CME Group

January 4, 2011

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 #10-401: Notification Regarding the Listing of Three (3) Petroleum Average Price Option Contracts for Open Outcry Trading and for Clearing through CME ClearPort®

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 the listing of three new average price option contracts: (1) Chicago Ethanol (Platts) Average Price Option (Rule Chapter 422; Code CVR), (2) NY Ethanol Average Price Option (Rule Chapter 423; Code NVP), and (3) Gulf Coast Jet Fuel (Platts) Average Price Option (Rule Chapter 424; Code GVR) for open outcry trading and for submission for clearing through CME ClearPort beginning at 6:00 p.m. on Sunday, January 9, 2011 for trade date Monday, January 10, 2011.

Upon expiration, these contracts will be financially settled against their underlying futures contracts: (1) Chicago Ethanol (Platts) Swap Futures, (2) NY Ethanol (Platts) Swap Futures and (3) Gulf Coast Jet Fuel (Platts) Calendar Swap Futures. The following will be the contract terms:

Contract Name	Chicago Ethanol (Platts) Average Price Option	NY Ethanol (Platts) Average Price Option	Gulf Coast Jet Fuel (Platts) Average Price Option
Rule Chapter	422	423	424
Contract Code	CVR	NVP	GVR
Minimum Price Increments	$0.0001 per gallon	$0.0001 per gallon	$0.0001 per gallon
Strike Price Interval	$0.001 per gallon	$0.001 per gallon	$0.001 per gallon
Underlying Contract	Chicago Ethanol (Platts) Swap Futures	NY Ethanol (Platts) Swap Futures	Gulf Coast Jet Fuel (Platts) Calendar Swap Futures
Contract Size	42,000 gallons	42,000 gallons	42,000 gallons

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rules 40.2 and 40.6, the Exchange hereby certifies that the attached contracts comply with the Act, including regulations under the Act. These contracts will become effective on trade date January 10, 2011.

Should you have any questions concerning the above, please contact Bob Biolsi at 212-299-2610 or me at 212-299-2200.

Very truly yours,

/s/ Christopher K. Bowen
Managing Director, Chief Regulatory Counsel

Attachments: Contract terms and conditions
Cash market overview and analysis of deliverable supply

Chapter 422
Chicago Ethanol (Platts) Average Price Option

422.01 EXPIRATION

A Chicago Ethanol (Platts) Average Price Option on the Exchange shall expire at the close of trading on the last business day of the calendar month. The expiration date shall be announced prior to the listing of the option contract.

422.02 TRADING UNIT

A Chicago Ethanol (Platts) Average Price Call Option traded on the Exchange represents the differential between the final settlement price of the underlying Chicago Ethanol (Platts) Swap Future less the strike price, or zero whichever is greater, multiplied by 42,000 gallons. A Chicago Ethanol (Platts) Average Price Put Option represents the differential between the strike price and the final settlement price of the underlying Chicago Ethanol (Platts) Swap Futures, or zero, whichever is greater, multiplied by 42,000 gallons.

422.03 TRADING MONTHS

Trading in Chicago Ethanol (Platts) Average Price Option shall be conducted in the months as shall be determined by the Exchange.

422.04 STRIKE PRICES

Trading shall be conducted for options with strike prices in increments as set forth below.

(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 Chicago Ethanol (Platts) Swap Futures contracts in the corresponding delivery month rounded off to the nearest one-tenth cent increment strike price unless such settlement price is precisely midway between two one-tenth cent increment strike prices in which case it shall be rounded off to the lower one-tenth cent increment strike price and (ii) the five one-tenth cent increment strike prices which are five increments higher than the strike price described in (i) of this Rule 422.04 (A) and (iii) the five one-tenth cent increment strike prices which are five increments lower than the strike price described in (i) of this Rule 422.04.

(B) Thereafter, on any business day prior to the expiration of the option, new consecutive one-tenth cent increment strike prices for both puts and calls will be added such that at all times there will be at least five one-tenth cent increment strike prices above and below the at-the-money strike price available for trading in all options contract months.

(C) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in Chicago Ethanol (Platts) 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 Chicago Ethanol (Platts) Average Price Options in which no new strike prices may be introduced.

422.05 PRICES

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 per contract.

422.06 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in Chicago Ethanol (Platts) Average Price Option shall not be subject to price fluctuation limitations.

Chapter 423
NY Ethanol (Platts) Average Price Option

423.01 EXPIRATION

A NY Ethanol (Platts) Average Price Option on the Exchange shall expire at the close of trading on the last business day of the calendar month. The expiration date shall be announced prior to the listing of the option contract.

423.02 TRADING UNIT

A NY Ethanol (Platts) Average Price Call Option traded on the Exchange represents the differential between the final settlement price of the underlying NY Ethanol (Platts) Swap Future less the strike price, or zero whichever is greater, multiplied by 42,000 gallons. A NY Ethanol (Platts) Average Price Put Option represents the differential between the strike price and the final settlement price of the underlying NY Ethanol (Platts) Swap Futures, or zero, whichever is greater, multiplied by 42,000 gallons.

423.03 TRADING MONTHS

Trading in NY Ethanol (Platts) Average Price Option shall be conducted in the months as shall be determined by the Exchange.

423.04 STRIKE PRICES

Trading shall be conducted for options with strike prices in increments as set forth below.

(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 Ethanol (Platts) Swap Futures contracts in the corresponding delivery month rounded off to the nearest one-tenth cent increment strike price unless such settlement price is precisely midway between two one-tenth cent increment strike prices in which case it shall be rounded off to the lower one-tenth cent increment strike price and (ii) the five one-tenth cent increment strike prices which are five increments higher than the strike price described in (i) of this Rule 423.04 (A) and (iii) the five one-tenth cent increment strike prices which are five increments lower than the strike price described in (i) of this Rule 423.04.

(B) Thereafter, on any business day prior to the expiration of the option, new consecutive one-tenth cent increment strike prices for both puts and calls will be added such that at all times there will be at least five one-tenth cent increment strike prices above and below the at-the-money strike price available for trading in all options contract months.

(C) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in NY Ethanol (Platts) 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 Ethanol (Platts) Average Price Options in which no new strike prices may be introduced.

423.05 PRICES

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 per contract.

423.06 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in NY Ethanol (Platts) Average Price Option shall not be subject to price fluctuation limitations.

Chapter 424
Gulf Coast Jet Fuel (Platts) Average Price Option

424.01 EXPIRATION

A Gulf Coast Jet Fuel (Platts) Average Price Option on the Exchange shall expire at the close of trading on the last business day of the calendar month. The expiration date shall be announced prior to the listing of the option contract.

424.02 TRADING UNIT

A Gulf Coast Jet Fuel (Platts) Average Price Call Option traded on the Exchange represents the differential between the final settlement price of the underlying Gulf Coast Jet Fuel (Platts) Calendar Swap Future less the strike price, or zero whichever is greater, multiplied by 42,000 gallons. A Gulf Coast Jet Fuel (Platts) Average Price Put Option represents the differential between the strike price and the final settlement price of the underlying Gulf Coast Jet Fuel (Platts) Calendar Swap Futures, or zero, whichever is greater, multiplied by 42,000 gallons.

424.03 TRADING MONTHS

Trading in Gulf Coast Jet Fuel (Platts) Average Price Option shall be conducted in the months as shall be determined by the Exchange.

424.04 STRIKE PRICES

Trading shall be conducted for options with strike prices in increments as set forth below.

(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 Gulf Coast Jet Fuel (Platts) Calendar Swap Futures contracts in the corresponding delivery month rounded off to the nearest one-tenth cent increment strike price unless such settlement price is precisely midway between two one-tenth cent increment strike prices in which case it shall be rounded off to the lower one-tenth cent increment strike price and (ii) the ten one-tenth cent increment strike prices which are ten increments higher than the strike price described in (i) of this Rule 424.04 (A) and (iii) the ten one-tenth cent increment strike prices which are ten increments lower than the strike price described in (i) of this Rule 424.04.

(B) Thereafter, on any business day prior to the expiration of the option, new consecutive one-tenth cent increment strike prices for both puts and calls will be added such that at all times there will be at least ten one-tenth cent increment strike prices above and below the at-the-money strike price available for trading in all options contract months.

(C) Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in Gulf Coast Jet Fuel (Platts) 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 Gulf Coast Jet Fuel (Platts) Average Price Options in which no new strike prices may be introduced.

424.05 PRICES

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 per contract.

