



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

December 10, 2012

VIA E-MAIL

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

**RE: Modifications to 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. 12-424**

Dear Ms. Warfield:

New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") of proposed modifications to the NYMEX Henry Hub Natural Gas Look Alike Financial Futures and Henry Hub Natural Gas Last Day Financial Futures Contracts Trader Incentive Program ("Program"). The proposed modifications to the Program will become effective on January 2, 2013.

Exhibit 1 sets forth the terms of this Program. The modifications appear below with additions underscored and deletions ~~overstruck~~.

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; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules, and Recordkeeping.

The Program and proposed modifications do 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 nevertheless continue to 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. 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.

The Exchange certifies that the Program and proposed modifications comply with the CEA and the regulations thereunder. There were no substantive opposing views to this Program or its proposed modifications.

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, or contact me at 212-299-2200. Please reference our NYMEX Submission No. 12-424 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachment: Exhibit 1

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 participants 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 and the NYMEX trading floor. 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~~December 31, 2013.

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.