

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

**Registered Entity Identifier Code (optional): 20-016**

**Organization: New York Mercantile Exchange, Inc. ("NYMEX")**

**Filing as a:**  **DCM**  **SEF**  **DCO**  **SDR**

**Please note - only ONE choice allowed.**

**Filing Date (mm/dd/yy): 01/03/20 Filing Description: Administrative Amendments to the Henry Hub Natural Gas Financial Calendar Spread Option Contracts**

**SPECIFY FILING TYPE**

**Please note only ONE choice allowed per Submission.**

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

**Rule Numbers:**

**New Product**

**Please note only ONE product per Submission.**

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

**Official Name(s) of Product(s) Affected:** See filing

**Rule Numbers:** See filing

January 3, 2020

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
 Office of the Secretariat  
 Commodity Futures Trading Commission  
 Three Lafayette Centre  
 1155 21st Street, N.W.  
 Washington, DC 20581

**Re: CFTC Regulation 40.6(a) Certification. Administrative Amendments to the Henry Hub Natural Gas Financial Calendar Spread Option Contracts. NYMEX Submission No. 20-016**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying administrative amendments to the Henry Hub Natural Gas Financial Calendar Spread Option contracts (the “Contracts”) effective Sunday, January 26, 2020 for trade date Monday, January 27, 2020.

CME ClearPort Code	CME Globex Code	Contract Title	Rulebook Chapter
G10	G10	Henry Hub Natural Gas Financial Calendar Spread Option - 4 Month	399
G2	AG2	Henry Hub Natural Gas Financial Calendar Spread Option - 2 Month	399
G3	G3B	Henry Hub Natural Gas Financial Calendar Spread Option - 3 Month	399
G4	G4X	Henry Hub Natural Gas Financial Calendar Spread Option - 1 Month	399
G5	AG5	Henry Hub Natural Gas Financial Calendar Spread Option - 5 Month	399
G6	G6B	Henry Hub Natural Gas Financial Calendar Spread Option - 6 Month	399
G7	AG7	Henry Hub Natural Gas Financial Calendar Spread Option - 12 Month	399

The Exchange is correcting Trading Unit rule of the Contracts to align the language contained therein with the Exchange's current and long-standing practice. Specifically, the Exchange is correcting the definition of the legs of the spread which underlies the put option, no operational changes will be made and as such, there will be no economic impact to the value of the Contracts.

Also, at this time the Exchange will implement harmonizing amendments to the product chapter of the Contracts (collectively, the "Rule Amendments"). The Rule Amendments are provided in Exhibit B below in blackline format.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act") and identified that the Rule Amendments may have some bearing on the following Core Principles:

- **Availability of General Information:** The Exchange will publish information on the Rule Amendments via a Special Executive Report ("SER") to notify the marketplace. The SER will also be posted on the CME Group website.
- **Daily Publication of Trading Information:** The Exchange shall make public daily information on settlement prices, volume, open interest, and opening and closing ranges for the Contracts.
- **Execution of Transactions:** These changes will not impede the Exchange's ability as a designated contract market to provide a competitive, open, and efficient market mechanism for executing transactions of the Contracts.

Pursuant to Section 5c(c) of the CEA and CFTC Regulation 40.6(a), the Exchange hereby certifies that the Rule Amendments comply 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 e-mail [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A – Amendments to Rule 399.02 ("Trading Unit")  
Exhibit B – Harmonization Amendments to NYMEX Chapter 399

## EXHIBIT A

### NYMEX Rulebook

(additions underscored; deletions ~~struck through~~)

#### Chapter 399

#### Henry Hub Natural Gas Financial Calendar Spread Option

##### 399.02 TRADING UNIT

The Option is a European-style Option contract which cannot be exercised prior to expiration. A Put Option contract traded on the Exchange will represent the cash difference between the strike price and the settlement price of the ~~second~~ first expiring Henry Hub Natural Gas Futures (NG) contract in the spread less the settlement price of the ~~first~~ second expiring Henry Hub Natural Gas Futures (NG) contract in the spread traded on the Exchange multiplied by 10,000, or zero, whichever is greater. A call option represents the cash difference of the settlement price of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread less the settlement price of the second expiring Henry Hub Natural Gas Futures (NG) contract in the spread traded on the Exchange less the strike price multiplied by 10,000, or zero, whichever is greater.

