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February 5, 2009

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 # 09.13:
Notification of Replacement of Third-Party Reference from Natural Gas
Intelligence to Platts Inside F.E.R.C. in Connection with Determination of Final
Settlement**

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 amendments to replace a third-party reference used in determining the final settlement to the following ten contracts: NYMEX Chicago Basis Swap, NYMEX SoCal Basis Swap, Malin Basis Swap, PG&E Citygate Basis Swap, PG&E Citygate Natural Gas Index, SoCal Natural Gas Index, Chicago Natural Gas Index, PGE CityGate Pipe Option, Chicago Pipe Option, and SoCal Pipe Option.

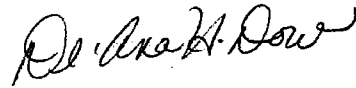
The Exchange is replacing the third-party reference used in connection with its determination of final settlement of the Basis Swap, Index Swap and Pipeline Option cash-settled natural gas contracts referenced above from Natural Gas Intelligence ("NGI") to Platts Inside F.E.R.C. ("IFERC"). This replacement of the third-party reference does not affect the rule chapters for the Pipeline Options contracts as the final settlement references are contained in the corresponding Basis Swaps rule chapters.

As discussed in greater detail in the supplemental information attached herewith, following extensive research and comparative analysis between the NGI and Platts IFERC indices, the Exchange determined that by replacing the NGI third-party reference with the Platts IFERC third-party reference, the Exchange will continue to maintain consistency in methodology of determination of final settlement price for the ten cash-settled, natural gas contracts. The amendments to the rule chapters also contain non-substantive administrative edits.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the attached rule amendments comply with the Act, including regulations under the Act. These changes will be made effective beginning with the May 2009 contracts.

Should you have any questions concerning the above, please contact Bob Levin at (212) 299-2390, or the undersigned at (202) 638-3838.

Sincerely,

A handwritten signature in black ink, appearing to read "De'Ana H. Dow". The signature is written in a cursive style with a large initial "D".

De'Ana H. Dow
Managing Director
Government Relations

Attachments: Revised Contracts
Supplemental Information

(Underlining indicates insertion, and ~~strikethrough~~ indicates deletion)

NYMEX Chicago Basis Swap (NGI) Contract

517.01 Scope

The provisions of these rules shall apply to all contracts listed on the Exchange for cash settlement based on the Floating Price.

517.02 Floating Price

The Floating Price for each contract month will be equal to the bidweek price (average) ("~~Bidweek Price~~") for the Chicago ~~City-gates~~ under the Upper Midwest heading found in Platts Inside Ferc (IFERC) Gas Market Report, "Market Center Spot Gas Prices" ~~NGI's Bidweek Survey~~ minus the NYMEX (Henry Hub) Natural Gas Futures contract final settlement price for the corresponding contract month.

517.03 Contract Quantity and Value

The contract quantity shall be 2,500 MMBtu (million British thermal units).

Transaction sizes for trading in any delivery month shall be restricted to whole number multiples of the number of calendar days in that contract month, provided however this restriction on transaction size does not apply to either ~~Exchange exchange of Futures futures~~ for, or in ~~Connection connection with~~ Product-product (EFP) or ~~Exchange exchange of Futures futures~~ for, or in ~~Connection connection~~ With ~~with~~ Swap-swap ~~Transactions-transactions~~ (EFS).

Each futures contract based on the NYMEX Chicago Basis Swap (NGI) contract shall be valued as the contract quantity (2,500 MMBtu) multiplied by the settlement price.

517.04 Contract Months

Posting of transactions shall be conducted in contracts in such months as shall be determined by the ~~Board of Directors~~ Exchange.

517.05 Prices and Fluctuations

Prices shall be quoted in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$0.0025 per MMBtu. There shall be no maximum price fluctuation.

517.06 Termination of Posting of Transactions

Posting of transactions shall cease on the last business day of the month prior to the contract month.

517.07 Final Settlement

Delivery under the NYMEX Chicago Basis Swap (NGI) 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, provided, however, that in the event that the Floating Price is not available to the Exchange for any reason, the ~~Exchange~~ President or the President's designee, based on the best information available to the ~~it~~ Exchange at the time, will determine a final settlement price, which in the judgment of staff, is intended to serve as the best substitute for the Floating Price.

517.08 Exchange of Futures for, or in Connection with, Product and Exchange of Futures for, or in

Connection with, Swap Transactions

Any Exchange ~~exchange~~ of Futures ~~futures~~ for, or in Connection ~~connection~~ with, Product ~~product~~ (EFP) or Exchange ~~exchange~~ of Futures ~~futures~~ for, or in Connection ~~connection~~ with, Swap ~~swap~~ Transactions transactions (EFS) shall be governed by the provisions of Rules 6.21 and 6.21A, respectively.