424.06 ABSENCE OF PRICE FLUCTUATION LIMITATIONS

Trading in Gulf Coast Jet Fuel (Platts) Average Price Option shall not be subject to price fluctuation limitations.

CASH MARKET OVERVIEW

Index Provider

Platts, a division of The McGraw-Hill Companies, Inc. ("Platts") is the price reporting service used for the final settlement of nine new petroleum futures contracts. Platts is one of the major pricing services used in the over-the-counter (OTC) market for the pricing of swap contracts, and the methodology utilized by Platts is well-known in the oil industry. Their pricing methodology[1] is derived from telephone surveys and electronic data collected from multiple market participants to determine market value. Platts has a long-standing reputation in the industry for price benchmarks that are fair and not manipulated. CME Group is a party to license agreements with Platts to utilize their pricing data.

New York Harbor and Chicago Ethanol

Production

Based on U.S. Energy Information Administration ("EIA") data, the average monthly U.S. oxygenate plant production of fuel ethanol was 21,702,000 barrels (equivalent to 911,442,000 gallons) in 2009[2]. The average monthly oxygenate plant production of fuel ethanol in East Coast (PADD 1) was approximately 283,000 barrels (11,886,000 gallons), about 1.3% of the national production. The average monthly fuel ethanol oxygenate plant production in Midwest (PADD 2) for the same period was 20,510,000 barrels (861,420 thousand gallons), which is about 95% of the national production. In 2009, the monthly average production in the east coast PADD 1 region was approximately more than double the monthly average production during 2008 from 139 thousand to 283 thousand barrels. As for the Midwest (PADD 2), the production has experienced an 18% YoY growth rate. There is clearly a higher trend in production since 2008. Table I below presents data collected by EIA for Monthly East Coast (PADD 1) and Midwest (PADD 2) Oxygenate Plant Production of Fuel Ethanol.

[1] https://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/usoilproductspecs.pdf
[2] EIA Monthly U.S. Oxygenate Plant Production of Fuel Ethanol
http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=M_EPOOXE_YOP_NUS_1&f=M

Table I. Selected Statistics for Monthly Oxygenate Plant Production of Fuel Ethanol (Thousand Barrels)

Date	East Coast (PADD 1) Net Production[3]	Midwest (PADD 2) Net Production[4]
Jan-07	NA	11,242
Feb-07	NA	10,460
Mar-07	NA	11,514
Apr-07	NA	11,346
May-07	NA	12,181
Jun-07	NA	12,176
Jul-07	NA	12,678
Aug-07	NA	13,128
Sep-07	NA	12,793
Oct-07	NA	13,613
Nov-07	NA	13,962
Dec-07	81	14,574
2007 Average	**NA**	**12,472**
Jan-08	101	15,332
Feb-08	96	14,737
Mar-08	91	16,618
Apr-08	113	16,069
May-08	117	17,474
Jun-08	115	16,449
Jul-08	110	17,809
Aug-08	110	18,656
Sep-08	101	18,046
Oct-08	156	18,668
Nov-08	278	18,514
Dec-08	277	18,832
2008 Average	**139**	**17,267**
Jan-09	298	18,084
Feb-09	267	17,172
Mar-09	299	18,990
Apr-09	270	18,350
May-09	271	19,920
Jun-09	272	20,074
Jul-09	250	21,801
Aug-09	292	21,967
Sep-09	303	21,079

[3] EIA Monthly East Coast (PADD 1) Oxygenate Plant Production of Fuel Ethanol
http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=M_EPOOXE_YOP_R10_1&f=M
[4] EIA Monthly Midwest (PADD 2) Oxygenate Plant Production of Fuel Ethanol
http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=M_EPOOXE_YOP_R20_1&f=M

Date	East Coast (PADD 1) Net Production	Midwest (PADD 2) Net Production
Oct-09	282	22,176
Nov-09	288	22,788
Dec-09	306	23,717
2009 Average	**283**	**20,510**
Jan-10	409	23,735
Feb-10	418	21,767
Mar-10	399	24,609
Apr-10	468	23,251
May-10	494	24,513
Jun-10	500	23,927
Jul-10	725	24,597
Aug-10	742	24,934
Sep-10	632	24,181
2010 Average	**472**	**23,544**

Inventory

Storage is an important market short term supply/demand indicator. Changes in inventory levels are used to offset imbalances between production and consumption. Table II below provides the monthly ending stocks levels of fuel ethanol in east coast (PADD 1) and Midwest (PADD 2) areas. Storage levels of east coast area (PADD 1) fluctuated between 3,632 thousand barrels (452,544 thousand gallons) to 7,520 thousand barrels (315,840 thousand gallons) since 2008. For the same period, stocks levels for the Midwest (PADD 2) area were between 4,323 thousand barrels (181,566 thousand gallons) and 7,624 thousand barrels (320,208 thousand gallons). There is also a clear trend in the growth of inventory levels of fuel ethanol in both PADD 1 and PADD 2 areas. In 2009, the average monthly ending stocks level has grown 17% in east coast (PADD 1) and 7% in Midwest (PADD 2).

Table II. Selected Statistics for Monthly Ending Stocks of Fuel Ethanol (Thousand Barrels)

Date	East Coast (PADD 1) Ending Stocks[5]	Midwest (PADD 2) Ending Stocks[6]
Jan-07	2,824	3,344
Feb-07	3,075	3,344
Mar-07	2,835	3,333
Apr-07	3,096	3,307

[5] EIA Monthly East Coast (PADD 1) Ending Stocks of Fuel Ethanol
http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MFESTP11&f=M
[6] EIA Monthly Midwest (PADD 2) Ending Stocks of Fuel Ethanol
http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MFESTP21&f=M

Date	East Coast (PADD 1) Ending Stocks	Midwest (PADD 2) Ending Stocks
May-07	3,298	3,239
Jun-07	3,341	3,383
Jul-07	3,413	3,548
Aug-07	3,845	3,870
Sep-07	3,763	4,344
Oct-07	3,786	4,122
Nov-07	3,874	4,124
Dec-07	3,402	4,405
2007 Average	**3,379**	**3,697**
Jan-08	3,995	4,323
Feb-08	3,632	4,362
Mar-08	4,247	4,765
Apr-08	5,042	4,400
May-08	5,271	4,811
Jun-08	4,615	5,253
Jul-08	4,660	5,127
Aug-08	5,542	5,547
Sep-08	6,181	5,773
Oct-08	6,191	5,086
Nov-08	5,470	6,177
Dec-08	4,731	5,712
2008 Average	**4,965**	**5,111**
Jan-09	5,064	5,796
Feb-09	6,072	5,877
Mar-09	6,529	5,950
Apr-09	6,120	5,281
May-09	5,218	5,378
Jun-09	5,512	4,820
Jul-09	5,681	5,045
Aug-09	5,843	5,133
Sep-09	6,228	5,093
Oct-09	5,644	5,340
Nov-09	5,816	5,830
Dec-09	5,992	6,150
2009 Average	**5,810**	**5,474**
Jan-10	6,413	6,953
Feb-10	6,838	7,624
Mar-10	7,394	7,201
Apr-10	7,520	6,981
May-10	7,220	7,315
Jun-10	7,118	6,421

Date	East Coast (PADD 1) Ending Stocks	Midwest (PADD 2) Ending Stocks
Jul-10	6,648	6,074
Aug-10	6,448	5,617
Sep-10	6,441	5,857
2010 Average	**6,893**	**6,671**

Imports and Exports

Based on EIA data, the east coast (PADD 1) area has been a net importer of fuel ethanol while Midwest (PADD 2) has been a net exporter. Table III below provides monthly net receipts of fuel ethanol for both areas. In 2009, PADD 1 had an average monthly net import of 8,199 thousand barrels (344,337 thousand gallons) while PADD 2 had an average monthly net export of 13,714 thousand barrels (575,985 thousand gallons). Compared to the 2010 year-to-date (as of September) net receipts, the net imports in PADD 1 have shown a 13% increase to 9,342 thousand barrels (392,359 thousand gallons) and the net exports in PADD 2 have shown a 22% increase to 16,813 thousand barrels (706,132 thousand gallons).

