



Chicago Climate Exchange®

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September 27, 2007

Ms. Eileen A Donovan
Acting Secretary
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

RECEIVED
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Re: **Chicago Climate Futures Exchange, LLC**
Submission No. 07-16

Dear Ms. Donovan:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the "Act") and Part 40.6 of the regulations promulgated by the Commodity Futures Trading Commission ("CFTC") under the Act, Chicago Climate Futures Exchange, LLC ("CCFE") hereby amends its Chapter 20 to amend definitions and revise the product name from IFEX Industry Loss Warranty Binary Futures Contract-U.S. Wind to IFEX Event Linked Futures ("IFEX ELF") futures contracts.

The IFEX ELF futures contract has not yet been listed on our trading platform. Accordingly, there are no open positions affected.

CCFE intends to make this amendment effective as of Friday, September 28, 2007. The Exchange certifies that this amendment neither violates nor is inconsistent with any portion of the Act or of the rules thereunder.

A marked copy of the amended Chapter 20 and a revised summary of Contract Specifications are attached hereto.

Should you require additional information regarding this submission, please contact me at 312.554.0812. Please reference to our submission number 07-16 in any related correspondence.

Very truly yours,

Ann M. Cresce
Senior Vice President & General Counsel

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enc.

cc: Riva Adriance
Martin Murray
Greg Price

www.chicagoclimateexchange.com



Chicago Climate Futures Exchange

**Chicago Climate Futures Exchange, LLC
IFEX Event Linked Futures**

Contract Size	\$100 multiplied by the Event Loss Trigger index value.
Quotation	US Dollars
Minimum Tick Increment	0.20 Event Loss Trigger Index Value point per contract = \$20.00 per contract
Minimum / Maximum Event Trigger Loss Index Range	-0- / 100
Symbol	IFEX-ELF
Trading Hours	7:00 a.m. – 3:00 p.m. Central Time
Contract Listing Cycle	Minimum of two annual December contract series. Each contract will have a 'Contract Risk Period' of January 1 - December 31 of the contract year.
Industry Loss Reporting Service	Property Claim Services ('PCS')
Covered Event	<p>A 'Covered Event' will be treated as having occurred with respect to any listed Event Claim Product if CCFE confirms that on or before the Last Trading Day for such listed contract either:</p> <p>(i) a final PCS Report has been issued which reports an Industry Loss Amount resulting from an Eligible Event in an amount equal to or in excess of the applicable Loss Trigger Level's Event Claim; or</p> <p>(ii) if a final PCS Report has not been issued with respect to an Eligible Event prior to the Last Trading Day, the most recent interim PCS Report which has been issued indicates an Industry Loss Amount resulting from such Eligible Event in an amount equal to or in excess of the applicable Loss Trigger Level's Event Claim.</p>
Loss Trigger Products	<p>Within any listed Contract, CCFE will offer the following Loss Trigger Products covering January 1st through December 31st of the applicable contract year.</p> <ol style="list-style-type: none"> 1. \$10 billion 2. \$20 billion 3. \$30 billion 4. \$40 billion 5. \$50 billion
Event Claim	At least one Event Claim will exist for each Loss Trigger Product. The Exchange may list additional Event Claims for any Loss Trigger Products.
Eligible Event	A 'U.S. Wind Event' occurring in or affecting the 50 states of the United States, Washington D.C, Puerto Rico or the U.S. Virgin Islands (the United States Covered Territory) which has a Date of Loss falling within the Contract Risk Period for the applicable contract. See the CCFE rulebook for definition of 'U.S. Wind Event'.
First Trading Day	<p>The December 2007 and December 2008 contracts will be listed at launch.</p> <p>An annual December contract will be listed on the first business day of the preceding year of the applicable contract year. (December 2009 contract will be listed on the first business day of 2008.)</p>

Last Trading Day	The scheduled last trading day for any listed contract is the last trading day of the 18th calendar month following the end of the Contract Risk Period for the listed contract. CCFE may declare a Last Trading Day for a listed contract earlier than the scheduled Last Trading Day in circumstances, as specified in the CCFE Rulebook, when all potential Covered Events for the listed contract have been resolved.
Cash Settlement	Listed contracts are cash settled on the Last Trading Day at an index value of either 100 (when an Industry Loss Amount resulting from an Eligible Event in an amount equal to or in excess of an applicable Loss Trigger Level's Event Claim has occurred) or -0-.
Price Limits	No daily price limits
Reportable Position Limits	25 contracts
Annual Contract Speculative Position Limits	4,000 contracts, all Loss Trigger Products combined in a single Listed Contract

Contract specifications and related rules are subject to revision. If CCFE determines that revisions to the contract specifications and related rules are warranted, reasonable efforts will be taken to provide appropriate advance notification of such revisions.

