

Advisory Notice

Clearing House

08 - 386

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirement Changes.

DATE: Friday, December 5th, 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 **Monday, December 8th, 2008.**

NEW MARGIN RATES AND TIERS FOR ELECTRICITY FUTURES CONTRACTS FOR THE PJM MARKET

<u>Commodity Name</u>	<u>Commodity Code</u>
PJM Northern Illinois Hub Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	N3
PJM Northern Illinois Off-Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	L3
PJM AECO Zone Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	Y1
PJM AECO Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	X1
PJM AEP Dayton Hub Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	D7
PJM AEP Dayton Hub Off-Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	R7
PJM APS Zone Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	S4
PJM APS Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	W4
PJM BGE Zone Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	E3
PJM BGE Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	R3
PJM DPL Zone Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	L8
PJM DPL Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	E8
PJM Eastern Hub Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	E9
PJM Eastern Hub Off-Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	F4
PJM JCPL Zone Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	J2

<u>Commodity Name</u>	<u>Commodity Code</u>
PJM JCPL Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	F2
PJM PEPCO Zone Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	R8
PJM PEPCO Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	Q8
PJM PPL Zone Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	L5
PJM PPL Zone Off-Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	F5
PJM PSEG Zone Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	L6
PJM PSEG Zone Off- Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	W6
PJM Western Hub Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	J4
PJM Western Hub Off-Peak Calendar-Month Day-Ahead LMP Swap Futures Contract	E4
PJM Western Hub Peak Calendar-Month Real-Time LMP Swap Futures Contract	L1
PJM Western Hub Off-Peak Calendar-Month Real-Time LMP Swap Futures Contract	N9

Outright (Scan) Tiers for Y1, X1, S4, W4, E3, R3, L8, E8, E9, F4, J2, F2, R8, Q8, L5, F5, L6 and W6

Tiers	Months
1	All Months

Outright (Scan) Tiers for R7, L3, E4, N9, D7 and N3

Tiers	Months
1	1st Nearby
2	2nd - 6th Nearby
3	7th - 11th Nearby
4	Greater than 12th Nearby

Outright (Scan) Tiers for J4 and L1

Tiers	Months
1	1st Nearby
2	2nd - 4th Nearby
3	5th - 6th Nearby
4	7th - 8th Nearby
5	9th - 10th Nearby
6	11th - 12th Nearby
7	13th - 16th Nearby
8	Greater than 16th Nearby

Outright (Scan) Margin on N3, L3, Y1, X1, D7, R7, S4, W4, E3, R3, L8, E8, E9, F4, J2, F2, R8, Q8, L5, F5, L6, W6, J4, E4, L1, and N9

Commodity	Clearing Member / Maintenance Margin	Member Customer Initial Margin	Non-Member Initial Margin
	New	New	New
N3 - Tier 1	\$550.00	\$605.00	\$742.50

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Outright (Scan) Margin on N3, L3, Y1, X1, D7, R7, S4, W4, E3, R3, L8, E8, E9, F4, J2, F2, R8, Q8, L5, F5, L6, W6, J4, E4, L1, and N9

Commodity	Clearing Member / Maintenance Margin	Member Customer Initial Margin	Non-Member Initial Margin
	New	New	New
N3 - Tier 2	\$450.00	\$495.00	\$607.50
N3 - Tier 3	\$400.00	\$440.00	\$540.00
N3 - Tier 4	\$300.00	\$330.00	\$405.00
L3 - Tier 1	\$15.00	\$16.50	\$20.25
L3 - Tier 2	\$10.00	\$11.00	\$13.50
L3 - Tier 3	\$10.00	\$11.00	\$13.50
L3 - Tier 4	\$5.00	\$5.50	\$6.75
Y1	\$550.00	\$605.00	\$742.50
X1	\$20.00	\$22.00	\$27.00
D7 - Tier 1	\$550.00	\$605.00	\$742.50
D7 - Tier 2	\$450.00	\$495.00	\$607.50
D7 - Tier 3	\$400.00	\$440.00	\$540.00
D7 - Tier 4	\$300.00	\$330.00	\$405.00
R7 - Tier 1	\$15.00	\$16.50	\$20.25
R7 - Tier 2	\$10.00	\$11.00	\$13.50
R7 - Tier 3	\$10.00	\$11.00	\$13.50
R7 - Tier 4	\$5.00	\$5.50	\$6.75
S4	\$450.00	\$495.00	\$607.50
W4	\$15.00	\$16.50	\$20.25
E3	\$550.00	\$605.00	\$742.50
R3	\$20.00	\$22.00	\$27.00
L8	\$750.00	\$825.00	\$1,012.50
E8	\$20.00	\$22.00	\$27.00
E9	\$700.00	\$770.00	\$945.00
F4	\$20.00	\$22.00	\$27.00
J2	\$450.00	\$495.00	\$607.50
F2	\$15.00	\$16.50	\$20.25
R8	\$600.00	\$660.00	\$810.00
Q8	\$20.00	\$22.00	\$27.00
L5	\$500.00	\$550.00	\$675.00
F5	\$15.00	\$16.50	\$20.25
L6	\$450.00	\$495.00	\$607.50
W6	\$15.00	\$16.50	\$20.25
J4 - Tier 1	\$750.00	\$825.00	\$1,012.50
J4 - Tier 2	\$500.00	\$550.00	\$675.00
J4 - Tier 3	\$400.00	\$440.00	\$540.00
J4 - Tier 4	\$250.00	\$275.00	\$337.50
J4 - Tier 5	\$250.00	\$275.00	\$337.50
J4 - Tier 6	\$200.00	\$220.00	\$270.00
J4 - Tier 7	\$200.00	\$220.00	\$270.00
J4 - Tier 8	\$200.00	\$220.00	\$270.00
E4 - Tier 1	\$15.00	\$16.50	\$20.25

