

October 31, 2006

**Via E-Mail**

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

RECEIVED  
OCT 31 AM 11:31  
OFFICE OF THE SECRETARY

**Re: Rule Certification. NYMEX Submission 06.126: Notification of Amendments to Exchange Rule 9.24(E), Original Margin Depositories and Originators of Letters of Credit.**

Dear Ms. Eileen Donovan:

The New York Mercantile Exchange ("NYMEX" or the "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") of amendments to Exchange Rule 9.24(E), Original Margin Depositories and Originators of Letters of Credit.

Currently, NYMEX Rule 9.24(E) limits the dollar value of Letters of Credit issued by "approved" banks on behalf of our Clearing Members to the lesser of 10% of such bank's capital or \$500 million. Effective Wednesday, November 1, 2006, the Exchange will increase the maximum dollar value of Letters of Credit to \$1 billion, but retain the percentage basis at 10%. Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the attached rule amendments comply with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact Arthur McCoy, Vice President, Financial Surveillance and Risk Management, at (212) 299-2928, and Joseph Sanguedolce, Senior Director, Financial Surveillance, at (212) 299-2855.

Very truly yours,

Thomas F. LaSala  
Senior Vice President  
Compliance and Risk Management

cc: Brian Regan

(Additions are in bold/underlined; deletions in bold/strikethrough.)

**Rule 9.24 – Original Margin Depositories and Originators of Letters of Credit**

(E) No approved original margin depository or issuer of a letter of credit may commit, with respect to Exchange contracts, more than the lesser of ten percent (10%) of its capital and surplus or ~~\$500 million~~ **\$1 billion**, provided, however, that an issuer may issue letters of credit up to ~~\$600 million~~ **\$1.1 billion**, if such issuer establishes, to the satisfaction of the Exchange, an account at another financial institution and deposits in such account, for the benefit of the Exchange, collateral in the form of U.S. Government obligations of maturities of less than ten (10) years valued at 95% of par value, for the excess over ~~\$500 million~~ **\$1 billion**. Such collateral shall be deemed to secure any and all obligations of such issuer under letters of credit issued by the issuer in favor of the Exchange. The Board of Directors, upon the application of an issuer of letters of credit, may grant a waiver of the ~~\$600 million~~ **\$1.1 billion** ceiling, upon such terms and conditions as it deems appropriate.