

February 22, 2007

Via E-Mail

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

OFFICE OF THE SECRETARY
FEBRUARY 22 PM 3:50
COMM-FUTURES

Re: Rule Certification. NYMEX Submission 07.33: Notification of Amendments to NYMEX Rule 6.21A, "Exchange of Futures for, or in Connection With, Swap Transactions," and Rules 6.40B and 11G.30, "Trading at Settlement"

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 NYMEX Rule 6.21A, "Exchange of Futures for, or in Connection With, Swap Transactions," to permit use in NYMEX Crude Oil and Heating Oil Futures Contracts, and to NYMEX Rules 6.40B and 11G.30, "Trading at Settlement," to allow for the trading of the third contract month in all eligible contracts permitted on the trading floor and through GLOBEX®.

Effective February 26, 2007, NYMEX Rule 6.21A will be amended to include additional NYMEX "core" energy Futures Contracts, namely Crude Oil (CL) and Heating Oil (HO). EFS transactions in NYMEX CL and HO will be permitted via submission to either the trading floor or via NYMEX ClearPort® Clearing ("CPC"). Further, please note that conforming revisions have been made to contract terms in Chapters 200 (CL) and 150 (HO), as well as housekeeping changes in Chapter 220 (NG) related to EFS transactions. Additionally, NYMEX Rules 6.40B, "Trading at Settlement," and 11G.30, "Trading at Settlement," will be amended to allow for the trading of the third contract month in all eligible contracts permitted on the trading floor and through GLOBEX®. Lastly, a housekeeping amendment to include NYMEX REBCO pursuant to Rule 11G.30 has been made.

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.

If you have any questions, please contact Nancy Minett, Vice President, Compliance, at (212) 299-2940, or myself at (212) 299-2897.

Sincerely,

Thomas F. LaSala
Chief Regulatory Officer

cc: Brian Regan
Nancy Minett

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

Rule 6.21A, Exchange of Futures for, or in Connection with, Swap Transactions

(A) ~~(1)~~ An exchange of futures for, or in connection with, a swap (EFS) consists of two discrete, but related, transactions; a swap transaction and a futures transaction. At the time such transaction is effected, the buyer and seller of the futures must be, respectively, the seller and the buyer of the swap. The swap component shall involve the commodity underlying the futures contract (or a derivative, by-product or related product of such commodity). The quantity covered by the swap must be approximately equivalent to the quantity covered by the futures contracts. The swap component of an EFS transaction must comply with the applicable CFTC swap regulatory requirements.

(B) Eligible Contracts and Transactions.

~~(1)~~ Eligible contracts shall include Natural Gas futures, New York Harbor Gasoline Blendstock (RBOB) futures, **New York Harbor No. 2 Heating Oil futures, Light "Sweet" Crude Oil futures, New York Harbor Unleaded Regular Gasoline futures,** any contract executed off the Exchange that the Exchange has designated as eligible for clearing at the Exchange, and any contract that is listed for trading **on NYMEX ClearPort® Trading, only on NYMEX ACCESS® or that is listed for trading only on an Alternative Electronic Trading System.** ~~For the purposes of this rule, the term "Alternative Electronic Trading System" shall mean any electronic trading system other than NYMEX ACCESS® on which NYMEX Division or COMEX Division products are traded, but not including GLOBEX®.~~

~~(2C)~~ **Posting/Submission Procedures for EFS Transactions. EFS transactions may be posted according to the following procedures:**

~~(i1)~~ Natural Gas, New York Harbor Gasoline Blendstock (RBOB) futures ~~and New York Harbor Unleaded Regular Gasoline~~ **New York Harbor No. 2 Heating Oil futures and Light "Sweet" Crude Oil futures.** The posting of any Natural Gas, New York Harbor Gasoline Blendstock (RBOB) futures, ~~New York Harbor Unleaded Regular Gasoline~~ **New York Harbor No. 2 Heating Oil futures, Light "Sweet" Crude Oil futures,** EFS transaction shall be given on the floor of the Exchange by the Floor Members during the hours of futures trading for such contract and otherwise in accordance with Rule 6.90. Each EFS transaction shall be posted, immediately when the relevant swap terms are determined, but in no event later than the earlier of the next business day or the end of the following permissible posting periods for EFS transactions (following the expiration of the underlying futures contract). **Additionally, EFS transactions in the above-cited contracts may be accomplished by submission of reports to the NYMEX Customer Service Center in accordance with its procedures.**

(a) EFS transactions involving the New York Harbor Gasoline Blendstock (RBOB) futures or the **New York Harbor No. 2 Heating Oil futures or the Light "Sweet" Crude Oil,** futures contract are permitted until 2:00 PM on the day after the close of trading on the last trading day in the expiring contract month; and

(b) EFS transactions involving the Natural Gas contract are permitted until two hours after trading terminates on the last day of trading in the expiring contract month.

