



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

December 13, 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: Modifications to the NYMEX Member Power Option Incentive Program
NYMEX Submission No. 13-573**

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 modify its incentive program in support of Power Options traded on Globex, the NYMEX trading floor, and submitted for clearing through CME ClearPort ("Program"). The modifications to the Program will become effective on January 2, 2014.

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

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.

NYMEX believes that the incentive structure for the Program, as set forth in the Exhibit 1 below, does not incentivize manipulative trading or market abuse and will not otherwise impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA. NYMEX's market regulation staff will monitor trading in the proposed Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' obligations and rankings to ensure proper distribution of earned incentives. The Program does not impact the Exchange's order execution. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is subject to the Exchange's record retention policies, which comply with the CEA.

NYMEX 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 CME Group 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, or contact me at 212-299-2200. Please reference our NYMEX Submission No. 13-573 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

NYMEX Member Power Option Incentive Program

Program Purpose

The purpose of the Program is to incentivize market participants to provide liquidity in NYMEX Power Options products on Globex, the NYMEX trading floor, and submitted for clearing through CME ClearPort. Additional liquidity benefits all participants in the market.

Product Scope

All Electricity ("Power") Options products that are traded on Globex, the NYMEX trading floor, and submitted for clearing through CME ClearPort ("Products").

Eligible Participants

NYMEX may designate up to three (3) participants in the Program. Participants must be NYMEX members who clear the Products. In order to be considered for the Program, an applicant must have, over a recent time period, maintained significant monthly volume levels in the Products. ~~Participants in the Program may not concurrently be participating in any of the following: NYMEX Energy Products Incentive Program for High Volume Hedging Contributors, NYMEX Commercial Brent Spread Incentive Program, International Volume Incentive Program, New Trader Incentive Program, and NYMEX Power Options Incentive Program.~~ NYMEX may, from time to time, add or subtract from the aforementioned requirements as it deems necessary. The Exchange, in its sole discretion and based on a variety of factors, will make the final decision regarding disputes of eligibility in the Program.

Program Term

Start date is December 1, 2013. End date is December 1, 2015.

Hours

N/A

Program Incentives

Fee Waiver

For each month that a participant clears certain monthly volume levels in the Products, as determined by the Exchange, the applicable participant may be eligible to receive a fee waiver.

Monitoring and Termination of Status

CME Group shall monitor market participants' activity in the Products. CME Group retains the right to revoke Program participant status at any time. Participant account information will be reported to Market Regulation for self-match trade monitoring.