



A CME/Chicago Board of Trade/NYMEX Company

Advisory Notice

Clearing House

08-216

TO: Clearing Member Firms
Chief Financial Officers
Back Office Managers
Margin Managers

FROM: CME Clearing

SUBJECT: Performance Bond Requirement Changes.

DATE: Monday, September 8th, 2008.

To receive advanced notification of Performance Bond (margin) changes, through our free automated mailing list, go to:
<http://www.cmegroup.com/newsletter/web2lead/web2sf-old.html> and subscribe to the Performance Bond Rates Advisory Notices listserver.

As per the normal review of market volatility to ensure adequate collateral coverage, the Chicago Mercantile Exchange Inc., Clearing House Risk Management staff approved the performance bond requirements for the following products listed below. The rates are effective at the close of business on **Tuesday, September 9th, 2008.**

MARGIN RATE CHANGES FOR NYISO Zone A – Peak (KA), NYISO Zone G – Peak (KG), NYISO Zone J – Peak (KJ), PJM Western Hub LMP Peak Monthly (JM), Northern Illinois Hub – Peak (UM), AEP-Dayton Hub – Peak (VM), Cinergy Hub LMP – Peak (EM), Michigan Hub LMP – Peak (HM), ISO New England Internal Hub – Peak (NI), Dow Jones Mid-Columbia Electricity Prices Index Swap (DO), Dow Jones Palo Verde Electricity Prices Index Swap (DP), Dow Jones SP15 Electricity Prices Index Swap (DV), Dow Jones NP15 Electricity Prices Index Swap (DN), ERCOT North Peak Swap Contract (MT), NYISO Zone A – Off Peak (KB), PJM Western Hub LMP Off – Peak Monthly (JP), Northern Illinois Hub – Off Peak (UO), Michigan Hub LMP – Off Peak (HJ), AEP-Dayton Hub – Off Peak (VP) and Cinergy Hub LMP – Off Peak (EJ)

Note: The revised margins are in **bold**

NYMEX Division Outright (Scan) Margins on NYISO Zone A – Peak (KA)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$2,500	\$3,000	\$2,750	\$3,300	\$3,375	\$4,050
Tier 2	\$2,500	\$3,000	\$2,750	\$3,300	\$3,375	\$4,050
Tier 3	\$1,500	\$1,500	\$1,650	\$1,650	\$2,025	\$2,025
Tier 4	\$1,000	\$1,000	\$1,100	\$1,100	\$1,350	\$1,350

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NYMEX Division Outright (Scan) Margins on NYISO Zone G – Peak (KG)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$5,000	\$7,000	\$5,500	\$7,700	\$6,750	\$9,450
Tier 2	\$3,500	\$4,500	\$3,850	\$4,950	\$4,725	\$6,075
Tier 3	\$3,000	\$3,000	\$3,300	\$3,300	\$4,050	\$4,050
Tier 4	\$2,000	\$2,000	\$2,200	\$2,200	\$2,700	\$2,700

NYMEX Division Outright (Scan) Margins on NYISO Zone J – Peak (KJ)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$5,000	\$8,000	\$5,500	\$8,800	\$6,750	\$10,800
Tier 2	\$3,500	\$5,500	\$3,850	\$6,050	\$4,725	\$7,425
Tier 3	\$3,000	\$3,000	\$3,300	\$3,300	\$4,050	\$4,050
Tier 4	\$2,000	\$2,000	\$2,200	\$2,200	\$2,700	\$2,700

NYMEX Division Outright (Scan) Margins on PJM Western Hub LMP On Peak Monthly (JM)

Contract	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$8,000	\$11,000	\$8,800	\$12,100	\$10,800	\$14,850
Tier 2	\$5,000	\$6,000	\$5,500	\$6,600	\$6,750	\$8,100
Tier 3	\$4,000	\$5,000	\$4,400	\$5,500	\$5,400	\$6,750
Tier 4	\$2,500	\$3,500	\$2,750	\$3,850	\$3,375	\$4,725
Tier 5	\$2,500	\$2,500	\$2,750	\$2,750	\$3,375	\$3,375
Tier 6	\$2,000	\$2,000	\$2,200	\$2,200	\$2,700	\$2,700
Tier 7	\$2,000	\$3,000	\$2,200	\$3,300	\$2,700	\$4,050
Tier 8	\$2,000	\$2,500	\$2,200	\$2,750	\$2,700	\$3,375

