

Chapter 765

PJM AEP-Dayton Hub Peak Calendar-Month LMP Swap Futures

765.01. SCOPE

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Prices.

765.02. DAILY FLOATING PRICE

A Daily Floating Price will be determined for each peak day of each contract month. Each Daily Floating Price will be equal to the arithmetic average of the AEP-Dayton Hub Real Time LMP for peak hours provided by PJM Interconnection, LLC for the peak day. For settlement of this contract, the prices provided by PJM will be considered final with the cash settlement stated in Rule 765.09. and will not be subject to any further adjustment.

765.021. PEAK DAYS

"Peak day" shall mean a Monday through Friday, excluding North American Electric Reliability Council holidays.

765.022. PEAK HOURS

Peak hours are the 16 hour period beginning with the hour ending 0800 and end with the hour ending 2300 prevailing local time at the PJM Control Area.

765.03. CONTRACT QUANTITY AND VALUE

One contract shall be 40 MWH (Mega-watt Hours) times the number of peak days remaining in that contract month.

Each futures contract based on the PJM AEP-Dayton Hub Peak Calendar-Month LMP Swap Futures contract shall be valued as the contract quantity multiplied by the settlement price.

765.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Board of Directors.

765.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per MWH. The minimum price fluctuation shall be \$0.05 per MWH. There shall be no maximum price fluctuation.

765.06. TERMINATION OF TRADING

Trading shall cease one business day prior to the last peak day of the contract month.

765.07. FINAL SETTLEMENT

Delivery under the PJM AEP-Dayton Hub Peak Calendar-Month LMP Swap Futures contract shall be by cash settlement. Cash Settlement will take place in accordance with the following.

Starting with the close of trading on the peak day prior to the contract month, the daily flow (equal to 40 MWH) corresponding to the following peak day is subtracted from the quantity of each contract every business day until contract termination. The subtracted quantity is cash-settled based on the Daily Floating Price for the corresponding peak day.

For peak days that are not also business days, subtraction of the daily flow corresponding to the peak day will take place on the business day immediately following this (these) day(s).

765.08. EXCHANGE OF FUTURES FOR, OR IN CONNECTION WITH PRODUCT AND EXCHANGE FOR, OR IN CONNECTION WITH SWAP TRANSACTIONS

Any Exchange of Futures for, or in Connection with Product (EFP) or Exchange of Futures for, or in Connection with Swap Transactions (EFS) shall be governed by the provisions of Rules 538 and 538A, respectively.