



13-450

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

FROM: CME Clearing

SUBJECT: Performance Bond Requirements

DATE: Friday, September 27, 2013

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

Friday, September 27, 2013.

Current rates as of:

Friday, September 27, 2013.

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

MID-COLMBA DAY-AHEAD OFF-PEAK DAILY (MXO)

MXO	Spec	Mnth 1	New	USD			127	115
MXO	Hedge/Member	Mnth 1	New	USD			115	115
MXO	Spec	Mnths 2-6	New	USD			127	115
MXO	Hedge/Member	Mnths 2-6	New	USD			115	115
MXO	Spec	Mnths 7-11	New	USD			127	115
MXO	Hedge/Member	Mnths 7-11	New	USD			115	115
MXO	Spec	Mnths 12+	New	USD			127	115
MXO	Hedge/Member	Mnths 12+	New	USD			115	115

MID-COLUMBIA DAYAHEAD PEAK DAILY FIX (MDA)

MDA	Spec	Mnth 1	New	USD			8,250	7,500
MDA	Hedge/Member	Mnth 1	New	USD			7,500	7,500
MDA	Spec	Mnths 2-6	New	USD			8,250	7,500
MDA	Hedge/Member	Mnths 2-6	New	USD			7,500	7,500
MDA	Spec	Mnths 7-11	New	USD			8,250	7,500
MDA	Hedge/Member	Mnths 7-11	New	USD			7,500	7,500
MDA	Spec	Mnths 12+	New	USD			8,250	7,500
MDA	Hedge/Member	Mnths 12+	New	USD			7,500	7,500

MID-COLUMBIA DAY AHEAD OFF PEAK FIX (OMC)

OMC	Spec	Mnth 1	New	USD			17	15
OMC	Hedge/Member	Mnth 1	New	USD			15	15
OMC	Spec	Mnths 2-6	New	USD			17	15
OMC	Hedge/Member	Mnths 2-6	New	USD			15	15
OMC	Spec	Mnths 7-11	New	USD			17	15
OMC	Hedge/Member	Mnths 7-11	New	USD			15	15
OMC	Spec	Mnths 12+	New	USD			17	15
OMC	Hedge/Member	Mnths 12+	New	USD			15	15

MID-COLUMBIA DAY AHEAD PEAK FIX PRI (MDC)

MDC	Spec	Mnth 1	New	USD			413	375
MDC	Hedge/Member	Mnth 1	New	USD			375	375
MDC	Spec	Mnths 2-6	New	USD			413	375
MDC	Hedge/Member	Mnths 2-6	New	USD			375	375
MDC	Spec	Mnths 7-11	New	USD			413	375
MDC	Hedge/Member	Mnths 7-11	New	USD			375	375
MDC	Spec	Mnths 12+	New	USD			413	375
MDC	Hedge/Member	Mnths 12+	New	USD			375	375

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Outright Rates								
PALO VERDE DAY AHEAD OFF PEAK DAILY (QVD)								
QVD	Spec	Mnth 1	New	USD			77	70
QVD	Hedge/Member	Mnth 1	New	USD			70	70
QVD	Spec	Mnths 2-6	New	USD			77	70
QVD	Hedge/Member	Mnths 2-6	New	USD			70	70
QVD	Spec	Mnths 7-11	New	USD			77	70
QVD	Hedge/Member	Mnths 7-11	New	USD			70	70
QVD	Spec	Mnths 12+	New	USD			77	70
QVD	Hedge/Member	Mnths 12+	New	USD			70	70
PALO VERDE DAY AHEAD OFF PEAK FIX (OVD)								
OVD	Spec	Mnth 1	New	USD			17	15
OVD	Hedge/Member	Mnth 1	New	USD			15	15
OVD	Spec	Mnths 2-6	New	USD			17	15
OVD	Hedge/Member	Mnths 2-6	New	USD			15	15
OVD	Spec	Mnths 7-11	New	USD			17	15
OVD	Hedge/Member	Mnths 7-11	New	USD			15	15
OVD	Spec	Mnths 12+	New	USD			17	15
OVD	Hedge/Member	Mnths 12+	New	USD			15	15
PALO VERDE DAY AHEAD PEAK DAILY FIX (VDP)								
VDP	Spec	Mnth 1	New	USD			5,500	5,000
VDP	Hedge/Member	Mnth 1	New	USD			5,000	5,000
VDP	Spec	Mnths 2-6	New	USD			5,500	5,000
VDP	Hedge/Member	Mnths 2-6	New	USD			5,000	5,000
VDP	Spec	Mnths 7-11	New	USD			5,500	5,000
VDP	Hedge/Member	Mnths 7-11	New	USD			5,000	5,000
VDP	Spec	Mnths 12+	New	USD			5,500	5,000
VDP	Hedge/Member	Mnths 12+	New	USD			5,000	5,000
PALO VERDE DAY AHEAD PEAK FIX PRICE (PVD)								
PVD	Spec	Mnth 1	New	USD			495	450
PVD	Hedge/Member	Mnth 1	New	USD			450	450
PVD	Spec	Mnths 2-6	New	USD			495	450
PVD	Hedge/Member	Mnths 2-6	New	USD			450	450
PVD	Spec	Mnths 7-11	New	USD			495	450
PVD	Hedge/Member	Mnths 7-11	New	USD			450	450
PVD	Spec	Mnths 12+	New	USD			495	450
PVD	Hedge/Member	Mnths 12+	New	USD			450	450

