall limit or modify the obligations of a Seller or Buyer under the PPEC Tariff or any PPEC Service Agreement.~~

Chapter 228

Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas BALMO Futures

228.01 SCOPE

The provisions of the rules set forth below ("the Rules") shall apply to all natural gas bought and sold for future delivery on the Exchange (the "Contract") with delivery at the facilities of Pine Prairie Energy Center, LLC ("PPEC").

228.01A PRODUCT PLACEMENT

As a condition precedent to trading any Contract, the Clearing Member ("Clearing Member") transacting a Contract is responsible to ensure that the Buyer and Seller of such Clearing Member, or the Clearing Member if such Clearing Member is acting for its own account, shall have a valid PPEC NYMEX Pooling and Imbalance Service Agreement for the PPEC NYMEX Pooling and Imbalance Service and a valid PPEC Hub Services Agreement, as such terms are defined below.

228.02 DEFINITIONS

For the purpose of this Chapter, the terms set forth below shall be defined as follows:

(A) "Natural Gas" means merchantable natural gas that meets or exceeds the quality specifications set forth in the PPEC Tariff.

(B) "Btu" (British thermal unit) means the amount of heat required to raise the temperature of one (1) pound avoirdupois of pure water from fifty-eight and five tenths degrees (58.5) Fahrenheit to fifty-nine and five tenths degrees (59.5) Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute. MMBtu shall mean one million (1,000,000) Btu.

(C) "Business Day" means any day that is not a Saturday, Sunday or a legal holiday on which the commercial banks in New York, New York are not open for business.

(D) "Day" shall have the meaning assigned the term in the PPEC Tariff.

(E) "PPEC Facilities" refers to natural gas storage caverns, pipeline, compression and appurtenant facilities owned and operated by PPEC all located in Evangeline, Acadia and Rapides Parishes, Louisiana.

(F) "PPEC NYMEX Pool" means the virtual, intra-system point on the PPEC Facilities within the PPEC Pine Prairie Hub at which a Seller will deliver its scheduled quantities for physical delivery under its PPEC NYMEX Pooling and Imbalance Service Agreement, transfer of title will take place to Buyers, and Buyers will receive scheduled quantities for physical delivery under PPEC NYMEX Pooling and Imbalance Service Agreements.

(G) "PPEC Hub Services Agreement" means a Hub Services Agreement under PPEC's Tariff.

(H) "PPEC NYMEX Pooling and Imbalance Service" means the scheduling and title transfer service, along with the imbalance service described in Rule 228.13, all of which is provided by PPEC as part of the PPEC NYMEX Pooling and Imbalance Service as defined in the PPEC Tariff.

(I) "PPEC NYMEX Pooling and Imbalance Service Agreement" means the agreement between a Seller or Buyer and PPEC for PPEC NYMEX Pooling and Imbalance Service.

(J) "PPEC Tariff" means PPEC's currently effective FERC Gas Tariff, as such tariff may be filed with the Federal Energy Regulatory Commission from time to time.

(K) "Unqualified Party" means a Buyer or Seller of a Clearing Member, or a Clearing Member if such Clearing Member is acting for its own account, which does not have a valid PPEC NYMEX Pooling and Imbalance Service Agreement for the PPEC NYMEX Pooling and Imbalance Service or a valid PPEC Hub Services Agreement.

228.03 REFERENCE TO BUYER AND SELLER

The term "Buyer" shall mean the customer of a Clearing Member buying the Contract or the long Clearing Member if such Clearing Member is acting for its own account. The term "Seller" shall mean the customer of the Clearing Member selling the Contract or the short Clearing Member if such Clearing Member is acting for its own account.

228.04 CONTRACT UNIT

The Contract unit shall be 2,500 MMBtu. Transaction size shall be restricted to whole number multiples of the number of calendar days in the delivery period.

228.05 GRADE AND QUALITY SPECIFICATIONS

Natural Gas meeting the specifications set forth in the PPEC Tariff as then in effect at the time of delivery shall be deliverable in satisfaction of the Contract delivery obligations.

228.06 DELIVERY PERIOD

Trading shall be conducted in Contracts providing for delivery in such period as shall be determined by the Exchange. The Contract delivery period shall be for delivery starting the Day following the contract date (the "Following Day"), through the end of the Month (as defined in the PPEC Tariff), whereby transaction sizes for trading in any balance of

month Contract shall be the whole number multiples of the number of calendar days starting with the Following Day through and including the last Day of the calendar Month.

228.07 PRICES AND MINIMUM FLUCTUATION SIZE

Prices shall be quoted in US (\$) dollars and cents per million British thermal units (MMBtu). The minimum price fluctuation shall be \$0.0025 per MMBtu. There shall be no price fluctuation limitation.

228.08 TERMINATION OF TRADING

Trading of the Contract shall cease at 11:30 a.m. on the Business Day prior to the first Day of the delivery period ("Termination of Trading"). In the event that the originally listed Termination of Trading date is an Exchange holiday, Termination of Trading will occur on the Business Day immediately prior. Any Contracts remaining open after the Termination of Trading must be delivered in accordance with Rule 228.10.

228.09 CONTRACT DELIVERY

(A) Contract Delivery shall take place at the PPEC NYMEX Pool pursuant to a Buyer's or Seller's previously executed PPEC NYMEX Pooling and Imbalance Service Agreement. It is a Seller's obligation to perform an intra-system delivery at the PPEC NYMEX Pool and it is the Buyer's obligation to have the ability to receive such intra-system delivery at the PPEC NYMEX Pool. Delivery shall be made in accordance with the PPEC Tariff and all applicable Federal, State and Local laws and regulations. PPEC shall confirm the satisfaction of the delivery by notifying the Exchange. Title will transfer in the aggregate from all Sellers to all Buyers at the PPEC NYMEX Pool. The Seller shall provide Natural Gas which is free from all liens, encumbrances, unpaid taxes, fees and other charges.

(B) All Contract deliveries made in accordance with these Rules shall be final and there shall be no appeal.

(C) A Buyer's or Seller's delivery obligation resulting from a position in any or all of Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Daily/Weekend Futures, Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas BALMO Futures, and Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Futures contracts shall be offset, in whole or in part, by the Exchange. For example, a Daily/Weekend contract may be used to offset one Day of the delivery obligation of a BALMO or Monthly contract with the Buyer or Seller, as appropriate. Buyer or Seller shall be responsible for any financial obligation arising from the value differential created by the position offset. Any remaining delivery obligations resulting from open positions following Termination of Trading must be delivered or received in accordance with Rule 228.10.

228.10 DELIVERY PROCEDURE

(A) POOL NOMINATION

Following the Termination of Trading, the Exchange will, on behalf of each Seller and Buyer of a Contract that is not netted, submit a PPEC NYMEX Pool nomination to PPEC by 12:30 p.m. on each Business Day for such Contracts going to physical delivery. A PPEC NYMEX Pool nomination shall include party (Seller or Buyer), respective Clearing Member, quantity, receipt or delivery, as applicable, and PPEC Contract number information provided by the Exchange to enable PPEC to commence the process of scheduling the PPEC NYMEX Pooling Service for any quantities going to physical delivery. A PPEC NYMEX Pool nomination may represent only a portion of the information necessary for PPEC to schedule quantities for physical delivery and, therefore, is not a substitute for the responsibility of any Buyer or Seller to submit the required information for receipt and delivery, respectively, of any physical gas on the PPEC Facilities, as provided in 228.10(B).

