



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 Broker Incentive Program
NYMEX Submission No. 13-384**

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 broker incentive 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.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA"). During the review, Exchange 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 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. Additionally, the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The products included in this Program are listed for trading in the open and competitive market. The incentives under the Program do not adversely impact price discovery in the centralized market. Specifically, incentives under the Program are only available to brokers that submit previously matched third-party trades in the relevant products. The initiating party, not the broker, selects the venue and the broker earns incentives well after venue selection is made. Principals who submit trades or execute orders for their own account or a proprietary account are not eligible for incentives under the Program. Thus, the Program does not influence the choice made by the principals regarding the execution venue.

Participants in the Program will be selected by Exchange staff using criteria as further stated 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 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, or contact me at 212-299-2200. Please reference our NYMEX Submission No. 13-384 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachment: Exhibit 1

EXHIBIT 1

NYMEX Natural Gas Basis Broker Incentive Program

Program Purpose

The purpose of the Program is to encourage brokers to increase their volume in Natural Gas Basis products, enhancing market liquidity for those products. The Program incentivizes participants to educate their clients about the benefits of trading the Exchanges' products and centralized clearing, ultimately providing additional liquidity to the marketplace. A more liquid contract benefits all participants 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 amount of participants that may register for the Program. The Program is open to all Voice Brokers, Floor Brokers, Introducing Brokers, Associated Persons and Futures Commission Merchants who submit matched trades via the CME ClearPort clearing systems for 3rd parties, and all CFTC/NFA registrants who submit orders to, and which are executed on, the CME ClearPort trading platform. Principals who submit trades or executed orders for their own, or a proprietary account, are excluded from participation in the Program.

Program Term

Start date is January 13, 2014. End date is September 30, 2014.

Hours

N/A

Program Incentives

Participants will receive a predetermined rebate on clearing fees for transactions in the Products. Incentives will be paid on a monthly basis.

Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements.