

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 21-590

Organization: New York Mercantile Exchange, Inc (“NYMEX”)

Filing as a: **DCM** **SEF** **DCO** **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 12/29/21 **Filing Description:** Amendments to Three (3) OPIS PCW Mont Belvieu Ethylene Futures Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

Rule Numbers:

New Product

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

Product Terms and Conditions (product related Rules and Rule Amendments)

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- “Non-Material Agricultural Rule Change” § 40.4(b)(5)
- Notification § 40.6(d)

Official Name(s) of Product(s) Affected: See filing.

Rule Numbers: See filing.

December 29, 2021

VIA ELECTRONIC PORTAL

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

**Re: CFTC Regulation 40.6(a) Certification. Amendments to Three (3) OPIS PCW Mont Belvieu Ethylene Futures Contracts.
 NYMEX Submission No. 21-590**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) amendments to three (3) OPIS PCW Mont Belvieu ethylene futures contracts (the “Contracts”) listed in the table below as a result of the OPIS PCW announcement to amend its specification for their Mont Belvieu, TX ethylene assessments effective January 3, 2022. This submission shall become effective on Friday, January 14, 2022.

Current Contract Title	Amended Contract Title	Rulebook Chapter	CME Globex/ CME ClearPort Code
Mont Belvieu Spot Ethylene In-Well (PCW) Futures	Mont Belvieu Spot Ethylene In-Well (OPIS PCW) Futures	242	MBE/MBE
Mont Belvieu Ethylene (PCW) BALMO Futures	Mont Belvieu Ethylene (OPIS PCW) BALMO Futures	587	MBB/MBB
Mont Belvieu Ethylene (PCW) Financial Futures	Mont Belvieu Ethylene (OPIS PCW) Financial Futures	602	MBR/MBN

Specifically, OPIS PCW will assess Mont Belvieu ethylene, currently published in the OPIS PCW Daily as separate prices for the NOVA and Enterprise hubs, as a single price labeled as “Mont Belvieu-Enterprise.” This change reflects the sale of the ethylene storage business located at the Energy Transfer Partners owned facility in Mont Belvieu, TX from NOVA Chemicals Corporation to Enterprise Products Partners L.P., which was announced on July 1, 2021.

As a result of the consolidation of the hubs to a single assessment, the Exchange will amend the Contracts to reflect the aforementioned changes. These amendments will have no impact on the economic value of open positions.

The Exchange is also amending the titles of the Contracts, harmonizing the format of Chapters 587 and 602 to align with other product rulebook chapters, and updating the informational specification details provided in chapter 242 to align with ethylene that is currently delivered under the Exchange’s Mont Belvieu Spot Ethylene In-Well (PCW) Futures contract.

Appendix A below provides amendments to the rulebook chapters in blackline format. Appendix B, under separate cover, provides amendments to contract titles within the Position Limit, Position Accountability, and Reportable Level Table located in Chapter 5 (“Trading Qualifications and Practices”).

The Exchange reviewed the designated contract market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“Act” or “CEA”) and identified that the rule amendments may have some bearing on the following Core Principles:

- **Compliance with Rules:** Trading in the Contracts will continue to be subject to all NYMEX Rules, including prohibitions against fraudulent, noncompetitive, unfair and abusive practices as outlined in NYMEX Rule Chapter 4, the Exchange’s trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the NYMEX Rulebook, and the dispute resolution and arbitration procedures of NYMEX Rule Chapter 6. As with all products listed for trading on one of CME Group’s designated contract markets, trading activity in the Contracts will be subject to monitoring and surveillance by CME Group’s Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.
- **Contract Not Readily Subject to Manipulation:** The Contracts are based on a cash price series that is reflective of the underlying cash market and is commonly relied on and used as a reference price by cash market brokers and commercial market participants.
- **Availability of General Information:** The Exchange shall continue to publish on its website information in regard to contract specifications, terms, and conditions, as well as daily trading volume, open interest, and price information for the Contract. In addition, the Exchange will advise the marketplace of the launch of the Contract by releasing a Special Executive Report (“SER”). The SER will also be posted on CME Group’s website.
- **Daily Publication of Trading Information:** The Exchange shall continue to make public daily information on settlement prices, volume, open interest, and opening and closing ranges for the Contract.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.6(a), the Exchange hereby certifies that the rule amendments comply 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 (212) 299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Appendix A - Amendments to NYMEX Rulebook Chapters. (blackline format)
Appendix B - Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)

Appendix A

NYMEX Rulebook

(additions underscored; deletions ~~struck through~~)

Chapter 602

Mont Belvieu Ethylene (PCW) Financial Futures

602.01. 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.

602.02. FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the PetroChem Wire Calendar Average Mont Belvieu Ethylene (Williams) Price for each business day during the contract month.

602.03. CONTRACT UNIT

The contract unit to be delivered by the seller shall be 100,000 U.S. pounds. There shall be no volume tolerance permitted under these Rules.

602.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

602.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in dollars and cents per pound. The minimum price fluctuation shall be \$.00001 (.001 cents) per pound.

602.06. TERMINATION OF TRADING

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

602.07. 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.

602.08. EXCHANGE FOR RELATED POSITION TRANSACTIONS

Any Exchange for Related Position (EFRP) transactions shall be governed by the provisions of Exchange Rule 538.

602.09. DISCLAIMER

PetroChem Wire ("PCW") licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various PCW price assessments in connection with the trading of the contracts.

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Chapter 602 **Mont Belvieu Ethylene (OPIS PCW) Futures**

602101. 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.

602102. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the arithmetic average of the quotations from the OPIS PetromChem Wire Daily for Mont Belvieu Ethylene-Enterprise for each business day that it is determined during the contract month.

602103. TRADING SPECIFICATIONS

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

602103A. Trading Schedule

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

602103B. Trading Unit

The contract quantity shall be 100,000 pounds. Each contract shall be valued as the contract quantity (100,000) multiplied by the settlement price.

602103C. Price Increments

Prices shall be quoted in U.S. dollars and cents per pound. The minimum price fluctuation shall be \$0.00001 per pound. There shall be no maximum price fluctuation.

602103D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5. A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion. Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

602103E. Termination of Trading

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

602104. 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.

602105. DISCLAIMER

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Chapter 587

Mont Belvieu Ethylene (PCW) BALMO Futures

587.01. 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.

587.02. FLOATING PRICE

The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the PetroChem Wire Calendar Average Mont Belvieu Ethylene (Williams) Price starting from the selected start date through the end of the contract month, inclusively.

587.03. CONTRACT UNIT

The contract unit to be delivered by the seller shall be 100,000 U.S. pounds. There shall be no volume tolerance permitted under these Rules.

587.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

587.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in dollars and cents per pound. The minimum price fluctuation shall be \$.00001 (.001 cents) per pound.

587.06. TERMINATION OF TRADING

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

587.07. 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.

587.08. EXCHANGE FOR RELATED POSITION TRANSACTIONS

Any Exchange for Related Position (EFRP) transactions shall be governed by the provisions of Exchange Rule 538.

587.09. DISCLAIMER

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Chapter 587

Mont Belvieu Ethylene (OPIS PCW) BALMO Futures

587101. 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.

587102. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the balance of month arithmetic average of the quotations from the OPIS PetromChem Wire Daily for Mont Belvieu Ethylene-Enterprise starting from the selected start date through the end of the contract month, inclusive.

587103. TRADING SPECIFICATIONS

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

587103A. Trading Schedule

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

587103B. Trading Unit

The contract quantity shall be 100,000 pounds. Each contract shall be valued as the contract quantity (100,000) multiplied by the settlement price.

587103C. Price Increments

Prices shall be quoted in U.S. dollars and cents per pound. The minimum price fluctuation shall be \$0.00001 per pound. There shall be no maximum price fluctuation.

