

October 15, 2012

**VIA E-MAIL**

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

**Re: Rule 40.6(a) Certification. Notification Regarding the Delisting of Nineteen Contracts  
NYMEX Submission #12-317**

Dear Ms. Warfield,

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 delisting of the following nineteen contracts (23 commodity codes), as set out below, effective immediately.

Chapter	Product/Rule	Code	Venue
151	New York Harbor Ultra-Low Sulfur Diesel (ULSD) Futures	LH	CPC, Glbx, NXPIT
180	Gulf Coast Gasoline Futures	LR	CPC, Glbx, NXPIT
181	Gulf Coast Ultra Low Sulfur Diesel (ULSD) Futures	LU	CPC, Glbx, NXPIT
675	Singapore Fuel Oil 380 cst Futures	HZ	CPC, Glbx
1152	NY ULSD Financial Futures	ULS	CPC, Glbx, NXPIT
1153	NY ULSD Option	ULO	CPC, Glbx, NXPIT
1154	NY ULSD European Option	ULE	CPC, Glbx, NXPIT
1157	NY ULSD Crack Spread Swap Futures	UCF	CPC, NXPIT
1158	RBOB vs. NY ULSD Swap Futures	RVU	CPC, NXPIT
1167	NY ULSD Calendar Swap Futures	USF	CPC, NXPIT
1168	NY ULSD BALMO Swap Futures	UBS	CPC, NXPIT
1169	NY ULSD Last Day Financial Swap Futures	ULF	CPC, NXPIT
1170	NY ULSD Average Price Option	UAO	CPC, NXPIT
1171	NY ULSD Calendar Spread Option	UCA	CPC, NXPIT
1171	NY ULSD Calendar Spread Option	UCB	CPC, NXPIT
1171	NY ULSD Calendar Spread Option	UCC	CPC, NXPIT
1171	NY ULSD Calendar Spread Option	UMM	CPC, NXPIT
1171	NY ULSD Calendar Spread Option	UCZ	CPC, NXPIT
1172	NY ULSD Crack Spread Option	UCO	CPC, NXPIT
1173	NY ULSD Crack Spread Average Price Option	UCP	CPC, NXPIT
1174	NY ULSD Crack Spread BALMO Swap Futures	UBC	CPC, NXPIT
839	LLS (Argus) Trade Month Swap Futures	LI	CPC, NXPIT
226	Argus Sour Crude Index ("ASCI") Financial Futures	A0	CPC, Glbx, NXPIT

These contracts will be delisted from all venues on which they are currently listed. There is no open interest in these contracts. The delisting of these contracts shall be effective immediately. The contract rule chapters and terms and conditions contained in Rule 588.G. (for the contracts listed on CME Globex only), the Position Limit, Position Accountability and Reportable Level Table located in the Interpretations and Special Notices Section of Chapter 5 of the NYMEX Rulebook will also be removed from the Exchange rulebook.

Additionally, as a result of the delisting of New York Harbor Ultra-Low Sulfur Diesel (ULSD) Futures (code LH, Chapter 151) and NY ULSD Financial Futures (code ULS, Chapter 1152), the contracts will no longer be subject to special price fluctuation limits, and therefore, references to these chapters will be removed from the Special Price Fluctuation Limits – Associated Products Appendix rule contained in each of Chapters 200 (Light Sweet Crude Oil Futures), 150 (New York Harbor ULSD Heating Oil Futures), and 191 (RBOB Gasoline Futures).

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

- Emergency Authority: There is no open interest in the contracts submitted for delisting, and therefore there will be no market disruption related to its delisting.
- Availability of General Information: Notice will be made of the contracts’ delisting, and upon delisting, the terms and conditions of the contracts will no longer be available to the marketplace.

Pursuant to Section 5c(c) of the Act and CFTC Rule 40.6(a), the Exchange hereby certifies that the delisting of this contract complies with the Act, including regulations under the Act. There were no substantive opposing views to this proposal.

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 (312) 930-8167 or [Sean.Downey@cmegroup.com](mailto:Sean.Downey@cmegroup.com).

Sincerely,

/s/Sean M. Downey  
Director and Assistant General Counsel

Attachments: Appendix A – Deletion of Terms and Conditions from Exchange Rulebook  
Appendix B – Deletion of Terms and Conditions from the Reportable Level Table located in the Interpretations and Special Notices Section of Chapter 5  
Appendix C – Deletion of Terms and Conditions from Rule 588.G.  
Appendix D – Deletion of References from Chapters 200 (Light Sweet Crude Oil Futures), 150 (New York Harbor ULSD Heating Oil Futures), and 191 (RBOB Gasoline Futures)

(strikethrough indicates deletion)

**Chapter 151****~~New York Harbor Ultra-Low Sulfur Diesel (ULSD) FUTURES~~****~~151.01. SCOPE~~**

~~The provisions of these rules shall apply to all Ultra-Low Sulfur Diesel (ULSD) bought or sold for futures delivery on the Exchange with New York Harbor delivery.~~

**~~151.01A Definitions~~**

~~(A) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.~~

~~(B) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer, respectively, of the physical product.~~

~~(C) The term "Notice Day" shall mean the business day after the day the Clearing House receives copies of the Notices of Intention to Deliver and Notices of Intention to Accept from the respective Clearing Members. The Notice Day shall be the second business day after the final day of trading in the expiring delivery month.~~

~~(D) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price on the last business day of the month preceding the delivery month. The final settlement price shall be determined in accordance with the procedures set forth in Exchange rule 813.~~

**~~151.02. CONTRACT UNIT~~**

~~The contract unit to be delivered by the seller shall be 42,000 U.S. gallons (1,000 U.S. barrels). Except for a delivery made by book transfer or stock transfer (Rules 151.04(A)(3), 151.04(A)(4), a loading tolerance of two percent (2%) above or below 1020 U.S. Barrels or 980 U.S. Barrels) the contract unit is permitted. The volume delivered shall be determined at 60°F using A.S.T.M. Standard D1250, Table 6B.~~

**~~151.03. GRADE AND QUALITY SPECIFICATIONS~~**

~~The oil delivered shall be a hydrocarbon oil free from alkali, mineral acid, grit, fibrous or other foreign matter, meeting the "Delivery" specifications of the Colonial Pipeline's Fungible Grade 61 for Ultra-Low Sulfur Diesel, and being properly designated for sale in New York Harbor in accordance with U.S. Environmental Protection Agency (EPA) regulations. Delivery test results may vary by the smaller of ASTM reproducibility for a given test or any test tolerance as allowed for downstream parties by state or EPA regulations at the point of delivery.~~

**~~151.04. DELIVERY~~**

~~(A) Delivery shall be made F.O.B. seller's ex-shore facility in New York Harbor with all duties, entitlements, taxes, fees and other charges imposed prior to delivery on or in respect to the product paid by the seller. Delivery shall be made in accordance with applicable Federal, State and local laws. Buyer shall reimburse seller for any tax as had been or will be paid by the seller. At buyer's option, such delivery shall be made by any of the following methods:~~

~~(1) By delivery into buyer's barge;~~

~~(2) By delivery into buyer's tanker or pipeline, if buyer can take delivery in such manner at the facility used by seller;~~

~~(3) By stock transfer of title to the buyer, if the facility used by seller allows such transfer;~~

~~(4) By book transfer if the seller agrees to such transfer;~~

~~(5) By intra-facility transfer ("pump-over"), if the facility used by seller allows such transfer;~~

~~(6) By inter-facility transfer ("pump-over"), if the facilities used by both seller and buyer allow such transfer.~~

~~(B) For purposes of these rules, any short customer delivering an aggregate of twenty-five (25) contracts or less in a delivery month, shall deliver all such contracts into the same facility.~~

~~(C) For the purpose of these rules, New York Harbor shall extend from the East River west of Hunts Point; Gowanus Bay west of the Hamilton Avenue Bridge; the Hudson River south of the George Washington Bridge; the Upper Bay; the Narrows; the Lower Bay west of Morton Point; the Newark Bay; the Hackensack River south of the Witt-Penn Bridge; the Passaic River south of the Pulaski Skyway Bridge; the Kill Van Kull; the Arthur Kill and the Raritan River east of the Garden State Parkway Bridge.~~

~~(D) All deliveries made under these rules shall be final and there shall be no appeal.~~

#### ~~151.05. PETROLEUM PRODUCTS ADVISORY COMMITTEE~~

~~The Board of Directors shall appoint a Petroleum Committee whose duty it shall be to advise the Board with respect to the futures contracts traded under these rules.~~

#### ~~151.06. DELIVERY MONTHS~~

~~Trading shall be conducted in contracts providing for delivery in such months as may be determined by the Board of Directors. Trading in the delivery periods shall commence on the day fixed by the Board of Directors.~~

#### ~~151.07. PRICES AND FLUCTUATIONS~~

~~Prices shall be quoted in dollars and cents per gallon. The minimum price fluctuation shall be \$.0001 per gallon. There shall be no maximum price fluctuation.~~

##### ~~151.07A Special Price Fluctuation Limits~~

~~(A) Initial Price Fluctuation Limits for All Contract Months. At the commencement of each trading day, there shall be price fluctuation limits in effect for each contract month of this futures contract of \$.25 per gallon above or below the previous day's settlement price for such contract month.~~

~~(B)~~

~~(1) Triggering Event and Temporary Trading Halt Related to Trading on Globex®.~~

~~If a market for any of the first three (3) contract months is bid or offered at the upper or lower price fluctuation limit, as applicable, on Globex it will be considered a Triggering Event which will halt trading for a five (5) minute period in all contract months of the LH futures contract, as well as all contract months in all products cited in the Associated Product Appendix of this rule. Trading in any option related to this contract or in an option contract related to any products cited in the Associated Product Appendix which may be available for trading on either Globex or on the Trading Floor, shall additionally be subject to a coordinated trading halt.~~

~~(2) Expansion of Limits Following Temporary Trading Halt. Following the end of the 5-minute Temporary Trading Halt, the affected markets shall re-open simultaneously in all contract months of these futures contracts. When trading resumes, price fluctuation limits for each contract month shall be expanded an additional increment of the price fluctuation limits, above and below the previous day's settlement price for each contract month in the affected contracts on Globex and on the trading floor (as applicable).~~

~~(3) Each instance in which a Triggering Event occurs, a Temporary Trading Halt will commence as provided by Sub-Sections (1)-(2) above and the price fluctuation limits for all contract months shall be expanded by an additional increment of the price fluctuation limits for LH as well as all products cited in the Associated Products Appendix in this rule.~~

~~(4) End of Day Lifting of Price Fluctuation Limits. On any Exchange business day, regardless of any prior action concerning price fluctuation limits during the trading session, commencing sixty (60) minutes before the close of the Regular Trading Hours (RTH) session, there shall be no price fluctuation limits on any contract month in LH and all products cited in the Associated Products Appendix of this rule. The Price Fluctuation Limits shall be reinstated after the close of RTH for trading on Globex and shall be in effect through to the conclusion of the current trading day's Globex trading session.~~

~~(C) Price Fluctuation Limits on the Trading Floor (Floor Trading)~~

~~(1) The price fluctuation limits cited in section (A) of this rule shall be applicable on the Trading Floor (Floor Trading). However, all markets on the trading floor shall be limited to trading at these price levels (locked limit) and shall not constitute a Triggering Event for purposes of a Temporary Trading halt on Globex.~~

~~(2) In all instances when a Triggering Event in LH occurs on Globex, Floor Trading in LH and any~~

~~products cited in the Associated Products Appendix of this rule shall immediately halt. Additionally, trading in any option related to this contract or in an option contract related to any products cited in the Associated Product Appendix, shall be subject to a coordinated trading halt.~~

~~(3) Whenever Globex markets are expanded and re-opened pursuant to the provisions of Section (B) of this rule, effected markets on the Trading Floor shall re-open with the expanded limits in place.~~

~~(D) Associated Products Appendix~~

~~CL — Light Sweet Crude Oil Futures~~

~~HO — New York Harbor No. 2 Heating Oil Futures~~

~~RB — RBOB Gasoline Futures~~

~~LH — New York Harbor Ultra-Low Sulfur Diesel (ULSD) Futures~~

~~QM — E-mini Crude Oil Futures~~

~~QH — E-mini Heating Oil Futures~~

~~QU — E-mini RBOB Gasoline Futures~~

~~WS — Crude Oil Financial Futures~~

~~RT — RBOB Gasoline Financial Futures~~

~~ULS — NY ULSD Financial Futures~~

## **151.08. — TERMINATION OF TRADING**

~~Trading in a current month shall cease on the last business day of the month preceding the delivery month.~~

### **151.08A Product Placement**

#### Product in Tank

~~The Seller shall have a quantity and quality of product in tank at one or more eligible delivery facilities in accordance with the inspection requirements under Rule 151.12 prior to the first day of the consecutive five-day period for initiation of delivery identified by the buyer in the Initial Delivery Instructions. The obligation to have product in tank, as prescribed in this section (2), shall constitute a "material act with respect to a delivery obligation" as referenced in Rule 151.15(A)(1).~~

## **151.09. — DELIVERY PROCEDURE**

### ~~(A) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS (BUYERS)~~

#### ~~(1) NOTICE OF INTENTION TO ACCEPT~~

~~By 3:00 p.m. on the first business day of the delivery month, a buyer having an open long position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept, in the form prescribed by the Exchange, shall include: the name of the buyer's customer, the number of contracts to be accepted, the names of three inspection companies and any additional information required by the Exchange. The buyer may, at its option, request a preferred delivery site; such request shall not be binding upon the seller.~~

#### ~~(2) INITIAL DELIVERY INSTRUCTIONS~~

~~As soon as possible after receipt from the Exchange of a Notice of Intention to Deliver, but not later than 4:30 p.m. on a business day not later than the fourth business day of the delivery month, the buyer shall deliver to the seller identified in such Notice of Intention to Deliver, with a copy to the Exchange, properly completed and signed Initial Delivery Instructions, in the form prescribed by the Exchange, which shall include the following information:~~

~~(a) Name of seller,~~

~~(b) Tender Number,~~

~~(c) Name and Location of Delivery Facility specified in the Notice of Intention to Deliver,~~

~~(d) Number of Contracts,~~

~~(e) Method of Delivery,~~

~~(f) A consecutive five-day period for initiation of delivery,~~

~~(g) Name of the designated inspection company, if so required; and,~~

(h) Such additional information as may be required by the Exchange.

### (3) VERIFICATION OF DELIVERY METHOD AND INSPECTION COMPANY

Prior to giving the seller Initial Delivery Instructions, the buyer shall verify with and confirm in writing to the seller that the method of delivery specified conforms to the normal capabilities of the seller's facility with respect to the manner of delivery and the quantity to be delivered and that the inspection company specified has been accepted by the seller. Such verification shall be confirmed in the Initial Delivery Instructions. If the buyer and seller fail to agree on one of the three inspection companies included in the Notice of Intention to Accept, the matter shall be referred to the Petroleum Delivery Committee as provided in Rule 151.15(C)(6). Initial Delivery Instructions may not be amended after they have been given to the seller.

### (4) DELIVERY INSTRUCTIONS

The buyer may tender, at the office of the seller, Delivery Instructions on any business day prior to 10:30 a.m. Delivery Instructions given after 10:30 a.m. on any business day shall be deemed to have been given on the following business day. A buyer may not tender Delivery Instructions on the day on which Initial Delivery Instructions are tendered to the seller under Rule 151.09(A)(2). The buyer's Delivery Instructions for a delivery which is to occur during the consecutive five day period the final day of which is the day prior to the last business day of the month shall not designate such final day of the period for the initiation of the delivery. The buyer must give Delivery Instructions to the seller not later than two calendar days prior to the time of the proposed delivery, or such earlier business day as is necessary to assure that the day on which Delivery Instructions are given is followed by a period that includes at least one business day and two subsequent calendar days ending on the day prior to the last business day of the delivery month. A copy of the Delivery Instructions must be given to the Exchange. Except as provided in Rule 151.09(A)(6) below, Delivery Instructions must conform to the Initial Delivery Instructions tendered by the Buyer to the Seller.

### (5) FORM OF DELIVERY INSTRUCTIONS

The Delivery Instructions must be properly completed and signed, in such form as prescribed by the Exchange, and shall contain the following information:

- (a) Name of seller;
- (b) Tender Number;
- (c) Name and Location of Delivery Facility specified in the Notice of Intention to Deliver;
- (d) Number of Contracts;
- (e) Method of Delivery (which must conform to the normal capabilities of the facility named in the Notice of Intention to Deliver with respect to the manner and time of delivery and the quantity to be delivered);
- (f) Name of proposed Carrier (i.e., Barge, Truck, Tanker or Pipeline), and the approximate size of the barge, truck, or tanker, if any;
- (g) For interfacility transfers, name of receiving facility;
- (h) Date and Approximate Time for Initiating Delivery;
- (i) Name of inspection company, if so required; and
- (j) Such additional information as may be required by the Exchange.

### (6) AMENDMENT OF INITIAL DELIVERY INSTRUCTIONS OR OF DELIVERY INSTRUCTIONS

Neither initial delivery instructions nor delivery instructions may be amended after they have been given. However, upon mutual consent of the parties and upon written notice to the Exchange, the parties may change the delivery facility named by the seller, the method of delivery named by the Buyer, the five day period for the initiation of a delivery named by the buyer, or the specific delivery date and time named by the buyer.

### (7) NOTICE OF CLEARANCE; NOTICE OF NON-CLEARANCE

(a) If the buyer receives from the seller a Notice of Clearance advising that the seller will deliver pursuant to the Delivery Instructions, the buyer shall require its customer to post with it the full purchase price of all product to be purchased under all contracts covered by such Notice not later than two days prior to the scheduled initiation of delivery.

(b) If the buyer receives from the seller a Notice of Non-Clearance advising that the seller is unable to

deliver in accordance with the Delivery Instructions, the buyer shall give Revised Delivery Instructions to the seller, not later than 10:30 a.m. on the third business day following receipt of such Notice, or such earlier business day as is necessary to assure that the day on which Revised Delivery Instructions are given is followed by at least two subsequent calendar days ending on the day prior to the last business day of the delivery month. A copy of Revised Delivery Instructions shall be given to the Exchange. The Revised Delivery Instructions shall comply in all respects with the provisions of sub-paragraph (5) above and shall thereafter comply with the provisions of this sub-paragraph as if such Revised Delivery Instructions were the original Delivery Instructions; provided, however, that such Revised Delivery Instructions may designate for delivery the final day of the consecutive five day period immediately prior to the last business day of the month. Such Revised Delivery Instructions shall specify a delivery date and time not less than 24 hours before or after the delivery time specified in the original Delivery Instructions (whether or not such date and time is within the five-day period specified in the Initial Delivery Instructions), provided such date and time is prior to the last business day of the delivery month and at least two calendar days subsequent to the date on which such Revised Delivery Instructions are given to the seller. Revised Delivery Instructions given after 10:30 a.m. on any day shall be deemed to have been given on the following business day. Except as provided in Rule 151.09(A)(6), Revised Delivery Instructions may not be amended after they have been given to the seller.

#### ~~(8) ACCEPTANCE OF PRODUCT~~

The buyer may not begin to accept the product earlier than the day after the fifth business day of the delivery month or later than the last day prior to the last business day of the delivery month. The buyer may complete receipt of product no later than the last business day of the delivery month.

#### ~~(B) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS (SELLERS)~~

##### ~~(1) NOTICE OF INTENTION TO DELIVER~~

By 3:00 p.m. on the first business day of the delivery month, a seller having an open short position shall file with the Exchange, a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form as prescribed by the Exchange and shall include the name of the seller's customer, the name and location of the facility which will supply the product, the number of contracts and such additional information as may be required by the Exchange.

