



Loyola University Chicago  
Lake Shore Campus  
Division of Capital Planning and Campus Management  
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*Preparing people to lead extraordinary lives*

April 20, 2015  
Dr. Isaac Shkop  
Prospect Resources Inc.  
8170 McCormick Blvd, suite 107  
Skokie, IL 60076

Dear Isaac and the entire PRI team,

It is now about 18 months since Loyola University of Chicago (LUC) retained Prospect Resources, Inc. (PRI) to manage its energy procurement in October of 2013. Since LUC was under contract with other entities, actual natural gas supplies under your elaborate strategy started to flow on April 1, 2014, and electricity on January 1<sup>st</sup> 2015.

The contract with PRI was for managing energy supply. PRI's contracted services include: developing an energy procurement strategy, issuing RFPs, assisting in the selection of energy suppliers and managing a market based dynamic procurement process to maximize value for LUC. What we found out during the short period of time is that PRI is willing to go way beyond its contractual obligations, and do whatever it can to help us in any energy related matter. Beyond the savings of about \$170,000 (about 15%) realized for the initial 12 months of natural gas purchasing, PRI advised LUC on many projects and achieved a significant savings to the university. Here are some examples:

1. Restructuring of the gas supply agreements from a fixed volume, fully hedged product, to a partially hedged product with a managed storage component. This has mitigated the risks of monthly market true-up transactions which cost LUC approximately \$360,000 in FY2012.
2. Due to LUC's significant expansion and property purchases over the last few years, there were many Utility accounts that were not billed properly resulting in cut-off notices, as well as significant late fees and penalties. PRI, utilizing its network of key industry connections, was able to bring ComEd's upper management into play and helped resolve many outstanding and recurring billing issues. In addition to reorganizing the accounts, PRI facilitated the removal of tens of thousands of dollars in penalties and late fees.
3. As a 2<sup>nd</sup> step in organizing the utility accounts, PRI facilitated consolidation of over 200 ComEd accounts, reducing the bookkeeping work and also saving LUC upwards of \$40,000 annually in service fees to ComEd.
4. Recently, upon request from LUC, PRI audited electricity charges on a series of invoices from a previous supplier. After comparing to contract and further auditing other bills, PRI discovered that LUC had been overbilled by approximately \$700,000. The university has been able to reclaim those funds

Isaac, I am writing this letter to express my appreciation for the wonderful work that you and your excellent staff are performing on our behalf. I realize that our relationship is evolving to that of a trusted partnership, and that you are becoming an extended hand of the university.

Thank you

David Beall  
Director Business Operations, Capital Planning & Campus Management