These EFS transactions will be cleared through the Exchange in accordance with normal procedures and by the Clearing Members involved.

~~(ii) Contracts Executed Off the Exchange. The posting of any EFS transaction for contracts executed off the Exchange, but designated as eligible for clearing, shall be accomplished by submission of reports to the NYMEX Customer Service Center in accordance with its procedures. Such EFS transactions must be posted no later than the close of the posting period on the last trade date of the expiring contract month.~~

~~(iii) EFS Procedures for Futures Contracts Listed Only for Trading on NYMEX ACCESS®. The posting of any EFP transaction for contracts listed for trading only on NYMEX ACCESS® shall be accomplished by submission of reports to the NYMEX Customer Service Center in accordance with its procedures. Such EFP transactions must be posted no later than the close of the posting period on the last trade date on the expiring contract month.~~

~~(B)(2)(iv)~~ EFS Procedures for Futures Contracts Listed ~~Only~~ for Trading on ~~an Alternative Electronic Trading System~~ NYMEX ClearPort® Trading. The posting of any EFS transaction for contracts listed for trading only on ~~"Alternative Electronic Trading System"~~ NYMEX ClearPort® Trading shall be accomplished by submission of reports to the NYMEX Customer Service Center in accordance with its procedures. Such EFS transactions must be posted no later than the close of the posting period on the last trade date on the expiring contract month, except as noted below for cash-settled natural gas basis contracts.

For cash-settled natural gas basis contracts, EFS transactions for the expiring contract can be posted until 2:30 pm on the second business day following the last trade date.

For cash-settled natural gas swing contracts, EFS transactions for the expiring contract can be posted until 2:30 p.m. on the business day following the last trade date.

For cash-settled natural gas index contracts, EFS transactions for the expiring contract can be posted until 2:30 p.m. on the first business day following the contract month.

~~(v3)~~ PJM Electricity Futures Contracts Listed for Trading on the Exchange. EFS transactions in PJM electricity futures contracts listed for trading on the Exchange may be posted on the Floor of the Exchange during the hours of futures trading or may be posted by submission of reports to the NYMEX Customer Service Center in accordance with its procedures. EFS transactions in these contracts transacted must be posted on the Exchange within one business day of the EFS transaction. With regard to the final deadline for EFS transactions in PJM electricity futures contracts in an expiring contract month, such EFS transactions must be posted no later than the close of the posting period on the last trade date of the expiring contract month.

~~(C)~~ A report of EFS transactions shall be submitted to the Exchange by each Clearing Member representing the buyer and/or seller. Such submission shall be made by its inclusion with EFP transactions in the daily Large Trader Reporting to the Exchange, pursuant to Rule 9.33, within the Large Trader file format. The reporting of EFS transactions via Large Trader shall identify the reportable customer who executed the EFS and the kind and quantity of the futures cleared.

~~(D)~~(1) Each buyer and seller must satisfy the Exchange, at its request, that the transaction is a legitimate EFS transaction. Upon the request of the Exchange, all documentary evidence relating to the EFS, including a master swap agreement and any supplements thereto, shall be obtained by the Clearing Members from the buyer or seller and made available by the Clearing Members for examination by the

Exchange. Additionally, if the buyer or seller is a Member/Member Firm, the Exchange may obtain the information directly from such person(s).

(2) Failure by a buyer or seller, or its Clearing Member to satisfy the Exchange that an EFS transaction is bona fide shall subject such buyer or seller, if a Member/Member firm, or the clearing member to disciplinary action. Such disciplinary action, depending on the gravity of the offense, may be deemed to be a major offense of the Exchange's rules. Further, if the buyer or seller is not a Member/Member Firm, the Exchange may conduct a hearing before the Business Conduct Committee to limit, condition or deny access to the market.