This document is a summary of the CCFE contract specification rules; see the CCFE Rulebook for complete contract specification rules.

CHAPTER 20
IFEX INDUSTRY LOSS WARRANTY BINARYEVENT LINKED
FUTURES CONTRACT-
U.S. WIND SPECIFICATIONS

2001. Scope of Chapter

This Chapter applies to trading in the IFEX ~~Industry Loss Warranty BinaryEvent Linked~~ Futures (“ELF”) Contract ~~U.S. Wind (“IFEX USW”)~~. The procedures for clearing, trading, settlement, and any other matters not specifically covered herein shall be governed by the generally applicable rules of the Exchange.

2002. Definitions

The following terms are defined for the purpose of this Chapter:

“Contract Risk Period” means a period beginning 12:00 a.m. on January 1st and ending 11:59 p.m. on December 31st of the applicable contract year, such times to be determined, if applicable, in the local time zone where an Eligible Event is determined to have occurred.

“Covered Event” will be deemed to have occurred with respect to any listed Loss Trigger Level when the Exchange confirms that on or before the contract expiration for an Event Claim if:

- (i) a final PCS Report has been issued which reports an Industry Loss Amount resulting from an Eligible Event in an amount equal to or in excess of the applicable Loss Trigger Level for such Event Claim; or if,
- (ii) as of the contract expiration a final PCS Report has not been issued with respect to an Eligible Event, the most recent interim PCS Report which has been issued indicates an Industry Loss Amount resulting from such Eligible Event in an amount equal to or in excess of the applicable Loss Trigger Level for an Event Claim.

“Date of Loss” means the first date specified in the “Dates” data field or comparable data field of the applicable PCS Report; provided, however, that if the applicable Contract Risk Period should expire while an event causing a loss is in progress, the Date of Loss for such event shall be deemed to be on the date specified in the applicable PCS Report as the date of commencement of such event.

“Eligible Event” means a “U.S. Wind Event” occurring in or affecting the 50 states of the United States, Washington D.C., Puerto Rico or the U.S. Virgin

Islands (the "United States Covered Territory") which has a Date of Loss falling within the Contract Risk Period for the applicable contract.

———"Event Claim" means a contract which provides that one or more Covered Events must be determined to have occurred with respect to one or more Loss Trigger Levels in order for the Event Loss Trigger Level to have an index value of 100.

"Industry Loss Amount" means in respect of an Eligible Event, the amount in U.S. Dollars specified in the relevant PCS Report as the Estimated Market Loss resulting from such Eligible Event.

"Loss Trigger Level" means a specified level of Industry Loss Amount determined to have occurred in respect of an Eligible Event.

"PCS Report" is a catastrophe bulletin originated and disseminated by Property Claims Services ("PCS"), or any successor in interest, used by the Exchange to determine final cash settlements at contract expirations. A PCS catastrophe bulletin is any PCS publication which identifies and assigns a number to a catastrophic event and gives preliminary or, subsequently, revised estimates of insured property losses (including all lines of business) arising from a catastrophic event. If PCS (or its successors) cease to provide PCS Reports or materially change the methodology or reporting of the loss estimates in any way that makes the estimates unsuitable for the purposes intended herein, The Exchange shall use its best efforts to choose a replacement reporting agency or methodology to most closely track the methodology used by PCS immediately prior to such cessation of reporting by PCS.

"U.S. Wind Event" is limited to hurricanes means any catastrophic event occurring in and/or affecting the United States Covered Territory, where the related perils identified in the most recent PCS Report with respect to such event include the peril(s) of wind, hurricane or tropical storm (howsoever described in a PCS Report) (including all flood following such perils).— For the purposes of determining whether any event or circumstance constitutes a single U.S. Wind Event or more than one U.S. Wind Event, any information set forth in the most recent applicable PCS Report shall be deemed to be accurate and complete."

