



SFE Clearing Bulletin No: 24/04

From: SFE Clearing Corporation Pty Ltd ABN 91 050 615 864

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D-CYPHA SFE AUSTRALIAN ELECTRICITY FUTURES PRODUCT MARGIN RATES AND SPAN¹ PARAMETERS

SFE Clearing Corporation has reviewed the price volatility of all d-cypha SFE Australian Electricity Futures contracts and has approved the following margin changes.

Schedule of Initial Margins for Peak Period Electricity Contracts

		Peak Period Electricity Futures Contract Initial Margins (per Quarter)			
Contract Quarter	Quarter	NSW Peak Period	Victoria Peak Period	South Australia Peak Period	Queensland Peak Period
Dec 04	1	\$1200 (was \$1400)	\$1000 (was \$1700)	\$1100 (was \$2500)	\$4200 (was \$1500)
Mar 05	2	\$2600 (was \$2200)	\$2700 (was \$4000)	\$4200 (was \$2000)	\$2700 (was \$2000)
Jun 05	3	\$1600 (was \$1400)	\$1000 (was \$2400)	\$1000 (was \$2000)	\$2000 (no change)
Sep 05	4	\$1400 (no change)	\$1000 (was \$2000)	\$2800 (was \$2000)	\$2700 (was \$1300)
Dec 05	5	\$1400 (no change)	\$1000 (was \$1400)	\$1500 (was \$2400)	\$2000 (was \$1400)
Mar 06	6	\$2400 (was \$2100)	\$3200 (was \$3500)	\$5500 (was \$3000)	\$3000 (was \$2800)
Jun 06	7	\$1300 (was \$1050)	\$1000 (was \$2100)	\$1000 (was \$2500)	\$2000 (was \$2100)
Sep 06	8	\$1000 (was \$2000)	\$1100 (was \$2000)	\$1800 (was \$2800)	\$3100 (was \$3000)
Dec 06	9	\$1400 (no change)	\$1000 (was \$1400)	\$1500 (was \$2400)	\$2000 (was \$2100)
Mar 07	10	\$2400 (was \$2100)	\$3200 (was \$3500)	\$5500 (was \$3000)	\$3000 (was \$2800)
Jun 07	11	\$1300 (was \$1050)	\$1000 (was \$2100)	\$1000 (was \$2500)	\$2000 (was \$2100)
Sep 07	12	\$1000 (was \$2000)	\$1100 (was \$2000)	\$1800 (was \$2800)	\$3100 (was \$3000)
Dec 07	13	\$1400 (no change)	\$1000 (was \$1400)	\$1500 (was \$2400)	\$2000 (was \$2100)
Mar 08	14	\$2400 (was \$2800)	\$3200 (was \$4700)	\$5500 (was \$4000)	\$3000 (was \$2500)
Jun 08	15	\$1300 (was \$1400)	\$1000 (was \$1400)	\$1000 (was \$2400)	\$2000 (was \$2100)
Sep 08	16	\$1000 (new)	\$1100 (new)	\$1800 (new)	\$3100 (new)
Dec 08	17	\$1400 (new)	\$1400 (new)	\$1500 (new)	\$2000 (new)
Inter-month Charge ¹		\$500	\$500	\$500	\$500

Spot Month Isolation Rate is \$400.

¹ SPAN and Standard Portfolio Analysis of Risk are trademarks of the Chicago Mercantile Exchange. The Chicago Mercantile Exchange assumes no liability with the use of SPAN by any person or entity.

Schedule of Initial Margins for Base Load Electricity Contracts

		Base Load Electricity Futures Contract Initial Margins (per Quarter)			
Contract Quarter	Quarter	NSW Base Load	Victoria Base Load	South Australia Base Load	Queensland Base Load
Dec 04	1	\$2500 (was \$1700)	\$2400 (was \$2000)	\$2100 (was \$2500)	\$1600 (was \$2400)
Mar 05	2	\$3800 (was \$2200)	\$3800 (no change)	\$5200 (was \$2000)	\$3400 (was \$3000)
Jun 05	3	\$2200 (was \$1500)	\$2200 (no change)	\$1100 (was \$2000)	\$1800 (was \$2400)
Sep 05	4	\$2000 (was \$1500)	\$2200 (no change)	\$1700 (was \$2000)	\$1200 (was \$2400)
Dec 05	5	\$2100 (was \$1400)	\$2000 (was \$1400)	\$1000 (was \$2400)	\$3500 (was \$2100)
Mar 06	6	\$3100 (was \$2100)	\$3000 (was \$3500)	\$5200 (was \$3000)	\$2400 (was \$2800)
Jun 06	7	\$2300 (was \$2100)	\$2100 (no change)	\$1400 (was \$2800)	\$5500 (was \$2100)
Sep 06	8	\$1000 (was \$2000)	\$2300 (was \$2000)	\$1000 (was \$3000)	\$1000 (was \$3000)
Dec 06	9	\$2100 (was \$1400)	\$2000 (was \$1400)	\$1000 (was \$2400)	\$3500 (was \$2100)
Mar 07	10	\$3100 (was \$2100)	\$3000 (was \$3500)	\$5200 (was \$3000)	\$2400 (was \$2800)
Jun 07	11	\$2300 (was \$2100)	\$2100 (no change)	\$1400 (was \$2800)	\$5500 (was \$2100)
Sep 07	12	\$1000 (was \$2000)	\$2300 (was \$2000)	\$1000 (was \$3000)	\$1000 (was \$3000)
Dec 07	13	\$2100 (was \$1400)	\$2000 (was \$1400)	\$1000 (was \$2400)	\$3500 (was \$2100)
Mar 08	14	\$3100 (was \$3000)	\$3000 (was \$5000)	\$5200 (was \$2500)	\$2400 (was \$3600)
Jun 08	15	\$2300 (was \$1400)	\$2100 (was \$1400)	\$1400 (was \$2400)	\$5500 (was \$2100)
Sep 08	16	\$1000 (new)	\$2300 (new)	\$1000 (new)	\$1000 (new)
Dec 08	17	\$2100 (new)	\$2000 (new)	\$1000 (new)	\$3500 (new)
Inter-month Charge		\$1000	\$1000	\$1000	\$1000

Spot Month Isolation Rate is \$400.

The revised SPAN parameters will be effective for open contracts as at close of business **Thursday, 30th September** impacting on margin calls made on **Friday, 1st October**.

SFE Clearing Initial Margin and SPAN Parameters rates are available on the SFE Website www.sfe.com.au.

The methodology used to establish Initial Margins for the d-cypha SFE Electricity futures products ensures that Initial Margins are set at a level to cover 99% of expected daily price movements (where historical movements in daily futures settlement prices are used as a proxy for expected daily price movements).

Initial Margins for the d-cypha SFE Electricity futures products are regularly reviewed as part of SFE Clearing's ongoing margin review process. Any Initial Margin changes resulting from the next formal review will be published in January 2005 to ensure Initial Margins continue to accurately reflect volatility levels in the market.

If you have any queries in respect to these or any other SPAN parameters, please contact the Risk Operations Department on 9256 0405 or 9256 0548.



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