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**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

OFFICE OF THE SECRETARIAT

**Re: Rule Certification. New York Mercantile Exchange, Inc. Submission #09.23:  
Notification of Amendments to NYMEX Rules 9A.26, 9A.26A, 9A.27 and 9A.27A in  
Relation to the Launching of 34 New Electricity Contracts**

Dear Mr. Stawick:

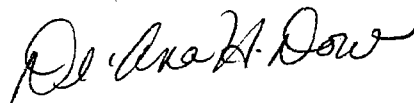
The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying amendments to NYMEX Rules 9A.26, All Month/Any One Month Position Accountability, 9A.26A, Any One Month and/or All Months Position Limits for Soft Commodities, 9A.27, Expiration and Current Delivery Month Position Limits, and 9A.27A, Expiration Position Accountability Levels in relation to the launching of 34 new electricity contracts.

The amendments define the size by hour for the stated ON-Peak and OFF-Peak Electricity Contract Month contracts. In addition, administrative amendments were made to aggregate the NYMEX Natural Gas miNY futures contract into the Henry Hub Financial futures contract, and to aggregate the NYMEX miNY Gasoline futures contract into the New York Harbor Gasoline Blendstock (RBOB) futures contract. Further administrative amendments classify the Contract Month Diminishing Balances contracts within Chapter 9A, Appendix (A).

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 on trade date February 23, 2009.

Should you have any questions concerning the above, please contact Anthony V. Densieski, Director, Market Surveillance, at (212) 299-2881, or the undersigned at (202) 638-3838.

Sincerely,



De'Ana H. Dow  
Managing Director  
Government Relations

Attachment

**NOTIFICATION OF AMENDMENTS TO  
NYMEX RULES 9A.26, 9A.26A, 9A.27 and 9A.27A**  
(Bold/underline indicates additions; strikethrough indicates deletions.)

**9A.26 All Month/Any One Month Position Accountability**

(A) Any person, as defined in Chapter 1, who owns or controls positions in excess of the levels cited in Chapter 9A, Appendix (A) below, under heading 9A.26 “All Month/Any One Month Position Accountability” shall be subject to the following provisions pursuant to position accountability levels:

(1) promptly supply to the Exchange such information as the Exchange may request pertaining to the nature and size of the position, the trading strategy employed with respect to the position, and the position owner's or controller's hedging requirements, provided, however, that if the position owner or controller fails to supply such information as and when requested, the Compliance Department may order the reduction of such position;

(2) agree, upon request by the Compliance Department, not to increase the position owned or controlled as of the time the request was received; and

(3) agree to comply with any prospective limit prescribed by the Compliance Department which exceeds the size of the position owned or controlled.

(B) For the purposes of this Rule 9A.26, the futures-equivalent of an option contract and spread option contract is the previous day's NYMEX Risk Factor for that option. Further~~more~~, long calls, short puts and long futures are on the same side of the market; short calls, long puts and short futures are on the same side of the market.

With respect to crack spread option contracts, a call option is the equivalent of a long product futures contract and a short crude oil futures contract; a put option is the equivalent of a short product futures contract and a long crude oil futures contract. Therefore, long crack spread option calls and short crack spread option puts are on the same side of the market; short crack spread option calls and long crack spread option puts are on the same side of the market.

With respect to calendar spread option contracts, a call option is the equivalent of a long futures contract in the first underlying futures in the spread and a short futures contract in the second underlying futures in the spread; a put option is the equivalent of a short futures contract in the first underlying futures in the spread and a long futures contract in the second underlying futures in the spread.

(C) The any one month/all month position accountability levels shall be calculated on a net futures-equivalent basis.

**For purposes of calculating futures-equivalent positions, the following shall apply:**

- a NYMEX Light Sweet Crude Oil miNY Futures Contract shall be deemed equivalent to .50 of a Crude Oil Financial Contract<sub>1/2</sub>
- a NYMEX Natural Gas miNY Futures Contract shall be deemed equivalent to .25 of a Henry Hub ~~Penultimate~~ Last Day Futures Contract<sub>1/2</sub>
- a NYMEX miNY Gasoline Futures Contract shall be deemed equivalent to .50 of a New York Harbor Gasoline Bledstock RBOB ~~Gasoline Financial~~ Futures Contract<sub>1/2</sub>

- ~~and~~ a NYMEX miNY Heating Oil Futures Contract shall be deemed equivalent to .50 of a Heating Oil Financial Futures Contract;
- a COMEX miNY Gold Futures Contract shall be deemed equivalent to .50 of a Gold future;<sup>ii</sup>
- a COMEX miNY Silver Futures Contract shall be deemed equivalent to a .50 Silver future;<sup>ii</sup> and
- a COMEX miNY Copper Futures Contract shall be deemed equivalent to a .50 Copper Future.

**An ON-Peak contract month shall be deemed 340 hours for:**

- **ISO New England;**
- **Midwest Independent Transmission System Operator, Inc. (MISO); and**
- **PJM Interconnection, LLC.**

**An OFF-Peak contract month shall be deemed 390 Hours for:**

- **ISO New England;**
- **Midwest Independent Transmission System Operator, Inc. (MISO);**
- **New York Independent Systems Operator (NYISO); and**
- **PJM Interconnection, LLC.**

**(D) Contract Month Diminishing Balances.**

**There are specific futures contracts whose front month volume in any given contract month diminishes as the contract month progresses towards month end. (Note: References to the specific contracts that diminish in position size for purposes of position limit and accountability levels are noted in Chapter 9A, Appendix (A).)**

~~(D)~~ **(E)** Except as provided in Rule 9A.27, the any one month/all month position accountability levels for each futures contract traded on the Exchange are listed in Chapter 9A, Appendix (A) below. Note: Specific reference to contract aggregation requirements are prescribed in Chapter 9A, Appendix (A).

