



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

December 26, 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: CFTC Regulations 40.2(a) and 40.6(a) Certification. Notification of New Product Listing of PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip and Related Rule Amendments.
Notification of Amendments to Position Limits and Accountability Levels for Existing PJM Western Hub-Related Futures and Option Contracts.
NYMEX Submission No. 13-548**

Dear Ms. Jurgens:

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 the PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip for trading on the NYMEX trading floor and CME Globex and for submission for clearing through CME ClearPort beginning at 6:00 p.m. on Sunday January 12, 2014, for trade date Monday, January 13, 2014.

Pursuant to Commission Regulation 40.6(a), NYMEX is separately self-certifying block trading minimum thresholds of one (1) contract for PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip in NYMEX/COMEX Submission No. 13-563.

The contract specifications are as follows:

Contract Name	PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip
Commodity Code	600
Chapter	758
Contract Size	50 MW
Option Type	European
Underlying Futures	PJM Western Hub Real-Time Off-Peak Calendar-Month 5 MW Futures (Code N9)
Last Trading Day	The option contract shall expire at the close of trading on the second to last Friday of the month prior to the delivery month of the first underlying month of the underlying futures contract in the strip.
Minimum Price Fluctuation	The minimum fluctuation shall be \$0.01.
First Listed Day	January 13, 2014
Listing Schedule	<u>CME Globex, CME ClearPort, and Open Outcry</u> : Three consecutive calendar-year strips.

Trading Hours	Open Outcry: Monday – Friday 9:00 a.m. – 2:30 p.m. (8:00 a.m. – 1:30 p.m. Central Time/CT) CME Globex and CME ClearPort: Sunday – Friday 6:00 p.m. – 5:15 p.m. (5:00 p.m. – 4:15 p.m. CT) with a 45-minute break each day beginning at 5:15 p.m. (4:15 p.m. CT).
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Trading and Clearing Fees for PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip:

Exchange Fees					
	Member Day	Member	Cross Division	Non-Member	IIP
Pit	X	\$507.50	\$543.75	\$580.00	
Globex	X	\$507.50	\$543.75	\$580.00	\$543.75
ClearPort		\$507.50		\$580.00	

Other Processing Fees		
	Member	Non-Member
Cash Settlement	X	X
Futures from E/A	X	X
	House Acct	Customer Acct
Options E/A Notice	\$152.25	\$174.00
Delivery Notice	X	X

Additional Fees and Surcharges	
EFS Surcharge	X
Block Surcharge	X
Facilitation Desk Fee	\$29.00

The fees above account for the fact that one PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip accounts for the entire calendar year. Exchange fees are charged at the time of the trade. Additional fees are charged for exercise and assignment as well as for use of the Facilitation Desk.

The Exchange is notifying the CFTC that it is self-certifying the insertion of the terms and conditions for the contract into the Position Limit, Position Accountability and Reportable Level Table and Header Notes located in the Interpretations and Special Notices Section of Chapter 5 of the NYMEX Rulebook in relation to the listing of the new contract, as set forth in Appendix B. The terms and conditions establish the all month/any one month accountability levels, diminishing balances, expiration month position limit, reportable level and aggregation allocation for the new contract. Lastly, the Exchange is self-certifying

the insertion of the non-reviewable ranges ("NRR") for the futures contract into Rule 588.H, as set forth in Appendix C.

The Exchange also is notifying the Commission that it is self-certifying amendments to the position limits and accountability levels for existing PJM Western Hub-related futures and options contracts, which are noted in the table below. The amendments to existing contracts will be effective Sunday January 12, 2014, for trade date Monday, January 13, 2014.