##### ~~(2) NOTICE OF CLEARANCE; NOTICE OF NON-CLEARANCE~~

~~(a) Not later than 4:30 p.m. of a day on which the buyer gives the seller Delivery Instructions, the seller shall give the buyer a properly completed and signed Notice of Clearance in such form as prescribed by the Exchange, with a copy to the Exchange, indicating that it is prepared to make delivery in accordance with the provisions of the buyer's Delivery Instructions.~~

~~(b) (i) In the event that the seller is unable to make delivery in accordance with the buyer's Delivery Instructions because of a good faith inability to receive clearance from the facility, the seller shall, not later than 4:30 p.m. of the day on which the buyer gives the seller Delivery Instructions, give to the buyer a Notice of Non-Clearance, with a copy to the Exchange, and state the reasons for such inability. The seller may, at its option, in the Notice of Non-Clearance suggest an alternate or preferred delivery site, date or time. In the event the facility nominated by the seller asserts a minimum loading requirement for barge delivery which is an amount greater than the quantity nominated by the buyer for lifting, the seller may not issue a Notice of Non-Clearance to the buyer based solely upon such loading requirement. However, in the event the facility's minimum loading requirement prevents delivery as nominated by the buyer, the seller may unilaterally and without the buyer's consent, upon written notice to the buyer, with a copy to the Exchange, not later than 4:30 p.m. of the day on which the buyer gives the seller Delivery Instructions, amend the name and location of the delivery facility set forth in the Delivery Notice to consummate delivery as otherwise provided in the Delivery Instructions.~~

~~(ii) If Notice of Non-Clearance is given, the seller shall require its customer, at the time the Notice of Non-Clearance is given, to post additional original margin equal to 25% of the total contract value of all contracts listed in the Delivery Instructions. Such additional margin shall be posted by the seller with the Exchange not later than 11 a.m. on the next business day.~~

~~(iii) Not later than 4:30 p.m. of a day on which the buyer gives the seller Revised Delivery Instructions, the seller shall give the buyer a Notice of Clearance, with a copy to the Exchange, indicating that it is prepared to make delivery in accordance with the provisions of the buyer's Revised Delivery~~

~~Instructions. Revised Delivery Instructions given after 10:30 a.m. on any day shall be deemed to have been given on the following business day. In the event that the seller is unable to make delivery in accordance with the buyer's Revised Delivery Instructions because of force majeure, the seller shall, not later than 4:30 p.m. of the day on which the buyer gives the seller Revised Delivery Instructions, give to the buyer a Notice of Non-Clearance with a copy to the Exchange, and state the reasons for such inability to make delivery.~~

~~(C) SETTLING PRICE. The last settling price shall be the basis for delivery.~~

~~(D) NOTICE DAY. The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions to the extent possible. The Clearing House shall pass copies of the notices to the respective Clearing Members on the morning of the next business day. The day the notices are passed to the Clearing Members shall be referred to as the Notice Day. The Notice Day shall be the second business day of the delivery month.~~

~~(E) NON-TRANSFERABLE. The Clearing Member who receives a Notice of Intention to Deliver or Notice of Intention to Accept from the Clearing House shall have agreed to accept or deliver product. Notices of Intention to Deliver or Notices of Intention to Accept are not transferable.~~

~~(F) DELIVERY DAY~~

~~(1) Shipment will commence when product passes the buyer's cargo intake flange, tank or pipeline connection; at such time the buyer shall bear the risk of loss.~~

~~(2) The buyer shall pay the seller at the office of the seller by certified check by 12:00 noon of the business day following the receipt of the product, or by 12:00 noon on the last business day of the delivery month, whichever is earlier. The amount of payment shall be based on volume delivered as determined in Rule 151.02. Should the inspector, appointed under Rule 151.12, be unable to supply quantitative results prior to the time established herein for payment of the product, a pro forma payment based on 42,000 U.S. gallons per contract shall be made. Payment adjustments based on actual quantity transferred shall be completed between Clearing Members by 12:00 noon of the first business day after receipt of the telexed Inspector's report but no later than the third business day after transfer of physical product. Alternatively, buyer and seller may mutually agree to effect payment or adjustment, as otherwise prescribed in this Rule, by federal funds money wire as a substitution for a certified check.~~

~~(a) If the buyer requires multiple delivery dates (i.e., truck delivery), multiple payment shall be required for each portion of product transferred.~~

~~(b) The seller, upon receipt of payment, shall give the buyer a bill of lading or other quantitative certificate and any other appropriate documents necessary to transfer ownership of the product to the buyer.~~

~~(3) The day the buyer receives the product shall be referred to as the Delivery Day.~~

#### **151.10. SHIPMENT**

~~(A) The facility must be capable of making delivery by barge, and may be capable of making delivery by truck.~~

~~(B) The seller's ex-shore facility must have a minimum draft of 20 feet at mean low water and a minimum access draft of 20 feet at mean low water. The seller must supply the product as soon as the barge or tanker reports readiness to load; alternatively, if delivery is to be made on shore, the seller must supply the product as soon as the buyer reports that the transfer facility or truck is ready to accept the product.~~

~~(C) The buyer's barge or tanker must be safely afloat at all times.~~

~~(D) The seller shall pay all applicable demurrage charges if the shore facility is unable to deliver the product at a rate sufficient to meet normal requirements for loading a barge or tanker or is unable to deliver ex-tank or pipeline at the normal rate for such delivery. The buyer shall pay all other demurrage charges.~~

#### **151.11. VALIDITY OF DOCUMENTS**



The Exchange makes no representation respecting the authenticity, validity or accuracy of any inspection certificate, Notice of Intention to Deliver, Notice of Intention to Accept, bill of lading, check or of any document or instrument delivered pursuant to these rules.

#### **151.12. INSPECTION**

(A) The buyer shall notify the seller in the Initial Delivery Instructions that a grade and quality or quantity inspection is requested. The seller shall initiate inspection of the product to be delivered 24 hours prior to the nominated time and date specified in the delivery instructions. The buyer may request the tests for any or all grade and quality specifications for the stated product listed in Rule 151.03. The buyer may request a quantity inspection for all deliveries. The buyer shall require a quantity inspection for delivery by barge, tanker or inter-facility transfer (pump-over). If the buyer does not request a quantity inspection, the seller may request such inspection.

(B) If a buyer requests grade and quality or quantity inspection, or if a seller requests a quantity inspection, the inspection company listed in the Initial Delivery Instructions shall perform the inspection, unless an alternate inspection company is appointed by the Petroleum Delivery Committee, pursuant to Rule 151.09(A)(3).

(C) If the product meets grade and quality specifications, the buyer and seller shall share equally in the cost of inspection. If the product does not meet grade and quality specifications, the seller shall pay the cost of inspection. The cost of verifying the quantity of product transferred shall be shared equally by buyer and seller.

(D) If the product does not meet grade and quality specifications, or if product is added to the tendered tank(s) after the inspection is conducted, the seller, at its own expense shall initiate a second inspection, performed by the same inspection company as the initial inspection. Seller shall furnish the results of the second inspection to the buyer no later than the nominated time and date of pickup. If the product does not meet grade and quality specifications in the second inspection, within one business day of receipt of the report by the Exchange a Panel of the Petroleum Delivery Committee, as appointed by the Chairman, shall meet to review the delivery if necessary, pursuant to the procedures set forth in Rule 151.15(C).

In addition, the Seller shall require its customer to post additional margin equal to 25% of the total contract value of all contracts listed in the Delivery Instructions. Such additional margin shall be posted by the Seller with the Exchange not later than 11:00 a.m. on the next business day.

(E) The inspection company shall not be affiliated with the parties to the delivery. The inspection company must be capable of performing the quantity or quality tests requested by the buyer or seller in such a manner so as to assure that the product delivered conforms with these rules. The inspection company shall determine the quantity or quality of product transferred by using the prevailing practices of the facility transferring the product in effect at the time of delivery.

(F) The buyer shall deliver to the Exchange a copy of all reports of the inspection company when they are received.

(G) The buyer, at its own discretion and expense, may request in the Initial Delivery Instructions that the seller run an additional inspection, called Pre-inspection, for quality and quantity on the total amount to be delivered in the five-day delivery period specified in the Initial Delivery Instructions. The seller shall initiate Pre-inspection 24 hours prior to the first day of the consecutive five-day period for delivery. Pre-inspection shall be performed by the same inspection company as indicated in the Initial Delivery Instructions. If the product does not meet grade and quality specifications in the Pre-inspection, the seller, at its own expense, shall initiate a second Pre-inspection, performed by the same inspection company as the Initial Pre-inspection. Seller shall furnish the results of the second Pre-inspection to the buyer prior to the first day of the consecutive five-day delivery period.

(H) Notwithstanding the above, for purposes of this Rule 151.12, the dye specification referenced in Rule 151.03 (14) need not be met at the time of inspection or pre-inspection. However, it must be met by seller at seller's cost and as prescribed by the Internal Revenue Service (IRS) for tax-free sales or uses of diesel fuel prior to completion of delivery.

#### **151.13. TRADING IN SPREADS**

~~(A) A spread shall consist of the simultaneous purchase of one future month and sale of another future month at a stated price difference. The purchase and the sale shall be for one account. Floor brokers executing spreads shall properly record them in writing so as to permit the identification of the transactions and the parties thereto. All spread trading must be made by open outcry. All spread trading must be in line with current spread differentials. (i) If both of the respective months have traded in a price range during the day, and the differential is such that the price for both months may be within such ranges, then the price for both months must be within such range for each of the months; (ii) if both months have had a price range and the differential for the spread falls outside such ranges, then the prices for the respective months shall be fixed within the range of one month and within the permissible price limits of the other month; (iii) if one month involved in the transaction has had no price range for the day, the prices for the respective months shall be fixed within the range of the month that has had a price range for the day and within the permissible daily price limits of the other month; (iv) if neither month has had a price range, prices shall be fixed within the permissible daily price limits of the months involved in the transaction so long as prices so fixed are consistent with the differential and the trading range in the nearest active month. The seller in each contract must report on a pit card the spread price and differential to the Floor Supervisor. Spread transactions shall be recorded on special spread sales panels. The ticker shall record and publish a spread differential only. Spread transactions shall not set off stops in any contract except for spread stops.~~

#### ~~151.14. EFP AND EFS~~

~~(A) An exchange of futures for, or in connection with, the product (EFP) or exchange of futures for swaps (EFS) consist of two discrete, but related, transactions; a physical commodity or swap transaction and a futures transaction. At the time such transaction is effected, the Buyer's Customer and Seller's Customer of the futures must be the Seller's Customer and Buyer's Customer of a quantity of the physical product or swaps agreement covered by this Section (or any derivative, by product or related product). The quantity of physical product or swap agreement must be approximately equivalent to the quantity covered by the futures contracts.~~

~~(B) Except as provided below, an EFP or EFS must take place during the hours of trading for the futures contract. An EFP or EFS is permitted at any time before 2:00 PM of the first business day following termination of trading in an expired futures contract, provided, however, that an EFP or EFS which establishes a futures position for both the Buyer's Customer and Seller's Customer shall not be permitted on the first business day following the expired contract.~~

~~(C) Any EFP or EFS shall be governed by the provisions of this Rule and by the provisions of Rules 538 and 538A respectively.~~

~~(D) Each Buyer's Customer and Seller's Customer must satisfy the Exchange, at its request, that the transaction is a legitimate EFP or EFS transaction. All documentary evidence relating to the EFP or EFS, including, without limitation, evidence as to change of ownership of the physical commodity or swap commitment, shall be obtained by the Clearing Members from their customers and made available by the Clearing Members for examination by the Exchange upon request.~~

~~(E) A report of each EFP or EFS transaction shall be given, and notice thereof shall be posted on the floor of the Exchange, on the day that the transaction thereto was made, or if such agreement was made after the close of trading, then on the next business day. EFP or EFS transactions shall be cleared through the Exchange in accordance with normal procedures, shall be clearly identified as EFP or EFS transactions, and shall be recorded as such by the Exchange and by the Clearing Members involved.~~

#### ~~151.15. ALTERNATIVE DELIVERY PROCEDURE~~

~~A seller or buyer may agree with the buyer or seller with which it has been matched by the Exchange under Rule 151.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions described by this Chapter. In such a case, Clearing Members shall execute an Alternate Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the Clearing Members and the Exchange from their respective obligations under the Exchange contracts.~~

~~In executing such Notice, Clearing Members shall indemnify the Exchange against any liability, cost or~~

expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the Clearing Members all margin monies held for the account of each with respect to the contracts involved.

#### **151.16. FORCE MAJEURE LATE PERFORMANCE AND FAILURE TO PERFORM**

(A) DEFINITION. As used in this Rule 150.15 the following terms, as well as variations thereof, shall have the meanings described below.

(1) "Late Performance" means the failure of a Party to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, the Rules. No Late Performance may exceed the lesser of five continuous business days or eight consecutive calendar days.

(2) "Failure to Perform" means the failure of a Party to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.

(3) "Contract Value" means the amount equal to the Settlement Price in the contract times 100 times the number of contracts to be delivered.

(4) (a) "Party" means a Buyer or Seller. For the avoidance of doubt, the Buyer and Seller are each responsible to the Clearing House for their obligations under these Rules and further responsible to the Clearing House for the obligations of their respective customers under the Rules of this section.

(b) "Other Party" means the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.

(5) "Day of Late Performance" means the twenty-four hour period commencing twelve hours after a Party was to have performed, provided however, with respect to the obligations of a Party to submit documents to the Clearing House pursuant to the Rules in this section, "Day of Late Performance" means the twenty-four hour period commencing immediately after the time specified in the Rules in this section for the submission of a document. Each subsequent Day of Late Performance shall commence twenty-four hours after the beginning of the prior day of Late Performance. When a Party is late in performance, the day when the act is performed shall be a Day of Late Performance.

(6) "Force Majeure" means any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which is beyond the control of a Party, and which prevents that Party from making or taking delivery of product when and as provided for in these Rules.

#### **(B) RESPONSIBILITIES OF PARTIES TO THE DELIVERY**

(1) The parties to a delivery shall make commercially reasonable efforts to perform their respective obligations at all times until a Party has failed to perform.

(2) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that abuser which has failed to make a payment shall make such payment.

#### **(C) PETROLEUM DELIVERY COMMITTEE**

(1) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Petroleum Delivery Committee as set forth below. The Chairman of the Petroleum Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:

- (a) when the Chairman is advised by the President or any person designated by the President that it appears that the performance of a Party to the delivery is late;
- (b) upon the written request of both Parties;
- (c) when the President or any person designated by the President requests such appointment; or
- (d) when either Party of the delivery notifies the Clearing House that circumstances exist constituting Force Majeure.

(2) The Chairman shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a Party has been found to have failed to perform such delivery. The Clearing House Counsel shall serve as advisor to the Panel.

(3) The Panel shall meet within one business day of notification as provided in these Rules. Unless

good cause for delay exists, within one business day the Panel shall determine whether force majeure exists, whether a Party is late in performing or has failed to perform its obligations as provided in the Rules, and advise the Compliance Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the Parties to the delivery as expeditiously as possible.

- (4) Absent a declaration of a force majeure, the Panel may, with the consent of both Parties, take any one or combination of the following actions as it deems suitable:
- (a) grant an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month or the last day of the period provided for late performance of the contract, whichever is earlier;
  - (b) change the delivery facility to a site on the Gulf Coast with public storage, provided that the Seller's Customer has product or will have product at such site in time for delivery; or,
  - (c) modify the method of taking delivery. Nothing in this Subsection shall preclude a Party or the Clearing House from seeking the remedies set forth in Sections (D) and (E) of this Rule.
- (5) Upon a finding of force majeure, the Panel may take any one or combination of the following actions as it deems suitable:
- a) order an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month;
  - b) change the delivery facility to a site on the Gulf Coast with public storage, provided that the Seller's Customer has product or will have product at such site in time for delivery;
  - c) modify the method of taking delivery if such method is acceptable to the Buyer;
  - d) allocate deliveries; or, e) refer to Board of Directors for emergency action as provided in Article 7.
- (6) The Panel may appoint an inspection company as provided in Rule 180.14(A)(3), provided, however, that the inspection company appointed by the Panel shall not be either of the two inspection companies listed in the Notice of Intention to Accept.

#### (D) CLEARING HOUSE ACTION

(1) Whenever a Party is found by the Panel to be late in the performance of or to have failed to perform any of its obligations in relation to a delivery, the Clearing House, represented by its Compliance Department, shall issue a Notice of Assessment in accordance with subsections (2) and (3) of this Section, specifying the findings of the Panel with respect to the late or failed delivery.

(2) Either one or both Parties shall be assessed a penalty to be paid to the Clearing House for each Day of Late Performance as follows:

- first Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - second Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - third Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - fourth Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - fifth Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - sixth Day of Late Performance — 3% of Contract Value, but not less than \$1000 per contract;
  - seventh Day of Late Performance — 4% of Contract Value, but not less than \$1,500 per contract;
  - eighth Day of Late Performance — 5% of Contract Value, but not less than \$2,000 per contract;
- Such penalties shall be cumulative for each Day of Late Performance.

(3) When a Party has failed to perform any of its obligations in relation to a delivery, the Compliance Department shall issue a Notice of Assessment assessing penalties of ten percent of the Contract Value, but not less than \$4,000 per contract, in addition to any penalties assessed pursuant to subparagraph (2) hereof, to be paid to the Clearing House.

(4) (a) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Hearing Registrar of the Clearing House and by serving a copy of the same on the Clearing House's Compliance Counsel, within two business days of receipt of the Notice of Assessment from the Compliance Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Clearing House's Compliance Counsel.

(b) The Compliance Department may file with the Appellant and the Hearing Register an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

~~(c) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(4)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Clearing House. Failure to pay such penalties in accordance with this Rule shall subject the Party to the sanctions set forth in Bylaw 106. In the event a Party fails to appeal, or waives the opportunity to appeal a Notice of Assessment the Assessment and findings of the Petroleum Delivery Committee shall constitute a final disciplinary action of the Clearing House.~~

~~(5) Within ten (10) days after receipt of the Compliance Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Clearing House that are to be relied on by the Compliance Department or are otherwise relevant to the matter.~~

~~(6) In the event of an appeal by a Party, the Chairman of the Clearing House, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. The Panel shall be composed of three members of the Clearing House, at least one of whom shall be a member of the Board of Directors. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chairman any such interest which might preclude such Panel member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Clearing House outside counsel shall advise the Panel.~~

~~(7) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:~~

~~(a) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Compliance Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.~~

~~(b) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.~~

~~(c) The Compliance Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Compliance Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.~~

~~(d) The Appellant shall be entitled to rebut the Compliance Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.~~

~~(e) The Compliance Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.~~

~~(f) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~

~~(g) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Clearing House and whose actions impede the progress of a hearing.~~

~~(h) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefor.~~

~~(i) The decision of the Assessment Appeal Panel shall be a final decision of the Clearing House, and shall constitute a final disciplinary action of the Clearing House. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the Commission.~~

~~(8) The Assessment Appeal Panel shall consider, and make recommendations to the Board concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Board shall constitute the final disciplinary action of the Clearing House.~~

#### ~~(E) ARBITRATION PROCEDURE~~

~~(1) Any claim for damages arising between the Parties as a result of a delivery pursuant to this contract shall be settled by arbitration in accordance with these Rules.~~

~~(2) Notice of Intent to Arbitrate must be submitted to the Secretary of the Clearing House within three business days of the occurrence upon which the claim is based or the decision of the Petroleum Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such~~

~~delivery dispute under the special or Regular Arbitration Rules.~~

~~(3) The Arbitration will be governed by the Clearing House Arbitration Rules except that the Chairman of the Clearing House or his designee shall appoint an Arbitration Panel composed of three Members of the Clearing House, at least one of whom shall be a Member of the Board of Directors.~~

#### **151.17. TIME REFERENCES**

~~For purposes of these Rules, unless otherwise specified, times referred to herein shall refer to and indicate New York time.~~

## **Chapter 180 Gulf Coast Gasoline Futures**

#### **180.01. SCOPE**

~~The provisions of these rules shall apply to all unleaded regular gasoline bought or sold for future delivery in the Gulf Coast on the Exchange.~~

#### **180.02. DEFINITIONS**

~~(A) The term "Free in Pipe" and "F.I.P." shall mean a delivery in which the Seller's Customer provides to Buyer's Customer the gasoline for which the Seller's Customer has full legal title at a Colonial Pipeline injection station which is free of all liens, fees, encumbrances, unpaid taxes, or other charges;~~

~~(B) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.~~

~~(C) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer, respectively, of the physical product.~~

~~(D) The term "Notice Day" shall mean the business day after the day the Clearing House receives copies of the Notices of Intention to Deliver and Notices of Intention to Accept from the respective Clearing Members. The Notice Day shall be the second business day after the final day of trading in the expiring delivery month.~~

~~(E) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price on the third business day prior to the twenty-fifth calendar day of the month preceding the delivery month. The final settlement price shall be determined in accordance with the procedures set forth in Rule 6.25.~~

#### **180.03. CONTRACT UNIT**

~~The contract unit to be delivered by the seller shall be 42,000 U.S. gallons (1,000 U.S. barrels). Except for a delivery made by book transfer or stock transfer (Rules 180.04(C)(2)(a)), a loading tolerance of two percent (2%) above or below 1020 U.S. barrels or 980 U.S. barrels) the contract unit is permitted. The volume delivered shall be determined at 60° F using A.S.T.M. Standard D1250, Table 6 B.~~

#### **180.04. GRADE AND QUALITY SPECIFICATIONS**

~~The unleaded regular gasoline delivered shall be a hydrocarbon oil free from alkali, mineral acid, grit, fibrous or other foreign matter, meeting the specifications then in effect at the time of delivery into the Colonial Pipeline of fungible M Grade, 87 Octane Index Conventional Gasoline, using the "Origin" requirements where applicable. The fungible deliverable grades are M2, M3, and M4 as modified by Colonial Pipeline in accordance with the Seasonal RVP Transition Calendar posted on their website at [www.colpipe.com](http://www.colpipe.com). To the extent there are multiple fungible M grades listed on any particular cycle for pumping, the lowest fungible M Grade (measured in RVP level) will apply, excluding grade M1.~~

#### **180.05. DELIVERY**

~~(A) Delivery shall be made Free in Pipe (F.I.P.) into the Colonial Pipeline ratably in increments of 25 contracts during each cycle of the delivery month. All duties, entitlements, taxes, fees and other~~

charges imposed prior to or as a result of delivery shall be paid by the seller. Delivery shall be made in accordance with applicable Federal, State and local laws. Buyer shall reimburse seller for any gasoline tax as had been or will be paid by the seller. At buyer's option, such delivery shall be made by any of the following methods:

(1) By delivery into Colonial Pipeline, in accordance with scheduling deadline dates imposed by Colonial Pipeline as posted on the Date Info bulletin on the [www.Transport4.com](http://www.Transport4.com) website;

(2) By book transfer if both Buyer and Seller agree to such transfer;

**(B) DELIVERY SIZES**

All matches of buyers and sellers pursuant to Rule 180.11(B) ("Tenders") for deliveries of contracts in the delivery month shall be in increments of 25 contracts, as required by Colonial Pipeline, in accordance with the following:

(1) where Buyer and Seller each have 180 or more total contracts in the delivery month, and the total number of contracts is divisible by 180 contracts, then delivery shall be ratable in each cycle during the month;

(2) where Buyer and Seller each have 180 or more total contracts in the delivery month, but the total number of contracts is not divisible by 180 contracts, then delivery shall be ratable in each cycle during the month to the extent possible, and Buyer and Seller shall mutually agree on the cycle for delivery of the remaining lots of less than 180 contracts; if Buyer and Seller are not able to mutually agree on the timing of the remaining lots of less than 180 contracts, then these remaining lots shall be delivered in the third cycle of the delivery month;

(3) where Seller has 180 or more total contracts, but Buyer has less than 180 contracts, then Seller shall designate the cycle during the month that delivery shall take place;

(4) where Buyer has 180 or more total contracts, but Seller has less than 180 contracts, then Buyer shall designate the cycle during the month that delivery shall take place;

(5) where Buyer and Seller each have less than 180 contracts in the delivery month, then delivery shall take place in the third cycle of the delivery month.

(6) when Termination of Trading, as defined in Section 180.09, occurs after the origin scheduling deadline date imposed by Colonial Pipeline for the first cycle of the delivery month as posted on the Date Info bulletin on the [www.Transport4.com](http://www.Transport4.com) website, the delivery volume for the first cycle will be added to the delivery volume for the second cycle for the delivery month.

