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March 13, 2008

VIA E-MAIL

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

OFFICE OF THE SECRETARIAT

Re: Rule Amendment Certification. New York Mercantile Exchange, Inc. Submission #08.40: Notification of Amendments to NYMEX Rules 783.01A, 783.03, 783.04, 783.08, 782.01A, 782.03, 782.04 and 782.08 in order to reflect the new names of the EPA System. Notification of Amendments to 783.09 and 782.09 amending delivery procedure requirements.

Dear Mr. Stawick:

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the following rule amendments:

- 783.01A Definitions
- 783.03 Contract Unit
- 783.04 Delivery
- 783.08 Product Placement
- 782.01A Definitions
- 782.03 Contract Unit
- 782.04 Delivery
- 782.08 Product Placement.

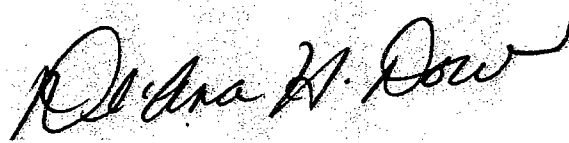
The above mentioned rules are being revised to reflect the new names of the EPA systems.

The Exchange is also self-certifying rule amendments to 782.09 Delivery Procedures, and 783.09 Delivery Procedures, in order to require that the standard delivery payment take place between Clearing Members. Currently the standard delivery payment takes place between customers.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the attached rule amendments comply with the Act, including regulations under the Act. These changes will be made effective on Monday, March 17, 2008.

Should you have any questions concerning the above, please contact Brad Leach at 212-299-2609 or the undersigned at (202) 715-8517.

Sincerely,

A handwritten signature in black ink, reading "De'Ana H. Dow". The signature is written in a cursive style with a large initial "D" and a long horizontal stroke at the end.

De'Ana H. Dow
Senior Vice President and
Chief Legislative Counsel

Attachments: Notification of Amendments to NYMEX Rules 782 and 783

NOTIFICATION OF AMENDMENTS TO NYMEX RULES 782 AND 783

(Strikeouts in bold show deletions; Underlines in bold show additions)

783.01A Definitions

(C) NOX Allowance ~~Tracking~~ **Management** System (~~NATS~~) (**NAMS**) means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

783.03 Contract Unit

The contract unit shall be ten (10) tons of NOX emissions allowances for delivery made by transfer through ~~NATS~~ **NAMS**. Deliverable NOX emissions allowances are of the current vintage year.

783.04 Delivery

Emissions allowances delivery shall comply with all requirements for the electronic transfer of NOX allowances on the ~~NATS~~ **NAMS** through CAMD Business System. All deliveries made under these rules shall be final and there shall be no appeal

783.08 Product Placement

For purposes of Rule 9.19, the Seller and Buyer shall fulfill its contractual obligation on a maturing contract only if, by 12:00 noon on the day preceding the last trading day in the applicable delivery month, such Seller and Buyer have received ~~NATS~~ **NAMS** account certification from his customer, in the form prescribed by the Exchange stating that the Customer has an account with ~~NATS~~ **NAMS**, with access to CAMD Business System.

783.09 Delivery Procedures

(A) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

(1) NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second business day prior to the last business day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of contracts to be accepted, and any additional information as may be required by the Exchange;

2) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NATS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that NATS NAMS account.

783.09 Delivery Procedures

(E) Payment and Delivery Margins

(1) Definitions

- (a) "Payment" shall include the settlement price times the number of contracts times 10.
- (b) "Payment Date" shall mean the business day after the Buyer's Customer receipt of proper notification from the NATS NAMS that allowances have been transferred from the Seller's Customer account to the Buyer's Customer account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 P.M. Documentation supplied to Buyer after 2:00 noon on any Exchange business day, shall be considered received on the following Exchange business day.
- (c) **On the business day following the last day of trading, the long clearing member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Exchange.**
- (d) **The Buyer** ~~The Buyer's Customer~~ shall pay **the Seller** ~~the Seller's Customer~~ at the office of **the Seller** ~~Seller's Customer~~ by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 P.M. on the payment date.
- (e) The Buyer and Seller shall deposit with the Exchange margins in such amounts and in such form as required by the Exchange. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the business day following notification to the Exchange that delivery and payment have been completed.
- (f) On the Payment Date, ~~the Seller's Customer, if any, shall advise the Seller of receipt of payment.~~ The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 PM. Upon receipt of such notice the delivery shall be complete.
- (g) Any payment made on Payment Date shall be based on allowances actually delivered.

