



11-3

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements:

DATE: Thursday, January 06, 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 **Saturday, January 08, 2011.**

Current rates as of:

Thursday, January 06, 2011.

In this current advisory there are changes to the Short Option Minimum and/or the Volatility Scan Range. Below are descriptions of what each change affects:

The Short Option Minimum (SOM) is a charge that is applied only to portfolios concentrated in short options that do not generate a minimum margin requirement level when margins are calculated using the normal 16 SPAN scenarios. The SOM charge per short calls or short puts is a percentage of the outright margin on one underlying futures contract.

The volatility scan range is the change in implied volatility that is used in each of SPAN's 16 scenarios.

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
ELECTRICITY - Outright Rates								
ERCOT HOUSTON CO LDZONE DAYHD 5MWPK (EHC)								
EHC	Spec		New	USD			4,400	4,000
EHC	Hedge/Member		New	USD			4,000	4,000
ERCOT HOUSTON COMP LDZN RT 5MW OFPK (EHT)								
EHT	Spec		New	USD			770	700
EHT	Hedge/Member		New	USD			700	700
ERCOT HOUSTON COMP LDZN RT 5MW PEAK (EHM)								
EHM	Spec		New	USD			4,400	4,000
EHM	Hedge/Member		New	USD			4,000	4,000
ERCOT HSTN 345KV HUB DAYHD 5MW PK (EHF)								
EHF	Spec		New	USD			4,400	4,000
EHF	Hedge/Member		New	USD			4,000	4,000
ERCOT NORTH 345KV HUB DAYHD 5MW PK (ERW)								
ERW	Spec		New	USD			4,400	4,000
ERW	Hedge/Member		New	USD			4,000	4,000
ERCOT NORTH COM LDZN DAYHD 5MW OFPK (ENH)								
ENH	Spec		New	USD			770	700
ENH	Hedge/Member		New	USD			700	700
ERCOT NORTH COMP LDZN DAYHD 5MW PK (ERC)								
ERC	Spec		New	USD			4,400	4,000
ERC	Hedge/Member		New	USD			4,000	4,000
ERCOT NORTH COMP LDZN RT 5MW OFPK (ENT)								
ENT	Spec		New	USD			770	700
ENT	Hedge/Member		New	USD			700	700
ERCOT NORTH COMP LDZN RT 5MW PEAK (ENM)								
ENM	Spec		New	USD			4,400	4,000
ENM	Hedge/Member		New	USD			4,000	4,000
ERCOT NRTH 345KV HUB DAYHD 5MW OFPK (ERP)								
ERP	Spec		New	USD			770	700
ERP	Hedge/Member		New	USD			700	700
ERCOT S. 345KV HUB DAYHD 5MW OFPK (EUP)								
EUP	Spec		New	USD			770	700
EUP	Hedge/Member		New	USD			700	700
ERCOT SOUTH 345KV HUB DAYHD 5MW PK (EUW)								
EUW	Spec		New	USD			4,400	4,000

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
EUW	Hedge/Member		New	USD			4,000	4,000
ERCOT SOUTH CMP LDZN DAYHD 5MW OFPK (ETH)								
ETH	Spec		New	USD			770	700
ETH	Hedge/Member		New	USD			700	700
ERCOT SOUTH CMP LOADZN DAYHD 5MW PK (EUC)								
EUC	Spec		New	USD			4,400	4,000
EUC	Hedge/Member		New	USD			4,000	4,000
ERCOT SOUTH COMP LDZN RT 5MW OFPK (EST)								
EST	Spec		New	USD			770	700
EST	Hedge/Member		New	USD			700	700
ERCOT SOUTH COMP LDZN RT 5MW PEAK (EUM)								
EUM	Spec		New	USD			4,400	4,000
EUM	Hedge/Member		New	USD			4,000	4,000
ERCOT WEST 345KV HB DAYHD 5MW PK (EWW)								
EWW	Spec		New	USD			4,400	4,000
EWW	Hedge/Member		New	USD			4,000	4,000
ERCOT WEST 345KV HUB DAYHD 5MW OFPK (EWF)								
EWF	Spec		New	USD			770	700
EWF	Hedge/Member		New	USD			700	700
ERCOT WEST COMP LDZN DAYHD 5 MW PK (EWC)								
EWC	Spec		New	USD			4,400	4,000
EWC	Hedge/Member		New	USD			4,000	4,000
ERCOT WEST COMP LDZN DAYHD 5MW OFPK (EWH)								
EWH	Spec		New	USD			770	700
EWH	Hedge/Member		New	USD			700	700
ERCOT WEST COMP LDZN RT 5MW OFPK (EWT)								
EWT	Spec		New	USD			770	700
EWT	Hedge/Member		New	USD			700	700
ERCOT WEST COMP LDZN RT 5MW PEAK (EWM)								
EWM	Spec		New	USD			4,400	4,000
EWM	Hedge/Member		New	USD			4,000	4,000
ERCOTHOUSTON CP LDZN DAYHD 5MW OFPK (EOH)								
EOH	Spec		New	USD			770	700
EOH	Hedge/Member		New	USD			700	700
ERCT HOUSTN 345KV HUB DAYH 5MW OFPK (EHW)								
EHW	Spec		New	USD			770	700
EHW	Hedge/Member		New	USD			700	700