**(C) DELIVERY LOCATIONS**

Delivery will be made F.I.P. into the Colonial Pipeline at the injections station selected by the Seller at Pasadena, Texas; Houston, Texas; Hebert, Texas; Port Arthur, Texas; Lake Charles, Louisiana; Krotz Springs, Louisiana; Baton Rouge, Louisiana; Collins, Mississippi; Moundville, Alabama; and any other origin injection location that Colonial Pipeline may add in the future. There shall be a price adjustment payable from Buyer to Seller for all deliveries at a Colonial Pipeline injection station other than at Pasadena or Houston, Texas, computed as per Section 180.11(G).

**(D) TITLE TRANSFER**

(1) Gasoline delivered shall comply with all Colonial Pipeline requirements and operating procedures. Delivery shall be made in accordance with all applicable Federal, State and local laws and regulations.

(2) The term F.I.P. shall mean a delivery in which the Seller:

(a) provides the gasoline for which the Seller has full legal title at a Colonial Pipeline injection station which is free of all liens, fees, encumbrances, unpaid taxes, or other charges;

(b) bears the risk of loss for and retains title to the gasoline until the gasoline enters the Colonial Pipeline at the Seller's designated Colonial Pipeline injection station.

(E) All deliveries made under these rules shall be final and there shall be no appeal.

**180.06. — PETROLEUM COMMITTEE**

The Board of Directors shall appoint a Petroleum Committee whose duty it shall be to advise the Board with respect to the futures contracts traded under these rules.

**180.07. — DELIVERY PERIODS**

Trading shall be conducted in contracts providing for delivery in such months as may be determined by the Board of Directors. The Clearing House Committee shall determine when trading in the delivery months shall commence.

#### **180.08. PRICES AND FLUCTUATIONS**

(A) Prices shall be quoted in dollars and cents per gallon. The minimum price fluctuation shall be \$.0001 (.01¢) per gallon.

#### **180.09. TERMINATION OF TRADING**

Trading in the current delivery month shall cease on the third business day prior to the twenty-fifth calendar day of the month preceding the delivery month. If the twenty-fifth calendar day of the month is a non-business day, trading shall cease on the third business day prior to the last business day preceding the twenty-fifth calendar day. The termination schedule will correspond to the same termination schedule as Light "Sweet" Crude Oil futures as posted on the NYMEX website.

#### **180.10. PRODUCT PLACEMENT**

##### Product in Tank

The Seller's Customer shall have a quantity and quality of product in tank at one or more eligible Colonial Pipeline injection stations at the schedule time and date of delivery, or such other time as may be required by the Colonial Pipeline Company for placement of product.

The obligation to have product in tank shall constitute a "material act with respect to a delivery obligation" as referenced in Rule 180.17(A)(1).

#### **180.11. DELIVERY PROCEDURE**

##### **A) Notice of Intention to Deliver and Notice of Intention to Accept**

By 3:00 p.m. on the first business day after the last day of trading in the delivery month: (1)(a) Each Clearing Member holding an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in the form prescribed by the Exchange and shall include:

- (i) Name of the Seller's Customer;
- (ii) Number of contracts to be delivered;
- (iii) NYMEX Tender Number;

(iv) any additional information as may be required by the Exchange;

(b) Each Clearing Member shall submit one and only one Notice of Intention to Deliver for each customer.

(2)(a) Each Clearing Member holding an open long 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:

- (i) Name of the Buyer's Customer;
- (ii) Number of contracts to be delivered; and
- (iii) Any additional information as may be required by the Exchange;

(b) Each Clearing Member shall submit one and only one Notice of Intention to Accept for each customer.

##### **(B) Notice Day**

(1) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(2) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 5:00 p.m. one business day after the final day of trading.

(3) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

##### **(C) Buyer's Initial Delivery Instructions**



~~(1) For All NYMEX Tenders: As soon as possible after receipt from the Exchange of a Tender Allocation Notice but not later than 10:30 a.m. on the third business day after the last trading day, the Buyer shall deliver to the Seller identified in such Tender Allocation Notice, with copy to the Exchange, properly completed and signed Initial Delivery Instructions, in the form prescribed by the Exchange, which shall include the following information:~~

~~(a) Name of Seller;~~

~~(b) NYMEX Tender Number;~~

~~(c) Number of Contracts;~~

~~(d) Such additional information as may be required by the Exchange;~~

~~(2) Where Buyer has 180 or more total contracts, but Seller has less than 180 contracts, then Buyer shall designate in the Buyer's Initial Delivery Instructions the cycle during the month that delivery shall take place.~~

#### **~~(D) Seller's Delivery Instructions~~**

~~Seller shall advise Buyer of the number of contracts for injection into Colonial Pipeline in the Seller's Delivery Instruction, with a copy to the Exchange, no later than 5:00 p.m. two business days following receipt of the Buyer's Initial Delivery Instructions. Where Seller has 180 or more total contracts, but Buyer has less than 180 contracts, then Seller shall designate in the Seller's Delivery Instructions the cycle during the month that delivery shall take place.~~

#### **~~(E) Amendment of Initial Delivery Instructions or Delivery Instructions~~**

~~Buyer's Initial Delivery Instructions and Seller's Delivery Instructions may not be amended after they have been given, except that:~~

~~(1) Upon mutual consent of the parties and upon written notice to the Exchange, on the form and in the manner provided by the Exchange, the parties may change the Colonial Pipeline cycles.~~

#### **~~(F) Settlement Price~~**

~~The settlement price on the final day of trading shall be the basis of delivery.~~

#### **~~(G) Transportation and Line Loss Adjustment~~**

~~There shall be a price adjustment, payable from Buyer to Seller for all deliveries at a Colonial Pipeline injection station other than at Pasadena or Houston, Texas, computed as the difference between the Colonial Pipeline tariff (described in and subject to the Provisions of FERC 38 and 39, supplements thereto, or reissues thereof, issued by the Colonial Pipeline Company) for:~~

~~(1) transportation from Pasadena and Houston, Texas to Greensboro, North Carolina, and~~

~~(2) transportation from Seller's chosen injection station and the same point, Greensboro, North Carolina.~~

#### **~~(H) Payment and Delivery Margins~~**

##### ~~(1) Definitions~~

~~(a) "Long" shall mean the customer of a long clearing member ("Buyer") or the long clearing member if such clearing member is acting for its own account;~~

~~(b) "Short" shall mean the customer of a short clearing member ("Seller") or the short clearing member if such member is action for its own account;~~

~~(c) "Payment" shall include the settlement price times the number of contracts times 42,000, and any transportation adjustment pursuant to Rule 180.11(E).~~

~~(d) "Payment Date" shall mean the second business day after the Long's receipt of proper Colonial Pipeline ticket and supporting documentation from the Short, provided that such invoice and documentation is supplied to the Long by no later than 12:00 noon. Ticket and documentation supplied to Buyer after 12:00 noon on any Exchange business day, shall be considered received on the following Exchange business day.~~

~~(e) The Buyer shall pay the Seller at the office of the seller by certified check by 12:00 noon on the payment date.~~

~~(f) The Buyer shall obtain from the Buyer's Customer, no later than 10:00 a.m. one business day prior to the commencement of the delivery set for in the Buyer's Delivery Instructions margin equal to the full value of the product to be delivered. Full value of the product to be delivered for purposes of delivery margin shall be equal to Payment as defined in Rule 180.11(F)(1)(c) of this chapter.~~

(g) The Seller shall obtain from the Seller's Customer margin in an amount fixed, from time to time, by the Board.

(h) 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 Longs and Shorts, shall be returned on the business day following notification to the Exchange that delivery and payment have been completed.

(i) By 4:30 p.m. on the Payment Date, the Short, 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. Upon receipt of such notice the delivery shall be complete.

(j) Any payment made on Payment Date shall be based on volume actually delivered determined at sixty degrees (60) Fahrenheit using ASTM Standard D1250 Table 6B. If quantitative results are unavailable prior to the time established in the Rules for payment of the product, a pro-forma payment based on 1,000 U.S. barrels per contract shall be made. Payment adjusts based on the actual quantity transferred shall be completed by 12:00 noon on the fifth business day after initial payment.

(l) Delivery Day

The day the Buyer receives the product shall be referred to as the Delivery Day.

#### **180.12. DELIVERY PERIOD**

(A) Delivery shall be ratable in increments of 25 contracts and shall take place in each Colonial Pipeline cycle, in accordance with the operating procedures of Colonial Pipeline.

(B) The following schedule shall apply for Colonial Pipeline deliveries:

<b>Contract</b>	<b>Deliverable Colonial Cycles</b>
January	1 through 6
February	7 through 12
March	13 through 18
April	19 through 24
May	25 through 30
June	31 through 36
July	37 through 42
August	43 through 48
September	49 through 54
October	55 through 60
November	61 through 66
December	67 through 72

(C) In the event that a Colonial Pipeline cycle is cancelled, then the delivery obligation in the affected cycle or cycles will be applied to the subsequent cycle immediately following the cancelled cycle or cycles.

#### **180.13. VALIDITY OF DOCUMENTS**

The Exchange makes no representation respecting the authenticity, validity or accuracy of any inspection certificate, Notice of Intention to Deliver, Notice of Intention to Accept, bill of lading, check or of any document or instrument delivered pursuant to these rules.

#### **180.14. INSPECTION**

(A) Inspection of product shall be made in accordance with Colonial Pipeline practices.

~~(B) If the product meets quality specifications, the Buyer and Seller shall share equally the cost of the inspection. If the product does not meet quality specifications, the Seller shall pay the cost of the inspection. The cost of verifying the quantity of product transferred shall be shared equally by Buyer and Seller.~~

~~(C) If the product does not meet quantity or quality specifications, the Buyer shall deliver to the Exchange, not later than 11:00 a.m. on the next business day, a copy of the report of the inspection company. Within one business day of receipt of the report by the Exchange a Panel of the Petroleum Delivery Committee shall meet to review the delivery if necessary, pursuant to the procedures set forth in Rule 180.17(C).~~

~~In addition, the Seller shall require its customer to post additional margin equal to 100% of the total contract value of all contracts listed in the Delivery Instructions. Such additional margin shall be posted by the Seller with the Exchange not later than 11:00 a.m. on the next business day.~~

~~(D) The inspection company shall not be affiliated with the parties to delivery. The inspection company must be capable of performing the quantity or quality tests requested by the Buyer or Seller in such a manner so as to assure that the product delivered conforms with these Rules. The inspection company shall determine the quantity or quality of product transferred by using the prevailing practices in effect at the time of delivery of the Buyer's facility at which product is received.~~

#### ~~180.15. EXCHANGE OF FUTURES FOR PHYSICAL (EFP) AND EXCHANGE OF FUTURES FOR SWAPS (EFS)~~

~~(A) An exchange of futures for, or in connection with, the product (EFP) or exchange of futures for swaps (EFS) consist of two discrete, but related, transactions; a physical commodity or swap transaction and a futures transaction. At the time such transaction is effected, the Buyer's Customer and Seller's Customer of the futures must be the Seller's Customer and Buyer's Customer of a quantity of the physical product or swaps agreement covered by this Section (or any derivative, by product or related product). The quantity of physical product or swap agreement must be approximately equivalent to the quantity covered by the futures contracts.~~

~~(B) Except as provided below, an EFP or EFS must take place during the hours of trading for the futures contract. An EFP or EFS is permitted at any time before 2:00 PM of the first business day following termination of trading in an expired futures contract, provided, however, that an EFP or EFS which establishes a futures position for both the Buyer's Customer and Seller's Customer shall not be permitted on the first business day following the expired contract.~~

~~(C) Any EFP or EFS shall be governed by the provisions of this Rule and by the provisions of Rules 538 and 538A respectively.~~

~~(D) Each Buyer's Customer and Seller's Customer must satisfy the Exchange, at its request, that the transaction is a legitimate EFP or EFS transaction. All documentary evidence relating to the EFP or EFS, including, without limitation, evidence as to change of ownership of the physical commodity or swap commitment, shall be obtained by the Clearing Members from their customers and made available by the Clearing Members for examination by the Exchange upon request.~~

~~(E) A report of each EFP or EFS transaction shall be given, and notice thereof shall be posted on the floor of the Exchange, on the day that the transaction thereto was made, or if such agreement was made after the close of trading, then on the next business day. EFP or EFS transactions shall be cleared through the Exchange in accordance with normal procedures, shall be clearly identified as EFP or EFS transactions, and shall be recorded as such by the Exchange and by the Clearing Members involved.~~

#### ~~180.16. ALTERNATIVE DELIVERY PROCEDURE~~

~~A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or Seller's Customer with which it has been matched by the Clearing House under Rule 180.05(B) to make and take delivery under terms or conditions which differ from the terms and conditions described by this section. In such a case, Clearing Members shall execute an Alternate Notice of Intention to Deliver on the form~~

~~prescribed by the Clearing House and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Clearing House from their respective obligations under the Clearing House contracts.~~

~~In executing such Notice, Clearing Members shall indemnify the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the contracts involved.~~

~~Exchange and by the Clearing Members involved.~~

### **180.17. — FORCE MAJEURE LATE PERFORMANCE AND FAILURE TO PERFORM**

~~(A) DEFINITION. As used in this Rule 180.15 the following terms, as well as variations thereof, shall have the meanings described below.~~

~~(1) "Late Performance" means the failure of a buyer or a seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, the Rules. No Late Performance may exceed the lesser of five continuous business days or eight consecutive calendar days.~~

~~(2) "Failure to Perform" means the failure of a buyer or a seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.~~

~~(3) "Contract Value" means the amount equal to the settlement price on the last day of trading in the contract times 42,000 times the number of contracts to be delivered.~~

~~(4) (a) "Party" means a buyer or seller.~~

~~(b) "Other Party" means the corresponding buyer when the seller is late in performance or has failed to perform and the corresponding seller when the buyer is late in performance or has failed to perform.~~

~~(5) "Day of Late Performance" means the twenty-four hour period commencing twelve hours after a buyer or a seller was to have performed, provided however, with respect to the obligations of buyers and sellers to submit documents to the Exchange pursuant to the Rules in this chapter, "day of late performance" means the twenty-four hour period commencing immediately after the time specified in the Rules in this chapter for the submission of a document. Each subsequent day of Late Performance shall commence twenty-four hours after the beginning of the prior day of Late Performance. When a party is late in performance, the day when the act is performed shall be a day of Late Performance.~~

~~(6) "Force Majeure" means any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which is beyond the control of such buyer or seller, and which prevents the buyer or seller from making or taking delivery of product when and as provided for in these Rules.~~

#### **(B) RESPONSIBILITIES OF PARTIES TO THE DELIVERY**

~~(1) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a party has failed to perform.~~

~~(2) A party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a buyer which has failed to make a payment shall make such payment.~~

#### **(C) PETROLEUM DELIVERY COMMITTEE**

~~(1) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Petroleum Delivery Committee as set forth below. The Chairman of the Petroleum Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:~~

~~(a) when the Chairman is advised by the President or any person designated by the President that it appears that the performance of a party to the delivery is late;~~

~~(b) upon the written request of both the buyer and the seller;~~

~~(c) when the President or any person designated by the President requests such appointment; or~~

~~(d) when either party of the delivery notifies the Exchange that circumstances exist constituting force majeure.~~

~~(2) The Chairman shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a party has been found to have failed to perform such delivery. Exchange Counsel shall serve as advisor to the Panel.~~

~~(3) The Panel shall meet within one business day of notification as provided in these Rules. Unless good cause for delay exists, within one business day the Panel shall determine whether force majeure exists, whether a buyer or seller is late in performing or has failed to perform its obligations as provided in the Rules, and advise the Compliance Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.~~

~~(4) Absent a declaration of a force majeure, the Panel may, with the consent of both the buyer and the seller, take any one or combination of the following actions as it deems suitable:~~

~~(a) grant an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month or the last day of the period provided for late performance of the contract, whichever is earlier;~~

~~(b) change the delivery site to a site within New York Harbor, provided that the seller has product or will have product at such site in time for delivery; or,~~

~~(c) modify the method of taking delivery.~~

~~Nothing in this Subsection shall preclude a party or the Exchange from seeking the remedies set forth in Sections (D) and (E) of this Rule.~~

~~(5) Upon a finding of force majeure, the Panel may take any one or combination of the following actions as it deems suitable:~~

~~a) order an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month;~~

~~b) change the delivery site to a site within New York Harbor, provided that the seller has product or will have product at such site in time for delivery;~~

~~c) modify the method of taking delivery if such method is acceptable to the buyer;~~

~~d) allocate deliveries; or,~~

~~e) refer to Board of Directors for emergency action as provided in Article 7.~~

~~(6) The Panel may appoint an inspection company as provided in Rule 180.09 (A)(3), provided, however, that the inspection company appointed by the Panel shall not be either of the two inspection companies listed in the Notice of Intention to Accept.~~

#### ~~(D) EXCHANGE ACTION~~

~~(1) Whenever a buyer or a seller is found by the Panel to be late in the performance of or to have failed to perform a delivery, the Exchange, represented by the Compliance Department, shall issue a Notice~~

of Assessment in accordance with subsections (2) and (3) of this Section, specifying the findings of the Panel with respect to the late or failed delivery.

(2) Either one or both parties shall be assessed a penalty to be paid to the Exchange for each day of Late Performance as follows:

- first day of late performance—3% of contract value, but not less than \$840 per contract;
- second day of late performance—3% of contract value, but not less than \$840 per contract;
- third day of late performance—3% of contract value, but not less than \$840 per contract;
- fourth day of late performance—3% of contract value, but not less than \$840 per contract;
- fifth day of late performance—3% of contract value, but not less than \$840 per contract;
- sixth day of late performance—3% of contract value, but not less than \$840 per contract;
- seventh day of late performance—4% of contract value, but not less than \$1,200 per contract;
- eighth day of late performance—5% of contract value, but not less than \$1,200 per contract;

Such charges shall be cumulative for each day of late performance.

(3) When a party has failed to perform, the Compliance Department shall issue a Notice of Assessment assessing penalties of ten percent of the contract value, but not less than \$3,000 per contract, in addition to any penalties assessed pursuant to subparagraph (2) hereof, to be paid to the Exchange.

(4)(a) A party may appeal a Notice of Assessment by filing a Notice of Appeal with the Hearing Registrar of the Exchange and by serving a copy of the same on the Exchange's Compliance Counsel, within two business days of receipt of the Notice of Assessment from the Compliance Department. The party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Exchange's Compliance Counsel.

(b) The Compliance Department may file with the Appellant and the Hearing Register an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.

(c) Failure by the party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(4)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Bylaw 106. In the event a party fails to appeal, or waives the opportunity to appeal a Notice of Assessment the Assessment and findings of the Petroleum Delivery Committee shall constitute a final disciplinary action of the Exchange.

(5) Within ten (10) days after receipt of the Compliance Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by the Compliance Department or are otherwise relevant to the matter.

(6) In the event of an appeal by a party, the Chairman of the Exchange, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. The Panel shall be composed of three members of the Exchange, at least one of whom shall be a member of the Board of Directors. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chairman any such interest which might preclude such Panel member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.

(7) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:

(a) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Compliance Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.

(b) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.

(c) The Compliance Department shall be entitled to offer evidence relating to the delivery and shall be

~~entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Compliance Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.~~

~~(d) The Appellant shall be entitled to rebut the Compliance Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.~~

~~(e) The Compliance Department and the Appellant shall be entitled to cross-examine any witness called by the opposing party at the hearing.~~

~~(f) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~

~~(g) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.~~

~~(h) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefor.~~

~~(i) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange, and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the Commission.~~

~~(8) The Assessment Appeal Panel shall consider, and make recommendations to the Board concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Board shall constitute the final disciplinary action of the Exchange.~~

#### ~~(E) ARBITRATION PROCEDURE~~

~~(1) Any claim for damages arising between a buyer and a seller as a result of a delivery pursuant to this contract shall be settled by arbitration in accordance with these Rules.~~

~~(2) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three business days of the occurrence upon which the claim is based or the decision of the Petroleum Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a party's rights to arbitrate such delivery dispute under the special or Regular Arbitration Rules.~~

~~(3) The Arbitration will be governed by the Exchange Arbitration Rules except that the Chairman of the Exchange or his designee shall appoint an Arbitration Panel composed of three Members of the Exchange, at least one of whom shall be a Member of the Board of Directors.~~

## **Chapter 181**

### **Gulf Coast Ultra Low Sulfur Diesel (ULSD) Futures**

#### **181.01. SCOPE**

The provisions of these rules shall apply to all Ultra Low Sulfur Diesel (ULSD) bought or sold for future delivery in the Gulf Coast on the Exchange.