## EXHIBIT B NYMEX Rulebook

(additions underscored; deletions ~~struck through~~)

### ~~Chapter 399~~ ~~Henry Hub Natural Gas Financial Calendar Spread Option~~

#### **399.01 — EXPIRATION**

~~A Henry Hub Natural Gas Financial Calendar Spread Option (the "Option") on the Exchange shall expire at the close of trading one business day immediately preceding the expiration of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread.~~

#### **399.02 — TRADING UNIT**

~~The Option is a European-style Option contract which cannot be exercised prior to expiration. A Put Option contract traded on the Exchange will represent the cash difference between the strike price and the settlement price of the second expiring Henry Hub Natural Gas Futures (NG) contract in the spread less the settlement price of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread traded on the Exchange multiplied by 10,000, or zero, whichever is greater. A call option represents the cash difference of the settlement price of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread less the settlement price of the second expiring Henry Hub Natural Gas Futures (NG) contract in the spread traded on the Exchange less the strike price multiplied by 10,000, or zero, whichever is greater.~~

#### **399.03 — TRADING MONTHS**

~~Trading in the Option contract shall be conducted in the months determined by the Exchange. Trading shall commence on the day prescribed by the Exchange.~~

#### **399.04 — EXCHANGE HOURS**

~~The hours of trading for this contract shall be determined by the Exchange.~~

#### **399.05 — STRIKE PRICES**

~~Transactions shall be conducted for option contracts as set forth in Rule 300.20.~~

#### **399.06 — PRICES**

~~Prices shall be quoted in dollars and cents per barrel and prices shall be in multiples of \$0.001 (0.1 cent) per MMBtu. However, a cabinet trade may occur at a price of \$0.0001 per MMBtu, or \$1.00 a contract.~~

#### **399.07 — ABSENCE OF PRICE FLUCTUATION LIMITATIONS**

~~Trading in the Option contract shall not be subject to price fluctuation limitations.~~

#### **399.08 — TEMPORARY TRADING HALT**

~~When a Triggering Event (as defined in Chapter 220) in Henry Hub Natural Gas futures occurs, trading in this option shall be subject to a coordinated Temporary Trading Halt (as defined in Chapter 220).~~

### Chapter 399

## Henry Hub Natural Gas Financial Calendar Spread Option

### 399100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

### 399101. OPTION CHARACTERISTICS

The number of months open for trading at a given time shall be determined by the Exchange.

#### 399101.A. Trading Schedule

The hours of trading shall be determined by the Exchange.

#### 399101.B. Trading Unit

The Henry Hub Natural Gas Financial Calendar Spread Option (the "Option") is a European-style Option contract which cannot be exercised prior to expiration. A Put Option contract traded on the Exchange will represent the cash difference between the strike price and the settlement price of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread less the settlement price of the second expiring Henry Hub Natural Gas Futures (NG) contract in the spread traded on the Exchange multiplied by 10,000, or zero, whichever is greater. A call option represents the cash difference of the settlement price of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread less the settlement price of the second expiring Henry Hub Natural Gas Futures (NG) contract in the spread traded on the Exchange less the strike price multiplied by 10,000, or zero, whichever is greater.

#### 399101.C. Price Increments

Prices shall be quoted in dollars and cents per MMBtu and prices shall be in multiples of \$0.001 (0.1 cent) per MMBtu. However, a cabinet trade may occur at a price of \$0.0001 per MMBtu, or \$1.00 a contract.

#### 399101.D. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

#### 399101.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

#### 399101.F. Termination of Trading

The Option shall expire at the close of trading one business day immediately preceding the expiration of the first expiring Henry Hub Natural Gas Futures (NG) contract in the spread.

#### 399101.G. Type of Option

The option is a European-style option cash settled on expiration day.

### 399102. EXERCISE PRICES

Transactions shall be conducted for option contracts as set forth in Rule 300.20.