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OFFICE OF THE SECRETARIAT

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June 11, 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 #09.82: Notification Regarding the Listing of the Mont Belvieu Ethylene Futures Contract on CME ClearPort®

Dear Mr. Stawick:

The New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the listing of the Mont Belvieu Ethylene futures contracts for trading on CME ClearPort trading system and for submission for clearing on CME ClearPort.

The Mont Belvieu Ethylene futures contract, commodity code and rule chapter is listed below:

CONTRACT	CODE	RULE CHAPTER
Mont Belvieu Ethylene Futures	1F	601

The Mont Belvieu Ethylene futures contract will be physically delivered. The contract will be listed on the CME ClearPort beginning at 6:00 p.m. on Sunday, June 14, 2009 for trade date Monday, June 15, 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).

The first listed month for the Mont Belvieu futures contract will be the July 2009 contract month. The contract will be listed for up to twenty-four (24) consecutive months.

In addition, the Exchange will allow exchange of futures for physical ("EFP") and exchange of futures for swap ("EFS") transactions to be submitted through 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.

Although the supplemental market information attached herewith includes the recommended position limits for the Mont Belvieu ethylene futures 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.

Should you have any questions concerning the above, please contact Daniel Brusstar at (212) 299-2604, or me at (312) 648-5422.

Sincerely,

/s/ Stephen M. Szarmack
Director and Associate General Counsel

Attachments: Contract Terms and Conditions
Supplemental Market Information

Mont Belvieu Ethylene Futures

601.01 Scope

The provisions of these rules shall apply to Ethylene bought or sold for clearing on the Exchange with delivery in Mont Belvieu, Texas.

601.02 Definitions

- (A) "Williams" refers to Williams Olefins, L.L.C., a Delaware limited liability company, with offices at One Williams Center, Tulsa, Oklahoma 74172.
- (B) "Williams Storage Facility" refers to the storage wells in the salt structure and all associated surface facilities used in connection with storage in these wells, which are owned and operated by Louis Dreyfus Mont Belvieu, L.P., and leased by Williams as a storage facility for Ethylene.
- (C) "Ethylene" refers to the product ethylene as specified in Rule 601.05.
- (D) The terms "seller" and "buyer" shall mean the short Clearing Member and the long Clearing Member, respectively.
- (E) "Seller's Customer" and "Buyer's Customer" shall mean the seller and buyer, respectively, of the physical product.

601.03 Final Settlement Price

The final settlement price for the delivery month shall be the Ethylene price as published in the PetroChem Wire on the last trading day under the heading of "Closing Price" for the delivery month using the aggregate assessment for the Mont Belvieu delivery area.

601.04 Contract Unit

The contract unit to be delivered by the seller shall be 100,000 U.S. pounds. There shall be no volume tolerance permitted under these rules.

601.05 Grade and Quality Specifications

Ethylene shall conform to the Williams ethylene specifications, which may be amended from time to time, as outlined below:

<u>Components</u>	<u>Specifications (weight basis)</u>	<u>Test Method</u>	<u>Specifications (mole basis)</u>
Ethylene (Minimum)	99.90 wt. %	ASTM D 2505	99.90 mol %
Methane + Ethane + Nitrogen	1,000 ppm wt.	ASTM D-2505/D-2504	
Methane	200 ppm wt.	ASTM D 2505	350 ppm mol
Ethane	500 ppm wt.	ASTM D 2505	465 ppm mol
Acetylene	1.5 ppm wt.	ASTM D 2505	1.6 ppm mol
Propylene & Heavier	5 ppm wt.	ASTM D 2505	3.3 ppm mol
Carbon Dioxide	1.5 ppm wt.	ASTM D-2505	1.0 ppm mol
Carbon Monoxide	0.15 ppm wt.	ASTM D 2504	0.15 ppm mol
Water	1 ppm wt.	Panametrics	1.6 ppm mol
Total Sulfur	1 ppm wt.	ASTM D-3246	0.9 ppm mol
Oxygen	1 ppm wt.	ASTM D 2504	1.75 ppm mol
Hydrogen	0.4 ppm wt.	ASTM D 2504	0.5 ppm mol
Ammonia	1 ppm wt.	ASTM D 5234	
Methanol	1 ppm wt.	ASTM D 5234	

601.06 Delivery Months

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

601.07 Prices and Fluctuations

Prices shall be quoted in dollars and cents per pound. The minimum price fluctuation shall be \$.00001 (.001¢) per pound.