Each Seller's Clearing Member and Buyer's Clearing Member agrees that the Exchange will act on its behalf for the expressly limited purpose of submitting the PPEC NYMEX Pool nomination for all quantities that go to physical delivery, that PPEC may rely upon the PPEC NYMEX Pool nomination for the purpose of scheduling the PPEC NYMEX Pooling Services under PPEC NYMEX Pooling and Imbalance Service Agreement, and that all affected customers will waive, as against PPEC, its officers, directors, servants, and agents any claim, demand or cause of action it might have as a consequence of PPEC's reliance upon a Pool Nomination furnished by the Exchange for PPEC to schedule natural gas quantities for physical delivery.

The PPEC NYMEX Pool nominations are for notification purposes only and in no way obligate the Exchange or CME Group as agent for delivery.

Each Buyer and Seller is responsible to notify the Exchange's clearing house ("Clearing House") no later than the end of the Evening nomination cycle of PPEC of any discrepancy in the netted quantity in the PPEC NYMEX Pool nomination, and in turn, each Buyer and Seller shall notify the Clearing Member of such Buyer or Seller of the reported discrepancy as soon as practicable. In the event that the Clearing House was not notified of such discrepancy, or in the event that the Clearing House was notified of such discrepancy after the end of the Evening nomination cycle of PPEC, then the original nomination under the PPEC NYMEX Pool nomination shall remain in effect.

(B) TRANSPORTATION AND OTHER NOMINATIONS

If a PPEC NYMEX Pool nomination has been submitted on behalf of a Seller or Buyer, the Seller or Buyer is responsible for (i) arranging transportation from or to the points of receipt and delivery between the PPEC NYMEX Pool and the interconnecting upstream and downstream natural gas pipelines or to or from PPEC storage, and (ii) submitting an appropriate nomination to PPEC to permit PPEC to schedule the receipt and delivery of the quantities specified in the PPEC NYMEX Pool nomination. Sellers shall be responsible for nominating transportation and related services from points of receipt on the PPEC Facilities to the PPEC NYMEX Pool. Buyers shall be responsible for nominating transportation and related services from the PPEC NYMEX Pool to points of delivery on the PPEC Facilities. Failure to submit an appropriate nomination will be deemed to be either a Non-Delivery or Non-Receipt under Rule 228.13, and NYMEX Pooling Imbalance Service shall apply and the applicable amount shall be charged.

228.11 TIMING OF DELIVERY

Delivery shall take place ratably in conformance with PPEC's operating procedures over the delivery period of the Contract.

228.12 DELIVERY MARGINS AND PAYMENTS

(A) For the purposes of this Rule 228.12,

(1) "Payment Date" shall mean two Business Days following confirmation that delivery has occurred. If such day is an Exchange holiday, the Payment Date shall be the following Business Day.

(B) For delivery that will take place on a Business Day, by 9 a.m. on the delivery Day, the Buyer's Clearing Member shall obtain from the Buyer delivery margin equal to the full value of the Contract to be delivered on that Business Day. For delivery that will take place on a Day that is not a Business Day, by 3 p.m. on the Business Day prior to the delivery Day, the Buyer's Clearing Member shall obtain from the Buyer delivery margin equal to the full value of the Contract to be delivered on the following non-Business Day. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and, shall be drawn in favor of the Exchange. Upon confirmation of payment to the Seller's Clearing Member, Buyer's Clearing Member shall release full delivery margin to the Buyer.

(1) Payment shall be performed in accordance with instructions provided by the Clearing House to Clearing Members.

(C) The Seller's Clearing Member will receive the full Contract value on the payment date. Upon receipt of payment, the Seller's Clearing Member shall notify the Exchange.

(D) The Seller's Clearing Member shall obtain from the Seller margin in the amount fixed, from time to time, by the Exchange.

(E) The Buyer's Clearing Member and the Seller's Clearing Member shall deposit with the Exchange margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(F) FEE FOR PPEC NYMEX POOLING SERVICE. The PPEC NYMEX Pooling Service shall be contracted by Seller and Buyer, respectively, pursuant to the PPEC NYMEX Pooling and Imbalance Service Agreement at the per-MMBtu rate specified in the PPEC NYMEX Pooling and Imbalance Service Agreement.

228.13 INVOCATION OF, AND PAYMENT FOR, PPEC NYMEX IMBALANCE SERVICE

(A) "Non-Delivery" by a Seller and "Non-Receipt" by a Buyer shall mean a failure to comply with nomination requirements under Rule 228.15 or failure to deliver or receive Natural Gas under the PPEC NYMEX Pooling Service. "Non-Delivery" by a Seller and "Non-Receipt" by a Buyer will occur in the event there is an imbalance, as determined by PPEC, at the close of the Intraday 1 nomination cycle. The Non-Delivery or Non-Receipt quantities (in MMBtu) will equal the imbalance quantity. For each instance of Non-Delivery or Non-Receipt, subject to the terms of the PPEC Tariff and the PPEC NYMEX Pooling and Imbalance Service Agreement, PPEC will fulfill the PPEC NYMEX Pool nomination by either receiving or delivering, as applicable, the imbalance quantities of natural gas to satisfy the PPEC NYMEX Pool nominations. The charge under the PPEC NYMEX Pooling and Imbalance Service Agreement shall be an amount equal to 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the prior Day, current Day or next Day (whichever yields the highest dollar amount), multiplied by the imbalance quantities.

(B) The imbalance quantity shall be based on the daily activity report received from PPEC, pursuant to Rule 228.14, to be due, without limiting the right of the respective Seller or Buyer to seek recovery of any disputed amounts pursuant to the procedures set forth in the PPEC Tariff.

(C) In the event of an imbalance resulting from a service interruption within the PPEC NYMEX Pool, neither Buyer's Clearing Member nor Seller's Clearing Member shall be subject to charges under its customer's PPEC NYMEX Pooling and Imbalance Service Agreement.

228.14 UNQUALIFIED PARTY PENALTY

~~(A) In the event an Unqualified Party holds a short open position after 11:30 a.m. on the business day prior to the first day of delivery, (1) the short position held by such Unqualified Party shall be assumed by a third party as approved by the Exchange, and (2) the Unqualified Party's Clearing Member shall pay to the third party through the Exchange an amount per MMBtu per day through the next trading day or the end of the delivery period, whichever is earlier, equal to the higher of (i) difference between 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the current Day and the invoice price, or (ii) difference between the approved third party's documented actual cost of procuring and delivering (through the use of transportation and/or storage services) the natural gas required to meet the delivery obligation of the assumed short position and the invoice price.~~

~~(B) In the event an Unqualified Party holds a long open position after 11:30 a.m. on the business day prior to the first day of delivery, (1) the long position held by such Unqualified Party shall be assumed by a third party as approved by the Exchange, and (2) the Unqualified Party's Clearing Member shall pay to the third party through the Exchange an amount per MMBtu per day through the next trading day or the end of the delivery period, whichever is earlier, equal to the (i) difference between 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the current Day and the invoice price, plus (ii) any amount by which the approved third party's documented actual cost of disposing of the natural gas required to meet the delivery obligation exceeds the value calculated for (i). The "cost of disposing" shall include any negative difference between the price received by the third party on resale of such gas and the settled price of the assumed long position and any out-of-pocket transportation and storage costs incurred by the third party to facilitate such resale, provided such resale occurs no later than the next business day.~~

~~(C) In the event an Unqualified Party holds a short or long open position after 11:30 a.m. on the business day prior to the first day of delivery and the open position is not assumed by a third party as approved by the Exchange, then the Unqualified Party's Clearing Member shall be subject to Exchange Rule 7B14. In no event shall the penalties assessed under Exchange Rule 7B14 be less than the penalties assessed under Rule 228.14(A) or Rule 228.14(B), as applicable.~~

