

September 6, 2013

**VIA E-MAIL**

Ms. Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: Regulation 40.6(a) Certification. Notification Regarding Increasing Position Limits and Accountability Levels for twelve (12) Natural Gas Contracts (Futures and Options) NYMEX Submission #13-365**

Dear Ms. Jurgens:

The New York Mercantile Exchange, Inc. (“NYMEX” or the “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying amendments to the Position Limits, Position Accountability and Reportable Levels for twelve (12) existing Natural Gas futures and options contracts, effective Monday, September 23, 2013. The contracts affected are listed in the table below:

Contract Name	Rule Chapter	Clearing Code
ANR, Louisiana Natural Gas (Platts IFERC) Basis Futures	767	ND
ANR, Louisiana Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures	454	M6
ANR, Oklahoma Natural Gas (Platts IFERC) Basis Futures	627	NE
ANR, Oklahoma Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures	809	IQ
CenterPoint Natural Gas (Platts IFERC) Basis Futures	807	PW
CenterPoint Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures	810	II
Columbia Gas TCO (Platts IFERC) Basis Futures	622	TC
Columbia Gas TCO (Platts Gas Daily/Platts IFERC) Index Futures	877	Q1
Columbia Gas TCO (Platts IFERC) Fixed Price Futures	1276	CFS
Columbia Gas TCO (Platts IFERC) Basis Option	622B	5D
Columbia Gulf, Mainline Natural Gas (Platts IFERC) Basis Futures	428	5Z
Columbia Gulf, Mainline Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures	444	L2

The Position Limit, Position Accountability and Reportable Level Table and Header Notes located in the Interpretations and Special Notices Section of Chapter 5 of the NYMEX Rulebook is being amended to reflect the changes in the position limits and accountability levels for the contracts listed above. These amendments are described in Appendix A provided under separate cover.

Exchange business staff responsible for the rule amendments and the Exchange Legal Department collectively reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (the “Act” or “CEA”). During the review, Exchange staff identified that the rule amendments may have some bearing on the following Core Principles:

- Contracts not Readily Subject to Manipulation: The contracts are not readily subject to manipulation due to the deep liquidity and robustness in the underlying physical market, which provides diverse participation and sufficient spot transactions to support the final settlement indices reported by Platts (methodology provided in submission).
- Position Limitations or Accountability: The spot-month speculative position limits for the contracts are set at less than the threshold of 25% of the deliverable supply in the underlying market.
- Availability of General Information: The information contained herein will be disseminated to the marketplace via Special Executive Report. The Exchange will publish information on the contracts’ specifications on its website, together with daily trading volume, open interest, and price information.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6, the Exchange hereby certifies that the attached amendments comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal. A cash market overview and analysis of deliverable supply is attached hereto as Appendix B.

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>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or [christopher.bowen@cmegroup.com](mailto:christopher.bowen@cmegroup.com).

Sincerely,

/s/Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachments:

- Appendix A: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)
- Appendix B: Cash Market Overview and Analysis of Deliverable Supply

## **Appendix A**

Position Limit, Position Accountability, and Reportable Level Table in Chapter 5

of the NYMEX Rulebook

(attached under separate cover)

## Appendix B

### **CASH MARKET OVERVIEW: ANR Louisiana, ANR Oklahoma, CenterPoint, Columbia Gas, Appalachia, and Columbia Gulf NATURAL GAS CONTRACTS**

The Exchange uses Platts *Inside FERC* (“Platts IFERC”) and Platts *Gas Daily* as the third-party references in connection with determining final settlement for the subject futures contracts. Platts is one of the major price-reporting services used in the OTC market for pricing financial instruments, and the methodology utilized by Platts is well-known in the natural gas industry. Platts has a long-standing reputation in the natural gas industry for price benchmarks that are fair and representative of cash market activity. NYMEX is party to a licensing agreement with Platts to utilize their pricing data for settlement purposes.

The Exchange uses the Bidweek Survey to settle existing Fixed Price Futures, one of the two price-legs for both existing Basis Futures and Index Futures, and Option. Platts defines Bidweek as the last five business days of the month. During that period, Platts collects voluntarily-reported transaction information submitted by market participants regarding their next-month delivery of natural gas at various cash market locations. The monthly Bidweek index for a given trading point typically is computed by Platts as the volume-weighted average price based on the submitted physical market transactions that took place during that period at that Market Center. The Bidweek survey results are published in the Platts IFERC *Gas Market Report*.

Platts’ methodology for calculating indices is organized to reflect the content of the Federal Energy Regulatory Commission’s (FERC’s) policy statement on price indices for natural gas. Platts also employs compliance staffs who are independent of the staffs who conduct the survey. Platts IFERC has been an industry standard-bearer with respect to price reporting since the early days of wellhead price deregulation in natural gas during the late 1980s.

Platts subjects its collected data to a series of statistical tests to ensure the quality and completeness of the survey sample for each pricing point or geographical location. These tests include:

(i) the identification and consideration of anomalous or outlying transactions; (ii) a comparison of volume-weighted average prices for each data submitter; and (iii) the calculation of a number of overall measures of central tendency, including the volume-weighted average, the median, the simple average, the mode and the midpoint. These procedures safeguard the price series against manipulation.

## **Methodology<sup>1</sup>**

### **Platts IFERC: Monthly Bidweek Market**

Platts publishes monthly natural gas prices for a large number of trading locations, either as an index or as an assessment. Bidweek prices are published on the first business day of the month in which the gas flows. The current format for the monthly Bidweek survey has been in place since March 1986 and Platts has reported monthly index prices since January 1988. For cash market locations where liquidity is sufficiently large, Platts calculates the Bidweek indexes as the volume-weighted average price for trades that occur during the Bidweek period and which are voluntarily submitted to Platts for consideration. For low-liquidity points where few or, in some cases, no transactions are reported, Platts may perform assessments. Those prices are clearly marked with an asterisk (\*) to emphasize an assessment has been used.<sup>2</sup> If insufficient market information is available, Platts does not publish a price (N.A.)

In July 2003, Platts adopted a three-tier system grouping points in its monthly survey by the reported volumes and number of trades. Tier 1 includes points with volumes of at least 100,000 MMBtu/day and at least 10 trades; Tier 2 includes points with volumes of 25,000 to 99,999 MMBtu/day and at least five trades; and Tier 3 includes points with volumes below 25,000 MMBtu/day and/or fewer than five trades. In August 2004, Platts began publishing volumes and the number of transactions for points in Tiers 1 and 2. Because of increased liquidity and data reporting by market participants, Platts added volumes and transactions for Tier 3 points effective February 2007. With regard to the cash

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<sup>1</sup>[http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/na\\_gas\\_methodology.pdf](http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/na_gas_methodology.pdf)

<sup>2</sup> As a note, none of the cash markets underlying the subject contracts are considered to be illiquid.

markets underlying the subject futures contracts, all of the locations are considered liquid as Platts generally ranks these markets in Tier 1 or 2 each month. The average can range anywhere from 1.00 (indicating it is always in Tier 1) to 3.00 (indicating it is always in Tier 3).

As noted above, Platts' editors calculate the Bidweek prices for liquid trading points as the volume-weighted average of submitted trades conducted during that time period. Bidweek prices for Tier 1 locations are computed in this manner. Because reported trading at any individual pricing point can vary under different market conditions, the volume-weighted average alone is not always an adequate indicator of average deal-making over the five-day Bidweek period. The amount of reported transactions can vary with participation levels and the completeness of data elements reported. For instance, in the circumstance of a thin and/or very volatile market, a single party with one or two large-volume deals reported at an extreme end of the market's price range could significantly move the volume-weighted average away from the average value at which most parties traded. In such situation, Platts' editors would consider the median of the price series, which could tend to represent the center point of trading better than the volume-weighted average. (At points where trading is robust and the distribution of reported transactions is generally balanced, the volume-weighted average and the median are usually aligned with each other.) When the two measures (i.e., the median versus the volume-weighted average) significantly diverge, an analysis of the data set typically is performed to determine the reason. If the analysis finds that the characteristics of the survey sample creates an unrepresentative skew of the volume-weighted average, either the median is used as the index or the average of the median and the volume-weighted average is used.

In limited instances of thin, illiquid (Tier 3) markets (which do not apply to the cash markets underlying the subject futures contracts), it may not be appropriate to calculate the Bidweek index values as traditional volume-weighted averages. Instead, Platts may use an assessment methodology that incorporates market information other than reported transactions to help provide market transparency. First, Platts' editors make a determination as to whether the reported transactions reflect a representative central value for the Bidweek time period based on current market conditions at the trading point and a comparison with other related and more deeply traded locations. If the reported data for such a point

produces an average that substantially correlates with those of other related and more deeply traded points, Platts will establish its index using just the reported data. If, however, the reported transactions at the illiquid point do not produce an average that substantially correlates with those at more liquid related points, then Platts will make an assessment if adequate alternative market information is available on which to base an assessment. Assessments (which are clearly designated by asterisks in price tables) may incorporate any transactional data reported or may be based solely on other information, including an analysis of bid/ask spreads, basis relationships to values at related liquid pricing points, implied physical values derived from financial swaps and derivative index deals, and daily market trading at the point during Bidweek. Assessments are based on objective factual information in addition to actual transactions, not on editors' subjective judgments of where markets would have traded or industry participants' opinions on prices. If insufficient other market information is available, Platts' editors may elect not to publish a Bidweek price for that location and designate it as "N.A." Except in the case of corrections, Platts does not revise prices after the fact — once an N.A. is published for a month, no price will be published even if additional information is subsequently provided.

### **Safeguards for Reported Daily Prices and Bidweek Indexes**

In order to maintain the integrity of the daily prices and Bidweek indexes, Platts takes steps to minimize their susceptibility to manipulation. Platts subjects the Bidweek transaction data volunteered by traders to rigorous analysis in order to ensure that they are representative of cash market activity at the respective locations. A number of data sorts, statistical calculations, and tests are performed on the collected Bidweek transactional data. These tests typically include an analysis of the quality and completeness of each pricing point's survey sample; the identification and consideration of anomalous or outlying deals; a comparison of volume-weighted average prices for each data submitter; and the calculation of a number of overall measures of central tendency, including the volume-weighted average, the median, the simple average, the mode and the midpoint. Other statistical and analytical tools are also used to examine the reported data, including identification and consideration of the price series' skew, its

standard deviation and distribution, the relationship between series data and that of related trading points, and the track record of the survey participants reporting prices at the point.

Platts employs other procedures to strengthen the quality of the daily prices and Bidweek values. Traders who voluntarily report transaction information are required to submit data on all trades – that is, not to be selective as to which ones are submitted. The identities of counterparties must be disclosed. Furthermore, Platts upholds the quality of the data by requiring that the transaction information be sent from noncommercial departments of the reporting firms. In addition, Platts mandates that reporting companies supply the names of internal contacts who can verify the data and answer questions about the reported transactions. Suspect trades, particularly outliers and transactions made under duress, which cannot be verified by Platts' editors may be excluded from the calculation of the reported index. Platts' methodology is organized to reflect the content of the FERC's policy statement on price indices for natural gas. Finally, Platts employs compliance staff each of whom is independent of the staff which conducts the survey.

### **Trading Points**

According to Platts' specification guide,<sup>3</sup> ANR Louisiana refers to "Deliveries into ANR Pipeline along the southeastern Louisiana lateral that starts offshore and runs to the Patterson, La., compressor station onshore and on the Eunice, La., station, where ANR's Southeast mainline begins. Also, deliveries into ANR along a second lateral that runs from the HIOS system downstream of West Cameron 167 offshore to the Grand Chenier, La., station onshore and on to the Eunice station, as well as deals done at the Eunice Pool." The 36 month average Tier Level during April 2010 through March 2013 was 1.14. The 12 month average from April 2012 through March 2013 was 1.17.

