

November 20, 2008

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 #08.117:
Notification Regarding the Listing of New Central Appalachian Coal Option
Contract on NYMEX Trading Floor and ClearPort® Clearing**

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 a Central Appalachian Coal Option contract based on Central Appalachian Coal futures:

- American-Style Central Appalachian Coal Option (code C1, Rules 933.01-933.07).

The Central Appalachian Coal Option contract will be listed on the NYMEX trading floor for open outcry trading between the hours of 9:00 a.m. and 2:30 p.m. New York time, and on ClearPort® clearing for submission of exchange of options for options ("EOO") transactions pursuant to NYMEX Rule 6.21F. The Coal Option contract will be listed beginning at 6:00 p.m. on Sunday, November 23, 2008 for trade date November 24, 2008. The Exchange will list an Option for every underlying contract listed.

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 contract complies with the Act, including regulations under the Act.

Should you have any questions concerning the above, please contact Bob Biolsi at (212) 299-2610, or the undersigned at (202) 715-8517.

Sincerely,



De'Ana H. Dow
Managing Director
Government Relations

Attachments: Contract Terms and Conditions
Supplemental Market Information

Central Appalachian Coal Option Contract

933.01 Expiration of Central Appalachian Coal Option Contracts

The Central Appalachian Coal Option contract shall expire three business days immediately preceding the expiration of the underlying Central Appalachian Coal futures contract. The expiration date shall be announced prior to the listing of the option contract.

933.02 Type of Option for Central Appalachian Coal Option Contracts

The Central Appalachian Coal Option is an American-style option. The Central Appalachian Coal Option put represents an option to assume a short underlying Central Appalachian Coal futures contract traded on the Exchange. The Central Appalachian Coal Option call represents an option to assume a long underlying Central Appalachian Coal futures contract traded on the Exchange.

933.03 Trading Months for Central Appalachian Coal Option Contracts

Trading in the Central Appalachian Coal Option contracts shall be conducted in the months as shall be determined by the Board of Directors. Trading shall commence on the day fixed by resolution of the Board of Directors.

933.04 Hours of Trading in Central Appalachian Coal Option Contracts

The hours of trading in Central Appalachian Coal Option contracts shall be the same as the hours of trading in NYMEX Crude Oil Option contracts. All such trading shall take place on the trading floor of the Exchange within the hours prescribed by the Board of Directors.

Rule 933.05 Strike Prices for Central Appalachian Coal Option Contracts

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 previous day's settlement price for Central Appalachian Coal futures contracts in the corresponding delivery month rounded off to the nearest two and half dollars strike price unless such settlement price is precisely midway between two strike prices in which case it shall be rounded off to the lower strike price and (ii) the five two and half dollars increment strike prices which are five increments higher than the strike price described in (i) of this Rule 933.05(A) and (iii) the five two and half dollars increment strike prices which are five increments lower than the strike price described in (i) of this Rule 933.05(A).

(B) Thereafter, on any business day prior to the expiration of the option, (i) new consecutive strike prices for both puts and calls will be added such that at all times there will be at least five strike prices above and below the at-the-money strike price available for trading in all options contract months.

(C) Notwithstanding the provisions of subsections (B) and (C) of this Rule, if the Board of Directors determines that trading in Central Appalachian Coal Option options will be facilitated thereby, the Board 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 Central Appalachian Coal Option in which no new strike prices may be introduced.

Rule 933.06 Prices in Central Appalachian Coal Option Contracts

Prices shall be quoted in dollars and cents per ton. The minimum price increment will be \$0.01 per ton. A cabinet trade may occur at the price of \$1.00 per contract, if it results in the liquidation of positions of both parties to the trade.

Rule 933.07 Absences of Price Fluctuation Limitations for Central Appalachian Coal Option Contracts

Trading in Central Appalachian Coal Option contracts shall not be subject to price fluctuation limitations.

Supplemental Market Information

Supplemental Information for Coal Option Contract

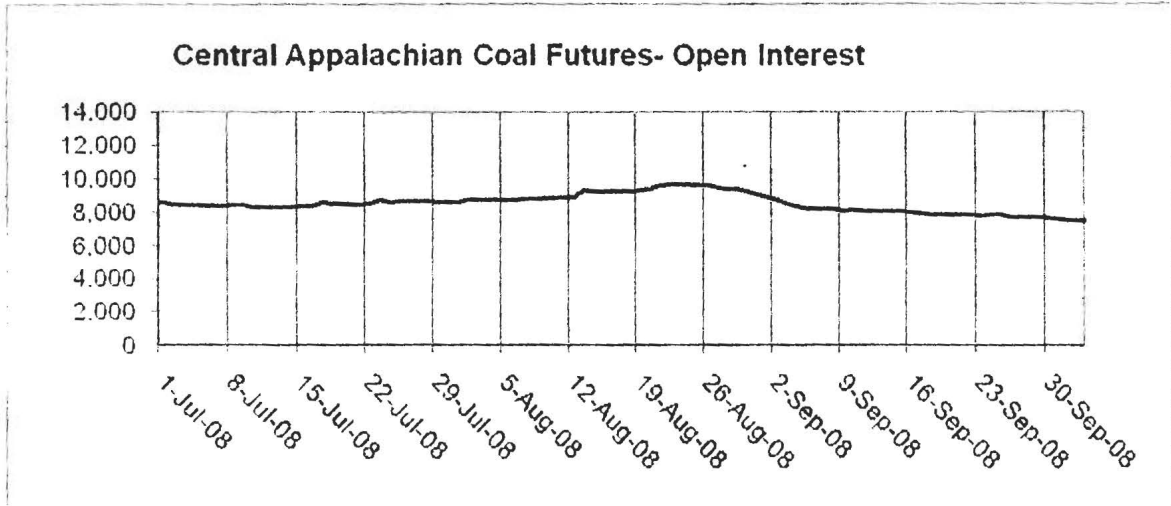
Coal is considered the largest single power generating fuel in the United States; the once relatively sedate cash markets for coal have become more volatile and very strong market forces. Thus, electric utilities are no longer eager to enter into long-term coal supply contracts that once were the industry norm. Instead, there is now a preference for short-term and more price-flexible contracts that rely more on cash market purchases as power producers try to reduce their inventory holding levels.

U.S. coal exports, chiefly Central Appalachian bituminous, make up a significant percentage of the world export market and are a relevant factor in world coal prices. Because coal is a bulk commodity, transportation is an important aspect of its price and availability.

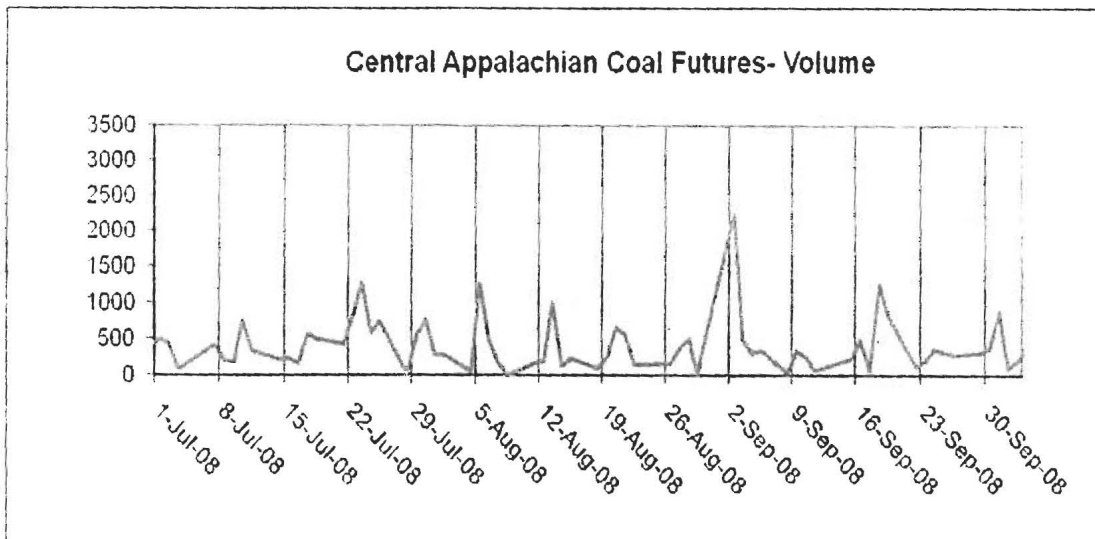
The Central Appalachian Coal Basin is the middle basin of three basins that comprise the Appalachian Coal Region of the eastern United States. It includes parts of Kentucky, Tennessee, Virginia, and West Virginia. It covers approximately 23,000 square miles, contains six major Pennsylvanian age coal seams, and contains an estimated 5 trillion cubic feet (Tcf) of coalbed methane. These coal seams typically contain multiple coalbeds that are widely distributed. The coal seams, from oldest to youngest (West Virginia/Virginia name), are the Pocahontas No. 3, Pocahontas No. 4, Fire Creek/Lower Horsepen, Beckley/War Creek, Sewell/Lower Seaboard, and Iager/Jawbone. The Pocahontas coal seams which include the Squire Jim and Nos. 1 to 7 and Nos. 3 and 4 are the thickest. The majority of the coalbed methane (2.7 Tcf) occurs in the Pocahontas seams. The highest potential for methane development is in a small, 3,000 square mile area in southwest Virginia and south central West Virginia, where target coal seams achieve their greatest thickness and occur at depths of about 1,000 to 2,000 feet.

