



Energy Price Risk Management Update



October 8, 2013

Greater Cleveland
Regional Transit Authority

Presented by:
Office of Management & Budget
& Procurement



Factors Affecting Markets

- Egypt
- Syria
- Overabundance of Supply, Lack of Demand
- U.S. Government Shutdown



Fluctuation

\$95/BBL



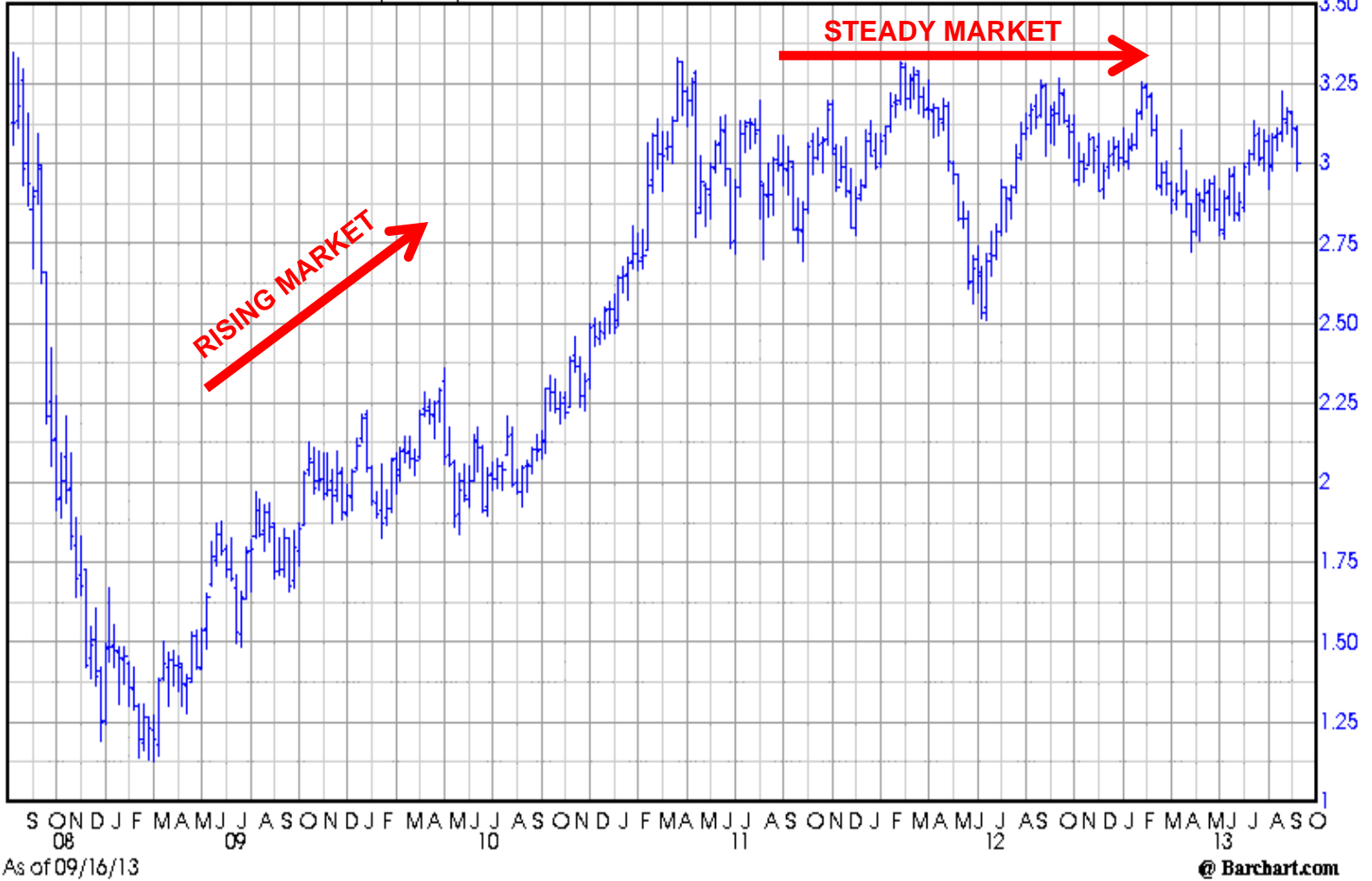
\$108/BBL