ANR Oklahoma refers to "Deliveries into ANR Pipeline at the start of the Southwest mainline at the Custer, Okla., compressor station, into the Texas Panhandle north to the Greensburg, Kan., station."

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<sup>3</sup> [http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/na\\_gas\\_methodology.pdf](http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/na_gas_methodology.pdf)



The 36 month average Tier Level during April 2010 through March 2013 was 1.5. The 12 month average from April 2012 through March 2013 was 1.17.

CenterPoint, East refers to “Deliveries into CenterPoint Energy Gas Transmission’s flex/neutral and north pooling areas in northeastern Arkansas and southeastern Oklahoma. The north pooling area is separated from the south pooling area by a generally northwest-to-southeast line between Le Flore County, Okla., and Bolivar County, Miss. The flex (or neutral) pooling area in Oklahoma comprises all of Pushmataha, Latimer, Haskell and Pittsburg counties and the northeast section of Atoka County. In the past, the system was known as NorAm Gas Transmission, Arkla Energy Resources and, prior to Aug. 1, 2004, Reliant Energy Gas Transmission.” The 36 month average Tier Level during April 2010 through March 2013 was 1.39. The 12 month average from April 2012 through March 2013 was 1.58.

Columbia Gas, Appalachia refers to “Deliveries into Columbia Gas Transmission in eastern Kentucky, eastern Ohio, West Virginia, Pennsylvania, northern Virginia and western New York. The Appalachian pool for deliveries into Columbia begins downstream of the Leach, Ky., interconnection with Columbia Gulf Transmission; deliveries at Leach are not included. Columbia Gas operates supply pool and market-area storage facilities within this northern Appalachia region, which also has local production. Prices include deliveries system wide at pools, interconnects and on-system points.” The 36 month average Tier Level during April 2010 through March 2013 was 1.00. The 12 month average from April 2012 through March 2013 was also 1.00.

Columbia Gulf, Mainline refers to “Deliveries into Columbia Gulf Transmission anywhere along its mainline system zone in Louisiana and Mississippi. The mainline system extends northeast from Rayne, La., to Leach, Ky. This point was added to the monthly survey in August 2007.” The 36 month average Tier Level during April 2010 through March 2013 was 1.00. The 12 month average from April 2012 through March 2013 was also 1.00.

## ANR Pipeline

ANR Pipeline Company (ANR) is one of the continent's largest natural gas pipeline systems, connecting supply basins and markets throughout the Mid-West and south to the Gulf of Mexico. With 16,656 kilometers (10,350 miles) of pipeline, ANR connects markets in Wisconsin, Michigan, Illinois and Ohio with supply in Texas, Oklahoma and the Gulf of Mexico.

The ANR System is part of TransCanada's network of 60,000 km (37,000 miles) of wholly owned and 7,900 km (4,900 miles) of partially owned pipelines connecting major supply basins with major markets all across North America. TransCanada is one of the continent's largest providers of gas storage and related services with approximately 380 Bcf of storage capacity – that's the second largest in North America. In total, TransCanada delivers approximately 20 percent of the natural gas consumed in North America each day.

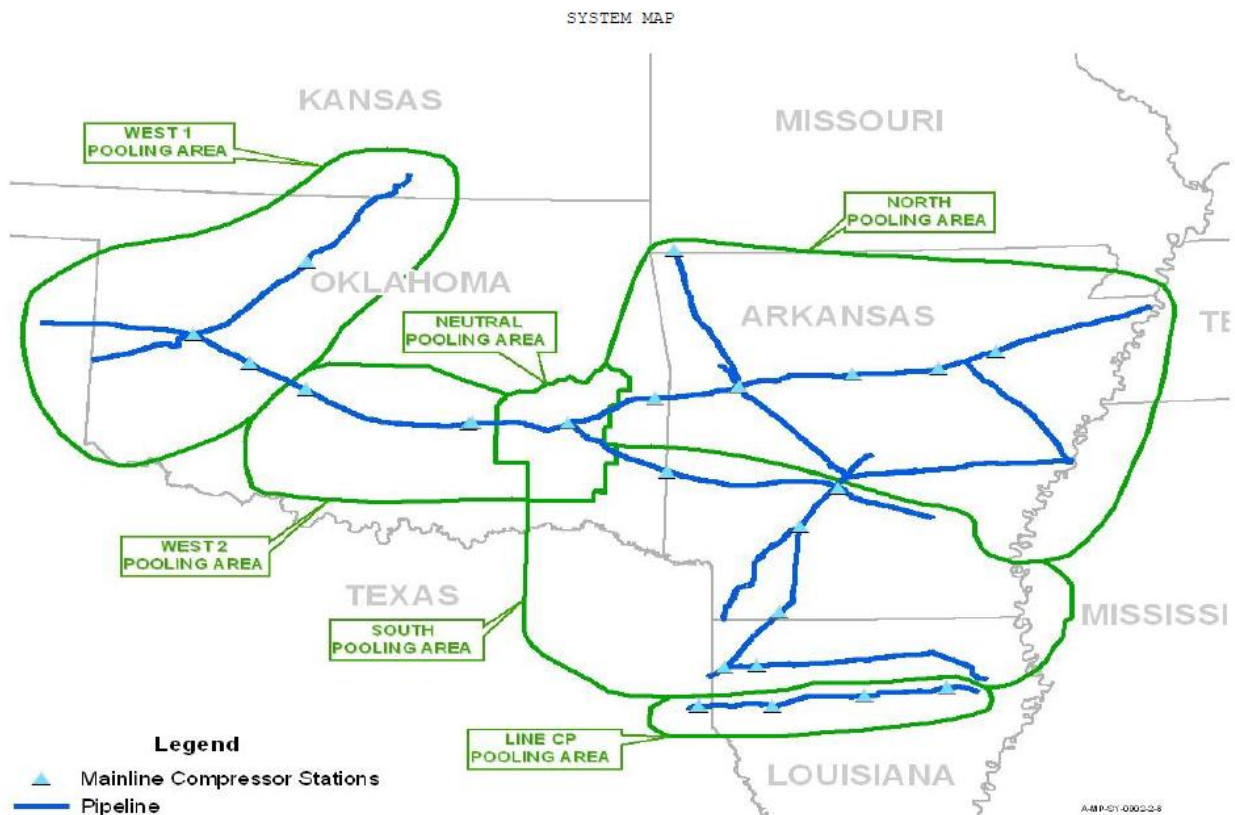
Below is a map of the pipeline.



## CenterPoint Energy Gas Transmission

CenterPoint Energy Gas Transmission (CEGT) is one of the two indirect, wholly-owned interstate pipeline subsidiaries of CenterPoint Energy, Inc. CEGT and Mississippi River Transmission (MRT) operate more than 8,000 miles of interstate pipe located in Arkansas, Illinois, Kansas, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee and Texas, as well as six storage facilities. The Carthage to Perryville pipeline (Line CP), consisting of 172 miles of 42-inch diameter pipe, is owned and operated by CEGT and has approximately 1.9 bcf of capacity per day. Line CP has four compressor stations, Panola, Westdale, Vernon and Alto, totaling approximately 120,000 horsepower.

Below is a map of the pipeline.



## Columbia Gas Transmission

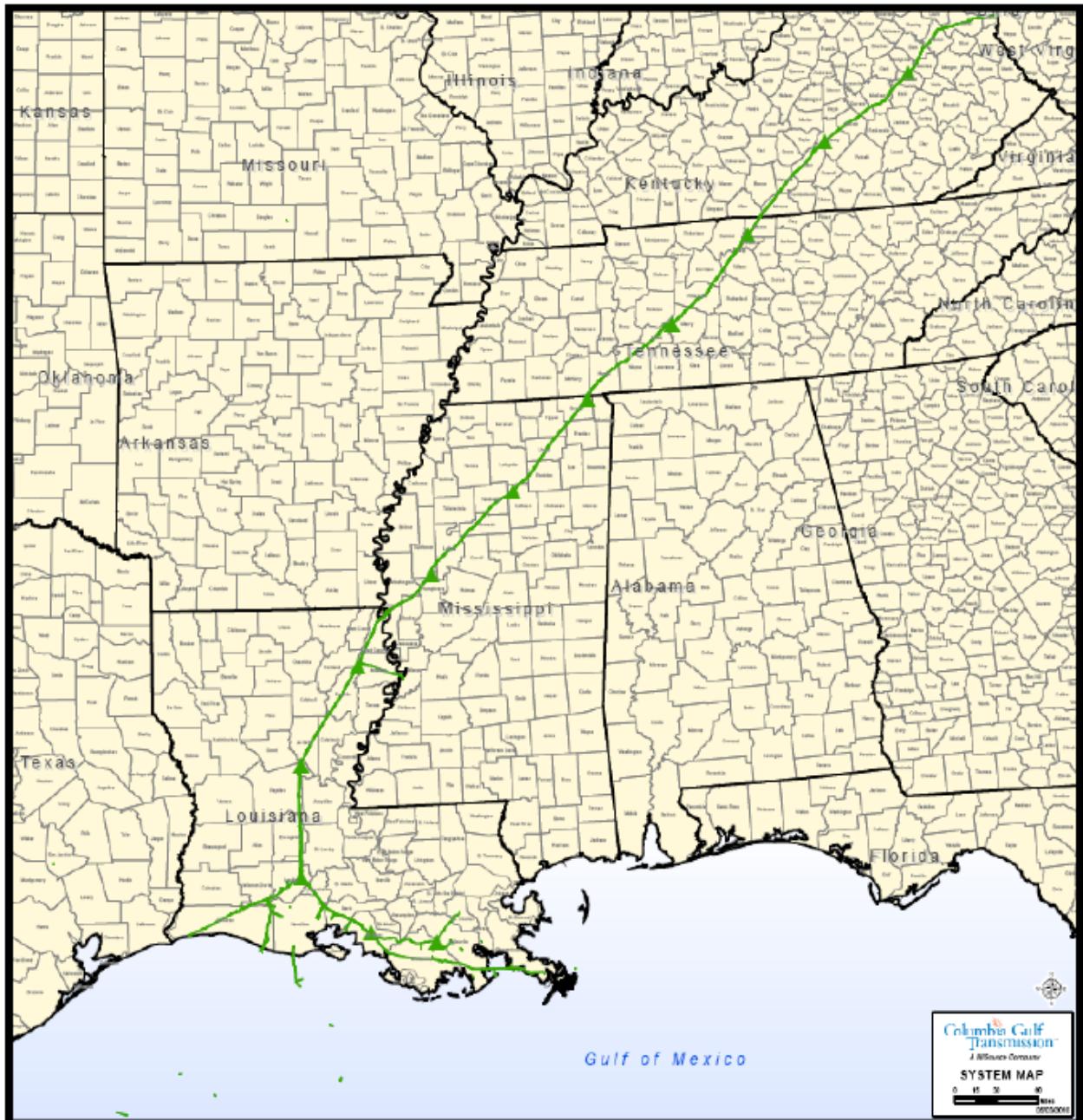
Columbia Gas Transmission transports an average of 3 billion cubic feet of natural gas per day through a nearly 12,000-mile pipeline network and more than 100 compressor stations in Delaware, Kentucky, Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia and West Virginia, serving hundreds of communities. Customers include local gas distribution companies, energy marketers, and electric power generating facilities, as well as hundreds of industrial and commercial end users.