#### **181.02. DEFINITIONS**

(A) The term "Free in Pipe" and "F.I.P." shall mean a delivery in which the Seller's Customer provides to Buyer's Customer the gasoline for which the Seller's Customer has full legal title at a Colonial Pipeline injection station which is free of all liens, fees, encumbrances, unpaid taxes, or other charges;

~~(B) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.~~

~~(C) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer, respectively, of the physical product.~~

~~(D) The term "Notice Day" shall mean the business day after the day the Clearing House receives copies of the Notices of Intention to Deliver and Notices of Intention to Accept from the respective Clearing Members. The Notice Day shall be the second business day after the final day of trading in the expiring delivery month.~~

~~(E) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price on the third business day prior to the twenty-fifth calendar day of the month preceding the delivery month. The final settlement price shall be determined in accordance with the procedures set forth in Rule 6.25.~~

### ~~181.03. CONTRACT UNIT~~

~~The contract unit to be delivered by the seller shall be 42,000 U.S. gallons (1,000 U.S. barrels). Except for a delivery made by book transfer or stock transfer (Rules 181.04(C)(2)(a)), a loading tolerance of two percent (2%) above or below 1020 U.S. barrels or 980 U.S. barrels the contract unit is permitted. The volume delivered shall be determined at 60Å° F using A.S.T.M. Standard D1250, Table 6-B.~~

### ~~181.04. GRADE AND QUALITY SPECIFICATIONS~~

~~The ULSD delivered shall meet the specifications then in effect at the time of delivery for the Colonial Pipeline Company (Atlanta, Georgia) fungible Grade 61, Ultra Low Sulfur Diesel, using the "Origin" requirements where applicable.~~

### ~~181.05. DELIVERY~~

~~(A) Delivery shall be made Free in Pipe (F.I.P.) into the Colonial Pipeline ratably in increments of 25 contracts during each cycle of the delivery month. All duties, entitlements, taxes, fees and other charges imposed prior to or as a result of delivery shall be paid by the seller. Delivery shall be made in accordance with applicable Federal, State and local laws. Buyer shall reimburse seller for any tax as had been or will be paid by the seller. At buyer's option, such delivery shall be made by any of the following methods:~~

~~(1) By delivery into Colonial Pipeline, in accordance with scheduling deadline dates imposed by Colonial Pipeline as posted on the Date Info bulletin on the [www.Transport4.com](http://www.Transport4.com) website;~~

~~(2) By book transfer if both Buyer and Seller agree to such transfer;~~

#### ~~(B) DELIVERY SIZES~~

~~All matches of buyers and sellers pursuant to Rule 181.11(B) ("Tenders") for deliveries of contracts in the delivery month shall be in increments of 25 contracts, as required by Colonial Pipeline, in accordance with the following:~~

~~(1) where Buyer and Seller each have 150 or more total contracts in the delivery month, and the total number of contracts is divisible by 150 contracts, then delivery shall be ratably in each cycle during the month;~~

~~(2) where Buyer and Seller each have 150 or more total contracts in the delivery month, but the total number of contracts is not divisible by 150 contracts, then delivery shall be ratably in each cycle during the month to the extent possible, and Buyer and Seller shall mutually agree on the cycle for delivery of the remaining lots of less than 150 contracts; if Buyer and Seller are not able to mutually agree on the timing of the remaining lots of less than 150 contracts, then these remaining lots shall be delivered in the third cycle of the delivery month;~~

~~(3) where Seller has 150 or more total contracts, but Buyer has less than 150 contracts, then Seller shall designate the cycle during the month that delivery shall take place;~~

~~(4) where Buyer has 150 or more total contracts, but Seller has less than 150 contracts, then Buyer shall designate the cycle during the month that delivery shall take place;~~

~~(5) where Buyer and Seller each have less than 150 contracts in the delivery month, then delivery shall take place in the third cycle of the delivery month.~~

~~(6) when Termination of Trading, as defined in Section 181.09, occurs after the origin scheduling deadline date imposed by Colonial Pipeline for the first cycle of the delivery month as posted on the Date Info bulletin on the [www.Transport4.com](http://www.Transport4.com) website, the delivery volume for the first cycle will be added to the delivery volume for the second cycle for the delivery month.~~

#### ~~(C) DELIVERY LOCATIONS~~



~~Delivery will be made F.I.P. into the Colonial Pipeline at the injections station selected by the Seller at Pasadena, Texas; Houston, Texas; Hebert, Texas; Port Arthur, Texas; Lake Charles, Louisiana; Krotz Springs, Louisiana; Baton Rouge, Louisiana; Collins, Mississippi; Moundville, Alabama; and any other origin injection location that Colonial Pipeline may add in the future. There shall be a price adjustment payable from Buyer to Seller for all deliveries at a Colonial Pipeline injection station other than at Pasadena or Houston, Texas, computed as per Section 181.11(G).~~

~~(D) TITLE TRANSFER~~

~~(1) Product delivered shall comply with all Colonial Pipeline requirements and operating procedures. Delivery shall be made in accordance with all applicable Federal, State and local laws and regulations.~~

~~(2) The term F.I.P. shall mean a delivery in which the Seller:~~

~~(a) provides the product for which the Seller has full legal title at a Colonial Pipeline injection station which is free of all liens, fees, encumbrances, unpaid taxes, or other charges;~~

~~(b) bears the risk of loss for and retains title to the product until the product enters the Colonial Pipeline at the Seller's designated Colonial Pipeline injection station.~~

~~(E) All deliveries made under these rules shall be final and there shall be no appeal.~~

~~181.06. — PETROLEUM COMMITTEE~~

~~The Board of Directors shall appoint a Petroleum Committee whose duty it shall be to advise the Board with respect to the futures contracts traded under these rules.~~

~~181.07. — DELIVERY MONTHS~~

~~Trading shall be conducted in contract months providing for delivery in such months as shall be determined by the Board of Directors. Trading in the delivery periods shall commence on the day fixed by the Board of Directors.~~

~~181.08. — PRICES AND FLUCTUATIONS~~

~~(A) Prices shall be quoted in dollars and cents per gallon. The minimum price fluctuation shall be \$.0001 per gallon. There shall be no maximum price fluctuation.~~

~~181.09. — TERMINATION OF TRADING~~

~~Trading in the current delivery month shall cease on the third business day prior to the twenty-fifth calendar day of the month preceding the delivery month. If the twenty-fifth calendar day of the month is a non-business day, trading shall cease on the third business day prior to the last business day preceding the twenty-fifth calendar day. The termination schedule will correspond to the same termination schedule as Light "Sweet" Crude Oil Futures as posted on the NYMEX website.~~

~~181.10. — RESERVED~~

~~181.11. — DELIVERY PROCEDURE~~

~~(A) Notice of Intention to Deliver and Notice of Intention to Accept~~

~~By 3:00 p.m. on the first business day after the last day of trading in the delivery month:~~

~~(1)(a) Each Clearing Member holding an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in the form prescribed by the Exchange and shall include:~~

~~(i) Name of the Seller's Customer;~~

~~(ii) Number of contracts to be delivered;~~

~~(iii) NYMEX Tender Number;~~

~~(iv) any additional information as may be required by the Exchange;~~

~~(b) Each Clearing Member shall submit one and only one Notice of Intention to Deliver for each customer.~~

~~(2)(a) Each Clearing Member holding an open long 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:~~

~~(i) Name of the Buyer's Customer;~~

~~(ii) Number of contracts to be delivered; and~~

(iii) Any additional information as may be required by the Exchange;

(b) Each Clearing Member shall submit one and only one Notice of Intention to Accept for each customer.

#### **(B) Notice Day**

(1) The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions, to the extent possible.

(2) The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members by 5:00 p.m. one business day after the final day of trading.

(3) The day the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day." Tender Allocation Notices are not transferable.

#### **(C) Buyer's Initial Delivery Instructions**

(1) For All NYMEX Tenders:

As soon as possible after receipt from the Exchange of a Tender Allocation Notice but not later than 10:30 a.m. on the third business day after the last trading day, the Buyer shall deliver to the Seller identified in such Tender Allocation Notice, with copy to the Exchange, properly completed and signed Initial Delivery Instructions, in the form prescribed by the Exchange, which shall include the following information:

(a) Name of Seller;

(b) NYMEX Tender Number;

(c) Number of Contracts;

(d) Such additional information as may be required by the Exchange;

(2) Where Buyer has 150 or more total contracts, but Seller has less than 150 contracts, then Buyer shall designate in the Buyer's Initial Delivery Instructions the cycle during the month that delivery shall take place.

#### **(D) Seller's Delivery Instructions**

Seller shall advise Buyer of the number of contracts for injection into Colonial Pipeline during the delivery month in the Seller's Delivery Instruction, with a copy to the Exchange, no later than 5:00 p.m. two business days following receipt of the Buyer's Initial Delivery Instructions. Where Seller has 150 or more total contracts, but Buyer has less than 150 contracts, then Seller shall designate in the Seller's Delivery Instructions the cycle during the month that delivery shall take place.

#### **(E) Amendment of Initial Delivery Instructions or Delivery Instructions**

Buyer's Initial Delivery Instructions and Seller's™s Delivery Instructions may not be amended after they have been given, except that:

(1) Upon mutual consent of the parties and upon written notice to the Exchange, on the form and in the manner provided by the Exchange, the parties may change the Colonial Pipeline cycles.

#### **(F) Settlement Price**

The settlement price on the final day of trading shall be the basis of delivery.

#### **(G) Transportation and Line Loss Adjustment**

There shall be a price adjustment, payable from Buyer to Seller for all deliveries at a Colonial Pipeline injection station other than at Pasadena or Houston, Texas, computed as the difference between the Colonial Pipeline tariff (described in and subject to the Provisions of FERC 38 and 39, supplements thereto, or reissues thereof, issued by the Colonial Pipeline Company) for:

(1) transportation from Pasadena and Houston, Texas to Greensboro, North Carolina, and

(2) transportation from Seller's™s chosen injection station and the same point, Greensboro, North Carolina.

#### **(H) Payment and Delivery Margins**

(1) Definitions

(a) "Long" shall mean the customer of a long clearing member ("Buyer") or the long clearing member if such clearing

member is acting for its own account;

(b) "Short" shall mean the customer of a short clearing member ("Seller") or the short clearing member if such member is acting for its own account;

(c) "Payment" shall include the settlement price times the number of contracts times 42,000, and any transportation adjustment pursuant to Rule 181.11(E);

(d) "Payment Date" shall mean the second business day after the Long's receipt of proper Colonial Pipeline ticket and supporting documentation from the Short, provided that such invoice and documentation is supplied to the Long by no later than 12:00 noon. Ticket and documentation supplied to Buyer after 12:00 noon on any Exchange business day, shall be considered received on the following Exchange business day.

(e) The Buyer shall pay the Seller at the office of the seller by certified check by 12:00 noon on the payment date.

(f) The Buyer shall obtain from the Buyer's Customer, no later than 10:00 a.m. one business day prior to the commencement of the delivery set for in the Buyer's Delivery Instructions margin equal to the full value of the product to be delivered. Full value of the product to be delivered for purposes of delivery margin shall be equal to Payment as defined in Rule 181.11(F)(1)(c) of this chapter.

(g) The Seller shall obtain from the Seller's Customer margin in an amount fixed, from time to time, by the Board.

(h) 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 Longs and Shorts, shall be returned on the business day following notification to the Exchange that delivery and payment have been completed.

(i) By 4:30 p.m. on the Payment Date, the Short, 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. Upon receipt of such notice the delivery shall be complete.

(j) Any payment made on Payment Date shall be based on volume actually delivered determined at sixty degrees (60) Fahrenheit using ASTM Standard D1250 Table 6B. If quantitative results are unavailable prior to the time established in the Rules for payment of the product, a pro-forma payment based on 1,000 U.S. barrels per contract shall be made. Payment adjusts based on the actual quantity transferred shall be completed by 12:00 noon on the fifth business day after initial payment.

**(l) Delivery Day**

The day the Buyer receives the product shall be referred to as the Delivery Day.

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**181.12. DELIVERY PERIOD**

(A) Delivery shall be ratable in increments of 25 contracts and shall take place in each Colonial Pipeline cycle, in accordance with the operating procedures of Colonial Pipeline.

(B) The following schedule shall apply for Colonial Pipeline deliveries:

**Contract**

**Deliverable Colonial Cycles**

January	1 through 6
February	7 through 12
March	13 through 18
April	19 through 24
May	25 through 30
June	31 through 36
July	37 through 42
August	43 through 48
September	49 through 54
October	55 through 60
November	61 through 66
December	67 through 72

(C) In the event that a Colonial Pipeline cycle is cancelled, then the delivery obligation in the affected

cycle or cycles will be applied to the subsequent cycle immediately following the cancelled cycle or cycles.

#### **~~181.13. VALIDITY OF DOCUMENTS~~**

~~The Exchange makes no representation respecting the authenticity, validity or accuracy of any inspection certificate, Notice of Intention to Deliver, Notice of Intention to Accept, bill of lading, check or of any document or instrument delivered pursuant to these rules.~~

#### **~~181.14. INSPECTION~~**

~~(A) Inspection of product shall be made in accordance with Colonial Pipeline practices.~~

~~(B) If the product meets quality specifications, the Buyer and Seller shall share equally the cost of the inspection. If the product does not meet quality specifications, the Seller shall pay the cost of the inspection. The cost of verifying the quantity of product transferred shall be shared equally by Buyer and Seller.~~

~~(C) If the product does not meet quantity or quality specifications, the Buyer shall deliver to the Exchange, not later than 11:00 a.m. on the next business day, a copy of the report of the inspection company. Within one business day of receipt of the report by the Exchange a Panel of the Petroleum Delivery Committee shall meet to review the delivery if necessary, pursuant to the procedures set forth in Rule 181.17(C).~~

~~In addition, the Seller shall require its customer to post additional margin equal to 100% of the total contract value of all contracts listed in the Delivery Instructions. Such additional margin shall be posted by the Seller with the Exchange not later than 11:00 a.m. on the next business day.~~

~~(D) The inspection company shall not be affiliated with the parties to delivery. The inspection company must be capable of performing the quantity or quality tests requested by the Buyer or Seller in such a manner so as to assure that the product delivered conforms with these Rules. The inspection company shall determine the quantity or quality of product transferred by using the prevailing practices in effect at the time of delivery of the Buyer's facility at which product is received.~~

#### **~~181.15. EXCHANGE OF FUTURES FOR PHYSICAL (EFP) AND EXCHANGE OF FUTURES FOR SWAPS (EFS)~~**

~~(A) An exchange of futures for, or in connection with, the product (EFP) or exchange of futures for swaps (EFS) consist of two discrete, but related, transactions; a physical commodity or swap transaction and a futures transaction. At the time such transaction is effected, the Buyer's Customer and Seller's Customer of the futures must be the Seller's Customer and Buyer's Customer of a quantity of the physical product or swaps agreement covered by this Section (or any derivative, by-product or related product). The quantity of physical product or swap agreement must be approximately equivalent to the quantity covered by the futures contracts.~~

~~(B) Except as provided below, an EFP or EFS must take place during the hours of trading for the futures contract. An EFP or EFS is permitted at any time before 2:00 PM of the first business day following termination of trading in an expired futures contract, provided, however, that an EFP or EFS which establishes a futures position for both the Buyer's Customer and Seller's Customer shall not be permitted on the first business day following the expired contract.~~

~~(C) Any EFP or EFS shall be governed by the provisions of this Rule and by the provisions of Rules 538 and 538.A respectively.~~

~~(D) Each Buyer's Customer and Seller's Customer must satisfy the Exchange, at its request, that the transaction is a legitimate EFP or EFS transaction. All documentary evidence relating to the EFP or EFS, including, without limitation, evidence as to change of ownership of the physical commodity or swap commitment, shall be obtained by the Clearing Members from their customers and made available by the Clearing Members for examination by the Exchange upon request.~~

~~(E) A report of each EFP or EFS transaction shall be given, and notice thereof shall be posted on the floor of the Exchange, on the day that the transaction thereto was made, or if such agreement was~~

made after the close of trading, then on the next business day. EFP or EFS transactions shall be cleared through the Exchange in accordance with normal procedures, shall be clearly identified as EFP or EFS transactions, and shall be recorded as such by the Exchange and by the Clearing Members involved.

#### ~~181.16. ALTERNATIVE DELIVERY PROCEDURE~~

~~A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or Seller's Customer with which it has been matched by the Clearing House under Rule 181.05(B) to make and take delivery under terms or conditions which differ from the terms and conditions described by this section. In such a case, Clearing Members shall execute an Alternate Notice of Intention to Deliver on the form prescribed by the Clearing House and shall deliver a completed executed copy of such Notice to the Clearing House. The delivery of an executed Alternative Notice of Intention to Deliver to the Clearing House shall release the Clearing Members and the Clearing House from their respective obligations under the Clearing House contracts.~~

~~In executing such Notice, Clearing Members shall indemnify the Clearing House against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Clearing House will return to the Clearing Members all margin monies held for the account of each with respect to the contracts involved.~~

#### ~~181.17. FORCE MAJEURE LATE PERFORMANCE AND FAILURE TO PERFORM~~

~~(A) DEFINITION. As used in this Rule 181.17 the following terms, as well as variations thereof, shall have the meanings described below.~~

~~(1) "Late Performance" means the failure of a buyer or a seller to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, the Rules. No Late Performance may exceed the lesser of five continuous business days or eight consecutive calendar days.~~

~~(2) "Failure to Perform" means the failure of a buyer or a seller to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.~~

~~(3) "Contract Value" means the amount equal to the settlement price on the last day of trading in the contract times 42,000 times the number of contracts to be delivered.~~

~~(4) (a) "Party" means a buyer or seller.~~

~~(b) "Other Party" means the corresponding buyer when the seller is late in performance or has failed to perform and the corresponding seller when the buyer is late in performance or has failed to perform.~~

~~(5) "Day of Late Performance" means the twenty-four hour period commencing twelve hours after a buyer or a seller was to have performed, provided however, with respect to the obligations of buyers and sellers to submit documents to the Exchange pursuant to the Rules in this chapter, "day of late performance" means the twenty-four hour period commencing immediately after the time specified in the Rules in this chapter for the submission of a document. Each subsequent day of Late Performance shall commence twenty-four hours after the beginning of the prior day of Late Performance. When a party is late in performance, the day when the act is performed shall be a day of Late Performance.~~

~~(6) "Force Majeure" means any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which is beyond the control of such buyer or seller, and which prevents the buyer or seller from making or taking delivery of product when and as provided for in these Rules.~~

#### ~~(B) RESPONSIBILITIES OF PARTIES TO THE DELIVERY~~

~~(1) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a party has failed to perform.~~

~~(2) A party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a buyer which has failed to make a payment shall make such payment.~~

#### ~~(C) PETROLEUM DELIVERY COMMITTEE~~

~~(1) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Petroleum Delivery Committee as set forth below. The Chairman of the Petroleum Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:~~

~~(a) when the Chairman is advised by the President or any person designated by the President that it appears that the performance of a party to the delivery is late;~~

~~(b) upon the written request of both the buyer and the seller;~~

~~(c) when the President or any person designated by the President requests such appointment; or~~

~~(d) when either party of the delivery notifies the Exchange that circumstances exist constituting force majeure.~~

~~(2) The Chairman shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a party has been found to have failed to perform such delivery. Exchange Counsel shall serve as advisor to the Panel.~~

~~(3) The Panel shall meet within one business day of notification as provided in these Rules. Unless good cause for delay exists, within one business day the Panel shall determine whether force majeure exists, whether a buyer or seller is late in performing or has failed to perform its obligations as provided in the Rules, and advise the Compliance Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.~~

~~(4) Absent a declaration of a force majeure, the Panel may, with the consent of both the buyer and the seller, take any one or combination of the following actions as it deems suitable:~~

~~(a) grant an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month or the last day of the period provided for late performance of the contract, whichever is earlier;~~

~~(b) change the delivery site to a site within New York Harbor, provided that the seller has product or will have product at such site in time for delivery; or,~~

~~(c) modify the method of taking delivery.~~

~~Nothing in this Subsection shall preclude a party or the Exchange from seeking the remedies set forth in Sections (D) and (E) of this Rule.~~

~~(5) Upon a finding of force majeure, the Panel may take any one or combination of the following actions as it deems suitable:~~

~~a) order an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month;~~

~~b) change the delivery site to a site within New York Harbor, provided that the seller has product or will have product at such site in time for delivery;~~

~~c) modify the method of taking delivery if such method is acceptable to the buyer;~~

~~d) allocate deliveries; or,~~

~~e) refer to Board of Directors for emergency action as provided in Article 7.~~

~~(6) The Panel may appoint an inspection company as provided in Rule 181.09 (A)(3), provided, however, that the inspection company appointed by the Panel shall not be either of the two inspection companies listed in the Notice of Intention to Accept.~~

#### ~~(D) EXCHANGE ACTION~~

~~(1) Whenever a buyer or a seller is found by the Panel to be late in the performance of or to have failed to perform a delivery, the Exchange, represented by the Compliance Department, shall issue a Notice of Assessment in accordance with subsections (2) and (3) of this Section, specifying the findings of the Panel with respect to the late or failed delivery.~~

~~(2) Either one or both parties shall be assessed a penalty to be paid to the Exchange for each day of Late Performance as follows:~~

- ~~—first day of late performance—3% of contract value, but not less than \$840 per contract;~~
- ~~—second day of late performance—3% of contract value, but not less than \$840 per contract;~~
- ~~—third day of late performance—3% of contract value, but not less than \$840 per contract;~~
- ~~—fourth day of late performance—3% of contract value, but not less than \$840 per contract;~~
- ~~—fifth day of late performance—3% of contract value, but not less than \$840 per contract;~~
- ~~—sixth day of late performance—3% of contract value, but not less than \$840 per contract;~~
- ~~—seventh day of late performance—4% of contract value, but not less than \$1,200 per contract;~~
- ~~—eighth day of late performance—5% of contract value, but not less than \$1,200 per contract;~~

~~Such charges shall be cumulative for each day of late performance.~~

~~(3) When a party has failed to perform, the Compliance Department shall issue a Notice of Assessment assessing penalties of ten percent of the contract value, but not less than \$3,000 per contract, in addition to any penalties assessed pursuant to subparagraph (2) hereof, to be paid to the Exchange.~~

~~(4)(a) A party may appeal a Notice of Assessment by filing a Notice of Appeal with the Hearing Registrar of the Exchange and by serving a copy of the same on the Exchange's Compliance Counsel, within two business days of receipt of the Notice of Assessment from the Compliance Department. The party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Exchange's Compliance Counsel.~~

~~(b) The Compliance Department may file with the Appellant and the Hearing Register an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.~~

~~(c) Failure by the party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(4)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Bylaw 106. In the event a party fails to appeal, or waives the opportunity to appeal a Notice of Assessment the Assessment and findings of the Petroleum Delivery Committee shall constitute a final disciplinary action of the Exchange.~~

~~(5) Within ten (10) days after receipt of the Compliance Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by the Compliance Department or are otherwise relevant to the matter.~~

~~br/>(6) In the event of an appeal by a party, the Chairman of the Exchange, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. The Panel shall be composed of three members of the Exchange, at least one of whom shall be a member of the Board of Directors. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chairman any such interest which might preclude such Panel member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.~~

~~(7) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:~~

~~(a) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Compliance Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.~~

~~(b) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.~~

~~(c) The Compliance Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Compliance Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.~~

~~(d) The Appellant shall be entitled to rebut the Compliance Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.~~

~~(e) The Compliance Department and the Appellant shall be entitled to cross-examine any witness called by the opposing party at the hearing.~~

~~(f) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~

~~(g) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.~~

~~(h) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefor.~~

~~(i) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange, and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the Commission.~~

~~(8) The Assessment Appeal Panel shall consider, and make recommendations to the Board concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Board shall constitute the final disciplinary action of the Exchange.~~

#### ~~(E) ARBITRATION PROCEDURE~~

~~(1) Any claim for damages arising between a buyer and a seller as a result of a delivery pursuant to this contract shall be settled by arbitration in accordance with these Rules.~~

~~(2) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three business days of the occurrence upon which the claim is based or the decision of the Petroleum Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a party's rights to arbitrate such delivery dispute under the special or Regular Arbitration Rules.~~

~~(3) The Arbitration will be governed by the Exchange Arbitration Rules except that the Chairman of the Exchange or his designee shall appoint an Arbitration Panel composed of three Members of the Exchange, at least one of whom shall be a Member of the Board of Directors.~~



**675.01. SCOPE**

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for physical delivery of Singapore 380cst High Sulfur Fuel Oil.

