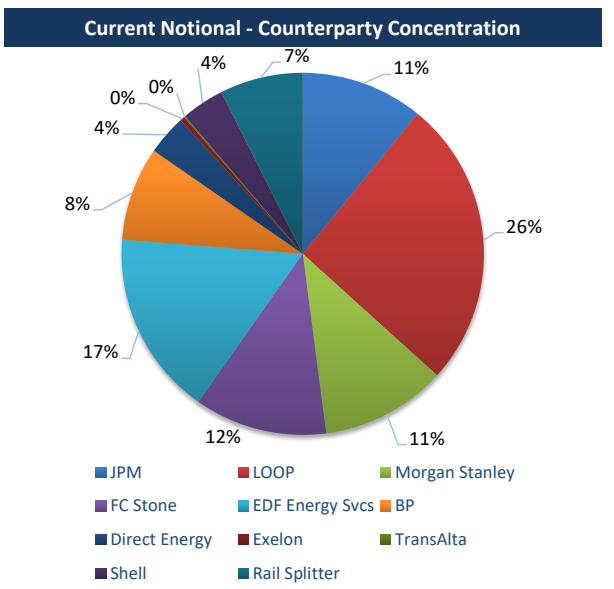
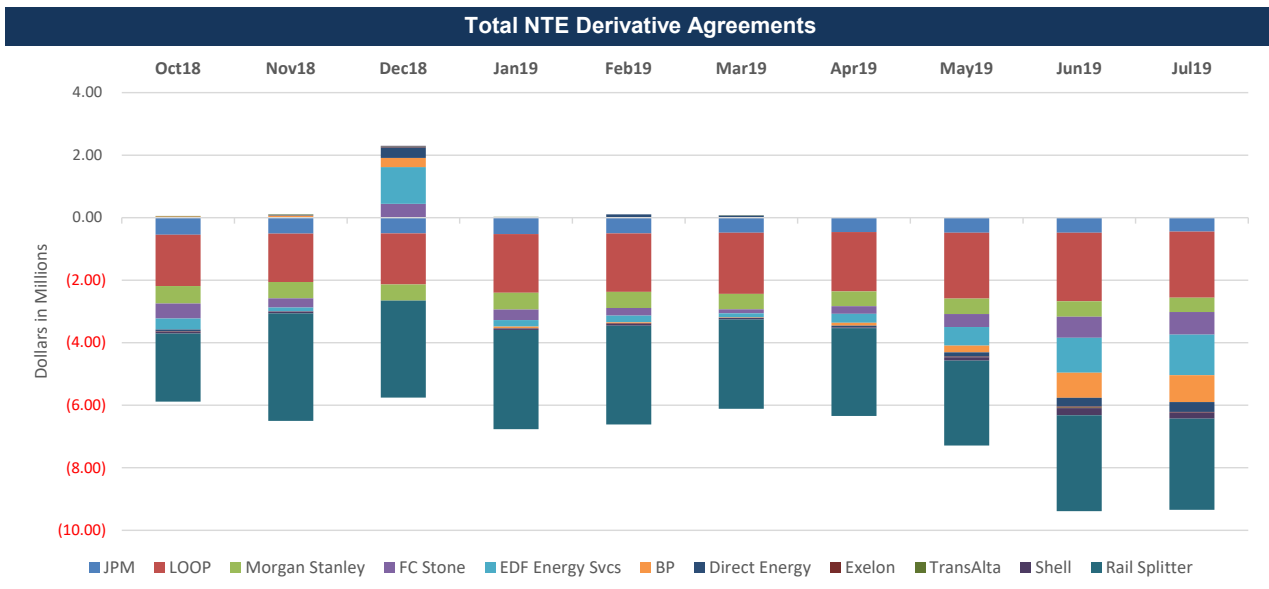


Policy Counterparty (CP) Requirements		Hedging Position Summary (In Millions)			Collateral Summary	
			Notional	NTE		
Reporting Requirements Met	Yes ⁽¹⁾⁽²⁾	System Interest Rate Swaps PEI Futures Contracts, Financial PEI Forward Purchase, Physical Total	\$ 44.39	\$ (3.01)	Collateral Held by PEI on behalf of Counterparties:	
CP Rating Qualification Met	Yes ⁽³⁾		10.98	(0.73)	Rail Splitter Wind (HSBC Bank LOC)	\$ 2,500,000
Within CP Exposure Limits	Yes		37.24	(5.60)	TransAlta (Bank of Nova Scotia LOC)	\$ 25,000
Under CP Concentration Limits	Yes		\$ 92.61	\$ (9.34)	Collateral Held by Counterparty on behalf of PEI:	
					Margin Exposure with INTL FC Stone	\$ 360,284

Material Events Since Last Report	Counterparty Risk Exposure	Other Comments
<p>1. On July 16, 2019 PEI received a \$25,000 LOC from The Bank of Nova Scotia on behalf of TransAlta. With the LOC TransAlta meets policy counterparty qualification requirements.</p>	<p>The PEI policy, approved by the PEI Board of Directors, accepts a lower credit rating than the System policy to qualify counterparties for physical hedges (forward purchases). This exception has been approved by the U of I System CFO in accordance with the University Policy.⁽³⁾ Rail Splitter is not rated but has provided a \$2.5 million LOC from HSBC Bank. TransAlta's rating declined below acceptable limits so they have provided a \$25,000 LOC from the Bank of Nova Scotia to meet policy qualifications.</p> <p>The swap agreements were approved by the Board of Trustees and executed prior to the policy. The collateral requirements for counterparties on the interest rate swaps are more risk tolerant than the System policy, however the current NTE exposure amounts are all within Policy limits.</p>	<p>Exelon, BP, EDF, and Direct Energy provide recourse through Credit or Adequate Assurances provisions if reasonable grounds exist regarding unsatisfactory creditworthiness or performance. It is incumbent upon PEI to monitor and request Performance Assurance if a rating change triggers the policy collateral requirements.</p> <p>The System and PEI policies require regular due diligence reviews of the financial strength of counterparties. It is the responsibility of the hedging transaction originator, System department or PEI, to review the related counterparties regularly in compliance with policy.</p>



-----In Millions-----												
Responsible Unit/Dept	Counterparty	CSP Rated Entity/ Exchange	Bond Rating (S&P / Moody's)	Expires FY Range	Underlying Asset / Liability	Orig Contract	Current Notional / Contract	Market Value	*MTM or NTE	System Guarantee (Credit Limit)	PCG - LOC (Credit Limit)	Counterparty Threshold (Collateral Requirements)
Financial Hedges												
System Interest Rate Swaps												
			Qualifying Rating									
			A- / A3									
SO Capital Financing	Morgan Stanley Capital Services, Inc.	Morgan Stanley	BBB+ / A3	1/15/2022	UIC SC 2008	\$ 27.40	10.40	9.94	(0.46)			Rating Triggers Predate Policy
SO Capital Financing	JP Morgan Chase Bank, N.A.	JP Morgan Chase Bank, N.A.	A+ / Aa2	1/15/2022	UIC SC 2008	\$ 26.85	10.13	9.69	(0.44)			Rating Triggers Predate Policy
SO Capital Financing	Loop Financial Products, I, LLC	Deutsche Bank AG (CSP)	BBB+ / A3	10/1/2026	HSFS 2008	\$ 40.88	23.86	21.75	(2.11)			Rating Triggers Predate Policy
SUBTOTAL SWAPS						\$ 95.13	44.39	41.37	(3.01)			
PEI Energy Futures Contracts												
SO Utilities Admin	INTL FCStone Financial Inc.	InterContinental Exchange (ICE)	A / A2	2020-2028	Natural Gas	\$ 11.45	10.98	10.25	(0.73)			Exchange Traded
SUBTOTAL FINANCIAL						\$ 106.58	55.37	51.62	(3.74)			
Physical Hedges												
PEI Energy Forward Purchases												
			Qualifying Rating									
			BBB-/Baa3 or BB+/Ba1 with LOC or PCG									
SO Utilities Admin	BP Canada Energy Marketing Corp.	BP Corporation North America, Inc. (PCG)	A- / A2	2020-2023	Natural Gas	\$ 8.16	7.77	6.91	(0.86)	10.00	1.00	Adequate Assurance
SO Utilities Admin	Direct Energy Business Marketing	Centrica (PCG)	BBB / Baa1	2020-2022	Natural Gas	\$ 3.50	3.30	2.98	(0.32)	2.50	2.50	Adequate Assurance
SO Utilities Admin	EDF Energy Services, LLC	EDF Trading Limited (PCG)	NR / Baa2	2020-2022	Natural Gas	\$ 15.69	15.25	13.96	(1.29)	3.00	3.00	Adequate Assurance
SO Utilities Admin	Shell Energy North America (US), L.P.	Shell Energy North America (US), L.P.	A+ / A2	2023	Natural Gas	\$ 2.54	2.54	2.48	(0.06)	5.00		Rating Triggers
SO Utilities Admin	Exelon Generation Company LLC	Exelon Generation Company LLC	BBB+ / Baa2	2020 - 2021	Electricity	\$ 0.41	0.38	0.36	(0.02)	5.00		Credit Assurance
SO Utilities Admin	TransAlta Energy Marketing (US) Inc.	The Bank of Nova Scotia (LOC)	A+ / Aa2	2022	Electricity	\$ 0.13	0.13	0.13	0.00	2.50	0.025	LOC
SO Utilities Admin	Shell Energy North America (US), L.P.	Shell Energy North America (US), L.P.	A+ / A2	2020-2025	Electricity	\$ 1.15	0.99	0.86	(0.13)	5.00		Rating Triggers
SO Utilities Admin	Rail Splitter Wind Farm LLC	HSBC Bank USA, (LOC)	AA- / Aa3	2020-2027	Electricity Renewable	\$ 6.92	6.88	3.96	(2.92)	2.50	2.50	LOC
SUBTOTAL PHYSICALS						\$ 38.50	37.24	31.64	(5.60)	35.50	9.03	
Grand Total						\$ 145.08	92.61	83.26	(9.34)	35.50	9.03	

*Negative termination value means the System or PEI is obligated to the counterparty (transaction is "underwater").

CP - Counterparty
CSP - Credit Support Provider
LOC - Letter of Credit

NTE - Net Termination Exposure
PCG - Parental Company Guarantee
PEI - Prairieland Energy Inc.

SO - System Offices
WR - Withdrawn Rating

Foot Notes:

- (1) Policy exceptions approved by the CFO for Agriculture Property Services (APS) forward grain sales include release from counterparty credit rating, contract form, and monthly reporting requirements. There are no APS outstanding forward sales contracts to report.
- (2) In July 2019, ERM became aware that UIUC issued a Power Purchase Agreement (PPA) in conjunction with their Solar Farm I. ERM is in the process of determining the applicability of the Derivatives Use Policy. The PPA is not included in this report.
- (3) Policy exceptions approved by the CFO for PEI include less restrictive CP credit rating for forward purchases and corresponding collateral requirements. Also allows for unrated CP to qualify with appropriate LOC.