



11-27

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Monday, January 24, 2011

**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 Notice 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 will be effective after the close of business on **Tuesday, January 25, 2011.**

Current rates as of:

**Monday, January 24, 2011.**

TIER CHANGES FOR TEXAS EASTERN ZONE M-3 BASIS SWAP (NY-NX), ALGONQUIN CITY-GATES NATURAL GAS BASIS SWAP (PLATTS IFERC) FUTURES (NY-B4), TRANSCO ZONE 6 BASIS SWAP (PLATTS IFERC) FUTURES (NZ)

Note: The revisions are in **bold**.

Tiers	New	Old
1		1 <sup>st</sup> Nearby
2	<b>2<sup>nd</sup> Nearby</b>	2 <sup>nd</sup> – 5 <sup>th</sup> Nearby
3	<b>3<sup>rd</sup> – 9<sup>th</sup> Nearby</b>	Greater than 5 <sup>th</sup> Nearby
4	<b>10<sup>th</sup> – 14<sup>th</sup> Nearby</b>	
5	<b>Greater than 14<sup>th</sup> Nearby</b>	

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								

NATURAL GAS - Outright Rates

ALGONQUIN CITYGATES BASIS (B4)

B4	Spec	Tier 1	Increase	USD	2,200	2,000	3,300	3,000
B4	Hedge/Member	Tier 1	Increase	USD	2,000	2,000	3,000	3,000
B4	Spec	Tier 3	Decrease	USD	2,200	2,000	1,100	1,000
B4	Hedge/Member	Tier 3	Decrease	USD	2,000	2,000	1,000	1,000
B4	Spec	Tier 4	Increase	USD	770	700	1,650	1,500
B4	Hedge/Member	Tier 4	Increase	USD	700	700	1,500	1,500
B4	Spec	Tier 5	Increase	USD	770	700	1,650	1,500
B4	Hedge/Member	Tier 5	Increase	USD	700	700	1,500	1,500

TEXAS EASTERN ZONE M-3 BASIS SWAP (NX)

NX	Spec	Tier 2	Decrease	USD	2,200	2,000	1,650	1,500
NX	Hedge/Member	Tier 2	Decrease	USD	2,000	2,000	1,500	1,500
NX	Spec	Tier 4	Increase	USD	550	500	825	750
NX	Hedge/Member	Tier 4	Increase	USD	500	500	750	750

TRANSCO ZONE 6 BASIS SWAP (NZ)

NZ	Spec	Tier 3	Decrease	USD	825	750	550	500
NZ	Hedge/Member	Tier 3	Decrease	USD	750	750	500	500
NZ	Spec	Tier 4	Increase	USD	825	750	1,100	1,000
NZ	Hedge/Member	Tier 4	Increase	USD	750	750	1,000	1,000