Outright (Scan) Margin on N3, L3, Y1, X1, D7, R7, S4, W4, E3, R3, L8, E8, E9, F4, J2, F2, R8, Q8, L5, F5, L6, W6, J4, E4, L1, and N9

Commodity	Clearing Member / Maintenance Margin	Member Customer Initial Margin	Non-Member Initial Margin
	New	New	New
E4 - Tier 2	\$10.00	\$11.00	\$13.50
E4 - Tier 3	\$10.00	\$11.00	\$13.50
E4 - Tier 4	\$5.00	\$5.50	\$6.75
L1 - Tier 1	\$750.00	\$825.00	\$1,012.50
L1 - Tier 2	\$500.00	\$550.00	\$675.00
L1 - Tier 3	\$400.00	\$440.00	\$540.00
L1 - Tier 4	\$250.00	\$275.00	\$337.50
L1 - Tier 5	\$250.00	\$275.00	\$337.50
L1 - Tier 6	\$200.00	\$220.00	\$270.00
L1 - Tier 7	\$200.00	\$220.00	\$270.00
L1 - Tier 8	\$200.00	\$220.00	\$270.00
N9 - Tier 1	\$15.00	\$16.50	\$20.25
N9 - Tier 2	\$10.00	\$11.00	\$13.50
N9 - Tier 3	\$10.00	\$11.00	\$13.50
N9 - Tier 4	\$5.00	\$5.50	\$6.75

Intra-Commodity Spread Tiers for Y1, X1, S4, W4, E3, R3, L8, E8, E9, F4, J2, F2, R8, Q8, L5, F5, L6, W6, J4 and L1

Tiers	Months
1	All Months

Intra-Commodity Spread Tiers for R7, L3, E4, N9, D7 and N3

Tiers	Months
1	1st Nearby
2	2nd - 6th Nearby
3	7th - 11th Nearby
4	Greater than 12th Nearby

Intra-Commodity Spread Margins on N3, L3, Y1, X1, D7, R7, S4, W4, E3, R3, L8, E8, E9, F4, J2, F2, R8, Q8, L5, F5, L6, W6, J4, E4, L1, and N9

Commodity	Clearing Member / Maintenance Margin	Member Customer Initial Margin	Non-Member Initial Margin
	New	New	New
N3 - Tier 1	\$50.00	\$55.00	\$67.50
N3 - Tier 2	\$10.00	\$11.00	\$13.50
N3 - Tier 3	\$10.00	\$11.00	\$13.50
N3 - Tier 4	\$10.00	\$11.00	\$13.50
L3 - Tier 1	\$3.00	\$3.30	\$4.05
L3 - Tier 2	\$1.00	\$1.10	\$1.35

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Intra-Commodity Spread Margins on N3, L3, Y1, X1, D7, R7, S4, W4, E3, R3, L8, E8, E9, F4, J2, F2, R8, Q8, L5, F5, L6, W6, J4, E4, L1, and N9

Commodity	Clearing Member / Maintenance Margin	Member Customer Initial Margin	Non-Member Initial Margin
	New	New	New
L3 - Tier 3	\$1.00	\$1.10	\$1.35
L3 - Tier 4	\$1.00	\$1.10	\$1.35
Y1	\$50.00	\$55.00	\$67.50
X1	\$3.00	\$3.30	\$4.05
D7 - Tier 1	\$50.00	\$55.00	\$67.50
D7 - Tier 2	\$10.00	\$11.00	\$13.50
D7 - Tier 3	\$10.00	\$11.00	\$13.50
D7 - Tier 4	\$10.00	\$11.00	\$13.50
R7 - Tier 1	\$3.00	\$3.30	\$4.05
R7 - Tier 2	\$1.00	\$1.10	\$1.35
R7 - Tier 3	\$1.00	\$1.10	\$1.35
R7 - Tier 4	\$1.00	\$1.10	\$1.35
S4	\$50.00	\$55.00	\$67.50
W4	\$3.00	\$3.30	\$4.05
E3	\$50.00	\$55.00	\$67.50
R3	\$3.00	\$3.30	\$4.05
L8	\$50.00	\$55.00	\$67.50
E8	\$3.00	\$3.30	\$4.05
E9	\$50.00	\$55.00	\$67.50
F4	\$3.00	\$3.30	\$4.05
J2	\$50.00	\$55.00	\$67.50
F2	\$3.00	\$3.30	\$4.05
R8	\$50.00	\$55.00	\$67.50
Q8	\$3.00	\$3.30	\$4.05
L5	\$50.00	\$55.00	\$67.50
F5	\$3.00	\$3.30	\$4.05
L6	\$50.00	\$55.00	\$67.50
W6	\$3.00	\$3.30	\$4.05
J4	\$50.00	\$55.00	\$67.50
E4 - Tier 1	\$3.00	\$3.30	\$4.05
E4 - Tier 2	\$1.00	\$1.10	\$1.35
E4 - Tier 3	\$1.00	\$1.10	\$1.35
E4 - Tier 4	\$1.00	\$1.10	\$1.35
L1	\$50.00	\$55.00	\$67.50
N9 - Tier 1	\$3.00	\$3.30	\$4.05
N9 - Tier 2	\$1.00	\$1.10	\$1.35
N9 - Tier 3	\$1.00	\$1.10	\$1.35
N9 - Tier 4	\$1.00	\$1.10	\$1.35