517.09 Disclaimer

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NYMEX SoCal Basis Swap (NGI) Contract

520.01 Scope

The provisions of these rules shall apply to all contracts listed on the Exchange for cash settlement based on the Floating Price.

520.02 Floating Price

The Floating Price for each contract month will be equal to the bidweek price (average) ("~~Bidweek Price~~") for the ~~Southern California Gas Co. - Border Avg.~~ under the California heading found in ~~Platts Inside Ferc (IFERC) Gas Market Report, "Market Center Spot Gas Prices" NGI's Bidweek Survey~~, minus the NYMEX (Henry Hub) Natural Gas Futures contract final settlement price for the corresponding contract month.

520.03 Contract Quantity and Value

The contract quantity shall be 2,500 MMBtu (million British thermal units).

Transaction sizes for trading in any delivery month shall be restricted to whole number multiples of the number of calendar days in that contract month, provided however this restriction on transaction size does not apply to either ~~Exchange-exchange of Futures-futures~~ for, or in ~~Connection-connection with, Product-product (EFP) or Exchange-exchange of Futures-futures~~ for, or in ~~Connection-connection Withwith, Swap-swap Transactions-transactions~~ (EFS).

Each futures contract based on the NYMEX ~~SoCal~~ Basis Swap (NGI) contract shall be valued as the contract quantity (2,500 MMBtu) multiplied by the settlement price.

520.04 Contract Months

Posting of transactions shall be conducted in contracts in such months as shall be determined by the ~~Board of Directors~~ Exchange.

520.05 Prices and Fluctuations

Prices shall be quoted in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$0.0025 per MMBtu. There shall be no maximum price fluctuation.

520.06 Termination of Posting of Transactions

Posting of transactions shall cease on the last business day of the month prior to the contract month.

520.07 Final Settlement

Delivery under the NYMEX SoCal Basis Swap (NGI) 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, provided, however, that in the event that the Floating Price is not available to the Exchange for any reason, the ~~Exchange President or the President's designee~~, based on the best information available to the ~~it~~ Exchange at the time, will determine a final settlement price, which in the judgment of staff, is intended to serve as the best substitute for the Floating Price.

520.08 Exchange of Futures for, or in Connection with, Product and Exchange of Futures for, or in Connection with, Swap Transactions

Any ~~Exchange-exchange of Futures-futures~~ for, or in ~~Connection-connection with, Product-product (EFP) or Exchange-exchange of Futures-futures~~ for, or in ~~Connection-connection with, Swap-swap Transactions-transactions~~ (EFS) shall be governed by the provisions of Rules 6.21 and 6.21A, respectively.

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Malin Basis Swap (NGI) Contract

623.01 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.

623.02 Floating Price

The Floating Price for each contract month will be equal to the bidweek price (average) ("~~Bidweek Price~~") for PG&E Malin, Ore. under the California heading found in Platts Inside Ferc (IFERC) Gas Market Report, Market Center Spot Gas Prices ~~NGI's Bidweek Survey~~ minus the NYMEX (Henry Hub) Natural Gas Futures contract final settlement price for the corresponding contract month.

623.03 Contract Quantity and Value

The contract quantity shall be 2,500 MMBtu (million British thermal units).

Transaction sizes for trading in any delivery month shall be restricted to whole number multiples of the number of calendar days in that contract month, provided however this restriction on transaction size does not apply to either ~~Exchange exchange of Futures-futures~~ for, or in ~~Connection-connection~~ with, ~~Product product~~ (EFP) or ~~Exchange exchange of Futures-futures~~ for, or in ~~Connection-connection~~ ~~With-with~~ Swap ~~swap Transactions-transactions~~ (EFS).

Each contract based on the NYMEX Malin Basis Swap (~~NGI~~) contract shall be valued as the contract quantity (2,500 MMBtu) multiplied by the settlement price.

623.04 Contract Months

Trading shall be conducted in contracts in such months as shall be determined by the ~~Board of Directors Exchange~~.

623.05 Prices and Fluctuations

Prices shall be quoted in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$0.0001 per MMBtu. There shall be no maximum price fluctuation.

623.06 Termination of Trading

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

623.07 Final Settlement

Delivery under the Malin Basis Swap (~~NGI~~) 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, provided, however, that in the event that the Floating Price is not available to the Exchange for any reason, the ~~Exchange~~ ~~President or the President's designee~~, based on the best information available to ~~it the Exchange~~ at the time, will determine a final settlement price, which in the judgment of staff, is intended to serve as the best substitute for the Floating Price.