601.08 Termination of Trading

Trading or clearing shall cease on the fifth-to-last business day of the month prior to the delivery month.

601.09 Product Placement

For purposes of Rule 9A.19, a Clearing Member shall fulfill his contractual obligation on a maturing contract only if, by 6:00 p.m. on the last trading day, such seller has received from his customer a certification, in the form prescribed by the Exchange, stating that the customer has or will have in position, not later than the first day of the delivery month, at one or more eligible delivery facilities at which delivery may be made under this Chapter, a quantity and quality of Ethylene sufficient to meet such customer's obligation to make delivery when and as prescribed in these Rules; provided, however, that the receipt of such certification shall not relieve the seller of any obligations under any Rule other than Rule 9A.19.

601.10 Delivery

- (A) Delivery shall be made Free-On-Board (F.O.B.) the Williams Storage Facility in Mont Belvieu, Texas. Delivery shall be made with all applicable Federal, State and Local laws and regulations.
- (B) For the purposes of this Rule, the term F.O.B. shall mean a delivery in which the Seller's Customer delivers Ethylene to the Buyer's Customer to the inlet flange or into storage at the Williams Storage Facility. Ethylene shall be free and clear of all liens, claims, encumbrances, fees and other charges.
- (C) The title to, and the risk of loss of, Ethylene shall be passed between counterparties at the following points or time: 1) when the Ethylene passes through the inlet flange out of the Williams Storage Facility to the Buyer's Customer's pipeline; 2) when the Ethylene passes through the inlet flange into the Williams storage facility to the Buyer's Customer's storage; or 3) for "in-well" transfers, on the effective date specified in the transfer document.

601.11 Delivery Methods

Delivery shall be made by any of the following methods:

- (A) By "in-well" transfer in the Williams Storage Facility, by mutual agreement of the buyer and seller;
- (B) By inter-facility transfer ("pump over"), as scheduled by Williams, from the Seller's Customer's facility to the Williams Storage Facility, or from the Seller's Customer's storage at Williams to another interconnected pipeline nominated by the Buyer's Customer;
- (C) At any delivery location in Mont Belvieu, by mutual agreement of the counterparties.

601.12 Delivery Procedure

(A) NOTICE OF INTENTION TO DELIVER AND NOTICE OF INTENTION TO ACCEPT

By 6:00 p.m. on the last day of trading:

- (1) Each Clearing Member holding an open short position shall file with the Exchange a properly completed and signed Notice of Intention to Deliver. The Notice of Intention to Delivery shall be in the form prescribed by the Exchange and shall include:
 - (a) Name of the Seller's Customer;

- (b) Number of contracts to be delivered;
 - (c) The name and location of the connecting pipeline, storage facility or fractionation facility from which the Seller's Customer will supply the product; and
 - (d) Any additional information as may be required by the Exchange.
- (2) Each Clearing Member holding an open long position shall file with the Exchange a properly completed and signed Notice of Intention to Accept. The Notice of Intention to Accept shall be in the form prescribed by the Exchange, and shall include:
- (a) Name of the Buyer's Customer;
 - (b) Number of contracts to be accepted; and
 - (c) Any additional information as may be required by the Exchange.

(B) NOTICE DAY

The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions and preferred locations, to the extent possible. The Clearing House shall provide Tender Allocation Notices to the respective Clearing Members on the morning of the first business day after the last day of trading. The day on which the Tender Allocation Notices are provided to the Clearing Members shall be referred to as "Notice Day". Tender Allocation Notices are not transferable.

(C) BUYER'S DELIVERY INSTRUCTIONS

As soon as possible after receipt from the Exchange of a Tender Allocation Notice, but not later than 3:00 p.m. one business day after the last trading day, the buyer shall deliver to the seller identified in such Tender Allocation Notice, with copy to the Exchange, properly completed and signed Delivery Instructions, in the form prescribed by the Exchange, which shall include the following information:

- (1) Name of seller;
- (2) Tender number;
- (3) Number of contracts;
- (4) The method of delivery; and
- (5) Any additional information as may be required by the Exchange.

(D) AMENDMENT OF DELIVERY INSTRUCTIONS

Except as provided in this Section (D), Notices of Intention to Deliver and Notices of Intention to Accept may not be amended after they have been given. However, upon mutual consent of the parties and upon written notice to the Exchange, the parties may change the method of delivery named by the buyer.

601.13 Timing of Delivery

Delivery shall take place no earlier than the first calendar day of the delivery month and no later than the last calendar day of the delivery month, in accordance with Williams' scheduling procedures.