**675.02. DEFINITIONS**

(A) The terms "Seller" and "Buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.

(B) The terms "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer of the physical product.

(C) The term "Notice Day" shall mean the business day after the day the Clearing House receives copies of the Notices of Intention to Deliver and Notices of Intention to Accept from the respective Clearing Members. The Notice Day shall be one business day after the last trading day of the expiring delivery month.

(D) The term "Settlement Price" shall mean the final settlement price used as the price for delivery of the product, which shall be the settlement price for the fifth-to-last Singapore business day prior to the expiring delivery month.

(E) The time references shall refer to and indicate the prevailing time in Singapore, unless otherwise specified.

(F) The term "business day" shall mean Singapore business days on which banks in Singapore are open for the normal conduct of banking business.

**675.03. CONTRACT QUANTITY AND VALUE**

The contract quantity shall be 100 metric tonnes. Each contract shall be valued as the contract quantity (100) multiplied by the settlement price.

**675.04. CONTRACT MONTHS**

Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.

**675.05. PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per metric tonne. The minimum price fluctuation shall be \$0.01 per metric tonne. There shall be no maximum price fluctuation.

**675.06. TERMINATION OF TRADING**

Trading shall cease on the fifth-to-last Singapore business day of the month prior to the contract month.

**675.07. DELIVERY**

**(A) Delivery Alternatives**

Delivery under the contract shall be made F.O.B. at the seller's ex-shore facility in Singapore. Delivery will be in accordance with Paragraph C below, "Singapore Fuel Oil 380-cst Forward Contract." At Buyer's option, such delivery shall be made by any of the following methods:

- (1) by delivery into Buyer's Customer's barge or tanker;
- (2) by stock transfer of title to the Buyer's Customer in the same tank in the same facility, if the Seller's Customer's facility allows such transfer;
- (3) by book transfer if the Seller's Customer agrees;
- (4) by intra-facility transfer ("pump-over") between tanks in the same facility, if Seller's Customer's facility allows such transfer;
- (5) by inter-facility pumpover for transfer from tanks in one facility to tanks in another facility, if both Buyer's Customer's facility and Seller's Customer's facility allow such transfer.

**(B) Barge/Tanker Specifications**

Barges and Tankers used for delivery will operate in accordance with the current release of CP-60 Bunkering by Bunker Tankers issued by the Chemical Standards Committee on behalf of the Standards Council of Singapore. The bunker craft used for delivery shall comply with the Harbour Craft Licensing requirements and the Standards for Port Limits for Bunker Tankers administered by the Maritime and Port Authority (MPA) of Singapore. The bunkering procedures shall comply with the latest edition of the Singapore Standard Code of Practice for Bunker Tankers.

**(C) Singapore 380cst Fuel Oil Forward Contract:**

Below are the terms and conditions of the Singapore Fuel Oil 380 cst Forward Contract (also referred to as "Forward Contract"):

**(1) QUALITY:** product shall conform to the following 380cst Fuel Oil specifications:

	<b>METHOD</b>	<b>GUARANTEED</b>
-		
Sulfur, wt pct	ASTM D4294	MAX 4.0
Kinematic Viscosity At 50 Deg C, Cst	ASTM D445	MAX 380
Specific Gravity at 15 deg C kg/l Max	ASTM D1298	MAX 0.991
Flash point, deg c	ASTM D93	MIN 66
Pour Point, Deg C	ASTM D97	MAX 24
Ash, Wt Pct	ASTM D482	MAX 0.10
Conradson Carbon Residue, Wt Pct	ASTM D189	MAX 18
Vanadium, parts per million (ppm)	IP 377	MAX 200
Sodium, parts per million (ppm)	IP 377	MAX 100
Aluminium plus Silicon, ppm	IP 377	MAX 80
Water by distillation volume, vol pct.	ASTM D95	MAX 0.50%
Sediment by extraction, wt pct.	IP 390A	MAX 0.10%
Total existent sediment	IP 390A	MAX 0.10%

~~THIS CLAUSE CONSTITUTES THE WHOLE OF THE SELLER'S OBLIGATIONS WITH RESPECT TO THE QUALITY OF THE PRODUCT TO BE SUPPLIED. SELLER NEITHER EXPRESSES NOR IMPLIES ANY CONDITION OR WARRANTY OF MERCHANTABILITY, FITNESS, OR SUITABILITY OF THE OIL FOR ANY PARTICULAR PURPOSE OR OTHERWISE, OTHER THAN THAT THE OIL CONFORMS TO ANY TOLERANCE STATED HEREIN.~~

**(2) QUANTITY:**

~~DELIVERY TENDER MATCHED BY THE CLEARINGHOUSE PLUS/MINUS 5 PCT OPERATIONAL TOLERANCE.~~

**(3) LOAD PORT:**

~~NYMEX LISTED MARINE TERMINAL IN SINGAPORE UNDER SELLER'S OPTION.~~

**(4) PRICE :**

~~THE DELIVERY PRICE WILL BE THE FINAL SETTLEMENT PRICE ON THE FIFTH TO LAST SINGAPORE BUSINESS DAY OF THE MONTH PRIOR TO THE DELIVERY MONTH, AS DEFINED IN RULE 675.02.~~

**(5) DELIVERY:**

~~AT BUYER'S OPTION, DELIVERY SHALL BE MADE BY ANY OF THE METHODS LISTED IN RULE 675.07.~~

~~LOADINGS ARE SUBJECT TO BERTH AVAILABILITY. BUYER'S NOMINATIONS SHALL BE DISTRIBUTED IN A COMMERCIALY REASONABLE MANNER WITHIN THE SUPPLY PERIOD. NOMINATED QUANTITY SHALL BE MINIMUM 1,000 MT. BUYER'S CUSTOMER'S NOMINATED BARGE SHALL BE SUBJECT TO SELLER'S CUSTOMER'S TERMINAL ACCEPTANCE WHICH SHALL NOT BE UNREASONABLY WITHHELD.~~

**(5.1) ADDITIONAL DELIVERY COSTS:**

~~NYMEX SHORTS WHO ENTER DELIVERY WITH CUMULATIVE POSITIONS LESS THAN 10 CONTRACTS AND ARE MATCHED FOR DELIVERY WITH A CORRESPONDING LONG WHO~~

ENTERED DELIVERY WITH CUMULATIVE POSITIONS OF AT LEAST 10 CONTRACTS ARE RESPONSIBLE FOR THE FOLLOWING ADDITIONAL DELIVERY COSTS INCURRED BECAUSE THE DELIVERY IS FOR LESS THAN 1000 MT:

1. BERTH SHIFTING COSTS.
2. PORT COSTS.
3. VESSEL DEMURRAGE AND WAITING TIME.

NYMEX LONGS WHO ENTER DELIVERY WITH CUMULATIVE EXPIRING CONTRACT POSITIONS LESS THAN 10 CONTRACTS AND ARE MATCHED FOR DELIVERY WITH A CORRESPONDING SHORT WHO ENTERED DELIVERY WITH CUMULATIVE POSITIONS OF AT LEAST 10 CONTRACTS ARE RESPONSIBLE FOR THE FOLLOWING ADDITIONAL DELIVERY COSTS INCURRED BECAUSE THE DELIVERY IS FOR LESS THAN 1000 MT:

4. BERTH SHIFTING COSTS.
5. PORT COSTS.
6. VESSEL DEMURRAGE AND WAITING TIME.

**(6) DEMURRAGE:**

IN ACCORDANCE WITH RULE 675.10.(D) BELOW.

**(7) PAYMENT:**

PAYMENT WILL BE IN ACCORDANCE WITH RULE 675.09(E) BELOW.

**(8) QUALITY AND QUANTITY DETERMINATION:**

SUCH DETERMINATION SHALL BE INITIATED BY SELLER'S SUPPLIER AND PERFORMED BY AN INDEPENDENT SURVEYOR AT LOAD PORT IN ACCORDANCE WITH RULE 675.12. SUCH DETERMINATION SHALL BE FINAL AND BINDING TO BOTH SELLER AND BUYER.

**(9) SAMPLING PROCEDURE:**

THE SAMPLING PROCEDURE SHALL BE PERFORMED IN ACCORDANCE WITH THE INSPECTION RULE 675.12. BELOW. SELLER SHALL SELECT FROM ONE OF THE THREE INDEPENDENT SURVEYORS LISTED BY BUYER IN THE NOTICE OF INTENTION TO ACCEPT. THE INDEPENDENT SURVEYOR SHALL TAKE CONTINUOUS DRIP SAMPLE ON BARGE RECEIVING MANIFOLD. THIS SAMPLE IS TO BE DIVIDED INTO 3 SEALED SAMPLES, ONE TO BARGE, ONE TO THE SELLER AND ONE FOR THE INSPECTOR TO RETAIN. IN THE EVENT OF A QUALITY DISPUTE, THE SEALED SAMPLE RETAINED BY SELLER SHALL BE ANALYSED BY THE SAME INDEPENDENT INSPECTOR WHOSE FINDING SHALL BE FINAL AND BINDING ON BOTH PARTIES.

**(10) TITLE AND RISK:**

FOR BARGE OR TANKER DELIVERY, ALL RISK OF LOSS OR DAMAGE TO THE PRODUCTS SHALL BE PASSED FROM THE SELLER TO THE BUYER AS PRODUCT PASSES VESSEL PERMANENT MANIFOLD FLANGE CONNECTION AT LOAD PORT. FOR DELIVERY EX-TANK VIA INTRA-FACILITY PUMPOVER, ALL RISK OF LOSS OR DAMAGE TO THE PRODUCTS SHALL BE PASSED FROM THE SELLER TO THE BUYER AS PRODUCT LEAVES THE DISCHARGING TANK. FOR DELIVERY EX-TANK VIA INTER-FACILITY PUMPOVER, ALL RISK OF LOSS OR DAMAGE TO THE PRODUCTS SHALL BE PASSED FROM THE SELLER TO THE BUYER AS PRODUCT LEAVES FACILITY CONNECTION.

THE TITLE AND PROPERTY IN THE PRODUCTS, INCLUDING FULL LEGAL AND BENEFICIAL OWNERSHIP, SHALL NOT PASS TO THE BUYER UNTIL ALL DEBTS OWED TO THE SELLER BY THE BUYER, INCLUDING ANY BALANCES EXISTING, ARE FULLY PAID AND SETTLED.

**(11) TAXES:**

GOODS AND SERVICES TAX, IF AND WHERE APPLICABLE, SHALL BE FOR ACCOUNT OF BUYER.

**(12) LAW AND ARBITRATION:**

THE GOVERNING LAW OF THIS CONTRACT IS THE LAW OF THE STATE OF NEW YORK. ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS CONTRACT, INCLUDING ANY QUESTION REGARDING ITS EXISTENCE, VALIDITY OR TERMINATION, SHALL BE REFERRED TO AND FINALLY RESOLVED BY ARBITRATION IN ACCORDANCE WITH RULE

675.16. BELOW. HOWEVER, IF BUYER AND SELLER MUTUALLY AGREE IN WRITING, THEY MAY CHOOSE ARBITRATION FOR SUCH DISPUTES UNDER SINGAPORE LAW IN ACCORDANCE WITH THE ARBITRATION RULES OF THE SINGAPORE INTERNATIONAL ARBITRATION CENTRE (SIAC RULES) AS PROVIDED UNDER RULE 675.16.

**(13) FORCE MAJEURE:**

DETERMINATION OF LATE PERFORMANCE, NON PERFORMANCE AND FORCE MAJEURE ARE IN ACCORDANCE WITH RULE 675.16.

**(14) OTHER TERMS AND CONDITIONS:**

OTHER TERMS AND CONDITIONS NOT SPECIFIED ABOVE SHALL BE AS PER LATEST INCOTERMS AND CONDITIONS 2000 FOR EX-WHARF SALES, PLUS LATEST AMENDMENTS.

**675.08A. PRODUCT PLACEMENT**

Product in Tank

The Seller' Customer shall have a quantity and quality of product in tank at one or more eligible delivery facilities in accordance with the inspection requirements under Rule 675.12 prior to the first day of the consecutive five-day period for initiation of delivery identified by the Buyer's Customer in the Initial Delivery Instructions. The obligation to have product in tank, as prescribed in this section (2), shall constitute a "material act with respect to a delivery obligation" as referenced in Rule 675.16(A)(1).

**675.09. DELIVERY PROCEDURE**

**(A) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN LONG POSITIONS (BUYERS)**

**(1) NOTICE OF INTENTION TO ACCEPT**

By 3:00 p.m. on the fourth-to-last Singapore business day of the month prior to the delivery month, a Buyer having an open long position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept, in the form prescribed by the Exchange, shall include: the name of the Buyer's Customer, the number of contracts to be accepted, the names of three inspection companies and any additional information required by the Exchange. The buyer may, at its option, request a preferred delivery site; such request shall not be binding upon the seller.

**(2) INITIAL DELIVERY INSTRUCTIONS**

As soon as possible after receipt from the Exchange of a Notice of Intention to Deliver, but not later than 5:00 p.m. on a business day not later than the last business day of the month prior to the delivery month, the Buyer shall deliver to the Seller identified in such Notice of Intention to Deliver, with a copy to the Exchange, properly completed and signed Initial Delivery Instructions, in the form prescribed by the Exchange, which shall include the following information:

- (a) Name of Seller,
- (b) Tender Number,
- (c) Name and Location of Delivery Facility specified in the Notice of Intention to Deliver,
- (d) Number of Contracts,
- (e) Method of Delivery,
- (f) A consecutive five day period for initiation of delivery,
- (g) Name of the designated inspection company, if so required; and,
- (h) Such additional information as may be required by the Exchange.

**(3) VERIFICATION OF DELIVERY METHOD AND INSPECTION COMPANY**

Prior to giving to Seller the Initial Delivery Instructions, the Buyer's Customer shall verify with and confirm in writing to the Seller's Customer that the method of delivery specified conforms to the normal capabilities of the Seller's Customer's delivery facility with respect to the manner of delivery and the quantity to be delivered and that the inspection company specified has been accepted by

the Seller's Customer. Such verification shall be confirmed in the Initial Delivery Instructions. If the Buyer's Customer and Seller's Customer fail to agree on one of the three inspection companies included in the Notice of Intention to Accept, the matter shall be referred to the Petroleum Delivery Committee as provided in Rule 675.16(C)(6). Initial Delivery Instructions may not be amended after they have been given to the Seller.

#### ~~(4) DELIVERY INSTRUCTIONS~~

~~The Buyer may tender, at the office of the Seller, Delivery Instructions on any Singapore business day prior to 12:00 Noon. Delivery Instructions given after 12:00 Noon on any Singapore business day shall be deemed to have been given on the following business day. A Buyer may not tender Delivery Instructions on the day on which Initial Delivery Instructions are tendered to the Seller under Rule 675.09(A)(2). The Buyer's Delivery Instructions for a delivery which is to occur during the consecutive five day period the final day of which is the day prior to the last business day of the month shall not designate such final day of the period for the initiation of the delivery. The Buyer must give Delivery Instructions to the Seller not later than two calendar days prior to the time of the proposed delivery, or such earlier business day as is necessary to assure that the day on which Delivery Instructions are given is followed by a period that includes at least one business day and two subsequent calendar days ending on the day prior to the last business day of the delivery month. A copy of the Delivery Instructions must be given to the Exchange. Except as provided in Rule 675.09(A)(6) below, Delivery Instructions must conform to the Initial Delivery Instructions tendered by the Buyer to the Seller.~~

#### ~~(5) FORM OF DELIVERY INSTRUCTIONS~~

~~The Delivery Instructions must be properly completed and signed, in such form as prescribed by the Exchange, and shall contain the following information:~~

- ~~(a) Name of Seller;~~
- ~~(b) Tender Number;~~
- ~~(c) Name and Location of Delivery Facility specified in the Notice of Intention to Deliver;~~
- ~~(d) Number of Contracts;~~
- ~~(e) Method of Delivery (which must conform to the normal capabilities of the facility named in the Notice of Intention to Deliver with respect to the manner and time of delivery and the quantity to be delivered);~~
- ~~(f) Name of proposed Barge or Tanker, and the approximate size of the barge, if any;~~
- ~~(g) For interfacility transfers, name of receiving facility;~~
- ~~(h) Date and Approximate Time for Initiating Delivery;~~
- ~~(i) Name of inspection company, if so required; and~~
- ~~(j) Such additional information as may be required by the Exchange.~~

#### ~~(6) AMENDMENT OF INITIAL DELIVERY INSTRUCTIONS OR OF DELIVERY INSTRUCTIONS~~

~~Neither Initial Delivery Instructions nor Delivery Instructions may be amended after they have been given. However, upon mutual consent of Buyer and Seller and upon written notice to the Exchange, the Parties may change the delivery facility named by the Seller, the method of delivery named by the Buyer, the five day period for the initiation of a delivery named by the Buyer, or the specific delivery date and time named by the Buyer.~~

#### ~~(7) NOTICE OF CLEARANCE; NOTICE OF NON-CLEARANCE~~

~~(a) If the Buyer receives from the Seller a Notice of Clearance advising that the Seller will deliver pursuant to the Delivery Instructions, the Buyer shall require its customer to post with it the full purchase price of all products to be purchased under all contracts covered by such Notice not later than two days prior to the scheduled initiation of delivery.~~

~~(b) If the Buyer receives from the Seller a Notice of Non-Clearance advising that the Seller is unable to deliver in accordance with the Delivery Instructions, the Buyer shall give Revised Delivery Instructions to the Seller, not later than 12:00 Noon on the third Singapore business day following receipt of such Notice, or such earlier business day as is necessary to assure that the day on which Revised Delivery Instructions are given is followed by at least two subsequent calendar days~~

ending on the day prior the last business day of the delivery month. A copy of Revised Delivery Instructions shall be given to the Exchange. The Revised Delivery Instructions shall comply in all respects with the provisions of sub-paragraph (5) above and shall thereafter comply with the provisions of this sub-paragraph as if such Revised Delivery Instructions were the original Delivery Instructions; provided, however, that such Revised Delivery Instructions may designate for delivery the final day of the consecutive five day period immediately prior to the last business day of the month. Such Revised Delivery Instructions shall specify a delivery date and time not less than 24 hours before or after the delivery time specified in the original Delivery Instructions (whether or not such date and time is within the five-day period specified in the Initial Delivery Instructions), provided such date and time is prior to the last business day of the delivery month and at least two calendar days subsequent to the date on which such Revised Delivery Instructions are given to the Seller. Revised Delivery Instructions given after 12:00 Noon on any day shall be deemed to have been given on the following business day. Except as provided in Rule 675.09(A)(6), Revised Delivery Instructions may not be amended after they have been given to the Seller.

