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OFFICE OF THE SECRETARIAT

November 4, 2008

VIA E-MAIL

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

**Re: Rule Certification. New York Mercantile Exchange, Inc. Submission
#08.113: Notification of Amendments to NYMEX Rules 6.21C, 6.40B and
11G.30**

Dear Mr. Stawick:

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying amendments to NYMEX Rules 6.21C - Block Trades, 6.40B - Trading at Settlement, and 11G.30 - Trading at Settlement. These changes will be made effective on November 10, 2008.

NYMEX is amending Rule 6.21C, Block Trades, to incorporate block trading at the current day's settlement price and otherwise to conform the rule with trading at settlement ("TAS") Rules 6.40B and 11G.30. The amendments pertain to all NYMEX division contracts which dually support both TAS pricing as well as block trades. The eligible futures contracts are Light Sweet Crude Oil (CL), New York Harbor Heating Oil (HO), New York Harbor RBOB Gasoline (RB), Natural Gas (NG) and Brent Crude Oil (BB). Further, submission of such transactions will be supported on both the trading floor and through the ClearPort[®] clearing trade entry portal.

In connection with the amendments to NYMEX Rule 6.21C, certain housekeeping amendments were needed for NYMEX Rules 6.40B and 11G.30. Specifically, both rules were amended to clarify that TAS transactions done either on the trading floor or on Globex[®] could be done at price increments ranging from ten (10) ticks higher or ten (10) ticks lower than the current day's settlement price. A review of the existing rule as well as the self-certification files indicates that these rules were not amended previously to reflect the added functionality/ability in allowing the products to trade on the trading floor and on Globex[®] at the cited increments above and below the settlement price. As such, NYMEX Rules 6.40B and 11G.30 are being amended to correct this inadvertent oversight. Additionally, NYMEX Rule 11G.30 is being amended to delete the Unleaded Gasoline Futures contract (HU), which is no longer available for trading. A conforming amendment is also being made to Rule 11G.30 to reflect the Rule 6.40B

Lastly, NYMEX Rule 6.40B is being further amended to delete the current prohibition on TAS crosstrades. This restriction is a legacy issue stemming from floor trading which is now impractical in light of existing market conditions.

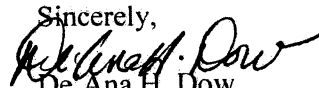
NYMEX intends to monitor the use of the TAS Block instruments as it would any TAS transactions in general, and to maintain oversight of the market to ensure that the use of the instrument does not inappropriately affect a significant decrease in volume of competitive trading currently used to determine the settlement prices in the markets. Should such a circumstance be detected, NYMEX would be committed to modify the program and associated rules to maintain proper price discovery and an orderly marketplace.

Lastly, NYMEX intends to cite prior Compliance Advisories regarding the use of these instruments in its Notice to Members. An example of the language is cited below in prior Notice No. 07-417 dated August 22, 2007.

Members are reminded that misuse of TAS or MO trades to acquire a position in order to unfairly effect or attempt to unfairly effect a settlement price subject the member and/or the customer to disciplinary action for any of a number of rule violations including but not limited to attempted price manipulation, disruptive trading, wash trading, or conduct substantially detrimental to the exchange. Investigation of suspected manipulative pricing involving TAS will focus on the percentage of TAS positions acquired by a trader, group or traders or customer(s) and whether the offset of that position during the close was disruptive, collusive, and/or caused or attempted to cause aberrant price movement in the close.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the attached rule amendments comply with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact Thomas LaSala, Managing Director, Chief Regulatory Officer, at (212) 299-2897, or the undersigned at (202) 715-8517.

Sincerely,

De Ana H. Dow
Managing Director
Government Relations

Amendments to NYMEX Rules 6.21C, 6.40B and 11G.30
(Bold/underline indicates additions; strikethrough indicates deletions.)

6.21C Block Trades

(A) The Exchange shall designate the products in which block ~~Block trades (privately negotiated transactions)~~ shall be permitted in such Exchange products, and determine the ~~for such~~ minimum quantity thresholds for such transactions. ~~and subject to such other conditions as are listed in paragraph (B) of this Rule 6.21C~~ The following shall govern block trades:

(1) A block trade must be for a quantity that is at or in excess of the applicable minimum quantity threshold. Orders from multiple customers may not be aggregated in order to meet the minimum quantity threshold, except in connection with the activities of a registered commodity trading advisor or foreign person performing a similar role, as described in Paragraphs 8 and 9, below.

(2) Each party to a block trade must be an "Eligible Contract Participant" as that term is defined in Section 1a(12) of the Commodity Exchange Act.

(3) A member shall not execute any order by means of a block trade for a customer unless such customer has specified that the order be executed as a block trade.

(4) The price at which a block trade is executed must conform to either (A) or (B) below:

(A) The price at which a block trade is executed must be fair and reasonable in light of (i) the size of the block trade, (ii) the prices and sizes of other transactions in the same contract at the relevant time, (iii) the prices and sizes of transactions in other relevant markets, including without limitation the underlying cash market or related ~~and~~ futures markets, at the relevant time, and (iv) the circumstances of the markets or the parties to the block trade; or

(B) Block trades in products and contract months eligible for Trading at Settlement in accordance with Rules 6.40B and 11G.30 may be executed and assigned the current trading day's settlement price, or a price increment ranging from ten (10) ticks higher or lower than the settlement price. Such transactions shall be referred to as "TAS Block" transactions. TAS Block transactions shall be submitted to the Exchange in accordance with all other provisions of this rule. TAS Block transactions may not be executed on the last trading day of an expiring contract.

(5) Block trades shall not set off conditional orders (e.g., Stop Orders and MIT Orders) or otherwise affect orders in the regular market.

(6) The buyer and seller must ensure that each block trade is reported to the Exchange within

five minutes of the time of execution. The block trade must be submitted in accordance with procedures prescribed by the Exchange. The Exchange shall promptly publish block trade information separately from the reports of transactions in the regular market.

(7) Clearing members and members involved in the execution of block trades must maintain a complete record of the transaction in accordance with Exchange Rule 8.50.

(8) A commodity trading advisor ("CTA") registered or exempt from registration under the Act, including, without limitation, any investment advisor registered or exempt from registration under the Investment Advisors Act of 1940, shall be the applicable entity for purposes of Paragraphs 1, 2, 3, and 4, provided such advisors have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such advisors.

(9) A foreign person performing a similar role or function to a CTA or investment advisor as described in Section (A)(1), and subject as such to foreign regulation, shall be the applicable entity for purposes of Paragraphs 1, 2, 3, and 4, provided such Persons have total assets under management exceeding \$25 million and the block trade is suitable for the customers of such persons.

(B) Block trades shall be permitted in accordance with this ~~Rule 6.21C~~ in the following Exchange products, **except that TAS Blocks, as under the conditions described in Section 4(B) of this rule, shall be permitted only in products and contract months designated as eligible for Trading at Settlement in Rules 6.40(B) and 11G.30:**

- (1) Brent Crude Oil – Financial (BB) futures contracts, for a threshold minimum quantity of 100 contracts.
- (2) Transactions in NYMEX Soft Futures Contracts: NYMEX Cocoa (CJ), NYMEX Coffee (KT), NYMEX Cotton (TT), NYMEX FCOJ (FJ), NYMEX Sugar 11 (YO) and NYMEX Sugar 14 (FT), for a threshold minimum quantity of 100 contracts.
- (3) Light Sweet Crude Oil futures (CL), for a minimum quantity threshold of 200 contracts;
- (4) Natural Gas futures (NG), for a minimum quantity threshold of 100 contracts;
- (5) Heating Oil futures (HO), for a minimum quantity threshold of 100 contracts;
- (6) New York Harbor RBOB Gasoline futures (RB), for a minimum quantity threshold of 100 contracts.
- (7) Gulf Coast Gasoline (LR), for a minimum quantity threshold of 100 contracts;
- (8) Gulf Coast Ultra Low Sulfur Diesel (LU), for a minimum quantity threshold of 100 contracts;

(9) New York Harbor Ultra Low Sulfur Diesel (LH), for a minimum quantity threshold of 100 contracts; and

(10) Brent Last Day Contract (BZ), for a minimum quantity threshold of 100 contracts.

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6.40B Trading at Settlement

(A) Trading at Settlement Procedure. A floor member may enter into a transaction at the settlement price or at a price increment ranging from ten (10) ticks higher or ten (10) ticks lower than the settlement price, through open outcry with another floor member in any futures contract and delivery month specified in Section (C) of this rule. Any such trade (collectively referred to as a trading at settlement or "TAS") shall be made by open outcry no later than 2:30 p.m. New York Time or such other time as designated by the Board Exchange on that same trading day in the trading ring designated for trading in the particular contract.

~~(B) Prohibition on TAS Cross Trades. A Floor Member who has in hand buy and sell TAS orders of different principals for the same eligible commodity for future delivery in the same eligible delivery month shall not execute such orders directly between such principals.~~

(B) ~~(C)~~ Reporting and Recordation. All TAS transactions shall be identified as such on the executing member's trading records prepared in accordance with Rule 6.10 ("Reporting of Trades Executed on the Trading Floor").

~~(C)~~ ~~(D)~~ Transactions Eligible for ~~Board Approval~~ for Trading at Settlement Procedures.

~~The Board may, by resolution, authorize the execution of TAS transactions may be executed in any or all of the futures contracts and delivery months specified below pursuant to the TAS order procedures set forth in this Rule 6.40B.~~

Futures Contract Delivery Month

Light Sweet Crude Oil Spot Month (except on the last trading day) and also Second, Third and Seventh Nearby Months

Heating Oil Spot Month (except on the last trading day) and also Second and Third Nearby Month

Natural Gas Spot Month (except on the last trading day) and also Second and Third Nearby Month

RBOB Gasoline Spot Month (except on the last trading day) and also Second and Third Nearby Month

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11G.30 Trading at Settlement

Contracts Eligible for Trading at Settlement or "TAS" Transactions on GLOBEX®.

~~Until further notice, the Board has authorized the availability of~~ Trading at Settlement transactions **may be executed** in such delivery months as specified by the Board **Exchange** for the following futures contracts available on GLOBEX. **Trading at settlement transactions may be executed at the settlement price or at a price increment ranging from ten (10) ticks higher or ten (10) ticks lower than the settlement price.**

Contracts available include:

Commodity Code on Globex®	Name	Cleared Product
WST	WTI Crude Oil Financial TAS	WS
RTT	RBOB Gasoline Financial TAS	RT
BHT	Heating Oil Financial TAS	BH
HPT	Natural Gas Financial TAS	HP
HHT	Natural Gas Financial (Last Day) TAS	HH
BBT	Brent Crude Oil Financial TAS	BB
CLT	Light Sweet Crude Oil TAS	CL
HOT	Heating Oil TAS	HO
NGT	Natural Gas TAS	NG
HUT	Unleaded Gasoline TAS	HU
RBT	RBOB Gasoline TAS	RB
RET	REBCO TAS	RE

The front three (3) **nearby** trading months of the products listed above, **as well as the seventh (7th) nearby trading month in Light Sweet Crude Oil**, shall be available for trading (*except on the last trading day in the physically delivered contracts*). ~~Until further notice, the~~ hours for trading shall be the hours that the applicable contracts are available for trading on GLOBEX®.