\$1.02/BBL



Fuel Price - 5 Year History

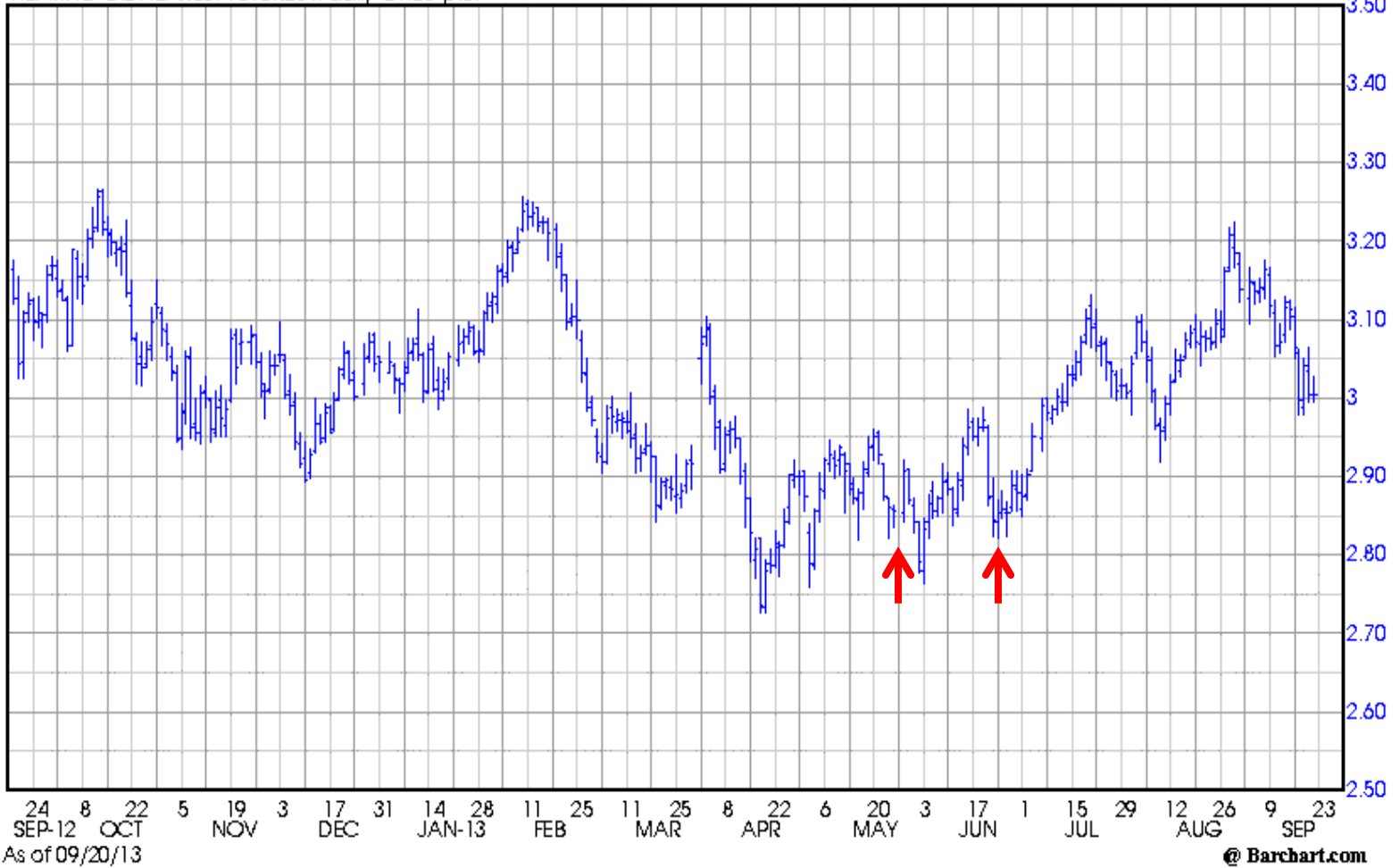
HEATING OIL NEAREST FUTURES... weekly OHLC plot





Fuel Price - 1 Year History

HEATING OIL NEAREST FUTURES... daily OHLC plot





Recent Purchases

- 5/24/13
 - Feb 2014 - \$2.88
 - Mar 2014 - \$2.88
 - Apr 2014 - \$2.87
 - May 2014 - \$2.86
 - Jun 2014 - \$2.85
 - Jul 2014 - \$2.85

