



August 17, 2011

Mr. David Stawick  
Secretary  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

RE: *Chicago Mercantile Exchange 3rd Conditional Limit Filing*

Dear Mr. Stawick:

The IntercontinentalExchange, Inc. (ICE) submits this letter in response to the filing dated August 15, 2011 by CME Group (CME) – CME’s third submission of data in support of its argument that the conditional limit should be eliminated or narrowed. ICE will be brief in its response:

1. ICE does not feel it is necessary to address the substance of the CME’s new submission of data given that the CME’s resubmitted analysis, much like its previous submission, shows lower volatility<sup>1</sup>, tighter price ranges<sup>2</sup> and increased volume<sup>3</sup> in the CME’s natural gas markets after the imposition of conditional limits--all indicators of a healthy market. Note that the CME’s summary in its 3<sup>rd</sup> submission does not reference their own data, as the data included in their submission undermines their argument. Furthermore, CME’s voluntary adoption of the conditional limit for its own financially settled natural gas contract, though in direct conflict with its comments, provides additional empirical support for the conditional limit.<sup>4</sup>
2. If, despite all the empirical evidence in support of the conditional limit, the Commission nonetheless decides to narrow the existing conditional limit provision in the proposal, the Commission should reopen the comment period to allow the public to comment on the data and analysis relied upon by the Commission to make such a material change.<sup>5</sup>

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<sup>1</sup> 3<sup>rd</sup> CME submission, pg. 7.

<sup>2</sup> Id. at 6.

<sup>3</sup> Id. at 5.

<sup>4</sup> Conditional Limit in NYMEX Last Day Financial Gas Contracts, Rule 559F, [www.cmegroup.com/rulebook/NYMEX/1/5.pdf](http://www.cmegroup.com/rulebook/NYMEX/1/5.pdf)

<sup>5</sup> See, e.g. Sierra Club v. Costle, 657 F.2d 298, 334, 397-98 & n. 484 (D.C.Cir.1981) (citing cases on the need for the public to comment on data relied upon by an administrative agency); see also Engine Mfrs. Ass'n v. EPA, 20 F.3d 1177, 1181-82 (D.C.Cir.1994); Air Transp. Ass'n of Am. v. FAA 169 F.3d 1, 7 (D.C. Cir. 1999)).



ICE commends the Commission on its efforts to implement Dodd/Frank's position limit requirements.

Sincerely,

A handwritten signature in black ink that reads "Trabue Bland". The signature is written in a cursive style with a large initial "T" and a prominent "B".

R. Trabue Bland  
Vice President of Regulatory Affairs and  
Assistant General Counsel