



RECEIVED
C.F.T.C.

2008 JUN 19 PM 2:50

OFF. OF THE SECRETARIAT

June 19, 2008

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

Re: Rule Changes for CME Frost Days Monthly and Seasonal
Futures and Options Contracts.
CME Submission #08-104

Dear Mr. Stawick:

Chicago Mercantile Exchange, Inc. ("CME" or "Exchange") hereby notifies the Commission of rule amendments to CME Frost Index Futures and Options contracts. These changes provide the weather community greater flexibility in matching their customers' needs to that of the CME frost market.

These amendments along with the relisting of the contracts will take place on Monday, June 23, 2008.

Changes to the rule language are as follows with additions underlined and deletions overstruck.

The Exchange certifies that these changes comply with the Act and rules thereunder.

If you require any additional information regarding this action, please do not hesitate to contact Mr. Charles Piszczor at 312-930-4536 or via e-mail at charles.piszczor@cmegroup.com or me. Please reference CME Submission #08-104 in any related correspondence.

Sincerely,

/S/ Stephen M. Szarmack
Director and Associate General Counsel

Chapter 416
CME Frost [Days] Index Futures

41600. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME Frost [Days] Indexes. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

41601. COMMODITY SPECIFICATIONS

1. Frost [Days] Index Point

A "Frost [Day] Index Point" shall be ~~defined as a day in which~~ recorded whenever one or more of the following conditions are met for a particular location:

- The temperature at 0700 local time (0600 UTC, except 0500 UTC beginning the last Sunday in March) is less than or equal to -3.5 degrees Celsius;
- The temperature at 1000 local time (0900 UTC, except 0800 UTC beginning the last Sunday in March) is less than or equal to -1.5 degrees Celsius;
- The temperature at 0700 local time (0600 UTC, except 0500 UTC beginning the last Sunday in March) is less than or equal to -0.5 degrees Celsius, and the temperature at 1000 local time (0900 UTC, except 0800 UTC beginning the last Sunday in March) is less than or equal to -0.5 degrees Celsius.

2. The CME Frost [Days] Indexes and Listing Cities

Each particular CME Frost [Days] index is the accumulation of like Frost [Days] Index Points during a month within the period beginning the first Monday in November and ending the last Friday in March, excluding Saturdays, Sundays, December 25, December 26, and January 1. Each particular Index shall be computed by Earth Satellite Corporation using final temperature observations reported by the respective national meteorological office.

Listing Cities and Corresponding Weather Stations

- Amsterdam-Schiphol, Netherlands (WMO 06240)

41602. FUTURES CALL

41602.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours in such months as may be determined by the Board of Directors.

41602.B. Size of Trading Unit

The size of the unit of trading shall be ~~[1,000]~~ 10,000 Euros (€) times the respective CME Frost [Days] Index.

41602.C. Price Increments

The minimum price fluctuation on the respective CME Frost [Days] Index futures shall be ~~[4]~~ .01 index points and have a value of ~~[1,000]~~ 100 Euros (€).

41602.D. Position Limits

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For position involving options on the respective CME Frost [Days] Index futures, this rule is superseded by the option speculative position limit rule.

41602.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

41602.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 543.

41602.G. Termination of Trading

For the November, December, January and February contract months, futures trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least six calendar days after the respective futures contract month. For the March contract month only, futures trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least six calendar days after the last Friday in March.

41602.H. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract, except that all contracts must conform to government regulations in force at the time of final settlement. If any U.S. governmental agency or body with jurisdiction over the trading of the contract or with jurisdiction respecting the trading or final settlement of the CME Frost [Days] Index futures issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such governmental orders.

41602.I. [Reserved]

41603. SETTLEMENT PROCEDURES

41603.A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Frost [Days] Index reported by Earth Satellite Corporation for that city for that contract period, using the methodology in effect on that date. For the November, December, January and February contract months, final settlement shall occur on the first Exchange business day that is at least six calendar days after the respective futures contract month. For the March contract month only, final settlement shall occur on the first Exchange business day that is at least six calendar days after the last Friday in March. For example, on March 7, 2005, the February 2005 futures contract on the CME Amsterdam-Schiphol Frost [Days] Index would have been settled at [2]2.00 Frost Index Points [Days].

41603.B. Final Settlement

Clearing members holding open positions in a CME Frost [Days] Index futures contract at the termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

41604. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

41605.-06. [RESERVED]

(End Chapter 416)

**INTERPRETATIONS AND SPECIAL NOTICES
RELATING TO CHAPTER 416**

LIMITATION OF LIABILITY AND DISCLAIMER

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

**Chapter 416A
Options on CME Frost [Days] Index Futures**

416A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on CME Frost [Days] Index futures contracts. The procedures for trading, clearing and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

416A01. OPTION CHARACTERISTICS

416A01. A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Directors.

416A01. B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of

the put, one respective CME Frost [Days] Index futures contract as specified in Chapter 416.

416A01.C. Minimum Fluctuations

The price of an option shall be quoted in terms of the respective CME Frost [Days] Index. Each index point represents [1,000] 10,000 Euros (€). For example, a quote of [2] 2.00 index points represents [2,000] 20,000 Euros (€). The minimum fluctuation shall be [1-0] .01 index point (also known as one tick), equal to [1,000] 100 Euros (€).