228.15 DAILY REPORT OF DELIVERIES OR RECEIPTS

~~A report specifying each Buyer's or Seller's deliveries or receipts accomplished on any Day under Contracts for which PPEC NYMEX Pool nominations have been supplied by the Exchange shall be provided to the Exchange by PPEC, broken down to show that quantities actually delivered, quantities netted, and quantities covered by means of the NYMEX Imbalance Service or other PPEC Storage Service Agreement. The report will be submitted by 2 p.m. on any delivery Day (or, for a Day that is not a Business Day, by 2 p.m. on the next following Business Day). Each Buyer and Seller is entitled to seek from PPEC a similar daily activities report of such entity's specific daily delivery activities. Each Buyer and Seller shall be deemed to have consented to PPEC disclosure to the Exchange of its customer-specific information in this regard.~~

228.16 VALIDITY OF DOCUMENTS

~~The Exchange makes no representation respecting the authenticity, validity, or accuracy of any document or instrument delivered pursuant to these Rules.~~

228.17 EXCHANGE FOR RELATED POSITION

~~Any Exchange for Related Position (EFRP) transaction shall be governed by the provision of Exchange Rule 538. An EFRP will not be permitted after Termination of Trading.~~

228.18 FORCE MAJEURE

~~(A) DEFINITIONS. As used in this Rule 228.17, and without prejudice to any definition of similar terms included in the PPEC Tariff, the following terms, as well as variations thereof, shall have the meanings described below.~~

~~(1) "Force Majeure" shall mean circumstances (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which are beyond the control of the Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in this Chapter. Whether circumstances exist constituting Force Majeure shall be determined by the delivery group as provided for in these Rules; provided, however, that other than with respect to PPEC NYMEX Pooling and Imbalance Service, and absent other circumstances constituting Force Majeure, non performance or the non clearance of any nomination for transportation service pursuant to an interruptible transportation service agreement, or interruption of service pursuant to an interruptible service agreement shall not constitute Force Majeure.~~

~~(2) "Party" means a Buyer's Clearing Member or Seller's Clearing Member and "Parties" means both a Buyer's Clearing Member and Seller's Clearing Member.~~

~~(B) DELIVERY GROUP~~

~~(1) Force Majeure shall be determined by the delivery group as empanelled by the Chief Regulatory Officer.~~

~~(2) The Chief Regulatory Officer will determine when to convene the delivery group, which will determine if Force Majeure circumstances hold as soon as practicable:~~

~~(a) when the Chief Regulatory Officer is advised that a Force Majeure may have occurred;~~

~~(b) upon the written request of both the Buyer's Clearing Member and Seller's Clearing Member; or~~

~~(c) if any Party notifies the Exchange that circumstances constituting *Force Majeure* prevent the performance of payment obligations at the time and site designated by the parties.~~

~~(3) Upon a finding of *Force Majeure*, the delivery group shall determine what actions are to be taken, including:~~

~~(a) modifying the method or timing of delivery or payment; or (b) referring the matter to the Chief Regulatory Officer for consideration of recommending emergency action.~~

228.19 EXCLUSION OF LIABILITY

~~Except as specifically provided in the rules (and to the extent permitted by law), the Exchange accepts no liability in connection with this futures contract, its performance, non performance or its termination whether based on breach of contract, warranty, negligence or tort. In particular, but without limitation, the Exchange shall not be responsible for or shall have any liability whatsoever to any Buyer or Seller for the availability, suitability, unavailability or malfunction of nomination system or any part thereof; the performance or non-performance by PPEC of its respective obligations under the PPEC Tariff or otherwise; any act or omission of any operator of nomination system or any part thereof; any performance or non-performance by the Exchange in relation to its serving as a provider of pipeline nominations; any performance or non-performance by the Exchange in relation to its serving as a party to the deliveries, and the Exchange shall under no circumstances be liable for any indirect or consequential loss or loss of profits. Additionally, nothing in these Rules will constrain the Clearing House from performing its duties under Chicago Mercantile Exchange Inc. Rule 802.~~

228.20 TIME REFERENCES

~~For purposes of these Rules, unless otherwise specified, times referred to herein shall refer to and indicate New York prevailing time.~~

228.21 NO CONFLICT

~~Nothing herein shall limit or modify the obligations of a Seller or Buyer under the PPEC Tariff or any PPEC Service Agreement.~~

Chapter 229 Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Futures

229.01 SCOPE

~~The provisions of the rules set forth below ("the Rules") shall apply to all natural gas bought and sold for future delivery on the Exchange (the "Contract") with delivery at the facilities of Pine Prairie Energy Center, LLC ("PPEC").~~

229.01A PRODUCT PLACEMENT

~~As a condition precedent to trading any Contract, the Clearing Member ("Clearing Member") transacting a Contract is responsible to ensure that the Buyer and Seller of such Clearing Member, or the Clearing Member if such Clearing Member is acting for its own account, shall have a valid PPEC NYMEX Pooling and Imbalance Service Agreement for the PPEC NYMEX Pooling and Imbalance Service and a valid PPEC Hub Services Agreement, as such terms are defined below.~~

229.02 DEFINITIONS

~~For the purpose of this Chapter, the terms set forth below shall be defined as follows:~~

~~(A) "Natural Gas" means merchantable natural gas that meets or exceeds the quality specifications set forth in the PPEC Tariff.~~

~~(B) "Btu" (British thermal unit) means the amount of heat required to raise the temperature of one (1) pound avoirdupois of pure water from fifty-eight and five-tenths degrees (58.5) Fahrenheit to fifty-nine and five-tenths degrees (59.5) Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute. MMBtu shall mean one million (1,000,000) Btu.~~

~~(C) "Business Day" means any day that is not a Saturday, Sunday or a legal holiday on which the commercial banks in New York, New York are not open for business.~~

~~(D) "Day" shall have the meaning assigned the term in the PPEC Tariff.~~

~~(E) "PPEC Facilities" refers to natural gas storage caverns, pipeline, compression and appurtenant facilities owned and operated by PPEC all located in Evangeline, Acadia and Rapides Parishes, Louisiana.~~

~~(F) "PPEC NYMEX Pool" means the virtual, intra-system point on the PPEC Facilities within the PPEC Pine Prairie Hub at which a Seller will deliver its scheduled quantities for physical delivery under its PPEC NYMEX Pooling and~~

Imbalance Service Agreement, transfer of title will take place to Buyers, and Buyers will receive scheduled quantities for physical delivery under PPEC NYMEX Pooling and Imbalance Service Agreements.

(G) "PPEC Hub Services Agreement" means a Hub Services Agreement under PPEC's Tariff.

(H) "PPEC NYMEX Pooling and Imbalance Service" means the scheduling and title transfer service, along with the imbalance service described in Rule 229.13, all of which is provided by PPEC as part of the PPEC NYMEX Pooling and Imbalance Service as defined in the PPEC Tariff.

(I) "PPEC NYMEX Pooling and Imbalance Service Agreement" means the agreement between a Seller or Buyer and PPEC for PPEC NYMEX Pooling and Imbalance Service.

(J) "PPEC Tariff" means PPEC's currently effective FERC Gas Tariff, as such tariff may be filed with the Federal Energy Regulatory Commission from time to time.

(K) "Unqualified Party" means a Buyer or Seller of a Clearing Member, or a Clearing Member if such Clearing Member is acting for its own account, which does not have a valid PPEC NYMEX Pooling and Imbalance Service Agreement for the PPEC NYMEX Pooling and Imbalance Service or a valid PPEC Hub Services Agreement.

