

Chapter 422

CME Canadian Seasonal Strip Degree Days Index Futures

42200. SCOPE OF CHAPTER

This chapter is limited in application to futures trading on CME Canadian Seasonal Strip Degree Days Indexes: the CME Canadian Seasonal Strip Heating-Degree-Days (CME SSHDD) Index and the CME Canadian 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.

42201. COMMODITY SPECIFICATIONS

1. Heating Degree Days and Cooling Degree Days

The daily average temperature is defined as the arithmetic average of the maximum temperature (Tmax) and minimum temperature (Tmin), recorded between 0600 UTC the previous day and 0559 UTC the current day for Tmax, and between 0600 UTC the previous day and 0559 UTC the current day for Tmin as reported by MDA Information Systems, Inc.

For each day, Heating-Degree-Days (HDD) is the greater of (1) zero, (2) 18 degrees Celsius ("C") minus the daily average temperature.

For each day, Cooling-Degree-Days (CDD) is the greater of (1) zero, (2) the daily average temperature minus 18 degrees Celsius ("C").

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

Each particular CME Canadian 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

Calgary International Airport (WMO 71877)

Edmonton International Airport (WMO 71123)

Montreal/Pierre Elliot Trudeau Airport (WMO 71627)

Toronto Pearson International Airport (WMO 71624)

Vancouver International Airport (WMO 71892)

Winnipeg International Airport (WMO 71852)

42202. FUTURES CALL

42202.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.

42202.B. Size of Trading Unit

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

42202.C. Price Increments

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

42202.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 Canadian Seasonal Strip Degree Days Index futures, this rule is superseded by the option speculative position limit rule.

42202.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.

42202.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.

42202.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 five 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 fifth Exchange business day after the last calendar day of the last month of the defined strip.

42202.H. Contract Modification

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.

42202. I. [Reserved]

42203. SETTLEMENT PROCEDURES

42203.A. Final Settlement Price

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 five calendar days after the last calendar day of the last month of the defined strip. For example, on April 5, 2006, the November 2005 – March 2006 futures contract on the CME Montreal Nov-Mar '06 SSHDD Index would have been settled at 3161.70 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 fifth Exchange business day after the last calendar day of the last month of the defined strip. For example, on April 7, 2006, the November 2005 – March 2006 futures contract on the CME Montreal Nov-Mar '06 SSHDD Index would have been settled at 3161.70 Heating Degree Days.

42203.B. Final Settlement

Clearing members holding open positions in a CME Canadian 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.

42204. ACTS OF GOVERNMENT, ACTS OF GOD AND OTHER EMERGENCIES

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

42205.-06 RESERVED

(End Chapter 422)

**INTERPRETATIONS & SPECIAL NOTICES
RELATING TO CHAPTER 422**

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