416A01.D. [Reserved]

416A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME Frost [Days] Index futures contract. Eligible exercise prices shall also be at intervals of [1] .01 index point (e.g., [10, 11, 12] 10.01, 10.02, 10.03 etc.).

At the commencement of option trading in a contract month, the eligible put and call options are at intervals of [1] .01 index point in a range of [1] .01 to [20] 20.00 index points [~~for Frost Days~~] upon demand evidenced in the options pit. New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

416A01.F. Position Limits

No person shall own or control a combination of options and underlying futures contracts that exceeds 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

416A01.G. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

416A01.H. Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543 and shall not apply to other option positions exempted pursuant to Rule 543.

416A01.I. Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract.

416A01.J. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency or duly constituted body thereof issues an order, ruling, directive or law inconsistent with these rules, such order, ruling, directive or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.

416A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of the CME Frost [Days] Index options.

416A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer only on the termination of trading day. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. Chicago time on the day of exercise.

An option that is in the money and has not been liquidated prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. Chicago time on the day of expiration by the clearing member representing the option buyer, be exercised automatically.

416A02.B. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

416A03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 416A)

**INTERPRETATIONS & SPECIAL NOTICES
RELATING TO CHAPTER 416A**

CLARIFICATION OF NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE

(Special Executive Report S-1618, March 31, 1986)

Please note that the non-agricultural option speculative position limit rule, in effect at this time, supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the options rule.

LIMITATION OF LIABILITY AND DISCLAIMER

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

**Chapter 417
CME Seasonal Frost [Days] Index Futures**

41700. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME Seasonal Frost [Days] Indexes. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

41701. COMMODITY SPECIFICATIONS

1. Frost [Days] Index Point

A "Frost [Day] Index Point" shall be ~~defined as a day in which~~ recorded whenever one or more of the following conditions ~~is true~~ are met for a particular location:

The temperature at 0700 local time (0600 UTC, except 0500 UTC beginning the last Sunday in March) is less than or equal to -3.5 degrees Celsius;

The temperature at 1000 local time (0900 UTC, except 0800 UTC beginning the last Sunday in March) is less than or equal to -1.5 degrees Celsius;

The temperature at 0700 local time (0600 UTC, except 0500 UTC beginning the last Sunday in March) is less than or equal to -0.5 degrees Celsius, and the temperature at 1000 local time (0900 UTC, except 0800 UTC beginning the last Sunday in March) is less than or equal to -0.5 degrees Celsius.

2. The CME Seasonal Frost [Days] Indexes and Listing Cities

Each particular CME Seasonal Frost [Days] index is the accumulation of like Frost [Days] Index Points over the 5-month period beginning the first Monday in November and ending the last Friday in March, excluding Saturdays, Sundays, December 25, December 26, and January 1. Each particular Index shall be computed by Earth Satellite Corporation using final temperature observations reported by the respective national meteorological office.

The temperature for a particular location is reported from a specific weather station. The table below lists the cities and their corresponding weather stations:

Listing Cities and Corresponding Weather Stations

- Amsterdam-Schiphol, Netherlands (WMO 06240)

41702. FUTURES CALL

41702.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours in such months as may be determined by the Board of Directors.

41702.B. Size of Trading Unit

The size of the unit of trading shall be [~~1,000~~] 10,000 Euros (€) times the respective CME Seasonal Frost [Days] Index.

41702.C. Price Increments

The minimum price fluctuation on the respective CME Seasonal Frost [Days] Index futures shall be [~~4~~] .01 index point and have a value of [~~1,000~~] 100 Euros (€).

41702.D. Position Limits

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For position involving options on the respective CME Seasonal Frost [Days] Index futures, this rule is superseded by the option speculative position limit rule.

41702.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

41702.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 543.

41702.G. Termination of Trading

Futures trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least six calendar days after the last Friday in March.

41702.H. Contract Modification

Specifications shall be fixed as of the first day of trading of a contract, except that all contracts must conform to government regulations in force at the time of final settlement. If any U.S. governmental agency or body with jurisdiction over the trading of the contract or with jurisdiction respecting the trading or final settlement of the CME Seasonal Frost [Days] Index futures issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such governmental orders.

41702.I [Reserved]

41703. SETTLEMENT PROCEDURES

41703.A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Seasonal Frost [Days] Index reported by Earth Satellite Corporation for that city for that contract period, using the methodology in effect on that date, on the first Exchange business day that is at least six calendar days after the last Friday in March. For example, on March 31, 2005, the March 2005 futures contract on the CME Amsterdam-Schiphol Seasonal Frost [Days] Index would have been settled at [40] 10.00 Frost [Days] Index Points.