229.03 REFERENCE TO BUYER AND SELLER

The term "Buyer" shall mean the customer of a Clearing Member buying the Contract or the long Clearing Member if such Clearing Member is acting for its own account. The term "Seller" shall mean the customer of the Clearing Member selling the Contract or the short Clearing Member if such Clearing Member is acting for its own account.

229.04 CONTRACT UNIT

The Contract unit shall be 2,500 MMBtu. Transaction size shall be restricted to whole number multiples of the number of calendar days in the delivery period.

229.05 GRADE AND QUALITY SPECIFICATIONS

Natural Gas meeting the specifications set forth in the PPEC Tariff as then in effect at the time of delivery shall be deliverable in satisfaction of the Contract delivery obligations.

229.06 DELIVERY PERIOD

Trading shall be conducted in Contracts providing for delivery in such period as shall be determined by the Exchange. The Contract delivery period shall be for delivery over a specified calendar Month, as provided in the PPEC Tariff, whereby transaction sizes for trading in any specified calendar month shall be the whole number multiples of the number of calendar days in a specified calendar month.

229.07 PRICES AND MINIMUM FLUCTUATION SIZE

Prices shall be quoted in US (\$) dollars and cents per million British thermal units (MMBtu). The minimum price fluctuation shall be \$0.0025 per MMBtu. There shall be no price fluctuation limitation.

229.08 TERMINATION OF TRADING

Trading of the Contract shall cease at 11:30 a.m. on the Business Day prior to the first Day of the delivery period ("Termination of Trading"). In the event that the originally listed Termination of Trading date is an Exchange holiday, Termination of Trading will occur on the Business Day immediately prior. Any Contracts remaining open after the Termination of Trading must be delivered in accordance with Rule 229.10.

229.09 CONTRACT DELIVERY

(A) Contract Delivery shall take place at the PPEC NYMEX Pool pursuant to a Buyer's or Seller's previously executed PPEC NYMEX Pooling and Imbalance Service Agreement. It is a Seller's obligation to perform an intra-system delivery at the PPEC NYMEX Pool and it is the Buyer's obligation to have the ability to receive such intra-system delivery at the PPEC NYMEX Pool. Delivery shall be made in accordance with the PPEC Tariff and all applicable Federal, State and Local laws and regulations. PPEC shall confirm the satisfaction of the delivery by notifying the Exchange. Title will transfer in the aggregate from all Sellers to all Buyers at the PPEC NYMEX Pool. The Seller shall provide Natural Gas which is free from all liens, encumbrances, unpaid taxes, fees and other charges.

(B) All Contract deliveries made in accordance with these Rules shall be final and there shall be no appeal.

(C) A Buyer's or Seller's delivery obligation resulting from a position in any or all of Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Daily/Weekend Futures, Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas BALMO Futures, and Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Futures contracts shall be offset, in whole or in part, by the Exchange. For example, a Daily/Weekend contract may be used to offset one Day of the delivery obligation of a BALMO or Monthly contract with the Buyer or Seller, as appropriate. Buyer or Seller shall be responsible for any financial obligation arising from the value differential created by the position offset. Any remaining delivery obligations resulting from open positions following Termination of Trading must be delivered or received in accordance with Rule 229.10.

229.10 DELIVERY PROCEDURE

(A) POOL NOMINATION

Following the Termination of Trading, the Exchange will, on behalf of each Seller and Buyer of a Contract that is not netted, submit a PPEC NYMEX Pool nomination to PPEC by 12:30 p.m. on each Business Day for such Contracts going to physical delivery. A PPEC NYMEX Pool nomination shall include party (Seller or Buyer), respective Clearing Member, quantity, receipt or delivery, as applicable, and PPEC Contract number information provided by the Exchange to enable PPEC to commence the process of scheduling the PPEC NYMEX Pooling Service for any quantities going to physical delivery. A PPEC NYMEX Pool nomination may represent only a portion of the information necessary for PPEC to schedule quantities for physical delivery and, therefore, is not a substitute for the responsibility of any Buyer or Seller to submit the required information for receipt and delivery, respectively, of any physical gas on the PPEC Facilities, as provided in 229.10(B).

Each Seller's Clearing Member and Buyer's Clearing Member agrees that the Exchange will act on its behalf for the expressly limited purpose of submitting the PPEC NYMEX Pool nomination for all quantities that go to physical delivery, that PPEC may rely upon the PPEC NYMEX Pool nomination for the purpose of scheduling the PPEC NYMEX Pooling Services under PPEC NYMEX Pooling and Imbalance Service Agreement, and that all affected customers will waive, as against PPEC, its officers, directors, servants, and agents any claim, demand or cause of action it might have as a consequence of PPEC's reliance upon a Pool Nomination furnished by the Exchange for PPEC to schedule natural gas quantities for physical delivery.

The PPEC NYMEX Pool nominations are for notification purposes only and in no way obligate the Exchange or CME Group as agent for delivery. Each Buyer and Seller is responsible to notify the Exchange's clearing house ("Clearing House") no later than the end of the Evening nomination cycle of PPEC of any discrepancy in the netted quantity in the PPEC NYMEX Pool nomination, and in turn, each Buyer and Seller shall notify the Clearing Member of such Buyer or Seller of the reported discrepancy as soon as practicable. In the event that the Clearing House was not notified of such discrepancy, or in the event that the Clearing House was notified of such discrepancy after the end of the Evening nomination cycle of PPEC, then the original nomination under the PPEC NYMEX Pool nomination shall remain in effect.

(B) TRANSPORTATION AND OTHER NOMINATIONS

If a PPEC NYMEX Pool nomination has been submitted on behalf of a Seller or Buyer, the Seller or Buyer is responsible for (i) arranging transportation from or to the points of receipt and delivery between the PPEC NYMEX Pool and the interconnecting upstream and downstream natural gas pipelines or to or from PPEC storage, and (ii) submitting an appropriate nomination to PPEC to permit PPEC to schedule the receipt and delivery of the quantities specified in the PPEC NYMEX Pool nomination. Sellers shall be responsible for nominating transportation and related services from points of receipt on the PPEC Facilities to the PPEC NYMEX Pool. Buyers shall be responsible for nominating transportation and related services from the PPEC NYMEX Pool to points of delivery on the PPEC Facilities. Failure to submit an appropriate nomination will be deemed to be either a Non-Delivery or Non-Receipt under Rule 229.13, and NYMEX Pooling Imbalance Service shall apply and the applicable amount shall be charged.

229.11 TIMING OF DELIVERY

Delivery shall take place ratably in conformance with PPEC's operating procedures over the delivery period of the Contract.

229.12 DELIVERY MARGINS AND PAYMENTS

(A) For the purposes of this Rule 229.12,

(1) "Payment Date" shall mean two Business Days following confirmation that delivery has occurred. If such day is an Exchange holiday, the Payment Date shall be the following Business Day.

(B) For delivery that will take place on a Business Day, by 9 a.m. on the delivery Day, the Buyer's Clearing Member shall obtain from the Buyer delivery margin equal to the full value of the Contract to be delivered on that Business Day. For delivery that will take place on a Day that is not a Business Day, by 3 p.m. on the Business Day prior to the delivery Day, the Buyer's Clearing Member shall obtain from the Buyer delivery margin equal to the full value of the Contract to be delivered on the following non-Business Day. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and, shall be drawn in favor of the Exchange. Upon confirmation of payment to the Seller's Clearing Member, Buyer's Clearing Member shall release full delivery margin to the Buyer.

