

June 14, 2012

**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: NYMEX Henry Hub Natural Gas Look Alike Financial Futures and Henry Hub Natural Gas Last Day Financial Futures Contracts Trader Incentive Program.  
NYMEX Submission No. 12-172**

Dear Mr. Stawick:

New York Mercantile Exchange, Inc. (“NYMEX” or the “Exchange”) hereby notifies the Commodity Futures Trading Commission (“Commission”) that it plans to implement a trader incentive program in support of Henry Hub Natural Gas Look Alike Financial Futures and Henry Hub Natural Gas Last Day Financial Futures contracts that are traded on Globex and via open outcry (“Program”). This proposed Program will become effective on July 1, 2012.

Exhibit 1 sets forth the terms of this Program.

NYMEX business staff responsible for the Program and the NYMEX legal department collectively reviewed the designated contract market core principles (the “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;

Designated Contract Market Core Principles: Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules and Recordkeeping.

The proposed Program will not impact the Exchange’s ability to perform its trade practice and market surveillance obligations under the CEA. NYMEX market regulation staff will never-the-less continue to monitor all participants to prevent manipulative trading and market abuse. The incentives available under the Program will not impact the Exchange’s order execution. Participants will be selected by NYMEX based on the criteria set forth 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 proposed Program will be subject to the Exchange’s record retention policies which comply with the CEA.

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The Exchange certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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](mailto:robert.lev@cmegroup.com), or contact me at 212-299-2200. Please reference our NYMEX Submission No. 12-172 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director, Chief Regulatory Counsel

Attachments

# EXHIBIT 1

## **NYMEX Henry Hub Natural Gas Look Alike Financial Futures and Henry Hub Natural Gas Last Day Financial Futures Contracts Trader Incentive Program**

### **Program Purpose**

The purpose of the Program is to incentivize market makers to increase liquidity in NYMEX Henry Hub Natural Gas Look Alike Financial Futures and Henry Hub Natural Gas Last Day Financial Futures contracts traded on the Globex Platform. The resulting central limit order book liquidity benefits all participants in the marketplace.

### **Product Scope**

NYMEX Henry Hub Natural Gas Look Alike Financial Futures and Henry Hub Natural Gas Last Day Financial Futures contracts traded on the Globex Platform or via open outcry ("Products").

### **Eligible Participants**

There is no limit to the number of participants in the Program. Participants may be a NYMEX member or non-member. All market participants that register with the Exchange may participate in the Program.

### **Program Term**

Start date is July 1, 2012. End date is December 31, 2012.

### **Hours**

N/A

### **Obligations**

In order to qualify for the incentives below for an applicable calendar month, a participant's combined volume in the Products during such calendar month (Globex/Trading Floor) must represent at least five percent (5%) of the total combined volume traded in the Products (Globex/Trading Floor) for the respective calendar month.

### **Incentives**

Upon satisfying all Program obligations as determined by the Exchange, each Program participant shall be eligible for the following incentives:

#### **Incentive Pool**

Program participants will be eligible to participate in a Henry Hub Natural Gas Look Alike Financial Futures/Henry Hub Natural Gas Last Day Financial Futures Monthly Incentive Pool, funded by NYMEX in predetermined amounts.