2003. Contract Specifications

(a) *Contract size.* The contract size is equal to \$100 multiplied by the Event Loss Trigger Index Value.

(b) *Event Loss Trigger Index Value.* The Event Loss Trigger Index Value has a minimum value of zero and a maximum value of one hundred.

(c) *Schedule.*

(i) Standard-cycle Contract Listing. The Exchange will list a minimum of two December annual contracts with the applicable Contract Risk Period.

(ii) The trading hours for the ~~IFEX USW futures~~ ELF contract shall be determined by the Exchange from time to time.

(d) The Exchange will offer the following Loss Trigger Levels:

- (i) \$10 Billion
- (ii) \$20 Billion
- (iii) \$30 Billion
- (iv) \$40 Billion
- (v) \$50 Billion

(e) The Exchange will offer at least one Event Claim for each Loss Trigger Level. The Exchange may list additional Event Claims for any Loss Trigger Levels at its discretion.

(f) *Termination of Trading (Contract Expiration).* The scheduled contract expiration for any listed contract is the last Business Day of the 18th calendar month following the end of the Contract Risk Period for the listed contract. The Exchange may declare a contract expiration for a listed Event Claim at any Loss Trigger Level earlier than the scheduled contract expiration in accordance with the following circumstances:

(i) The Exchange has determined a final PCS Report has been issued on a Covered Event;

(ii) The Exchange determines that a final PCS Report has been issued with respect to each Eligible Event which could constitute a Covered Event for all listed ~~Claim Events~~ Event Claims, and the Industry Loss Amount for each Eligible Event is less than the applicable Loss Trigger Level;

(iii) The Exchange determines as of the fifth trading day following the end of the Contract Risk Period that no Eligible Event that could constitute a Covered Event for a listed Event Claim at any Loss Trigger Level has occurred during the Contract Risk Period; or

(iv) As of the last Business Day of the calendar year following the end of the Contract Risk Period for a contract, if with respect to each Eligible Event which could constitute a Covered Event for the contract,

the most recently-issued interim PCS Report reflects an Industry Loss Amount which is less than seventy-five percent (75%) of an applicable Event Claim Loss Trigger Level.

(g) *New Contract Listing.* A new standard-cycle contract will be listed on the first Business Day of a calendar year.

(h) *Minimum Tick Increment.* The minimum tick increment of the ~~IFEX-USW~~ELF contract is 0.20 Event Loss Trigger index point per contract, which is equal to \$20.00 per contract.

(i) *Trigger Loss Index Range.* The range of the Trigger Loss Index is zero (0) to one hundred (100.00).

(k) *Reportable Position.* Pursuant to Commission Regulation §15.03 and Commission Regulation Part 17, the position level that is required to be reported is any open position in the ~~IFEX-USW futures products~~ELF contracts at the close of trading on any trading day equal to or in excess of twenty-five contracts net long or short.

If one product within a contract has a reportable position, all contracts' positions must be reported.

(h) *Position Limits.* A person may not own or control more than 4,000 contracts on a net-futures equivalent basis, in each nearby month expiring futures product.

For the purposes of this rule, the positions of all accounts for which a person directly or indirectly controls trading shall be included, as described in Rule 409(e).

The foregoing position limit shall not apply to bona fide hedge positions meeting the requirements of the Commission Regulation § 1.3(z)(1) and the Rules of the Exchange.

(i) *Contract Modifications.* Specifications are fixed as of the first day of trading of a contract. If any U.S. Government agency or body issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such government orders.

(j) *Daily Price Limits.* The contract does not have a daily price limit.

(k) *Block Trades.* Pursuant to Rule 412(a)(i), the minimum Block Trade quantity for the U.S Wind contract shall be determined by the Exchange from time to time. If the Block Trade is executed as a spread or a combination,

one leg must meet the minimum Block Trade quantity for the ~~IFEX U.S. Wind Binary futures~~ ELF contract and the other legs(s) must have a contract size that is reasonably related to the leg meeting the minimum Block Trade quantity. The Block Trade must meet all requirements of, and must be reported to the Exchange in accordance with, Rule 412.

2004. Final Cash Settlement

Contracts are cash settled at the Event Claim Loss Trigger Level at the Contract Expiration at an index value of either 100.00 (if a Covered Event has a final Industry Loss Amount equal to or greater than the applicable Event Claim's Loss Trigger Level) or zero.