(1) Payment shall be performed in accordance with instructions provided by the Clearing House to Clearing Members.

(C) The Seller's Clearing Member will receive the full Contract value on the payment date.

Upon receipt of payment, the Seller's Clearing Member shall notify the Exchange.

(D) The Seller's Clearing Member shall obtain from the Seller margin in the amount fixed, from time to time, by the Exchange.

(E) The Buyer's Clearing Member and the Seller's Clearing Member shall deposit with the Exchange margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(F) FEE FOR PPEC NYMEX POOLING SERVICE. The PPEC NYMEX Pooling Service shall be contracted by Seller and Buyer, respectively, pursuant to the PPEC NYMEX Pooling and Imbalance Service Agreement at the per MMBtu rate specified in the PPEC NYMEX Pooling and Imbalance Service Agreement.

229.13 INVOCATION OF, AND PAYMENT FOR, PPEC NYMEX IMBALANCE SERVICE

(A) "Non-Delivery" by a Seller and "Non-Receipt" by a Buyer shall mean a failure to comply with nomination requirements under Rule 229.10 or failure to deliver or receive Natural Gas under the PPEC NYMEX Pooling Service. "Non-Delivery" by a Seller and "Non-Receipt" by a Buyer will occur in the event there is an imbalance, as determined by PPEC, at the close of the Intraday 1 nomination cycle. The Non-Delivery or Non-Receipt quantities (in MMBtu) will equal the imbalance quantity. For each instance of Non-Delivery or Non-Receipt, subject to the terms of the PPEC Tariff and the PPEC NYMEX Pooling and Imbalance Service Agreement, PPEC will fulfill the PPEC NYMEX Pool nomination by either receiving or delivering, as applicable, the imbalance quantities of natural gas to satisfy the PPEC NYMEX Pool nominations. The charge under the PPEC NYMEX Pooling and Imbalance Service Agreement shall be an amount equal to 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the prior Day, current Day or next Day (whichever yields the highest dollar amount), multiplied by the imbalance quantities.

(B) The imbalance quantity shall be based on the daily activity report received from PPEC, pursuant to Rule 229.15, to be due, without limiting the right of the respective Seller or Buyer to seek recovery of any disputed amounts pursuant to the procedures set forth in the PPEC Tariff.

(C) In the event of an imbalance resulting from a service interruption within the PPEC NYMEX Pool, neither Buyer's Clearing Member nor Seller's Clearing Member shall be subject to charges under its customer's PPEC NYMEX Pooling and Imbalance Service Agreement.

229.14 UNQUALIFIED PARTY PENALTY

(A) In the event an Unqualified Party holds a short open position after 11:30 a.m. on the business day prior to the first day of delivery, (1) the short position held by such Unqualified Party shall be assumed by a third party as approved by the Exchange, and (2) the Unqualified Party's Clearing Member shall pay to the third party through the Exchange an amount per MMBtu per day through the next trading day or the end of the delivery period, whichever is earlier, equal to the higher of (i) difference between 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the current Day and the invoice price, or (ii) difference between the approved third party's documented actual cost of procuring and delivering (through the use of transportation and/or storage services) the natural gas required to meet the delivery obligation of the assumed short position and the invoice price.

(B) In the event an Unqualified Party holds a long open position after 11:30 a.m. on the business day prior to the first day of delivery, (1) the long position held by such Unqualified Party shall be assumed by a third party as approved by the Exchange, and (2) the Unqualified Party's Clearing Member shall pay to the third party through the Exchange an amount per MMBtu per day through the next trading day or the end of the delivery period, whichever is earlier, equal to the (i) difference between 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the current Day and the invoice price, plus (ii) any amount by which the approved third party's documented actual cost of disposing of the natural gas required to meet the delivery obligation exceeds the value calculated for (i). The "cost of disposing" shall include any negative difference between the price received by the third party on resale of such gas and the settled price of the assumed long position and any out-of-pocket transportation and storage costs incurred by the third party to facilitate such resale, provided such resale occurs no later than the next business day.

(C) In the event an Unqualified Party holds a short or long open position after 11:30 a.m. on the business day prior to the first day of delivery and the open position is not assumed by a third party as approved by the Exchange, then the Unqualified Party's Clearing Member shall be subject to Exchange Rule 7B14. In no event shall the penalties assessed under Exchange Rule 7B14 be less than the penalties assessed under Rule 229.14(A) or Rule 229.14(B), as applicable.

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229.18 FORCE MAJEURE

~~(A) DEFINITIONS. As used in this Rule 229.17, and without prejudice to any definition of similar terms included in the PPEC Tariff, the following terms, as well as variations thereof shall have the meanings described below.~~

~~(1) "Force Majeure" shall mean circumstances (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which are beyond the control of the Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in this Chapter. Whether circumstances exist constituting Force Majeure shall be determined by the delivery group as provided for in these Rules; provided, however, that other than with respect to PPEC NYMEX Pooling and Imbalance Service, and absent other circumstances constituting Force Majeure, non-performance or the non-clearance of any nomination for transportation service pursuant to an interruptible transportation service agreement, or interruption of service pursuant to an interruptible service agreement shall not constitute Force Majeure.~~

~~(2) "Party" means a Buyer's Clearing Member or Seller's Clearing Member and "Parties" means both a Buyer's Clearing Member and Seller's Clearing Member.~~

~~(B) DELIVERY GROUP~~

~~(1) Force Majeure shall be determined by the delivery group as empanelled by the Chief Regulatory Officer.~~

~~(2) The Chief Regulatory Officer will determine when to convene the delivery group, which will determine if Force Majeure circumstances hold as soon as practicable:~~

~~(a) when the Chief Regulatory Officer is advised that a Force Majeure may have occurred;~~

~~(b) upon the written request of both the Buyer's Clearing Member and Seller's Clearing Member; or~~

~~(c) if any Party notifies the Exchange that circumstances constituting Force Majeure prevent the performance of payment obligations at the time and site designated by the parties.~~

~~(3) Upon a finding of Force Majeure, the delivery group shall determine what actions are to be taken, including:~~

~~(a) modifying the method or timing of delivery or payment; or (b) referring the matter to the Chief Regulatory Officer for consideration of recommending emergency action.~~

229.19 EXCLUSION OF LIABILITY

~~Except as specifically provided in the rules (and to the extent permitted by law), the Exchange accepts no liability in connection with this futures contract, its performance, non performance or its termination whether based on breach of contract, warranty, negligence or tort. In particular, but without limitation, the Exchange shall not be responsible for or shall have any liability whatsoever to any Buyer or Seller for the availability, suitability, unavailability or malfunction of nomination system or any part thereof; the performance or non performance by PPEC of its respective obligations under the PPEC Tariff or otherwise; any act or omission of any operator of nomination system or any part thereof; any performance or non performance by the Exchange in relation to its serving as a provider of pipeline nominations; any performance or non performance by the Exchange in relation to its serving as a party to the deliveries, and the Exchange shall under no circumstances be liable for any indirect or consequential loss or loss of profits. Additionally, nothing in these Rules will constrain the Clearing House from performing its duties under Chicago Mercantile Exchange Inc. Rule 802.~~

229.20 TIME REFERENCES

~~For purposes of these Rules, unless otherwise specified, times referred to herein shall refer to and indicate New York prevailing time.~~

229.21 NO CONFLICT

~~Nothing herein shall limit or modify the obligations of a Seller or Buyer under the PPEC Tariff or any PPEC Service Agreement.~~

Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Basis Futures

1107.01 SCOPE

The provisions of the rules set forth below (the "Rules") shall apply to all natural gas bought and sold for future delivery on the Exchange (the "Contract") with delivery at the facilities of Pine Prairie Energy Center, LLC ("PPEC").

1107.01A PRODUCT PLACEMENT

As a condition precedent to trading any Contract, the Clearing Member ("Clearing Member") transacting a Contract is responsible to ensure that the Buyer and Seller of such Clearing Member, or the Clearing Member if such Clearing Member is acting for its own account, shall have a valid PPEC NYMEX Pooling and Imbalance Service Agreement for the PPEC NYMEX Pooling and Imbalance Service and a valid PPEC Hub Services Agreement, as such terms are defined below.

1107.02 DEFINITIONS

For the purpose of this Chapter, the terms set forth below shall be defined as follows:

- (A) "Natural Gas" means merchantable natural gas that meets or exceeds the quality specifications set forth in the PPEC Tariff.
- (B) "Btu" (British thermal unit) means the amount of heat required to raise the temperature of one (1) pound avoirdupois of pure water from fifty-eight and five-tenth degrees (58.5) Fahrenheit to fifty-nine and five-tenths degrees (59.5) Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute. MMBtu shall mean one million (1,000,000) Btu.
- (C) "Business Day" means any day that is not a Saturday, Sunday or a legal holiday on which the commercial banks in New York, New York are not open for business.
- (D) "Day" shall have the meaning assigned the term in the PPEC Tariff.
- (E) "PPEC Facilities" refers to natural gas storage caverns, pipeline, compression and appurtenant facilities owned and operated by PPEC all located in Evangeline, Acadia and Rapides Parishes, Louisiana.
- (F) "PPEC NYMEX Pool" means the virtual, intra-system point on the PPEC Facilities within the PPEC Pine Prairie Hub at which a Seller will deliver its scheduled quantities for physical delivery under its PPEC NYMEX Pooling and Imbalance Service Agreement, transfer of title will take place to Buyers, and Buyers will receive scheduled quantities for physical delivery under PPEC NYMEX Pooling and Imbalance Service Agreements.
- (G) "PPEC Hub Services Agreement" means a Hub Services Agreement under PPEC's Tariff.
- (H) "PPEC NYMEX Pooling and Imbalance Service" means the scheduling and title transfer service, along with the imbalance service described in Rule 13, all of which is provided by PPEC as part of the PPEC NYMEX Pooling and Imbalance Service as defined in the PPEC Tariff.
- (I) "PPEC NYMEX Pooling and Imbalance Service Agreement" means the agreement between a Seller or Buyer and PPEC for PPEC NYMEX Pooling and Imbalance Service.
- (J) "PPEC Tariff" means PPEC's currently effective FERC Gas Tariff, as such tariff may be filed with the Federal Energy Regulatory Commission from time to time.
- (K) "Unqualified Party" means a Buyer or Seller of a Clearing Member, or a Clearing Member if such Clearing Member is acting for its own account, which does not have a valid PPEC NYMEX Pooling and Imbalance Service Agreement for the PPEC NYMEX Pooling and Imbalance Service or a valid PPEC Hub Services Agreement.

1107.03 REFERENCE TO BUYER AND SELLER

The term "Buyer" shall mean the customer of a Clearing Member buying the Contract or the long Clearing Member if such Clearing Member is acting for its own account. The term "Seller" shall mean the customer of the Clearing Member selling the Contract or the short Clearing Member if such Clearing Member is acting for its own account.

1107.04 CONTRACT UNIT

The Contract unit shall be 2,500 MMBtu. Transaction size shall be restricted to whole number multiples of the number of days in the delivery period.

1107.05 GRADE AND QUALITY SPECIFICATIONS

Natural Gas meeting the specifications set forth in the PPEC Tariff as then in effect at the time of delivery shall be deliverable in satisfaction of the Contract delivery obligations.

1107.06 DELIVERY PERIOD

Trading shall be conducted in Contracts providing for delivery in such period as shall be determined by the Exchange.

The Contract delivery period shall be for delivery over a specified calendar Month, as provided in the PPEC Tariff, whereby transaction sizes for trading in any specified calendar month shall be the whole number multiples of the number of calendar days in a specified calendar month.

1107.07 PRICES AND MINIMUM FLUCTUATION SIZE

The Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Basis Futures shall be traded at a differential to the Henry Hub Natural Gas Futures contract. Prices shall be quoted in US (\$) dollars and cents per million British thermal units (MMBtu). The minimum price fluctuation shall be \$0.0025 per MMBtu. There shall be no price fluctuation limitation.

1107.07A PRICE OF DELIVERY

Delivery under the Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Basis Futures shall be at the final settlement price of the Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Basis Futures, plus the final settlement of the Henry Hub Natural Gas Futures contract for the same contract month.

1107.08 TERMINATION OF TRADING

Trading of the Contract shall cease at 11:30 a.m. on the Business Day prior to the first Day of the delivery period ("Termination of Trading"). In the event that the originally listed Termination of Trading date is an Exchange holiday, Termination of Trading will occur on the Business Day immediately prior. Any Contracts remaining open after the Termination of Trading must be delivered in accordance with Rule 1107.10.

1107.09 CONTRACT DELIVERY

(A) Contract Delivery shall take place at the PPEC NYMEX Pool pursuant to a Buyer's or Seller's previously executed PPEC NYMEX Pooling and Imbalance Service Agreement. It is a Seller's obligation to perform an intra-system delivery at the PPEC NYMEX Pool and it is the Buyer's obligation to have the ability to receive such intra-system delivery at the PPEC NYMEX Pool. Delivery shall be made in accordance with the PPEC Tariff and all applicable Federal, State and Local laws and regulations. PPEC shall confirm the satisfaction of the delivery by notifying the Exchange. Title will transfer in the aggregate from all Sellers to all Buyers at the PPEC NYMEX Pool.

The Seller shall provide Natural Gas which is free from all liens, encumbrances, unpaid taxes, fees and other charges.

(B) All Contract deliveries made in accordance with these Rules shall be final and there shall be no appeal.

(C) A Buyer's or Seller's delivery obligation resulting from a position in any or all of Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas contracts shall be offset, in whole or in part, by the Exchange. For example, a Daily/Weekend contract may be used to offset one Day of the delivery obligation of a BALMO or Monthly contract with the Buyer or Seller, as appropriate. Buyer or Seller shall be responsible for any financial obligation arising from the value differential created by the position offset. Any remaining delivery obligations resulting from open positions following Termination of Trading must be delivered or received in accordance with Rule 1107.10.

1107.10 DELIVERY PROCEDURE

(A) POOL NOMINATION

Following the Termination of Trading, the Exchange will, on behalf of each Seller and Buyer of a Contract that is not netted, submit a PPEC NYMEX Pool nomination to PPEC by 12:30 p.m. on each Business Day for such Contracts going to physical delivery. A PPEC NYMEX Pool nomination shall include party (Seller or Buyer), respective Clearing Member, quantity, receipt or delivery, as applicable, and PPEC Contract number information provided by the Exchange to enable PPEC to commence the process of scheduling the PPEC NYMEX Pooling Service for any quantities going to physical delivery. A PPEC NYMEX Pool nomination may represent only a portion of the information necessary for PPEC to schedule quantities for physical delivery and, therefore, is not a substitute for the responsibility of any Buyer or Seller to submit the required information for receipt and delivery, respectively, of any physical gas on the PPEC Facilities, as provided in 1107.10(B).

