

August 28 2009 09:31 PM 2 59

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: Amendment to Rule Certification. New York Mercantile Exchange, Inc., Submission #09-103R: Notification of Deferment of Effective Date for Implementation of Amendments to NYMEX Rules 9A.27 and 9A.27A to Establish Expiration Position Limits for Certain Natural Gas Financially Settled Contracts

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 deferring the effective date of self-certification filed with the CFTC on June 2, 2009 (Submission #09-103 (see Appendix A attached)) concerning amendments to NYMEX Rules 9A.27, Expiration Month Position Limit; and 9A.27A, Expiration Position Accountability Levels, with regards to certain natural gas financially settled contracts.

Consistent with the request cited in the June 2, 2009 certification and in order to ensure a cross market uniform application, NYMEX is deferring the implementation of the amendments self-certified under Submission #09-103 until such time that the Intercontinental Exchange ("ICE") formally announces the effective date for implementation of position limits to their Henry Hub LD1 Natural Gas Swap which was deemed to be a significant price discovery contract ("SPDC") by CFTC letter dated July 24, 2009.

Please note that the genesis of the NYMEX amendments cited in Submission #09-103 stems from a request by the Commission to apply expiration limits in lieu of the pre-existing expiration accountability levels to certain NYMEX financially settled natural gas products comparable to other available financially settled natural gas products that are the subject of a recent SPDC rulemaking. NYMEX cooperated with CFTC staff in determining its original implementation schedule based upon the expectation that it would coincide with the implementation of SPDC. It has become apparent to NYMEX from conversations conducted with both ICE and CFTC staff that the schedule for ICE's implementation of the SPDC will extend past the original effective date filed under Submission #09-103. NYMEX believes that it is important to coordinate implementation of expiration position limits with the full implementation of the SPDC.

Therefore, NYMEX is issuing formal notice of deferment (see Appendix B attached) and will subsequently issue notice of a revised effective date to be consistent with that of ICE when such information is formally made available.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the deferment of effective date for the previously submitted amendments complies with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact Thomas LaSala, Managing Director, NYMEX Chief Regulatory Officer, at (212) 299-2897 or me at (312) 648-5422.

Sincerely,

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

Attachments

cc: Christopher Bowen, Esq.

APPENDIX A

SUBMISSION COVER SHEET

Exchange Identifier Code 09.103

Date June 2, 2009

ORGANIZATION

New York Mercantile Exchange, Inc.

FILING AS A:

DCM

DCO

DTEF

TYPE OF FILING

• **Rule Amendments**

Self-Certification Under Reg. 40.6(a)

Commission Approval Requested Under Reg. 40.5 or 40.4 (a)

Notification of Rule Amendment Under Reg. 40.6(c)

Non-Material Agricultural Rule Change Determination Under Reg. 40.4(b)

• **New Products**

Self-Certification Under Reg. 40.2 or 41.23

Commission Approval Requested Under Reg. 40.3

RULE NUMBERS

NYMEX Rules 9A.27 and 9A.27A

DESCRIPTION (Rule Amendments Only)

The amendments contained in this submission establish hard expiration position limits for certain natural gas financially-settled contracts.



June 2, 2009

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: Rule Certification. New York Mercantile Exchange, Inc. Submission #09.103: Notification of Amendments to NYMEX Rules 9A.27 and 9A.27A to Establish Hard Expiration Position Limits for Certain Natural Gas Financially-Settled Contracts

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 amendments to NYMEX Rules: 9A.27, Expiration Month Position Limit; and 9A.27A, Expiration Position Accountability Levels. These amendments establish hard expiration position limits for certain natural gas financially-settled contracts.

The amendments are being implemented in response to a CFTC rulemaking, anticipated to be in force by September 2009. This CFTC rulemaking will require that exempt commercial markets establish hard position limits for significant price discovery contracts ("SPDCs") comparable to those in place for contracts listed on designated contract markets from which the SPDCs derive their settlement prices. As such, these amendments are being implemented to establish hard expiration position limits for certain natural gas financially-settled contracts similar to those required to be established for SPDCs in September 2009. In conjunction with the implementation of CFTC's final rulemaking, the amendments, reflected in Appendix A of this submission, will be made effective for the October 2009 expiration of the natural gas financially-settled contracts. Should implementation of the CFTC's final rulemaking be deferred, the Exchange requests that it be allowed to defer its implementation of the proposed hard position limits.

