

Advisory Notice

Clearing House

08-327

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirement Changes: **Outright (SCAN) Margin Rate Change for the Existing Natural Gas Basis, Index and Swing Swap Contracts.**

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 from Friday, November 07, 2008 (*close of business*).

Futures Contracts:

<u>Contract Name</u>	<u>Symbol</u>
CIG Basis Swap (Platts IFERC)	CI
ANR Louisiana Basis Swap(Platts IFERC)	ND
ANR OK Basis Swap (Platts IFERC)	NE
San Juan Basis Swap (Platts IFERC)	NJ
Natural Gas Pipeline Co. of America (NGPL) Mid-Con Basis Swap (Platts IFERC)	NL
Transco Zone 6 Basis Swap (Platts IFERC)	NZ
Northern Natural Gas Demarcation Basis Swap (Platts IFERC)	PE
Panhandle Basis Swap (Platts IFERC)	PH
Centerpoint Basis Swap(Platts IFERC)	PW
NGPL Midcon Natural Gas Index Swap (Platts Gas Daily/Platts IFERC)	IW
SoCal Daily Swing Swap Futures (Platts Gas Daily)	SF
El Paso Permian Daily Swing Swap Futures (Platts Gas Daily)	SL
Demarc Natural Gas Swing Swap Futures (Platts Gas Daily)	DT
PG&E Citygate Daily Swing Swap Futures (Platts Gas Daily)	SK
Henry Hub Natural Gas Daily Swing Swap Futures (Platts Gas Daily)	SN
Chicago Daily Swing Swap Futures (Platts Gas Daily)	SS
Houston Ship Channel Natural Gas Daily Swing Swap Futures (Platts Gas Daily)	SM
Kern River, Wyoming Daily Swing Swap Futures (Platts Gas Daily)	SR
Panhandle Natural Gas Daily Swing Swap Futures (Platts Gas Daily)	SV
Waha Natural Gas Daily Swing Swap Futures (Platts Gas Daily)	SY
Centerpoint Natural Gas Swing Swap Futures (Platts Gas Daily)	VX

Contract Months: All Months

Note: The revised margin Tiers are in **bold**.

NYMEX Division Margin Rates For Existing Natural Gas Basis, Index and Swing Swaps

	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
CIG Basis Swap (CI)						
Tier 1	\$3,500	\$4,000	\$3,850	\$4,400	\$4,725	\$5,400
Tier 2	\$2,500	\$3,000	\$2,750	\$3,300	\$3,375	\$4,050
Tier 3	\$2,000	\$2,000	\$2,200	\$2,200	\$2,700	\$2,700
Tier 4	\$2,000	\$2,000	\$2,200	\$2,200	\$2,700	\$2,700
Tier 5	\$2,000	\$2,000	\$2,200	\$2,200	\$2,700	\$2,700
ANR Louisiana Basis Swap (ND)						
Tier 1	\$100	\$150	\$110	\$165	\$135	\$203
Tier 2	\$100	\$150	\$110	\$165	\$135	\$203
ANR OK Basis Swap (NE)						
Tier 1	\$2,500	\$1,400	\$2,750	\$1,540	\$3,375	\$1,890
Tier 2	\$2,000	\$1,000	\$2,200	\$1,100	\$2,700	\$1,350
Tier 3	\$1,500	\$1,000	\$1,650	\$1,100	\$2,025	\$1,350
San Juan Basis Swap (NJ)						
Tier 1	\$750	\$1,000	\$825	\$1,100	\$1,013	\$1,350
Tier 2	\$600	\$900	\$660	\$990	\$810	\$1,215
Tier 3	\$400	\$400	\$440	\$440	\$540	\$540
Tier 4	\$250	\$250	\$275	\$275	\$338	\$338
Tier 5	\$250	\$250	\$275	\$275	\$338	\$338
Natural Gas Pipeline Co. of America (NGPL) Mid-Con Basis Swap (NL)						
Tier 1	\$1,750	\$1,200	\$1,925	\$1,320	\$2,363	\$1,620
Tier 2	\$1,200	\$1,000	\$1,320	\$1,100	\$1,620	\$1,350
Tier 3	\$500	\$500	\$550	\$550	\$675	\$675
Tier 4	\$300	\$300	\$330	\$330	\$405	\$405
Tier 5	\$200	\$200	\$220	\$220	\$270	\$270
Transco Zone 6 Basis Swap (NZ)						
Tier 1	\$1,200	\$1,500	\$1,320	\$1,650	\$1,620	\$2,025
Tier 2	\$1,000	\$1,200	\$1,100	\$1,320	\$1,350	\$1,620
Tier 3	\$500	\$500	\$550	\$550	\$675	\$675
Tier 4	\$400	\$400	\$440	\$440	\$540	\$540
Tier 5	\$400	\$400	\$440	\$440	\$540	\$540
Northern Natural Gas Demarcation Basis Swap (PE)						
Tier 1	\$2,000	\$1,000	\$2,200	\$1,100	\$2,700	\$1,350
Tier 2	\$1,500	\$900	\$1,650	\$990	\$2,025	\$1,215
Tier 3	\$750	\$500	\$825	\$550	\$1,013	\$675

