

Chapter 405

CME Seasonal Strip Degree Days Index Futures

40500. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME Seasonal Strip Degree Days Indexes: the CME Seasonal Strip Heating-Degree-Days (CME SSHDD) Index and the CME Seasonal Strip Cooling-Degree-Days (CME SSCDD) Index. The procedures for trading, clearing and settlement, and any other matters not specifically covered herein shall be governed by the rules of the Exchange.

40501. COMMODITY SPECIFICATIONS ¹

1. Heating Degree Days and Cooling Degree Days

The daily average temperature is defined as the arithmetic average of the maximum and minimum temperature recorded between midnight and 11:59 P.M. as reported by MDA Information Systems, Inc..

For each day, Heating-Degree-Days (HDD) is the greater of (1) zero, (2) 65 degrees Fahrenheit minus the daily average temperature.

For each day, Cooling-Degree-Days (CDD) is the greater of (1) zero, (2) the daily average temperature minus 65 degrees Fahrenheit.

2. The CME Seasonal Strip Degree Days Indexes and Listing Cities

Each particular CME Seasonal Strip Degree Days index is the accumulation of like Degree Days over a minimum of two, and a maximum of seven, consecutive calendar months. For a seasonal strip involving Cooling Degree Days, the first calendar month in the strip may be April or later, and the last calendar month in the strip may be October or earlier. For a seasonal strip involving Heating Degree Days, the first calendar month in the strip may be October or later, and the last calendar month in the strip may be April or earlier. A separate futures contract shall be listed for each strip. The accumulation period of each CME SSHDD or CME SSCDD begins with the first calendar day of the first month of the strip, and ends with the last calendar day of the last month of the defined strip.

The temperature for a particular city is reported from a specific automated weather station. The table below lists the cities and their corresponding weather stations:

Listing Cities and Corresponding Automated Weather Stations

Atlanta Hartsfield International Airport (WBAN 13874)
Baltimore/Washington International Airport (WBAN 93721)
Boston Logan International Airport (WBAN 14739)
Chicago O'Hare International Airport (WBAN 94846)
Cincinnati-Northern Kentucky (Covington) Airport (WBAN 93814)
Colorado Springs Municipal Airport (WBAN 93037)
Dallas – Ft. Worth International Airport (WBAN 03927)
Des Moines International Airport (WBAN 14933)
Detroit Metro Airport (WBAN 94847)
Houston Bush Intercontinental Airport (WBAN 12960)
Jacksonville International Airport (WBAN 13889)
Kansas City International Airport (WBAN 03947)
Las Vegas McCarran International Airport (WBAN 23169)
Little Rock Adams Field (WBAN 13963)
Los Angeles Downtown USC Campus (WBAN 93134)
Minneapolis-St. Paul International Airport (WBAN 14922)
New York La Guardia Airport (WBAN 14732)
Philadelphia International Airport (WBAN 13739)
Portland International Airport (WBAN 24229)

¹ Revised September 2003; June 2004, May 2008.

Raleigh/Durham International Airport (WBAN 13722)
Sacramento Executive Airport (WBAN 23232)
Salt Lake City International Airport (WBAN 24127)
Tucson International Airport (WBAN 23160)
Washington/Reagan National Airport (WBAN 13743)

40502. FUTURES CALL

40502.A. Trading Schedule

Futures contracts shall be scheduled for trading and delivery during such hours in such months as may be determined by the Board of Directors.

40502.B. Size of Trading Unit ¹

The size of the unit of trading shall be \$20 times the respective CME Seasonal Strip Degree Days Index.

40502.C. Price Increments ²

The minimum price fluctuation on the CME Seasonal Strip Degree Days Index futures shall be 1 index point and have a value of \$20.

40502.D. Position Limits

A person shall not own or control more than 10,000 contracts net long or net short in all contract months combined. For position involving options on the respective CME Seasonal Strip Degree Days Index futures, this rule is superseded by the option speculative position limit rule.

40502.E. Accumulation of Positions

For the purposes of this rule, the positions of all accounts directly or indirectly owned or controlled by a person or persons, and the positions of all accounts of a person or persons acting pursuant to an expressed or implied agreement or understanding, and the positions of all accounts in which a person or persons have a proprietary or beneficial interest, shall be cumulated.

40502.F. Exemptions

The foregoing position limits shall not apply to bona fide hedge positions meeting the requirements of Regulation 1.3(z)(1) of the CFTC and the rules of the Exchange, and shall not apply to other positions exempted pursuant to Rule 559.

40502.G. Termination of Trading

FOR CDD CONTRACTS THROUGH OCTOBER 2011 AND FOR HDD CONTRACTS THROUGH APRIL 2012:

Futures trading shall terminate at 9:00 A.M. on the first Exchange business day that is at least two calendar days after the last calendar day of the last month of the defined strip.

FOR CDD CONTRACTS BEGINNING APRIL 2012 AND FOR HDD CONTRACTS BEGINNING OCTOBER 2012:

Futures trading shall terminate at 9:00 A.M. on the second Exchange business day after the last calendar day of the last month of the defined strip.

40502.H. Contract Modification ³

Specifications shall be fixed as of the first day of trading of a contract, except that all contracts must conform to government regulations in force at the time of final settlement. If any U.S. governmental agency or body with jurisdiction over the trading of the contract or with jurisdiction respecting the trading or final settlement of the CME Seasonal Strip Degree Days Index futures issues an order, ruling, directive or law that conflicts with the requirements of these rules, such order, ruling, directive or law shall be construed to take precedence and become part of these rules, and all open and new contracts shall be subject to such governmental orders.

40502.I. [Reserved]

40503. SETTLEMENT PROCEDURES ¹

¹ Revised March 2004.

² Revised September 2003; March 2004.

³ Revised September 2003.

40503.A. Final Settlement Price ²**FOR CDD CONTRACTS THROUGH OCTOBER 2011 AND FOR HDD CONTRACTS THROUGH APRIL 2012:**

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Seasonal Strip Degree Days Index reported by MDA Information Systems, Inc. for that city for that contract period, using the methodology in effect on that date, on the first Exchange business day that is at least two calendar days after the last calendar day of the last month of the defined strip. For example, on April 3, 2001, the November 2000 - March 2001 futures contract on the CME Chicago Nov-Mar '01 SSHDD Index would have been settled at 5660.0 Heating Degree Days.

FOR CDD CONTRACTS BEGINNING APRIL 2012 AND FOR HDD CONTRACTS BEGINNING OCTOBER 2012:

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Seasonal Strip Degree Days Index reported by MDA Information Systems, Inc. for that city for that contract period, using the methodology in effect on that date, on the second Exchange business day after the last calendar day of the last month of the defined strip. For example, on April 3, 2001, the November 2000 - March 2001 futures contract on the CME Chicago Nov-Mar '01 SSHDD Index would have been settled at 5660.0 Heating Degree Days.

40503.B. Final Settlement

Clearing members holding open positions in a CME Seasonal Strip Degree Days Index futures contract at the termination of trading in that contract shall make payment to or receive payment from the Clearing House in accordance with normal variation performance bond procedures based on a settlement price equal to the final settlement price.

40504. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

(Refer to Rule 701. – ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES)

40505 - 06 RESERVED

(End Chapter 405)

**INTERPRETATIONS & SPECIAL NOTICES
RELATING TO CHAPTER 405****LIMITATION OF LIABILITY AND DISCLAIMER**

MDA Information Systems, Inc. ("MDA", formerly "EarthSat") grants the Exchange the rights to use various data ("Data") in connection with the trading of futures contracts and options on futures contracts based upon such Data. MDA makes no warranty, express or implied, as to the results to be obtained by any person or any entity from the use of the Data in connection with the trading of futures contracts, options on futures contracts or any other use. MDA makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Data. Without limiting any of the foregoing, in no event shall MDA have any liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

¹ Revised September 2003.

² Revised September 2003; August 2011.