587103D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5. A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion. Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

587103E. Termination of Trading

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

587104. 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.

587105. DISCLAIMER

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Chapter 242 Mont Belvieu Spot Ethylene In-Well (OPIS PCW) Futures

242100. SCOPE OF CHAPTER

This chapter is limited in application to Mont Belvieu Spot Ethylene In-Well (OPIS PCW) futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to Ethylene bought or sold for future delivery on the Exchange with delivery in Mont Belvieu, Texas.

The terms "seller" and "buyer" shall mean the seller of the physical product and the buyer of the physical product, respectively.

~~The term "Williams" shall mean Williams Olofins, L.L.C., a Delaware limited liability company, with offices at One Williams Center, Tulsa, Oklahoma 74172.~~

~~The term "Williams Enterprise Storage Facility" shall mean the storage wells in the salt structure and all associated surface facilities used in connection with storage in these wells, which are owned and operated by Lonestar NGL Energy Transfer (formerly Louis Dreyfus Highbridge (LDH)) facility in Mont Belvieu, Texas, and leased by Williams as a storage facility for Ethylene.~~

The term "Enterprise" shall mean Mont Belvieu Caverns, LLC, a Delaware limited liability company, with offices at 1100 Louisiana Street, Houston, Texas 77002

The term "Enterprise Storage Facility" shall mean the commingled storage space in the underground ethylene storage well(s) owned, operated and/or leased by Enterprise or its affiliates in Mont Belvieu, Texas, and operated by Enterprise as commercial storage facility for Ethylene.

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

242101. CONTRACT SPECIFICATIONS

Ethylene shall conform to the ~~Williams Enterprise~~ ethylene specifications as outlined below, which may be amended from time to time:

Components	Specifications (weight basis)	Test Method	Specifications (mole basis)
Ethylene (Minimum)	99.90 wt. %	ASTM-D 2505	99.90 mol %
Methane + Ethane + Nitrogen	1,000 ppm wt.	ASTM-D 2505/D-2504	
Methane	200 ppm wt.	ASTM-D 2505	350 ppm mol
Ethane	500 ppm wt.	ASTM-D 2505	465 ppm mol
Acetylene	1.5 ppm wt.	ASTM-D 2505	1.6 ppm mol

Propylene & Heavier	5 ppm wt.	ASTM-D-2505	3.3 ppm mol
Carbon-Dioxide	1.5 ppm wt.	ASTM-D-2505	1.0 ppm mol
Carbon Monoxide	0.15 ppm wt.	ASTM-D-2504	0.15 ppm mol
Water	1 ppm wt.	Panametrics	1.6 ppm mol
Total Sulfur	1 ppm wt.	ASTM-D-3246	0.9 ppm mol
Oxygen	1 ppm wt.	ASTM-D-2504	1.75 ppm mol
Hydrogen	0.4 ppm wt.	ASTM-D-2504	0.5 ppm mol
Methanol	1 ppm wt.	ASTM-D-5234	

<u>Houston Region Ethylene Specification</u>		
<u>COMPONENT</u>	<u>TEST METHODS</u>	<u>SPECIFICATION</u>
<u>Ethylene</u>	<u>ASTM D6159 (1) or D2505</u>	<u>99.9 Mol % min.</u>
<u>Light Inerts, (C1+C2+N2)</u>	<u>ASTM D6159 (1) and D8098 (2) or D2504/2505</u>	<u>1000 ppm mol max.</u>
<u>Acetylene</u>	<u>ASTM D6159 (1) or D2505</u>	<u>5 ppm wt. max</u>
<u>Water</u>	<u>ASTM D5454</u>	<u>1 ppm wt. max</u>
<u>Oxygen / Argon</u>	<u>ASTM D8098 (2) or D2504</u>	<u>1 ppm wt. max</u>
<u>Carbon Dioxide</u>	<u>ASTM D8098 (2) or D2505</u>	<u>5 ppm wt. max</u>
<u>Carbon Monoxide</u>	<u>ASTM D8098 (2) or D2504</u>	<u>3 ppm wt. max</u>
<u>Hydrogen</u>	<u>ASTM D8098 (2) or D2504</u>	<u>5 ppm wt. max</u>
<u>Propylene and Heavier</u>	<u>ASTM D6159 (1) or D2504</u>	<u>10 ppm wt. max</u>
<u>Total Volatile Sulfur</u>	<u>ASTM D6667 (3)</u>	<u>1 ppm wt. max</u>
<u>Ammonia</u>	<u>Colorimetric (4)</u>	<u>1 ppm wt. max</u>
<u>Methanol</u>	<u>ASTM D7423 (5)</u>	<u>1 ppm wt. max</u>

