



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

June 8, 2012

**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

**RE: Modifications to the NYMEX Energy Products Resting Order Incentive Program  
NYMEX Submission No. 12-168**

Dear Mr. Stawick:

New York Mercantile Exchange, Inc. ("NYMEX" or "the Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") of modifications to the NYMEX Energy Products Resting Order Incentive Program ("Program"). The proposed modifications to the Program will become effective on July 1, 2012.

Exhibit 1 sets forth the terms of this Program. The modifications appear below, with additions underscored and ~~deletions overstruck~~.

NYMEX business staff responsible for the Program and the NYMEX legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, NYMEX staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules and Recordkeeping.

The Program and proposed modifications will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange's market regulation staff will continue to monitor all market participants that trade the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The tiered incentives in the proposed Program do not impact the Exchange's order execution. Participants in the Program will be selected by NYMEX staff using criteria as further stated in Exhibit 1. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with NYMEX in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

NYMEX certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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>

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If you require any additional information regarding this submission, please contact Robert Lev at 312-930-3019 or via e-mail at [robert.lev@cmegroup.com](mailto:robert.lev@cmegroup.com), or contact me at 212-299-2200. Please reference our NYMEX Submission No. 12-168 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Enclosure: Exhibit 1 - NYMEX Energy Products Resting Order Incentive Program

# **EXHIBIT 1**

## **NYMEX Energy Products Resting Order Incentive Program**

### **Program Purpose**

The purpose of this Program is to incentivize volume that simultaneously adds depth to the market place. Additional depth within our markets promotes greater price stability throughout the process of open-market price discovery.

### **Product Scope**

Light Sweet Crude Oil futures, Natural Gas Futures, Heating Oil Futures and RBOB Gasoline futures that are traded on the CME Globex Platform ("Products").

### **Eligible Participants**

NYMEX may designate up to three (3) participants in the Program. Participants may be NYMEX members or non-members. NYMEX, in its sole discretion, will use a variety of factors in determining whether or not a prospective participant is selected to participate in the Program, including the prospective participant historically trading high average levels of combined volume in Light Sweet Crude Oil futures, Natural Gas Futures, Heating Oil Futures and RBOB Gasoline futures that are traded on the CME Globex Platform and the prospective participant historically trading a high percentage of volume in the Products as resting volume. NYMEX may from time to time add or subtract from the above factors as it deems necessary.

### **Program Term**

Start date is November 23, 2011. End date is ~~June 30, 2012~~ December 31, 2012.

### **Hours**

N/A

### **Progressive Tiered Volume Incentives**

Once accepted into the Program, non-aggressor trades made by a participant in the Products that exceed a certain volume level will be eligible to receive discounted fees. The volume level is predetermined by NYMEX and is based on a participant's combined daily non-aggressor volume of contracts in Light Sweet Crude Oil futures, Natural Gas Futures, Heating Oil Futures and RBOB Gasoline futures on the CME Globex Platform.

### **Monitoring and Termination of Status**

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements of the Program.