



# Energy Price Risk Management Update

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May 14, 2013

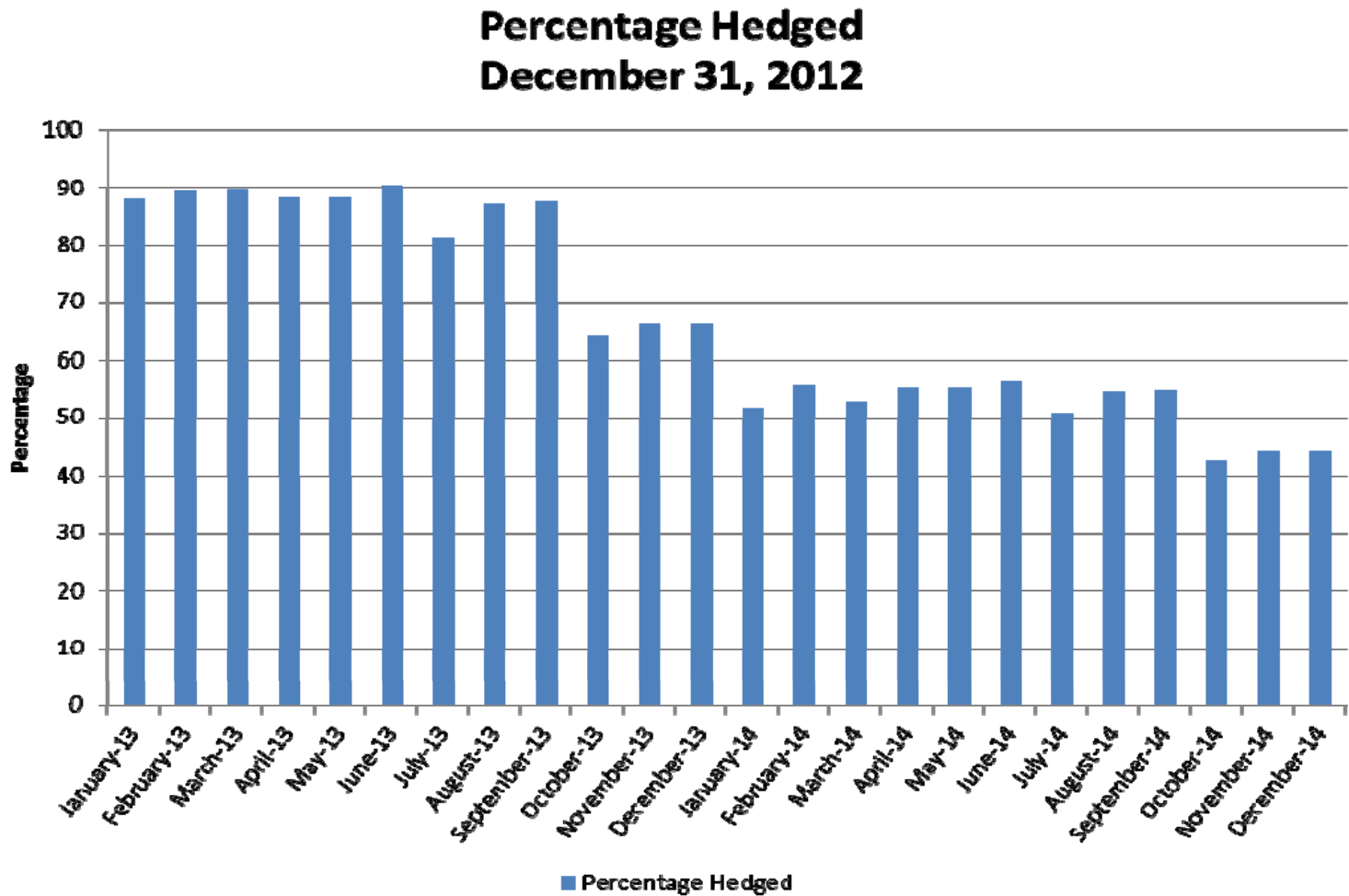
Greater Cleveland  
Regional Transit Authority