NYMEX Division Outright (Scan) Margins on Northern Illinois Hub – Peak (UM)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$7,000	\$10,000	\$7,700	\$11,000	\$9,450	\$13,500
Tier 2	\$5,000	\$6,000	\$5,500	\$6,600	\$6,750	\$8,100
Tier 3	\$4,000	\$5,000	\$4,400	\$5,500	\$5,400	\$6,750
Tier 4	\$3,000	\$4,000	\$3,300	\$4,400	\$4,050	\$5,400

NYMEX Division Outright (Scan) Margins on AEP-Dayton Hub – Peak (VM)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$7,000	\$10,000	\$7,700	\$11,000	\$9,450	\$13,500
Tier 2	\$5,000	\$6,000	\$5,500	\$6,600	\$6,750	\$8,100
Tier 3	\$4,000	\$5,000	\$4,400	\$5,500	\$5,400	\$6,750
Tier 4	\$3,000	\$4,000	\$3,300	\$4,400	\$4,050	\$5,400

NYMEX Division Outright (Scan) Margins on Cinergy Hub LMP – Peak (EM)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$7,000	\$8,000	\$7,700	\$8,800	\$9,450	\$10,800
Tier 2	\$5,000	\$7,000	\$5,500	\$7,700	\$6,750	\$9,450
Tier 3	\$4,000	\$6,500	\$4,400	\$7,150	\$5,400	\$8,775
Tier 4	\$3,000	\$5,000	\$3,300	\$5,500	\$4,050	\$6,750

NYMEX Division Outright (Scan) Margins on Michigan Hub LMP – On Peak (HM)

Contract	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
HM	\$5,000	\$8,000	\$5,500	\$8,800	\$6,750	\$10,800

NYMEX Division Outright (Scan) Margins on ISO New England Internal Hub – Peak (NI)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$5,000	\$7,000	\$5,500	\$7,700	\$6,750	\$9,450
Tier 2	\$5,000	\$8,000	\$5,500	\$8,800	\$6,750	\$10,800
Tier 3	\$4,000	\$9,000	\$4,400	\$9,900	\$5,400	\$12,150
Tier 4	\$4,000	\$6,000	\$4,400	\$6,600	\$5,400	\$8,100

NYMEX Division Outright (Scan) Margins on Dow Jones Mid-Columbia Electricity Prices Index Swap (DO)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$5,000	\$8,000	\$5,500	\$8,800	\$6,750	\$10,800
Tier 2	\$5,000	\$6,000	\$5,500	\$6,600	\$6,750	\$8,100
Tier 3	\$4,000	\$5,000	\$4,400	\$5,500	\$5,400	\$6,750
Tier 4	\$4,000	\$4,000	\$4,400	\$4,400	\$5,400	\$5,400

NYMEX Division Outright (Scan) Margins on Dow Jones Palo Verde Electricity Prices Index Swap (DP)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$5,000	\$8,000	\$5,500	\$8,800	\$6,750	\$10,800
Tier 2	\$5,000	\$8,000	\$5,500	\$8,800	\$6,750	\$10,800
Tier 3	\$4,000	\$7,000	\$4,400	\$7,700	\$5,400	\$9,450
Tier 4	\$4,000	\$4,000	\$4,400	\$4,400	\$5,400	\$5,400

NYMEX Division Outright (Scan) Margins on Dow Jones SP15 Electricity Prices Index Swap (DV)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$5,000	\$7,000	\$5,500	\$7,700	\$6,750	\$9,450
Tier 2	\$5,000	\$7,000	\$5,500	\$7,700	\$6,750	\$9,450
Tier 3	\$4,000	\$4,000	\$4,400	\$4,400	\$5,400	\$5,400
Tier 4	\$4,000	\$4,000	\$4,400	\$4,400	\$5,400	\$5,400

