CME Group

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August 13, 2009

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

Re: **Rule Certification. New York Mercantile Exchange, Inc. Submission # 09-152: Notification Regarding the Listing of Three New Natural Gas Liquids (NGLs) Futures Contracts for Clearing and Trading 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 three (3) new financially settled natural gas liquid (NGL) futures contracts for trading and clearing on CME ClearPort. These new futures contracts will be financially-settled. The contracts will be listed on the CME ClearPort electronic trading and clearing systems beginning at 6:00 p.m. on Sunday, August 16, 2009 for trade date Monday, August 17, 2009. Please note that these NGLs are similar to NGL products currently offered by the Exchange except that these new NGLs accommodate for a 5 decimal point price.

The three natural gas liquid contracts, commodity codes and rule chapters are as follows:

Contract	Code	Rule Chapters
Mont Belvieu LDH Propane 5 Decimals (OPIS) Swap Futures	B0	409
Mont Belvieu Ethane 5 Decimals (OPIS) Swap Futures	C0	410
Mont Belvieu Normal Butane 5 Decimals (OPIS) Swap Futures	D0	411

These new natural gas liquid (NGL) futures contracts 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). There is a 45-minute halt in trading each day between 5:15 p.m. (current trade date) and 6:00 p.m. (next trade date). The first contract month to be listed will be for the September 2009 contract month. The Exchange will list up to 48 consecutive contract months for Propane, and up to 36 consecutive contract months for Ethane and Normal Butane.

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 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.

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 LDH Propane 5 Decimals (OPIS) Swap Futures

409.01 Scope

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

409.02 Floating Price

The Floating Price for each contract month is equal to the arithmetic average of the OPIS Mt. Belvieu Propane (LDH) for each business day during the contract month.

409.03 Contract Quantity and Value

The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.

409.04 Contract Months

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

409.05 Prices and Fluctuations

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be $0.00001 per gallon. There shall be no maximum price fluctuation.

409.06 Termination of Trading

Trading shall cease on the last business day of the contract month.

409.07 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.

409.08 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.

409.09 Disclaimer

OPIS licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various OPIS price assessments in connection with the trading of the contracts.

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Mont Belvieu Ethane 5 Decimals (OPIS) Swap Futures

410.01 Scope

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

410.02 Floating Price

The Floating Price for each contract month is equal to the arithmetic average of the OPIS Mt. Belvieu Ethane (non-LDH) price for each business day during the contract month.

410.03 Contract Quantity and Value

The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.

410.04 Contract Months

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

410.05 Prices and Fluctuations

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be $0.00001 per gallon. There shall be no maximum price fluctuation.

410.06 Termination of Trading

Trading shall cease on the last business day of the contract month.

410.07 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.

410.08 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.

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Mont Belvieu Normal Butane 5 Decimals (OPIS) Swap Futures

411.01 Scope

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

411.02 Floating Price

The Floating Price for each contract month is equal to the arithmetic average of the OPIS Mt. Belvieu Normal Butane (non-LDH) price for each business day during the contract month.

411.03 Contract Quantity and Value

The contract quantity shall be 42,000 gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.

411.04 Contract Months

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

411.05 Prices and Fluctuations

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be $0.00001 per gallon. There shall be no maximum price fluctuation.

411.06 Termination of Trading

Trading shall cease on the last business day of the contract month.

411.07 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.

411.08 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.

411.09 Disclaimer

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Supplemental Information for New NGL Contracts

Price Source: OPIS

The price reporting service used for the final settlement of the three new natural gas liquid (NGL) futures contracts is Oil Price Information Service (OPIS).

OPIS is the main pricing service that is used in the natural gas liquid (NGL) market for pricing physical and over-the-counter (OTC) swap contracts, and its methodology is well-known in the industry. The Exchange entered into a licensing agreement with OPIS to utilize their pricing data. OPIS has a long-standing reputation in the industry for price benchmarks that are fair and not manipulated. The OPIS pricing methodology relies on telephone surveys and electronic data from multiple market participants to determine market value. The OPIS pricing methodology is well-defined and is available at the link below (the OPIS methodology for propane and the various NGLs are listed under the Natural Gas Liquids section in the link): http://opisnet.com/methodology.asp#ngl

Propane and Natural Gas Liquids (NGLs) Market

The NGL complex, also called liquefied petroleum gases (LPGs), is composed of propane and other related natural gas liquids, including natural gasoline, ethane, normal butane, and iso-butane. The natural gasoline is also known as pentane. The NGLs are hydrocarbons. They are not directly produced. NGLs are by-products of either of the following two processes: natural gas processing or petroleum refining. During the natural gas plant production, NGLs are produced as a result of the extraction of materials such as propane and butane from natural gas in order to prevent these liquids from condensing and causing operational problems within the natural gas pipelines. Similarly, when oil refineries produce petroleum products such as gasoline and heating oil, certain NGLs are also produced as a by-product of those processes.

Since NGLs are not directly produced and are a by-product, their production cannot be adjusted to coincide with changes in prices and/or demand. However, NGLs can be imported and/or stored.