Presented by:  
Office of Management & Budget  
& Procurement



# Energy Price Risk Execution

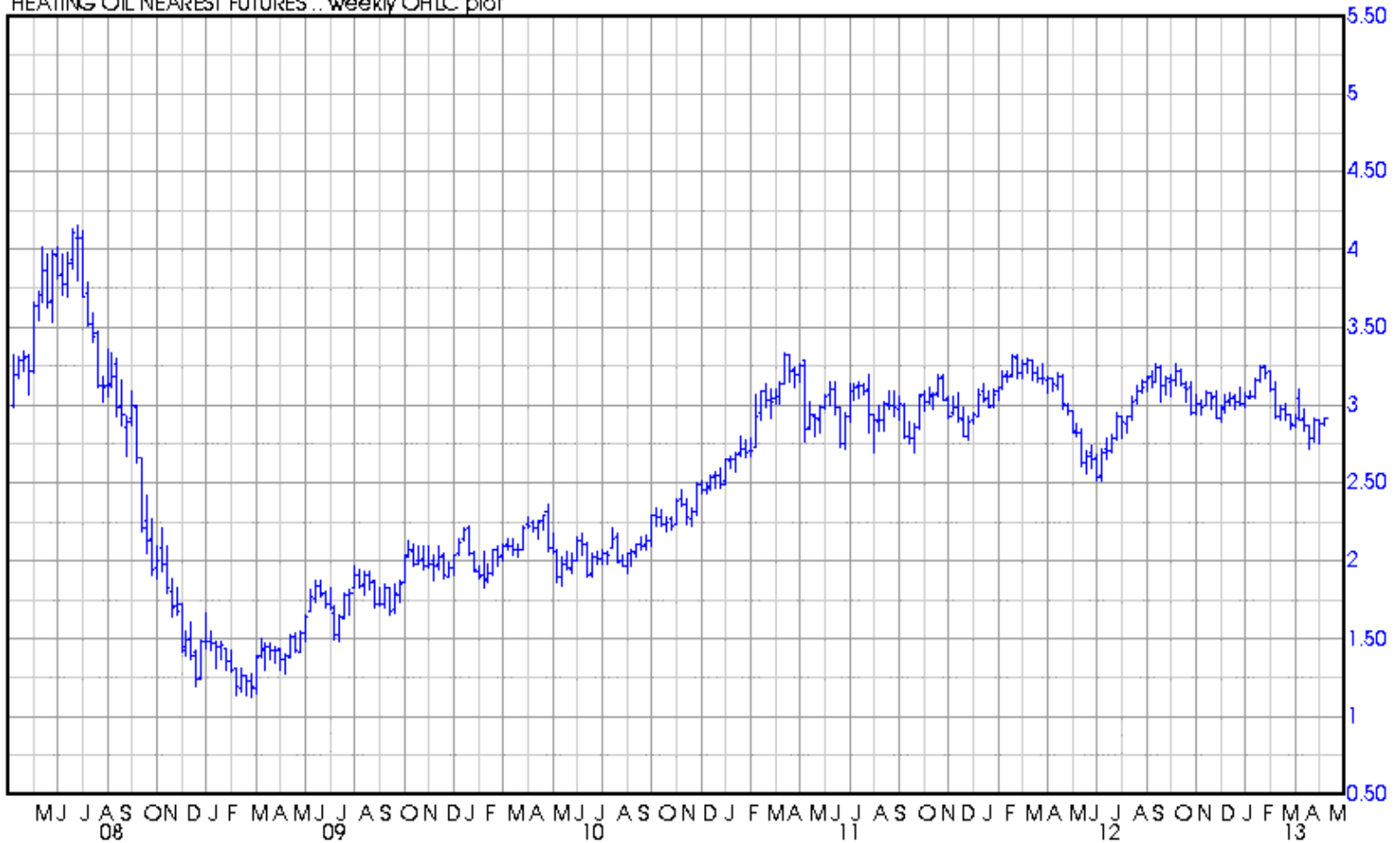
## Monthly Percentage Hedged





# Fuel Price - 5 Year