Contract Code	Contract Name	Rulebook Chapter
J4	PJM Western Hub Day-Ahead Peak Calendar-Month 5 MW Futures	174
E4	PJM Western Hub Day-Ahead Off-Peak Calendar-Month 5 MW Futures	175
L1	PJM Western Hub Peak Calendar-Month Real-Time LMP Futures	176
N9	PJM Western Hub Real-Time Off-Peak Calendar-Month 5 MW Futures	177
4S	PJM Western Hub 50 MW Peak Calendar-Month Real-Time LMP Futures	178
PML	PJM 50 MW Calendar-Month LMP Option	312
6O	PJM Electricity Option on Calendar Futures Strip	354
JO	PJM Calendar-Month LMP Option	380
JM	PJM Western Hub Real-Time Peak Calendar-Month 2.5 MW Futures	635
JP	PJM Off-Peak Calendar-Month LMP Futures	635A
JD	PJM Western Hub Real-Time Peak Calendar-Day 5 MW Futures	637
WOR	PJM Western Hub Real-Time Off-Peak Calendar-Day 5 MW Futures	952
J01-J31	PJM West Hub Real-Time 50 MW Same Day Option	1069
N9P	PJM West Hub Real-Time 50 MW Off-Peak Option	1179

Exchange business staff responsible for the new option contract as well as amendments to the existing electricity contract and the Exchange Legal Department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("Act" or "CEA"). During the review, Exchange staff identified that the new product may have some bearing on the following Core Principles:

Compliance with Rules: Trading in the contract will be subject to the rules in Rulebook Chapter 4 which includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in the contract will be subject to the full panoply of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group's designated contract markets, activity in the products will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Contracts Not Readily Subject to Manipulation: The subject contract is not readily susceptible to manipulation for a number of reasons. First, PJM Western Hub-based futures contracts are cash settled based on the average of peak or off-peak hour electricity prices reported by PJM during the calendar day or calendar month, depending on the specifications of the contract. Affecting the final settlement price for a given contract likely would be difficult as it would need to involve manipulating multiple hourly auctions. Second, attempting to influence several hourly auctions likely would prove costly, which serves as a deterrent. Third, trading in the hourly auctions is monitored by PJM, the independent system operator (ISO), as well as the ISO's independent market monitor, Monitoring Analytics (MA). MA produces quarterly and annual reports on the competitiveness of the ISO. Lastly, PJM and its hourly electricity auctions are under the jurisdiction of the Federal Energy Regulatory Commission.

Prevention of Market Disruption: Trading in the subject contract will be subject to the NYMEX rules ("Rulebook") Chapters 4 and 7, which include prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in the contracts will be subject to the full panoply of trade practice

rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products listed for trading on one of CME Group's designated contract markets, activity in the contract will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

Position Limitations or Accountability: The spot-month speculative position limit for the new off-peak calendar-month option on calendar futures strip, as well those for the existing PJM Western Hub-related contracts, are set at less than the threshold of 25% of the deliverable supply in the underlying market.

Availability of General Information: The Exchange will publish information on the contract's specifications on its website, together with daily trading volume, open interest, and price information.

Daily Publication of Trading Information: Trading volume, open interest, and price information will be published daily on the Exchange's website and via quote vendors.

Financial Integrity of Contract: The option contract will be cleared by the Clearing House of the Chicago Mercantile Exchange, Inc., which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.

Execution of Transactions: The new option contract will be listed for trading on CME Globex and the NYMEX trading floor and for clearing through the CME ClearPort platform. The CME ClearPort platform provides a competitive, open and efficient mechanism for novating transactions that are competitively executed by brokers. The CME Globex electronic trading platform provides for a competitive and open execution of transactions due to its advanced functionality, high reliability and global connectivity. Establishing non-reviewable trading ranges for Globex trades in the products facilitate price discovery in the products by encouraging narrow bid/ask spreads. In addition, the NYMEX trading floor continues to be available as a trading venue and provide for competitive and open execution of transactions.

Trade Information: All required trade information is included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.

Protection of Market Participants: Rulebook Chapters 4 and 5 contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading on all of the Exchange's competitive trading venues and will be applicable to transactions in the subject contracts.

Disciplinary Procedures: Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the Rulebook. Trading in the subject contracts will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in this contract are identified.

Dispute Resolution: Disputes with respect to trading in the subject contracts will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. Chapter 6 allows all nonmembers to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in the arbitration pursuant to Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

Pursuant to Section 5c(c) of the Act and CFTC Regulations 40.2 and 40.6, the Exchange hereby certifies that the PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip, as well as the amendments to the existing PJM Western Hub-related contracts, comply with the Act, including regulations under the Act. There were no substantive opposing views to this proposal. A description of the underlying cash market and deliverable supply analysis for the new product and position limit increases is attached hereto as Appendix D.

