

# Energy Price Risk Management Update



October 13, 2015

Greater Cleveland  
Regional Transit Authority

Presented by:  
Office of Management and Budget  
Procurement

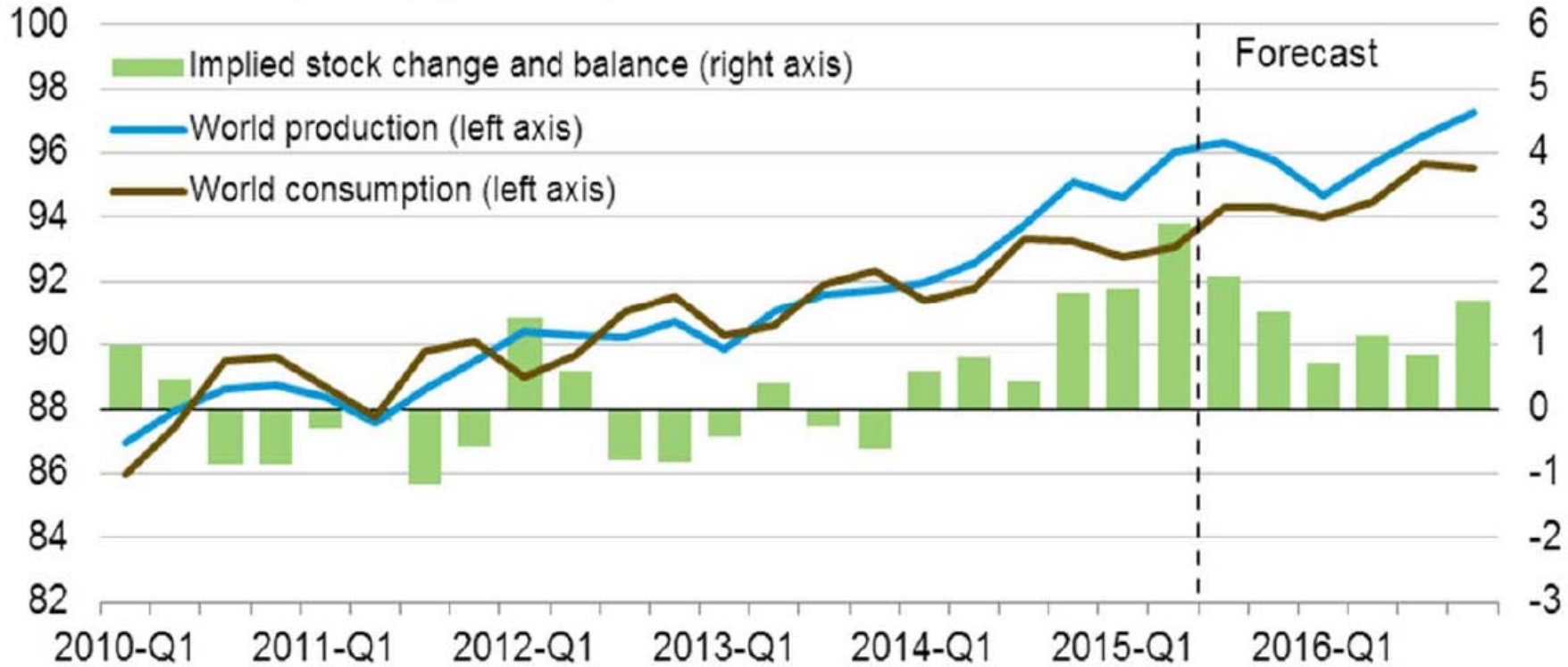


# World Liquid Fuels Production and Consumption Balance



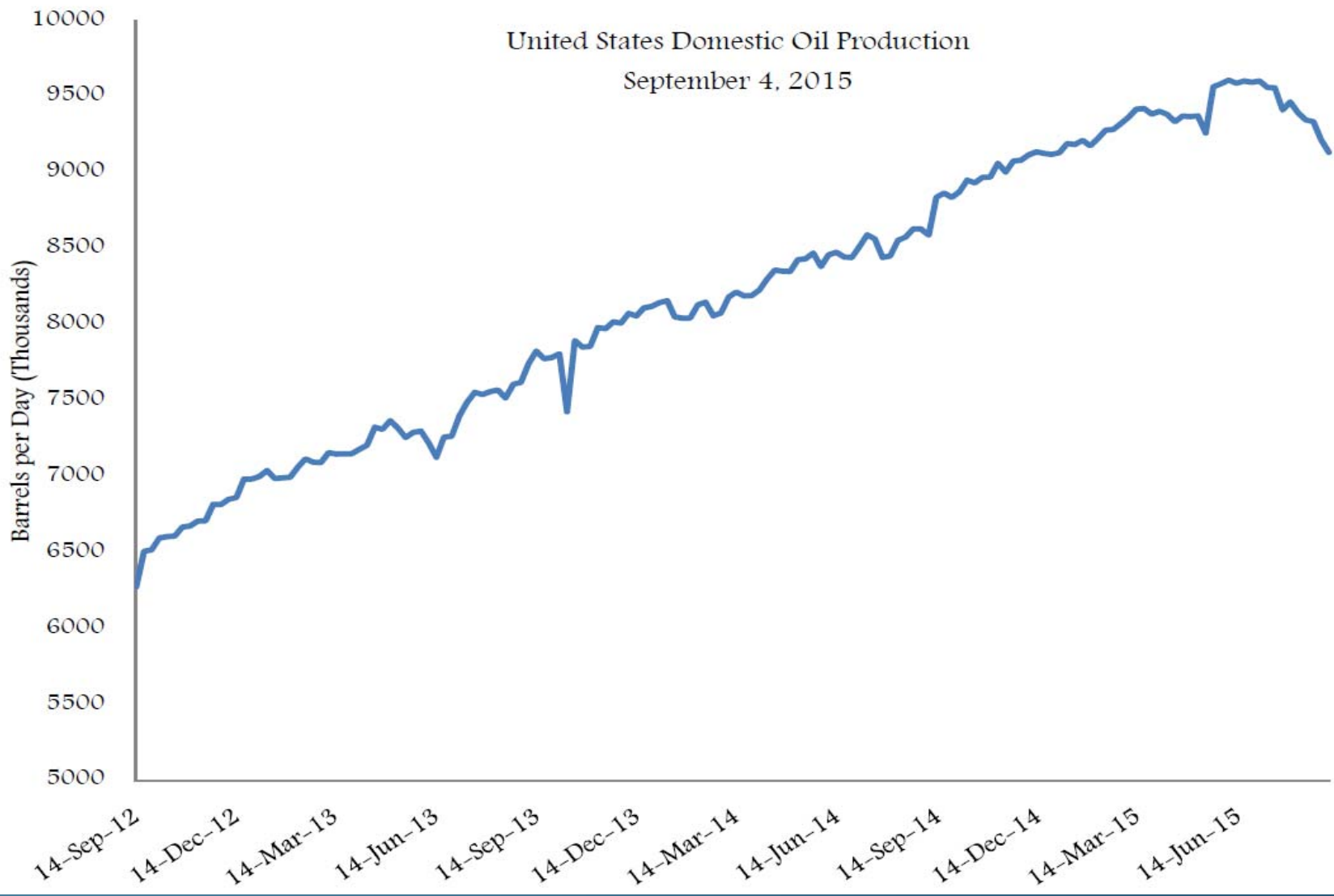
million barrels per day (MMbbl/d)