#### ~~(8) ACCEPTANCE OF PRODUCT~~

~~The Buyer may not begin to accept the product earlier than the day after the third Singapore business day of the delivery month or later than the last day prior to the last business day of the delivery month. The Buyer may complete receipt of product no later than the last business day of the delivery month.~~

#### ~~(B) RESPONSIBILITIES OF CLEARING MEMBERS HAVING OPEN SHORT POSITIONS (SELLERS)~~

##### ~~(1) NOTICE OF INTENTION TO DELIVER~~

~~By 3:00 p.m. on the fourth-to-last Singapore business day of the month prior to the delivery month, a Seller having an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Deliver shall be in such form as prescribed by the Exchange and shall include the name of the Seller's Customer, the name and location of the Seller's Customer's delivery facility, the number of contracts and such additional information as may be required by the Exchange.~~

##### ~~(2) NOTICE OF CLEARANCE; NOTICE OF NON-CLEARANCE~~

~~(a) Not later than 5:00 p.m. on a Singapore business day on which the Buyer gives the Seller the Delivery Instructions, Seller shall give the Buyer a properly completed and signed Notice of Clearance in such form as prescribed by the Exchange, with a copy to the Exchange, indicating that it is prepared to make delivery in accordance with the provisions of the Buyer's Delivery Instructions.~~

~~(b)(i) In the event that the Seller is unable to make delivery in accordance with the Buyer's Delivery Instructions because of a good faith inability to receive clearance from the facility, the Seller shall, not later than 5:00 p.m. of the Singapore business day on which the Buyer gives the Seller Delivery Instructions, give to the Buyer a Notice of Non-Clearance, with a copy to the Exchange, and state the reasons for such inability. The Seller may, at its option, in the Notice of Non-Clearance suggest an alternate or preferred delivery site, date or time. In the event the facility nominated by the Seller asserts a minimum loading requirement for barge delivery which is an amount greater than the quantity nominated by the Buyer for lifting, the Seller may not issue a Notice of Non-Clearance to the buyer based solely upon such loading requirement. However, in the event the facility's minimum loading requirement prevents delivery as nominated by the Buyer, the Seller may unilaterally and without the Buyer's consent, upon written notice to the Buyer, with a copy to the Exchange, not later than 5:00 p.m. of the business day on which the Buyer gives the Seller Delivery Instructions, amend the name and location of the delivery facility set forth in the Delivery Instructions and otherwise accept delivery on the terms provided in the Delivery Instructions.~~

~~(ii) If Notice of Non-Clearance is given, the Seller shall require its Seller's Customer, at the time the Notice of Non-Clearance is given, to post additional original margin equal to 25% of the total contract value of all contracts listed in the Delivery Instructions. Such additional margin shall be~~

~~posted by the Seller with the Exchange not later than 11 a.m. on the next business day.~~

~~(iii) Not later than 5:00 p.m. of a Singapore business day on which the Buyer gives the seller Revised Delivery Instructions, the Seller shall give the Buyer a Notice of Clearance, with a copy to the Exchange, indicating that it is prepared to make delivery in accordance with the provisions of the Buyer's Revised Delivery Instructions. Revised Delivery Instructions given after 12:00 Noon on any business day shall be deemed to have been given on the following business day. In the event that the Seller is unable to make delivery in accordance with the Buyer's Revised Delivery Instructions because of Force Majeure, the Seller shall, not later than 5:00 p.m. of the business day on which the Buyer gives the Seller Revised Delivery Instructions, give to the Buyer a Notice of Non-Clearance with a copy to the Exchange, and state the reasons for such inability to make delivery.~~

~~(C) NOTICE DAY. The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions to the extent possible. The Clearing House shall pass copies of the notices to the respective Clearing Members on the morning of the next business day. The day the notices are passed to the Clearing Members shall be referred to as the Notice Day. The Notice Day shall be the third to last Singapore business day of the month prior to the delivery month.~~

~~(D) NON-TRANSFERABLE. The Clearing Member who receives a Notice of Intention to Deliver or a Notice of Intention to Accept from the Clearing House shall have agreed to accept or deliver product. Notices of Intention to Deliver or Notices of Intention to Accept are not transferable.~~

~~(E) DELIVERY DAY~~

~~(1) Shipment will commence when product passes the Buyer's Customer's cargo intake flange, tank or facility connection.~~

~~(2) The Buyer shall pay the Seller at the office of the Seller by certified check by 12:00 noon of the Singapore business day following the receipt of the product, or by 12:00 noon on the last business day of the delivery month, whichever is earlier. The amount of payment shall be based on volume delivered as determined in accordance with Rule 675.03. Should the inspector, appointed under Rule 675.12, be unable to supply quantitative results prior to the time established herein for payment of the product, a pro forma payment based on 100 metric tonnes per contract shall be made. Payment adjustments based on actual quantity transferred shall be completed between Clearing Members by 12:00 noon of the first business day after receipt of the telexed Inspector's report but no later than the third business day after transfer of physical product. Alternatively, Buyer and Seller may mutually agree to effect payment or adjustment, as otherwise prescribed in this Rule, by federal funds money wire as a substitution for a certified check.~~

~~(a) If the Buyer requires multiple delivery dates, multiple payment shall be required for each portion of product transferred.~~

~~(b) The Seller, upon receipt of payment, shall give the Buyer a bill of lading or other quantitative certificate and any other appropriate documents necessary to transfer ownership of the product to the Buyer.~~

~~(3) The day the Buyer receives the product shall be referred to as the Delivery Day.~~

**675.10. SHIPMENT**

~~(A) The Seller's Customer's delivery facility must be capable of making delivery by barge or tanker.~~

~~(B) The Seller's Customer must supply the product as soon as the barge or tanker reports readiness to load; alternatively, if delivery is to be made on shore, the Seller's Customer must supply the product as soon as the Buyer's Customer reports that the transfer facility is ready to accept the product.~~

~~(C) The Buyer's Customer's barge or tanker must be safely afloat at all times.~~

~~(D) The Seller's Customer shall pay all applicable demurrage charges if the shore facility is unable to deliver the product at a rate and within a period as agreed between the parties or is unable to deliver ex-tank or pipeline within the period as agreed between the parties. The Buyer's Customer shall pay all other demurrage charges. No demurrage shall be payable when delay is due to fault or failure of the vessel or loading is suspended for Buyer's Customer's or Buyer's Customer's vessel's purposes. Unless otherwise agreed, the rate of demurrage to be used for the purposes of this agreement shall be at actual charter party rate, provided that the vessel is of a size commensurate with Buyer's Customer's cargo. If the vessel size is not commensurate with the size of the Buyer's Customer's cargo, the actual charter party rate shall be adjusted for cargo size in accordance with the following formula:~~

$$\frac{\text{Cargo size}}{\text{Vessel summer}} \times \text{Charter party demurrage rate} = \text{(multiply) dead weight}$$

~~The applicable demurrage rate shall be prorated in the case of a part day.~~

#### **675.11. VALIDITY OF DOCUMENTS**

~~The Exchange makes no representation respecting the authenticity, validity or accuracy of any inspection certificate, Notice of Intention to Deliver, Notice of Intention to Accept, bill of lading, check or of any document or instrument delivered pursuant to these rules.~~

#### **675.12. INSPECTION**

~~(A) The Buyer shall notify the Seller in the Initial Delivery Instructions that a grade and quality or quantity inspection is requested. The Seller's Customer shall initiate inspection of the product to be delivered 24 hours prior to the nominated time and date specified in the delivery instructions. The Buyer may request the tests for any or all grade and quality specifications for the stated product listed in Rule 675.07(B)(1). The Buyer may request a quantity inspection for all deliveries. The Buyer shall require a quantity inspection for delivery by barge, tanker or inter-facility transfer (pump-over). If the Buyer does not request a quantity inspection, the seller may request such inspection.~~

~~(B) If a Buyer's Customer requests grade and quality or quantity inspection, or if a Seller's Customer requests a quantity inspection, the inspection company listed in the Initial Delivery Instructions shall perform the inspection, unless an alternate inspection company is appointed by the Petroleum Delivery Committee, pursuant to Rule 675.09(A)(3).~~

~~(C) If the product meets grade and quality specifications, the Buyer's Customer and Seller's Customer shall share equally in the cost of inspection. If the product does not meet grade and quality specifications, the Seller's Customer shall pay the cost of inspection. The cost of verifying the quantity of product transferred shall be shared equally by Buyer's Customer and Seller's Customer.~~

~~(D) If the product does not meet grade and quality specifications, the Seller's Customer, at its own expense shall initiate a second inspection, performed by the same inspection company as the initial inspection. Seller's Customer shall furnish the results of the second inspection to the Buyer's Customer no later than the nominated time and date of pickup. If the product does not meet grade and quality specifications in the second inspection, within one business day of receipt of the report by the Exchange a Panel of the Petroleum Delivery Committee, as appointed by the Chairman, shall meet to review the delivery if necessary, pursuant to the procedures set forth in Rule 675.16(C).~~

~~In addition, the Seller shall require its customer to post additional margin equal to 25% of the total contract value of all contracts listed in the Delivery Instructions. Such additional margin shall be~~



posted by the Seller with the Exchange not later than 12:00 Noon on the next business day.

(E) The inspection company shall not be affiliated with the parties to the delivery. The inspection company must be capable of performing the quantity or quality tests requested by the Buyer or Seller in such a manner so as to assure that the product delivered conforms with these rules. The inspection company shall determine the quantity or quality of product transferred by using the prevailing practices of the facility transferring the product in effect at the time of delivery.

(F) The Buyer shall deliver to the Exchange a copy of all reports of the inspection company when they are received.

#### **675.13. MARGINS AND PAYMENT**

(A) The Buyer shall obtain from the Long and the Seller shall obtain from the Short, if any, margin in an amount fixed, from time to time, by the Exchange.

(B) The Buyer and Seller shall be required to deposit additional delivery margin with the Clearing House in such amounts and in such form as required by the Exchange. Buyer's and Seller's delivery margins shall be held by the Exchange until one business day following the parties' Final Physical Delivery Confirmation, in the form prescribed by the Exchange, that performance against the Forward Contract (i.e., delivery of the physical oil and payment therefore) has occurred. Any false claim by the Seller that delivery against the Forward Contract has occurred, or a failure by the Buyer to acknowledge completion of such delivery, shall be a major offense of the Rules of the Exchange. In the event either party to the Forward Contract claims that the other party has failed to perform its payment or delivery obligations as required, NYMEX shall retain all delivery margins until notified by both parties, and satisfied, that such claims have been resolved in the forum and manner for resolution of disputes set forth in the Forward Contract.

#### **675.14. EXCHANGE OF FUTURES FOR PHYSICAL (EFP) AND EXCHANGE OF FUTURES FOR SWAPS (EFS)**

Any exchange of futures for physical (EFP) or exchange of futures for swaps (EFS) involving the futures contract shall be governed by the provisions in Exchange Rules 538 and 538A, respectively.

#### **675.15. ALTERNATE DELIVERY PROCEDURE (ADP)**

A Seller's Customer or Buyer's Customer may agree with the Buyer's Customer or Seller's Customer with which it has been matched by the Exchange under Rule 675.09(D) to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Chapter. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the Clearing Members and the Exchange from their respective obligations under the Exchange contracts.

In executing such Notice, Clearing Members shall indemnify the Exchange against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default there under. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the Clearing Members all margin monies held for the account of each with respect to the contracts involved.

#### **675.16. FORCE MAJEURE, LATE PERFORMANCE AND FAILURE TO PERFORM**

(A) DEFINITION. As used in this Rule 675.16, the following terms, as well as variations thereof, shall have the meanings described below:

(1) "Late Performance" means the failure of a Party to complete a material act with respect to a delivery obligation imposed by, and within the time period established in, the Rules. No Late Performance may exceed the lesser of five continuous business days or eight consecutive calendar days.

~~(2) "Failure to Perform" means the failure of a Party to complete a material act with respect to a delivery obligation prior to the expiration of the period allowed for the late performance of such act.~~

~~(3) "Contract Value" means the amount equal to the Settlement Price on the last day of trading in the contract times 100 times the number of contracts to be delivered.~~

~~(4) (a) "Party" means a Buyer or Seller. For the avoidance of doubt, the Buyer and Seller are each responsible to the Clearing House for their obligations under these Rules and further responsible to the Clearing House for the obligations of their respective customers under the Rules of this section.~~

~~(b) "Other Party" means the corresponding Buyer when the Seller is late in performance or has failed to perform and the corresponding Seller when the Buyer is late in performance or has failed to perform.~~

~~(5) "Day of Late Performance" means the twenty-four hour period commencing twelve hours after a Party was to have performed, provided however, with respect to the obligations of a Party to submit documents to the Exchange pursuant to the Rules in this chapter, "day of late performance" means that twenty-four hour period commencing immediately after the time specified in the Rules in this chapter for the submission of a document. Each subsequent day of Late Performance shall commence twenty-four hours after the beginning of the prior day of Late Performance. When a Party is late in performance, the day when the act is performed shall be a day of Late Performance.~~

~~(6) "Force Majeure" means any circumstance (including but not limited to a strike, lockout, national emergency, governmental action, or act of God) which is beyond the control of a Party, and which prevents that Party from making or taking delivery of product when and as provided for in these Rules, including but not limited to the inability to make or take delivery because of governmental action which prevents a terminal or barge from making or facilitating a delivery on a particular day by the nominated method.~~

#### ~~(B) RESPONSIBILITIES OF PARTIES TO THE DELIVERY~~

~~(1) The Parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a Party has failed to perform.~~

~~(2) A Party which has failed to perform its obligations may no longer perform such obligations; provided, however, that a Buyer which has failed to make a payment shall make such payment.~~

#### ~~(C) PETROLEUM DELIVERY COMMITTEE~~

~~(1) Force Majeure, Late Performance and Failure to Perform shall be determined by a Panel of the Petroleum Delivery Committee as set forth below, except that the inability of a terminal or barge to make or facilitate delivery on a particular day by the nominated method because use of the facility or barge is prohibited by order or agreement with an authorized governmental agency or unit on a delivery day that has been designated by an authorized governmental agency or unit to be a day on which ambient air quality standards for ozone will exceed permissible levels shall be considered Force Majeure without a determination by the Committee. The Chairman of the Petroleum Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:~~

~~(a) when the Chairman is advised by the President or any person designated by the President that it appears that the performance of a Party to the delivery is late;~~

~~(b) upon the written request of both Parties;~~

~~(c) when the President or any person designated by the President requests such appointment; or~~

~~(d) when either Party to the delivery notifies the Exchange that circumstances exist constituting~~

~~Force Majeure.~~

~~(2) The Chairman shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a party has been found to have failed to perform such delivery. Exchange Counsel shall serve as advisor to the Panel.~~

~~(3) The Panel shall meet within one business day of notification as provided in these Rules. Unless good cause for delay exists, within one business day the Panel shall determine whether Force Majeure exists, whether a Party is late in performing or has failed to perform its obligations as provided in the Rules, and advise the Compliance Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the Parties to the delivery as expeditiously as possible.~~

~~(4) Absent a declaration of a Force Majeure, the Panel may, with the consent of both Parties, take any one or combination of the following actions as it deems suitable:~~

~~(a) grant an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month or the last day of the period provided for late performance of the contract, whichever is earlier;~~

~~(b) change the delivery site to a site within New York Harbor, provided that the Seller's Customer has product or will have product at such site in time for delivery; or~~

~~(c) modify the method of taking delivery.~~

~~Nothing in this Subsection shall preclude a Party or the Exchange from seeking the remedies set forth in Sections (D), (E), and (F) of this Rule.~~

~~(5) Upon a finding of Force Majeure, the Panel may take any one or combination of the following actions as it deems suitable:~~

~~a) order an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed not later than the fifth business day of the calendar month following the delivery month;~~

~~b) change the delivery site to a site within Singapore, provided that the Seller's Customer has product or will have product at such site in time for delivery;~~

~~c) modify the method of taking delivery if such method is acceptable to the Buyer;~~

~~d) allocate deliveries; or,~~

~~e) refer to Board of Directors for emergency action as provided in Article 7.~~

~~(6) The Panel may appoint an inspection company as provided in Rule 675.09(A)(3), provided, however, that the inspection company appointed by the Panel shall not be either of the two inspection companies listed in the Notice of Intention to Accept.~~

~~(D) EXCHANGE ACTION~~

~~(1) Whenever a Party is found by the Panel to be late in the performance of or to have failed to perform a delivery, the Exchange, represented by the Compliance Department, shall issue a Notice of Assessment in accordance with subsections (2) and (3) of this Section, specifying the findings of the Panel with respect to the late or failed delivery.~~

~~(2) Either one or both parties shall be assessed a penalty to be paid to the Exchange for each day of Late Performance as follows:~~

- ~~—first day of late performance—3% of contract value, but not less than \$800 per contract;~~
- ~~—second day of late performance—3% of contract value, but not less than \$800 per contract;~~
- ~~—third day of late performance—3% of contract value, but not less than \$800 per contract;~~
- ~~—fourth day of late performance—3% of contract value, but not less than \$800 per contract;~~
- ~~—fifth day of late performance—3% of contract value, but not less than \$800 per contract;~~
- ~~—sixth day of late performance—3% of contract value, but not less than \$800 per contract;~~
- ~~—seventh day of late performance—4% of contract value, but not less than \$1,000 per contract;~~
- ~~—eighth day of late performance—5% of contract value, but not less than \$1,000 per contract;~~

~~Such penalty shall be cumulative for each day of late performance.~~

~~(3) When a Party has failed to perform, the Compliance Department shall issue a Notice of Assessment assessing penalties of ten percent of the contract value, but not less than \$3,000 per contract, in addition to any penalties assessed pursuant to subparagraph (2) hereof, to be paid to the Exchange.~~

~~(4) (a) A Party may appeal a Notice of Assessment by filing a Notice of Appeal with the Hearing Registrar of the Exchange and by serving a copy of the same on the Exchange's Compliance Counsel, within two business days of receipt of the Notice of Assessment from the Compliance Department. The Party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Exchange's Compliance Counsel.~~

~~(4)(b) The Compliance Department may file with the Appellant and Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.~~

~~(4)(c) Failure by the Party to file a Notice of Appeal or a Memorandum of Appeal with the time specified in subsection (D)(4)(a) of this Rule shall constitute a waiver, and the penalties set forth in the Notice of Assessment shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the Party to the sanctions set forth in Bylaw 106. In the event a Party fails to Appeal, or waives the opportunity to appeal a Notice of Assessment the Assessment and findings of the Petroleum Delivery Committee shall constitute a final disciplinary action of the Exchange.~~

~~(5) Within ten (10) days after receipt of the Compliance Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied on by the Compliance Department or are otherwise relevant to the matter.~~

~~(6) In the event of an appeal by a Party, the Chairman of the Exchange, or his designee, shall appoint an Assessment Appeal Panel to hear and decide the appeal. The Panel shall be composed of three members of the Exchange, at least one of whom shall be a member of the Board of Directors. No member of the Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the Chairman any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Panel.~~

~~(7) The procedures for the hearing of the appeal before the Assessment Appeal Panel shall be as follows:~~

~~(a) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Compliance Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.~~

~~(b) At such hearing: The Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.~~

~~(c) The Compliance Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Compliance Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.~~

~~(d) The Appellant shall be entitled to rebut the Compliance Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.~~

~~(e) The Compliance Department and the Appellant shall be entitled to cross-examine any witness called by the opposing Party at the hearing.~~

~~(f) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Panel shall constitute the record of the hearing. The decision of the Panel shall be based upon the record of the hearing.~~

~~(g) The Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.~~

~~(h) The Assessment Appeal Panel shall issue a written decision in which it may affirm, reduce, or waive the charges assessed against the Appellant and shall state the reasons therefor.~~

~~(i) The decision of the Assessment Appeal Panel shall be a final decision of the Exchange and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective day of the decision or as specified. The effective day shall be fifteen (15) days after a copy of the written decision has been delivered to the appellant and to the Commission.~~

~~(8) The Assessment Appeal Panel shall consider, and make recommendations to the Board concerning acceptance or rejection of, any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the Board shall constitute the final disciplinary action of the Exchange.~~

#### ~~(E) ARBITRATION PROCEDURE~~

~~(1) Unless the Buyer and Seller have mutually agreed to arbitrate their disputes in Singapore in accordance with the arbitration rules of the Singapore International Arbitration Centre (SIAC), this Rule shall apply to all claims for damages arising between Parties as a result of a delivery pursuant to this contract.~~

~~(2) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three business days of the occurrence upon which the claim is based or the decision of the Petroleum Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a Party's rights to arbitrate such a delivery dispute under the special or Regular Arbitration Rules.~~

~~(3) The Arbitration will be governed by Chapter 5 of the Rules except that the Chairman of the Exchange or his designee shall appoint an Arbitration Panel composed of three Members of the Exchange, at least one of whom shall be a Member of the Board of Directors.~~

#### ~~(F) ARBITRATION UNDER SIAC RULES~~

~~(1) Where the Buyer and Seller have mutually agreed to arbitrate their disputes in Singapore in accordance with the arbitration rules of the Singapore International Arbitration Centre (SIAC), either party must, within three business days of such agreement, submit to the Secretary of the Exchange a Notice of Intent for SIAC Arbitration and such additional information as may be required by the~~

Exchange.

(2) Except for this section F, this Rule and Rule 675.07(B)(5) shall not apply to an arbitration under the SIAC rules.

## ~~Chapter 1152~~

### ~~NY ULSD Financial Futures~~

#### ~~1152100. SCOPE OF CHAPTER~~

The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### ~~1152101. CONTRACT SPECIFICATIONS~~

The Floating Price is equal to the NYMEX New York Harbor Ultra-Low Sulfur Deisel (ULSD) futures first nearby contract settlement price on the penultimate (second to last) trading day for the contract month of the NYMEX New York Harbor Ultra-Low Sulfur Deisel (ULSD) futures contract.

#### ~~1152102. TRADING SPECIFICATIONS~~

The number of months open for trading at a given time shall be determined by the Exchange.

##### ~~1152102.A. Trading Schedule~~

The hours of trading for this contract shall be determined by the Exchange.

##### ~~1152102.B. Trading Unit~~

The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.

##### ~~1152102.C. Price Increments~~

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.0001 per gallon. The maximum price fluctuation shall be consistent with the prevailing price limits of the NYMEX New York Harbor Ultra-Low Sulfur Deisel (ULSD) futures contract.

##### ~~1152102.D. Position Limits and Position Accountability~~

In accordance with Rule 559, no person shall own or control positions in excess of 1,000 contracts net long or net short in the spot month.

In accordance with Rule 560:

- ~~1. the all-months accountability level shall be 7,000 contracts net long or net short in all months combined;~~
- ~~2. the any one month accountability level shall be 7,000 contracts net long or net short in any single contract month excluding the spot month.~~

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

##### ~~1152102.E. Termination of Trading~~

Trading shall cease one business day prior to the termination of trading of the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract for the contract month.

#### ~~1152103. FINAL SETTLEMENT~~

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

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## **Chapter 1153 NY ULSD Option**

### **1153100. SCOPE OF CHAPTER**

This chapter is limited in application to put and call options on NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contracts. In addition to the rules of this chapter, transactions in options on New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures shall be subject to the general rules of the Exchange insofar as applicable.

### **1153101. OPTION CHARACTERISTICS**

The number of months open for trading at a given time shall be determined by the Exchange.

#### **1153101.A. Trading Schedule**

The hours of trading for this contract shall be determined by the Exchange.

#### **1153101.B. Trading Unit**

A NY ULSD Call Option traded on the Exchange represents an option to assume a long position in the underlying New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract. A NY ULSD Put Option traded on the Exchange represents an option to assume a short position in the underlying New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract.

#### **1153101.C. Price Increments**

Prices shall be quoted in dollars and cents per gallon and prices shall be in multiples of \$0.0001 per gallon. The minimum price increment will be \$0.0001. A cabinet trade may occur at a price of \$0.0000238 per gallon, or \$1.00 per contract.

#### **1153101.D. Position Limits and Position Accountability**

For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures. Each position in the contract will be calculated as a single position in the New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract.

In accordance with Rule 559, no person shall own or control positions in excess of 650 contracts net long or net short in the spot month.

In accordance with Rule 560:

1. the all-months accountability level shall be 7,000 futures-equivalent contracts net long or net short in all months combined;
2. the any one month accountability level shall be 7,000 futures-equivalent contracts net long or net short in any single contract month excluding the spot month.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

#### **1153101.E. Termination of Trading**

The option contract shall expire at the close of trading on the third business day immediately preceding the expiration of the underlying New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract.

