CME Group

A CME/Chicago Board of Trade/NYMEX Company

C.F.T.C.
OFFICE OF THE SECRETARIAT

May 6, 2009 MAY 6 PM 3 07

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# 09.45: Notification Regarding the Listing of National Balancing Point (NBP) Henry Hub Basis Swap Futures and National Balancing Point (NBP) Henry Hub Basis Option 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 the listing of (i) National Balancing Point (NBP) Henry Hub Basis Swap Futures contract for trading and clearing on CME ClearPort® and (ii) National Balancing Point (NBP) Henry Hub Basis Option contract for trading on the NYMEX trading floor and for submission for clearing on CME ClearPort.

The two (2) new contracts, commodity codes and rule numbers are listed below.

- National Balancing Point (NBP) Henry Hub Basis Swap Futures (code E2, Chapter 332)
- National Balancing Point (NBP) Henry Hub Basis Option (code V1 , Chapter 333)

The National Balancing Point (NBP) Henry Hub Basis Swap Futures contract will be cash-settled and will be listed on the CME ClearPort electronic trading and clearing systems beginning at 6:00 p.m. on Sunday, May 10, 2009 for trade date Monday, May 11, 2009. The contract will be available during normal trading hours on CME ClearPort. Electronic trading and clearing is conducted from 6:00 p.m. Sunday until 5:15 p.m. Friday (New York Prevailing time) via the CME ClearPort. There is a 45-minute break each day between 5:15 p.m. (current trade date) and 6:00 p.m. (next trade date). In addition, the Exchange will allow exchange of futures for physical ("EFP") and exchange of futures for swap ("EFS") transactions to be submitted through the CME ClearPort. The EFP and EFS transactions in these futures contracts will be governed by the provisions of Exchange Rules 6.21 and 6.21A, respectively.

The National Balancing Point (NBP) Henry Hub Basis Option contract will be cash-settled and will be listed for open outcry trading on the NYMEX trading floor effective trade date Tuesday, May 12, 2009. The option contract will be available during the hours of 9:00 a.m. to 2:30 p.m. (New York Prevailing Time) Monday through Friday, except on Exchange holidays. This option contract will also be listed for clearing on CME ClearPort from 6:00 p.m. Sunday through 5:15 p.m. Friday (New York Prevailing Time), except on Exchange holidays, with a 45-minute break each day between 5:15p.m. and 6:00 p.m.

In addition, the Exchange will allow submission of exchange of option for option ("EOO") transactions through CME ClearPort. The EOO transactions will be governed by the provisions of NYMEX Rule 6.21F.

The first listed month for these contracts will be June 2009. Monthly contracts will list 16 consecutive months through September 2010. We anticipate listing an additional three consecutive months for these contracts following the end of each calendar quarter (March 31, June 30, September 30, December 31).

Although the supplemental market information attached herewith includes the recommended position limits for these contracts, a separate filing will be submitted to the Commission to self-certify those position limits.

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 the National Balancing Point (NBP) Henry Hub Basis Swap Futures and National Balancing Point (NBP) Henry Hub Basis Option contracts will become effective on trade dates May 11, 2009, and May 12, 2009, respectively.

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
Director and Associate General Counsel

Attachments: Contract Terms and Conditions
Supplemental Market Information

National Balancing Point (NBP) Henry Hub Basis Swap Futures

332.01 Scope

The provisions of these rules shall apply all futures contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

332.02 Floating Price

The Floating Price for each contract month will be equal to the ICE UK Natural Gas Futures contract (NBP) settlement price converted from British Sterling and British pence to US dollars using the CME British Pound / U.S. Dollar 15-minute Weighted Average Derived Spot Price starting at 16:00 Local London time and developed for the National Balancing Point / Henry Hub Natural Gas Basis Swap Futures contract of the corresponding contract month minus the 15-minute Weighted Average Price of NYMEX (Henry Hub) Natural Gas Futures contract starting at 16:00 Local London time for the corresponding contract month.

332.03 Contract Quantity and Value

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

Each National Balancing Point (NBP) Henry Hub Basis Swap Futures contract shall be valued as the contract quantity (2,500 MMBtu) multiplied by the settlement price.

332.04 Contract Months

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

332.05 Prices and Fluctuations

Prices shall be quoted in U.S. dollars and cents per MMBtu. The minimum price fluctuation shall be $0.001 per MMBtu. There shall be no maximum price fluctuation.

332.06 Termination of Trading

Trading shall cease three business days prior to the first day of the contract month. If this business day is not a common business day for the ICE UK Natural Gas Futures contract (NBP) and the NYMEX (Henry Hub) Natural Gas Futures contract, the Termination of Trading will occur on the prior common business day.