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NYMEX Division Outright (Scan) Margins on Dow Jones NP15 Electricity Prices Index Swap (DN)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$5,000	\$7,000	\$5,500	\$7,700	\$6,750	\$9,450
Tier 2	\$5,000	\$7,000	\$5,500	\$7,700	\$6,750	\$9,450
Tier 3	\$4,000	\$7,000	\$4,400	\$7,700	\$5,400	\$9,450
Tier 4	\$4,000	\$4,000	\$4,400	\$4,400	\$5,400	\$5,400

NYMEX Division Outright (Scan) Margins on ERCOT North Peak Swap (Platts Megawatt Daily) Contract (MT)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$10,000	\$12,000	\$11,000	\$13,200	\$13,500	\$16,200
Tier 2	\$8,000	\$10,000	\$8,800	\$11,000	\$10,800	\$13,500
Tier 3	\$7,000	\$8,000	\$7,700	\$8,800	\$9,450	\$10,800
Tier 4	\$6,000	\$7,000	\$6,600	\$7,700	\$8,100	\$9,450

NYMEX Division Outright (Scan) Margins on NYISO Zone A – Off Peak (KB)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$5,000	\$8,000	\$5,500	\$8,800	\$6,750	\$10,800
Tier 2	\$5,000	\$7,000	\$5,500	\$7,700	\$6,750	\$9,450
Tier 3	\$4,000	\$5,000	\$4,400	\$5,500	\$5,400	\$6,750
Tier 4	\$3,000	\$4,500	\$3,300	\$4,950	\$4,050	\$6,075

NYMEX Division Outright (Scan) Margins on PJM Western Hub LMP Off Peak Monthly (JP)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$4,000	\$5,000	\$4,400	\$5,500	\$5,400	\$6,750
Tier 2	\$3,000	\$4,000	\$3,300	\$4,400	\$4,050	\$5,400
Tier 3	\$2,500	\$3,000	\$2,750	\$3,300	\$3,375	\$4,050
Tier 4	\$2,000	\$2,500	\$2,200	\$2,750	\$2,700	\$3,375

NYMEX Division Outright (Scan) Margins on Northern Illinois Hub – Off Peak (UO)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$4,000	\$5,000	\$4,400	\$5,500	\$5,400	\$6,750
Tier 2	\$3,000	\$3,000	\$3,300	\$3,300	\$4,050	\$4,050
Tier 3	\$2,500	\$2,500	\$2,750	\$2,750	\$3,375	\$3,375
Tier 4	\$2,000	\$2,500	\$2,200	\$2,750	\$2,700	\$3,375

NYMEX Division Outright (Scan) Margins on Michigan Hub LMP – Off Peak (HJ)

Contract	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
HJ	\$4,000	\$5,000	\$4,400	\$5,500	\$5,400	\$6,750

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NYMEX Division Outright (Scan) Margins on AEP-Dayton Hub – Off Peak (VP)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$4,000	\$5,000	\$4,400	\$5,500	\$5,400	\$6,750
Tier 2	\$3,000	\$4,000	\$3,300	\$4,400	\$4,050	\$5,400
Tier 3	\$2,500	\$3,000	\$2,750	\$3,300	\$3,375	\$4,050
Tier 4	\$2,000	\$2,500	\$2,200	\$2,750	\$2,700	\$3,375

NYMEX Division Outright (Scan) Margins on Cinergy Hub LMP – Off Peak (EJ)

Tiers	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Tier 1	\$4,000	\$5,000	\$4,400	\$5,500	\$5,400	\$6,750
Tier 2	\$3,000	\$4,000	\$3,300	\$4,400	\$4,050	\$5,400
Tier 3	\$2,500	\$3,000	\$2,750	\$3,300	\$3,375	\$4,050
Tier 4	\$2,000	\$2,500	\$2,200	\$2,750	\$2,700	\$3,375