601.14 Delivery Margins and Payment

(A) Margins.

The seller shall obtain from its customer margin in an amount fixed, from time to time, by the Exchange.

(B) On the first business day following the last day of trading, the long clearing member shall obtain from the long, if any, margin in an amount fixed by the Exchange. The short clearing member shall obtain from the short, if any, margin in an amount fixed, from time to time, by the Exchange.

(C) The long clearing member and the short clearing member shall deposit with the Clearing House margins in such amounts and in such form as required by the Exchange. Such margins which shall not be greater than the margins charged to the longs and the shorts, shall be returned on the business day following notification to the Exchange that delivery and payment have been completed.

(D) **Payment Date Net 5 Days.**

The buyer shall pay the seller at the office of the seller by certified check by 12:00 noon of the fifth business day following completion of delivery. The amount of payment shall be based on the volume delivered as determined in Rule 601.04. The seller, upon receipt of payment, shall give the buyer all appropriate documents necessary to transfer ownership of the product to the buyer. Alternatively, buyer and seller may mutually agree to effect payment or adjustment, as otherwise prescribed in this Rule, by federal funds money wire as a substitution for a certified check.

601.15 Validity of Documents

The Exchange makes no representation respecting the authenticity, validity or accuracy of any Inspection Certificate, Notice of Intention to Deliver, Notice of Intention to Accept, Check, or of any document or instrument delivered pursuant to these Rules.

601.16 Inspection

Inspection of product shall be conducted in accordance with Williams' standard operating practice.

601.17 Exchange of Futures for Physical (EFP) and Exchange of Futures for Swaps (EFS)

- (A) An exchange of futures for, or in connection with, product (EFP) or exchange of futures for, or in connection with, swaps (EFS) transactions consist of two discrete, but related, transactions: a physical commodity or swap transaction and a futures transaction. At the time such transaction is effected, the Buyer's Customer and Seller's Customer of the futures must be the Seller's Customer and Buyer's Customer of a quantity of the physical product or swaps agreement covered by this Section (or any derivative, by-product or related product). The quantity of physical product or swap agreement must be approximately equivalent to the quantity covered by the futures contracts.
- (B) Except as provided below, an EFP or EFS must take place during the hours of trading for the futures contract. An EFP or EFS is permitted at any time before 2:00 p.m. of the first business day following termination of trading in an expired futures contract, provided, however, that an EFP or EFS which establishes a futures position for both the Buyer's Customer and Seller's Customer shall not be permitted on the first business day following the expired contract.
- (C) Any EFP or EFS shall be governed by the provisions of this Rule and by the provisions of Rules 6.21 and 6.21A respectively.
- (D) Each Buyer's Customer and Seller's Customer must satisfy the Exchange, at its request, that the transaction is a legitimate EFP or EFS transaction. All documentary evidence relating to the EFP or EFS, including, without limitation, evidence as to change of ownership of the physical commodity or swap commitment, shall be obtained by the Clearing Members from their customers and made available by the Clearing Members for examination by the Exchange upon request.
- (E) A report of each EFP or EFS transaction shall be given, and notice thereof shall be posted for clearing on the Exchange, on the day that the transaction thereto was made, or if such agreement was made after the close of trading, then on the next business day. EFP or EFS transactions shall be cleared through the Exchange in accordance with normal procedures, and shall be recorded as such by the Exchange and by the Clearing Members involved.

601.18 Alternative Delivery Procedure

The matched counterparties may agree to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Contract. In such a case, Clearing Members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed executed copy of such Notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the Clearing Members and the Exchange from their respective obligations under the Exchange contracts.

In executing such Notice, Clearing Members shall indemnify the Exchange against any liability, cost or expense it may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the Clearing Members all margin monies held for the account of each with respect to the contracts involved.

601.19 Force Majeure, Late Performance and Failure to Perform

(A) DEFINITIONS. As used in this Rule 601.19, the following terms, as well as variations thereof, shall have the meanings described below.

- (1) "Force Majeure" shall mean any circumstance (including, but not limited to, a strike, lockout, national emergency, governmental action, or act of God) which is beyond the control of such buyer or seller, and which prevents the buyer or seller from making or taking delivery of product or effecting payment when and as provided for in this Chapter.
- (2) "Failure to Perform" shall mean the failure of the seller to make or the buyer to receive delivery of product in accordance with the requirements set forth in this Chapter 601.
- (3) "Contract Value" shall mean the amount equal to the settlement price on the last day of trading in a futures contract times 42,000 times the number of contracts to be delivered.
- (4) (a) "Party" means a buyer or seller.
(b) "Other Party" means the corresponding buyer when the seller has failed to perform and the corresponding seller when the buyer has failed to perform.

