



Energy Price Risk Management Update

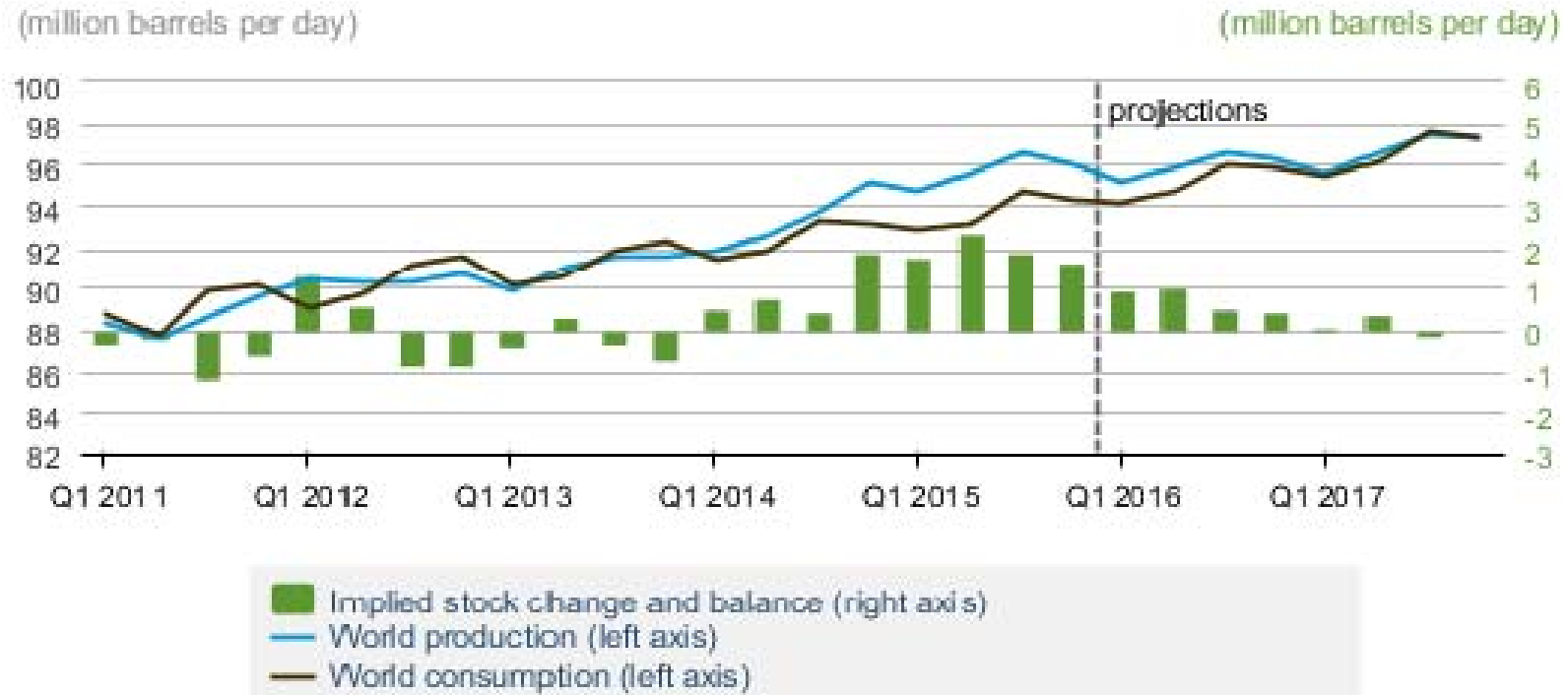
January 26, 2016

Greater Cleveland
Regional Transit Authority

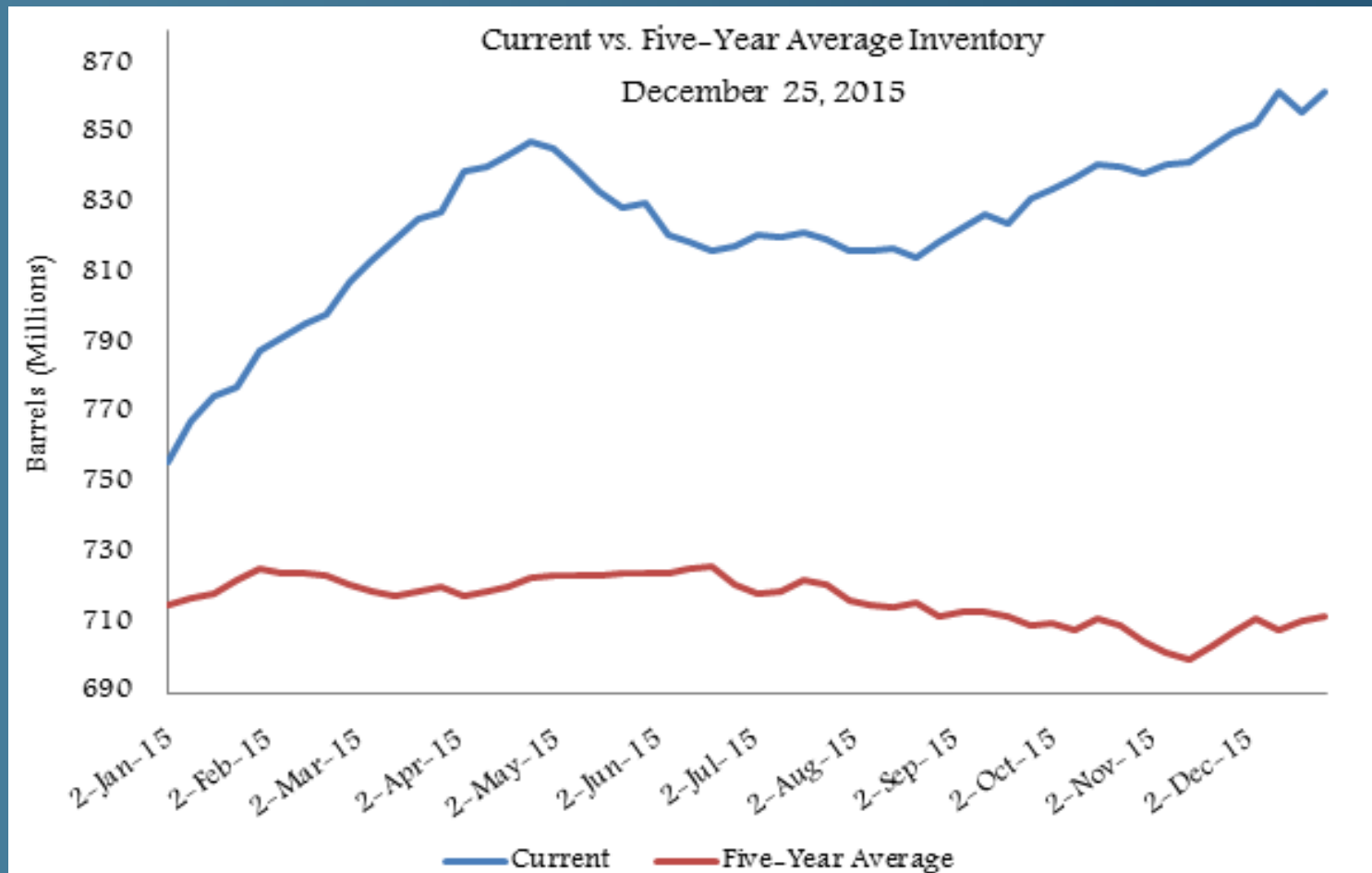
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World Liquid Fuels Production and Consumption Balance



Source: Short-Term Energy Outlook, January 2016



Below is the one-year chart of spot diesel futures prices as of December 31st.



2015 Diesel Fuel Results

▪ Budgeted Cost	\$13,440,000
▪ Net Cost	\$12,107,000
▪ Over/(under)	(\$1,333,000)
▪ Budgeted Gallons	4,275,000
▪ Actual Gallons	4,432,000
▪ Actual Diesel Expense	\$7,891,000
▪ Realized (Gain)/Loss	\$4,217,000

Historical Fuel Hedging Results

Year	<u>Realized</u> Gain / (Loss)
2010	\$2,260,000
2011	\$3,692,000
2012	\$2,108,000
2013	\$ 618,000
2014	(\$192,000)
2015	<u>(\$4,217,000)</u>
Cumulative	\$4,269,000

Purchases

October 9, 2015 – January 26, 2016

- Purchased 41 new contracts – 1,722,000 Gallons
- Prices ranged from \$1.81 to \$1.48

Fuel Hedge Status – 01/26/15

<u>Year</u>	<u>Status</u>	<u>Average Price</u>
2016	Fully Hedged	\$2.53
2017	Fully Hedged	\$2.17
2018	Fully Hedged	\$1.73

Projected Diesel Expenses Going Forward

<u>Year</u>	<u>Expenses</u>
Actual 2015	\$12,107,000
Projected 2016	\$9,200,000
Projected 2017	\$7,100,000

CNG Summary

	<u>Sept - Dec</u>
Natural Gas	\$215,000
Electricity	\$ 39,000
Operations/Maintenance	<u>\$ 80,000</u>
Total Cost	\$334,000
Diesel Gallon Equivalent (DGE)	364,101
Cost per DGE	\$0.92
Net With Fed Incentive for Alternative Fuel	\$0.36



Questions & Answers

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