



CME Group
OFFICE OF THE SECRETARIAT

A CME/Chicago Board of Trade/NYMEX Company

January 7, 2010

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 # 10-001: Notification Regarding the Listing of Four (4) New Electricity Futures Contracts on CME ClearPort® and the NYMEX Trading Floor

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 four (4) new electricity swap futures contracts for trading on the NYMEX trading floor and for submission for clearing through CME ClearPort.

The four (4) new contracts, commodity codes and rule numbers are listed below:

Contract	Code	Chapter
PJM METED Zone Peak Calendar-Month Day-Ahead LMP Swap Futures	47	272
PJM METED Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures	46	273
PJM PENELEC Zone Peak Calendar-Month Day-Ahead LMP Swap Futures	49	292
PJM PENELEC Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures	50	293

The above-referenced electricity swap futures contracts will be listed beginning on Sunday, January 10, 2010 for trade date Monday, January 11, 2010. The first listed contract month for these contracts will be the February 2010 contract month. These contracts will list current year plus the next five calendar years, consecutively. A new calendar year will be added following the termination of trading in the December contract month of the current year.

In addition, the Exchange will allow Exchange for Related Position ("EFRP") transactions to be submitted through CME ClearPort clearing pursuant to the provisions of Exchange Rule 538.

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. The listing of these contracts will become effective on trade date January 11, 2010.

Should you have any questions concerning the above, please contact Brad Leach at (212) 299-2609, or me at (312) 648-5422.

Sincerely,

/s/ Stephen M. Szarmack
 Regulatory Counsel

Attachments: Contract Terms and Conditions
 Supplemental Market Information

Chapter 272

PJM METED Zone Peak Calendar-Month Day-Ahead LMP Swap Futures

272.01. 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.

272.02. FLOATING PRICE

The Floating Price for each contract month will be equal to the arithmetic average of the PJM METED Zone Day-Ahead LMP for peak hours provided by PJM Interconnection, LLC (PJM) for the contract month. For settlement of this contract, the prices provided by PJM will be considered final on the payment date stated in Rule 272.10 and will not be subject to any further adjustment.

272.03. PEAK DAYS

"Peak day" shall mean a Monday through Friday, excluding North American Electric Reliability Corporation holidays.

272.04. PEAK HOURS

From Hour Ending (HE) 0800 Eastern Prevailing Time (EPT) through HE 2300 EPT.

272.05. CONTRACT QUANTITY AND VALUE

The contract quantity shall be 80 Megawatt hours (MWh) and is based on 5 megawatts for peak daily hours.

Transaction sizes for trading in any delivery month shall be restricted to whole number multiples of the number of peak days in the month.

Each futures contract shall be valued at the contract quantity multiplied by the settlement price.

272.06. CONTRACT MONTHS

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

272.07. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$0.05 per MWh. There shall be no maximum price fluctuation.

272.08. TERMINATION OF TRADING

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

272.09. 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.

272.10. PAYMENT DATE

Five (5) business days following each contract month.

272.11. EXCHANGE OF FUTURES FOR RELATED POSITION TRANSACTIONS

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

Chapter 273

PJM METED Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures

273.01. 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.

273.02. FLOATING PRICE

The Floating Price will be determined for each contract month. The Floating Price will be equal to the arithmetic average of the PJM METED Zone Day-Ahead LMP provided by PJM Interconnection, LLC (PJM) for all off-peak hours in the contract month. For settlement of this contract, the prices provided by PJM will be considered final on the payment day stated in Rule 273.09 and will not be subject to any further adjustment.

273.03. OFF-PEAK DAYS AND HOURS

Off-Peak shall mean Monday through Friday Hour Ending (HE) 0100-0700 and 2400 Eastern Prevailing Time (EPT) Saturday-Sunday HE 0100-2400 EPT including North American Electric Reliability Corporation holidays.

273.04. CONTRACT QUANTITY AND VALUE

The contract quantity shall be 5 Megawatts hours (MWh). Transaction sizes for trading in any delivery month shall be restricted to whole number multiples of the number of off-peak hours in the month.

Each futures contract shall be valued at the contract quantity multiplied by the settlement price.

273.05. CONTRACT MONTHS

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

273.06. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$0.05 per MWh. There shall be no maximum price fluctuation.

273.07. TERMINATION OF TRADING

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

273.08. 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.

273.09. PAYMENT DATE

Five (5) business days following each contract month.

