

Chapter 405 CME Seasonal Strip Degree Days Index Futures

40500. SCOPE OF CHAPTER

This chapter is limited in application to CME Seasonal Strip Degree Days Index futures: the CME Seasonal Strip Heating-Degree-Days (CME SSHDD) Index and the CME Seasonal Strip Cooling-Degree-Days (CME SSCDD) Index. In addition to this chapter, CME Seasonal Strip Degree Days Index futures shall be subject to the general rules and regulations of the Exchange insofar as applicable.

For purposes of this chapter, unless otherwise specified, times referred herein shall refer to and indicate Chicago time.

40501. CONTRACT SPECIFICATIONS

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 0000 LST to 2359 LST. Observations are recorded by the U.S. National Weather Service and processed by Speedwell Settlement Services Ltd.

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 defined CME Seasonal Strip Degree Days index below is the accumulation of like Degree Days over the season.

Cooling Degree Days Strips:

- May – September

Atlanta Hartsfield International Airport (WBAN 13874)
 Boston-Logan International Airport (WBAN 14739)
 Burbank-Glendale-Pasadena Airport (WBAN 23152)
 Chicago O'Hare International Airport (WBAN 94846)
 Cincinnati-Northern Kentucky (Covington) Airport (WBAN 93814)
 Dallas – Ft. Worth International Airport (WBAN 03927)
 Houston-George Bush Intercontinental Airport (WBAN 12960)
 Las Vegas McCarran International Airport (WBAN 23169)
 Minneapolis-St. Paul International Airport (WBAN 14922)
 New York La Guardia Airport (WBAN 14732)
 Philadelphia International Airport (WBAN 13739)
 Portland International Airport (WBAN 24229)
 Sacramento Executive Airport (WBAN 23232)

- July – August

Atlanta Hartsfield International Airport (WBAN 13874)
 Boston-Logan International Airport (WBAN 14739)
 Burbank-Glendale-Pasadena Airport (WBAN 23152)
 Chicago O'Hare International Airport (WBAN 94846)
 Cincinnati-Northern Kentucky (Covington) Airport (WBAN 93814)
 Dallas – Ft. Worth International Airport (WBAN 03927)
 Houston-George Bush Intercontinental Airport (WBAN 12960)
 Las Vegas McCarran International Airport (WBAN 23169)
 Minneapolis-St. Paul International Airport (WBAN 14922)
 New York La Guardia Airport (WBAN 14732)
 Philadelphia International Airport (WBAN 13739)
 Portland International Airport (WBAN 24229)
 Sacramento Executive Airport (WBAN 23232)

Heating Degree Days Strips:

- November – March
 - Atlanta Hartsfield International Airport (WBAN 13874)
 - Boston-Logan International Airport (WBAN 14739)
 - Burbank-Glendale-Pasadena Airport (WBAN 23152)
 - Chicago O'Hare International Airport (WBAN 94846)
 - Cincinnati-Northern Kentucky (Covington) Airport (WBAN 93814)
 - Dallas – Ft. Worth International Airport (WBAN 03927)
 - Houston-George Bush Intercontinental Airport (WBAN 12960)
 - Las Vegas McCarran International Airport (WBAN 23169)
 - Minneapolis-St. Paul International Airport (WBAN 14922)
 - New York La Guardia Airport (WBAN 14732)
 - Philadelphia International Airport (WBAN 13739)
 - Portland International Airport (WBAN 24229)
 - Sacramento Executive Airport (WBAN 23232)
- December – February
 - Atlanta Hartsfield International Airport (WBAN 13874)
 - Boston-Logan International Airport (WBAN 14739)
 - Burbank-Glendale-Pasadena Airport (WBAN 23152)
 - Chicago O'Hare International Airport (WBAN 94846)
 - Cincinnati-Northern Kentucky (Covington) Airport (WBAN 93814)
 - Dallas – Ft. Worth International Airport (WBAN 03927)
 - Houston-George Bush Intercontinental Airport (WBAN 12960)
 - Las Vegas McCarran International Airport (WBAN 23169)
 - Minneapolis-St. Paul International Airport (WBAN 14922)
 - New York La Guardia Airport (WBAN 14732)
 - Philadelphia International Airport (WBAN 13739)
 - Portland International Airport (WBAN 24229)
 - Sacramento Executive Airport (WBAN 23232)

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.

40502. TRADING SPECIFICATIONS

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 Exchange.

40502.B. Trading Unit

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

40502.C. Price Increments

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, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

40502.E. [Reserved]

40502.F. [Reserved]

40502.G. Termination of Trading

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. [Reserved]

40502.I. [Reserved]

40503. SETTLEMENT PROCEDURES

40503.A. Final Settlement Price

All futures contracts remaining open at the termination of trading shall be settled using the respective CME Seasonal Strip Degree Days Index reported by Speedwell Settlement Services Ltd. 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. [RESERVED]

40505 - 06 [RESERVED]

(End Chapter 405)

INTERPRETATIONS & SPECIAL NOTICES RELATING TO CHAPTER 405

LIMITATION OF LIABILITY AND DISCLAIMER

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