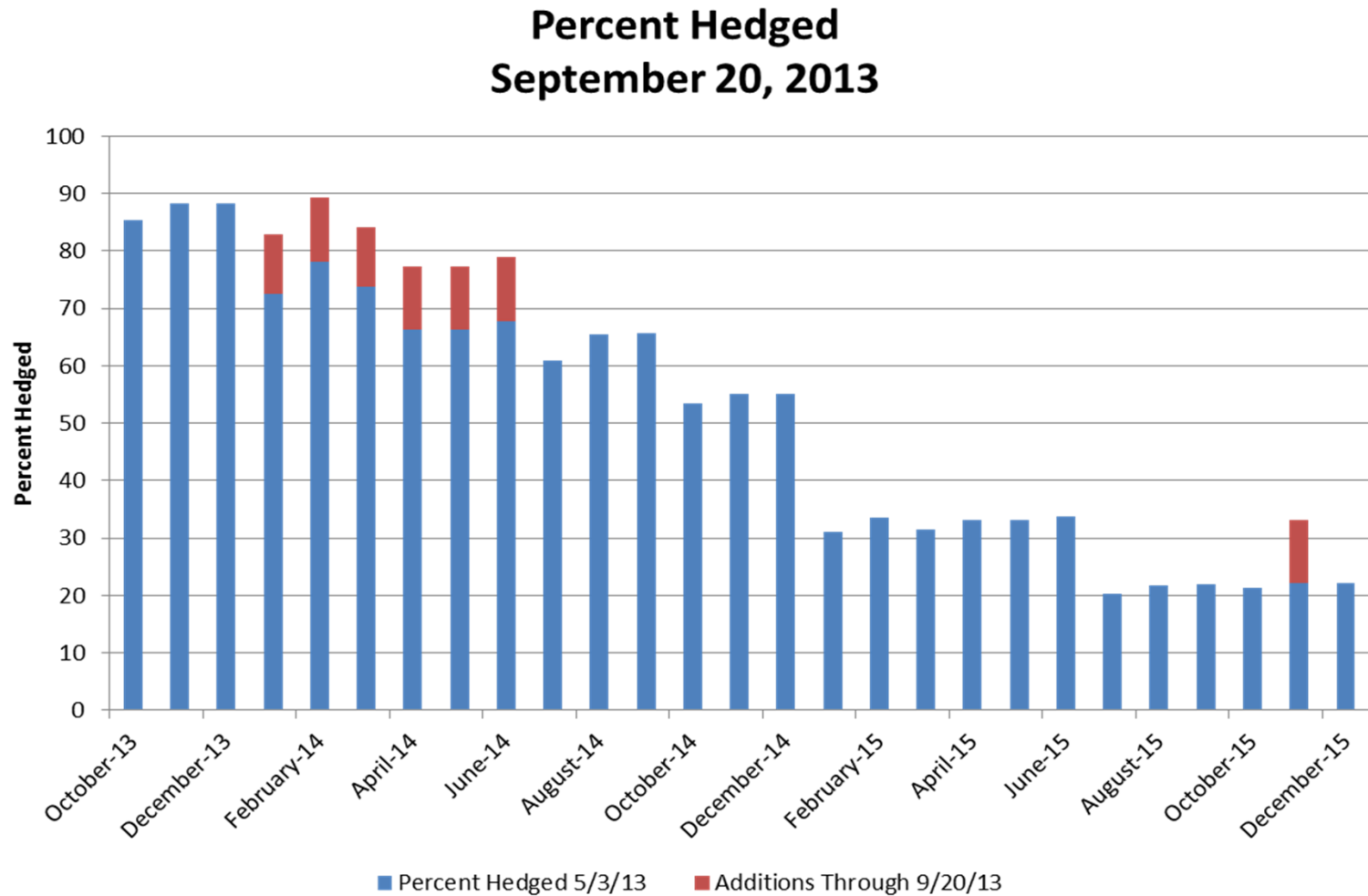
- 6/21/13
 - Dec 2015 - \$2.70

294,000 GALS



Energy Price Risk Execution

Monthly Percentage Hedged





2013 Results

Month	Cost	Realized Gain	Net Cost	Budget (+/-)
JAN	\$1,200,682	\$68,583	\$1,132,099	\$85,264
FEB	\$1,250,101	\$113,770	\$1,136,331	(\$12,827)
MAR	\$1,223,987	\$47,527	\$1,176,460	\$7,740
APR	\$1,191,343	\$18,648	\$1,172,695	(\$35,965)
MAY	\$1,184,066	\$7,783	\$1,176,283	(\$41,792)
JUN	\$1,201,946	\$9,219	\$1,192,727	(\$83,905)
JUL	\$1,233,270	\$67,771	\$1,165,499	\$54,033
AUG	\$1,284,421	\$91,293	\$1,193,128	(\$58,433)
SEP	\$1,214,512	\$79,187	\$1,135,325	(\$5,991)
TOTAL	\$10,984,326	\$503,781	\$10,480,545	(\$91,877)



2013 YTD Results

- Gallons = **3,503,917**
- Cost/Gal = **\$3.13**
- Actual Cost = \$10,984,326
- Realized Gains = **\$503,781**
- Net Cost = \$10,480,545
- Net Cost/Gal = **\$2.99**
- +/- Budget = (\$91,877)

Savings = \$0.14/GAL



Projections

2013

	GALS	Benchmark	Cost	Net Cost
Budget	4,650,000	\$3.05	\$2.975	\$13,835,135
Estimate	4,668,314	\$3.13	\$2.99	\$13,981,600

2014

	GALS	Benchmark	Cost	Net Cost
Budget	4,650,000	\$3.145	\$3.05	\$14,182,500



Questions & Answers

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