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

CC	Rate Type	Description	Change	ISO	Current Initial	Current Maintenance	New Initial	New Maintenance
Intra Spreads								
ELECTRICITY - Intra Spreads								
Mid-Columbia Day-Ahead Off-Peak Calendar-Day 5 MW Futures - All Months (MID-COLMBA DAY-AHEAD OFF-PEAK DAILY)								
MXO	Spec		New	USD			66	60
MXO	Hedge/Member		New	USD			60	60
Mid-Columbia Day-Ahead Off-Peak Calendar-Month 5 MW Futures - All Months (MID-COLUMBIA DAY AHEAD OFF PEAK FIX)								
OMC	Spec		New	USD			9	8
OMC	Hedge/Member		New	USD			8	8
Mid-Columbia Day-Ahead Peak Calendar-Day 5 MW Futures - All Months (MID-COLMBIA DAYAHEAD PEAK DAILY FIX)								
MDA	Spec		New	USD			4,125	3,750
MDA	Hedge/Member		New	USD			3,750	3,750
Mid-Columbia Day-Ahead Peak Calendar-Month 5 MW Futures - All Months (MID-COLUMBIA DAY AHEAD PEAK FIX PRI)								
MDC	Spec		New	USD			209	190
MDC	Hedge/Member		New	USD			190	190
Palo Verde Day-Ahead Off-Peak Calendar-Day 5 MW Futures - All Months (PALO VERDE DAY AHEAD OFF PEAK DAILY)								
QVD	Spec		New	USD			39	35
QVD	Hedge/Member		New	USD			35	35
Palo Verde Day-Ahead Off-Peak Calendar-Month 5 MW Futures - All Months (PALO VERDE DAY AHEAD OFF PEAK FIX)								
OVD	Spec		New	USD			9	8
OVD	Hedge/Member		New	USD			8	8
Palo Verde Day-Ahead Peak Calendar-Day 5 MW Futures - All Months (PALO VERDE DAY AHEAD PEAK DAILY FIX)								
VDP	Spec		New	USD			2,750	2,500
VDP	Hedge/Member		New	USD			2,500	2,500
Palo Verde Day-Ahead Peak Calendar-Month 5 MW Futures - All Months (PALO VERDE DAY AHEAD PEAK FIX PRICE)								
PVD	Spec		New	USD			248	225
PVD	Hedge/Member		New	USD			225	225