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>.

Should you have any questions concerning the above, please contact the undersigned at 212-299-2200 or Christopher.Bowen@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments:

Appendix A – Rule Chapter

Appendix B – Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)

Appendix C – Rule 588.H - Globex Non-Reviewable Range Table

Appendix D – Cash Market Overview and Deliverable Supply Analysis

APPENDIX A

Chapter 758 PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip

758100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on the PJM Western Hub Real-Time Off-Peak Calendar-Month 5 MW Futures (N9) contract. In addition to the rules of this chapter, transactions in options on the PJM Western Hub Real-Time Off-Peak Calendar-Month 5 MW Futures (N9) contract shall be subject to the general rules of the Exchange insofar as applicable.

758101. OPTION CHARACTERISTICS

The number of months open for trading at a given time shall be determined by the Exchange.

758101.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

758101.B. Trading Unit

A call option traded on the Exchange represents an option to assume ten (10) long positions per off-peak hour in the entire calendar strip of the underlying PJM Western Hub Real-Time Off-Peak Calendar-Month 5 MW Futures (N9) contract at the strike price. A put option traded on the Exchange represents an option to assume ten (10) short positions per off-peak hour in the entire calendar strip of the underlying PJM Western Hub Real-Time Off-Peak Calendar-Month 5 MW Futures (N9) contract at the strike price.

758101.C. Price Increments

Prices shall be quoted in dollars and cents per megawatt hour (MWh). The minimum price increment shall be \$0.01 per MWh.

758101.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

758101.E. Termination of Trading

The option contract shall expire at the close of trading on the second to last Friday of the month prior to the delivery month of the first underlying month of the PJM Western Hub Real-Time Off-Peak Calendar-Month 5 MW Futures (N9) contract in the strip.

758101.F. Type Option

The option is a European-style option.

758102. EXERCISE PRICES

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 average settlement price for the strip of the underlying the PJM Western Hub Real-Time Off-Peak Calendar-Month 5 MW Futures (N9) contracts rounded off to the nearest fifty-cent increment strike price unless such settlement price is precisely midway between

two fifty-cent increment strike prices in which case it shall be rounded off to the lower fifty-cent increment strike price and (ii) the strike price which is fifty-cent higher than the strike price described in subsection (A)(i) of this rule and (iii) the strike price which is fifty-cent lower than the strike price described in subsection (A)(i) of this rule.

(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 one fifty-cent increment strike price above and below the at-the-money strike price available for trading in all options contract months. The at-the-money strike price will be determined in accordance with the procedures set forth in subsection (A)(i) of this rule.

(C) Notwithstanding the provisions of subsections (A) and (B) of this rule, if the Exchange determines that trading in the option will be facilitated thereby, the Exchange 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 an option contract in which no new strike prices may be introduced.

758103.

DISCLAIMER

NEITHER NEW YORK MERCANTILE EXCHANGE, INC. ("NYMEX"), ITS AFFILIATES NOR PJM INTERCONNECTION LLC ("PJM") GUARANTEES THE ACCURACY NOR COMPLETENESS OF THE PRICE ASSESSMENT OR ANY OF THE DATA INCLUDED THEREIN.

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APPENDIX B

Position Limit, Position Accountability, and Reportable Level Table in
Chapter 5 of the NYMEX Rulebook

(Attached under separate cover)

APPENDIX C

Amendment to NYMEX Rule 588.H. Globex Non-Reviewable Trading Ranges
(Additions underlined)

Instrument	Bid/Ask Reasonability	Non-Reviewable Range (NRR)
PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip	<u>The greater of the delta times the underlying futures non-reviewable range or 20% of the fair value premium up to the underlying futures non-reviewable range with a minimum reasonability of \$1.00</u>	<u>20% of premium up to ¼ of the underlying futures non-reviewable range with a minimum of 1 tick</u>

APPENDIX D

Cash Market Overview and Deliverable Supply Analysis for the PJM Western Hub

Background

PJM Interconnection LLC ("PJM") is an independent regional transmission organization (RTO) that plays a vital role in the U.S. electric system by providing its members with opportunities for buying and selling power, arranging transmission service, and allowing for the use of larger and more efficient generating units. PJM coordinates the movement of electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia. In 1997, PJM began operating the nation's first regional, bid-based, hourly energy market. PJM enables participants to buy and sell power, schedule transactions, and reserve transmission service.