MMbbl/d

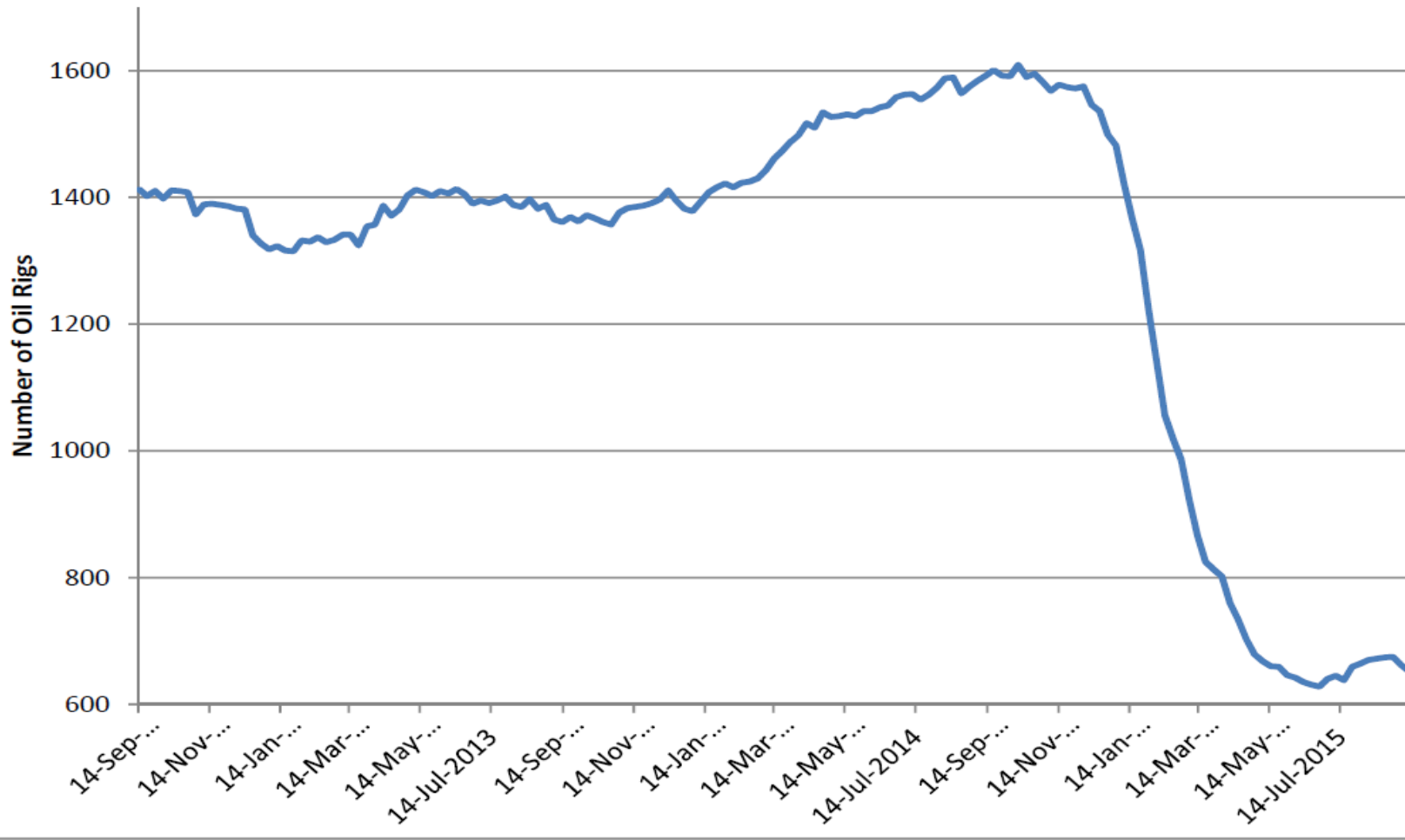


Source: Short-Term Energy Outlook, September 2015.