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						
MID-COLUMBIA DAY-AHEAD OFF-PEAK CALENDAR-DAY 5 MW FUTURES (MXO) - SOM						
Clearing Member Rate		New			11.000	10.000
MID-COLUMBIA DAY-AHEAD OFF-PEAK CALENDAR-MONTH 5 MW FUTURES (OMC) - SOM						
Clearing Member Rate		New			11.000	10.000
MID-COLUMBIA DAY-AHEAD PEAK CALENDAR-DAY 5 MW FUTURES (MDA) - SOM						
Clearing Member Rate		New			55.000	50.000
MID-COLUMBIA DAY-AHEAD PEAK CALENDAR-MONTH 5 MW FUTURES (MDC) - SOM						
Clearing Member Rate		New			11.000	10.000
PALO VERDE DAY-AHEAD OFF-PEAK CALENDAR-DAY 5 MW FUTURES (QVD) - SOM						
Clearing Member Rate		New			11.000	10.000
PALO VERDE DAY-AHEAD OFF-PEAK CALENDAR-MONTH 5 MW FUTURES (OVD) - SOM						
Clearing Member Rate		New			11.000	10.000
PALO VERDE DAY-AHEAD PEAK CALENDAR-DAY 5 MW FUTURES (VDP) - SOM						
Clearing Member Rate		New			55.000	50.000
PALO VERDE DAY-AHEAD PEAK CALENDAR-MONTH 5 MW FUTURES (PVD) - SOM						
Clearing Member Rate		New			11.000	10.000

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						
MID-COLUMBIA DAY-AHEAD OFF-PEAK CALENDAR-DAY 5 MW FUTURES (MXO) - volScan						
Clearing Member Rate	Mnth 1	New				0.080
Clearing Member Rate	Mnths 2-6	New				0.080
Clearing Member Rate	Mnths 7-11	New				0.080
Clearing Member Rate	Mnths 12+	New				0.080
MID-COLUMBIA DAY-AHEAD OFF-PEAK CALENDAR-MONTH 5 MW FUTURES (OMC) - volScan						
Clearing Member Rate	Mnth 1	New				0.080
Clearing Member Rate	Mnths 2-6	New				0.080
Clearing Member Rate	Mnths 7-11	New				0.080
Clearing Member Rate	Mnths 12+	New				0.080
MID-COLUMBIA DAY-AHEAD PEAK CALENDAR-DAY 5 MW FUTURES (MDA) - volScan						
Clearing Member Rate	Mnth 1	New				0.080
Clearing Member Rate	Mnths 2-6	New				0.080
Clearing Member Rate	Mnths 7-11	New				0.080
Clearing Member Rate	Mnths 12+	New				0.080
MID-COLUMBIA DAY-AHEAD PEAK CALENDAR-MONTH 5 MW FUTURES (MDC) - volScan						
Clearing Member Rate	Mnth 1	New				0.080
Clearing Member Rate	Mnths 2-6	New				0.080
Clearing Member Rate	Mnths 7-11	New				0.080
Clearing Member Rate	Mnths 12+	New				0.080
PALO VERDE DAY-AHEAD OFF-PEAK CALENDAR-DAY 5 MW FUTURES (QVD) - volScan						
Clearing Member Rate	Mnth 1	New				0.080
Clearing Member Rate	Mnths 2-6	New				0.080
Clearing Member Rate	Mnths 7-11	New				0.080
Clearing Member Rate	Mnths 12+	New				0.080
PALO VERDE DAY-AHEAD OFF-PEAK CALENDAR-MONTH 5 MW FUTURES (OVD) - volScan						
Clearing Member Rate	Mnth 1	New				0.080
Clearing Member Rate	Mnths 2-6	New				0.080
Clearing Member Rate	Mnths 7-11	New				0.080
Clearing Member Rate	Mnths 12+	New				0.080
PALO VERDE DAY-AHEAD PEAK CALENDAR-DAY 5 MW FUTURES (VDP) - volScan						
Clearing Member Rate	Mnth 1	New				0.080
Clearing Member Rate	Mnths 2-6	New				0.080
Clearing Member Rate	Mnths 7-11	New				0.080
Clearing Member Rate	Mnths 12+	New				0.080
PALO VERDE DAY-AHEAD PEAK CALENDAR-MONTH 5 MW FUTURES (PVD) - volScan						
Clearing Member Rate	Mnth 1	New				0.080
Clearing Member Rate	Mnths 2-6	New				0.080
Clearing Member Rate	Mnths 7-11	New				0.080

SPAN MINIMUM PERFORMANCE BOND REQUIREMENTS

Rate Type	<u>Tier Description</u>	Change	Current Initial	Current Maintenance	New Initial	New Maintenance
Volatility Scan (volScan) Rate						
Clearing Member Rate	Mnths 12+	New				0.080