Table III. Monthly Net Receipts by Pipeline, Tanker, and Barge from Other PADDs of Fuel Ethanol (Thousand Barrels)

Date	East Coast (PADD 1) Net Receipts[7]	Midwest (PADD 2) Net Receipts[8]
Jan-09	7,447	-11,835
Feb-09	7,334	-11,824
Mar-09	7,765	-12,799
Apr-09	7,280	-12,567
May-09	7,470	-12,640
Jun-09	8,265	-13,627
Jul-09	8,576	-14,149
Aug-09	8,505	-14,525
Sep-09	8,671	-14,313
Oct-09	8,648	-14,794
Nov-09	9,123	-15,207
Dec-09	9,298	-16,287
2009 Average	**8,199**	**-13,714**
Jan-10	9,385	-15,908
Feb-10	8,276	-14,857
Mar-10	9,835	-18,083

[7] EIA Monthly East Coast (PADD 1) Net Receipts by Pipeline, Tanker, and Barge from Other PADDs of Fuel Ethanol http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=M_EPOOXE_VNR_R10-Z0P_MBBL&f=M

[8] EIA Monthly Midwest (PADD 2) Net Receipts by Pipeline, Tanker, and Barge from Other PADDs of Fuel Ethanol http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=M_EPOOXE_VNR_R20-Z0P_MBBL&f=M

Date	East Coast (PADD 1) Net Receipts	Midwest (PADD 2) Net Receipts
Apr-10	9,184	-16,612
May-10	9,361	-16,914
Jun-10	9,758	-17,308
Jul-10	9,415	-17,217
Aug-10	9,569	-17,722
Sep-10	9,294	-16,693
2010 Average	**9,342**	**-16,813**

Market Participants

The ethanol market participation is diverse and includes both oil companies and ethanol producers. A partial listing is as follows:

Refiners	Traders/End Users	Brokers	Financial (Swaps)
ConocoPhillips	Louis Dreyfus	Powerline	Barclays
Valero	Vitol	Spectron	Citibank
Shell	ADM	IVG Green	Merrill Lynch
ExxonMobil	Koch	MOAB	FIMAT
BP	Noble	Progressive	
Motiva	Cargill	Biofuels Connect	
Amerada Hess	Morgan Stanley	Evolution Markets	
	Goldman Sachs	GFI Starsupply	
	Conagra		
	Northville		
	Hess Energy Trading		
	Hawkeye Renewables		
	CSC Sugar LLC		

Gulf Coast Jet Fuel

Production

In 2009, the average monthly production of jet fuel in Gulf Coast (PADD 3) area was 21,038 thousand barrels (883,596 thousand gallons), which represents approximately 50% of the national production[9]. The production has been relatively stable for the past three years (from 2007 to 2009) with an average of 21,643 thousand barrels (909,033 thousand barrels) produced annually. Table IV below presents data collected by EIA for Monthly Gulf Coast (PADD 3) Refinery and Blender Net Production of Kerosene-Type Jet Fuel.

Table IV. Selected Statistics for Monthly Gulf Coast (PADD 3) Refinery and Blender Net Production of Kerosene-Type Jet Fuel (Thousand Barrels)

Date	Gulf Coast Net Production (PADD 3)[10]
Jan-07	22,924
Feb-07	19,827
Mar-07	23,709
Apr-07	21,354
May-07	23,515
Jun-07	22,813
Jul-07	23,003
Aug-07	22,134
Sep-07	20,180
Oct-07	23,031
Nov-07	21,869
Dec-07	22,523
2007 Average	**22,240**
Jan-08	23,458
Feb-08	21,793
Mar-08	22,596
Apr-08	21,627
May-08	23,281
Jun-08	23,372
Jul-08	25,482
Aug-08	23,900
Sep-08	14,547
Oct-08	20,160

[9] EIA Monthly U.S. Refinery and Blender Net Production of Kerosene-Type Jet Fuel
http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MKJRPUS1&f=M
[10] EIA Monthly Gulf Coast (PADD 3) Refinery and Blender Net Production of Kerosene-Type Jet Fuel
http://tonto.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MKJRPP31&f=M

Date	Gulf Coast Net Production (PADD 3)
Nov-08	19,495
Dec-08	20,122
2008 Average	**21,653**
Jan-09	21,823
Feb-09	18,578
Mar-09	22,032
Apr-09	21,879
May-09	21,026
Jun-09	19,826
Jul-09	23,374
Aug-09	22,002
Sep-09	21,005
Oct-09	19,791
Nov-09	19,164
Dec-09	21,956
2009 Average	**21,038**
Jan-10	20,232
Feb-10	18,265
Mar-10	22,464
Apr-10	23,606
May-10	23,328
Jun-10	22,781
Jul-10	24,384
Aug-10	22,764
Sep-10	20,780
2010 Average	**22,067**

Inventory

Storage is key market short term supply/demand indicator. Changes in inventory levels are used to offset imbalances between production and consumption. Table V below shows the monthly ending stocks levels of jet fuel in the Gulf Coast (PADD 3) area. Storage levels fluctuated between 11,633 thousand barrels (488,586 thousand gallons) to 17,892 thousand barrels (751,464 thousand gallons) in the last three years. In 2009, the average monthly ending stocks level has grown 10% to 14,085 thousand barrels (591,574 thousand gallons) compared to the year prior. In July 2010, the monthly ending stocks level reached its record high.

Table V. Selected Statistics for Monthly Gulf Coast (PADD 3) Ending Stocks of Kerosene-Type Jet Fuel (Thousand Barrels)

Date	Gulf Coast (PADD 3) Ending Stocks[11]
Jan-07	12,791
Feb-07	13,084
Mar-07	12,907
Apr-07	12,743
May-07	12,853
Jun-07	13,780
Jul-07	13,841
Aug-07	12,749
Sep-07	11,880
Oct-07	12,411
Nov-07	12,155
Dec-07	12,068
2007 Average	**12,772**
Jan-08	12,292
Feb-08	13,237
Mar-08	13,624
Apr-08	13,778
May-08	13,896
Jun-08	13,392
Jul-08	16,318
Aug-08	15,010
Sep-08	15,648
Oct-08	14,277
Nov-08	13,376
Dec-08	14,173
2008 Average	**14,085**
Jan-09	13,036
Feb-09	12,887
Mar-09	14,358
Apr-09	14,745
May-09	15,890
Jun-09	16,463
Jul-09	17,892
Aug-09	17,723
Sep-09	17,011
Oct-09	**15,556**
Nov-09	12,791

[11] EIA Monthly Gulf Coast (PADD 3) Ending Stocks of Kerosene-Type Jet Fuel
http://tonto.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MKJSTP31&f=M

Date	Gulf Coast (PADD 3) Ending Stocks
Dec-09	13,084
2009 Average	12,907
Jan-10	12,743
Feb-10	12,853
Mar-10	13,780
Apr-10	13,841
May-10	12,749
Jun-10	11,880
Jul-10	12,411
Aug-10	12,155
Sep-10	12,068
2010 Average	**12,772**

Imports and Exports

Based on EIA data, the Gulf Coast (PADD 3) area has been a net exporter of jet fuel for decades. Table VI below provides monthly net receipts of jet fuel in the Gulf Coast area for the last three years. From 2007 to 2009, the net exports of jet fuel for the Gulf Coast (PADD 3) area fluctuated between 12,654 thousand barrels to 19,786 thousand barrels, with an average monthly export of 17,065 thousand barrels. In 2009, Gulf Coast (PADD 3) had an average monthly net exports of 16,107 thousand barrels (676,504 thousand gallons). Compared to the 2010 year-to-date (as of September) net receipts, the net exports have shown a 5% decrease to 15,281 thousand barrels (641,797 thousand gallons).

Table VI. Selected Statistics for Monthly Net Receipts by Pipeline, Tanker, and Barge from Other PADDs of Kerosene-Type Jet Fuel (Thousand Barrels)

Date	Gulf Coast Net Receipts (PADD 3)[12]
Jan-07	-18,198
Feb-07	-17,307
Mar-07	-18,896
Apr-07	-17,662
May-07	-17,875
Jun-07	-19,127
Jul-07	-19,701
Aug-07	-17,787
Sep-07	-17,938

[12] EIA Monthly Gulf Coast (PADD 3) Net Receipts by Pipeline, Tanker, and Barge from Other PADDs of Kerosene-Type Jet Fuel
http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MKJNRP31&f=M

Date	Gulf Coast Net Receipts (PADD 3)
Oct-07	-18,655
Nov-07	-19,786
Dec-07	-18,288
2007 Average	**-18,435**
Jan-08	-19,151
Feb-08	-16,684
Mar-08	-17,377
Apr-08	-17,484
May-08	-18,428
Jun-08	-16,027
Jul-08	-17,499
Aug-08	-18,219
Sep-08	-12,654
Oct-08	-15,120
Nov-08	-16,193
Dec-08	-14,984
2008 Average	**-16,652**
Jan-09	-16,866
Feb-09	-14,454
Mar-09	-16,142
Apr-09	-17,287
May-09	-16,118
Jun-09	-14,914
Jul-09	-15,762
Aug-09	-16,738
Sep-09	-17,036
Oct-09	-15,581
Nov-09	-16,981
Dec-09	-15,408
2009 Average	**-16,107**
Jan-10	-13,257
Feb-10	-14,357
Mar-10	-14,667
Apr-10	-16,439
May-10	-16,125
Jun-10	-15,996
Jul-10	-15,466
Aug-10	-16,388
Sep-10	-14,833
2010 Average	**-15,281**

Market Participants

The jet fuel cash market and OTC market participants are diverse and includes both oil companies and producers. A partial listing is as follows:

Refiners	Traders/End Users	Brokers	Financial (Swaps)
ConocoPhillips	Statoil	GFI Starsupply	Citibank
Valero	Vitol	First National	Deutsche Bank
Shell	Glencore	Echo Energy	Barclays
ExxonMobil	Northville	PVM	BNP Paribas
BP	Koch	United Energy	AIG
Sunoco	Cargill	ICAP	
Amerada Hess	Morgan Stanley	ARC Oil	
Citgo	Goldman Sachs (J. Aron)	Allied Fuels	
Chevron	Irving Oil	Oil Brokers Inc.	
	Lukoil Getty	MOAB	
	Global		
	Sprague		
	Hess Energy Trading		
	George E. Warren		
	Total		

ANALYSIS OF DELIVERABLE SUPPLY

The estimation of deliverable supply is a function of the production and net receipts. Using data supplied from EIA, Table I is used to estimate the supply of fuel ethanol in East Coast (PADD 1) and Midwest (PADD 2), while Table IV estimates the supply of jet fuel in Gulf Coast (PADD 3) area.

Based on 2010 year-to-date monthly averages, fuel ethanol production was approximately 472,000 barrels (or 19,824,000 gallon equivalents) in East Coast (PADD 1) and approximately 23,544,000 barrels (or 988,848,000 gallon equivalents) in Midwest (PADD 2). The monthly average production of jet fuel in Gulf Coast (PADD 3) area for the same period was approximately 22,067,000 barrels (or 926,814,000 gallon equivalents).

In Table III and Table VI, net receipts of fuel ethanol in East Coast (PADD 1) and Midwest (PADD 2), as well as the net receipts of jet fuel in Gulf Coast (PADD 3) area are presented. According to the 2010 year-to-date monthly averages, the net imports of fuel ethanol in East Coast (PADD 1) area were approximately 9,342,000 barrels (or 392,364,000 gallon equivalents) and the net exports of fuel ethanol in Midwest (PADD 2) were approximately 16,813,000 barrels (or 706,146,000 gallon equivalents). According to the 2010 year-to-date monthly averages, net exports of jet fuel in the Gulf Coast (PADD 3) averaged 15,281,000 barrels (or 641,802,000 gallon equivalents). Therefore, the monthly average deliverable supply of fuel ethanol is approximately 9,814,000 barrels (or 412,188,000 gallon equivalents) in the East Coast (PADD 1) area (location of New York) and the fuel ethanol deliverable supply is approximately 6,731,000 barrels (or 282,702,000 gallon equivalents) in the Midwest (PADD 2) area (location of Chicago). For Gulf Coast jet fuel, the average monthly deliverable supply is approximately 6,786,000 barrels (or 285,012,000 gallon equivalents).

The underlying futures of the proposed option contracts and their current spot month position limits are as follows:

NY Ethanol (Platts) Swap Futures	1,000 contracts
Chicago Ethanol (Platts) Swap Futures	1,000 contracts
Gulf Coast Jet Fuel (Platts) Calendar Swap Futures	1,000 contracts

The Exchange proposes the spot month position limits to be the same as, and aggregate into, the options' respective underlying futures contracts. The proposed spot month position limits for the NY Ethanol (Platts) Average Price Option, Chicago Ethanol (Platts) Average Price Option and Gulf Coast Jet Fuel (Platts) Average Price Option contracts will therefore represent approximately 10.19%, 14.86% and 14.74%of the average monthly deliverable supplies for those markets, respectively.