Each Seller's Clearing Member and Buyer's Clearing Member agrees that the Exchange will act on its behalf for the expressly limited purpose of submitting the PPEC NYMEX Pool nomination for all quantities that go to physical delivery, that PPEC may rely upon the PPEC NYMEX Pool nomination for the purpose of scheduling the PPEC NYMEX Pooling Services under PPEC NYMEX Pooling and Imbalance Service Agreement, and that all affected customers will waive, as against PPEC, its officers, directors, servants, and agents any claim, demand or cause of action it might have as a consequence of PPEC's reliance upon a Pool Nomination furnished by the Exchange for PPEC to schedule natural gas quantities for physical delivery. The PPEC NYMEX Pool nominations are for notification purposes only and in no way obligate the Exchange or CME Group as agent for delivery. Each Buyer and Seller is responsible to notify the Exchange's clearing house ("Clearing House") no later than the end of the Evening nomination cycle of PPEC of any discrepancy in the netted quantity in the PPEC NYMEX Pool nomination, and in turn, each Buyer and Seller shall notify the Clearing Member of such Buyer or Seller of the reported discrepancy as soon as practicable. In the event that the Clearing House was not notified of such discrepancy, or in the event that

the Clearing House was notified of such discrepancy after the end of the Evening nomination cycle of PPEC, than the original nomination under the PPEC NYMEX Pool nomination shall remain in effect.

(B) TRANSPORTATION AND OTHER NOMINATIONS

If a PPEC NYMEX Pool nomination has been submitted on behalf of a Seller or Buyer, the Seller or Buyer is responsible for (i) arranging transportation from or to the points of receipt and delivery between the PPEC NYMEX Pool and the interconnecting upstream and downstream natural gas pipelines or to or from PPEC storage, and (ii) submitting an appropriate nomination to PPEC to permit PPEC to schedule the receipt and delivery of the quantities specified in the PPEC NYMEX Pool nomination. Sellers shall be responsible for nominating transportation and related services from points of receipt on the PPEC Facilities to the PPEC NYMEX Pool. Buyers shall be responsible for nominating transportation and related services from the PPEC NYMEX Pool to points of delivery on the PPEC Facilities. Failure to submit an appropriate nomination will be deemed to be either a Non-Delivery or Non-Receipt under Rule 1107.13, and NYMEX Pooling Imbalance Service shall apply and the applicable amount shall be charged.

1107.11 TIMING OF DELIVERY

Delivery shall take place ratably in conformance with PPEC's operating procedures over the delivery period of the Contract.

1107.12 DELIVERY MARGINS AND PAYMENTS

(A) For the purposes of this Rule 1107.12,

(1) "Payment Date" shall mean two Business Days following confirmation that delivery has occurred. If such day is an Exchange holiday, the Payment Date shall be the following Business Day.

(B) For delivery that will take place on a Business Day, by 9 a.m. on the delivery Day, the Buyer's Clearing Member shall obtain from the Buyer delivery margin equal to the full value of the Contract to be delivered on that Business Day. For delivery that will take place on a Day that is not a Business Day, by 3 p.m. on the Business Day prior to the delivery Day, the Buyer's Clearing Member shall obtain from the Buyer delivery margin equal to the full value of the Contract to be delivered on the following non-Business Day. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and, shall be drawn in favor of the Exchange. Upon confirmation of payment to the Seller's Clearing Member, Buyer's Clearing Member shall release full delivery margin to the Buyer.

(1) Payment shall be performed in accordance with instructions provided by the Clearing House to Clearing Members.

(C) The Seller's Clearing Member will receive the full Contract value on the payment date. Upon receipt of payment, the Seller's Clearing Member shall notify the Exchange.

(D) The Seller's Clearing Member shall obtain from the Seller margin in the amount fixed, from time to time, by the Exchange.

(E) The Buyer's Clearing Member and the Seller's Clearing Member shall deposit with the Exchange margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the Business Day following notification to the Exchange that delivery and payment have been completed.

(F) FEE FOR PPEC NYMEX POOLING SERVICE. The PPEC NYMEX Pooling Service shall be contracted by Seller and Buyer, respectively, pursuant to the PPEC NYMEX Pooling and Imbalance Service Agreement at the per-MMBtu rate specified in the PPEC NYMEX Pooling and Imbalance Service Agreement.

1107.13 INVOCATION OF, AND PAYMENT FOR, PPEC NYMEX IMBALANCE SERVICE

(A) "Non-Delivery" by a Seller and "Non-Receipt" by a Buyer shall mean a failure to comply with nomination requirements under Rule 1107.10 or failure to deliver or receive Natural Gas under the PPEC NYMEX Pooling Service. "Non-Delivery" by a Seller and "Non-Receipt" by a Buyer will occur in the event there is an imbalance, as determined by PPEC, at the close of the Intraday 1 nomination cycle. The Non-Delivery or Non-Receipt quantities (in MMBtu) will equal the imbalance quantity. For each instance of Non-Delivery or Non-Receipt, subject to the terms of the PPEC Tariff and the PPEC NYMEX Pooling and Imbalance Service Agreement, PPEC will fulfill the PPEC NYMEX Pool nomination by either receiving or delivering, as applicable, the imbalance quantities of natural gas to satisfy the PPEC NYMEX Pool nominations. The charge under the PPEC NYMEX Pooling and Imbalance Service Agreement shall be an amount equal to 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the prior Day, current Day or next Day (whichever yields the highest dollar amount), multiplied by the imbalance quantities.

(B) The imbalance quantity shall be based on the daily activity report received from PPEC, pursuant to Rule 1107.15, to be due, without limiting the right of the respective Seller or Buyer to seek recovery of any disputed amounts pursuant to the procedures set forth in the PPEC Tariff.

(C) In the event of an imbalance resulting from a service interruption within the PPEC NYMEX Pool, neither Buyer's Clearing Member nor Seller's Clearing Member shall be subject to charges under its customer's PPEC NYMEX Pooling and Imbalance Service Agreement.

1107.14 UNQUALIFIED PARTY PENALTY

~~(A) In the event an Unqualified Party holds a short open position after 11:30 a.m. on the business day prior to the first day of delivery, (1) the short position held by such Unqualified Party shall be assumed by a third party as approved by the Exchange, and (2) the Unqualified Party's Clearing Member shall pay to the third party through the Exchange an amount per MMBtu per day through the next trading day or the end of the delivery period, whichever is earlier, equal to the higher of (i) difference between 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the current Day and the invoice price, or (ii) difference between the approved third party's documented actual cost of procuring and delivering (through the use of transportation and/or storage services) the natural gas required to meet the delivery obligation of the assumed short position and the invoice price.~~

~~(B) In the event an Unqualified Party holds a long open position after 11:30 a.m. on the business day prior to the first day of delivery, (1) the long position held by such Unqualified Party shall be assumed by a third party as approved by the Exchange, and (2) the Unqualified Party's Clearing Member shall pay to the third party through the Exchange an amount per MMBtu per day through the next trading day or the end of the delivery period, whichever is earlier, equal to the (i) difference between 1.0 times the highest Common gas price in the United States as reflected in the "Daily Price Survey" published in Platts "Gas Daily" for the current Day and the invoice price, plus (ii) any amount by which the approved third party's documented actual cost of disposing of the natural gas required to meet the delivery obligation exceeds the value calculated for (i). The "cost of disposing" shall include any negative difference between the price received by the third party on resale of such gas and the settled price of the assumed long position and any out-of-pocket transportation and storage costs incurred by the third party to facilitate such resale, provided such resale occurs no later than the next business day.~~

~~(C) In the event an Unqualified Party holds a short or long open position after 11:30 a.m. on the business day prior to the first day of delivery and the open position is not assumed by a third party as approved by the Exchange, then the Unqualified Party's Clearing Member shall be subject to Exchange Rule 7B14. In no event shall the penalties assessed under Exchange Rule 7B14 be less than the penalties assessed under Rule 227.14(A) or Rule 227.14(B), as applicable.~~

1107.15 DAILY REPORT OF DELIVERIES OR RECEIPTS

~~A report specifying each Buyer's or Seller's deliveries or receipts accomplished on any Day under Contracts for which PPEC NYMEX Pool nominations have been supplied by the Exchange shall be provided to the Exchange by PPEC, broken down to show that quantities actually delivered, quantities netted, and quantities covered by means of the NYMEX Imbalance Service or other PPEC Storage Service Agreement. The report will be submitted by 2 p.m. on any delivery Day (or, for a Day that is not a Business Day, by 2 p.m. on the next following Business Day). Each Buyer and Seller is entitled to seek from PPEC a similar daily activities report of such entity's specific daily delivery activities. Each Buyer and Seller shall be deemed to have consented to PPEC disclosure to the Exchange of its customer-specific information in this regard.~~

1107.16 VALIDITY OF DOCUMENTS

~~The Exchange makes no representation respecting the authenticity, validity, or accuracy of any document or instrument delivered pursuant to these Rules.~~

1107.17 EXCHANGE FOR RELATED POSITION

~~Any Exchange for Related Position (EFRP) transaction shall be governed by the provision of Exchange Rule 538. An EFRP will not be permitted after Termination of Trading.~~

1107.18 FORCE MAJEURE

~~(A) DEFINITIONS. As used in this Rule 1107.18, and without prejudice to any definition of similar terms included in the PPEC Tariff, the following terms, as well as variations thereof shall have the meanings described below.~~

~~(1) "Force Majeure" shall mean circumstances (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which are beyond the control of the Buyer or Seller, and which prevents the Buyer or Seller from making or taking delivery of product when and as provided for in this Chapter. Whether circumstances exist constituting Force Majeure shall be determined by the delivery group as provided for in these Rules; provided, however, that other than with respect to PPEC NYMEX Pooling and Imbalance Service, and absent other circumstances constituting Force Majeure, non-performance or the non-clearance of any nomination for transportation service pursuant to an interruptible transportation service agreement, or interruption of service pursuant to an interruptible service agreement shall not constitute Force Majeure.~~

~~(2) "Party" means a Buyer's Clearing Member or Seller's Clearing Member and "Parties" means both a Buyer's Clearing Member and Seller's Clearing Member.~~

~~(B) DELIVERY GROUP~~

~~(1) Force Majeure shall be determined by the delivery group as empanelled by the Chief Regulatory Officer.~~

~~(2) The Chief Regulatory Officer will determine when to convene the delivery group, which will determine if Force Majeure circumstances hold as soon as practicable: (a) when the Chief Regulatory Officer is advised that a Force Majeure may have occurred; (b) upon the written request of both the Buyer's Clearing Member and Seller's Clearing Member; or (c) if any Party notifies the Exchange that circumstances constituting Force Majeure prevent the performance of payment obligations at the time and site designated by the parties.~~

~~(3) Upon a finding of Force Majeure, the delivery group shall determine what actions are to be taken, including: (a) modifying the method or timing of delivery or payment; or (b) referring the matter to the Chief Regulatory Officer for consideration of recommending emergency action.~~

1107.19 EXCLUSION OF LIABILITY

~~Except as specifically provided in the rules (and to the extent permitted by law), the Exchange accepts no liability in connection with this futures contract, its performance, non performance or its termination whether based on breach of contract, warranty, negligence or tort. In particular, but without limitation, the Exchange shall not be responsible for or shall have any liability whatsoever to any Buyer or Seller for the availability, suitability, unavailability or malfunction of nomination system or any part thereof; the performance or non performance by PPEC of its respective obligations under the PPEC Tariff or otherwise; any act or omission of any operator of nomination system or any part thereof; any performance or non performance by the Exchange in relation to its serving as a provider of pipeline nominations; any performance or non performance by the Exchange in relation to its serving as a party to the deliveries, and the Exchange shall under no circumstances be liable for any indirect or consequential loss or loss of profits. Additionally, nothing in these Rules will constrain the Clearing House from performing its duties under Chicago Mercantile Exchange Inc. Rule 802.~~

1107.20 TIME REFERENCES

~~For purposes of these Rules, unless otherwise specified, times referred to herein shall refer to and indicate New York prevailing time.~~

1107.21 NO CONFLICT

~~Nothing herein shall limit or modify the obligations of a Seller or Buyer under the PPEC Tariff or any PPEC Service Agreement.~~

Contract Name	Rule Chapter	Commodity Code	Contract Size
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Futures	229	PPM	—2,500
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas BALMO Futures	228	PPB	—2,500
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Daily/Weekend Futures	227	PPD	—2,500
Pine Prairie Energy Center (PPEC) Physically Delivered Natural Gas Monthly Basis Futures	1107	PPE	—2,500

Contract Units	Type	Settlement	Group	Diminishing Balance Contract	Reporting Level	Spot-Month position comprised of futures and deliveries	Spot-Month Aggregate Into Futures Equivalent Leg (1)	Spot-Month Aggregate Into Futures Equivalent Leg (2)
MMBtu	Futures	Physically Settled Futures	Natural Gas		1		PPM	
MMBtu	Futures	Physically Settled Futures	Natural Gas		1		PPM	
MMBtu	Futures	Physically Settled Futures	Natural Gas		1		PPM	
MMBtu	Futures	Physically Settled Futures	Natural Gas		1		PPM	

Spot-Month Aggregate Into Ratio Leg (1)	Spot-Month Aggregate Into Ratio Leg (2)	Spot-Month Accountability Level	Initial Spot- Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)	Initial Spot-Month Limit Effective Date	Spot-Month Limit (In Contract Units) Leg (1) / Leg (2)	Single Month Aggregate Into Futures Equivalent Leg (1)	Single Month Aggregate Into Futures Equivalent Leg (2)
			150	Effective on a daily basis	375,000	PPM	
1 PPB : 1 PPM			150	For PPM: Effective on a daily basis	375,000	PPM	
1 PPD : 1 PPM			150	For PPM: Effective on a daily basis	375,000	PPM	
1 PPE : 1 PPM			150	For PPM: Effective on a daily basis	375,000	PPM	

	Single Month	Single Month	Single Month	All Month	All Month		All Month	All Month	All Month
	Month	Accountability	Limit (In Net	Aggregate Into	Aggregate Into		Aggregate	Accountability	Limit (In Net
Single Month	Aggregate	Level Leg (1) /	Futures	Futures	Futures	All Month	Into Ratio	Level Leg (1) /	Futures
Aggregate Into	Into Ratio	Leg (1) / Leg	Equivalents)	Equivalent Leg	Equivalent Leg	Aggregate Into	Leg (2)	Leg (1) /	Equivalents)
Ratio Leg (1)	Leg (2)	Leg (2)	Leg (1) / Leg	(1)	(2)	Ratio Leg (1)	Leg (2)	Leg (2)	Leg (1) / Leg
			(2)						(2)
		150		PPM				150	
1 PPB : 1 PPM		150		PPM		1 PPB : 1 PPM		150	
1 PPD : 1 PPM		150		PPM		1 PPD : 1 PPM		150	
1 PPE : 1 PPM		150		PPM		1 PPE : 1 PPM		150	