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.

Should you have any questions concerning the above, please contact Thomas LaSala, Managing Director, NYMEX Chief Regulatory Officer, at (212) 299-2897, Anthony V. Densieski, Director, Market Surveillance, at (212) 299-2881, or me at (312) 648-5422.

Sincerely,

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

Attachment

APPENDIX A

NOTIFICATION OF AMENDMENTS TO NYMEX RULES
 9A.27 and 9A.27A
 (bold/underline indicates additions; strikethrough indicates deletions)

<u>Contract Name</u>	<u>Rule Chapter</u>	<u>Commodity Code</u>	<u>All Month Accountability Level</u>	<u>Any One Month Accountability Level</u>	<u>Expiration Month Limit</u>	<u>Expiration Accountability Level- Penultimate and Metals Contracts</u>	<u>Expiration Accountability Level Last Day Contract</u>	<u>Reporting Level</u>	<u>Aggregate Into (1)</u>	<u>Aggregate Into (2)</u>
			<u>Rule 9A.26</u>	<u>Rule 9A.26</u>	<u>Rule 9A.27</u>	<u>Rule 9A.27A</u>	<u>Rule 9A.27A</u>	<u>Rule 9A.34</u>		
<i>Natural Gas</i>										
<i>United Kingdom</i>										
<i>USA</i>										
Henry Hub Penultimate Financial Futures Contract	824	HP	12,000	12,000	<u>1,000</u>	1,000		100	HP	
Natural Gas Look-Alike Option	560	LN	12,000	12,000	<u>1,000</u>	1,000		100	HP	
Henry Hub Natural Gas Penultimate Swap Futures Contract	529	NP	12,000	12,000	<u>1,000</u>	1,000		100	HP	
NYMEX Natural Gas miNY Futures Contract	402	QG	12,000	12,000	<u>1,000</u>	1,000		175	HP	
Henry Hub Financial Last Day Futures Contract	823	HH	12,000	12,000	<u>1,000</u>		-1,000	100	HH	
Henry Hub Swap Futures Contract	508	NN	12,000	12,000	<u>1,000</u>		-1,000	175	HH	
Henry Hub Financial Last Day Option Contract	375	E7	12,000	12,000	<u>1,000</u>		-1,000	100	HH	



Special Executive Report

S-4989

August 28, 2009

NYMEX to Defer Amendments to NYMEX Rules 9A.27 and 9A.27A Regarding Establishment of Expiration Position Limits for Certain Natural Gas Financially Settled Contracts

The New York Mercantile Exchange, Inc. ("NYMEX") is deferring the implementation of amendments to Rules 9A.27, Expiration Month Position Limit, and 9A.27A, Expiration Position Accountability Levels previously announced in Special Executive Report ("SER") S-4888 dated June 5, 2009. The effective date of implementation of such amendments is being deferred in order to ensure a cross market uniform application.

NYMEX will issue notice of a revised effective date for establishment of expiration position limits for certain of its natural gas financially settled contracts once such date for establishment of comparable changes to other financially settled natural gas contracts across the market-at-large is made available.

Please note that the genesis of the NYMEX amendments cited in SER S-4888 stems from a request by the Commodity Futures Trading Commission ("CFTC") to apply expiration limits in lieu of the pre-existing expiration accountability levels to certain NYMEX financially settled natural gas products comparable to other available financially settled natural gas contracts that are the subject of a recent significant price discovery contract ("SPDC") rulemaking. NYMEX cooperated with CFTC staff in determining its original implementation schedule based upon expected uniform implementation of SPDC rulemaking initiatives.

Questions regarding the implementation of expiration position limits can be directed to Anthony V. Densieski, Director, Market Surveillance, at 212.299.2881, or Chris Reinhardt, Supervisor, Market Surveillance at 212.299.2884.