

Chapter 1221

Propane Option - Mt. Belvieu Propane (non-LDH) - OPIS

DESCRIPTION

Monthly cash settled put and call options published by OPIS for the location specified in Floating Price A.

FLOATING PRICE A

The Floating Price for each contract month is equal to the arithmetic average of the OPIS Mt. Belvieu Propane (non-LDH) price for each business day that it is determined during the contract month.

OPTION CHARACTERISTICS

TRADING UNIT

On expiration of a Call Option, the value will be the difference between the average daily settlement price during the calendar month of the first nearby OPIS Mt. Belvieu Propane (non-LDH) (as described in Floating Price A) and the strike price, or zero whichever is greater. On expiration of a Put Option, the value will be the difference between the strike price and the average daily settlement price during the calendar month of the first nearby OPIS Mt. Belvieu Propane (non-LDH) (as described in Floating Price A), or zero whichever is greater.

TYPE OPTION

Cash-settled European-Style Average Price option which cannot be exercised prior to expiration.

CONTRACT UNIT AND VALUE

The contract quantity shall be U.S. gallons. Each contract shall be valued as the contract quantity multiplied by the settlement price.

LISTING CYCLE

Up to 120 consecutive monthly contract periods

PRICES AND FLUCTUATIONS

Prices shall be quoted in dollars and cents per gallon and prices shall be in multiples of \$0.001 per gallon. The minimum price increment will be \$0.0001. There shall be no maximum price fluctuation.

TERMINATION OF TRADING

Posting of transactions shall cease on the last business day of the contract month.

FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of posting for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.