



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

December 6, 2013

**VIA E-MAIL**

Ms. Melissa Jurgens  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**RE: NYMEX Natural Gas Basis Trade Revenue Incentive Program  
NYMEX Submission No. 13-387**

Dear Ms. Jurgens:

New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") hereby notifies the Commodity Futures Trading Commission ("CFTC" or "Commission") that it plans to implement a trade revenue incentive program for its Natural Gas Basis suite of products ("Program"). The proposed Program will become effective on January 13, 2014.

Exhibit 1 sets forth the terms of this Program.

NYMEX reviewed the designated contract market core principles ("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; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program does not incentivize manipulative trading or market abuse or impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. The Exchange's market regulation staff will monitor trading in the Program's products to prevent manipulative trading and market abuse. The Program does not impact the Exchange's order execution. Participants in the Program will be selected by Exchange staff based on criteria set forth in Exhibit 1. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The proposed Program will be subject to the Exchange's record retention policies which comply with the CEA.

The Exchange certifies that the proposed 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 Tim Elliott at 312-466-7478 or via e-mail at [tim.elliott@cmegroup.com](mailto:tim.elliott@cmegroup.com), or contact me at 212-299-2200. Please reference our NYMEX Submission No. 13-387 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## NYMEX Natural Gas Basis Trade Revenue Incentive Program

### **Program Purpose**

The purpose of the Program is to incentivize participants to increase liquidity in NYMEX Natural Gas Basis products traded on the CME Globex Platform. The resulting central limit order book liquidity benefits all participants in the marketplace.

### **Product Scope**

All NYMEX Natural Gas Basis products traded on the CME Globex Platform ("Products").

### **Eligible Participants**

There is no limit to the number of participants in the Program. Participants may be a NYMEX member or non-member. Participants must have a minimum of 2% of transacted resting volume to qualify.

### **Program Term**

Start date is January 13, 2014. End date is December 31, 2014.

### **Hours**

N/A

### **Incentives**

#### *Incentive Pool*

Program participants will be eligible to participate in a Natural Gas Basis Monthly Incentive Pool, funded by NYMEX in predetermined amounts.

### **Monitoring and Termination of Status**

The Exchange shall monitor activity in the Products and retains the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements.