

**SUBMISSION COVER SHEET**

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

Registered Entity Identifier Code (optional): 17-279

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): 07/21/17 Filing Description: Amendments to the Canadian Heavy Crude Oil Index (Net Energy) Average Price Option Contract

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- |                          |                                     |            |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification                       | § 40.6(a)  |
| <input type="checkbox"/> | Approval                            | § 40.5(a)  |
| <input type="checkbox"/> | Notification                        | § 40.6(d)  |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change         | § 40.10(h) |

**Rule Numbers:**

**New Product**

Please note only ONE product per Submission.

- |                          |                                       |            |
|--------------------------|---------------------------------------|------------|
| <input type="checkbox"/> | Certification                         | § 40.2(a)  |
| <input type="checkbox"/> | Certification Security Futures        | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class              | § 40.2(d)  |
| <input type="checkbox"/> | Approval                              | § 40.3(a)  |
| <input type="checkbox"/> | Approval Security Futures             | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission                       | § 39.5     |

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

- |                                     |   |                      |
|-------------------------------------|---|----------------------|
| <input checked="" type="checkbox"/> | Certification   | § 40.6(a)            |
| <input type="checkbox"/>            | Certification Made Available to Trade Determination     | § 40.6(a)            |
| <input type="checkbox"/>            | Certification Security Futures                          | § 41.24(a)           |
| <input type="checkbox"/>            | Delisting (No Open Interest)                            | § 40.6(a)            |
| <input type="checkbox"/>            | Approval  | § 40.5(a)            |
| <input type="checkbox"/>            | Approval Made Available to Trade Determination          | § 40.5(a)            |
| <input type="checkbox"/>            | Approval Security Futures                               | § 41.24(c)           |
| <input type="checkbox"/>            | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/>            | “Non-Material Agricultural Rule Change”                 | § 40.4(b)(5)         |
| <input type="checkbox"/>            | Notification  | § 40.6(d)            |

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

Rule Numbers: See filing.

July 21, 2017

**VIA ELECTRONIC PORTAL**

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

**Re: CFTC Regulation 40.6(a) Certification. Notification Regarding Amendments to  
the Canadian Heavy Crude Oil Index (Net Energy) Average Price Option Contract.  
NYMEX Submission No. 17-279**

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 amendments to the Canadian Heavy Crude Oil Index (Net Energy) Average Price Option contract (the “Contract”) as noted in the table below effective on Sunday, August 6, 2017 for trade date Monday, August 7, 2017 and commencing with the September 2017 contract month and beyond (collectively, the “Rule Amendments”).

Contract Title/Rulebook Chapter/Commodity Code	Amended Contract Title as of August 7, 2017/Rulebook Chapter/Commodity Code	Current Underlying Futures Contract/Rulebook Chapter/Rulebook Chapter/Commodity Code	Underlying Futures Contract as of August 7, 2017/Rulebook Chapter/Commodity Code
Canadian Heavy Crude Oil Index (Net Energy) Average Price Option/1151/WCI	Western Canadian Select Oil (Net Energy) Monthly Index Average Price Option/1151/WCI	Canadian Heavy Crude Oil Index (Net Energy) Futures/WCC/263	Western Canadian Select Oil (Net Energy) Monthly Index Futures/WCW/982

Based on feedback and validation by market participants, the Rule Amendments are being implemented as the supporting market has shifted to a monthly average settlement contract. Currently, the underlying Canadian Heavy Crude Oil Index (Net Energy) Futures contract is based on a daily average settlement price. The proposed Western Canadian Select Oil (Net Energy) Monthly Index Futures contract is based on a monthly average settlement price which will more accurately represent the current market pricing.

Currently, there is no open interest in the Contract. The Exchange will closely monitor open interest of the Contract until the effective date of the Rule Amendments and contact open interest holders.

The Contract is available for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort.

