Chapter 1080
Powder River Basin Coal (Platts OTC Broker Index) Option on Quarterly Futures Strip

1080100. SCOPE OF CHAPTER
This chapter is limited in application to put and call options on Powder River Basin Coal (Platts OTC Broker Index) futures contracts. In addition to the rules of this chapter, transactions in options on Powder River Basin Coal (Platts OTC Broker Index) futures shall be subject to the general rules of the Exchange insofar as applicable.

1080101. OPTION CHARACTERISTICS
The number of months open for trading at a given time shall be determined by the Exchange.

1080101.A. Trading Schedule
The hours of trading for this contract shall be determined by the Exchange.

1080101.B. Trading Unit
A Powder River Basin Coal (Platts OTC Broker Index) call option on quarterly futures strip traded on the Exchange represents an option to assume, at the strike price, one (1) long contract of the underlying Powder River Basin Coal (Platts OTC Broker Index) futures in each month of the three consecutive months of the underlying quarter. A Powder River Basin Coal (Platts OTC Broker Index) put option on quarterly futures strip traded on the Exchange represents an option to assume, at the strike price, one (1) short contract of the underlying Powder River Basin Coal (Platts OTC Broker Index) futures in each month of the three consecutive months of the underlying quarter.

1080101.C. Price Increments
Prices shall be quoted in dollars and cents per ton and the minimum price increment will be $0.01 per ton.

1080101.D. Position Limits and Position Accountability
For purposes of calculating compliance with position limits, each contract will be aggregated with positions held in Powder River Basin Coal (Platts OTC Broker Index) futures. Each position in the option contract will be deemed equivalent to one position in each month of the underlying quarter of the Powder River Basin Coal (Platts OTC Broker Index) futures into which each option contract aggregates.

In accordance with Rule 559, no person shall own or control positions in excess of 200 (Powder River Basin Coal (Platts OTC Broker Index) futures-equivalent) contracts net long or net short in the spot month.

In accordance with Rule 560:
1. the all-months accountability level shall be 5,000 (Powder River Basin Coal (Platts OTC Broker Index) futures-equivalent) contracts net long or net short in all months combined;
2. the any-one month accountability level shall be 5,000 (Powder River Basin Coal (Platts OTC Broker Index) futures-equivalent) contracts net long or net short in any single contract month combined excluding the spot month.

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

1080101.E. Termination of Trading
The option contract shall expire at the close of trading on the first business day of the month prior to the delivery month of the first underlying month of the Powder River Basin Coal (Platts OTC Broker Index) futures contract.

1080101.F. Type Option
The option is an European-style option which can only be exercised into the underlying futures on the expiration day.
1080102. **EXERCISE PRICES**
Transactions shall be conducted for option contracts as set forth in Rule 300.20.

1080103. **DISCLAIMER**
See NYMEX/COMEX Chapter iv. (“DISCLAIMERS”) incorporated herein by reference.