



20 South Wacker Drive  
Chicago, IL 60606-7499  
www.cme.com

312/930.1000 tel  
312/466.4410 fax

May 1, 2007

Ms. Eileen Donovan  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

RE: Section 5c(c)(1) and Regulation Section 40.6. Amendments to CME Rules 418A01.E. Exercise Prices and 402A01.E. Exercise Prices. Implementation of Zero Strike Prices in Options on CME Snowfall Index Futures and Options on CME Seasonal Strip Snowfall Index Futures. CME Submission #07-35.

Dear Ms. Donovan:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") has approved the listing of a strike price of zero (i.e., "no snow") in CME Snowfall Index Futures and Options on CME Seasonal Strip Snowfall Index Futures. These zero strike prices will be available for the November 2007 and subsequent contract months, which will be listed for trading on Monday, May 7, 2007.

The necessary amendments are presented below, with additions underlined and deletions bracketed and overstruck:

## Chapter 418A Options on CME Snowfall Index Futures

### 418A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME Snowfall Index futures contract. Eligible exercise prices shall also be at intervals of 0.1 (one-tenth) index point (e.g., 1.0, 1.1, 1.2, etc.)

At the commencement of options trading in a contract month, the eligible put and call options are at intervals of 0.1 (one-tenth) index point in a range of ~~[0-1]~~ 0 to 10 index points. New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

(End of Rule 418A01.E.)

**Chapter 402A**  
**Options on CME Seasonal Strip Snowfall Index Futures**

**402A01.E. Exercise Prices**

Exercise prices shall be stated in terms of the respective CME Seasonal Strip Snowfall Index futures contract. Eligible exercise prices shall also be at intervals of 0.1 (one-tenth) index point (e.g., 1.0, 1.1, 1.2, etc.)

At the commencement of options trading in a contract month, the eligible put and call options are at intervals of 0.1 (one-tenth) index point in a range of [0-4] 0 to 10 index points. New options may be listed for trading up to and including the termination of trading.


The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

(End of Rule 402A01.E.)

The Exchange certifies that this action complies with the Commodity Exchange Act and the regulations thereunder.

If you have any questions regarding this submission, please contact Paul Peterson at (312) 930-4587 or via e-mail at [ppeterso@cme.com](mailto:ppeterso@cme.com) . Please refer to CME Submission #07-35 in all correspondence regarding this matter.

Sincerely,



John W. Labuszewski, Managing Director  
Research & Product Development