History

HEATING OIL NEAREST FUTURES... weekly OHLC plot



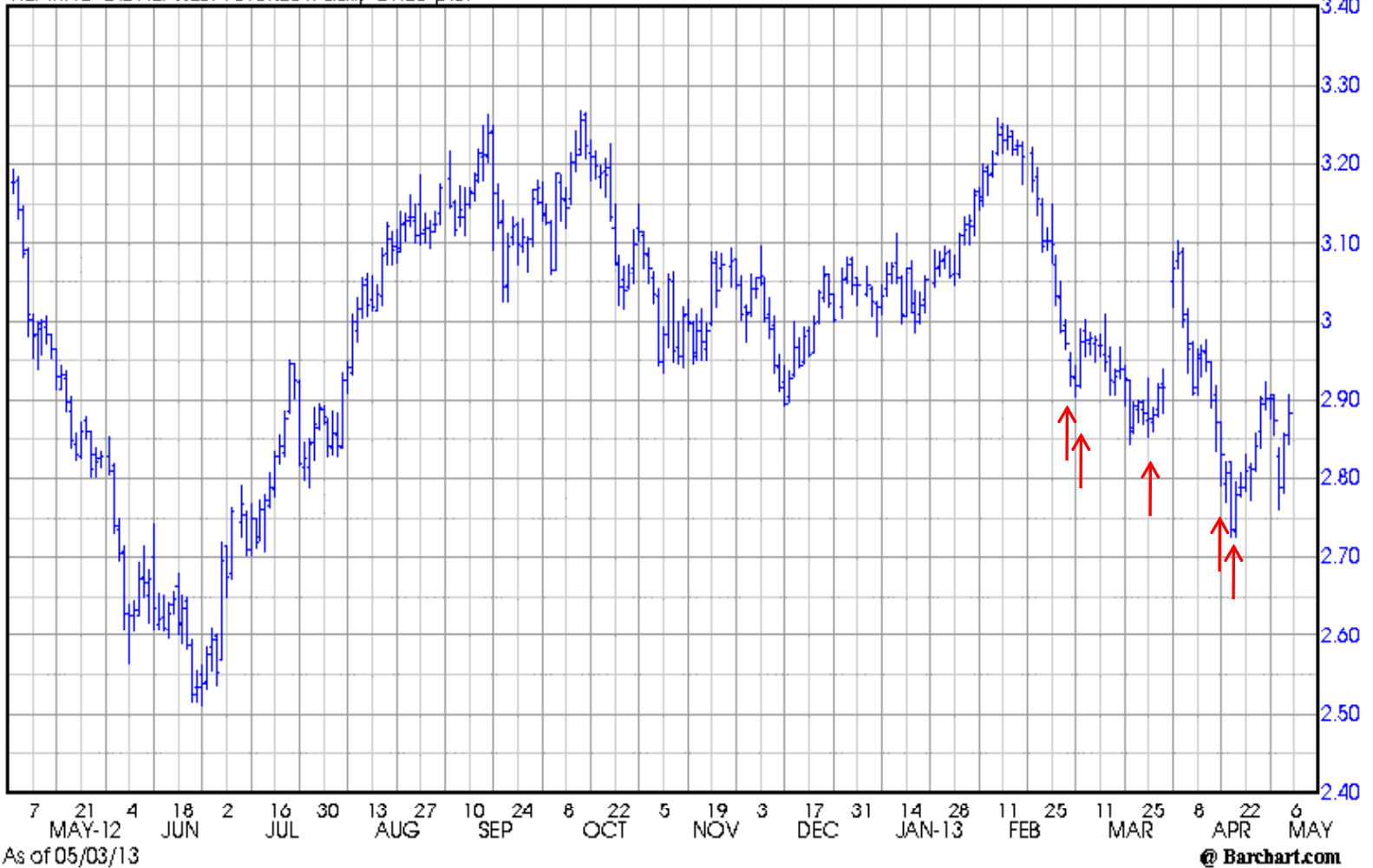
As of 05/06/13

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# Fuel Price - 1 Year History