782.01A Definitions

(C) SO2 Allowance ~~Tracking~~ **Management System (ATS) (AMS)** means the system established by the EPA for recording the transfer of Allowances among various entities under the Clean Air Act as set.

782.03 Contract Unit

The contract unit shall be one hundred (100) tons of SO2 emissions allowances of current or earlier year vintage for a delivery made by transfer through-ATS AMS

782.04 Delivery

Emissions allowances delivery shall comply with all requirements for the electronic transfer of SO2 allowances on the ATS AMS through CAMD Business System. All deliveries made under these rules shall be final and there shall be no appeal

782.08 Product Placement

For purposes of Rule 9.19, the Seller and Buyer shall fulfill its contractual obligation on a maturing contract only if, by 12:00 noon on the day preceding the last trading day in the applicable delivery month, such Seller and Buyer have received ATS AMS account certification from his customer, in the form prescribed by the Exchange stating that the Customer has an account with ATS AMS, with access to CAMD Business System.

782.09 Delivery Procedures

(A) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS

(1) NOTICE OF INTENTION TO ACCEPT

By 11:30 a.m. on the second business day prior to the last business day of an expiring delivery month, a Buyer having an open position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange and shall include the Name of the Buyer's Customer, Number of contracts to be accepted, and any additional information as may be required by the Exchange;

2) INFORMATION PROVIDED BY SELLER TO BUYER

By 4:00 p.m. on Notice Day, the Seller shall provide the Buyer with the following information: NATS Account Number, Vintage Year, Name, Phone Number and e-mail address of the Account Representative (AAR) or the authorized alternate for that ATS AMS account.

782.09 Delivery Procedures

(E) Payment and Delivery Margins

(1) Definitions

- (h) "Payment" shall include the settlement price times the number of contracts times 100.
- (i) "Payment Date" shall mean the business day after the Buyer's Customer receipt of proper notification from the ~~ATS~~ AMS that allowances have been transferred from the Seller's Customer account to the Buyer's Customer account, provided documentation is supplied to the Buyer's Customer by no later than 2:00 P.M. Documentation supplied to Buyer after 2:00 noon on any Exchange business day, shall be considered received on the following Exchange business day.
- (j) **On the business day following the last day of trading, the long clearing member shall obtain from the long, if any, margin equal to the full value of the product to be delivered. Such margin shall consist of cash, securities issued by the United States Treasury Department maturing within ten (10) years from the date of deposit and guaranteed as to principal and interest by the United States Government or a letter of credit. Any Treasury securities so deposited shall be valued at ninety percent (90%) of the par value of such instruments. Any letter of credit so deposited shall be in a form approved by the Exchange, shall be issued or confirmed by an Exchange approved original margin depository, and shall be drawn in favor of the Exchange.**
- (k) ~~The Buyer~~ ~~The Buyer's Customer~~ shall pay the Seller ~~the Seller's Customer~~ at the office of the Seller ~~Seller's Customer~~ by a certified check or electronic funds transfer, or any other method acceptable to both parties by 12:00 P.M. on the payment date.
- (l) The Buyer and Seller shall deposit with the Exchange margins in such amounts and in such form as required by the Exchange. Such margins which shall not be greater than the margins charged to the Buyer's Customer and Seller's Customer, shall be returned on the business day following notification to the Exchange that delivery and payment have been completed.
- (m) ~~On the Payment Date, the Seller's Customer, if any, shall advise the Seller of receipt of payment.~~ The Seller shall deliver a Notice of Payment to the Buyer with a copy to the Exchange by 4:30 PM. Upon receipt of such notice the delivery shall be complete.
- (n) Any payment made on Payment Date shall be based on allowances actually delivered.