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
ELECTRICITY - Intra Spreads								
ERCOT Houston 345 kV Hub Day-Ahead Off-Peak Calendar-Day Swap Futures - All Months (ERCT HOUSTN 345KV HUB DAYH 5MW OFPK)								
EHW	Spec		New	USD			154	140
EHW	Hedge/Member		New	USD			140	140
ERCOT Houston 345 kV Hub Day-Ahead Peak Calendar-Day Swap Futures - All Months (ERCOT HSTN 345KV HUB DAYHD 5MW PK)								
EHF	Spec		New	USD			880	800
EHF	Hedge/Member		New	USD			800	800
ERCOT Houston Competitive Load Zone Day-Ahead Off-Peak Calendar-Day Swap Futures - All Months (ERCOTHOUSTON CP LDZN DAYHD 5MW OFPK)								
EOH	Spec		New	USD			154	140
EOH	Hedge/Member		New	USD			140	140
ERCOT Houston Competitive Load Zone Day-Ahead Peak Calendar-Day Swap Futures - All Months (ERCOT HOUSTON CO LDZONE DAYHD 5MWPK)								
EHC	Spec		New	USD			880	800
EHC	Hedge/Member		New	USD			800	800
ERCOT Houston Competitive Load Zone Real-Time Off-Peak Calendar-Day Swap Futures - All Months (ERCOT HOUSTON COMP LDZN RT 5MW OFPK)								
EHT	Spec		New	USD			154	140
EHT	Hedge/Member		New	USD			140	140
ERCOT Houston Competitive Load Zone Real-Time Peak Calendar-Day Swap Futures - All Months (ERCOT HOUSTON COMP LDZN RT 5MW PEAK)								
EHM	Spec		New	USD			880	800
EHM	Hedge/Member		New	USD			800	800
ERCOT North 345 kV Hub Day-Ahead Off-Peak Calendar-Day Swap Futures - All Months (ERCOT NRTH 345KV HUB DAYHD 5MW OFPK)								
ERP	Spec		New	USD			154	140
ERP	Hedge/Member		New	USD			140	140
ERCOT North 345 kV Hub Day-Ahead Peak Calendar-Day Swap Futures - All Months (ERCOT NORTH 345KV HUB DAYHD 5MW PK)								
ERW	Spec		New	USD			880	800
ERW	Hedge/Member		New	USD			800	800
ERCOT North Competitive Load Zone Day-Ahead Off-Peak Calendar-Day Swap Futures - All Months (ERCOT NORTH COM LDZN DAYHD 5MW OFPK)								
ENH	Spec		New	USD			154	140
ENH	Hedge/Member		New	USD			140	140

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
ERCOT North Competitive Load Zone Day-Ahead Peak Calendar-Day Swap Futures - All Months (ERCOT NORTH COMP LDZN DAYHD 5MW PK)								
ERC	Spec		New	USD			880	800
ERC	Hedge/Member		New	USD			800	800
ERCOT North Competitive Load Zone Real-Time Off-Peak Calendar-Day Swap Futures - All Months (ERCOT NORTH COMP LDZN RT 5MW OFPK)								
ENT	Spec		New	USD			154	140
ENT	Hedge/Member		New	USD			140	140
ERCOT North Competitive Load Zone Real-Time Peak Calendar-Day Swap Futures - All Months (ERCOT NORTH COMP LDZN RT 5MW PEAK)								
ENM	Spec		New	USD			880	800
ENM	Hedge/Member		New	USD			800	800
ERCOT South 345 kV Hub Day-Ahead Off-Peak Calendar-Day Swap Futures - All Months (ERCOT S. 345KV HUB DAYHD 5MW OFPK)								
EUP	Spec		New	USD			154	140
EUP	Hedge/Member		New	USD			140	140
ERCOT South 345 kV Hub Day-Ahead Peak Calendar-Day Swap Futures - All Months (ERCOT SOUTH 345KV HUB DAYHD 5MW PK)								
EUW	Spec		New	USD			880	800
EUW	Hedge/Member		New	USD			800	800
ERCOT South Competitive Load Zone Day-Ahead Off-Peak Calendar-Day Swap Futures - All Months (ERCOT SOUTH CMP LDZN DAYHD 5MW OFPK)								
ETH	Spec		New	USD			154	140
ETH	Hedge/Member		New	USD			140	140
ERCOT South Competitive Load Zone Day-Ahead Peak Calendar-Day Swap Futures - All Months (ERCOT SOUTH CMP LOADZN DAYHD 5MW PK)								
EUC	Spec		New	USD			880	800
EUC	Hedge/Member		New	USD			800	800
ERCOT South Competitive Load Zone Real-Time Off-Peak Calendar-Day Swap Futures - All Months (ERCOT SOUTH COMP LDZN RT 5MW OFPK)								
EST	Spec		New	USD			154	140
EST	Hedge/Member		New	USD			140	140
ERCOT South Competitive Load Zone Real-Time Peak Calendar-Day Swap Futures - All Months (ERCOT SOUTH COMP LDZN RT 5MW PEAK)								
EUM	Spec		New	USD			880	800
EUM	Hedge/Member		New	USD			800	800
ERCOT West 345 kV Hub Day-Ahead Off-Peak Calendar-Day Swap Futures - All Months (ERCOT WEST 345KV HUB DAYHD 5MW OFPK)								
EWF	Spec		New	USD			154	140
EWF	Hedge/Member		New	USD			140	140