Furthermore, the Exchange may **require compliance with position apply A** accountability **Compliance levels** on a ~~F~~futures-Only basis to the base contracts which others "aggregate into" as per Appendix (A).

**Option Contract Gross Option Quadrant Position Accountability Levels**

Accountability levels for options cited in Appendix (A) are per quadrant (long call, long put, short call, short put) on a gross basis.

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**9A.26A Any One Month and /or All Months Position Limits for Soft Commodities**

(A) No person may own or control a net long position or a net short position in any one month or all months combined for soft commodities in excess of the levels set forth in Chapter 9A, Appendix (A).

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**9A.27 Expiration and Current Delivery Month Position Limits ~~or Position Accountability~~**

(A) No person may own or control a net long position or a net short position in the expiration or current delivery month (as defined in this Rule 9A.27 for energy, metals and soft contracts respectively) in excess

of the levels set forth in Chapter 9A, Appendix (A) below under 9A.27 Expiration and Current Delivery Month Position Limits ~~or Position Accountability~~. (Note: Specific reference to contract aggregation requirements are prescribed in Chapter 9A, Appendix (A).)

(B) The expiration position limits for energy contracts for those contracts enumerated in Appendix (A), Chapter 9 for which expiration month position limits are designated, are effective on the open of trading of the last three trading days of the futures contract. The expiration position limits shall be calculated on a net futures-equivalent basis. ~~Based on a futures-equivalent, a PJM Western Hub Peak Calendar-Month Real-Time LMP Swap Futures Contract shall be deemed equivalent to two (2) NYMEX PJM Calendar-Day LMP Swap (PJM Interconnection, LLC) Futures Contracts.~~

(C) The expiration month position limits for the **PJM Electricity** and the Uranium contracts are effective on the opening of trading on all business days when a contract month becomes the first nearby month (or spot month) and continues on an intra-day basis thereafter until the conclusion of trading in the expiring contract. The expiration month position limit shall be calculated on a net futures-equivalent basis for the **PJM Electricity** contracts.

(D) The current delivery month position limits for physically-delivered metals contracts are effective as of the close of business on the business day prior to the first notice day for any delivery month. No person shall maintain any position which, when combined with the number of contracts for which a delivery notice has been tendered or accepted during the delivery month, exceeds the maximum permissible current delivery month position limit for such contract. The current delivery month position limits for COMEX London Metals Futures contracts shall be effective as of the open of business on the first business day of the expiring contract month.

(E) The current delivery month position limits for soft commodities shall be in effect as of the open of trading on the last three trading days of the expiring contracts.

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#### **9A.27A Expiration Position Accountability Levels**

(A) Any person who owns or controls positions in excess of the levels cited in Chapter 9A, Appendix (A) below, under heading 9A.27A Expiration Position Accountability Levels, shall be subject to the following provisions pursuant to position accountability levels:

(1) promptly supply to the Exchange such information as the Exchange may request pertaining to the nature and size of the position, the trading strategy employed with respect to the position, and the hedging requirements (if any), provided, however, that if the principal or controller fails to supply such information as and when requested, the Compliance Department may order the reduction of such position;

(2) agrees, upon request by the Compliance Department, not to increase the position owned or controlled as of the time the request was received;

(3) agrees to comply with any limit prescribed by the Compliance Department, and to decrease any open position if directed upon review of the information cited in item 1 above.

(B) The Expiration Position Accountability Levels for energy and metals contracts, for those contracts enumerated in Appendix (A), Chapter 9A for which expiration accountability levels are designated, are effective on the open of trading of the last three trading days of the Penultimate and Last Day cash-settled futures contracts. The expiration position accountability levels shall be calculated on a net futures-equivalent basis.

**For purposes of calculating futures equivalent positions, the following shall apply:**

- A NYMEX Light Sweet Crude Oil miNY Futures Contract shall be deemed equivalent to .50 of a Crude Oil Financial Contract;
- a NYMEX Natural Gas miNY Futures Contract shall be deemed equivalent to .25 of a Henry Hub Penultimate Financial Last Day Futures Contract;
- a NYMEX miNY Gasoline Futures Contract shall be deemed equivalent to .50 of a New York Harbor Gasoline Blendstock (RBOB) Gasoline Financial Contract;
- and a NYMEX miNY Heating Oil Futures Contract shall be deemed equivalent to .50 of a Heating Oil Financial Futures Contract;
- a COMEX miNY Gold Futures Contract shall be deemed equivalent to .50 of a Gold future;
- a COMEX miNY Silver Futures Contract shall be deemed equivalent to a .50 Silver future; and
- a COMEX miNY Copper Futures Contract shall be deemed equivalent to a .50 Copper future.

~~(C) The Expiration Position Accountability Levels for metals contracts, for those contracts enumerated in Appendix (A), Chapter 9A for which expiration accountability levels are designated, are effective on the open of trading on the last three trading days of such contracts. The expiration position accountability levels shall be calculated on a net futures-equivalent basis. A COMEX miNY Gold Futures Contract shall be deemed equivalent to .50 of a Gold future, a COMEX miNY Silver Futures Contract shall be deemed equivalent to a .50 Silver future, and a COMEX miNY Copper Futures Contract shall be deemed equivalent to a .50 Copper Future.~~

~~(D)~~ (C) Trading in the underlying physically delivered contract that is the basis for the settlement prices for all contracts subject to this rule shall additionally be subject to NYMEX Interpretive Notices 01-06 and 01-07. Note: Specific reference to contract aggregation requirements are prescribed in Chapter 9A, Appendix (A).