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## CHICAGO MERCANTILE EXCHANGE

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September 5, 2003

Ms. Jean A. Webb  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20581

Re: Section 5c(c)(1), Regulation 40.6 Submission. Exchange Certification of amendments to Options on CME Degree Days Index Futures. CME Submission # 03-74

Dear Ms. Webb:

In addition to the amendments described in CME Submission #03-68 dated September 4, 2003, the following amendments to Options on CME Degree Days Index Futures rule **403A01.E Exercise Prices** shall apply. These amendments decrease the strike range for HDD options from a 250-point range to a 100-point range for the first two contract months and eliminate options on all other contract months.

The amendments are as follows, with deletions bracketed and overstruck and additions underlined.

## CHAPTER 403A OPTIONS ON CME DEGREE DAYS INDEX FUTURES

### 403A01.E. Exercise Prices

#### FOR HDD ONLY

Exercise prices shall be stated in terms of the respective CME Degree Days Index futures contract that is deliverable upon exercise of the option.

For [aH] the first two contract months, exercise prices shall be at intervals of 50 CME Degree Days Index points (e.g., 700, 750, 800, etc.). In addition, for options on the [twø] contract month[s] nearest to expiration, some exercise prices shall also be at intervals of 10 index points (e.g., 710, 720, 730, etc.).

At the commencement of option trading in a contract month, the Exchange shall list put and call options at intervals of 50 index points in a range of [~~250~~] 100 index points above and below the previous day's settlement price of the underlying futures contract. Thereafter, when the settlement price in the underlying futures contract occurs at or passes through any exercise price, the Exchange shall list on the next trading day put and call options at the next higher (or lower) exercise price within a [~~250~~] 100-point range above (or below) the settlement price.

Furthermore, for options on the [twø] contract month[s] nearest to expiration, the Exchange shall list put and call options at intervals of 10 index points in a range of 100 index points above and below the previous day's settlement price of the underlying futures contract. Thereafter, when a settlement price in the underlying futures contract occurs at or passes through any exercise price, the Exchange shall list on the next trading day put and call options at the next higher (or lower) exercise price within a 100-point range above (or below) the settlement price. New options may be listed for trading up to and including the termination of trading.

[Remainder of Rule Unchanged]

These revisions and amendments will take effect at the start of business on Monday, September 8, 2003 and will apply to existing and newly listed contracts.

The Exchange certifies that these actions neither violate nor are inconsistent with any provision of the Commodity Exchange Act or of the regulations there under.

If I or my staff can be of any assistance to you in this matter, please do not hesitate to call.

Sincerely,

/S/ John W. Labuszewski, Director  
Research & Product Development