#### **1153101.F. Type Option**

The option is an American-style option which can be exercised on any business day prior to and until expiration day.

### **1153102. EXERCISE PRICES**

(A) On the first business day of trading in an option contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contracts in the corresponding delivery month rounded off to the nearest one-cent increment strike price unless such settlement price is precisely midway between two one-cent increment strike prices in which case it shall be rounded off to the lower one-cent increment strike price and (ii) the twenty one-cent increment strike prices which are twenty increments higher than the strike price described in subsection (A)(i) of this rule and (iii) the twenty one-cent increment strike prices which are twenty increments lower than the strike price described in subsection (A)(i) of this rule and (iv) an additional ten strike prices at five-cent increments above the highest one-cent increment strike as described in subsection (A)(ii) of this rule, beginning with the first available such strike that is divisible by \$0.05 and (v) an additional ten strike prices at five-cent increments below the lowest one-cent increment as described in subsection (A)(iii) of this rule.

(B) Thereafter, on any business day prior to the expiration of the option, (i) new consecutive strike prices for both puts and calls will be added such that at all times there will be at least twenty one-cent increment strike prices above and below the at-the-money strike price available for trading in all options contract months and (ii) new five-cent increment strike will be added such that at all times there shall be ten five-cent strike prices above the highest one-cent strike, (iii) new five-cent increment strike prices will be added such that at all times there shall be ten five-cent strike prices below the lowest one-cent strike and each such strike price shall be above zero. The at-the-money strike price will be determined in accordance with the procedures set forth in subsection (A)(i) of this rule.

(C) Notwithstanding the provisions of subsections (A) and (B) of this rule, if the Exchange determines that trading in NY ULSD Option will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of a NY ULSD Option in which no new strike prices may be introduced.

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## **Chapter 1154**

### **NY ULSD European Option**

#### **1154100. SCOPE OF CHAPTER**

This chapter is limited in application to put and call options on NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contracts. In addition to the rules of this chapter, transactions in options on New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures shall be subject to the general rules of the Exchange insofar as applicable.

#### **1154101. OPTION CHARACTERISTICS**

The number of months open for trading at a given time shall be determined by the Exchange.

##### **1154101.A. Trading Schedule**

The hours of trading for this contract shall be determined by the Exchange.

##### **1154101.B. Trading Unit**

A NY ULSD European Call Option traded on the Exchange represents the differential between the final settlement price of the underlying New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures and the strike price multiplied by 42,000 gallons, or zero, whichever is greater. A NY ULSD European Put Option traded on the Exchange represents the differential between the strike price and the final settlement price of the underlying New York Harbor Ultra-Low Sulfur Diesel futures multiplied by 42,000 gallons, or zero, whichever is greater.

##### **1154101.C. Price Increments**

Prices shall be quoted in dollars and cents per gallon and prices shall be in multiples of \$0.0001 per gallon. The minimum price increment will be \$0.0001. A cabinet trade may occur at a price of \$0.000238 per gallon, or \$1.00 per contract.

##### **1154101.D. Position Limits and Position Accountability**

For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in NY ULSD Financial futures. Each position in the contract will be calculated as a single position in the NY ULSD Financial futures contract.

In accordance with Rule 559, no person shall own or control positions in excess of 1,000 contracts net long or net short in the spot month.

In accordance with Rule 560:

1. the all months accountability level shall be 7,000 futures equivalent contracts net long or net short in all months combined;

2. the any one month accountability level shall be 7,000 futures equivalent contracts net long or net short in any single contract month excluding the spot month.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

##### **1154101.E. Termination of Trading**

The option contract shall expire at the close of trading on the third business day immediately preceding the expiration of the underlying New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract.

##### **1154101.F. Type Option**

The option is a European-style option cash settled only on expiration day.

#### **1154102. EXERCISE PRICES**

(A) On the first business day of trading in an option contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contracts in the corresponding delivery month rounded off to the nearest one-cent increment strike price unless such settlement price is precisely midway between two one-cent increment strike prices in which case it shall be rounded off to the lower one-cent increment strike price and (ii) the twenty one-cent increment strike prices which are twenty increments higher than the strike price described in subsection (A)(i) of this rule and (iii) the twenty one-cent increment strike prices which are twenty increments lower than the strike price described in subsection (A)(i) of this rule and (iv) an additional ten strike prices at five-cent increments above the highest one-cent increment strike as described in



subsection (A)(ii) of this rule, beginning with the first available such strike that is divisible by \$0.05 and (v) an additional ten strike prices at five-cent increments below the lowest one-cent increment as described in subsection (A)(iii) of this rule.

(B) Thereafter, on any business day prior to the expiration of the option, (i) new consecutive strike prices for both puts and calls will be added such that at all times there will be at least twenty one-cent increment strike prices above and below the at-the-money strike price available for trading in all options contract months and (ii) new five-cent increment strike will be added such that at all times there shall be ten five-cent strike prices above the highest one-cent strike, (iii) new five-cent increment strike prices will be added such that at all times there shall be ten five-cent strike prices below the lowest one-cent strike and each such strike price shall be above zero. The at-the-money strike price will be determined in accordance with the procedures set forth in subsection (A)(i) of this rule.

(C) Notwithstanding the provisions of subsections (A) and (B) of this rule, if the Exchange determines that trading in NY ULSD European Option will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of a NY ULSD European Option in which no new strike prices may be introduced.

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## **Chapter 1157**

### **NY ULSD Crack Spread Swap Futures**

#### **1157100 SCOPE OF CHAPTER**

The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### **1157101 CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the arithmetic average of the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures first nearby contract month settlement price minus the NYMEX Light Sweet Crude Oil futures first nearby contract month settlement price for each business day that both are determined during the contract month. For purposes of determining the Floating Price, the ULSD price will be converted each day to U.S. dollars and cents per barrel, rounded to the nearest 0.1 cent.

#### **1157102 TRADING SPECIFICATIONS**

The number of months open for trading at a given time shall be determined by the Exchange.

##### **1157102.A. Trading Schedule**

The hours of trading for this contract shall be determined by the Exchange.

##### **1157102.B. Trading Unit**

The contract quantity shall be 1,000 barrels. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

##### **1157102.C. Price Increments**

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel.

##### **1157102.D. Position Limits and Position Accountability**

For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in NY ULSD Last Day Financial Swap futures and Crude Oil Last Day Financial futures. Each position in the contract will be calculated as a single position in the NY ULSD Last Day Financial Swap futures contract and a single position in the Crude Oil Last Day Financial futures contract.

For purposes of position limits and position accountability levels, contracts shall diminish ratably as the contract month progresses toward month end.

~~In accordance with Rule 559, no person shall own or control positions in excess of 1,000 (NY ULSD Last Day Financial Swap futures)/3,000 (Crude Oil Last Day Financial futures) contracts net long or net short in the spot month.~~

~~In accordance with Rule 560:~~

~~1. the all-months accountability level shall be 7,000 (NY ULSD Last Day Financial Swap futures)/20,000 (Crude Oil Last Day Financial futures) futures-equivalent contracts net long or net short in all months combined;~~

~~2. the any one month accountability level shall be 7,000 (NY ULSD Last Day Financial Swap futures)/10,000 (Crude Oil Last Day Financial futures) futures-equivalent contracts net long or net short in any single contract month excluding the spot month.~~

~~Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.~~

#### ~~**1157102.E. Termination of Trading**~~

~~Trading shall cease on the last business day of the contract month.~~

#### ~~**1157103 FINAL SETTLEMENT**~~

~~Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.~~

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## **Chapter 1158**

### **RBOB vs. NY ULSD Swap Futures**

#### **1158100 SCOPE OF CHAPTER**

~~The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.~~

#### **1158101 CONTRACT SPECIFICATIONS**

~~The Floating Price for each contract month is equal to the arithmetic average of the NYMEX RBOB Gasoline futures first nearby contract month settlement price minus the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures first nearby contract month settlement price for each business day that both are determined during the contract month.~~

#### **1158102 TRADING SPECIFICATIONS**

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

##### **1158102.A. Trading Schedule**

~~The hours of trading for this contract shall be determined by the Exchange.~~

##### **1158102.B. Trading Unit**

~~The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.~~

##### **1158102.C. Price Increments**

~~Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.0001 per gallon.~~

##### **1158102.D. Position Limits and Position Accountability**

~~For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in RBOB Gasoline Last Day Financial futures and NY ULSD Last Day Financial Swap futures. Each position in the contract will be calculated as a single position in the RBOB Gasoline Last Day Financial futures contract and a single position in the NY ULSD Last Day Financial Swap futures.~~

~~For purposes of position limits and position accountability levels, contracts shall diminish~~

ratably as the contract month progresses toward month end.

In accordance with Rule 559, no person shall own or control positions in excess of 1,000 (RBOB Gasoline Last Day Financial futures)/1,000 (NY ULSD Last Day Financial Swap futures) contracts net long or net short in the spot month.

In accordance with Rule 560:

1. the all-months accountability level shall be 7,000 (RBOB Gasoline Last Day Financial futures)/7,000 (NY ULSD Last Day Financial Swap futures) futures equivalent contracts net long or net short in all months combined;

2. the any-one month accountability level shall be 5,000 (RBOB Gasoline Last Day Financial futures)/7,000 (NY ULSD Last Day Financial Swap futures) futures equivalent contracts net long or net short in any single contract month excluding the spot month.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

#### **1158102.E. Termination of Trading**

Trading shall cease on the last business day of the contract month.

#### **1158103 FINAL SETTLEMENT**

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### **1158104 DISCLAIMER**

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## **Chapter 1167**

### **NY ULSD Calendar Swap Futures**

#### **1167100 SCOPE OF CHAPTER**

~~The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.~~

#### **1167101 CONTRACT SPECIFICATIONS**

~~The Floating Price for each contract month is equal to the arithmetic average of the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures first nearby contract month settlement price for each business day that it is determined during the contract month.~~

#### **1167102 TRADING SPECIFICATIONS**

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

##### **1167102.A. Trading Schedule**

~~The hours of trading for this contract shall be determined by the Exchange.~~

##### **1167102.B. Trading Unit**

~~The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.~~

##### **1167102.C. Price Increments**

~~Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.0001 per gallon.~~

##### **1167102.D. Position Limits and Position Accountability**

~~For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in NY ULSD Last Day Financial Swap futures. Each position in the contract will be calculated as a single position in the NY ULSD Last Day Financial Swap futures contract.~~

~~For purposes of position limits and position accountability levels, contracts shall diminish ratably as the contract month progresses toward month end.~~

~~In accordance with Rule 559, no person shall own or control positions in excess of 1,000 contracts net long or net short in the spot month.~~

~~In accordance with Rule 560:~~

- ~~1. the all-months accountability level shall be 7,000 contracts net long or net short in all months combined;~~
- ~~2. the any-one month accountability level shall be 7,000 contracts net long or net short in any single contract month excluding the spot month.~~

~~Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.~~

#### ~~**1167102.E. Termination of Trading**~~

~~Trading shall cease on the last business day of the contract month.~~

#### ~~**1167103 FINAL SETTLEMENT**~~

~~Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.~~

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## **Chapter 1168**

### **NY ULSD BALMO Swap Futures**

#### **1168100 SCOPE OF CHAPTER**

The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

#### **1168101 CONTRACT SPECIFICATIONS**

The Floating Price for each contract month is equal to the balance of month arithmetic average of the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures first nearby contract month settlement price for each business day that the Floating Price is determined during the contract month, starting from the selected start date through the end of the contract month, inclusive.

#### **1168102 TRADING SPECIFICATIONS**

The number of months open for trading at a given time shall be determined by the Exchange.

##### **1168102.A. Trading Schedule**

The hours of trading for this contract shall be determined by the Exchange.

##### **1168102.B. Trading Unit**

The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.

##### **1168102.C. Price Increments**

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.0001 per gallon.

##### **1168102.D. Position Limits and Position Accountability**

For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in NY ULSD Last Day Financial Swap futures. Each position in the contract will be calculated as a single position in the NY ULSD Last Day Financial Swap futures contract.

For purposes of position limits and position accountability levels, contracts shall diminish ratably as the contract month progresses toward month end.

~~In accordance with Rule 559, no person shall own or control positions in excess of 1,000 contracts net long or net short in the spot month.~~

In accordance with Rule 560:

1. the all-months accountability level shall be 7,000 contracts net long or net short in all months combined;
2. the any-one month accountability level shall be 7,000 contracts net long or net short in any single contract month excluding the spot month.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

#### **1168102.E. Termination of Trading**

Trading shall cease on the last business day of the contract month.

#### **1168103 FINAL SETTLEMENT**

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

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## **Chapter 1169**

### **NY ULSD Last Day Financial Swap Futures**

#### **1169100 SCOPE OF CHAPTER**

~~The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.~~

#### **1169101 CONTRACT SPECIFICATIONS**

~~The Floating Price for each contract month is equal to the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures first nearby contract month settlement price on the last trading day.~~

#### **1169102 TRADING SPECIFICATIONS**

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

##### **1169102.A. Trading Schedule**

~~The hours of trading for this contract shall be determined by the Exchange.~~

##### **1169102.B. Trading Unit**

~~The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.~~

##### **1169102.C. Price Increments**

~~Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.0001 per gallon.~~

##### **1169102.D. Position Limits and Position Accountability**

~~For purposes of position limits and position accountability levels, contracts shall diminish ratably as the contract month progresses toward month end.~~

~~In accordance with Rule 559, no person shall own or control positions in excess of 1,000 contracts net long or net short in the spot month.~~

~~In accordance with Rule 560:~~

1. the all-months accountability level shall be 7,000 contracts net long or net short in all months combined;
2. the any-one month accountability level shall be 7,000 contracts net long or net short in any single contract month excluding the spot month.

~~Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.~~

##### **1169102.E. Termination of Trading**

Trading shall cease on the last business day of the month prior to the contract month.

#### **1169103 FINAL SETTLEMENT**

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### **1169104 DISCLAIMER**

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### **Chapter 1170**

#### **NY ULSD Average Price Option**

##### **1170100. SCOPE OF CHAPTER**

This chapter is limited in application to put and call options on NY ULSD Calendar Swap futures contract. In addition to the rules of this chapter, transactions in options on NY ULSD Calendar Swap futures shall be subject to the general rules of the Exchange insofar as applicable.

##### **1170101. OPTION CHARACTERISTICS**

The number of months open for trading at a given time shall be determined by the Exchange.

###### **1170101.A. Trading Schedule**

The hours of trading for this contract shall be determined by the Exchange.

###### **1170101.B. Trading Unit**

On expiration of a call option, the value will be the difference between the final settlement price of the underlying NY ULSD Calendar Swap futures contract and the strike price multiplied by 42,000 gallons, or zero, whichever is greater. On expiration of a put option, the value will be the difference between the strike price and the final settlement price of the underlying NY ULSD Calendar Swap futures contract multiplied by 42,000 gallons, or zero, whichever is greater.

###### **1170101.C. Price Increments**

Prices shall be quoted in hundredths of cents per gallon. A cabinet trade may occur at the price of \$.0000238 per gallon or \$1.00.

###### **1170101.D. Position Limits and Position Accountability**

For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in NY ULSD Last Day Financial Swap futures. Each position in the contract will be calculated as a single position in the NY ULSD Last Day Financial Swap futures contract.

For purposes of position limits and position accountability levels, contracts shall diminish ratably as the contract month progresses toward month end.

In accordance with Rule 559, no person shall own or control positions in excess of 1,000 contracts net long or net short in the spot month.

In accordance with Rule 560:

1. the all-months accountability level shall be 7,000 futures equivalent contracts net long or net short in all months combined;
2. the any one month accountability level shall be 7,000 futures equivalent contracts net long or net short in any single contract month excluding the spot month.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

###### **1170101.E. Termination of Trading**

The option contract shall expire on the last business day of the calendar month.

###### **1170101.F. Type Option**

The option is a European style option cash settled only on expiration day.

##### **1170102. EXERCISE PRICES**

~~(A) On the first business day of trading in an option contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for NY ULSD Calendar Swap futures contracts in the corresponding delivery month rounded off to the nearest one-cent increment strike price unless such settlement price is precisely midway between two one-cent increment strike prices in which case it shall be rounded off to the lower one-cent increment strike price and (ii) the twenty one-cent increment strike prices which are twenty increments higher than the strike price described in subsection (A)(i) of this rule and (iii) the twenty one-cent increment strike prices which are twenty increments lower than the strike price described in subsection (A)(i) of this rule and (iv) an additional ten strike prices for both call and put options will be listed at five-cent increments above the highest one-cent increment as described in subsection (A)(ii) of this rule, beginning with the first available such strike that is evenly divisible by \$0.05 and (v) an additional ten strike prices for both call and put options will be listed at five-cent increments below the lowest one-cent increment as described in subsection (A)(iii) of this rule, beginning with the first available such strike that is evenly divisible by \$0.05.~~

~~(B) Thereafter, on any business day prior to the expiration of the option, new consecutive strike prices for both puts and calls will be added such that at all times there will be at least twenty one-cent increment strike prices above and below the at-the-money strike price available for trading in all option contract months; and (ii) new five-cent increment strike prices will be added such that at all times there shall be ten five-cent strike prices above the highest one-cent strike price. (iii) The at-the-money strike price will be determined in accordance with the procedures set forth in subsection (A) of this rule. In addition, options trading can be conducted in strike price increments of \$0.0001.~~

~~(C) Notwithstanding the provisions of subsections (A) and (B) of this rule, if the Exchange determines that trading in the option contract will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of an option in which no new strike prices may be introduced.~~

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## **Chapter 1171**

### **NY ULSD Calendar Spread Option**

#### **1171100. SCOPE OF CHAPTER**

~~This chapter is limited in application to put and call options on NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract. In addition to the rules of this chapter, transactions in options on NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures shall be subject to the general rules of the Exchange insofar as applicable.~~

#### **1171101. OPTION CHARACTERISTICS**

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

##### **1171101.A. Trading Schedule**

~~The hours of trading for this contract shall be determined by the Exchange.~~

##### **1171101.B. Trading Unit**

~~A NY ULSD Calendar Spread Put Option contract traded on the Exchange represents an option to assume a short position in the first expiring NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract in the spread and a long position in the second expiring NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract in the spread traded on the Exchange. A call option represents an option to assume a long position in the first expiring NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract in the spread and a short position in the second expiring NYMEX New York Harbor Ultra-Low Sulfur~~

Diesel (ULSD) futures contract in the spread traded on the Exchange.

#### **1171101.C. Price Increments**

Prices shall be quoted in dollars and cents per gallon and prices shall be in multiples of \$0.0001 per gallon. A cabinet trade may occur at a price of \$0.0000238 per gallon, or \$1.00 a contract.

#### **1171101.D. Position Limits and Position Accountability**

For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract. Each position in the contract will be calculated as a single position in the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract.

In accordance with Rule 559, no person shall own or control positions in excess of 1,000 contracts net long or net short in the spot month.

In accordance with Rule 560:

1. the all-months accountability level shall be 7,000 futures equivalent contracts net long or net short in all months combined;
2. the any one month accountability level shall be 7,000 futures equivalent contracts net long or net short in any single contract month excluding the spot month.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

#### **1171101.E. Termination of Trading**

The option contract shall expire at the close of trading on the business day immediately preceding the expiration of the first expiring futures contract in the spread.

#### **1171101.F. Type Option**

The option is a European-style option cash settled only on expiration day.

#### **1171102. EXERCISE PRICES**

(A) On the first business day of trading in an option contract month, trading shall be at the following strike prices: (i) the difference between the previous day's settlement price for the first NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract in the spread and the second NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract in the spread, whether positive or negative in sign, and rounded off to the nearest one-tenth of a cent increment, unless such settlement price is precisely midway between two one-tenth of a cent increments in which case it shall be rounded off to the lower one-tenth of a cent increment and (ii) the ten strike prices which are ten one-tenth of a cent increments higher than the strike price described in subsection (A)(i) of this rule, and (iii) the ten strike prices which are ten one-tenth of a cent increments lower than the strike price described in subsection (A)(i) of this rule and (iv) an additional five strike prices for both call and put options will be listed at \$0.002 increments above the highest one-tenth of a cent increment as described in subsection (A)(ii) of this rule, beginning with the first available such strike that is evenly divisible by \$0.002 and (v) an additional five strike prices for both call and put options will be listed at \$0.002 increments below the lowest one-tenth of a cent increment as described in subsection (A)(iii) of this rule, beginning with the first available such strike that is evenly divisible by \$0.002.

(B) Thereafter, on any business day prior to the expiration of the option, new strike prices for both puts and calls will be added, such that at all times there will be at least ten one-tenth of a cent increment and five \$0.002 increment strike prices above and below the at-the-money strike price available for trading in all options contract months. The at-the-money strike price will be determined in accordance with the procedures set forth in subsection (A) of this rule.

(C) Notwithstanding the provisions of subsections (A) and (B) of this rule, if the Exchange determines that trading in NY ULSD Calendar Spread Option will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of a NY ULSD Calendar Spread Option in which no new strike prices may be introduced.

