

Reported to the Board of Trustees
May 7, 2015

UNIVERSITY OF ILLINOIS
URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD

Fuel Commitment Summary Report

March 31, 2015
Prepared by Enterprise Services

University of Illinois' fuel is procured by:



FUEL COMMITMENT SUMMARY REPORT

The **Fuel Commitment Summary** is prepared monthly and represents a dashboard report of energy hedging commitments by the Urbana and Chicago campuses. This report is prepared by PEI in conjunction with its market advisor, Fellon McCord. The report is to be submitted to the Board of Trustees quarterly, as prescribed in the Board-approved *Energy Cost Management Policy* (“Policy”).

The Policy prescribes a hedging process that mitigates future commodity price risk. This process utilizes a systematic approach over a rolling future 36-month basis. Thus, at any given time, each campus will have made commitments to procure a portion of its natural gas and electricity requirements from the wholesale markets for up to 36 months into the future.

The table at the top of the report provides more detailed information relative to energy hedging positions in terms of commodity volumes, prices and overall cost commitment for electricity and natural gas for Urbana and Chicago through the period of the last current commitment.

Additional information is provided in the text boxes next to the table.

The following graphs are shown below the table:

- UI Total Gas Dollars Committed
- UI Total Gas Hedged Volumes Position
- UI Total Electric Dollars Committed
- UI Total Electric Hedged Volumes Position

The report shows that as of March 31, 2015, the University has committed to purchase at a fixed price approximately 43% of its natural gas requirements through June 2017 and about 37% of its purchased electricity requirements through June 2018.

Fuel Commitment Summary

Activity through 3/31/2015

Dollars & Volumes in Thousands

	FY2015		FY2016		FY2017		FY2018		Totals	
	UIUC	UIC	UIUC	UIC	UIUC	UIC	UIUC	UIC	UIUC	UIC
Electricity										
Budgeted Purchase Electric (MWH)	161	128	161	128	161	128	161	128	644	385
Electric Hedged-To-Date (MWH)	83	63	82	58	55	24	12		232	145
% Electric Hedged-To-Date to Budgeted Purchase Electric	52%	49%	51%	45%	34%	19%	8%		36%	38%
Total Dollars Committed	\$2,953	\$2,631	\$2,985	\$2,131	\$2,059	\$902	\$463		\$8,459	\$5,664
Avg Price for Committed Volumes (\$/MWH)	\$35.43	\$41.65	\$36.58	\$37.01	\$37.62	\$37.67	\$37.34		\$36.45	\$39.15
Natural Gas										
Budgeted Purchase Natural Gas (MMBTUs)	3,099	2,499	3,099	2,499	3,099	2,499			9,296	7,497
Natural Gas Hedged-To-Date (MMBTUs)	2,242	1,875	1,132	1,336	580	30			3,954	3,241
% Natural Gas Hedged-To-Date to Budgeted Purchase Natural	72%	75%	37%	53%	19%	1%			43%	43%
Total Dollars Committed	\$9,618	\$7,860	\$4,673	\$5,424	\$2,279	\$101			\$16,570	\$13,385
Avg Price for Committed Volumes (\$/MMBTU)	\$4.29	\$4.19	\$4.13	\$4.21	\$3.93	\$3.37			\$4.19	\$4.13

Hedged Positions Summary

Natural Gas

*UIUC is hedged according to policy for the next 18 months

*UIC is hedged according to policy for the next 16 months

Electricity

*Both campus positions are in line with policy for the next 18 months

Market Outlook Summary

* Weather & lower demand are driving market prices to be favorable during mid to late Mar 2015

* Temperatures are anticipated to be above normal