Notes:

- (1) ASTM D6159 or equivalent
- (2) ASTM D8098 or equivalent
- (3) ASTM D6667 or equivalent
- (4) Colorimetric method, i.e. Super C, SPM-Flex, Nessler, or equivalent
- (5) ASTM D7423 or equivalent

Notes on Test Methods:

Method number listed above, beginning with the letter "D," are American Society for Testing and Materials (ASTM), Standard Test Procedures. The most recent year revision for the procedures will be used. MBC may have modified and reserves the right to modify without notice the specified test procedures; provided, however, that any test procedure so modified provides sensitivity and reproducibility reasonably equivalent to the current procedure.

242102.

TRADING SPECIFICATIONS

Trading in Mont Belvieu Spot Ethylene In-Well (OPIS PCW) futures is regularly conducted in all calendar months. The number of months open for trading at a given time shall be determined by the Exchange.

242102.A. Trading Schedule

The hours for trading shall be determined by the Exchange.

242102.B. Trading Unit

The unit of trading shall be 100,000 U.S. pounds. There shall be no volume tolerance permitted under these rules.

242102.C. Price Increments

The minimum price fluctuation shall be \$0.00001 (0.001¢) per pound. Prices shall be quoted in dollars and cents per pound.

242102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

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

242102.E. Termination of Trading

No trades in Mont Belvieu Spot Ethylene In-Well (OPIS PCW) futures in the expiring contract month shall be made after the second-to-last business day of the expiring contract month (the "last trade date"). In the event that the originally listed last trade date is declared a holiday, the last trade date will move to the business day immediately prior. Any contracts remaining open after the last trade date must be either:

- (A) Settled by delivery which shall take place on the last business day of the delivery month.
- (B) Liquidated by means of a bona fide Exchange for Related Position ("EFRP") pursuant to Rule 538. An EFRP is permitted in an expired futures contract until 3:30 p.m. on the last trade date of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

242103. INSPECTION

Inspection of product shall be conducted in accordance with ~~Williams'~~ Enterprise's standard operating practice.

242104. DELIVERY

Delivery shall be made free-on-board ("F.O.B.") at the ~~Williams~~ Enterprise Storage Facility in Mont Belvieu, Texas, or, with the mutual agreement of the buyer and the seller, at any pipeline or storage facility in Mont Belvieu, Texas. Delivery shall be made with all applicable Federal, State and local laws and regulations.

For the purposes of this rule, the term F.O.B. shall mean a delivery in which the seller delivers Ethylene to the buyer that shall be free and clear of all liens, claims, encumbrances, fees and other charges.

The title to, and the risk of loss of, Ethylene shall be passed between counterparties on the effective date specified in the transfer document.

Delivery shall be made by any of the following methods: (1) by "in-well" transfer in the ~~Williams~~ Enterprise Storage Facility, by mutual agreement of the buyer and seller; (2) by book transfer, provided that both the buyer and the seller mutually agree to such transfer. For purposes of this rule, book transfer is defined as a book adjustment effecting a title transfer between seller and buyer; or (3) at any delivery location in Mont Belvieu, by mutual agreement of the counterparties.