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## ~~Chapter 1172~~

### ~~NY ULSD Crack Spread Option~~

#### ~~1172100. SCOPE OF CHAPTER~~

~~This chapter is limited in application to put and call options on NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures and NYMEX Light Sweet Crude Oil futures contracts. In addition to the rules of this chapter, transactions in options on NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures and NYMEX Light Sweet Crude Oil futures shall be subject to the general rules of the Exchange insofar as applicable.~~

#### ~~1172101. OPTION CHARACTERISTICS~~

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

##### ~~1172101.A. Trading Schedule~~

~~The hours of trading for this contract shall be determined by the Exchange.~~

##### ~~1172101.B. Trading Unit~~

~~A NY ULSD Crack Spread Put Option contract traded on the Exchange represents an option to assume a short position in the underlying NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract and a long position in the underlying NYMEX Light Sweet Crude Oil futures contract traded on the Exchange. A NY ULSD Crack Spread Call Option represents an option to assume a long position in the underlying NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract and a short position in the underlying NYMEX Light Sweet Crude Oil futures contract traded on the Exchange.~~

##### ~~1172101.C. Price Increments~~

~~Prices shall be quoted in dollars and cents per barrel and prices shall be in multiples of \$0.01 (1 cent) per barrel; provided, however, that those out-of-the-month call (put) options which either trade at or are bid (offered) at a price of 5 cents per barrel (\$.05 per barrel) or less, on a particular business day may be quoted in multiples of one-half cent per barrel (\$0.005 per barrel) on that business day. A cabinet trade may occur at a price of \$0.001 per barrel, or \$1.00 per contract.~~

##### ~~1172101.D. Position Limits and Position Accountability~~

~~For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures and NYMEX Light Sweet Crude Oil futures. Each position in the contract will be calculated as a single position in the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures and a single position in the NYMEX Light Sweet Crude Oil futures contract.~~

~~In accordance with Rule 559, no person shall own or control positions in excess of 1,000 (NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures)/3,000 (NYMEX Light Sweet Crude Oil futures) contracts net long or net short in the spot month.~~

~~In accordance with Rule 560:~~

~~1. the all-months accountability level shall be 7,000 (NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures)/20,000 (NYMEX Light Sweet Crude Oil futures) futures equivalent contracts net long or net short in all months combined;~~

~~2. the any-one month accountability level shall be 7,000 (NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures)/10,000 (NYMEX Light Sweet Crude Oil futures) futures equivalent contracts net long or net short in any single contract month excluding the spot month.~~

~~Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.~~

##### ~~1172101.E. Termination of Trading~~

~~The option contract shall expire at the close of trading on the business day immediately preceding the expiration of the underlying crude oil futures contract.~~

##### ~~1172101.F. Type Option~~

~~The option is an American-style option which can be exercised on any business day prior to and until expiration day.~~

##### ~~1172101.G. Futures Prices at Exercise~~

~~The prices assigned to the underlying futures contracts upon exercise of the option shall be determined by adding the option strike price to the NYMEX Light Sweet Crude Oil futures settlement price on the day of exercise and dividing by 42, and~~

~~(a) if the resulting quotient is equal to .XX00 or .XX50, the NYMEX Light Sweet Crude Oil~~

futures contract will be priced at the NYMEX Light Sweet Crude Oil futures contract settlement price and the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract will be priced at the NYMEX Light Sweet Crude Oil futures contract settlement price plus the option strike price divided by 42; or  
(b) if the resulting quotient is greater than .XX00 but less than .XX50, the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract will be priced at the quotient rounded up to .XX50 and the NYMEX Light Sweet Crude Oil futures contract will be priced at the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract price derived above multiplied by 42, less the option strike price; or  
(c) if the resulting quotient is greater than .XX50, but less than or equal to .XX99, the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract will be priced at the quotient rounded up to .XX00 and the NYMEX Light Sweet Crude Oil futures contract will be priced at the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures contract price derived above multiplied by 42, less the option strike price.

#### **1172102. EXERCISE PRICES**

(A) Trading shall be conducted for options with strike prices in increments of 25 cents (\$0.25).  
(B) On the first business day of trading in an option contract month, trading shall be at the following strike prices: (i) the differential between the previous day's settlement prices for NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures (on a per barrel basis) and NYMEX Light Sweet Crude Oil futures contracts in the corresponding delivery month rounded off to the nearest strike price unless such differential is precisely midway between two strike prices in which case it shall be rounded off to the lower strike price and (ii) the five strike prices which are five increments higher than the strike price described in subsection (A)(i) of this rule and (iii) the five strike prices which are five increments lower than the strike price described in subsection (A)(i) of this rule, provided that such strike prices are not less than zero.  
(C) Thereafter, on any business day prior to the expiration of the option, new consecutive strike prices for both puts and calls will be added such that at all times there will be at least five strike prices above and below the at the money strike price available for trading in all option contract months, provided that such strike prices are not less than zero. The at the money strike price will be determined in accordance with the procedures set forth in subsection (B) of this rule. Except as provided in subsection (D) below, strike prices will only be added such that additions result in increasing the total number of either the above the money or below the month strike prices to five.  
(D) In addition to the strike prices provided for in subsections (B) and (C), three strike prices above the settlement price will be listed. These strike prices will be determined by taking the highest strike price provided for in subsections (B) and (C), and rounding it to the nearest higher \$1.00 increment. If no strike price at such levels is then listed, it will be added and two additional strike prices will be added at \$2.00 increments above that.  
(E) Notwithstanding the provisions of subsections (A) through (D) of this rule, if the Exchange determines that trading in NY ULSD Crack Spread Option will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of a NY ULSD Crack Spread Option in which no new strike prices may be introduced.

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### **-Chapter 1173 NY ULSD Crack Spread Average Price Option**

## **1173100. SCOPE OF CHAPTER**

~~This chapter is limited in application to put and call options on NY ULSD Crack Spread Swap futures contract. In addition to the rules of this chapter, transactions in options on NY ULSD Crack Spread Swap futures shall be subject to the general rules of the Exchange insofar as applicable.~~

## **1173101. OPTION CHARACTERISTICS**

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

### **1173101.A. Trading Schedule**

~~The hours of trading for this contract shall be determined by the Exchange.~~

### **1173101.B. Trading Unit**

~~On expiration of a call option, the value will be the difference between the final settlement price of the underlying NY ULSD Crack Spread Swap futures contract and the strike price multiplied by 42,000 gallons, or zero, whichever is greater. On expiration of a put option, the value will be the difference between the strike price and the final settlement price of the underlying NY ULSD Crack Spread Swap futures contract multiplied by 42,000 gallons, or zero, whichever is greater.~~

### **1173101.C. Price Increments**

~~Prices shall be quoted in dollars and cents per barrel and prices shall be in multiples of \$0.001 (0.1 cent) per barrel. A cabinet trade may occur at the price of \$0.001 per barrel or \$1.00 per contract.~~

### **1173101.D. Position Limits and Position Accountability**

~~For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in NY ULSD Last Day Financial Swap futures and Crude Oil Last Day Financial futures. Each position in the contract will be calculated as a single position in the NY ULSD Last Day Financial Swap futures contract and a single position in the Crude Oil Last Day Financial futures contract.~~

~~For purposes of position limits and position accountability levels, contracts shall diminish ratably as the contract month progresses toward month end.~~

~~In accordance with Rule 559, no person shall own or control positions in excess of 1,000 (NY ULSD Last Day Financial Swap futures)/3,000 (Crude Oil Last Day Financial futures) contracts net long or net short in the spot month.~~

~~In accordance with Rule 560:~~

- ~~1. the all-months accountability level shall be 7,000 (NY ULSD Last Day Financial Swap futures)/20,000 (Crude Oil Last Day Financial futures) futures equivalent contracts net long or net short in all months combined;~~
- ~~2. the any one month accountability level shall be 7,000 (NY ULSD Last Day Financial Swap futures)/10,000 (Crude Oil Last Day Financial futures) futures equivalent contracts net long or net short in any single contract month excluding the spot month.~~

~~Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.~~

### **1173101.E. Termination of Trading**

~~The option contract shall expire on the last business day of the calendar month.~~

### **1173101.F. Type Option**

~~The option is a European-style option cash settled only on expiration day.~~

## **1173102. EXERCISE PRICES**

~~(A) On the first business day of trading in an option contract month, trading shall be at the following strike prices: (i) the previous day's settlement price for NY ULSD Crack Spread Swap futures contract in the corresponding delivery month rounded off to the nearest twenty-five cent increment strike price unless such settlement price is precisely midway between two twenty-five cent increment strike prices in which case it shall be rounded off to the lower twenty-five cent increment strike price and (ii) the ten twenty-five cent increment strike prices which are ten increments higher than the strike price described in subsection (A)(i) of this rule and (iii) the ten twenty-five cent increment strike prices which are ten increments lower than the strike price described in subsection (A)(i) of this rule.~~

~~(B) Thereafter, on any business day prior to the expiration of the option, new consecutive strike prices for both puts and calls will be added such that at all times there will be at least ten twenty-five cent increment strike prices above and below the at-the-money strike price available for trading~~

~~in all options contract months. The at-of-the-money strike price will be determined in accordance with the procedures set forth in subsection (A) of this rule.~~

~~(C) Notwithstanding the provisions of subsections (A) and (B) of this rule, if the Exchange determines that trading in NY ULSD Crack Spread Average Price Option will be facilitated thereby, the Exchange may, by resolution, change the increments between strike prices, the number of strike prices which shall be traded on the first day in any new option contract month, the number of new strike prices which will be introduced on each business day or the period preceding the expiration of a NY ULSD Crack Spread Average Price Option in which no new strike prices may be introduced.~~

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### **Chapter 1174**

#### **NY ULSD Crack Spread BALMO Swap Futures**

##### **1174100 SCOPE OF CHAPTER**

~~The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.~~

##### **1174101 CONTRACT SPECIFICATIONS**

~~The Floating Price for each contract month is equal to the balance of month arithmetic average of the NYMEX New York Harbor Ultra-Low Sulfur Diesel (ULSD) futures first nearby contract month settlement price minus the NYMEX Light Sweet Crude Oil futures first nearby contract month settlement price for each business day that both prices are determined during the contract month, starting from the selected start date through the end of the contract month, inclusive.~~

~~For purposes of determining the Floating Price, the ULSD price will be converted each day to U.S. dollars and cents per barrel, rounded to the nearest 0.1 cent.~~

##### **1174102 TRADING SPECIFICATIONS**

~~The number of months open for trading at a given time shall be determined by the Exchange.~~

###### **1174102.A. Trading Schedule**

~~The hours of trading for this contract shall be determined by the Exchange.~~

###### **1174102.B. Trading Unit**

~~The contract quantity shall be 1,000 barrels. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.~~

###### **1174102.C. Price Increments**

~~Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel.~~

###### **1174102.D. Position Limits and Position Accountability**

~~For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in NY ULSD Last Day Financial Swap futures and Crude Oil Last Day Financial futures. Each position in the contract will be calculated as a single position in the NY ULSD Last Day Financial Swap futures contract and a single position in the Crude Oil Last Day Financial futures contract.~~

~~For purposes of position limits and position accountability levels, contracts shall diminish ratably as the contract month progresses toward month end.~~

~~In accordance with Rule 559, no person shall own or control positions in excess of 1,000 (NY ULSD Last Day Financial Swap futures)/3,000 (Crude Oil Last Day Financial futures) contracts net long or net short in the spot month.~~

~~In accordance with Rule 560:~~

~~1. the all-months accountability level shall be 7,000 (NY ULSD Last Day Financial Swap~~

futures)/20,000 (Crude Oil Last Day Financial futures) futures-equivalent contracts net long or net short in all months combined;  
2- the any one month accountability level shall be 7,000 (NY ULSD Last Day Financial Swap futures)/10,000 (Crude Oil Last Day Financial futures) futures-equivalent contracts net long or net short in any single contract month excluding the spot month.  
Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

#### **1174102.E. Termination of Trading**

Trading shall cease on the last business day of the contract month.

#### **1174103 FINAL SETTLEMENT**

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

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## **Chapter 839**

### **LLS (Argus) Trade Month Swap**

#### **839.01. SCOPE**

~~The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.~~

#### **839.02. FLOATING PRICE**

~~The Floating Price for each contract month is equal to the arithmetic average of the LLS (1st month) price from Argus Media for each business day that it is determined during the contract month beginning with the first business day after the 25th calendar day of the previous month through the last business day that falls on or before the 25th calendar day of the contract month.~~

#### **839.03. CONTRACT SIZE AND VALUE**

~~The contract size shall be 1,000 U.S. barrels. Each contract shall be valued as the contract quantity (1000) multiplied by the settlement price.~~

#### **839.04. CONTRACT MONTHS**

~~Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.~~

#### **839.05. PRICES AND FLUCTUATIONS**

~~Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel. There shall be no maximum price fluctuation.~~

#### **839.06. TERMINATION OF TRADING**

~~Trading shall cease one business day prior to the last business day that falls on or before the 25th calendar day of the contract month.~~

#### **839.07. FINAL SETTLEMENT**

~~Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.~~

#### **839.08. EXCHANGE OF FUTURES FOR, OR IN CONNECTION WITH, PRODUCT (EFP) AND EXCHANGE OF FUTURES FOR, OR IN CONNECTION WITH, SWAP (EFS) TRANSACTIONS**

~~Any Exchange of Futures for, or in Connection with, Product (EFP) or Exchange of Futures for, or in Connection with, Swap Transactions (EFS) shall be governed by the provisions of Rules 6.21B and 6.21C, respectively.~~

#### **839.09. DISCLAIMER**

~~NEITHER THE NEW YORK MERCANTILE EXCHANGE, INC. NOR PLATTS GUARANTEE THE~~

~~ACCURACY AND/OR COMPLETENESS OF THE INDEX OR ANY OF THE DATA INCLUDED THEREIN. NYMEX AND PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE INDEX, TRADING BASED ON THE INDEX, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACTS, OR, FOR ANY OTHER USE. NYMEX AND PLATTS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX OR PLATTS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.~~

## ~~-Chapter 226 Argus Sour Crude Index ("ASCI") Financial Futures~~

### ~~226.01. SCOPE~~

~~The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.~~

### ~~226.02. FLOATING PRICE~~

~~The Floating Price for each contract month is equal to the outright index price from Argus Media for the Argus Sour Crude Index ("ASCI") on the last trading day for the delivery month.~~

### ~~226.03. CONTRACT QUANTITY AND VALUE~~

~~The contract quantity shall be 1,000 barrels. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.~~

### ~~226.04. CONTRACT MONTHS~~

~~Trading shall be conducted in contracts in such months as shall be determined by the Exchange.~~

### ~~226.05. PRICES AND FLUCTUATIONS~~

~~Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel. There shall be no maximum price fluctuation.~~

### ~~226.06. TERMINATION OF TRADING~~

~~Trading shall cease at the close of trading one business day prior to the last trading day of the Light Sweet Crude Oil Futures contract, i.e., the fourth business day prior to the twenty-fifth calendar day of the month preceding the delivery month. If the twenty-fifth calendar day of the month is a non-business day, trading shall cease on the fourth business day prior to the last business day preceding the twenty-fifth calendar day.~~

### ~~226.07. FINAL SETTLEMENT~~

~~Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.~~

### ~~226.08. EXCHANGE OF FUTURES FOR RELATED POSITION TRANSACTIONS~~

~~Any Exchange of Futures for Related Position (EFRP) transactions shall be governed by the provisions of Exchange Rule 538.~~

### ~~226.09. DISCLAIMER~~

~~Argus Media ("Argus") licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various Argus price assessments in connection with the trading of the contract.~~

~~NEITHER NYMEX AND ITS AFFILIATES NOR ARGUS GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF THE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN.~~

~~NYMEX AND ITS AFFILIATES AND ARGUS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE ASSESSMENT, TRADING BASED ON THE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX AND ITS AFFILIATES AND ARGUS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX AND ITS AFFILIATES OR ARGUS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.~~

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## NYMEX Rulebook Chapter 5 Position Limit Table

<u>Contract Name</u>	<u>Rule Chapter</u>	<u>Commodity Code</u>	<u>Diminshing Balances Contracts</u>	<u>All Month Account-ability Level</u>	<u>Any One Month Account-ability Level</u>	<u>Expira-tion Month Limit</u>	<u>Report-ing Level</u>	<u>Aggre-gate Into (1)</u>	<u>Aggre-gate Into (2)</u>
				<u>Rule 560</u>	<u>Rule 560</u>	<u>Rule 559</u>	<u>Rule 561</u>		
<b><i>Petroleum</i></b>									
<b><i>USA</i></b>									
<b><i>Gulf Coast</i></b>									
Argus Sour Crude Index ("ASCI") Financial Futures	226	A0		30,000	20,000	5,000	25	29	
LLS (Argus) Trade Month Swap Futures	839	L1	*	20,000	20,000	3,000	350	L1	
Gulf Coast Ultra-Low Sulfur Diesel (ULSD) Futures	181	LU		7,000	7,000	1,000	25	LU	
Gulf Coast Gasoline Futures	180	LR		7,000	7,000	1,000	150	LR	
<b><i>New York Harbor</i></b>									
New York Harbor Ultra-Low Sulfur Diesel (ULSD) Futures	151	LH		7,000	7,000	650	25	LH	
NY ULSD Option	1153	ULO		7,000	7,000	650	25	LH	
NY ULSD Last Day Financial Swap Futures	1169	ULF		7,000	7,000	1,000	25	ULF	



NY ULSD Calendar Swap Futures	1167	USF	*	7,000	7,000	1,000	25	ULF	
NY ULSD BALMO Swap Futures	1168	UBS	*	7,000	7,000	1,000	25	ULF	
NY ULSD Average Price Option	1170	UAO	*	7,000	7,000	1,000	25	ULF	
NY ULSD Calendar Spread Option	1171	UCA, UCB, UCC, UMM, UCZ		7,000	7,000	1,000	25	ULF	
NY ULSD Crack Spread Swap Futures	1157	UCF	*	7,000/ 20,000	7,000/ 10,000	1,000/ 3,000	25	ULF	26
NY ULSD Crack Spread Option	1172	UCO		7,000/ 20,00	7,000/ 10,000	1,000/ 3,000	25	ULF	26
NY ULSD Crack Spread Average Price Option	1173	UCP	*	7,000/ 20,000	7,000/ 10,000	1,000/ 3,0000	25	ULF	26
NY ULSD Crack Spread BALMO Swap Futures	1174	UBC	*	7,000/ 20,000	7,000/ 10,000	1,000/ 3,000	25	ULF	26
NY ULSD Financial Futures	1152	ULS		7,000	7,000	1,000	25	ULS	
NY ULSD European Option	1154	ULE		7,000	7,000	1,000	25	ULS	
RBOB vs. NY ULSD Swap Futures	1158	RVU	*	7,000/ 7,000	5,000/ 7,000	1,000/ 1,000	25	27	ULF
<b>Asia/Pacific Singapore</b>									
Singapore Fuel Oil 380 est Futures	675	HZ		7,000	7,000	1,000	25	HZ	

## 588.G. Globex Non-Reviewable Trading Ranges

(strikethrough indicates deletion)

## Futures

Instrument	Non-Reviewable Range (NRR) in Globex format	NRR including Unit of Measure	NRR Ticks
<del>Argus Sour Crude Index ("ASCI") Financial Futures</del>	<del>100</del>	<del>\$1.00 per barrel</del>	<del>100</del>
<del>Gulf Coast Gasoline Futures</del>	<del>250</del>	<del>\$.025 per gallon</del>	<del>250</del>
<del>Gulf Coast Ultra Low Sulfur Diesel (ULSD) Futures</del>	<del>250</del>	<del>\$.025 per gallon</del>	<del>250</del>
<del>New York Harbor Ultra Low Sulfur Diesel (ULSD) Futures</del>	<del>250</del>	<del>\$.025 per gallon</del>	<del>250</del>
<del>NY ULSD Financial Futures</del>	<del>250</del>	<del>\$.025 per gallon</del>	<del>250</del>
<del>Singapore Fuel Oil 380 cst Futures</del>	<del>200</del>	<del>\$2.00 per metric ton</del>	<del>200</del>

## Options

Instrument	Bid/Ask Reasonability	Non-Reviewable Range (NRR)
<del>NY ULSD Option</del>	<del>The greater of the delta times the underlying futures non-reviewable range or 20% of the fair value premium up to the underlying futures non-reviewable range with a minimum reasonability of \$.0076</del>	<del>20% of premium up to ¼ of the underlying futures non-reviewable range with a minimum of 1 tick.</del>
<del>NY ULSD European Option</del>	<del>The greater of the delta times the underlying futures non-reviewable range or 20% of the fair value premium up to the underlying futures non-reviewable range with a minimum reasonability of \$.0076</del>	<del>20% of premium up to ¼ of the underlying futures non-reviewable range with a minimum of 1 tick.</del>

Deletion of References from Chapters 200 (Light Sweet Crude Oil Futures), 150 (New York Harbor ULSD Heating Oil Futures), and 191 (RBOB Gasoline Futures)

(strikethrough indicates deletion)

## Chapter 200 Light Sweet Crude Oil Futures

### 200.06A Special Price Fluctuation Limits

(D) Associated Products Appendix

CL	Light Sweet Crude Oil Futures
HO	New York Harbor No. 2 Heating Oil Futures
RB	RBOB Gasoline Futures
<del>LH</del>	<del>New York Harbor Ultra-Low Sulfur Diesel (ULSD) Futures</del>
QM	E-mini Crude Oil Futures
QH	E-mini Heating Oil Futures
QU	E-mini RBOB Gasoline Futures
WS	Crude Oil Financial Futures
RT	RBOB Gasoline Financial Futures
<del>ULS</del>	<del>NY ULSD Financial Futures</del>

## Chapter 150 New York Harbor ULSD Heating Oil Futures

### 151.07A Special Price Fluctuation Limits

(D) Associated Products Appendix

CL	Light Sweet Crude Oil Futures
HO	New York Harbor No. 2 Heating Oil Futures
RB	RBOB Gasoline Futures
<del>LH</del>	<del>New York Harbor Ultra-Low Sulfur Diesel (ULSD) Futures</del>
QM	E-mini Crude Oil Futures
QH	E-mini Heating Oil Futures
QU	E-mini RBOB Gasoline Futures
WS	Crude Oil Financial Futures
RT	RBOB Gasoline Financial Futures
<del>ULS</del>	<del>NY ULSD Financial Futures</del>

## Chapter 191 RBOB Gasoline Futures

### 191.07A. SPECIAL PRICE FLUCTUATION LIMITS

(D) Associated Products Appendix.

CL	Light Sweet Crude Oil Futures
HO	New York Harbor No. 2 Heating Oil Futures
RB	RBOB Gasoline Futures
<del>LH</del>	<del>New York Harbor Ultra-Low Sulfur Diesel (ULSD) Futures</del>
QM	E-mini Crude Oil Futures
QH	E-mini Heating Oil Futures
QU	E-mini RBOB Gasoline Futures
WS	Crude Oil Financial Futures
RT	RBOB Gasoline Financial Futures
<del>ULS</del>	<del>NY ULSD Financial Futures</del>