(EF) All omnibus accounts and foreign brokers shall submit a signed EFS reporting agreement in the form prescribed by the Exchange to the Exchange's Compliance Department. Such Agreement shall provide that any omnibus account or foreign broker identified by a Clearing Member (or another omnibus account or foreign broker) as the buyer or seller of an EFS pursuant to Rule 6.21A(C), shall supply the name of its customer and such other information as the Exchange may require. A report of EFS transactions shall be submitted to the Exchange by each omnibus account and foreign broker representing the buyer and/or seller. Such submission shall be made by its inclusion with EFP transactions in the daily Large Trader Reporting to the Exchange, pursuant to Rule 9.33, within the Large Trader file format. The reporting of EFS transactions via Large Trader shall identify the reportable customer who executed the EFS and the kind and quantity of the futures cleared. Failure by an omnibus account or foreign broker to submit either the agreement or the particular EFS information to the Exchange may result in a hearing by the Business Conduct Committee to limit condition, or deny access of such omnibus account or foreign broker to the market.

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Rule 150.14A, Exchange of Futures for, or in Connection with, Swap Transactions

(A) An exchange of futures for, or in connection with, a swap (EFS) consists of two discrete, but related, transactions; a swap transaction and a futures transaction. At the time such transaction is effected, the buyer and seller of the futures must be the seller and buyer of a quantity of the swap. The swap component shall involve the commodity underlying the futures contract (or any derivative, by-product or related product). The swap component of an EFS transaction must comply with the applicable CFTC swap regulatory requirements.

(B) Except as provided below, an EFS must take place during the hours of futures trading for the NY Harbor No. 2 Heating Oil futures contract. An EFS is permitted at any time before 2:00 p.m. of the first business day following termination of trading in an expired futures contract, provided, however, that an EFS which establishes a futures position for both the buyer and the seller shall not be permitted on the first business day following the expired contract.

(C) Any Exchange of Futures for, or in Connection with, Swap (EFS) shall be governed by the provisions of Rule 6.21A.

(D) Each buyer and seller must satisfy the Exchange, at its request, that the transaction is a legitimate EFS transaction. All documentary evidence relating to the EFS, including a master swap agreement and any supplements thereto, shall be obtained by the Clearing Members from the buyer or seller and made available by the Clearing Members for examination by the Exchange

upon request. Additionally, if the buyer or seller is a Member/Member Firm, the Exchange may obtain the information directly from such persons.

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Rule 200.20A, Exchange of Futures for, or in Connection with, Swap Transactions

(A) An exchange of futures for, or in connection with, a swap (EFS) consists of two discrete, but related, transactions; a swap transaction and a futures transaction. At the time such transaction is effected, the buyer and seller of the futures must be the seller and buyer of a quantity of the swap. The swap component shall involve the commodity underlying the futures contract (or any derivative, by-product or related product). The swap component of an EFS transaction must comply with the applicable CFTC swap regulatory requirements.

(B) Except as provided below, an EFS must take place during the hours of futures trading for the Light Sweet Crude Oil futures contract. An EFS is permitted at any time before 2:00 p.m. of the first business day following termination of trading in an expired futures contract, provided, however, that an EFS which establishes a futures position for both the buyer and the seller shall not be permitted on the first business day following the expired contract.

(C) Any Exchange of Futures for, or in Connection with, Swap (EFS) shall be governed by the provisions of Rule 6.21A.

(D) Each buyer and seller must satisfy the Exchange, at its request, that the transaction is a legitimate EFS transaction. All documentary evidence relating to the EFS, including a master swap agreement and any supplements thereto, shall be obtained by the Clearing Members from the buyer or seller and made available by the Clearing Members for examination by the Exchange upon request. Additionally, if the buyer or seller is a Member/Member Firm, the Exchange may obtain the information directly from such persons.

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Rule 200.20AB, Alternative Delivery Procedure

A seller or buyer may agree with the buyer or seller with which it has been matched by the Exchange under Rule 200.15(E) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Chapter. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the Clearing Members and the Exchange from their respective obligations under the Exchange contracts.

In executing such Notice, Clearing Members shall indemnify the Exchange against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the Clearing Members all margin monies held for the account of each with respect to the contracts involved.

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Rule 220.17, Exchange of Futures for or in Connection with Product

(A) An exchange of futures for or in connection with the product (EFP) consists of two discrete, but related, transactions; a cash transaction and a futures transaction. At the time such transaction is effected, the buyer and seller of the futures must be the seller and buyer of the quantity of the physical product covered by this Section (or any derivative, by-product or related product.) The quantity of physical product must be approximately equivalent to the quantity covered by the futures contracts.

(B) Except as provided below, an EFP must take place during the hours of futures trading for the Natural Gas futures contract. An EFP is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract. An EFP which establishes a futures position for both the buyer and the seller shall not be permitted during the two hour period following the termination of trading of expired futures contract.