HEATING OIL NEAREST FUTURES... daily OHLC plot





## Buys 2/28 – 3/14

### OTCs:

Date	Gallons	Cost	Hedged Year
2/28/13	504,000	\$2.816	2015
3/5/13	504,000	\$2.82	2015

### NYMEX Futures:

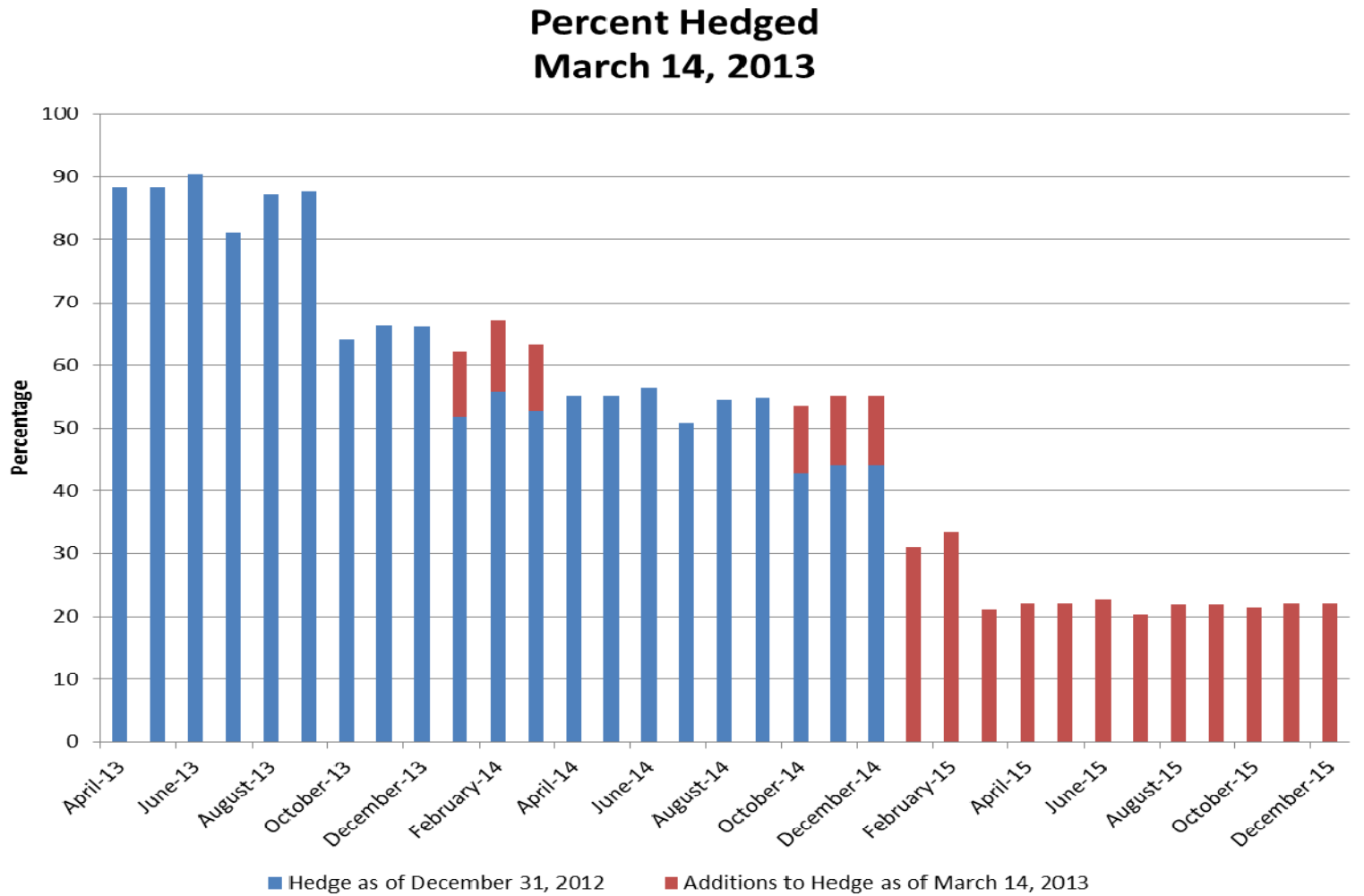
Date	Gallons	Cost	Hedged Year
2/28/13	84,000	\$2.86	2015
3/5/13	84,000	\$2.94	2014
3/5/13	126,000	\$2.86	2014
3/13/13	42,000	\$2.94	2014