242105. DELIVERY PROCEDURES

242105.A. Notices of Intention to Deliver and Notices of Intention to Accept

1. Notice of Intention to Deliver

By 4:00 p.m. on the last trade date, Exchange clearing members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver. The Notice

of Intention to Deliver must be in the form prescribed by the Exchange and must include: the name of the seller(s); the number of contracts to be delivered; and shall also provide any additional information as may be required by the Exchange.

2. Notice of Intention to Accept

By 4:00 p.m. on the last trade date, Exchange clearing members having open long positions shall provide the Clearing House with a Notice of Intention to Accept. The Notice of Intention to Accept must be in the form prescribed by the Exchange and must include: the name of the buyer(s); the number of contracts to be accepted; and shall also provide any additional information as may be required by the Exchange.

242105.B. Notice Day

The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions and preferred locations, to the extent possible. The Clearing House shall provide Assignment Allocation Notices to the respective clearing members no later than 6:00 p.m. on the last trade date. The day on which the Assignment Allocation Notices are provided to the clearing members shall be referred to as "Notice Day". Assignment Allocation Notices are not transferable.

242105.C. Buyer's Clearing Member Delivery Instructions

As soon as possible after receipt from the Exchange of an Assignment Allocation Notice, but no later than 10:00 a.m. on the last business day of the contract month, the buyer's clearing member shall provide the Clearing House and the seller's clearing member identified in such Assignment Allocation Notice properly completed Delivery Instructions, in the form prescribed by the Exchange, which must include the following information: the name of seller(s); the assignment number; the seller's choice of eligible facility; the number of contracts to be delivered; the method of delivery; and any additional information as may be required by the Exchange.

242105.D. Amendment to Delivery Instructions

Except as provided in this section 105.D, Notices of Intention to Deliver and Notices of Intention to Accept may not be amended after they have been provided to the counterparty and the Clearing House. However, upon mutual consent of the parties and upon written notice to the Clearing House, the parties may change the delivery facility and/or the method of delivery named by the buyer.

Any such changes must be made on the form prescribed by the Exchange. Any changes made with respect to the foregoing must be made in conformance with all contract requirements and specifications no later than 10:00 a.m. on the last business day of the contract month.

242105.E. Final Settlement Price

The final settlement price for the delivery month shall be the OPIS Petrochem Wire ("OPIS PCW") closing price on the last trade date. The final settlement price shall be the basis for delivery.

242106. TIMING OF DELIVERY

Delivery shall take place on the last business day of the expiring contract month.

242107. DELIVERY MARGIN AND PAYMENT

242107.A. Margin

On the first business day following the last trade date, the clearing member shall obtain from any buyer margin equal to the full value of the product to be delivered and the clearing member shall obtain from any seller margin in an amount fixed, from time to time, by the Exchange.

The buyer's clearing member and the seller's clearing member shall deposit with the Clearing House margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the business day following notification to the Exchange that delivery and payment have been completed.

242107.B. Payment

No later than 12:00 p.m. on the fifth business day following completion of delivery, the buyer

shall pay the short contract value by federal funds wire transfer to the account of the seller at the bank nominated by the seller. The term "contract value" shall mean the amount equal to the Final Settlement Price times one hundred thousand (100,000) times the number of contracts to be delivered. Upon receipt of payment, the seller shall provide the buyer with all appropriate documents necessary to transfer ownership of the product to the buyer.

242108. 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, check or any document or instrument delivered pursuant to these rules.

242109. ALTERNATIVE DELIVERY PROCEDURES

A seller and buyer matched by the Exchange under Section 105.B. may agree 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 and 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 rules of this Chapter and any other rules regarding physical delivery.

In executing such notice, clearing members shall indemnify the Exchange against any liability, cost or expense the Exchange 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.

242110. DISCLAIMER

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Appendix B

NYMEX Rulebook

Chapter 5

(“Trading Qualifications and Practices”)

Position Limit, Position Accountability, and Reportable Level Table

(attached under separate cover)