623.08 Exchange ~~Of of Futures Forfor, Or or In-in~~ Connection ~~With with~~ Product ~~And and~~ Exchange ~~Of of Futures Forfor, Or or In-in~~ Connection ~~With with~~ Swap Transactions

Any exchange of futures for, or in connection with, product (EFP) or exchange of futures for, or in connection with, swap transactions (EFS) shall be governed by the provisions of rules Rules 6.21 and 6.21A, respectively.

623.09 Disclaimer

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PG&E Citygate Basis Swap (NGI) Contract

624.01 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.

624.02 Floating Price

The Floating Price for each contract month will be equal to the bidweek price (average) ("~~Bidweek Price~~") for the PG&E Citygate under the California heading found in Platts Inside Ferc (IFERC) Gas Market Report, "Market Center Spot Gas Prices" NGI's Bidweek Survey minus the NYMEX (Henry Hub) Natural Gas Futures contract final settlement price for the corresponding contract month.

624.03 Contract Quantity and Value

The contract quantity shall be 2,500 MMBtu (million British thermal units).

Transaction sizes for trading in any delivery month shall be restricted to whole number multiples of the number of calendar days in that contract month, provided however this restriction on transaction size does not apply to either Exchange-exchange of Futures-futures for, or in Connection-connection with, Product product (EFP) or Exchange-exchange of Futures-futures for, or in Connection-connection With-with, Swap swap Transactions-transactions (EFS).

Each contract based on the NYMEX PG&E Citygate Basis Swap (NGI) contract shall be valued as the contract quantity (2,500 MMBtu) multiplied by the settlement price.

624.04 Contract Months

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

624.05 Prices and Fluctuations

Prices shall be quoted in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$0.0001 per MMBtu. There shall be no maximum price fluctuation.

624.06 Termination of Trading

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

624.07 Final Settlement

Delivery under the PG&E Citygate Basis Swap (NGI) 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, provided, however, that in the event that the Floating Price is not available to the Exchange for any reason, the Exchange President or the President's designee, based on the best information available to it the Exchange at the time, will determine a final settlement price, which in the judgment of staff, is intended to serve as the best substitute for the Floating Price.

624.08 Exchange Of-of Futures For for, Or-or In-in Connection With-with, Product And-and Exchange Of-of Futures For for, Or-or In-in Connection With-with, Swap Transactions

Any exchange of futures for, or in connection with, product (EFP) or exchange of futures for, or in

connection with swap transactions (EFS) shall be governed by the provisions of rules Rules 6.21 and 6.21A, respectively.

624.09 Disclaimer

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PG&E Citygate Natural Gas Index Contract (Platts Gas Daily/~~IFERC~~ NGI)

792.01 Scope

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.

792.02 Floating Price

The Floating Price for each contract month will be equal to the arithmetic average of the Platts Gas Daily PG&E city-gate Midpoint ("Midpoint") minus the bidweek price (average) ("~~Bidweek Price~~") for the PG&E City-gate under the California heading found in Platts Inside Ferc (IFERC) Gas Market Report, "Market Center Spot Gas Prices" NGI's Bidweek Survey for the corresponding contract month calculated for all Flow Dates during the contract month and rounded to the nearest hundredth of a cent. For purposes of this chapter, "Flow Date" shall mean a calendar date that corresponds to a published price used for determining the Floating Price.

792.03 Contract Quantity and Value

The contract quantity shall be 2,500 MMBtu (million British thermal units).

Transaction sizes for trading in any delivery month shall be restricted to whole number multiples of the number of calendar days in that contract month, provided however this restriction on transaction size does not apply to either ~~Exchange-exchange of Futures-futures~~ for, or in ~~Connection-connection with, Product-product (EFP) or Exchange-exchange of Futures-futures~~ for, or in ~~Connection-connection With with, Swap-swap Transactions-transactions~~ (EFS).

Each contract based on the PG&E Citygate Natural Gas Index Contract (PLATT GAS DAILY/~~IFERC~~NGI) shall be valued as the contract quantity (2,500 MMBtu) multiplied by the settlement price.

792.04 Contract Months

Transactions shall be conducted in such days as shall be determined by the ~~Board of Directors Exchange~~.

792.05 Prices and Fluctuations

Prices shall be quoted in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$0.0025 per MMBtu. There shall be no maximum price fluctuation.

792.06 Termination of Trading

Trading shall cease on the last business day of the month prior to the contract month, and EFP and EFS transactions may be submitted up until the deadlines specified in Rules 6.21 and 6.21A.

792.07 Final Settlement

Delivery under the PG&E Citygate Natural Gas Index Contract (PLATT GAS DAILY/~~IFERC~~NGI) 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, provided, however, that in the event that the Floating Price is not available to the Exchange for any reason, the ~~Exchange President or the President's designee~~, based on the best information available to ~~it~~ the Exchange at the time, will determine a final settlement price, which in the judgment of staff, is intended to serve as the best substitute for the Floating Price.

792.08 Exchange of Futures for, or in Connection with, Product and Exchange of Futures for, or in Connection with, Swap Transactions

Any ~~Exchange-exchange of Futures-futures~~ for, or in ~~Connection-connection with, Product-product (EFP) or Exchange-exchange of Futures-futures~~ for, or in ~~Connection-connection with, Swap-swap Transactions~~

transactions (EFS) shall be governed by the provisions of Rules 6.21 and 6.21A, respectively.

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Chicago Natural Gas Index Contract (Platts Gas Daily /IFERC-NGI)

700.01 Scope

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.

700.02 Floating Price

The Floating Price for each contract month will be equal to the arithmetic average of the Platts Gas Daily Chicago city-gate Midpoint ("Midpoint") minus the bidweek price (average) ("~~Bidweek Price~~") for the Chicago ~~city-gate~~ under the Upper Midwest heading found in Platts Inside Ferc (IFERC) Gas Market Report, "Market Center Spot Gas Prices" ~~NGI's Bidweek Survey~~ for the corresponding contract month calculated for all Flow Dates during the contract month and rounded to the nearest hundredth of a cent. For purposes of this chapter, "Flow Date" shall mean a calendar date that corresponds to a published price used for determining the Floating Price.

700.03 Contract Quantity and Value

The contract quantity shall be 2,500 MMBtu (million British thermal units).

Transaction sizes for trading in any delivery month shall be restricted to whole number multiples of the number of calendar days in that contract month, provided however this restriction on transaction size does not apply to either ~~Exchange exchange of Futures-futures~~ for, or in ~~Connection-connection with~~ Product (EFP) or ~~Exchange exchange of Futures-futures~~ for, or in ~~Connection-connection Withwith~~ Swap ~~swap Transactions-transactions~~ (EFS).

Each contract based on the Chicago Natural Gas Index Contract (PLATTS GAS DAILY/IFERCNGI) shall be valued as the contract quantity (2,500 MMBtu) multiplied by the settlement price.

700.04 Contract Months

Trading shall be conducted in contracts in such months as shall be determined by the ~~Board of Directors~~ Exchange.

700.05 Prices and Fluctuations

Prices shall be quoted in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$0.0025 per MMBtu. There shall be no maximum price fluctuation.

700.06 Termination of Trading

Trading shall cease on the last business day of the month prior to the contract month, and EFP and EFS transactions may be submitted up until the deadlines specified in Rules 6.21 and 6.21A

700.07 Final Settlement

Delivery under the Chicago Natural Gas Index Contract (PLATTS GAS DAILY/IFERCNGI) 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, provided, however, that in the event that the Floating Price is not available to the Exchange for any reason, the ~~Exchange President or the President's designee~~, based on the best information available to it ~~the Exchange~~ at the time, will determine a final settlement price, which in the judgment of staff, is intended to serve as the best substitute for the Floating Price.

700.08 ~~Exchange Of of Futures Forfor, Or or In-in Connection With-with, Product And and~~ ~~Exchange Of of Futures Forfor, Or or In-in Connection With-with, Swap Transactions~~

Any ~~Exchange exchange of Futures-futures~~ for, or in ~~Connection-connection with~~ Product-product (EFP)

or Exchange exchange of Futures-futures for, or in Connection connection with, Swap swap Transactions transactions (EFS) shall be governed by the provisions of Rules 6.21 and 6.21A, respectively.

700.09 Disclaimers

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SoCal Natural Gas Index Contract (Platt Gas Daily/IFERCNGI)

793.01 Scope

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.

793.02 Floating Price

The Floating Price for each contract month will be equal to the arithmetic average of the Platts Gas Daily Social Gas Midpoint ("Midpoint") minus the bidweek price (average) ("Bidweek Price") for the Southern Cal. Border Avg. under the California heading found in Platts Inside Ferc (IFERC) Gas Market Report, "Market Center Spot Gas Prices" NGI's Bidweek Survey for the corresponding contract month calculated for all Flow Dates during the contract month and rounded to the nearest hundredth of a cent. For purposes of this chapter, "Flow Date" shall mean a calendar date that corresponds to a published price used for determining the Floating Price.

793.03 Contract Quantity and Value

The contract quantity shall be 2,500 MMBtu (million British thermal units).

Transaction sizes for trading in any delivery month shall be restricted to whole number multiples of the number of calendar days in that contract month, provided however this restriction on transaction size does not apply to either Exchange-exchange of Futures-futures for, or in Connection-connection with Product-product (EFP) or Exchange-exchange of Futures-futures for, or in Connection-connection With with Swap-swap Transactions-transactions (EFS).

Each contract based on the SoCal Natural Gas Index Contract (PLATTS GAS DAILY/IFERCNGI) shall be valued as the contract quantity (2,500 MMBtu) multiplied by the settlement price.

793.04 Contract Months

Transactions shall be conducted in such days as shall be determined by the Board of Directors Exchange.

793.05 Prices and Fluctuations

Prices shall be quoted in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be \$0.0025 per MMBtu. There shall be no maximum price fluctuation.

793.06 Termination of Trading

Trading shall cease on the last business day of the month prior to the contract month, and EFP and EFS transactions may be submitted up until the deadlines specified in Rules 6.21 and 6.21A.

793.07 Final Settlement

Delivery under the SoCal Natural Gas Index Contract (PLATT GAS DAILY/IFERCNGI) 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, provided, however, that in the event that the Floating Price is not available to the Exchange for any reason, the Exchange President or the President's designee, based on the best information available to it the Exchange at the time, will determine a final settlement price, which in the judgment of staff, is intended to serve as the best substitute for the Floating Price.

793.08 Exchange of Futures for, or in Connection with, Product and Exchange of Futures for, or in Connection with, Swap Transactions

Any Exchange-exchange of Futures-futures for, or in Connection-connection with Product-product (EFP) or Exchange-exchange of Futures-futures for, or in Connection-connection with Swap-swap Transactions

transactions (EFS) shall be governed by the provisions of Rules 6.21 and 6.21A, respectively.

793.09 Disclaimer

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SUPPLEMENTAL INFORMATION

The Exchange is replacing the third-party reference used in connection with its determination of final settlement of ten cash-settled natural gas contracts from *Natural Gas Intelligence* (NGI) to *Platts Inside F.E.R.C.* (IFERC). The ten contracts affected are: NYMEX Chicago Basis Swap, NYMEX SoCal Basis Swap, Malin Basis Swap, PG&E Citygate Basis Swap, PG&E Citygate Natural Gas Index, SoCal Natural Gas Index, Chicago Natural Gas Index, PGE CityGate Pipe Option, Chicago CityGate Pipe Option, and SoCal Pipe Option.

These contracts fall into the following three categories: *Basis Swaps* contracts, *Index Swaps* contracts and *Pipeline Options* contracts. For *Basis Swaps*, the final settlement is equal to the difference between the third-party reference and the final settlement for the NYMEX Natural Gas Futures Contract (with physical delivery at Henry Hub, Louisiana.) For *Index Swaps*, the final settlement is based on the third-party reference as well as an additional third-party reference. For the *Pipeline Options*, the final settlement is equal to the difference between participants' respective strike prices and the third-party reference. This replacement of the third-party reference does not affect the rule chapters for the *Pipeline Options* contracts as the final settlement references are contained in the corresponding *Basis Swaps* rule chapters.

For each of the three contract categories referred to in this filing, the third-party reference being replaced relates to the *bid-week* price survey of physical market transactions at four specific geographic locations (location is one of the defining characteristics for each contract).

The four geographical locations are: Chicago City-gate; SoCal; PG&E City-gate; and Malin. Based on analysis performed by the Exchange, the historical difference between the NGI and IFERC surveys for these four specific geographic locations is diminutive; frequently there has been no difference between the NGI and IFERC *bid-week* price surveys. When differences have occurred, there was no detectable bias between NGI and IFERC. We are of the opinion that, to the degree there have been differences, those differences amounted to less than the typical bid-ask spread. Below, we describe the methodology and levels of activity that underlie the IFERC survey's price over the past several years.

IFERC Methodology and Participation Levels

During the final five NYMEX business days in which the expiring contract trades, IFERC conducts monthly surveys of physical market participants with regard to their transactions for next month ratable-delivery for dozens of different geographical locations across North America. These surveys include the four locations affecting the ten contracts contained in this submission: Chicago City-gate; SoCal; PG&E City-gate; and Malin. Table 1 below provides the number of transactions and the NYMEX contract-equivalents relating to the number of transactions by month for the past 37 months. From Table 1, note the following:

- SoCal: the underlying market is frequently greater than 10,000 NYMEX contract-equivalents and its lowest level has been 2,712 NYMEX contract-equivalents.
- PG&E: the underlying market has ranged from 1,368 NYMEX contract-equivalents to over 16,000 NYMEX contract-equivalents. The 1,368 NYMEX contract-equivalents occurred in June 2006; in the past 13 months, the lowest was 1,897 NYMEX contract-equivalents (January 2009).
- Malin: the range has been from 1,368 NYMEX contract-equivalents (November 2006) to over 7,000 NYMEX contract-equivalents. In the past year, the lowest level was 1,600 NYMEX contract-equivalents during the month of December.
- Chicago: in the past year, the number of contract equivalents has typically been above 10,000 NYMEX contract-equivalents. Prior to last year, the range was typically lower; the lowest levels—1,885 and 1,971 NYMEX contract-equivalents—date back to the beginning of the three-year period. Since then, the levels have been significantly higher.