The main end-users for the various NGLs are the petrochemical and industrial companies, including plastics manufacturers. The manufacturing sector purchases the NGLs to use as inputs for their production process of plastic products and components. Ethane is a key input for the production of plastics. Butane is used as a gasoline-blending component during cold weather to boost the Reid Vapor Pressure (RVP) and assist with the start of a cold engine. Butane is also used as a petrochemical feedstock. Natural gasoline is used as a petrochemical feedstock and as a gasoline additive.

The EIA publishes monthly inventories data for the NGL or "Liquefied Petroleum Gases" market, with a detailed breakdown for each of the NGLs, including propane, ethane, normal butane, isobutene, and pentane (natural gasoline). The monthly EIA stocks can be viewed at the link below:
http://tonto.eia.doe.gov/dnav/pet/pet_stoc_typ_d_nus_SAE_mbbl_m.htm

The EIA provides production data on the NGL market under the heading of "propane/propylene" which refers to the NGL complex that includes propane, butane, ethane, isobutane, and natural gasoline. The total U.S. production of NGLs is currently around one million barrels per day. Gulf Coast NGL production is more than 600,000 barrels per day. The production of ethane and normal butane are each estimated at around 100,000 to 150,000 barrels per day. The EIA refinery production data for NGLs for the U.S. and Gulf Coast area (known as Padd 3) appear at the link below:
http://tonto.eia.doe.gov/dnav/pet/pet_pnp_wiup_dcu_r30_w.htm

The main consumption areas for propane are in the Midwest and Northeast markets, which are supplied by the Louis Dreyfus pipeline from the Mont Belvieu hub in Houston via Conway, Kansas to the Midwest and New York markets. The monthly deliverable supply of propane in the Gulf Coast is approximately 8 million to 10 million barrels. The average daily trading volume at the Conway hub is around 200,000 to 250,000 barrels. The EIA publishes weekly data for propane at the link below:
http://tonto.eia.doe.gov/oog/info/hopu/hopu.asp

U.S. Propane Market

The contract is cash-settled based on the price at the pipeline hub of propane from the U.S. Gulf Coast, which is the main production area for propane, with production of more than 600,000 barrels per day. The EIA refinery production data for propane for the Gulf Coast area (known as Padd 3) appear at the link below: http://tonto.eia.doe.gov/dnav/pet/pet_pnp_wiup_dcu_r30_w.htm

The main consumption areas for propane are in the Midwest and Northeast markets, which are supplied by the TEPPCO pipeline from the Mont Belvieu hub in Houston via the Midwest and terminating in New York. The propane market has an actively traded cash market, and has an active forward market that trades on the ICE Chemconnect platform. There are dozens of propane wholesalers and retailers that participate in the propane cash and OTC markets. The average daily trading volume at the Mont Belvieu hub is around 300,000 to 500,000 barrels per day. In addition, there is a robust OTC swaps market transacted by OTC brokers and by the Houston Mercantile Exchange platform.

The final settlement price for the Mont Belvieu Propane Swap futures contract is based on OPIS price reference, which is used most commonly by the OTC market for pricing propane swaps. The OPIS pricing methodology is well-defined and is attached below (the propane prices appear on page 15 of the OPIS methodology). The OPIS methodology for propane is listed under the NGL (Natural Gas Liquids) section in the following link: http://opisnet.com/methodology.asp#ngl

Although imports provide the smallest (about 10 percent) of domestic NGL supply, they are vital when consumption exceeds available domestic supplies. Propane and related NGLs can be imported via pipeline and rail car from Canada, and by sea from countries such as Algeria and Saudi Arabia.

The monthly deliverable supply of propane in the Gulf Coast is around 8 million to 10 million barrels. The average daily trading volume at the Conway hub is around 200,000 barrels.

Further, there is a robust OTC market that exists in the NGL complex. The average daily trading volume for each of the NGLs of ethane and normal butane is in the area of 150,000 to 200,000 barrels per day. The monthly deliverable supply for ethane and normal butane is around 4 million barrels. The average size of the typical transaction in the cash market or OTC market is 5,000 barrels and 40 to 50 transactions occur per day. As per list of market participants below, participation in the NGL market is diverse.

NGL Market Participants

The NGL cash and OTC market participants are diverse and include 30 to 40 wholesalers and retailers. A partial listing is as follows:

Refiners	Traders/Retailers	Brokers	Financial
ConocoPhillips	Louis Dreyfus	Liquidity Partners	Barclays
Valero	Vitol	Nuevo	Citibank
Shell	Agway	Nordico	JP Morgan
ExxonMobil	Koch	Houston Merc	
BP	Fortis	Echo Energy	
Sunoco	Cargill	Lozier Energy	
Hess	Morgan Stanley		
Lyondell	Goldman Sachs		
	Transammonia		
	Suburban Propane		
	Amerigas		
	Blue Flame		

Speculative Limits for the NGL Contracts

The Exchange has set the expiration month limit for the each of the new NGL futures contracts at 250 contracts (equivalent to 250,000 barrels) which is less than 10% of the monthly deliverable supply for each of the NGLs. These limits will be aggregated with the existing underlying propane, ethane, and normal butane swap futures contracts.