(B) RESPONSIBILITIES OF PARTIES TO THE DELIVERY

- (1) The parties to a delivery shall make commercially reasonable efforts to perform their respective delivery obligations at all times until a party has failed to perform.
- (2) A party which has failed to perform its obligations may no longer perform such obligations.
- (3) When a buyer or a seller has failed to perform, the buyer or the seller, respectively, through which the delivery is affected, shall be liable to the other party for any damages awarded pursuant to Section (E) of this Rule and to the Exchange for any assessments made pursuant to Section (D) of this Rule.

(C) DELIVERY COMMITTEE

- (1) Force majeure and failure to perform shall be determined by a Panel of the Delivery Committee as set forth below.
- (2) The Chairman of the Delivery Committee shall appoint a Panel, which shall consist of three (3) members of the Committee, to review a delivery:
 - (a) when the Chairman of the Delivery Committee is advised by the President or any person designated by the President that it appears that a party to the delivery has failed or may fail to perform;
 - (b) upon written request of both the buyer and seller;
 - (c) when the President or any person designated by the President requests such appointment; or
 - (d) if either party to the delivery notifies the Exchange that circumstances constituting force majeure prevent the performance of delivery obligations at the time and site designated by the parties.
- (3) The Chairman of the Delivery Committee shall not appoint to any Panel any person who has a direct or indirect interest in the delivery in question. Each Panel Member shall disclose to the Chairman of the Delivery Committee any such interest which might preclude such Panel Member from rendering a fair and impartial determination. Any Panel so appointed shall retain jurisdiction over the delivery in question until the delivery has been completed or a party has been found to have failed to perform such delivery. Exchange Counsel shall serve as advisor to the Panel.

- (4) The Panel shall meet within one business day of notification as provided in these Rules. Unless good cause for delay exists, within one business day the Panel shall determine whether force majeure exists or whether a buyer or seller has failed to perform its obligations as provided in the Rules, and advise the Market Regulation Department of such determination, and its findings in support thereof immediately. The Panel shall cause its determination to be communicated to the parties to the delivery as expeditiously as possible.
- (5) Absent a declaration of a force majeure, the Panel may, with the consent of both the buyer and the seller, take any one or combination of the following actions as it deems suitable:
- (a) grant an extension of time not to exceed five days from the date of the scheduled delivery, provided, however, that each delivery shall be completed no later than the fifth business day of the calendar month following the delivery month or the last day of the period provided for late performance of the contract, whichever is earlier;
 - (b) change the delivery site to a site within Mont Belvieu, provided that the seller has product or will have product at such site in time for delivery; or
 - (c) modify the method of taking delivery.

This Subsection shall not preclude a party of the Exchange from seeking the remedies set forth in Sections (D) and (E) of this Rule.

- (6) Upon a finding of a failed performance, the Panel shall:
- (a) in the case of a failure to perform by a seller: (i) notify the President, or its designee, of its determination, who shall instruct the Exchange's Clearing House to retain all delivery margins deposited by the seller for the delivery until any amounts determined to be due to the Exchange or the buyer pursuant to Sections (D) or (E) of this Rule have been paid; and (ii) apprise the buyer of the remedies provided pursuant to Section (E) of this Rule.
 - (b) in the case of a failure to perform by a buyer: (i) notify the President, or its designee, of its determination, who shall instruct the Exchange's Clearing House to issue a delivery margin call to the buyer in an amount equal to the original margin then in effect for a Ethylene futures contract carried at the Clearing House on the last day of trading in such contract times the number of contracts to be delivered and to retain such delivery margin until any amounts determined to be due to the Exchange or the seller pursuant to Sections (D) and (E) of this Rule have been paid; and (ii) apprise the seller of the remedies provided pursuant to Section (E) of this Rule.
- (7) Upon a finding of force majeure, the Panel may take any one or combination of the following actions as it deems suitable:
- (a) grant an extension of time for delivery up to two months from the scheduled time;
 - (b) change the delivery site to a site within Mont Belvieu, provided that the seller has product or will have product at such site in time for delivery;
 - (c) modify the method of taking delivery if such method is acceptable to the buyer;
 - (d) allocate deliveries; or
 - (e) refer the matter to the Exchange for consideration of emergency action pursuant to Exchange Rules.

