

Chapter 367

Mont Belvieu Physical Natural Gasoline (OPIS) Futures

367100. SCOPE OF CHAPTER

This chapter is limited in application to Mont Belvieu Physical Natural Gasoline (OPIS) futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all natural gasoline bought or sold for future delivery on the Exchange with delivery at the Enterprise facility in Mont Belvieu, Texas.

The terms “seller” and “buyer” shall mean the seller of the physical product and the buyer of the physical product, respectively.

For purposes of these rules, unless otherwise specified, times referred to herein shall refer to and indicate New York time.

367101. CONTRACT SPECIFICATIONS

Natural gasoline shall conform to the specifications as required by the Enterprise products facility outlined below, which may be amended from time to time:

NATURAL GASOLINE		
COMPONENT	TEST METHODS	SPECIFICATIONS
Normal Butane & Lighter	GPA-2177	6.0 Liq. Vol.% max.
Total Sulfur	ASTM D-3120	1000 ppm wt. max.
Water Content	VISUAL	No Free Water
Vapor Pressure at 100°F	ASTM D-323	14.0 RVP max.
End Point	ASTM D-86	375°F max.
Corrosion, Copper Strip	ASTM D-130	No. 1
Doctor Test	ASTM D-4952 or GPA 1138	Negative
Color, Saybolt Number	ASTM D-156	+25 min.

367102. TRADING SPECIFICATIONS

Trading in Mont Belvieu Physical Natural Gasoline (OPIS) futures is regularly conducted in all calendar months. The number of months open for trading at a given time shall be determined by the Exchange.

367102.A. Trading Schedule

The hours for trading shall be determined by the Exchange.

367102.B. Trading Unit

The contract unit shall be 42,000 U.S. gallons (1,000 U.S. barrels). There shall be no volume tolerance permitted under these rules.

The volume delivered shall be determined at 60 degrees Fahrenheit using Gas Processors Association (“GPA”) Standard 2142.

367102.C. Price Increments

The minimum price fluctuation shall be \$0.00001 (0.001¢) per gallon. Prices shall be quoted in dollars and cents per gallon.

367102.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.

367102.E. Termination of Trading

No trades in the Mont Belvieu Physical Natural Gasoline (OPIS) futures shall be made after the second-to-last business day of the expiring contract month (the “last trade date”). In the event that the originally listed last trade date is declared a holiday, the last trade date will move to the business day immediately prior. Any contracts remaining open after the last trade date must be either:

- (A) Settled by delivery which shall take place on the last business day of the delivery month.
- (B) Liquidated by means of a bona fide Exchange for Related Position (“EFRP”) pursuant to Rule 538. An EFRP is permitted in an expired futures contract until 3:30 p.m. on the last trade date of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

367103. INSPECTION

Inspection of product shall be conducted in accordance with the standard operating practice at the Enterprise facility.

367104. DELIVERY

Delivery shall be made free-on-board (“F.O.B.”) at the Enterprise facility or, with the mutual agreement of the buyer and the seller, at any pipeline, storage facility, or fractionation facility in Mont Belvieu, Texas. Delivery shall be made with all applicable Federal executive orders and all applicable Federal, State and local laws and regulations.

For the purposes of this rule, the term F.O.B. shall mean a delivery in which the seller delivers to the buyer natural gasoline which is free of all liens, encumbrances, unpaid taxes, fees and other charges.

The seller shall retain title to and bear the risk of loss for the product until the product is delivered to the buyer.

Delivery shall be made by any of the following methods: (1) by in-well transfer at the Enterprise facility. For purposes of this rule, in-well transfer is defined as the transfer of title on the books from the seller to the buyer as a result of the issuance of a Product Transfer Order or an equivalent document; or (2) by book transfer, provided that both the buyer and the seller mutually agree to such transfer. For purposes of this rule, book transfer is defined as a book adjustment effecting a title transfer between seller and buyer.