Market Competitiveness

RTO and independent system operator (ISO) markets are highly competitive and were established following Federal Energy Regulatory Commission (FERC) orders. FERC Order No. 888 identified barriers to competitive wholesale electricity markets and required that those barriers be removed. FERC Order No. 889 established open access to system information. FERC Order No. 2000 provided the framework for the formation of ISO and RTO markets. Under FERC authority, PJM, Midcontinent ISO (MISO), New York ISO (NYISO), and ISO New England (ISO-NE) operate and monitor their respective market to ensure the competitiveness and reliability of the electricity system.

ISOs/RTOs also are monitored by the North American Electric Reliability Corporation (NERC), a non-profit organization made up of stakeholders responsible for developing reliability standards and ensuring compliance with those standards. NERC has various committees, sub-committees, task forces, and working groups that investigate and analyze system disruptions to prevent market manipulation.

Besides governmental and industrial organizations, each ISO/RTO is monitored by an independent market monitor. In the case of PJM, the market monitor is Monitoring Analytics.¹ Market monitors regularly evaluate the competitiveness of their respective markets, recommend improvements plans, and review the implementation of those plans. Market monitors publish quarterly and annual market reports to raise public awareness of the state of the respective markets.

Day-ahead vs. Real-Time Market

ISOs/RTOs offer two basic energy markets for electricity participants: a real-time (or spot) market and a day-ahead market. The real-time and day-ahead markets are interrelated as the day-ahead market is a forward market for the real-time delivery of power during the following day. In contrast, the real-time market prices electricity that flows the same day during a particular hour. Real-time generation and load may differ from forecasted generation and load expressed in the day-ahead market. Both the day-ahead and real-time markets adopt a competitive auction process developed by the stakeholders from both the generation and load sides. Market-clearing prices or locational marginal prices (LMPs) are published publicly on a timely basis to ensure competitiveness and transparency. In addition, market transactions are settled hourly to reflect dynamic and competitive pricing.

¹ <http://www.monitoringanalytics.com/home/index.shtml>.

Hub vs. Zone

The term "zone" refers to a group of electrical nodes within a utility control area, such as AEP Ohio (AEP Zone) and Dayton Power & Light (Dayton Zone) in the PJM territory. In contrast, the term "hub" refers to a group of selected electrical nodes from one or more zones. For example PJM's AEP Dayton Hub ("PJM AD Hub") is a group of nodes selected from the AEP Zone and Dayton Zone. Both zonal and hub LMPs are designed by ISOs/RTOs, taking into account a combination of historical and projected LMPs for individual nodes that reflect prescribed commercial criteria in a statistically consistent manner. For instance, a hub may reflect common LMP correlation criteria or comprise a set of nodes that consistently experience (or consistently do not experience) congestion. When initially developed, PJM's Western Hub realized very little congestion. Each ISO/RTO hub has been subjected to a thorough stakeholder vetting process before being introduced.

Hubs are designed to reflect physical transactions at the zonal level in all of the related zones. The Western Hub is a highly liquid trading location even though transactions at the Western Hub typically do not lead to the delivery of power at the Western Hub. Instead, electricity is delivered at other locations, with the Western Hub LMPs being viewed as a price reference. To estimate the deliverable supply of power at the Western Hub, Exchange staff used load data from the related zones to calculate the volume of electricity. PJM's Western Hub is a group of 104 nodes located in southern Maryland, Washington D.C., and central and western Pennsylvania. The related zones associated with the locations of the Western Hub's nodes are BGE (Baltimore Gas and Electric), PEPSCO, PENELEC, PECO, and PPL.