(C) Any Exchange of Futures for, or in Connection with Product (EFP) ~~or Exchange of Futures for, or in Connection with Swap Transactions (EFS)~~ shall be governed by the provisions of Rule 6.21 and 6.21A, respectively.

(D) Each buyer and seller must satisfy the Exchange, at its request, that the transaction is a legitimate EFP transaction. All documentary evidence relating to the exchange, including, without limitation, evidence as to change of ownership of the cash commodity or a commitment therefore shall be obtained by the Clearing Members from the buyer or seller and made available by the Clearing Members for examination by the Exchange upon request.

(E) A report of such EFP transaction shall be given, and notice thereof shall be posted on the floor of the Exchange, on the day that the transaction thereto was made or if such agreement was made after the close of trading, then on the next business day. EFP transactions shall be cleared through the exchange in accordance with normal procedures, shall be clearly identified as EFP transactions, and shall be recorded as such by the Exchange and by the Clearing Members involved.

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Rule 220.17A, Exchange of Futures for, or in Connection with, Swap Transactions

(A) An exchange of futures for, or in connection with, a swap (EFS) consists of two discrete, but related, transactions; a swap transaction and a futures transaction. At the time such transaction is effected, the buyer and seller of the futures must be the seller and buyer of a quantity of the swap. The swap component shall involve the commodity underlying the futures contract (or any derivative, by-product or related product). The swap component of an EFS transaction must comply with the applicable CFTC swap regulatory requirements.

(B) Except as provided below, an EFS must take place during the hours of futures trading for the Natural Gas futures contract. An EFS is permitted in the expiring futures contract until two hours after trading terminates on the last day of trading of the expiring futures contract. An EFS which establishes a futures position for both the buyer and the seller shall not be permitted during the two hour period following the termination of trading of expired futures contract.

(C) Any Exchange of Futures for, or in Connection with, Swap (EFS) shall be governed by the provisions of Rule 6.21A.

(D) Each buyer and seller must satisfy the Exchange, at its request, that the transaction is a legitimate EFS transaction. All documentary evidence relating to the EFS, including a master swap agreement and any supplements thereto, shall be obtained by the Clearing Members from the buyer or seller and made available by the Clearing Members for examination by the Exchange upon request. Additionally, if the buyer or seller is a Member/Member Firm, the Exchange may obtain the information directly from such persons.

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Rule 6.40B, Trading at Settlement (Pilot Program)

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

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

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

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

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

Futures Contract Delivery Month

Light Sweet Crude Oil Spot Month (except on the last trading day) and also Second and Third Nearby Month

Heating Oil Spot Month (except on the last trading day) and also Second and Third Nearby Month

Natural Gas Spot Month (except on the last trading day) and also Second and Third Nearby Month

~~Unleaded Gasoline Spot Month (except on the last trading day) and also Second Nearby Month~~

RBOB Gasoline Spot Month (except on the last trading day) and also Second and Third Nearby Month

~~(E) This pilot program shall expire on the following dates: Futures Contract Expiration Date~~

~~Light Sweet Crude Oil Extended until further notice~~

~~Heating Oil Extended until further notice~~

~~Natural Gas Extended until further notice~~

~~Unleaded Gasoline Extended until further notice~~

~~RBOB Gasoline Extended until further notice~~

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Rule 11G.30, Trading at Settlement

Contracts Eligible for Trading at Settlement or "TAS" Transactions on GLOBEX®.

Until further notice, the Board has authorized the availability of Trading at Settlement transactions in such delivery months as specified by the Board for the following futures contracts available on GLOBEX.

Contracts available include:

Commodity Code on Globex®	Name Cleared	Product
WST	WTI Crude Oil Financial TAS	WS
RTT	RBOB Gasoline Financial TAS	RT
BHT	Heating Oil Financial TAS	BH
HPT	Natural Gas Financial TAS	HP
HHT	Natural Gas Financial (Last Day) TAS	HH
BBT	Brent Crude Oil Financial TAS	BB
CLT	Light Sweet Crude Oil TAS	CL
HOT	Heating Oil TAS	HO
NGT	Natural Gas TAS	NG
HUT	Unleaded Gasoline TAS	HU
RBT	RBOB Gasoline TAS	RB
<u>RET</u>	<u>REBCO TAS</u>	<u>RE</u>

The front ~~two (2)~~ **three (3)** trading months of the products listed above shall be available for trading (except on the last trading day in the physically delivered contracts). Until further notice, the hours for trading shall be the hours that the applicable contracts are available for trading on GLOBEX®.