**Total of 1,344,000 Gallons**



# Energy Price Risk Execution

## Monthly Percentage Hedged





# Buys 3/21 – 4/19

## NYMEX Futures:

Date	Gallons	Cost	Hedged Year
3/21/13	42,000	\$2.82	2015
3/25/13	126,000	\$2.90	2014
4/12/13	42,000	\$2.80	2015
4/12/13	126,000	\$2.88	2013
4/15/13	126,000	\$2.84	2013
4/17/13	126,000	\$2.77	2014
4/17/13	84,000	\$2.77	2015
4/19/13	126,000	\$2.82	2014
<b>TOTAL</b>	<b>798,000</b>		

**Total 2/28 - 4/19 = 2,142,000 Gallons**



## 2012

- Gallons = 4,585,505
- Avg. Price = \$3.1973
- Total Cost = \$14,661,084
- Realized Gain = \$2,108,072
- Net Cost = \$12,553,012
- Net Cost/Gal = \$2.7375
- Budgeted Cost = \$12,803,508
- Savings = \$250,496





## 2013 Fuel

- $1,518,226 \text{ Gallons} \times \$3.20 = \$4,886,112$
- Realized Gain = \$248,528
- Net Cost = \$4,617,584
- Net Cost/Gal = \$3.04
- Savings = \$44,212



## 2013 Fuel

<b>Month</b>	<b>Realized Gain</b>	<b>Savings</b>
JAN	\$68,583	\$85,264
FEB	\$113,769	(\$12,824)
MAR	\$47,527	\$7,740
APR	\$18,648	(\$35,965)
<b>TOTAL</b>	<b>\$248,528</b>	<b>\$44,212</b>



# Realized Gains & Losses

## 2010 - 2012

- 302 Contracts with Realized Gains = \$8,065,380
- 4 Contracts with Realized Losses = \$6,497
- Average Gain = \$26,339/Contract  
\$0.627/Gallon

## 2013

- 38 Contracts with Realized Gains = \$253,648
- 2 Contracts with Realized Losses = \$5,120
- Average Gain = \$6,213/Contract  
\$0.148/Gallon