Description of Electricity Futures and Options Contracts

There are two basic types of daily and monthly futures contracts based on U.S. ISOs/RTOs: peak and off-peak. Older NYMEX power futures contracts have an "erosion" feature where each day is cash settled based on the average peak/off-peak LMP for that day; eroding peak contracts have a size of 850MWh and eroding off-peak contracts have a size of 975 contracts. Newer futures contracts are based on a power flow rate of 5 (previously 2.5) megawatts per hour (MW/h). The size of these newer peak contracts is 80 MWh, as the contracts are designed to cover the 16 peak hours during the peak day. Monthly peak contracts must be traded in multiples of the number of peak days in the month. The size of off-peak contracts is 5 MWh, as the contracts are designed to cover one off-peak hour during a given day. Daily (monthly) off-peak contracts must be traded in multiples of the number of off-peak hours in the day (month).

The term "Peak Days" shall mean Monday through Friday, excluding North American Electric Reliability Corporation (NERC) holidays. "Peak Hours" shall mean Hours Ending (HE) 0800 through 2300 Eastern Prevailing Time (EPT). The terms "Off-Peak Days" and "Off-Peak Hours" shall mean HE 0100 through 0700 and 2400 EPT, Monday through Friday as well as all day Saturday, Sunday, and NERC holidays.

Options are offered on peak and off-peak futures contracts, both daily and monthly. The subject option is a European-style, off-peak calendar strip option. This means that at expiration, an in-the-money option (say January 2015) will exercise into 10 long/short underlying futures contracts for each off-peak hour in the calendar year (in this case, 2015). The underlying futures contract is the PJM Western Hub Real-Time Off-Peak Calendar-Month 5 MW Futures contract (Code N9).

Deliverable Supply Analysis

Load data reflect the amount of electricity that was produced and consumed in real time. An analysis of deliverable supply should consider actual load information reported by the ISO/RTO. Because the day-ahead and real-time auctions price power for the same flow date, the real-time load is the appropriate measure of deliverable supply for both the day-ahead and real-time markets.

The methodology of determining the monthly deliverable supply for peak and off-peak hours is based on the maximum one-hour load realized over the previous three years in the zones associated with the

Western Hub (i.e., BGE, PEPCO, PENELEC, PECO, and PPL). While the maximum one-hour loads indicate the largest actual volumes of electricity that the five zones were able to handle individually, these values likely are lower than the theoretical maximum loads that the zones could deliver to end users. This methodology incorporates the CFTC's request for exchanges to consider the maximum one-hour load when determining the deliverable supply of power. The approach also includes load points outside of the Western Hub in order to account for the fact that power may be delivered outside of the Western Hub yet is still priced at the Western Hub through numerous virtual transactions.

Load data used to determine the deliverable supply of power at the Western Hub was obtained from NRGSTREAM, an aggregator and distributor of public and private energy market information.² A full three years of historical data were not available, as NRGSTREAM only started scraping zonal load data in mid-February 2011. The analysis here utilizes load data between March 1, 2011, and September 30, 2013 (Table 1). The maximum Western Hub load (34,389 MW) was calculated as the sum of the maximum single hourly load of BGE, PEPCO, PENELEC, PECO, and PPL (Table 2). A month is assumed to have 368 peak hours and 424 off-peak hours. The monthly deliverable supply for peak hours is equal to 12,655,152 MWh (equivalent to 158,189 contracts based on a size of 80 MWh). While the maximum one-hour loads have occurred during peak hours, it is assumed that the peak load number can be applied to off-peak hours as the zones are able to handle such loads at that time if they are demanded. Thus, the deliverable supply of power in the Western Hub during off-peak hours is 14,580,936 MWh (equivalent to 2,916,187 contracts based on size of 5 MWh).