TABLE 1

	Chicago (NB)		Malin (PB)		PG&E Citygate (PC)		SoCal (NS)	
	NYMEX Equivalent (MMBtu/Month)	# Transactions	NYMEX Equivalent (MMBtu/Month)	# Transactions	NYMEX Equivalent (MMBtu/Month)	# Transactions	NYMEX Equivalent (MMBtu/Month)	# Transactions
Jan-09	12,474	204	4,104	59	1,897	43	4,018	66
Dec-08	15,128	218	1,600	23	5,010	94	3,670	54
Nov-08	10,140	170	2,892	41	8,748	122	2,712	47
Oct-08	10,974	185	3,385	49	3,088	52	6,064	90
Sep-08	15,936	289	6,816	86	12,240	191	13,020	198
Aug-08	10,490	192	2,716	41	16,194	208	12,214	178
Jul-08	14,558	224	3,236	51	7,403	113	12,425	157
Jun-08	10,320	165	4,416	48	4,800	74	12,396	164
May-08	10,974	172	7,366	93	7,874	111	17,992	234
Apr-08	11,376	159	5,196	80	3,012	54	14,652	202
Mar-08	8,147	132	3,522	57	9,114	120	22,804	282
Feb-08	9,923	134	3,774	57	5,701	75	14,213	216
Jan-08	8,792	117	1,748	25	2,616	34	13,367	171
Dec-07	6,374	93	3,745	48	3,522	57	15,562	248
Nov-07	5,244	92	3,828	53	5,700	84	11,004	145
Oct-07	12,363	185	4,811	70	9,126	126	16,566	234
Sep-07	3,708	74	6,780	78	7,476	127	10,860	160
Aug-07	10,118	174	2,443	41	6,932	108	10,056	153
Jul-07	6,981	92	3,918	55	10,813	138	12,846	165
Jun-07	4,788	65	4,908	65	11,976	117	17,844	237
May-07	3,336	47	4,204	52	4,687	71	12,078	161
Apr-07	4,176	66	2,028	31	7,596	108	15,144	176
Mar-07	5,952	90	5,704	70	6,163	109	16,356	198
Feb-07	6,462	119	2,699	48	5,354	97	12,051	194
Jan-07	4,526	76	2,517	30	3,162	57	11,582	154
Dec-06	4,489	84	5,667	74	2,480	55	10,763	135
Nov-06	7,944	124	1,368	19	8,952	158	10,956	182
Oct-06	5,617	86	6,051	70	14,136	217	14,793	213
Sep-06	13,740	193	5,688	64	12,108	159	13,872	200
Aug-06	9,523	121	1,079	16	6,312	96	10,974	156
Jul-06	3,794	64	3,075	42	6,336	99	11,222	157
Jun-06	6,888	102	2,724	37	1,368	24	8,832	96
May-06	6,460	96	4,687	57	3,881	49	13,665	181
Apr-06	5,724	77	5,340	49	4,812	52	10,968	103
Mar-06	10,614	110	6,696	74	4,948	58	15,153	162
Feb-06	1,971	25	3,618	44	2,688	39	12,477	147
Jan-06	1,885	30	4,352	53	2,492	34	17,335	229

As illustrated in Table 1, please note the number of transactions included in the surveys. With the exception of Malin, the number of transactions surveyed is often in excess of 100. While Malin consists of the lowest number of transactions surveyed, it enjoys an average of more than 52 transactions surveyed each month. Also note that there is a large number of active customers who participate in these markets. In particular, NYMEX market participants in the affected markets are: Malin 25-30; PG&G and Chicago 40-50; SoCal 75-80. *Platts* advised NYMEX that there were approximately 70 respondents to their survey for each of the four geographical locations. In addition *Platts* weighs the surveyed locations in terms of robustness of market information. As such, *Platts* assigns each surveyed location to one of three tiers (Tier 1 being the most liquid). Regardless of tier classification based on liquidity, *Platts* is confident of the quality of all of its index prices. It should also be noted that the four geographic locations have consistently been assigned to *Platts* Tier 1. In August 2006 however, Malin's classification was temporarily assigned to *Platts* Tier 2. The Exchange concludes that the IFERC *bid-week* survey prices for each of the four locations is reflective of competitive, liquid, and active physical market.

Furthermore, *Platts* is thoroughly familiar with the Federal Energy Regulatory Commission's (FERC's) policy statement on price indices for natural gas and its methodology is organized to reflect the content of the policy statement. *Platts* also employs compliance staff who are independent of the staff who conduct the survey. In addition, *Platts* IFERC editorial staff is recognized throughout the natural gas industry for its integrity, professional expertise, and reliability; IFERC has been an industry standard-bearer with respect to price reporting since the early days of wellhead price deregulation for interstate natural gas—during the late 1980s. These procedures safeguard the price series against manipulation.