332.07 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, provided, however, that in the event that the Floating Price is not available to the Exchange for any reason, the Exchange, based on the best information available to it 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.

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

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

332.09 Disclaimer

NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") AND ITS AFFILIATES DO NOT GUARANTEE THE ACCURACY AND/OR COMPLETENESS OF THE INDEX OR ANY OF THE DATA INCLUDED THEREIN.

NYMEX AND ITS AFFILIATES MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE INDEX, TRADING BASED ON THE INDEX, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX AND ITS AFFILIATES MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX OR ITS AFFILIATES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES

National Balancing Point (NBP) Henry Hub Basis Option

333.01 Option Type

A National Balancing Point (NBP) Henry Hub Basis Option contract is a financially-settled European style option. The option cannot be exercised prior to expiration.

333.02 Expiration

A National Balancing Point (NBP) Henry Hub Basis Option contract shall expire on the same day as the underlying National Balancing Point (NBP) Henry Hub Basis Swap Futures contract.

333.03 Trading Unit

On exercise of a put option, the value will be the cash difference between the strike price and the settlement price of the underlying National Balancing Point (NBP) Henry Hub Basis Swap Futures contract traded on the Exchange multiplied by 2,500 MMBtu, or zero, whichever is greater. On expiration of a call option, the value will be the cash difference between the settlement price of the underlying National Balancing Point (NBP) Henry Hub Basis Swap Futures contract traded on the Exchange and the strike price multiplied by 2,500 MMBtu, or zero, whichever is greater.

333.04 Hours of Trading

The National Balancing Point (NBP) Henry Hub Basis Option contract is available for open outcry trading on the Exchange trading floor between 9:00 a.m. to 2:30 p.m. (New York Prevailing time) Monday through Friday, except on Exchange Holidays.

The National Balancing Point (NBP) Henry Hub Basis Option contract is available for clearing on CME ClearPort® clearing platform from 6:00 p.m. Sundays through 5:15 p.m. Fridays (New York Prevailing time), with a 45-minute break each day between 5:15 p.m. and 6:00 p.m., except on Exchange Holidays.

333.05 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 difference between the previous day's settlement price for the underlying National Balancing Point (NBP) Henry Hub Basis Swap Futures contract rounded off to the nearest one-cent increment, unless such settlement price is precisely midway between two one-cent increments in which case it shall be rounded off to the lower one-cent increment and (ii) the ten strike prices which are ten one-cent increments higher than the strike price described in section (i) of this Rule 333.05(A).

B. Thereafter, on any business day prior to the expiration of the option, new strike prices for both puts and calls will be added, such that at all times there will be at least ten one-cent increment strike prices above and below the at-the-money strike price available for trading in all options contract months. The at-the-money strike price will be determined in accordance with the procedures set forth in Subsection (A) of this Rule 333.05.

C. Notwithstanding the provisions of subsections (A) and (B) of this Rule, if the Exchange determines that trading in National Balancing Point (NBP) Henry Hub Basis Option contract 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 National Balancing Point (NBP) Henry Hub Basis Option contract in which no new strike prices may be introduced.

333.06 Trading Months

Trading in National Balancing Point (NBP) Henry Hub Basis Option contract shall be conducted in the months determined by the Exchange. Trading shall commence on the day fixed by resolution of the Exchange.

333.07 Prices

Prices shall be quoted in dollars and hundredths of cents per MMBtu. The minimum price fluctuation will be $.001 per MMBtu. A cabinet trade may occur at the price of $.001 per MMBtu or $1.00, however, if it results in the liquidation of positions of both parties to the trade.

333.08 Absence of Price Fluctuation Limitations

Trading in National Balancing Point (NBP) Henry Hub Basis Option contract shall not be subject to price fluctuation limitations.

SUPPLEMENTAL MARKET INFORMATION

Summary

The National Balancing Point (NBP) Henry Hub Basis Swap Futures (NBP HH) contract addresses the basis differential between the the most visible natural gas hub price in the UK, the National Balancing Point, and the most visible U.S. price reference, the Henry Hub. As referenced in the attached contract, the IntercontinentalExchange (ICE) UK Natural Gas Futures Contract (NBP) and the New York Mercantile Exchange, Inc. ("NYMEX") Natural Gas Futures Contract (Henry Hub) are the pricing sources for the NBP HH basis futures contract. The NBP is the most visible hub pricing location in the UK and Europe and the Henry Hub is the most visible and widely referenced U.S. natural gas price.