Table 1. Maximum Hourly Load by Utility Zone

Utility Zone	Date/Hour Ending (Eastern Prevailing Time)	Maximum Hourly Load
BGE	7/21/2011 17:00	7,172
PEPCO	7/22/2011 15:00	7,013
PENELEC	7/18/2013 15:00	3,205
PECO	7/22/2011 13:00	9,081
PPL	7/22/2011 14:00	7,918

Table 2. Maximum Hourly and Monthly Loads for the Western Hub

Hub/Time of Use	Maximum Hourly Load (MW)	Maximum Monthly Load (MWh)
PJM Western Hub	34,389	12,655,152

Position Limits for the PJM Western Hub Related Contracts

The spot-month speculative position limit for the subject option contract should not be greater than 25% of the deliverable supply. The PJM Western Hub calendar month strip option will aggregate into the PJM Off-Peak Calendar-Month LMP Futures contract (Code JP), which has a size of 975 MWh. Because the subject off-peak calendar-month option on calendar futures strip aggregates into the off-peak monthly futures contract, it assumes the same spot-month limit. Given the size of the parent futures contract, the deliverable supply in a given month is equivalent to 14,888 futures contracts. Taking 25% of that value yields a spot-month speculative position limit of 3,700 contracts.

² <http://www.nrgstream.com>

In addition to establishing the spot-month speculative position limit for the subject off-peak calendar strip option, other futures and options contracts based on the PJM Western Hub can be amended based on the deliverable supply estimates described above. Table 3 below indicates the NYMEX contract complex for the PJM Western Hub. For each contract, the contract into which a given futures or option aggregates and the size of the parent contract are provided. Moreover, the current monthly deliverable supply for peak and off-peak hours and the contract-equivalent volumes are shown. Lastly, the current and new spot-month limits are reported, along with their shares of deliverable supply are given. Table 4 indicates the contract codes and the titles of the futures and options contracts.

Table 3. PJM Western Hub Contracts and Position Limits³

Contract Code	Aggregate Into	Size of Parent (Total MWh)	Monthly Volume (MWh)	Contract-Equivalent Deliverable Supply	Current Position Limit	Limit's Share of Deliverable Supply (%)	New Position Limit	New Limit's Share of Deliverable Supply (%)
JM	--	850	12,655,152	14,888	2,090	14	3,700	25
JD	JM	850	12,655,152	14,888	2,090	14	3,700	25
J4	--	80	12,655,152	158,198	7,000	4	39,500	25
L1	JM	850	12,655,152	14,888	2,090	14	3,700	25
4S	JM	850	12,655,152	14,888	2,090	14	3,700	25
PML	JM	850	12,655,152	14,888	2,090	14	3,700	25
6O	JM	850	12,655,152	14,888	2,090	14	3,700	25
JO	JM	850	12,655,152	14,888	2,090	14	3,700	25
J01-J31	JM	850	12,655,152	14,888	2,090	14	3,700	25
JP	--	975	14,580,936	14,954	600	4	3,700	25
WOR	JP	975	14,580,936	14,954	600	4	3,700	25
E4	--	5	14,580,936	2,916,187	120,000	4	729,000	25
N9	JP	975	14,580,936	14,954	600	4	3,700	25
N9P	JP	975	14,580,936	14,954	600	4	3,700	25
6OO	JP	975	14,580,936	14,954	600	4	3,700	25

³ White rows indicate peak-hour contracts, and gray rows indicate off-peak contracts.

Table 4. Contract Codes and Titles

Contract Code	Contract Name
JM	PJM Western Hub Real-Time Peak Calendar-Month 2.5 MW Futures
JD	PJM Western Hub Real-Time Peak Calendar-Day 5 MW Futures
J4	PJM Western Hub Day-Ahead Peak Calendar-Month 5 MW Futures
L1	PJM Western Hub Peak Calendar-Month Real-Time LMP Futures
4S	PJM Western Hub 50 MW Peak Calendar-Month Real-Time LMP Futures
PML	PJM 50 MW Calendar-Month LMP Option
6O	PJM Electricity Option on Calendar Futures Strip
JO	PJM Calendar-Month LMP Option
J01-J31	PJM West Hub Real-Time 50 MW Same Day Option
JP	PJM Off-Peak Calendar-Month LMP Futures
WOR	PJM Western Hub Real-Time Off-Peak Calendar-Day 5 MW Futures
E4	PJM Western Hub Day-Ahead Off-Peak Calendar-Month 5 MW Futures
N9	PJM Western Hub Real-Time Off-Peak Calendar-Month 5 MW Futures
N9P	PJM West Hub Real-Time 50 MW Off-Peak Option
6OO	PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip

Contract Name	Rule Chapter	Commodity Code	Contract Size	Contract Units	Type	Settlement
PJM Western Hub Day-Ahead Off-Peak Calendar-Month 5 MW Futures	175	E4	5	MWh	Futures	Financially Settled Futures
PJM Western Hub Day-Ahead Off-Peak Calendar-Day 5 MW Futures	951	PWO	5	MWh	Futures	Financially Settled Futures
PJM Western Hub Day-Ahead Peak Calendar-Month 5 MW Futures	174	J4	80	MWh	Futures	Financially Settled Futures
PJM Western Hub Day-Ahead Peak Calendar-Day 5 MW Futures	950	PWP	80	MWh	Futures	Financially Settled Futures
PJM Western Hub 50 MW Peak Calendar-Month Real-Time LMP Futures	178	4S	800	MWh	Futures	Financially Settled Futures
PJM Electricity Option on Calendar Futures Strip	354	60	12	Underlying Futures	Eu.Option	Exercises into Financial Future
PJM West Hub Real Time 50 MW Same Day Option	1069	J01-J31	800	MWh	Eu.Option	Financially Settled Option
PJM Western Hub Real-Time Peak Calendar-Day 5 MW Futures	637	JD	80	MWh	Futures	Financially Settled Futures
PJM Western Hub Real-Time Peak Calendar-Month 2.5 MW Futures	635	JM	850	MWh	Futures	Financially Settled Futures
PJM Calendar-Month LMP Option	380	JO	850	MWh	Am.Option	Exercises into Financial Future
PJM Western Hub Peak Calendar-Month Real-Time LMP Futures	176	L1	80	MWh	Futures	Financially Settled Futures
PJM 50 MW Calendar-Month LMP Option	312	PML	20	Underlying Futures	Am.Option	Exercises into Financial Future
PJM Off-Peak Calendar-Month LMP Futures	635A	JP	975	MWh	Futures	Financially Settled Futures
PJM Western Hub Real-Time Off-Peak Calendar-Month 5 MW Futures	177	N9	5	MWh	Futures	Financially Settled Futures
PJM West Hub Real Time 50 MW Off-Peak Option	1179	N9P	50	MWh	Am.Option	Exercises into Financial Future
PJM Western Hub Real-Time Off-Peak Calendar-Day 5 MW Futures	952	WOR	5	MWh	Futures	Financially Settled Futures
PJM Western Hub Real-Time Off-Peak Calendar-Month 50 MW Option on Calendar Futures Strip	758	600	120	Underlying Futures	Eu.Option	Financially Settled Option

Group	Diminishing Balance Contract	Reporting Level	Spot-Month position comprised of futures and deliveries	Spot-Month Aggregate Into Futures Equivalent Leg (1)	Spot-Month Aggregate Into Futures Equivalent Leg (2)	Spot-Month Aggregate Into Ratio Leg (1)	Spot-Month Aggregate Into Ratio Leg (2)	Spot-Month Accountability Level	Initial Spot-Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)
Power		25		E4					120,000 <u>729,000</u>
Power		25		E4		1 PWO : 1 E4			120,000 <u>729,000</u>
Power		25		J4					7,000 <u>39,000</u>
Power		25		J4		1 PWP : 1 J4			7,000 <u>39,000</u>
Power		25		JM		1.0625 4S : 1 JM			2,090 <u>3,700</u>
Power		25		JM		1 60 : 1 JM			2,090 <u>3,700</u>
Power		25		JM		1.0625 J01-J31 : 1 JM			2,090 <u>3,700</u>
Power		25		JM		10.625 JD : 1 JM			2,090 <u>3,700</u>
Power		25		JM					2,090 <u>3,700</u>
Power		25		JM		1 JO : 1 JM			2,090 <u>3,700</u>
Power		25		JM		10.625 L1 : 1 JM			2,090 <u>3,700</u>
Power		25		JM		1 PML : 20 JM			2,090 <u>3,700</u>
Power		25		JP					600 <u>3,700</u>
Power		25		JP		195 N9 : 1 JP			600 <u>3,700</u>
Power		25		JP		1 N9P : 10 JP			600 <u>3,700</u>
Power		25		JP		195 WOR : 1 JP			600 <u>3,700</u>
Power		25		JP		19.5 600 : 1 JP			3,700 <u>3,700</u>