(D) EXCHANGE ACTION

- (1) Whenever a buyer or a seller is found by the Panel to have failed to perform a delivery, the Exchange, represented by the Market Regulation Department, shall issue a Notice of Assessment in accordance with subsection (2) of this section (D), specifying the findings of the Panel with respect to the failed delivery.

- (2) When a party has failed to perform, the Market Regulation Department shall issue a Notice of Assessment assessing penalties of twenty percent of the contract value, but not less than \$3,000 per contract, to be paid to the Exchange.
- (3)
 - (a) A party may appeal a Notice of Assessment by filing a Notice of Appeal with the Hearing Registrar of the Exchange and by serving a copy of the same on the Exchange's Compliance Counsel, within two business days of receipt of Notice of Assessment from the Market Regulation Department. The party filing the appeal ("Appellant") shall file, within twenty (20) days after filing the Notice of Appeal, a Memorandum of Appeal setting forth the factual and legal basis for the appeal. The Memorandum of Appeal must be filed with the Hearing Registrar and a copy of the same served upon the Exchange's Compliance Counsel.
 - (b) The Market Regulation Department may file with the Appellant and the Hearing Registrar an Answering Memorandum to the Memorandum of Appeal within ten (10) days of receipt of that memorandum.
- (4) Failure by the party to file a Notice of Appeal or a Memorandum of Appeal within the time specified in subsection (D)(3)(a) of this Rule shall constitute a waiver, and the penalties shall be paid within five days to the Exchange. Failure to pay such penalties in accordance with this Rule shall subject the party to the sanctions set forth in Chapter 4. In the event a party fails to appeal, or waives the opportunity to appeal, a Notice of Assessment, the Assessment and Findings of the Petroleum Delivery Committee shall constitute a final disciplinary action of the Exchange.
- (5) Within ten (10) days after receipt of the Market Regulation Department's reply, the Appellant shall be entitled to examine all books, documents and other tangible evidence in possession or under the control of the Exchange that are to be relied upon by the Market Regulation Department or are otherwise relevant to the matter.
- (6) In the event of an appeal by a party, the President, or his designee, shall appoint a Performance Appeal Panel to hear and decide the appeal. No member of the Performance Appeal Panel may have a direct or indirect interest in the matter under the appeal. Each Panel Member shall disclose to the President, or his designee, any such interest which might preclude such Panel Member from rendering a fair and impartial determination. The formal Rules of Evidence shall not apply to such appeal, and the Performance Appeal Panel shall be the sole judge with respect to the evidence presented to it. Exchange outside counsel shall advise the Performance Appeal Panel.
- (7) The procedures for the hearing of the appeal before the Performance Appeal Panel shall be as follows:
 - (a) At a date to be set by order of the Panel, and prior to such hearing, the Appellant and the Market Regulation Department shall furnish each other with a list of witnesses expected to be called at the hearing, and a list of documents and copies thereof expected to be introduced at the hearing.
 - (b) At such hearing the Appellant may appear personally and may be represented by counsel or other representative of his choice at the appeal.
 - (c) The Market Regulation Department shall be entitled to offer evidence relating to the delivery and shall be entitled to call witnesses and introduce documents in support thereof. It shall be the burden of the Market Regulation Department to demonstrate, by the weight of the evidence, the appropriateness of the sanction set forth in the Notice of Assessment.
 - (d) The Appellant shall be entitled to rebut the Market Regulation Department's evidence and shall be entitled to call witnesses and introduce documents in support thereof.
 - (e) The Market Regulation Department and the Appellant shall be entitled to cross-examine any witness called by the opposing party at the hearing.
 - (f) The Notice of Assessment, the Notice of Appeal, the Memorandum of Appeal, any Answering Memorandum, the stenographic transcript of the appeal, any documentary evidence or other material presented to and accepted by the Performance Appeal Panel by either party shall

constitute the record of the hearing. The decision of the Performance Appeal Panel shall be based upon the record of the hearing.

- (g) The Performance Appeal Panel shall have the power to impose a penalty against any person who is within the jurisdiction of the Exchange and whose actions impede the progress of a hearing.
 - (h) The Performance Appeal Panel shall issue a written decision in which it may affirm, reduce or waive the charges assessed against the Appellant and shall state the reasons therefore.
 - (i) The decision of the Performance Appeal Panel shall be a final decision of the Exchange, and shall constitute a final disciplinary action of the Exchange. The fine is payable on the effective date of the decision or as specified. The effective date shall be fifteen (15) days after a copy of the written decision has been delivered to the Appellant and to the Commission.
- (8) The Performance Appeal Panel shall consider, and make recommendations to the President concerning acceptance or rejection, of any offer of settlement submitted by Appellant. In the case of an offer of settlement, acceptance by the President shall constitute the final disciplinary action of the Exchange.