Analysis of Index Differences

Table 2 below illustrates the index prices of, and differences between, IFERC and NGI for each of the four locations for the past four years. Table 2 illustrates that, during this time period, there were only two instances when the differences between IFERC and NGI was greater than 1%, but on no occasion greater than 1.33%. In addition, these differences occurred in 2005 and 2006 at the Malin location. The survey indicates no bias in prices at each of the four locations. We have concluded that these differences are within the bid/ask spread in the underlying physical markets. Based on this analysis, the change in third-party reference will not result in a systematic bias in the cash settlement price series to favor either long or short position holders and thus will not affect the value of the existing positions. Additionally, based on discussions with IFERC's editorial staff, we believe that *Platts* has applied, and will continue to apply, consistent criteria in its methodology of evaluation. As such, by replacing the NGI third-party reference with the *Platts* IFERC third-party reference, we will continue to maintain consistency in methodology of determination of final settlement price for the ten cash-settled, natural gas contracts.

TABLE 2

	CHICAGO			MALIN		
	NGI	IFERC		NGI	IFERC	
	index	index	NGI-IFERC	index	index	NGI-IFERC
Jan-09	6.22	6.23	-0.010	5.67	5.71	-0.040
Dec-08	6.78	6.77	0.010	6.19	6.22	-0.030
Nov-08	6.220	6.200	0.020	5.800	5.790	0.010
Oct-08	7.030	7.040	-0.010	6.240	6.260	-0.020
Sep-08	7.990	7.980	0.010	7.150	7.160	-0.010
Aug-08	8.950	8.950	0.000	8.260	8.260	0.000
Jul-08	12.890	12.910	-0.020	12.150	12.170	-0.020
Jun-08	11.860	11.850	0.010	10.870	10.920	-0.050
May-08	10.890	10.890	0.000	10.410	10.430	-0.020
Apr-08	9.600	9.600	0.000	8.860	8.860	0.000
Mar-08	9.360	9.360	0.000	8.560	8.550	0.010
Feb-08	8.120	8.120	0.000	7.680	7.680	0.000
Jan-08	7.280	7.280	0.000	6.760	6.770	-0.010
Dec-07	7.780	7.780	0.000	7.250	7.250	0.000
Nov-07	7.260	7.270	-0.010	6.860	6.860	0.000
Oct-07	6.200	6.200	0.000	5.690	5.690	0.000
Sep-07	5.250	5.250	0.000	4.910	4.910	0.000
Aug-07	5.850	5.850	0.000	5.420	5.420	0.000
Jul-07	6.820	6.810	0.010	6.400	6.400	0.000
Jun-07	7.580	7.580	0.000	7.020	7.010	0.010
May-07	7.300	7.300	0.000	7.000	7.000	0.000
Apr-07	6.93	6.92	0.010	6.69	6.68	0.010
Mar-07	7.54	7.54	0.000	7.11	7.11	0.000
Feb-07	7.10	7.10	0.000	6.74	6.74	0.000
Jan-07	6.38	6.40	-0.020	6.15	6.13	0.020
Dec-06	8.15	8.14	0.010	7.19	7.21	-0.020
Nov-06	7.49	7.50	-0.010	7.07	7.07	0.000
Oct-06	4.25	4.25	0.000	3.94	3.94	0.000
Sep-06	6.41	6.41	0.000	6.04	6.12	-0.080
Aug-06	6.69	6.69	0.000	6.26	6.28	-0.020
Jul-06	5.71	5.72	-0.010	5.28	5.29	-0.010
Jun-06	5.74	5.75	-0.010	5.08	5.07	0.010
May-06	6.66	6.66	0.000	6.10	6.09	0.010
Apr-06	6.58	6.57	0.010	5.89	5.89	0.000
Mar-06	6.87	6.86	0.010	6.41	6.40	0.010
Feb-06	7.92	7.91	0.010	7.16	7.13	0.030
Jan-06	10.65	10.68	-0.030	9.45	9.43	0.020