NYMEX Division Margin Rates For Existing Natural Gas Basis, Index and Swing Swaps

	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Panhandle Basis Swap (PH)						
Tier 1	\$1,500	\$900	\$1,650	\$990	\$2,025	\$1,215
Tier 2	\$1,000	\$750	\$1,100	\$825	\$1,350	\$1,013
Tier 3	\$500	\$300	\$550	\$330	\$675	\$405
Tier 4	\$300	\$300	\$330	\$330	\$405	\$405
Tier 5	\$300	\$300	\$330	\$330	\$405	\$405
Centerpoint Basis Swap (PW)						
Tier 1	\$1,500	\$1,000	\$1,650	\$1,100	\$2,025	\$1,350
Tier 2	\$1,000	\$750	\$1,100	\$825	\$1,350	\$1,013
NGPL Midcon Natural Gas Index Swap (IW)						
Tier 1	\$3,000	\$1,500	\$3,300	\$1,650	\$4,050	\$2,025
Tier 2	\$200	\$200	\$220	\$220	\$270	\$270
Tier 3	\$100	\$100	\$110	\$110	\$135	\$135
SoCal Daily Swing Swap Futures (SF)						
Tier 1	\$3,500	\$3,000	\$3,850	\$3,300	\$4,725	\$4,050
El Paso Permian Daily Swing Swap Futures (SL)						
Tier 1	\$3,500	\$3,000	\$3,850	\$3,300	\$4,725	\$4,050
Demarc Natural Gas Swing Swap Futures (DT)						
Tier 1	\$3,500	\$2,000	\$3,850	\$2,200	\$4,725	\$2,700
PG&E Citygate Daily Swing Swap Futures (SK)						
Tier 1	\$1,500	\$3,000	\$1,650	\$3,300	\$2,025	\$4,050
Henry Hub Natural Gas Daily Swing Swap Futures (SN)						
Tier 1	\$1,500	\$2,063	\$1,650	\$2,269	\$2,025	\$2,785
Chicago Daily Swing Swap Futures (SS)						
Tier 1	\$1,500	\$2,000	\$1,650	\$2,200	\$2,025	\$2,700
Houston Ship Channel Natural Gas Daily Swing Swap Futures (SM)						
Tier 1	\$1,500	\$2,000	\$1,650	\$2,200	\$2,025	\$2,700
Kern River, Wyoming Daily Swing Swap Futures (SR)						
Tier 1	\$4,000	\$3,000	\$4,400	\$3,300	\$5,400	\$4,050
Panhandle Natural Gas Daily Swing Swap Futures (SV)						
Tier 1	\$4,000	\$2,000	\$4,400	\$2,200	\$5,400	\$2,700
Waha Natural Gas Daily Swing Swap Futures (SY)						
Tier 1	\$3,000	\$2,000	\$3,300	\$2,200	\$4,050	\$2,700

Performance Bond Requirement Changes

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NYMEX Division Margin Rates For Existing Natural Gas Basis, Index and Swing Swaps

	Clearing Member / Maintenance Margin		Member Customer Initial Margin		Non-Member Customer Initial Margin	
	New	Old	New	Old	New	Old
Centerpoint Natural Gas Swing Swap Futures (VX)						
Tier 1	\$6,000	\$2,000	\$6,600	\$2,200	\$8,100	\$2,700

Should you have any questions regarding these margin rates, please contact William Doherty at (212) 299-2925.