41703.B. Final Settlement

Clearing members holding open positions in a CME Seasonal Frost [Days] Index futures contract at the termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

41704. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

41705. - 06. [RESERVED]

(End Chapter 417)

INTERPRETATIONS AND SPECIAL NOTICES RELATING TO CHAPTER 417

LIMITATION OF LIABILITY AND DISCLAIMER

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any

liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

Chapter 417A
Options on CME Seasonal Frost [Days] Index Futures

417A00. SCOPE OF CHAPTER

This chapter is limited in application to trading in put and call options on CME Seasonal Frost [Days] Index futures contracts. The procedures for trading, clearing and settlement and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

417A01. OPTION CHARACTERISTICS

417A01. A. Contract Months and Trading Hours

Options contracts shall be listed for such contract months and scheduled for trading during such hours as may be determined by the Board of Directors.

417A01. B. Trading Unit

The trading unit shall be an option to buy, in the case of the call, or to sell, in the case of the put, one respective CME Seasonal Frost [Days] Index futures contract as specified in Chapter 417.

417A01.C. Minimum Fluctuations

The price of an option shall be quoted in terms of the respective CME Seasonal Frost [Days] Index. Each index point represents [4,000] 10,000 Euros (€). For example, a quote of [2] 2.00 index points represents [2,000] 20,000 Euros (€). The minimum fluctuation shall be [4.0] .01 index point (also known as one tick), equal to [4,000] 100 Euros (€).

417A01.D. [Reserved]

417A01.E. Exercise Prices

Exercise prices shall be stated in terms of the respective CME Seasonal Frost [Days] Index futures contract. Eligible exercise prices shall also be at intervals of [4] .01 index point (e.g., [40, 41, 42] 10.01, 10.02, 10.03, etc.).

At the commencement of option trading in a contract month, the eligible put and call options are at intervals of [4] .01 index point in a range of [4] .01 to [50] 50.00 index points [for Frost Days] upon demand evidenced in the options pit. New options may be listed for trading up to and including the termination of trading.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

417A01.F. Position Limits

No person shall own or control a combination of options and underlying futures contracts that exceeds 10,000 futures-equivalent contracts net on the same side of the market in all contract months combined.

For the purpose of this rule, the futures equivalent of an option contract is 1 times the previous business day's IOM risk factor for the option series. Also for purposes of this rule, a long call option, a short put option, and a long underlying futures contract are on the same side of the market; similarly, a short call option, a long put option, and a short underlying futures contract are on the same side of the market.

417A01.G. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

417A01.H. Exemptions

The foregoing position limits shall not apply to commercially appropriate risk reducing option positions defined in accordance with Regulation 1.3(z)(1) of the CFTC and meeting the requirements of Rule 543 and shall not apply to other option positions exempted pursuant to Rule 543.

417A01.I. Termination of Trading

Options trading shall terminate on the same date and time as the underlying futures contract.

417A01.J. Contract Modifications

Specifications shall be fixed as of the first day of trading of a contract except that all options must conform to government regulations in force at the time of exercise. If the U.S. government, an agency or duly constituted body thereof issues an order, ruling, directive or law inconsistent with these rules, such order, ruling, directive or law shall be construed to become part of these rules and all open and new options contracts shall be subject to such governmental orders.

417A02. EXERCISE

In addition to the applicable procedures and requirements of Chapter 7, the following shall apply to the exercise of the CME Seasonal Frost [Days] Index options.

417A02.A. Exercise of Option by Buyer

An option may be exercised by the buyer only on the termination of trading day. To exercise an option the clearing member representing the buyer shall present an exercise notice to the Clearing House by 7:00 p.m. Chicago time on the day of exercise.

An option that is in the money and has not been liquidated prior to the termination of trading shall, in the absence of contrary instructions delivered to the Clearing House by 7:00 p.m. Chicago time on the day of expiration by the clearing member representing the option buyer, be exercised automatically.

417A02.B. Assignment

Exercise notices accepted by the Clearing House shall be assigned through a process of

random selection to clearing members with open short positions in the same series. A clearing member to which an exercise notice is assigned shall be notified thereof as soon as practicable after such notice is assigned by the Clearing House, but not later than 45 minutes before the opening of Regular Trading Hours in the underlying futures contract on the following business day.

The clearing member assigned an exercise notice shall be assigned a short position in the underlying futures contract if a call is exercised or a long position if a put is exercised. The clearing member representing the option buyer shall be assigned a long position in the underlying futures contract if a call is exercised and a short position if a put is exercised.

All such futures positions shall be assigned at a price equal to the exercise price of the option and shall be marked to market in accordance with Rule 814 on the trading day of acceptance by the Clearing House of the exercise notice.

417A03. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

(End Chapter 417A)

***INTERPRETATIONS & SPECIAL NOTICES
RELATING TO CHAPTER 417A***

CLARIFICATION OF NON-AGRICULTURAL OPTION SPECULATIVE POSITION LIMIT RULE

(Special Executive Report S-1618, March 31, 1986)

Please note that the non-agricultural option speculative position limit rule, in effect at this time, supersedes the speculative position rule for the underlying futures contract. Therefore, for example, a trader may hold a gross futures position that exceeds the futures position limit rule if that gross position is part of a spread with options, such that the net position across options and futures is less than the applicable limit set in the options rule.

LIMITATION OF LIABILITY AND DISCLAIMER

Earth Satellite Corporation ("EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. EarthSat makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. EarthSat makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall EarthSat have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.