TABLE 2 – Continued

	PG&E CITYGATE			SOCAL		
	NGI	IFERC		NGI	IFERC	
	index	Index	NGI- IFERC	index	index	NGI- IFERC
Jan-09	6	5.98	0.020	5.17	5.16	0.010
Dec-08	6.42	6.45	-0.030	5.39	5.42	-0.030
Nov-08	6.060	6.070	-0.010	3.740	3.730	0.010
Oct-08	6.450	6.490	-0.040	5.670	5.640	0.030
Sep-08	7.730	7.740	-0.010	7.160	7.140	0.020
Aug-08	8.690	8.710	-0.020	8.430	8.450	-0.020
Jul-08	12.570	12.580	-0.010	12.270	12.280	-0.010
Jun-08	11.310	11.310	0.000	10.460	10.450	0.010
May-08	10.840	10.850	-0.010	10.330	10.320	0.010
Apr-08	9.330	9.330	0.000	8.790	8.790	0.000
Mar-08	9.000	9.000	0.000	8.490	8.500	-0.010
Feb-08	7.990	7.990	0.000	7.600	7.600	0.000
Jan-08	7.110	7.110	0.000	6.730	6.730	0.000
Dec-07	7.660	7.660	0.000	6.970	6.960	0.010
Nov-07	7.310	7.310	0.000	6.430	6.430	0.000
Oct-07	6.140	6.140	0.000	5.580	5.580	0.000
Sep-07	5.370	5.370	0.000	5.000	5.000	0.000
Aug-07	5.830	5.820	0.010	5.490	5.490	0.000
Jul-07	6.870	6.870	0.000	6.580	6.570	0.010
Jun-07	7.500	7.500	0.000	7.210	7.210	0.000
May-07	7.440	7.450	-0.010	6.980	6.980	0.000
Apr-07	7.08	7.08	0.000	6.33	6.34	-0.010
Mar-07	7.57	7.57	0.000	7.09	7.08	0.010
Feb-07	7.16	7.15	0.010	6.86	6.86	0.000
Jan-07	6.44	6.46	-0.020	6.04	6.06	-0.020
Dec-06	7.56	7.57	-0.010	6.78	6.81	-0.030
Nov-06	7.26	7.27	-0.010	6.64	6.64	0.000
Oct-06	4.23	4.23	0.000	3.93	3.93	0.000
Sep-06	6.76	6.78	-0.020	6.19	6.20	-0.010
Aug-06	6.76	6.75	0.010	6.54	6.54	0.000
Jul-06	5.67	5.67	0.000	5.49	5.49	0.000
Jun-06	5.42	5.42	0.000	5.08	5.08	0.000
May-06	6.40	6.41	-0.010	5.98	5.99	-0.010
Apr-06	6.26	6.26	0.000	5.90	5.89	0.010
Mar-06	6.77	6.77	0.000	6.44	6.45	-0.010
Feb-06	7.30	7.30	0.000	7.05	7.05	0.000
Jan-06	9.98	9.90	0.080	9.42	9.38	0.040

TABLE 2 – Continued

	CHICAGO			MALIN		
	NGI	IFERC	NGI-IFERC	NGI	IFERC	NGI-IFERC
	index	Index		index	Index	
Dec-05	10.37	10.38	-0.010	9.45	9.45	0.000
Nov-05	12.89	12.88	0.010	11.05	11.17	-0.120
Oct-05	12.20	12.27	-0.070	9.97	9.97	0.000
Sep-05	9.68	9.65	0.030	8.45	8.42	0.030
Aug-05	7.21	7.20	0.010	6.24	6.23	0.010
Jul-05	7.15	7.15	0.000	6.27	6.27	0.000
Jun-05	6.30	6.31	-0.010	5.60	5.60	0.000
May-05	6.96	6.96	0.000	6.47	6.47	0.000
Apr-05	7.14	7.13	0.010	6.64	6.64	0.000
Mar-05	6.17	6.15	0.020	5.54	5.55	-0.010
Feb-05	6.34	6.35	-0.010	5.69	5.69	0.000

	PG&E CITYGATE			SOCAL		
	NGI	IFERC	NGI-IFERC	NGI	IFERC	NGI-IFERC
	index	Index		index	Index	
Dec-05	10.01	10.00	0.010	9.22	9.19	0.030
Nov-05	11.26	11.27	-0.010	11.57	11.57	0.000
Oct-05	10.76	10.78	-0.020	10.20	10.23	-0.030
Sep-05	8.83	8.84	-0.010	8.28	8.30	-0.020
Aug-05	6.50	6.51	-0.010	6.36	6.36	0.000
Jul-05	6.61	6.61	0.000	6.43	6.43	0.000
Jun-05	6.00	6.00	0.000	5.65	5.65	0.000
May-05	7.07	7.06	0.010	6.61	6.61	0.000
Apr-05	7.13	7.14	-0.010	6.75	6.74	0.010
Mar-05	6.05	6.05	0.000	5.62	5.64	-0.020
Feb-05	6.13	6.13	0.000	5.74	5.74	0.000
Jan-05	6.33	6.33	0.000	6.00	6.00	0.000

Release of Information

Platts releases their survey results on the first business day following the end of the month in which they perform the survey. They have thousands of subscribers to the publication in which the survey results appears and NYMEX will continue to publish the final settlements that rely on the survey prices for the clearing cycle performed for the first business day of the month. NYMEX is authorized by *Platts* to use survey price results to settle its products.