

March 19, 2013

VIA E-MAIL

Ms. Melissa Jurgens
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

**RE: Modifications to NYMEX Tri-Venue Energy Futures and Options Incentive Program
NYMEX Submission No. 13-104**

Dear Ms. Jurgens:

New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to extend the Tri-Venue Energy Futures and Options Incentive Program ("Program"). Modifications to the Program will become effective April 3, 2013.

Exhibit 1 sets forth the terms of this Program. The modification appear below, with additions underscored and deletions ~~everstruck~~.

NYMEX business staff responsible for the Program and the NYMEX legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, NYMEX staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules and Recordkeeping.

The Program and proposed modifications will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and NYMEX market regulation staff will continue to monitor trading in the Program's products to prevent manipulative trading and market abuse. Additionally, NYMEX has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The products included in this Program are listed for trading in the open and competitive market. Participants who might meet the criteria for this Program generally perform complex trading strategies that include both on-exchange and off-exchange activities. The set of incentives encompassed by the Program have been developed to increase volume across all NYMEX venues through additional execution of these strategies, ultimately having a positive impact on the price discovery process taking place in the centralized market as the Program is designed to increase liquidity on that venue. Participants in the Program will be selected by NYMEX staff using criteria as further stated in Exhibit 1. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with NYMEX in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. The Program is subject to the Exchange's record retention policies which comply with the CEA.

The Exchange certifies that the Program and proposed modifications comply with the CEA and the regulations thereunder. There were no substantive opposing views to the Program or proposed modifications.

The Exchange certifies that this submission has been concurrently posted on the Exchange's website at <http://www.cmegroup.com/market-regulation/rule-filings.html>

If you require any additional information regarding this submission, please contact Robert Lev at 312-930-3019 or via e-mail at robert.lev@cmegroup.com, or contact me at 212-299-2200. Please reference our NYMEX Submission No. 13-104 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

NYMEX Tri-Venue Energy Futures and Options Incentive Program

Program Purpose

The purpose of this Program is to incentivize volume and liquidity in certain Energy products traded and/or cleared across NYMEX's trading venues. The resulting addition of liquidity for these products benefits all participants in the market.

Product Scope

All NYMEX Energy Futures and Options products that are traded on Globex®, traded on the NYMEX trading floor via open outcry or cleared by the CME Clearing House ("Products").

Eligible Participants

NYMEX may designate up to three (3) participants in the Program. A participant must be a NYMEX non-member. In order to be considered for the Program, an applicant must (i) have, over the previous six (6) months, traded an average of at least 400,000 contracts sides per month in NYMEX Crude Options, (ii) have, over the previous six (6) months, traded an average of at least 20,000 contract sides per month in NYMEX Refined Options, and (iii) maintained significant options trading activity across all NYMEX trading and clearing venues. Notwithstanding the forgoing, NYMEX may add or subtract from the above mentioned requirements as it deems necessary.

Program Term

Start date is December 27, 2012. End date is ~~March 31, 2013~~ December 31, 2013.

Hours

N/A

Incentives

For each calendar month of participation in the Program, Program participants may receive the following incentives:

1. Volume Incentives. Program participants will be eligible to participate in tiered volume incentives whereby participants may be charged reduced fee rates in certain NYMEX energy options products traded on Globex® and in certain NYMEX energy options products that a participant submits for clearing to the CME Clearing House. The tiered volume levels are predetermined by NYMEX and are based on a participant's volume in the above-referenced products.
2. Fee Discounts. Program participants will receive predetermined discounted fee rates for (i) trades in certain NYMEX energy products traded on Globex® all trades executed and/or cleared in NYMEX energy products, regardless of venue.
3. Surcharge Fee Waivers. Participants will be eligible to receive predetermined surcharge fee waivers for certain NYMEX energy products that are submitted for clearing and cleared through the CME Clearing House.

Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if they conclude from review that a Program participant no longer meets the eligibility requirements of the Program.