According to the Energy Information Administration (EIA) statistics, the cash market size was around 19.8 million short tons during September 2008 as opposed to 17.4 million short tons recorded in September 2007. The cash market is vibrant with a year maximum of 19.9 million short tons recorded in January 2008 and year minimum of 19.0 million short tons recorded in February 2008. The futures market is active in the sense that it captures most of the forward market. The average daily volume is around 500 contracts per day.

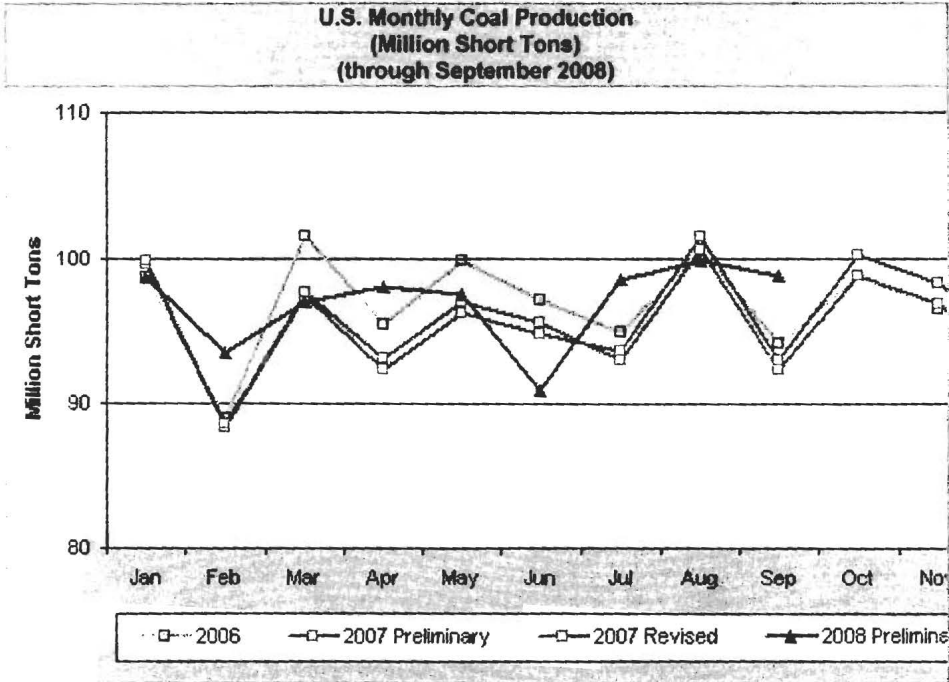
The chart shown below summarized Central Appalachian Coal futures Open Interest:



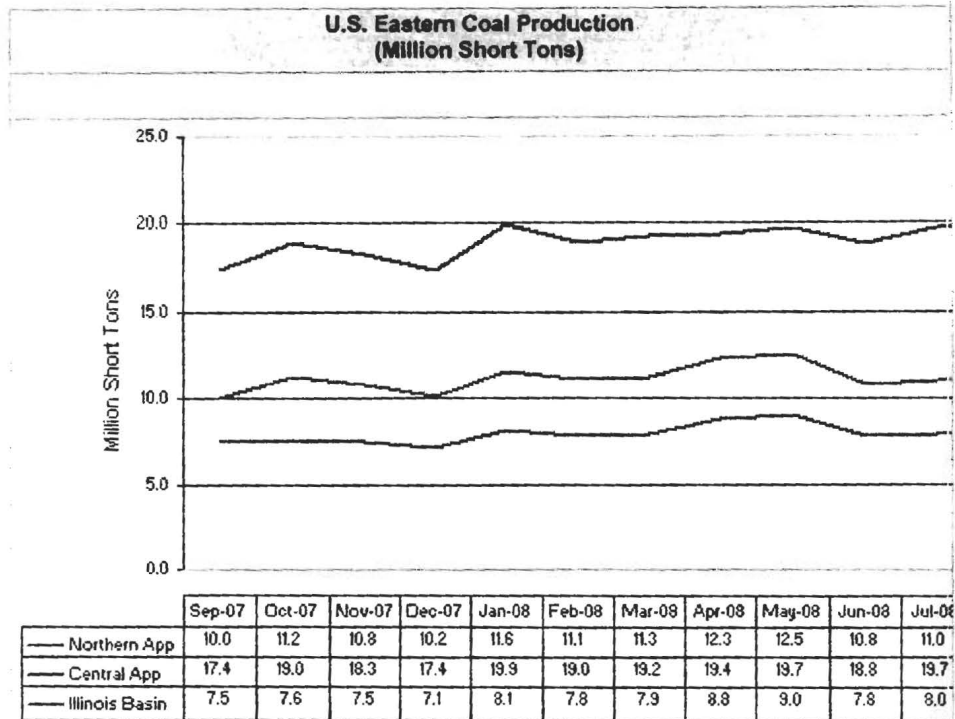
The chart shown below summarized Central Appalachian Coal futures Volume:



The chart below summarizes the US. Monthly Coal Production:

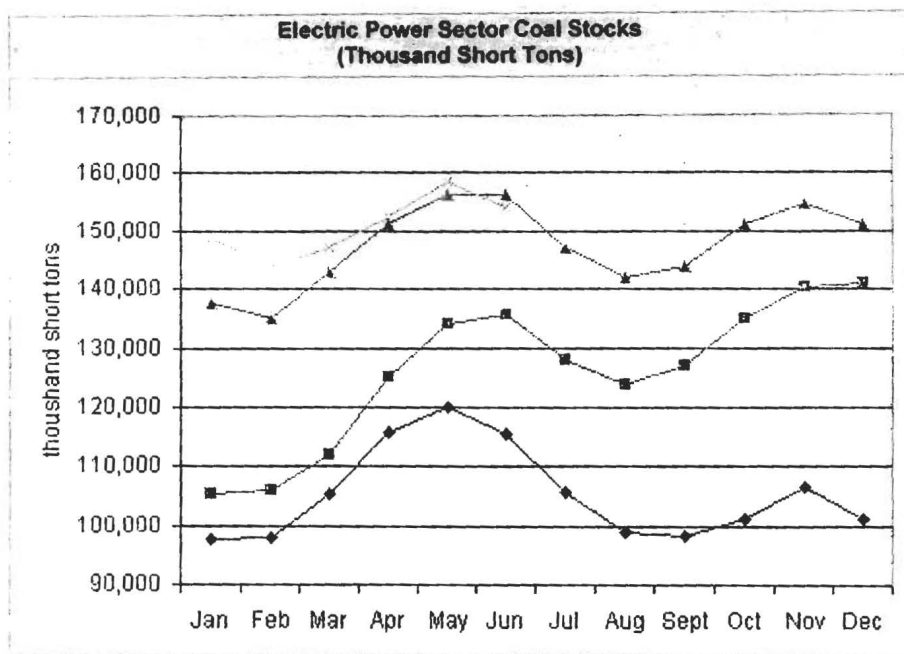


The chart below summarizes U.S. Eastern Coal Production:



Note: January-March 2008 are initial estimates. January-December 2007 data are revised. All revisions are based on Mine Safety and Health Administration (MSHA) quarterly mine-level surveys. All 2006 data are final, based on MSHA's end-of-year final survey of all quarters' data.

The chart below summarizes Electric Power Sector Coal Stocks:



Main Market Participants

The market participation in Coal is diverse and includes the following:

Traders/End Users	Brokers
J Aron & Co.	Evolution Markets Inc.
Credit Suisse Energy LLC (2)	ICAP
Arch Energy Resources, LLC	TFS Energy
NRG Power Marketing, LLC	
Constellation Energy Commodities Group Inc.	
DTE Energy Trading, Inc.	
Louis Dreyfus Energy Services L.P.	
Duke Energy Ohio Inc.	
Traxys North America	
Sempra Energy Trading	
Merrill Lynch Commodities	
Coal Trade LLC	
Koch Carbon LLC	
Centaurus Energy Master	
Morgan Stanley Capital	
Vitol S.A. Geneva	
American Electric Power Service	
Oxbow Coal Americas	