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

- Trade Information: The Exchange shall maintain rules and procedures to provide for the recording and safe storage of all identifying trade information in a manner that enables the contract market to use the information.
- Execution of Transactions: The Contract will continue to be listed for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort. CME Globex provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.
- Availability of General Information: The Exchange will amend the NYMEX Rulebook accordingly on the effective date, which is publicly available on the CME Group website, to reflect the changes that will be made to the rules pertaining to the Contract. In addition, the Exchange will inform the marketplace of the amendments by issuing a Special Executive Report (“SER”). The SER will also be posted on the Exchange’s website. The contract specification page and the Contract rulebook chapter on the CME Group website will include information regarding the Rule Amendments until the effective date.

Pursuant to Section 5c(c) of the Act 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 via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Appendix A - Amendments to NYMEX Rulebook Chapter 1151 (blackline format)

## Appendix A

### Chapter 1151

## Western Canadian Heavy Crude Select Oil Index (Net Energy) Monthly Index Average Price Option

### 1151100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on Western Canadian Heavy Crude Select Oil Index (Net Energy) Monthly Index Futures (~~WCC~~) (~~WCW~~) contract. In addition to the rules of this chapter, transactions in options on Western Canadian Heavy Crude Select Oil Index (Net Energy) Monthly Index Futures (~~WCC~~) (~~WCW~~) shall be subject to the general rules of the Exchange insofar as applicable.

### 1151101. OPTION CHARACTERISTICS

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

#### 1151101.A. Trading Schedule

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

#### 1151101.B. Trading Unit

The Call Option traded on the Exchange represents the differential between the final settlement price of the underlying Western Canadian Heavy Crude Select Oil Index (Net Energy) Monthly Index Futures (~~WCC~~) (~~WCW~~) contract less the strike price, or zero whichever is greater, multiplied by 1,000 barrels. A Put Option represents the differential between the strike price and the final settlement price of the underlying Western Canadian Heavy Crude Select Oil Index (Net Energy) Monthly Index Futures (~~WCC~~) (~~WCW~~) contract, or zero, whichever is greater, multiplied by 1,000 barrels.

#### 1151101.C. Price Increments

Prices shall be quoted in dollars and cents per barrel and prices shall be in multiples of \$0.001 per barrel. The minimum price increment will be \$0.001.

#### 1151101.D. Position Limits and Position Accountability

For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in Western Canadian Heavy Crude Select Oil Index (Net Energy) Monthly Index Futures (~~WCC~~) (~~WCW~~) contract. Each position in the contract will be calculated as a single position in the Western Canadian Heavy Crude Select Oil Index (Net Energy) Monthly Index Futures (~~WCC~~) (~~WCW~~) contract.

For purposes of position limits and position accountability levels, contracts shall diminish ratably as the contract month progresses toward month end.

In accordance with Rule 559, no person shall own or control positions in excess of 1,000 contracts net long or net short in the spot month.

In accordance with Rule 560:

1. the all-months accountability level shall be 20,000 futures-equivalent contracts net long or net short in all months combined;
2. the any-one month accountability level shall be 10,000 futures-equivalent contracts net long or net short in any single contract month excluding the spot month.

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

#### 1151101.E. Termination of Trading

The option contract shall expire along with the underlying Western Canadian Heavy Crude Select Oil Index (Net Energy) Monthly Index Futures (~~WCC~~) (~~WCW~~) contract. Trading of the underlying futures ceases one Canadian business day prior to the Notice of Shipments (NOS) date on the Enbridge Pipeline. The NOS date occurs on or about the 20th calendar day of the month, subject to confirmation by Enbridge Pipeline. The official schedule for the NOS dates will be made publicly available by Enbridge Pipeline prior to the start of each year, and will be posted on the Exchange website as part of the termination schedule.

#### 1151101.F. Type Option

The option is a European-style option which can be exercised only on the expiration day.

**1151102. EXERCISE PRICES AND CHARACTERISTICS**

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

**1151103. DISCLAIMER**

Net Energy licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various Net Energy price assessments in connection with the trading of the contracts.

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