Columbia Gas Transmission also owns and operates one of North America's largest underground natural gas storage systems, which includes 37 storage fields in four states with nearly 650 billion cubic feet in total capacity. Below is a map of the pipeline.



## Columbia Gulf Transmission

Columbia Gulf Transmission, founded in 1954, is a subsidiary of NiSource. Columbia Gulf Transmission operates a 3,400 mile pipeline system that delivers natural gas to customers in Louisiana, Mississippi, Tennessee, and Kentucky. Below is a map of the pipeline.



## Cash Market Volumes

Table 1 below provides the natural gas volumes (in NYMEX contract equivalents) at the various cash market locations for various ANR Pipeline, CenterPoint Pipeline, Columbia Gas Transmission as well as Columbia Gulf Pipeline locations underlying the subject futures contracts that are reported by Platts in its bidweek survey for each month from January 2008 through March 2013. The data are available in Platts' *Liquidity in North American Monthly Gas Monthly Gas Markets*<sup>4</sup> report. The monthly volume at ANR, Louisiana ranged from 224 contract equivalents in January 2013 to 8,317 contract equivalents in October 2011, with the average monthly volume being 2,533 contract equivalents. The monthly volume at ANR, Oklahoma ranged from 195 contract equivalents in September 2011 to 5,619 contract equivalents in August 2008, with the average monthly volume being 1,970 contract equivalents. The monthly volume at the CenterPoint, East ranged from 399 contract equivalents in September 2012 to 8,093 contract equivalents in September 2008, with the average monthly volume being 2,609 contract equivalents. The monthly volume at Columbia Gas, Appalachian ranged from 2,006 contract equivalents in July 2010 to 11,227 contract equivalents in August 2010, with the average monthly volume being 5,065 contract equivalents. The monthly volume at the Columbia Gulf, Mainline ranged from 1,406 contract equivalents in January 2009 to 17,264 contract equivalents in July 2010, with the average monthly volume being 7,633 contract equivalents.

**Table 1: Volumes from Platts Liquidity in North American Monthly Gas Monthly Gas Markets**

**(All Volumes are in NYMEX Equivalents (2,500 MMBtu))**

Date	ANR, Louisiana	ANR, Oklahoma	CenterPoint, East	Columbia Gas, Appalachian	Columbia Gulf, Mainline
1/1/2008	1,908	588	2,940	2,063	2,784
2/1/2008	1,284	1,740	1,505	2,038	4,212
3/1/2008	2,991	4,527	5,464	4,801	5,171
4/1/2008	2,380	3,324	4,497	5,459	4,774

<sup>4</sup> <http://www.platts.com/MethodologyAndSpecifications/NaturalGas>

5/1/2008	2,053	1,995	4,143	7,116	6,409
6/1/2008	1,779	2,777	5,238	6,187	7,247
7/1/2008	1,273	4,226	6,877	5,463	8,374
8/1/2008	1,940	5,619	6,991	5,260	8,059
9/1/2008	2,177	4,615	8,093	4,308	7,207
10/1/2008	286	4,605	6,812	2,684	6,228
11/1/2008	1,273	2,681	6,506	4,061	3,666
12/1/2008	1,055	2,883	2,999	3,711	3,752
1/1/2009	1,720	2,884	3,611	3,963	1,406
2/1/2009	2,126	2,371	3,072	2,581	3,614
3/1/2009	1,029	2,485	4,467	5,676	6,452
4/1/2009	1,775	2,232	4,303	5,480	7,531
5/1/2009	2,089	2,088	3,478	5,414	8,337
6/1/2009	2,677	2,382	2,816	6,124	4,921
7/1/2009	1,090	1,520	3,338	2,526	6,363
8/1/2009	1,077	1,265	2,082	4,313	9,603
9/1/2009	1,437	1,252	2,262	4,988	9,166
10/1/2009	2,592	1,165	1,914	5,260	5,197
11/1/2009	1,627	1,468	3,236	3,677	6,880
12/1/2009	1,438	2,313	2,704	7,553	10,643
1/1/2010	1,312	1,770	1,350	5,939	4,713
2/1/2010	2,198	2,846	1,687	3,995	8,326
3/1/2010	3,091	1,677	5,012	5,239	8,123
4/1/2010	4,166	2,060	1,912	9,386	14,794

5/1/2010	7,068	1,774	3,029	10,378	14,445
6/1/2010	3,963	1,334	1,889	4,341	7,858
7/1/2010	4,377	874	790	2,006	17,264
8/1/2010	2,720	2,541	838	11,227	10,982
9/1/2010	4,011	749	2,808	5,112	9,039
10/1/2010	2,754	1,462	1,533	5,976	13,019
11/1/2010	1,807	1,974	2,018	4,780	4,759
12/1/2010	1,104	1,699	2,267	3,251	7,494
1/1/2011	2,054	1,028	766	5,209	3,538
2/1/2011	1,666	1,179	2,478	5,533	8,638
3/1/2011	3,769	680	2,212	5,692	14,355
4/1/2011	5,388	1,254	2,057	6,895	11,840
5/1/2011	5,902	780	929	5,229	10,771
6/1/2011	5,711	1,169	1,254	7,404	13,649
7/1/2011	5,124	795	468	6,292	11,541
8/1/2011	7,652	1,566	792	2,668	12,124
9/1/2011	5,563	195	901	5,590	9,781
10/1/2011	8,317	719	2,600	3,203	12,976
11/1/2011	2,031	763	3,108	6,085	5,404
12/1/2011	1,374	208	1,647	4,963	7,792
1/1/2012	820	790	1,414	2,585	7,446
2/1/2012	1,031	759	3,387	5,134	10,212
3/1/2012	3,799	1,547	3,461	4,632	7,308
4/1/2012	2,357	1,824	2,127	5,083	10,309



5/1/2012	1,414	2,008	1,556	5,323	7,555
6/1/2012	2,562	4,274	1,154	4,806	6,877
7/1/2012	2,864	1,197	457	6,408	3,784
8/1/2012	1,468	2,098	433	3,437	4,877
9/1/2012	2,110	5,038	399	6,326	6,727
10/1/2012	2,495	2,868	1,482	6,114	6,291
11/1/2012	1,507	1,797	2,447	4,722	2,735
12/1/2012	1,303	2,121	990	4,653	5,775
1/1/2013	224	960	572	3,925	4,329
2/1/2013	1,454	1,958	2,089	3,489	3,923
3/1/2013	1,233	1,362	843	3,954	4,299
4/1/2013	1,277	1,370	482	6,452	4,818

### **ANALYSIS OF DELIVERABLE SUPPLY**

The Exchange calculated deliverable supply for the subject natural gas contracts based on estimates of the delivery capacity of the respective delivery mechanisms. There are two components to this: operational capacity in single-flow direction; displacement and counterflow operations. In its analysis, the Exchange relied on a data tool called the NatGas RealTime provided by Genscape Inc., The NatGas RealTime is an interactive geo-mapping application of intra-day gas flows for North American natural gas pipeline system. The operational capacity measures the amount of gas that is scheduled and available for delivery at different interconnections on a pipeline system. Displacement operating capacity was calculated using the equivalent methodology to calculate forward-haul operating capacity: 1. Confirmation that system supplies with access to displacement at each respective delivery facility exceeded operating displacement. 2. Incorporating displacement operating capacity, which equal 100% of the forward-haul capacity.

**1. ANR, Louisiana**

ANR Louisiana does not report operational capacity, so Genscape adjusts its methodology to account for this. As part of that, Genscape collected the daily ANR Louisiana flow rates from 2008 through 2013 and has advised that, in the absence of reported operational capacity, the maximum flow rate should serve as a proxy for operational capacity. To make sure that our estimates reflect current operations, we looked at the maximum flow rate between April 1, 2012 and March 31, 2013. Using this methodology, the daily delivery capacity is 1,460,128 MMBTU. This leads to an estimated monthly delivery capacity of 43,803,840 MMBTU which is 17,522 contract equivalents. The proposed spot-month limits for ANR, Louisiana Natural Gas (Platts IFERC) Basis Futures and related leg of the ANR, Louisiana Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures is 4000 contracts. This level represents 23% of the monthly deliverable supply.

**2. ANR, Oklahoma**

Table 2 (below) indicates the average daily delivery capacity for the period of January 2010 through March 2013; the delivery capacity averaged 1462273 MMBTU per day or 43868191 MMBTU per month which is 17,547 contract equivalents. The proposed spot-month limits for ANR, Oklahoma Natural Gas (Platts IFERC) Basis Futures and related leg of the ANR, Oklahoma Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures is 4000 contracts. This level represents 23% of the monthly deliverable supply.

**Table 2: Deliverable Supply Estimates for ANR, Oklahoma**

<b>Effective Date</b>	<b>Average Daily Deliverable Supply (MMBTU)</b>
Jan-10	1466900
Feb-10	1466900

<b>Effective Date</b>	<b>Average Daily Deliverable Supply (MMBTU)</b>
Mar-10	1466900
Apr-10	1466900
May-10	1466900
Jun-10	1466900
Jul-10	1466900
Aug-10	1466900
Sep-10	1466900
Oct-10	1466900
Nov-10	1466900
Dec-10	1466900
Jan-11	1466900
Feb-11	1466900
Mar-11	1466900
Apr-11	1466900
May-11	1466900
Jun-11	1466900
Jul-11	1466900
Aug-11	1466900
Sep-11	1466900
Oct-11	1466900
Nov-11	1466900
Dec-11	1466900

Effective Date	Average Daily Deliverable Supply (MMBTU)
Jan-12	1466900
Feb-12	1466900
Mar-12	1466900
Apr-12	1466900
May-12	1456608
Jun-12	1445630
Jul-12	1445630
Aug-12	1445630
Sep-12	1445630
Oct-12	1445630
Nov-12	1445630
Dec-12	1445630
Jan-13	1445630
Feb-13	722,815
Mar-13	722,815

**3. CenterPoint, East**

Table 3 (below) indicates the average daily deliverable capacity for the period of January 2010 through March 2013; the delivery capacity averaged 349,731 MMBTU per day and 10,491,923 MMBTU per month which is 4,197 contract equivalents. The proposed spot-month limits for CenterPoint Natural

Gas (Platts IFERC) Basis Futures and related leg of the CenterPoint Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures is 1000 contracts. This level represents 23.8% of the monthly deliverable supply.

**Table 3: Deliverable Supply Estimates for CenterPoint East**

<b>Month</b>	<b>Daily Deliverable Supply (MMBTU)</b>
Jan-10	350000
Feb-10	350000
Mar-10	350000
Apr-10	350000
May-10	350000
Jun-10	350000
Jul-10	350000
Aug-10	350000
Sep-10	350000
Oct-10	350000
Nov-10	350000
Dec-10	350000
Jan-11	350000
Feb-11	350000
Mar-11	350000
Apr-11	339499.9
May-11	350000
Jun-11	350000

<b>Month</b>	<b>Daily Deliverable Supply (MMBTU)</b>
Jul-11	350000
Aug-11	350000
Sep-11	350000
Oct-11	350000
Nov-11	350000
Dec-11	350000
Jan-12	350000
Feb-12	350000
Mar-12	350000
Apr-12	350000
May-12	350000
Jun-12	350000
Jul-12	350000
Aug-12	350000
Sep-12	350000
Oct-12	350000
Nov-12	350000
Dec-12	350000
Jan-13	350000
Feb-13	350000
Mar-13	350000

#### **4. Columbia Gas, Appalachian**

No specific compressor stations correspond to *Platts IFERC's* defined area for Columbia Gas Appalachian. Genscape adjusted their methodology to calculate deliverable capacity by aggregating the daily flows from January 1, 2010 through March 31, 2013 and evaluating maximum flow rates. Similar to our application of this methodology for ANR, Louisiana (above), we limited the time period considered to April 1, 2012 through March 31, 2013 to ensure the estimates were current. Based on this, the deliverable capacity averaged 4,938,756 MMBTU per day and 148,162,680 MMBTU per month which is 59,265 contract equivalents. The proposed spot-month limits for Columbia Gas TCO (Platts IFERC) Fixed Price Futures, Columbia Gas TCO (Platts IFERC) Basis Futures, and the related leg to the Columbia Gas TCO (Platts Gas Daily/Platts IFERC) Index Futures is 10,000 contracts. This level represents 17% of the monthly deliverable supply.

**Table 4: Deliverable Supply Estimates for Columbia Gas Appalachian**

<b>Effective Date</b>	<b>Operational (MMBTU)</b>
Jan-11	2,500,000
Feb-11	1,825,000
Mar-11	1,825,000
Apr-11	1,965,000
May-11	2,274,194
Jun-11	3,000,000
Jul-11	3,000,000
Aug-11	3,000,000
Sep-11	3,000,000
Oct-11	3,000,000
Nov-11	3,000,000
Dec-11	3,000,000

<b>Effective Date</b>	<b>Operational (MMBTU)</b>
Jan-12	3,000,000
Feb-12	3,000,000
Mar-12	3,000,000
Apr-12	3,000,000
May-12	3,000,000
Jun-12	3,000,000
Jul-12	3,000,000
Aug-12	3,000,000
Sep-12	3,000,000
Oct-12	3,000,000
Nov-12	3,000,000
Dec-12	3,000,000
Jan-13	3,000,000
Feb-13	3,000,000
Mar-13	3,000,000

**5. Columbia Gulf, Mainline**

Table 5 (below) indicates the average daily deliverable capacity for the period of January 2010 through March 2013; the deliverable capacity averaged 4,244,727 MMBTU per day and 127,341,828 MMBTU per month which is 50,937 contract equivalents. The proposed spot-month limits for Columbia Gulf, Mainline Natural Gas (Platts IFERC) Basis Futures and related leg of the Columbia Gulf, Mainline Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures is 12,000 contracts. This level represents 24% of the monthly deliverable supply.



**Table 5: Deliverable Supply Estimates for Columbia Gulf Mainline**

<b>Effective Date</b>	<b>Deliverable Supply (MMBTU)</b>
Jan-10	4269548
Feb-10	4293000
Mar-10	4300000
Apr-10	4100000
May-10	4041290
Jun-10	3533334
Jul-10	3878388
Aug-10	3777096
Sep-10	3770666
Oct-10	3730646
Nov-10	3950000
Dec-10	4135484
Jan-11	4073870
Feb-11	4436000
Mar-11	4436000
Apr-11	4242666
May-11	4236000
Jun-11	4236000
Jul-11	4236000
Aug-11	4236000
Sep-11	4236000

<b>Effective Date</b>	<b>Deliverable Supply (MMBTU)</b>
Oct-11	4236000
Nov-11	4236000
Dec-11	4384388
Jan-12	4436000
Feb-12	4436000
Mar-12	4436000
Apr-12	4436000
May-12	4436000
Jun-12	4436000
Jul-12	4436000
Aug-12	4436000
Sep-12	4436000
Oct-12	4436000
Nov-12	4436000
Dec-12	4436000
Jan-13	4436000
Feb-13	4436000
Mar-13	4436000

Contract Name	Rule Chapter	Commodity Code	Contract Size	Contract Units
ANR, Louisiana Natural Gas (Platts IFERC) Basis Futures	767	ND	2,500	MMBtu
ANR, Louisiana Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures	454	M6	2,500	MMBtu
ANR, Oklahoma Natural Gas (Platts IFERC) Basis Futures	627	NE	2,500	MMBtu
ANR, Oklahoma Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures	809	IQ	2,500	MMBtu
CenterPoint Natural Gas (Platts IFERC) Basis Futures	807	PW	2,500	MMBtu
CenterPoint Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures	810	II	2,500	MMBtu
Columbia Gas TCO (Platts IFERC) Fixed Price Futures	1276	CFS	2,500	MMBtu
Columbia Gas TCO (Platts IFERC) Basis Futures	622	TC	2,500	MMBtu
Columbia Gas TCO (Platts Gas Daily/Platts IFERC) Index Futures	877	Q1	2,500	MMBtu
Columbia Gas TCO (Platts IFERC) Basis Option	622B	5D	2,500	MMBtu
Columbia Gulf, Mainline Natural Gas (Platts IFERC) Basis Futures	428	5Z	2,500	MMBtu
Columbia Gulf, Mainline Natural Gas (Platts Gas Daily/Platts IFERC) Index Futures	444	L2	2,500	MMBtu

Type	Settlement	Group	Diminishing Balance Contract	Reporting Level	Spot-Month position comprised of futures and deliveries	Spot-Month Aggregate Into Futures Equivalent Leg (1)	Spot-Month Aggregate Into Futures Equivalent Leg (2)	Spot-Month Aggregate Into Ratio Leg (1)
Futures	Financially Settled Futures	Natural Gas		25		ND		
Futures	Financially Settled Futures	Natural Gas		25		K6	ND	1 M6 : 1 K6
Futures	Financially Settled Futures	Natural Gas		175		NE		
Futures	Financially Settled Futures	Natural Gas		25		SQ	NE	1 IQ : 1 SQ
Futures	Financially Settled Futures	Natural Gas		25		PW		
Futures	Financially Settled Futures	Natural Gas		25		VX	PW	1 II : 1 VX
Futures	Financially Settled Futures	Natural Gas		25		CFS		
Futures	Financially Settled Futures	Natural Gas		175		CFS		1 TC : 1 CFS
Futures	Financially Settled Futures	Natural Gas		25		A1	CFS	1 Q1 : 1 A1
Eu.Option	Financially Settled Option	Natural Gas		175		CFS		1 5D : 1 CFS
Futures	Financially Settled Futures	Natural Gas		25		5Z		
Futures	Financially Settled Futures	Natural Gas		25		X2	5Z	1 L2 : 1 X2

## Spot-Month

Spot-Month Aggregate Into Ratio Leg (2)	Spot-Month Accountability Level	Initial Spot-Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)	Initial Spot-Month Limit Effective Date
		<del>1,000</del> <b><u>4,000</u></b>	Close of trading 3 business days prior to last trading day of the contract
1 M6 : -1 ND		500/ <del>1,000</del> <b><u>4,000</u></b>	For K6: Close of trading 3 business days prior to expiration of the daily contract and
		<del>500</del> <b><u>4,000</u></b>	Close of trading 3 business days prior to last trading day of the contract
1 IQ : -1 NE		500/ <del>500</del> <b><u>4,000</u></b>	For SQ: Close of trading 3 business days prior to expiration of the daily contract and
		<del>2,000</del> <b><u>1,000</u></b>	Close of trading 3 business days prior to last trading day of the contract
1 II : -1 PW		2,000/ <del>2,000</del> <b><u>1,000</u></b>	For VX: Close of trading 3 business days prior to expiration of the daily contract and
		<del>2,500</del> <b><u>10,000</u></b>	Close of trading 3 business days prior to last trading day of the contract
		<del>2,500</del> <b><u>10,000</u></b>	For CFS: Close of trading 3 business days prior to last trading day of the contract
1 Q1 : -1 CFS		275/ <del>2,500</del> <b><u>10,000</u></b>	For A1: Close of trading 3 business days prior to expiration of the daily contract and
		<del>2,500</del> <b><u>10,000</u></b>	For CFS: Close of trading 3 business days prior to last trading day of the contract
		<del>500</del> <b><u>12,000</u></b>	Close of trading 3 business days prior to last trading day of the contract
1 L2 : -1 5Z		900/ <del>500</del> <b><u>12,000</u></b>	For X2: Close of trading 3 business days prior to expiration of the daily contract and

		Single Month					
Spot-Month Limit (In Contract Units) Leg (1) / Leg (2)		Single Month Aggregate Into Futures Equivalent Leg (1)	Single Month Aggregate Into Futures Equivalent Leg (2)	Single Month Aggregate Into Ratio Leg (1)	Single Month Aggregate Into Ratio Leg (2)	Single Month Accountability Level Leg (1) / Leg (2)	Single Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)
<del>2,500,000</del> <b><u>10,000,000</u></b>		ND				10,000	
1,250,000/ <del>2,500,000</del> <b><u>10,000,000</u></b>		K6	ND	1 M6 : 1 K6	1 M6 : -1 ND	2,500/10,000	
<del>1250000</del> <b><u>10,000,000</u></b>		NE				10,000	
1,250,000/ <del>1,250,000</del> <b><u>10,000,000</u></b>		SQ	NE	1 IQ : 1 SQ	1 IQ : -1 NE	10,000/10,000	
<del>5,000,000</del> <b><u>2,500,000</u></b>		PW				10,000	
5,000,000/ <del>5,000,000</del> <b><u>2,500,000</u></b>		VX	PW	1 II : 1 VX	1 II : -1 PW	10,000/10,000	
<del>6,250,000</del> <b><u>25,000,000</u></b>		CFS				<del>10,000</del> <b><u>15,000</u></b>	
<del>6,250,000</del> <b><u>25,000,000</u></b>		CFS		1 TC : 1 CFS		<del>10,000</del> <b><u>15,000</u></b>	
687,500/ <del>6,250,000</del> <b><u>25,000,000</u></b>		A1	CFS	1 Q1 : 1 A1	1 Q1 : -1 CFS	1,500/ <del>10,000</del> <b><u>15,000</u></b>	
<del>6,250,000</del> <b><u>25,000,000</u></b>		CFS		1 5D : 1 CFS		<del>10,000</del> <b><u>15,000</u></b>	
<del>1,250,000</del> <b><u>30,000,000</u></b>		SZ				<del>5,000</del> <b><u>15,000</u></b>	
2,250,000/ <del>1,250,000</del> <b><u>30,000,000</u></b>		X2	SZ	1 L2 : 1 X2	1 L2 : -1 SZ	4,500/ <del>5,000</del> <b><u>15,000</u></b>	

## All Month

All Month Aggregate Into Futures Equivalent Leg (1)	All Month Aggregate Into Futures Equivalent Leg (2)	All Month Aggregate Into Ratio Leg (1)	All Month Aggregate Into Ratio Leg (2)	All Month Accountability Level Leg (1) / Leg (2)	All Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)
ND				10,000	
K6	ND	1 M6 : 1 K6	1 M6 : -1 ND	3,500/10,000	
NE				10,000	
SQ	NE	1 IQ : 1 SQ	1 IQ : -1 NE	10,000/10,000	
PW				10,000	
VX	PW	1 II : 1 VX	1 II : -1 PW	10,000/10,000	
CFS				<del>10,000</del> <b><u>15,000</u></b>	
CFS		1 TC : 1 CFS		<del>10,000</del> <b><u>15,000</u></b>	
A1	CFS	1 Q1 : 1 A1	1 Q1 : -1 CFS	2,000/ <del>10,000</del> <b><u>15,000</u></b>	
CFS		1 5D : 1 CFS		<del>10,000</del> <b><u>15,000</u></b>	
SZ				<del>7,000</del> <b><u>15,000</u></b>	
X2	SZ	1 L2 : 1 X2	1 L2 : -1 SZ	6,000/ <del>7,000</del> <b><u>15,000</u></b>	