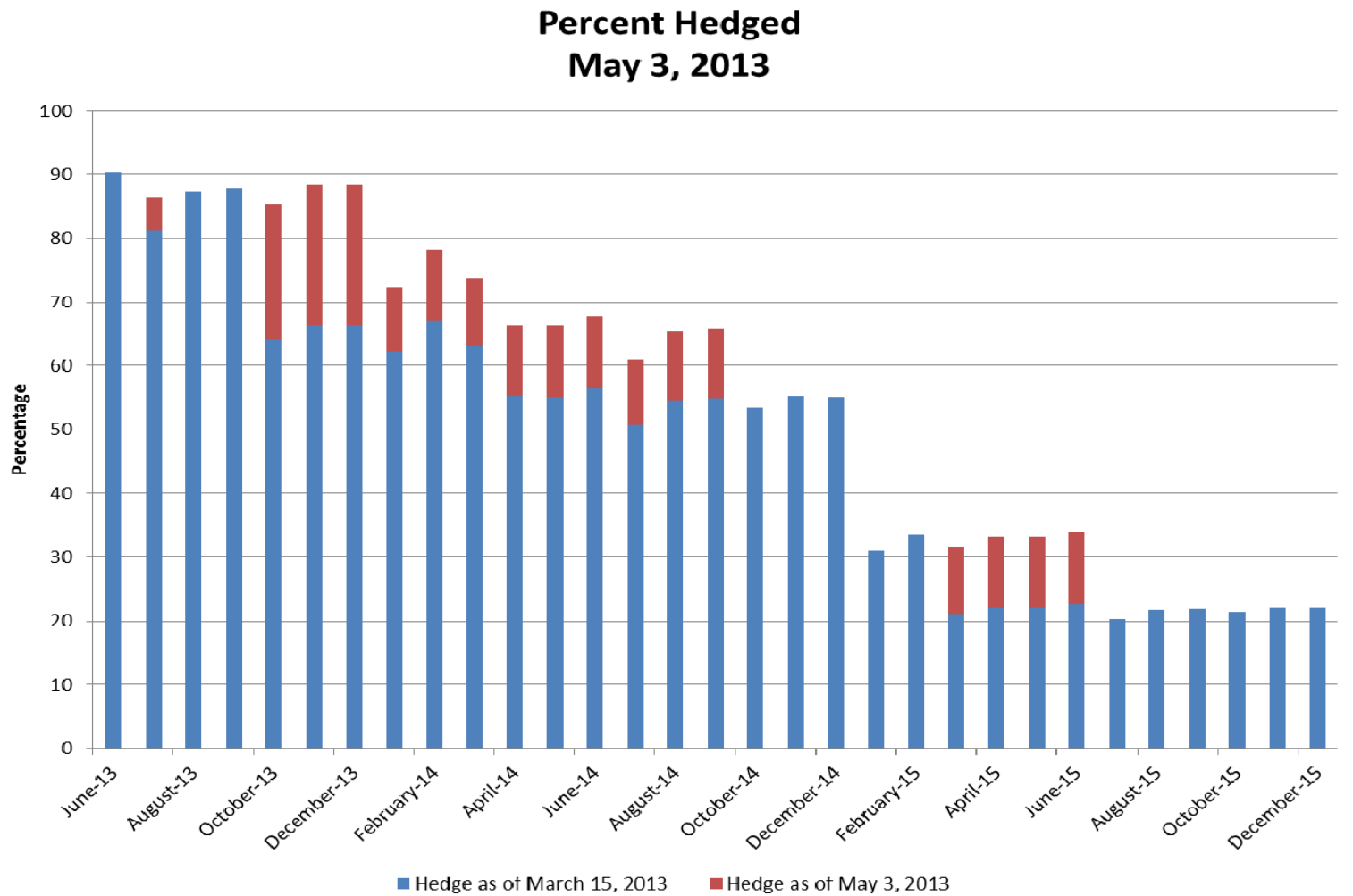
# Realized Gains & Losses

Buy Price	Sell Price	Gain/(Loss)
\$2.6867	\$2.8413	\$6,943.20
\$2.932	\$2.8763	(\$2,339.40)
\$2.9425	\$2.8763	(\$2,780.40)



# Energy Price Risk Execution

## Monthly Percentage Hedged





# Questions & Answers

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## Energy Price Risk Management Presentation

Greater Cleveland  
Regional Transit Authority

Presented by:

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&  
Procurement**