(E) ARBITRATION PROCEDURE

- (1) Any claim for damages arising between a buyer and a seller as a result of a delivery pursuant to this contract shall be settled by arbitration in accordance with these Rules.
- (2) Notice of Intent to Arbitrate must be submitted to the Secretary of the Exchange within three business days of the occurrence upon which the claim is based or the decision of the Delivery Committee with respect to a late or failed performance. Failure to submit a Notice of Intent to Arbitrate within the prescribed period will be deemed a waiver of a party's rights to arbitrate such delivery dispute under the special or Regular Arbitration Rules.
- (3) The Arbitration will be governed by Chapter 6A with the following exceptions:
 - (a) The President or his designee shall appoint an Arbitration Panel.
 - (b) The Arbitration Panel shall render its award, if any, in writing, which award shall be based on the damages proven by the injured party which may include such other relief which the Panel deems just and equitable.
 - (c) The award of the Arbitration Panel shall be final and binding upon each of the parties to the arbitration.
 - (d) Failure to comply with the terms of the award may subject the party which fails to comply with disciplinary proceedings pursuant to Chapter 6A Rule 618.

601.20 Time References

For purposes of these Rules, unless otherwise specified, times referred to herein shall refer to and indicate New York Prevailing time.

601.21 Disclaimer

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX") AND ITS AFFILIATES NOR PETROCHEM WIRE, LLC ("PETROCHEM WIRE") GUARANTEES THE ACCURACY AND/OR COMPLETENESS OF THE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN.

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SUPPLEMENTAL MARKET INFORMATION

PRICE SOURCES

PetroChem Wire, LLC

The price reporting services used for the final settlement of the Mont Belvieu Ethylene Futures contract is PetroChem Wire, LLC (“PetroChem Wire”). This price source is the major pricing service used in the over-the-counter (“OTC”) market for the pricing of ethylene, and their utilized methodology is well-known in the petrochemical industry. PetroChem Wire price services are widely used and serve as benchmarks in the petrochemical industry.

PETROLEUM MARKETS, PARTICIPANTS AND SPECULATIVE LIMITS

Ethylene Market

Ethylene is a gas that is produced by processing natural gas liquids or naphtha by heating the liquid molecules and “cracking” them. For this reason, ethylene plants are called “steam crackers” or just “crackers” – not to be confused with FCCs, or fluid catalytic crackers, the heart of an oil refinery.

There are 42 steam crackers in the United States. From these plants, a combined total of 50 billion pounds of ethylene is produced primarily in the Padd 3 area of the U.S. (Texas and Louisiana).

Ethylene produced in the US is rarely exported. It is mostly a regional commodity, transported by pipelines throughout Texas and Louisiana to feed most of the petrochemical plants in the US. It is stored in underground caverns, similar to the storage of natural gas.

Ethylene is called a “base chemical” because it is a feedstock for nearly every other petrochemical. Its major and immediate downstream uses are in the production of plastic resins and chemicals that are components of the cosmetic, coatings, ink and industrial cleanser industry.

According to data from the National Refiner and Petrochemical Association (NPRA), the total U.S. production of ethylene is approximately 50 billion pounds per year, or 4.2 billion pounds per month.

Market Participants

The market participation in Mont Belvieu is diverse, and the participants include 30 to 40 commercial companies. A partial listing is as follows:

Refiners/Producers	Traders/End Users	Brokers	Financial (Swaps)
ConocoPhillips	Louis Dreyfus	Lozier Energy	Barclays
Valero	Vitol	Liquidity Partners	JPMorgan Chase
Shell	Glencore	MF Global	Goldman Sachs
ExxonMobil	Muehlstein	ICAP	Morgan Stanley
BP	Trafigura		
Total	Cargill		
Koch Petroleum	Vinmar Trading		
Lyondell	Marubeni		
Dow Chemical			
Lyondell Basell			
Ineos (formerly BP)			
Westlake Chemical			

Speculative Limits

The Exchange has set the spot month limit for the Mont Belvieu Ethylene Futures contract at 800 contracts of 100,000 pounds each, which is less than 5% of the monthly deliverable supply.