Spot-Month

Initial Spot-Month Limit Effective Date	Spot-Month Limit (In Contract Units) Leg (1) / Leg (2)	Single Month Aggregate Into Futures Equivalent Leg (1) Single Month Aggregate Into Futures Equivalent Leg (2)
Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	600,000 <u>3,645,000</u>	E4
For E4: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	600,000 <u>3,645,000</u>	E4
Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	560,000 <u>3,120,000</u>	J4
For J4: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	560,000 <u>3,120,000</u>	J4
For JM: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	1,776,500 <u>3,145,000</u>	JM
For JM: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	1,776,500 <u>3,145,000</u>	JM
For JM: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	1,776,500 <u>3,145,000</u>	JM
For JM: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	1,776,500 <u>3,145,000</u>	JM
Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	1,776,500 <u>3,145,000</u>	JM
For JM: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	1,776,500 <u>3,145,000</u>	JM
For JM: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	1,776,500 <u>3,145,000</u>	JM
For JM: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	1,776,500 <u>3,145,000</u>	JM
Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	585,000 <u>3,607,500</u>	JP
For JP: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	585,000 <u>3,607,500</u>	JP
For JP: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	585,000 <u>3,607,500</u>	JP
For JP: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	585,000 <u>3,607,500</u>	JP
For JP: Effective as of the opening of trading on the first business day when a contract month becomes the first nearby month	<u>3,607,500</u>	<u>JP</u>

Single Month				All Month					
Single Month Aggregate Into Ratio Leg (1)	Single Month Aggregate Into Ratio Leg (2)	Single Month Accountability Level Leg (1) / Leg (2)	Single Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)	All Month Aggregate Into Futures Equivalent Leg (1)	All Month Aggregate Into Futures Equivalent Leg (2)	All Month Aggregate Into Ratio Leg (1)	All Month Aggregate Into Ratio Leg (2)	All Month Accountability Level Leg (1) / Leg (2)	All Month Limit (In Net Futures Equivalents) Leg (1) / Leg (2)
		250000 <u>1,000,000</u>		E4				300000 <u>1,000,000</u>	
1 PWO : 1 E4		250000 <u>1,000,000</u>		E4		1 PWO : 1 E4		300000 <u>1,000,000</u>	
		30000 <u>50,000</u>		J4				50,000	
1 PWP : 1 J4		30000 <u>50,000</u>		J4		1 PWP : 1 J4		50,000	
1.0625 4S : 1 JM		5,000		JM		1.0625 4S : 1 JM		7,000	
1 6O : 1 JM		5,000		JM		1 6O : 1 JM		7,000	
1.0625 J01-J31 : 1 JM		5,000		JM		1.0625 J01-J31 : 1 JM		7,000	
10.625 JD : 1 JM		5,000		JM		10.625 JD : 1 JM		7,000	
		5,000		JM				7,000	
1 JO : 1 JM		5,000		JM		1 JO : 1 JM		7,000	
10.625 L1 : 1 JM		5,000		JM		10.625 L1 : 1 JM		7,000	
1 PML : 20 JM		5,000		JM		1 PML : 20 JM		7,000	
		3000 <u>5,000</u>		JP				4500 <u>7,000</u>	
195 N9 : 1 JP		3000 <u>5,000</u>		JP		195 N9 : 1 JP		4500 <u>7,000</u>	
1 N9P : 10 JP		3000 <u>5,000</u>		JP		1 N9P : 10 JP		4500 <u>7,000</u>	
195 WOR : 1 JP		3000 <u>5,000</u>		JP		195 WOR : 1 JP		4500 <u>7,000</u>	
<u>19.5 600 : 1 JP</u>		<u>5,000</u>		<u>JP</u>		<u>19.5 600 : 1 JP</u>		<u>7,000</u>	