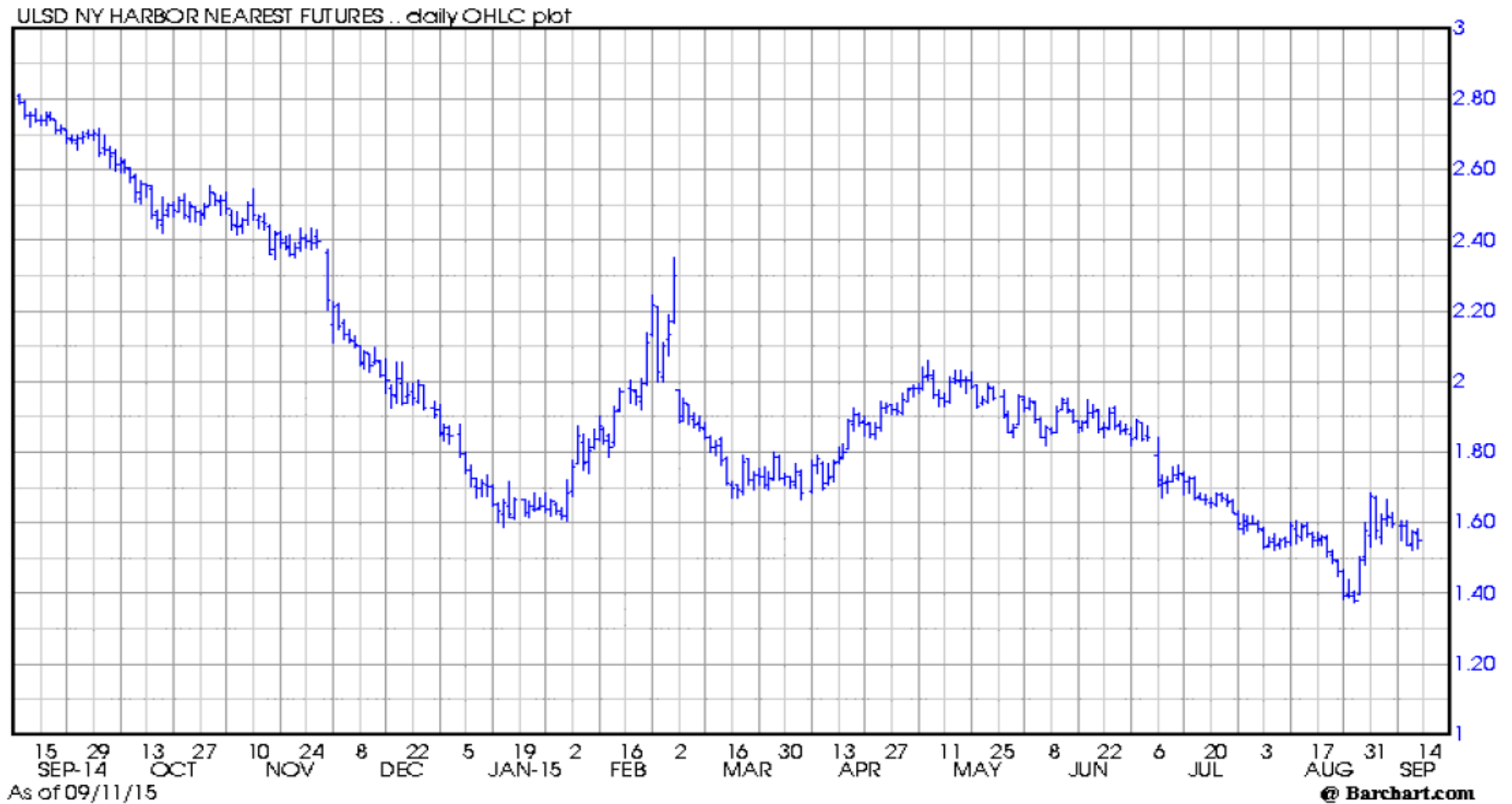




### Oil Rigs Operating in the U.S. September 11, 2015



Below is the one-year chart of spot diesel futures prices as of September 11<sup>th</sup>.



## Purchases July 3 – October 9

- 7/21/15 – 12 Contracts \$1.82 504,000 GALS
- 7/22/15 – 6 Contracts \$1.89 252,000 GALS
- 8/3/15 – 6 Contracts \$1.88 (2018) 252,000 GALS
- 8/7/15 – 2 Contracts \$1.80 84,000 GALS
- 8/11/15 – 1 Contract \$1.81 42,000 GALS
- 8/19/15 – 3 Contracts \$1.81 (2018) 126,000 GALS
- 8/21/15 – 3 Contracts \$1.79 (2018) 126,000 GALS

**Total Purchase of 33 Contracts 1,386,000 GALS**

## Current Month Average Cost

▪ DEC '15	\$2.729
▪ MAY '16	\$2.505
▪ AUG '16	\$2.377
▪ FEB '17	\$2.317
▪ AUG '17	\$2.069
▪ DEC '17	\$2.004
▪ FEB '18	\$1.851
▪ JUL '18	\$1.837

# September 2015 Fuel Results

▪ Actual = 333,692 GALS x \$1.61 =	\$537,244
▪ Realized Gain/(Loss) =	(\$368,227)
▪ Net Cost =	\$905,471
▪ Net Cost per GAL =	\$2.70
▪ Budgeted Cost =	\$994,612
▪ Over/(under) =	\$89,141



# Fuel Hedge Status

<u>YEAR</u>	<u>STATUS</u>	DIESEL <u>PROJECTION</u>	NG <u>PROJECTION</u>	TOTAL <u>PROJECTION</u>
2015	FH	\$12.087M	\$0.321M	\$12.408M
2016	FH	\$9.274M	\$1.094M	\$10.368M
2017	FH	\$7.233M	\$1.206M	\$8.439M
2018	12	N/A	N/A	N/A



# Questions & Answers

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