Credit Subcommittee
Prepayments for PMA Reduction
Interest Identification

#	Design Components[1]	Priority	Solution Options[2]		
			Status Quo	A	B
1	Structure		One-tier by definition but two-tier when Current Exposure requirement considered	One-tier by definition but two-tier when Current Exposure requirement considered	NA
2	Current Exposure (CE) requirement		Current exposure can't exceed Working Credit Limit (75% of available credit)	Current exposure can't exceed Working Credit Limit (75% of available credit)	NA
3	Leading component		Current Exposure requirement	Current Exposure requirement	Current Exposure + One week of projected market activity. Use forward markets for price (hub prices as surrogate). Daily projected activity * Daily projected price
4	Lagging Component		Highest three weeks invoices during current 6-month cycle with semiannual reset	Highest three weeks invoices during current 6-month cycle with semiannual reset	NA
5	Prepayment* eligibility		Only Participants with Unsecured Credit Allowance	Only Participants with Unsecured Credit Allowance	NA
6	Prepayment Dollar limits		Capped at Participant's Unsecured Credit Allowance	Capped at Participant's Unsecured Credit Allowance	NA
7	Prepayment frequency		Ten per rolling 12 months	Twenty per rolling 12 months	NA
8	Timing/frequency of PMA resets		Apr/Oct	Mar/Oct	NA
9	Semiannual reset calculation		Average of prior 52 weeks of invoices after accounting for Prepayment reductions	Same as status quo except remove the single highest and lowest weeks and average the remaining 50	NA
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	* In this discussion, "Prepayment" means prepayment of invoice resulting in a reduction to the PMA credit requirement				