The basis between these two markets provides critical pricing information for participants in the international Atlantic liquified natural gas (LNG) market. In the current market, the majority of the Atlantic LNG vessel cargos are sold on a spot basis. LNG cargo owners use the respective prices in the UK/Europe and the U.S. in part to determine whether to sell the cargos into the respective geographic Atlantic markets. The attached NBP HH futures basis contract will provide regulated futures market risk management for those conducting transactions in the Atlantic LNG market.

Market Description

Natural Gas Futures Contract (Henry Hub)

Launched in 1990, the Natural Gas Futures Contract rules provide standard delivery at the Henry Hub in Erath, Louisiana. This hub, which is owned by Sabine Pipe Line LLC, a wholly-owned subsidiary of Chevron, is widely regarded as the most visible and most widely referenced natural gas price delivery in the U.S. The Henry Hub is located at the nexus of 16 intra- and interstate natural gas pipeline systems that draw supplies from the Gulf Coast region's substantial natural gas reserves. The pipelines connected to the Henry Hub serve markets throughout the Eastern Seaboard, Southeast, and Midwest. Hundreds of participants in the U.S. natural gas industry trade the Natural Gas Futures Contract. In the first three months of 2009, the average daily volume of NYMEX's physically-delivered Natural Gas Futures Contract was 133,000 contracts. The contract unit of the Natural Gas Futures Contract is 10,000 million British thermal units (MMBtu). The contract unit of National Balancing Point (NBP) Henry Hub Basis Swap Futures (NBP HH) contract is 2,500 MMBtu.

ICE UK Natural Gas Futures Contract (National Balancing Point)

Launched in 1997, The ICE UK Natural Gas Futures Contract rules provide for standard delivery through a transfer of rights at the National Balancing Point (NBP). This contract was first offered by the International Petroleum Exchange prior to its acquisition by ICE. The NBP is a virtual trading location for the UK natural gas market. The ICE UK Natural Gas Futures Contract unit is 1,000 therms per day for all days in the contract month. The ICE NBP monthly contract requires a minimum execution of 5 lots of 1,000 therms per day. In the first three months of 2009, the average daily volume of the ICE NBP contract was 6,744 contracts.

U.S. LNG Import Market

According to data provided by the Energy Information Association ("EIA"), Figure 1 below provides annual U.S. LNG imports in NYMEX 2,500 MMBtu contract equivalents. In 2008, the total LNG imports declined 54% from the total LNG imports during 2007. This significant U.S. LNG imports decline is generally considered to be price-related due to the sale of spot cargos into higher priced European and UK natural gas spot markets. The significant decline in U.S. LNG imports is a further indication of the role of price in the decision to ship cargos into various Atlantic LNG markets and the corresponding need for risk management.

Figure 1

Year	Million Cubic Feet (MMCf)	Annual Contract Volume (contract size: 2,500 MMBtu)	Average Monthly Volume
2005	631,260	252,504	21,042
2006	583,537	233,415	19,451
2007	770,812	308,325	25,694
2008	351,698	140,679	11,723

Source: EIA

Recent world-worldwide demand reductions ensuing from global economic recession conditions may result in increased LNG supply to the U.S. due to the well-developed LNG storage and delivery capacity referenced below. For some international LNG market participants, the U.S. may become a market of last resort due to reduced international demand.

U.S. LNG Gasification Terminals

Figure 2 below provides the geographic location for all U.S. LNG import locations. Figure 3 below provides the peak and baseload billion cubic feet (bcf) capacity for all identified import facilities. According to data provided by the EIA in Figure 3, the total daily capacity is 6 bcf for peak delivery and 4.6 bcf for baseload delivery. As indicated in Figure 3, the total monthly baseload LNG delivery capacity is 137,610 Million Cubic Feet (MMCf) which is equal to 55,044 contracts in 2,500 MMBtu contract equivalents. The average monthly volume in Figure 1 above is 11,723 contracts in 2,500 MMBtu contract equivalents. Therefore, natural gas delivery from U.S. LNG terminals greatly exceeds actual U.S. imports.

