



Christopher Bowen  
Managing Director and Chief Regulatory Counsel  
Legal Department

November 29, 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 Fee Waiver Program  
NYMEX Submission No. 13-383**

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 fee waiver program in support of Natural Gas Basis energy products on Globex ("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 proposed Program will not 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. Additionally, the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The Program does not impact the Exchange's order execution. 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 notes that this Program is being submitted as one part of a package of programs that relate to the NYMEX Natural Gas Basis suite of energy products. A separate program provides a three-month fee holiday for all Basis suite trades that are accepted for clearing on CME ClearPort, and a fee discount for the remaining time period during which the Program is in effect.

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 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. 13-383 in any related correspondence.

Sincerely,

/s/ Christopher Bowen  
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

# EXHIBIT 1

## NYMEX Natural Gas Basis Fee Waiver Program

### Program Purpose

The purpose of this Program is to incentivize market participants to trade Natural Gas Basis products listed on CME Globex. The resulting increase in liquidity for the products listed below benefits all participant segments in the market.

### Product Scope

All NYMEX Natural Gas Basis products that are traded on Globex ("Products").

### Eligible Participants

There is no limit to the number of participants that may participate in the Program. Participants may be NYMEX member or non-member firms. The fee incentives described below will be automatically applied to all executed trades in the Products made by all market participants on Globex.

### Program Term

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

### Hours

The incentives will apply to all trades made in the Products regardless of the execution time.

### Program Incentives

*Fee Waivers.* All Program participants will have their trading fees waived for all electronically executed Basis trades on Globex.