Energy Price Risk Management Update
April 25, 2017

Finance Committee

Presented by:
Office of Management and Budget
Energy Price Risk Management Program
Original Objectives

- Increase Budget certainty
- Protect against sharp price increases
2016 Diesel Fuel Results

- Budgeted Cost: $9,274,000
- Net Cost: $8,600,000
- (Over)/under: $674,000
Greater Cleveland Regional Transit Authority

Current vs. Five-Year Average Inventory
April 7, 2017

Barrels (Millions)

Current vs. Five-Year Average Inventory

6-Apr-12  6-Apr-13  6-Apr-14  6-Apr-15  6-Apr-16  6-Apr-17

Current  Five-Year Average
World liquid fuels production and consumption

balance
million barrels per day

Q1 2012 | Q1 2013 | Q1 2014 | Q1 2015 | Q1 2016 | Q1 2017 | Q1 2018

-2 | 0 | 1 | 2 | 3 | 4 | 5 | 6

Implied stock change and balance (right axis)
World production (left axis)
World consumption (left axis)

Source: Short-Term Energy Outlook, April 2017

Greater Cleveland Regional Transit Authority
### Fuel Hedge Status – 04/24/17

<table>
<thead>
<tr>
<th>Year</th>
<th>Status</th>
<th>Avg Monthly Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>80% Hedged</td>
<td>$2.13</td>
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<tr>
<td>2018</td>
<td>75% Hedged</td>
<td>$1.73</td>
</tr>
<tr>
<td>2019</td>
<td>36% Hedged</td>
<td>$1.66</td>
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</tbody>
</table>
YTD March 2017 Diesel Fuel Results

- Budgeted Cost: $2,005,000
- Net Cost: $1,782,000
- (Over)/under: $223,000
Projected Total 2017 Diesel Fuel

- Budgeted Cost: $7,742,000
- 1st Q Projection: $7,028,000
- (Over)/under: $714,000
## Total Diesel & CNG Fueling Expenses

### 000’s

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel Gallons</td>
<td>4,778</td>
<td>4,432</td>
<td>3,392</td>
</tr>
<tr>
<td>CNG Diesel Gallon Equiv</td>
<td>0</td>
<td>388</td>
<td>1,181</td>
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<tr>
<td>Total</td>
<td>4,778</td>
<td>4,820</td>
<td>4,573</td>
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<tr>
<td>Total Net $ Diesel + CNG</td>
<td>$14,746</td>
<td>$12,264</td>
<td>$9,131</td>
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<tr>
<td>Cost per Gallon/DGE</td>
<td>$3.09</td>
<td>$2.54</td>
<td>$2.00</td>
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Questions & Answers

Energy Price Risk Management
Presentation

Greater Cleveland
Regional Transit Authority

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Office of Management and Budget