273.10. EXCHANGE OF FUTURES FOR RELATED POSITION TRANSACTIONS

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

Chapter 292

PJM PENELEC Zone Peak Calendar-Month Day-Ahead LMP Swap Futures

292.01. 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.

292.02. FLOATING PRICE

The Floating Price for each contract month will be equal to the arithmetic average of the PJM PENELEC Zone Day-Ahead LMP for peak hours provided by PJM Interconnection, LLC (PJM) for the contract month. For settlement of this contract, the prices provided by PJM will be considered final on the payment date stated in Rule 292.10 and will not be subject to any further adjustment.

292.03. PEAK DAYS

"Peak day" shall mean a Monday through Friday, excluding North American Electric Reliability Corporation holidays.

292.04. PEAK HOURS

From Hour Ending (HE) 0800 Eastern Prevailing Time (EPT) through HE 2300 EPT.

292.05. CONTRACT QUANTITY AND VALUE

The contract quantity shall be 80 Megawatt hours (MWh) and is based on 5 megawatts for peak daily hours.

Transaction sizes for trading in any delivery month shall be restricted to whole number multiples of the number of peak days in the month.

Each futures contract shall be valued at the contract quantity multiplied by the settlement price.

292.06. CONTRACT MONTHS

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

292.07. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$0.05 per MWh. There shall be no maximum price fluctuation.

292.08. TERMINATION OF TRADING

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

292.09. 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.

292.10. PAYMENT DATE

Five (5) business days following each contract month.

292.11. EXCHANGE OF FUTURES FOR RELATED POSITION TRANSACTIONS

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

Chapter 293

PJM PENELEC Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures

293.01. 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.

293.02. FLOATING PRICE

The Floating Price will be determined for each contract month. The Floating Price will be equal to the arithmetic average of the PJM PENELEC Zone Day-Ahead LMP provided by PJM Interconnection, LLC (PJM) for all off-peak hours in the contract month. For settlement of this contract, the prices provided by PJM will be considered final on the payment day stated in Rule 293.09 and will not be subject to any further adjustment.

293.03. OFF-PEAK DAYS AND HOURS

Off-Peak shall mean Monday through Friday Hour Ending (HE) 0100-0700 and 2400 Eastern Prevailing Time (EPT) Saturday-Sunday HE 0100-2400 EPT including North American Electric Reliability Corporation holidays.

293.04. CONTRACT QUANTITY AND VALUE

The contract quantity shall be 5 Megawatts hours (MWh). Transaction sizes for trading in any delivery month shall be restricted to whole number multiples of the number of off-peak hours in the month.

Each futures contract shall be valued at the contract quantity multiplied by the settlement price.

293.05. CONTRACT MONTHS

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

293.06. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per MWh. The minimum price fluctuation shall be \$0.05 per MWh. There shall be no maximum price fluctuation.

293.07. TERMINATION OF TRADING

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

293.08. 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.

293.09. PAYMENT DATE

Five (5) business days following each contract month.

293.10. EXCHANGE OF FUTURES FOR RELATED POSITION TRANSACTIONS

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

Supplemental Market Information

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is self-certifying the listing of four (4) new electricity swap futures contracts for trading on the NYMEX trading floor and for submission for clearing through CME ClearPort®. The contracts are based on the PJM METED and PENELEC zones on a day-ahead basis for peak and off-peak hours as provided by PJM. These energy markets are described in greater detail below.

PJM

PJM is an independent Regional Transmission Organization (RTO) that plays a vital role in the U.S. electric system by providing its membership opportunities for buying and selling power, arranging transmission service, and allowing the use of larger and more efficient generating units. PJM also manages a sophisticated regional planning process for generation and transmission expansion. PJM coordinates the movement of electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia. With the implementation of the PJM Open Access Transmission Tariff on April 1, 1997, PJM began operating the nation's first regional, bid-based hourly energy market. PJM enables participants to buy and sell energy, schedule transactions and reserve transmission service. PJM provides accounting and billing services for these transactions using information supplied by each member utility. In addition, it operates the competitive wholesale energy market for the region and facilitates open access to transmission. Electricity suppliers who sell electricity to customers within the PJM zones must become Load Serving Entity (LSE) members of PJM, or contract with a third party LSE. The PJM Energy Market comprises all types of energy transactions, including the sale or purchase of energy in PJM's Day-Ahead and Real-Time Energy Markets, bilateral and forward markets and self-supply. These markets provide key benchmarks against which market participants may measure results of transactions in other markets. The Exchange already has PJM day-ahead and real-time futures contracts listed on its platforms.

PJM Interconnection LLC offers two basic energy markets for electricity participants: spot or real-time; and energy forward market which is known as the day-ahead market. In the real-time market, market participants enter bids and offers which are matched by PJM. Market clearing prices are generated by PJM which are posted on the PJM website. The day-ahead market operates through bids and offers for delivery during hours in the next day. PJM provides a market clearing function related to the submitted bids and offers and posts 24 hourly prices for the next PJM day. The real-time and day-ahead PJM markets are interrelated as actual generation and load may differ from forecasted generation and load expressed in the day-ahead market. Bids and offers in the real-time market provide the mechanism for the forecasted/actual differences.

PENELEC Zone

Pennsylvania Electric Company (Penelec) has provided electric service since 1919. The largest region of any FirstEnergy operating company, PENELEC serves customers in a 17,600-square-mile-area of western, northern, and south-central Pennsylvania, as well as customers in the Waverly, New York area.

METED Zone

Met-Ed has provided electrical service since 1922. Met-Ed serves customers in a 3,300-square-mile-area of eastern and south-central Pennsylvania.

Cash Market/OTC Market Data

Exchange staff has reviewed both the relevant cash and over-the-counter (OTC) markets for these products. In general, it appears that the OTC derivatives markets for these products are less developed than the cash markets. That stated, we believe that the cash markets are sufficiently robust to provide underlying support for the listing of futures contracts.

Table 1, below, indicates the size of the physical and commercial markets for the PJM PENELEC and METED Zones. The data is derived from quarterly power marketer filings required by the Federal Energy Regulatory Commission (FERC). These filings report provide the total MWh volume at named delivery locations. Reporting of market-based activity to FERC includes both cash and OTC markets. The filings

do not segment the reported transactions by peak/off-peak or transaction duration. Platts obtains the quarterly filings and publishes the aggregation.

Table 1

Contract	MWh	MWh Per Month	Peak Adjustment	60% Day-Ahead Adjustment	Peak 80 MWh	Off-Peak 5 MWh
PJM METED Zone	3,638,964	1,212,988	606,494	727,793	9,097	145,559
PJM PENELEC Zone	8,973,277	2,991,092	1,495,546	1,794,655	22,433	358,931

Position Limits

The following points explain the analysis applied to develop the spot limits:

- There are two basic types of futures contracts being submitted: peak and off-peak. For each, the underlying unit is 5 megawatts per hour. The peak contract is the financial equivalent of 5 MW per hour for each peak hour of a peak day—16 hours in total—leading to a contract size of 80 megawatt-hours (MWh). The off-peak contract is structured as one off-peak hour with a contract size of 5 MWh.
- There are restrictions placed on transaction sizes of the peak contracts. Transactions of the peak contract must be conducted in multiples of the number of peak days in the contract month. This can range from 19-23 peak days. The combination of contract size and these transaction conditions will provide market participants with futures contracts that satisfy the need for a lower unit and a monthly commercial contract structure. Transactions of the off-peak contract are restricted to the total number of off-peak hours in the transaction month—approximately 390 hours depending on the month. The combination of contract size and these transaction conditions will provide market participants with futures contracts that satisfy the need for a lower unit and a monthly commercial contract structure.
- Peak day shall mean a Monday through Friday, excluding North American Electric Reliability Corporation holidays. Peak Hours shall cover from Hour Ending (HE) 0800 Eastern Prevailing Time (EPT) through HE 2300 EPT.
- Off-Peak shall mean Monday through Friday Hour Ending (HE) 0100-0700 and 2400 Eastern Prevailing Time (EPT) and Saturday through Sunday HE 0100-2400 EPT including North American Electric Reliability Corporation holidays.
- Reporting of market based activity to FERC includes both cash and OTC markets. These filing report total MWh volume and do not segment the reports transactions by peak. Platts obtains the quarterly filings and publishes the aggregation. Table 1 below includes information from the second quarter of 2009, the most current report available.
- Day-Ahead load represents approximately 60% of total system load as opposed to 40% for Real-Time.

Table 2 below reflects the proposed expiration month position limits which are certified under separate submission/

Table 2

Expiration Month Position Limits	Peak Position Limits	Off-Peak Position Limits
PJM METED	2,000	40,000
PJM PENELEC	2,000	40,000

Prices

The charts below include the spot prices for PJM METED and PENELEC Zones.