Figure 2

Current U.S. LNG Import Terminals

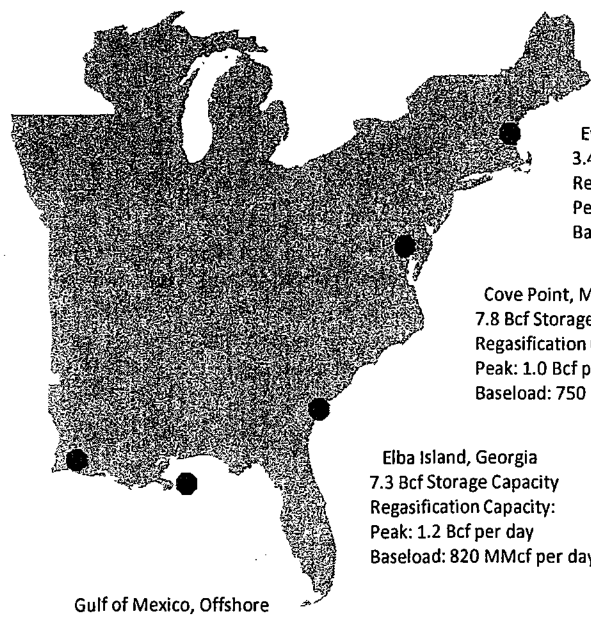

Figure 3

LNG Facility	Peak Capacity billion cubic feet (bcf)	Baseload billion cubic feet (bcf)	Million Cubic Feet (MMCf)/Day	Baseload Million Cubic Feet (MMCf)/Month	Contract Equivalent (contract size 2,500 MMBtu)	25% of Total
Lake Charles	2.100	1.800	1,800	54,000	21,600	5,400
Gulf Gateway	0.690	0.500	500	15,000	6,000	1,500
Elba Island	1.200	0.820	820	24,600	9,840	2,460
Cove Point	1.000	0.750	750	22,500	9,000	2,250
Everett	1.035	0.717	717	21,510	8,604	2,151
Total	**6.025**	**4.587**	**4,587**	**137,610**	**55,044**	**13,761**

Source: EIA

Cash Market/OTC Market Description

Exchange staff has reviewed both the relevant cash and over-the-counter ("OTC") financial derivatives markets for these contracts. The two pricing components of the National Balancing Point (NBP) Henry Hub Basis Swap Futures (NBP HH) contract are ICE's NBP futures contract and NYMEX's Henry Hub Natural Gas futures contract. Both futures contracts are traded in regulated futures markets. The NBP HH basis can currently be executed through separate futures transactions in the respective regulated markets. In addition to the two separate futures components, the foreign exchange conversion from sterling to dollars is also necessary to complete the basis transaction. The NBP HH basis futures contract will enhance the efficiency of NBP HH risk management by reducing the complexity of the current execution of the basis transaction. Due to the complexity of current basis execution, the OTC financial derivatives markets for these products are less developed than the physical cash markets. We believe that the cash and futures markets are sufficiently active to provide underlying support for the listing of the futures basis and corresponding option. NBP and HH natural gas futures contracts are long standing pricing and risk management markets for natural gas value in the U.K., Europe and the United States. As stated above, the average daily volume for the NYMEX HH Natural Gas Futures contract is 133,000 contracts, and the average daily volume for the ICE NBP futures contract is 6,744 contracts. Therefore, of the two futures markets, the HH futures contract is the more active futures contract. In addition, commercial sources have indicated that the total cash market related to the NBP hub is much larger than the ICE NBP futures contract. The ICE NBP futures contract trades in a long standing regulated futures market and is the most visible pricing indicator for the UK NBP market. The NBP market is the visible natural gas market in the UK and Europe. Market participants in the NBP futures and cash markets include hundreds of companies.

Large International LNG Market Participants

Participants	Brokers
Shell	ICAP
British Gas	GFI
ExxonMobil	Tullet- Prebon Spectron
Chevron	
Sempra	
BP	
BG	
Constellation	
Excelerate	
Cheniere	
AES	
Conoco Philips	
EDF	
E-ON	

Position Limits and Accountability Levels

The accountability levels, expiration month limit, and reporting level of the NBP HH basis futures contract are presented below. The expiration month limit of 500 is significantly below the basis contract equivalent of a single LNG tanker which typically has a capacity of 3.1 billion cubic feet (or 1,240 contracts of 2,500 MMBtu contract equivalents). As a result, commercial users in this market will need a hedge exemption to hedge the contract equivalent of one LNG tanker as indicated above.

Contract Name	All Month Accountability Level	Any One Month Accountability Level	Expiration Month Limit	Reporting Level
	Rule 9A.26	**Rule 9A.26**	**Rule 9A.27**	**Rule 9A.34**
National Balancing Point (NBP) Henry Hub Basis Swap Futures	3,500 / 12,000	2,500 / 12,000	500 / -	25 / 100
National Balancing Point (NBP) Henry Hub Basis Option	3,500 / 12,000	2,500 / 12,000	500 / -	25 / 100