

FTR CREDIT WORKING GROUP

Meeting #2

April 25, 2008 – 10:00 am to 4:00 pm

Day Pitney, LLP - 7 Times Square, New York, NY

<http://www.daypitney.com/offices/office-detail.aspx?pid=1>

Call-in Information Provided Upon Request

Item	Description	Time
1.	Welcome / Agenda Overview	10:00
2.	Pre-Market Entry (avoid the risk) <ul style="list-style-type: none"> a. Require expertise prior to market entry? b. Should minimum capitalization thresholds be established? c. Should credit / default history factor in market entry decisions? d. High risk scoring approach – proposed PJM methodology 	10:15
3.	Post Market Entry – Pre Award (shift the risk) <ul style="list-style-type: none"> a. Clearinghouse/Financial Clearing Merchant (FCM) Model b. Default Insurance <ul style="list-style-type: none"> i. FTR Market Insurance ii. FTR Guaranty Fund 	11:00
	Lunch Break	12:00
	c. Establishing Acceptable Margin (margin for the risk) <ul style="list-style-type: none"> iii. How is “risk” measured iv. Liquidation rights & methods v. General margining schemes <ul style="list-style-type: none"> Mark-to-Market / Mark-to-Model Stress Test – Scenario Analysis Portfolio margining Adjustments: <ul style="list-style-type: none"> Seasonality Participant Type (hedge v. speculator) 	12:30
4.	Miscellaneous: <ul style="list-style-type: none"> a. Eliminate unsecured collateral b. Bankruptcy considerations c. Default allocation hierarchy d. Other 	3:15
5.	Wrap-up - Schedule Meetings (proposed) <ul style="list-style-type: none"> 1) 05/08/08 05/12/08 Scheduled Budget & Finance Meeting 2) 05/21/08 3) 06/03/08 06/12/08 Proposed Budget & Finance Meeting 	3:45
6.	Adjourn	4:00