Chart 1

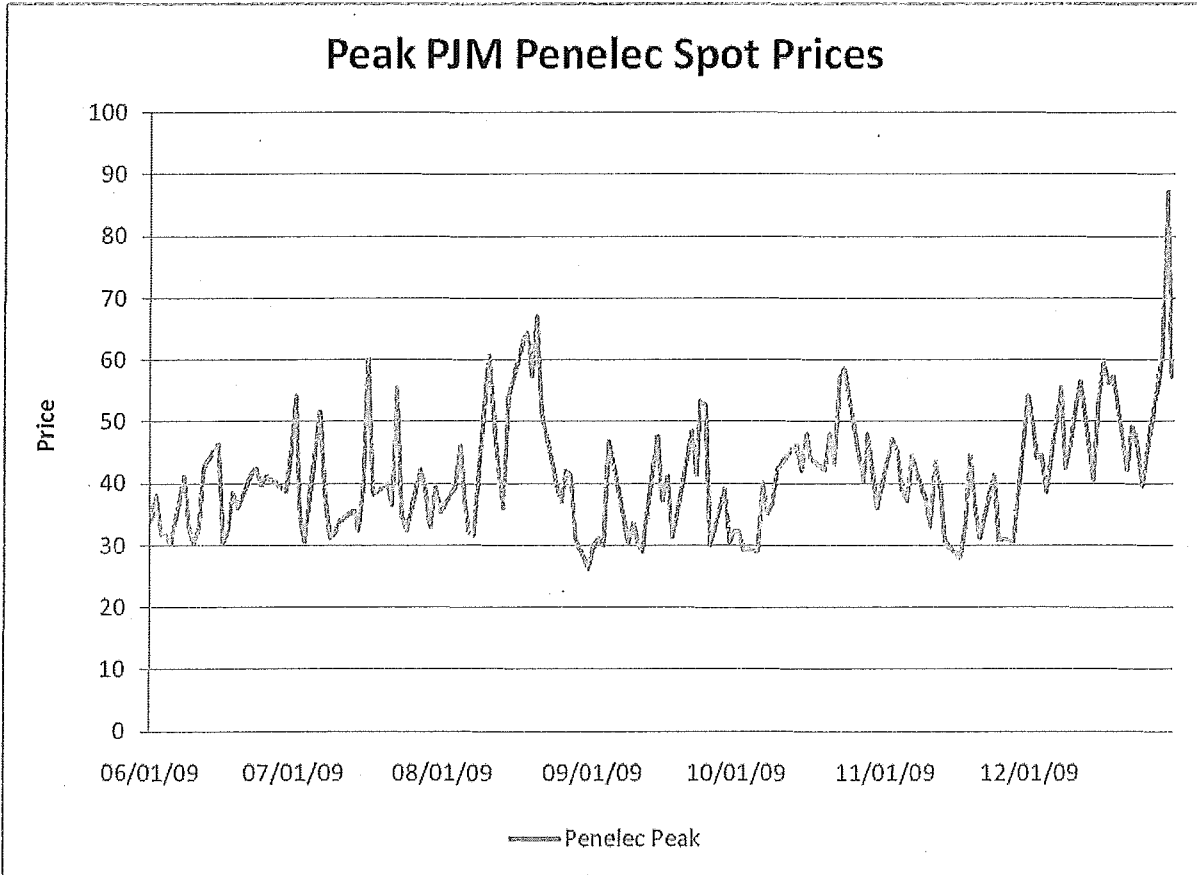


Chart 2

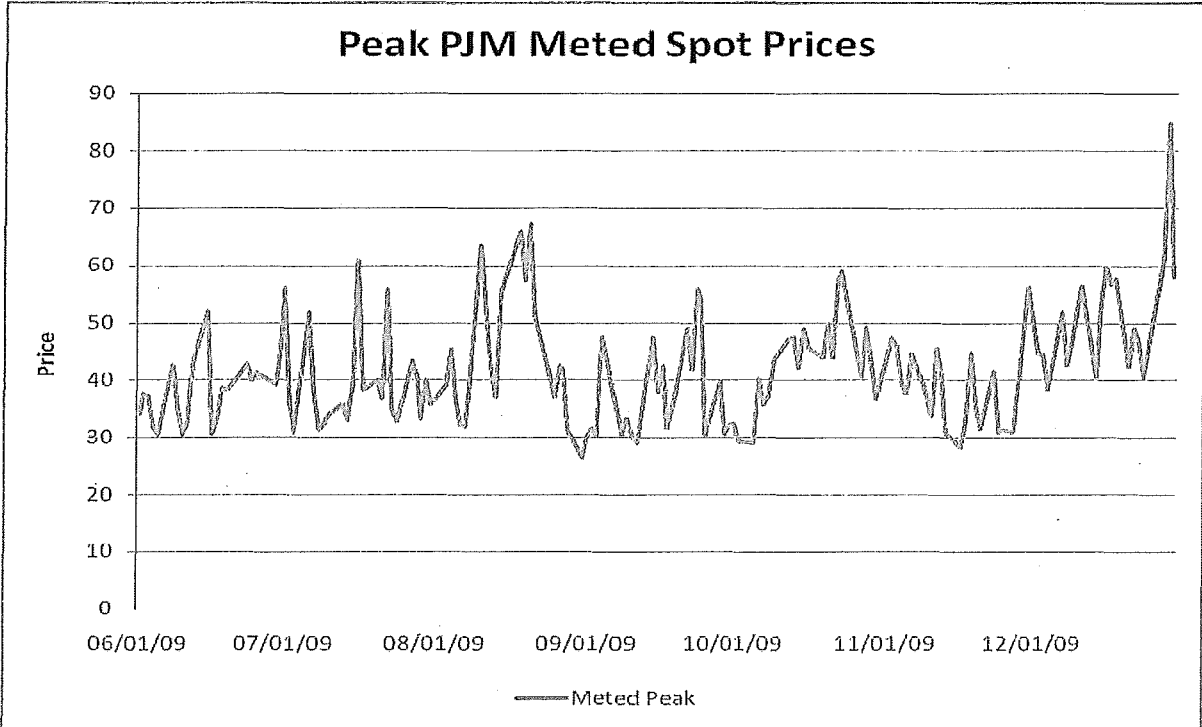


Chart 3

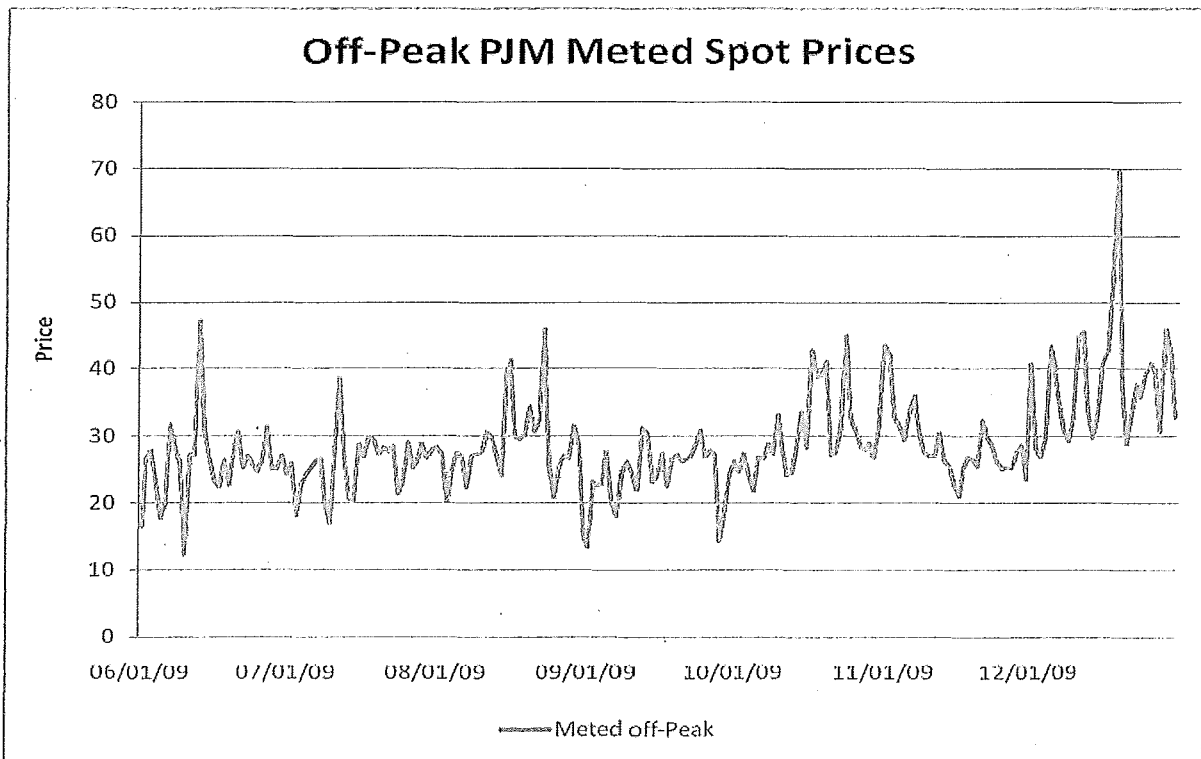
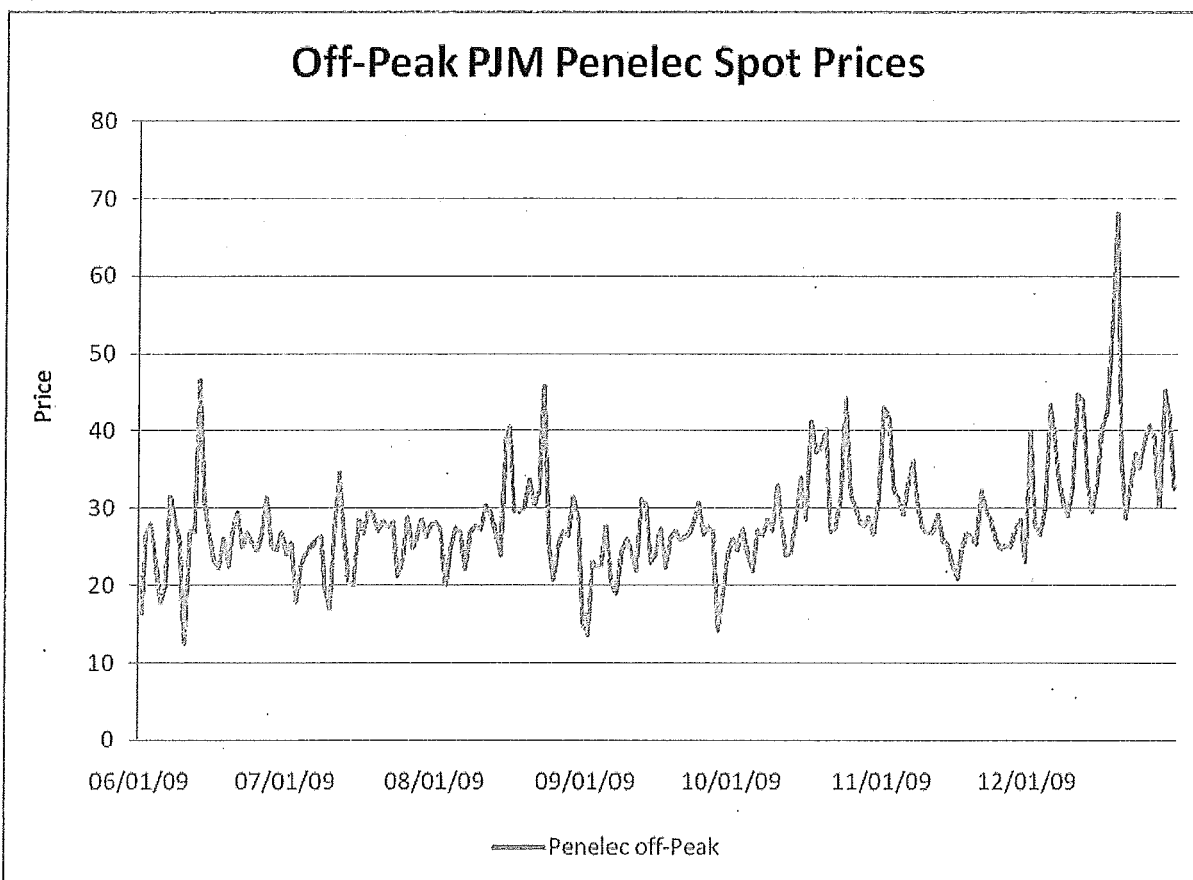


Chart 4



PJM Electricity Market Participants

Retail Providers	Generation Operators	Marketers	Financial Participants	OTC Brokers
Reliant Energy Retail Services	Entergy Gulf States	Constellation Energy Group	Merrill Lynch	Amerex
TXU Energy Retail Co.	Lower Colorado River Authority	British Petroleum	Goldman Sachs	ICAP
Constellation NewEnergy	NRG Texas	NRG Texas	Deutsche Bank	Prebon
City of San Antonio	STP Nuclear Operating Co.	Entergy Koch	UBS	IVG
Entergy Gulf States	TXU Generation Co.	Green Mountain Energy	JP Morgan	TFS

Reference

www.pjm.com