MGEX
MINNEAPOLIS GRAIN EXCHANGE

Electronic Mail   November 30, 2005

Ms. Jean A. Webb
Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street NW
Washington, D.C. 20581

SUBJECT: Rule Certification

Dear Ms. Webb:

Pursuant to Commodity Exchange Act ("CEAct") Section 5c(c)(1) and Commodity Futures Trading Commission ("Commission") Regulation 40.6(a), the Minneapolis Grain Exchange ("MGEX") hereby certifies that the attached amended Regulations comply with the CEAct and the regulations thereunder. The additions have been underlined while the deletions have been marked through.

The purposes for amending the Regulations are to update the language describing the daily settlement procedures for MGEXpress® contracts so as to conform with current practice, and to clarify that the opening and closing periods only apply to the open outcry traded Spring Wheat contracts. The amendments do not materially change the terms or conditions of any commodity contracts.

Pursuant to the authority of MGEX Rule 210.01., the Board of Directors approved amending the Regulations. The MGEX plans to implement the changes the next business day after receipt of this notification to the Commission.

If there are any questions regarding this submission, please contact me at (612) 321-7169. Thank you for your attention to this matter.

Sincerely,

Layne G. Carlson
Corporate Secretary

Enclosure
cc: Anne Reuter

2014.00.   SETTLEMENT PRICES.

Pursuant to the provisions of Rule 210.01., the Board of Directors has adopted this Regulation.

A.   Open Outcry Contracts.

Promptly after the close of trading in each Futures Contract, Exchange staff, in conjunction with the Quotations Committee, shall compute settlement prices for each contract month as follows. The settlement price shall be price consistent with the minimum fluctuations of the contract.

1.   After the closing bell, all Brokers and Traders in the Pit shall report to the Market Observer and a member of the Quotations Committee all trades, bids and offers made in the closing period. The settlement price shall be determined by the weighted average of the trades and applicable bids and offers made in the closing period.

2.   If no trade occurs in the closing period, the settlement price shall be the last trade price, unless there is a higher bid or lower offer. If there is no trade during the day, the settlement price shall remain unchanged, unless there is a higher bid or lower offer. In such cases, the higher bid or lower offer shall be the settlement price.

3.   If such settlement price is not consistent with the settlements in other months or with market information known to the designated Exchange official supervising the closing or to members of the Quotations Committee, or if the settlement was inaccurately determined, the designated Exchange official, with the advice of the Quotations Committee, may establish a settlement price at a level consistent with such other settlement prices or market information and shall prepare a written record setting forth the basis for any modification of such settlement price.

B.   MGEXpress® Contracts.

Promptly after the close of the trading session in each Futures Contract, the Exchange shall ensure that settlement prices are calculated for each contract month as follows. The settlement price shall be price consistent with the minimum fluctuations of the contract.

1.   The settlement price shall be the last trade price, unless there is a higher bid or lower offer that existed at the close of the market. If there is no trade during the day, the settlement price shall remain unchanged, unless there is a higher bid or lower offer that existed at the close of the market. In such cases, the higher bid or lower offer shall be the settlement price.

2.   If such settlement price is not consistent with the settlements in other months or with market information, or if the settlement was inaccurately determined, a new settlement price may be established at a level consistent with such other settlement prices or market information and a written record setting forth the basis for any modification of such settlement price shall be prepared.

C.   **Open Outcry/MGEXpress® Contracts.**

Settlement prices for Futures Contracts which have both Open Outcry and MGEXpress® sessions shall be determined by the trading session with the later closing time.

D.   **Reservation.**

The Exchange reserves the right to modify the settlement price prior to the start of the day's final clearing process if the settlement price arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement price is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification.

2015.00.   SETTLEMENT PREMIUMS.

Pursuant to the provisions of Rule 210.01., the Board of Directors has adopted this Regulation.

A.   **Open Outcry Contracts.**

Promptly after the close of trading in each Options Contract, Exchange staff, in conjunction with the Quotations Committee, shall compute settlement premiums as follows. The settlement premium shall be price consistent with the minimum fluctuations of the Contract.

1.   Exchange staff shall review all trades executed during the closing period, and subsequent higher bids and lower offers that were in existence at the close of the market, to determine the closing premium or range for each Contract. Exchange staff, in conjunction with the Quotations Committee, shall then determine the settlement premiums by using a theoretical pricing model.

2.   If Exchange staff, in conjunction with the Quotations Committee, believes, based on its review of the market and market conditions that the settlement premium established above is not representative of market conditions, or if the settlement premium was inaccurately determined, then Exchange staff may establish a settlement premium based on the settlement price of the underlying Futures Contract and the previously prevailing differentials:

a. among the premiums for the listed striking prices for the option month;

b. among the premiums for the different option months listed for trading; and

c. between the premium for the relevant striking price and the price of the underlying Futures Contract.

Where a settlement premium is established in accordance with this section by Exchange staff, in conjunction with the Quotations Committee, a written record shall be prepared setting forth the basis for the establishment of such settlement premium.

B.   MGEXpress® Contracts.

Promptly after the close of the trading session in each Options Contract, the Exchange shall ensure that settlement premiums are calculated as follows. The settlement premium shall be price consistent with the minimum fluctuations of the Contract.

1. The settlement premiums shall be determined by using a theoretical pricing model.

2. Based on market conditions if the settlement premium established above is not representative of market conditions, or if the settlement premium was inaccurately determined, then a new settlement premium based on the settlement price of the underlying Futures Contract and the previously prevailing differentials may be established:

a. among the premiums for the listed striking prices for the option month;

b. among the premiums for the different option months listed for trading; and

c. between the premium for the relevant striking price and the price of the underlying Futures Contract.

Where a settlement premium is established in accordance with this section, a written record shall be prepared setting forth the basis for the establishment of such settlement premium.

C.   Open Outcry/MGEXpress® Contracts

Settlement premiums for Options Contracts which have both Open Outcry and MGEXpress® sessions shall be determined by the trading session with the later closing time.

D.   Reservation.

The Exchange reserves the right to modify the settlement premium prior to the start of the day's final clearing process if the settlement premium arose from data entry errors made by or on behalf of the Exchange, and modification of the settlement premium is necessary to prevent market distortion. A written record shall be prepared setting forth the basis for any modification.

2060.00.   OFFICIAL CLOSING PERIOD: FUTURES.

The closing period shall be the last thirty (30) seconds of the <u>Spring Wheat open outcry</u> trading session.

Deleted: for both open outcry contracts and MGEXpress contracts

2061.00.   OFFICIAL CLOSING PERIOD: OPTIONS.

The closing period shall be the last sixty (60) seconds of the <u>Spring Wheat open outcry</u> trading session.

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