367105. DELIVERY PROCEDURES**367105.A. Notices of Intention to Deliver and Notices of Intention to Accept****1. Notice of Intention to Deliver**

By 4:00 p.m. on the last trade date, Exchange clearing members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver. The Notice of Intention to Deliver must be in the form prescribed by the Exchange and must include: the name of the seller(s); the number of contracts to be delivered; and shall also provide any additional information as may be required by the Exchange.

2. Notice of Intention to Accept

By 4:00 p.m. on the last trade date, Exchange clearing members having open long positions shall provide the Clearing House with a Notice of Intention to Accept. The

Notice of Intention to Accept must be in the form prescribed by the Exchange, and must include: the name of the buyer(s); the number of contracts to be accepted; and shall also provide any additional information as may be required by the Exchange.

367105.B. Notice Day

The Clearing House shall allocate Notices of Intention to Deliver and Notices of Intention to Accept by matching size of positions and preferred locations, to the extent possible. The Clearing House shall provide Assignment Allocation Notices to the respective clearing members no later than 6:00 p.m. on the last trade date. The day on which the Assignment Allocation Notices are provided to the clearing members shall be referred to as "Notice Day". Assignment Allocation Notices are not transferable.

367105.C. Buyer's Clearing Member Delivery Instructions

As soon as possible after receipt from the Exchange of an Assignment Allocation Notice, but no later than 10:00 a.m. on the last business day of the contract month, the buyer's clearing member shall provide the Clearing House and the seller's clearing member identified in such Assignment Allocation Notice properly completed Delivery Instructions, in the form prescribed by the Exchange, which must include the following information: the name of seller(s); the assignment number; the seller's choice of eligible facility; the number of contracts to be delivered; the method of delivery; and any additional information as may be required by the Exchange.

367105.D. Amendment to Delivery Instructions

Except as provided in this section 105.D, Notices of Intention to Deliver and Notices of Intention to Accept may not be amended after they have been provided to the counterparty and the Clearing House. However, upon mutual consent of the parties and upon written notice to the Clearing House, the parties may change the delivery facility and/or the method of delivery named by the buyer.

Any such changes must be made on the form prescribed by the Exchange. Any changes made with respect to the foregoing must be made in conformance with all contract requirements and specifications no later than 10:00 a.m. on the last business day of the contract month.

367105.E. Final Settlement Price

The final settlement price for the delivery month shall be the Oil Price Information Service ("OPIS") average price on the last trade date. The final settlement price shall be the basis for delivery.

367106. TIMING OF DELIVERY

Delivery shall take place on the last business day of the expiring contract month.

367107. DELIVERY MARGIN AND PAYMENT**367107.A. Margin**

On the first business day following the last trade date, the clearing member shall obtain from any buyer margin equal to the full value of the product to be delivered and the clearing member shall obtain from any seller margin in an amount fixed, from time to time, by the Exchange.

The buyer's clearing member and the seller's clearing member shall deposit with the Clearing House margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the business day following notification to the Exchange that delivery and payment have been completed.

367107.B. Payment

No later than 12:00 p.m. on the fifth business day following completion of delivery, the buyer shall pay the short contract value by federal funds wire transfer to the account of the seller at the bank nominated by the seller. The term "contract value" shall mean the amount equal to the Final Settlement Price times forty-two thousand (42,000) times the number of contracts to be delivered. Upon receipt of payment, the seller shall provide the buyer with all appropriate documents necessary to transfer ownership of the product to the buyer.

367108. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any inspection certificate, Notice of Intention to Deliver, Notice of Intention to Accept, check or of any document or instrument delivered pursuant to these rules.

367109. ALTERNATIVE DELIVERY PROCEDURES

A seller and buyer matched by the Exchange under Section 105.B. may agree to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Chapter. In such a case, clearing members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed and executed copy of such notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the clearing members and the Exchange from their respective obligations under the rules of this Chapter and any other rules regarding physical delivery.

In executing such notice, clearing members shall indemnify the Exchange against any liability, cost or expense the Exchange may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the clearing members all margin monies held for the account of each with respect to the contracts involved.

367110. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.