

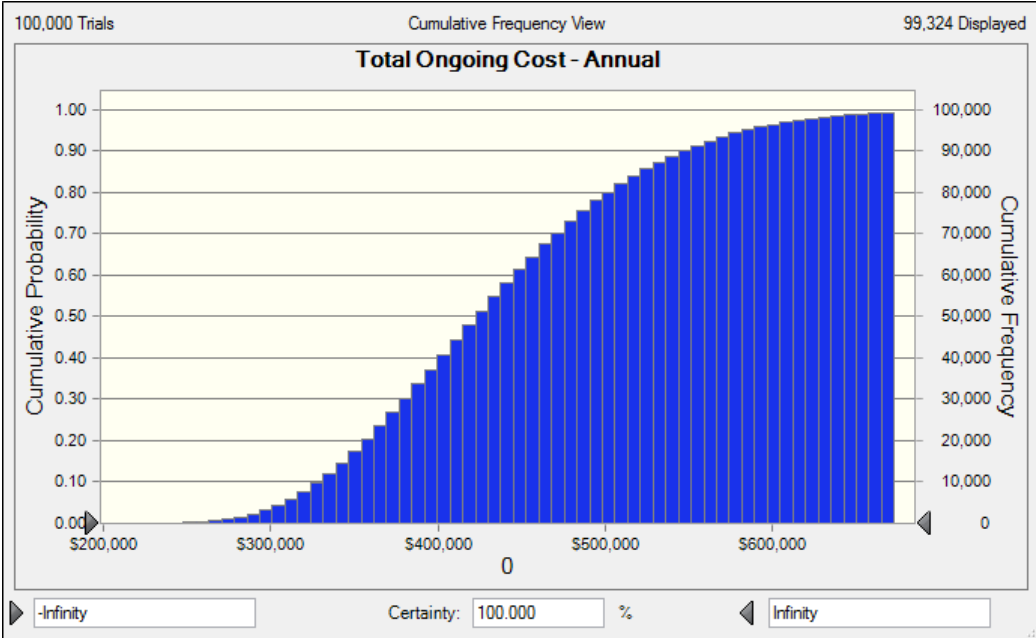
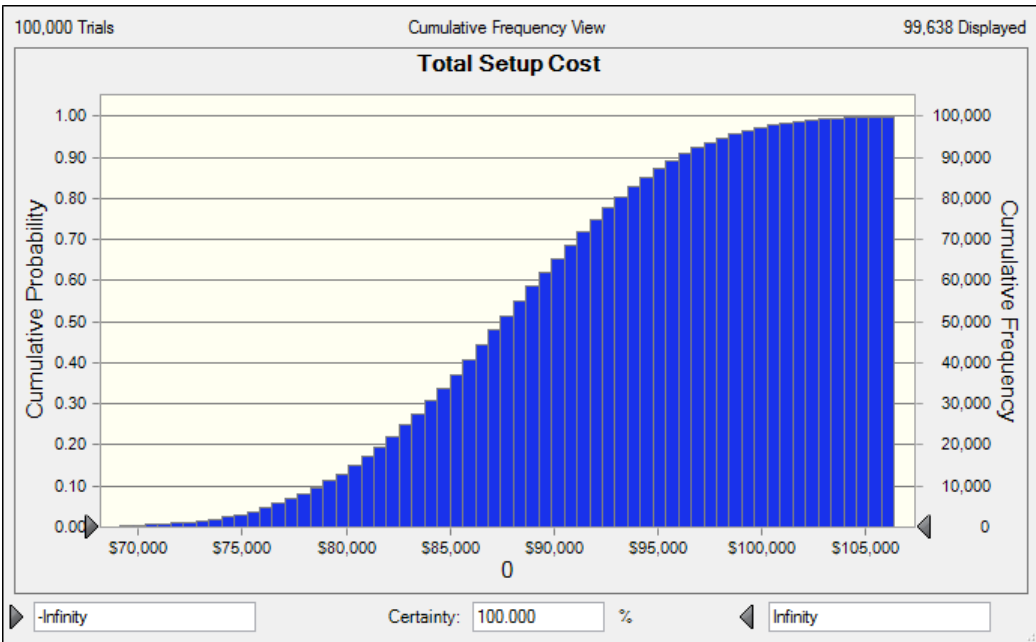
# Estimated Costs to Incorporate Trade Options into Dodd Frank Regime

These estimates were prepared by ConocoPhillips for discussion at the July 29, 2015 meeting of the CFTC Energy and Environmental Markets Advisory Committee. The estimates are based on internal assessments of the incremental activities and costs to comply with federal speculative position limits if the scope of those rules is extended to include “Trade Options”, and reflect (i) our internal understanding of what those rules would require and (ii) our existing business model, business practices, and information systems.

## Estimated Costs to Incorporate Trade Options Into the Dodd Frank Regulatory Regime<sup>1</sup>

	Min	Expected	Max
<b>Setup</b>			
Total Initial Research /Learning Curve/Training Cost	\$31,500	\$63,600	\$85,500
IT Development Cost for \$1B Threshold Report (script writing / automating the process)	\$14,400	\$19,200	\$28,800
Incremental Cost of Developing Federal Position Limits Report Script	\$3,600	\$4,800	\$12,000
<b>Total Setup Cost</b>	<b>\$49,500</b>	<b>\$87,600</b>	<b>\$126,300</b>
<b>Ongoing</b>			
Mid-Office Analyst Support/Management Review	\$36,000	\$66,600	\$99,000
Annual Cost of Trade Options Identification	\$92,430	\$267,426	\$936,600
Ongoing Understanding of the Rules & Regulations/ Training	\$450	\$1,800	\$3,600
Annual Cost of Tracking of the Threshold	\$600	\$5,400	\$28,800
Annual Cost of Filing the Threshold Report	\$75	\$150	\$750
Annual Cost of Ongoing IT Support for Threshold Calculations	\$2,880	\$4,800	\$12,000
Annual Cost of Troubleshooting FPL script	\$2,880	\$11,520	\$28,800
Annual Cost of FPL Management / Coordination of Efforts	\$1,500	\$2,400	\$6,000
<b>Total Ongoing Effort Cost</b>	<b>\$136,815</b>	<b>\$360,096</b>	<b>\$1,115,550</b>
<b>Overall Total</b>	<b>\$186,315</b>	<b>\$447,696</b>	<b>\$1,241,850</b>

<sup>1</sup> Estimates prepared by ConocoPhillips for discussion at the July 29, 2015 CFTC EEMAC meeting.



Simulation Results: Estimated costs (\$000)		
	Setup	Ongoing Annual
Mean	88	435
Std Dev	7	85