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
ERCOT West 345 kV Hub Day-Ahead Peak Calendar-Day Swap Futures - All Months (ERCOT WEST 345KV HB DAYHD 5MW PK)								
EWV	Spec		New	USD			880	800
EWV	Hedge/Member		New	USD			800	800
ERCOT West Competitive Load Zone Day-Ahead Peak Calendar-Day Swap Futures - All Months (ERCOT WEST COMP LDZN DAYHD 5 MW PK)								
EWV	Spec		New	USD			880	800
EWV	Hedge/Member		New	USD			800	800
ERCOT West Competitive Load Zone Day-Ahead Off-Peak Calendar-Day Swap Futures - All Months (ERCOT WEST COMP LDZN DAYHD 5MW OFPK)								
EWV	Spec		New	USD			154	140
EWV	Hedge/Member		New	USD			140	140
ERCOT West Competitive Load Zone Real-Time Off-Peak Calendar-Day Swap Futures - All Months (ERCOT WEST COMP LDZN RT 5MW OFPK)								
EWV	Spec		New	USD			154	140
EWV	Hedge/Member		New	USD			140	140
ERCOT West Competitive Load Zone Real-Time Peak Calendar-Day Swap Futures - All Months (ERCOT WEST COMP LDZN RT 5MW PEAK)								
EWV	Spec		New	USD			880	800
EWV	Hedge/Member		New	USD			800	800

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
ELECTRICITY - Short Option Minimum (SOM) Rate						
ERCOT HOUSTON 345 KV HUB DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EHF) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT HOUSTON COMPETITIVE LOAD ZONE DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EHC) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT HOUSTON COMPETITIVE LOAD ZONE REAL-TIME PEAK CALENDAR-DAY SWAP FUTURES (EHM) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT NORTH 345 KV HUB DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (ERW) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT NORTH COMPETITIVE LOAD ZONE DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (ERC) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT NORTH COMPETITIVE LOAD ZONE REAL-TIME PEAK CALENDAR-DAY SWAP FUTURES (ENM) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT SOUTH 345 KV HUB DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EUW) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT SOUTH COMPETITIVE LOAD ZONE DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EUC) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT SOUTH COMPETITIVE LOAD ZONE REAL-TIME PEAK CALENDAR-DAY SWAP FUTURES (EUM) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT WEST 345 KV HUB DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EWW) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT WEST COMPETITIVE LOAD ZONE DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EWC) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT WEST COMPETITIVE LOAD ZONE REAL-TIME PEAK CALENDAR-DAY SWAP FUTURES (EWM) - SOM						
Clearing Member Rate		New			55.00	50.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Short Option Minimum (SOM) Rate						
ELECTRICITY - Short Option Minimum (SOM) Rate						
ERCOT HOUSTON 345 KV HUB DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (EHW) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT HOUSTON COMPETITIVE LOAD ZONE DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (EOH) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT HOUSTON COMPETITIVE LOAD ZONE REAL-TIME OFF-PEAK CALENDAR-DAY SWAP FUTURES (EHT) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT NORTH 345 KV HUB DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (ERP) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT NORTH COMPETITIVE LOAD ZONE DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (ENH) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT NORTH COMPETITIVE LOAD ZONE REAL-TIME OFF-PEAK CALENDAR-DAY SWAP FUTURES (ENT) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT SOUTH 345 KV HUB DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (EUP) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT SOUTH COMPETITIVE LOAD ZONE DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (ETH) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT SOUTH COMPETITIVE LOAD ZONE REAL-TIME OFF-PEAK CALENDAR-DAY SWAP FUTURES (EST) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT WEST 345 KV HUB DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (EWF) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT WEST COMPETITIVE LOAD ZONE DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (EWH) - SOM						
Clearing Member Rate		New			55.00	50.00
ERCOT WEST COMPETITIVE LOAD ZONE REAL-TIME OFF-PEAK CALENDAR-DAY SWAP FUTURES (EWT) - SOM						
Clearing Member Rate		New			55.00	50.00

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	Tier Description	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
ELECTRICITY - Volatility Scan (volScan) Rate						
ERCOT HOUSTON 345 KV HUB DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (EHW) - volScan						
Clearing Member Rate		New				0.08
ERCOT HOUSTON 345 KV HUB DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EHF) - volScan						
Clearing Member Rate		New				0.08
ERCOT HOUSTON COMPETITIVE LOAD ZONE DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (EOH) - volScan						
Clearing Member Rate		New				0.08
ERCOT HOUSTON COMPETITIVE LOAD ZONE DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EHC) - volScan						
Clearing Member Rate		New				0.08
ERCOT HOUSTON COMPETITIVE LOAD ZONE REAL-TIME OFF-PEAK CALENDAR-DAY SWAP FUTURES (EHT) - volScan						
Clearing Member Rate		New				0.08
ERCOT HOUSTON COMPETITIVE LOAD ZONE REAL-TIME PEAK CALENDAR-DAY SWAP FUTURES (EHM) - volScan						
Clearing Member Rate		New				0.08
ERCOT NORTH 345 KV HUB DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (ERP) - volScan						
Clearing Member Rate		New				0.08
ERCOT NORTH 345 KV HUB DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (ERW) - volScan						
Clearing Member Rate		New				0.08
ERCOT NORTH COMPETITIVE LOAD ZONE DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (ENH) - volScan						
Clearing Member Rate		New				0.08
ERCOT NORTH COMPETITIVE LOAD ZONE DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (ERC) - volScan						
Clearing Member Rate		New				0.08
ERCOT NORTH COMPETITIVE LOAD ZONE REAL-TIME OFF-PEAK CALENDAR-DAY SWAP FUTURES (ENT) - volScan						
Clearing Member Rate		New				0.08
ERCOT NORTH COMPETITIVE LOAD ZONE REAL-TIME PEAK CALENDAR-DAY SWAP FUTURES (ENM) - volScan						
Clearing Member Rate		New				0.08
ERCOT SOUTH 345 KV HUB DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (EUP) - volScan						
Clearing Member Rate		New				0.08
ERCOT SOUTH 345 KV HUB DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EUW) - volScan						
Clearing Member Rate		New				0.08
ERCOT SOUTH COMPETITIVE LOAD ZONE DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (ETH) - volScan						
Clearing Member Rate		New				0.08
ERCOT SOUTH COMPETITIVE LOAD ZONE DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EUC) - volScan						
Clearing Member Rate		New				0.08

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
ERCOT SOUTH COMPETITIVE LOAD ZONE REAL-TIME OFF-PEAK CALENDAR-DAY SWAP FUTURES (EST) - volScan						
Clearing Member Rate		New				0.08
ERCOT SOUTH COMPETITIVE LOAD ZONE REAL-TIME PEAK CALENDAR-DAY SWAP FUTURES (EUM) - volScan						
Clearing Member Rate		New				0.08
ERCOT WEST 345 KV HUB DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (EWF) - volScan						
Clearing Member Rate		New				0.08
ERCOT WEST 345 KV HUB DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EWW) - volScan						
Clearing Member Rate		New				0.08
ERCOT WEST COMPETITIVE LOAD ZONE DAY-AHEAD PEAK CALENDAR-DAY SWAP FUTURES (EWC) - volScan						
Clearing Member Rate		New				0.08
ERCOT WEST COMPETITIVE LOAD ZONE DAY-AHEAD OFF-PEAK CALENDAR-DAY SWAP FUTURES (EWH) - volScan						
Clearing Member Rate		New				0.08
ERCOT WEST COMPETITIVE LOAD ZONE REAL-TIME OFF-PEAK CALENDAR-DAY SWAP FUTURES (EWT) - volScan						
Clearing Member Rate		New				0.08
ERCOT WEST COMPETITIVE LOAD ZONE REAL-TIME PEAK CALENDAR-DAY SWAP FUTURES (EWM) - volScan						
Clearing Member Rate		New				0.08