

Energy Price Risk Management Update



March 3, 2015

Greater Cleveland
Regional Transit Authority

Presented by:
Procurement

Greater Cleveland Regional Transit Authority

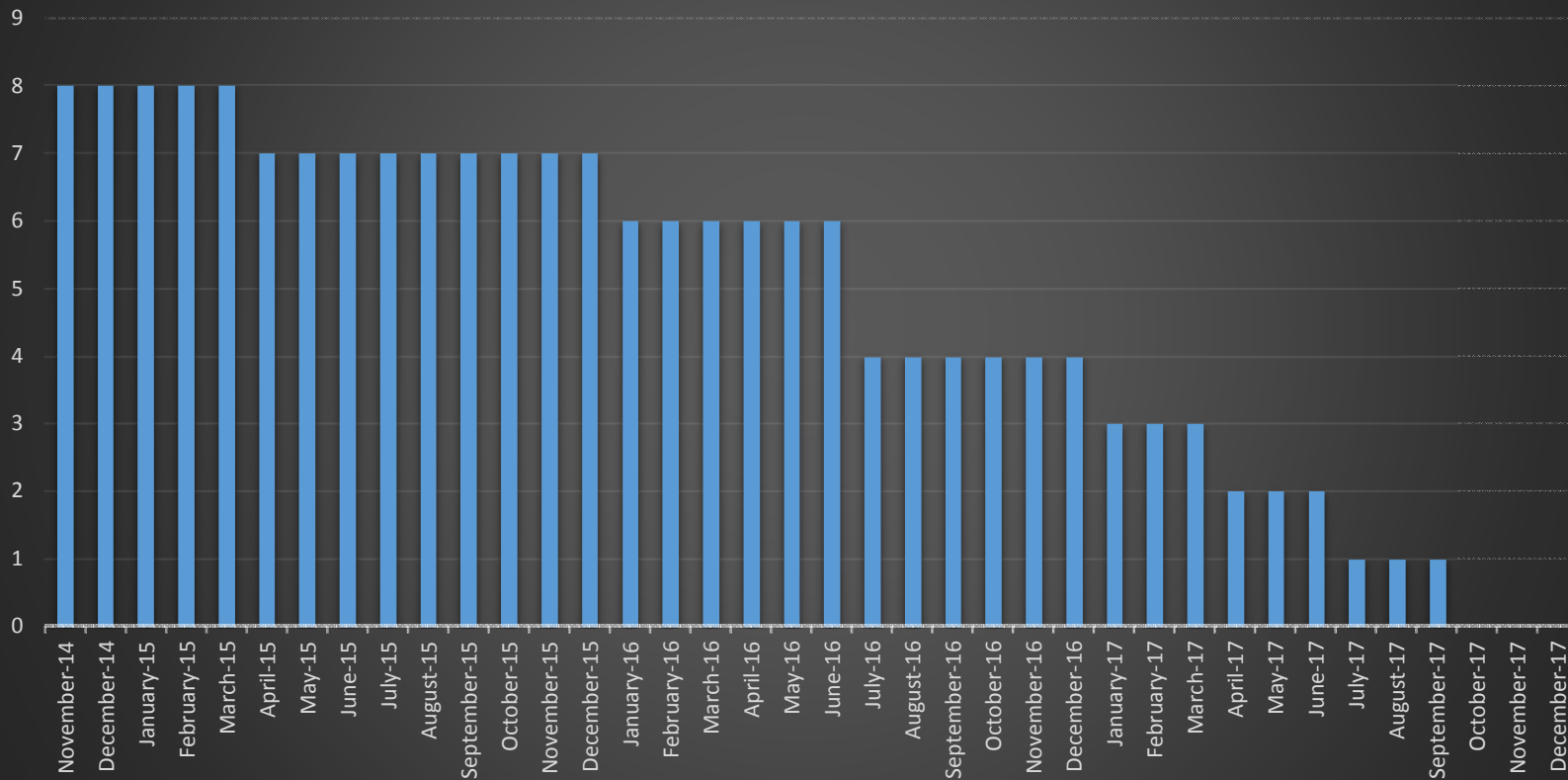


- Aug-Nov 2014 Market Dropped \$3.10 to \$2.40

- Bought 132 Contracts For 5,544,000 GALS
 - \$2.85 – 53 Contracts
 - \$2.75 – 30 Contracts
 - \$2.65 – 24 Contracts
 - \$2.55 – 20 Contracts
 - \$2.45 – 5 Contracts

Energy Price Risk Execution Future Contracts Hedged

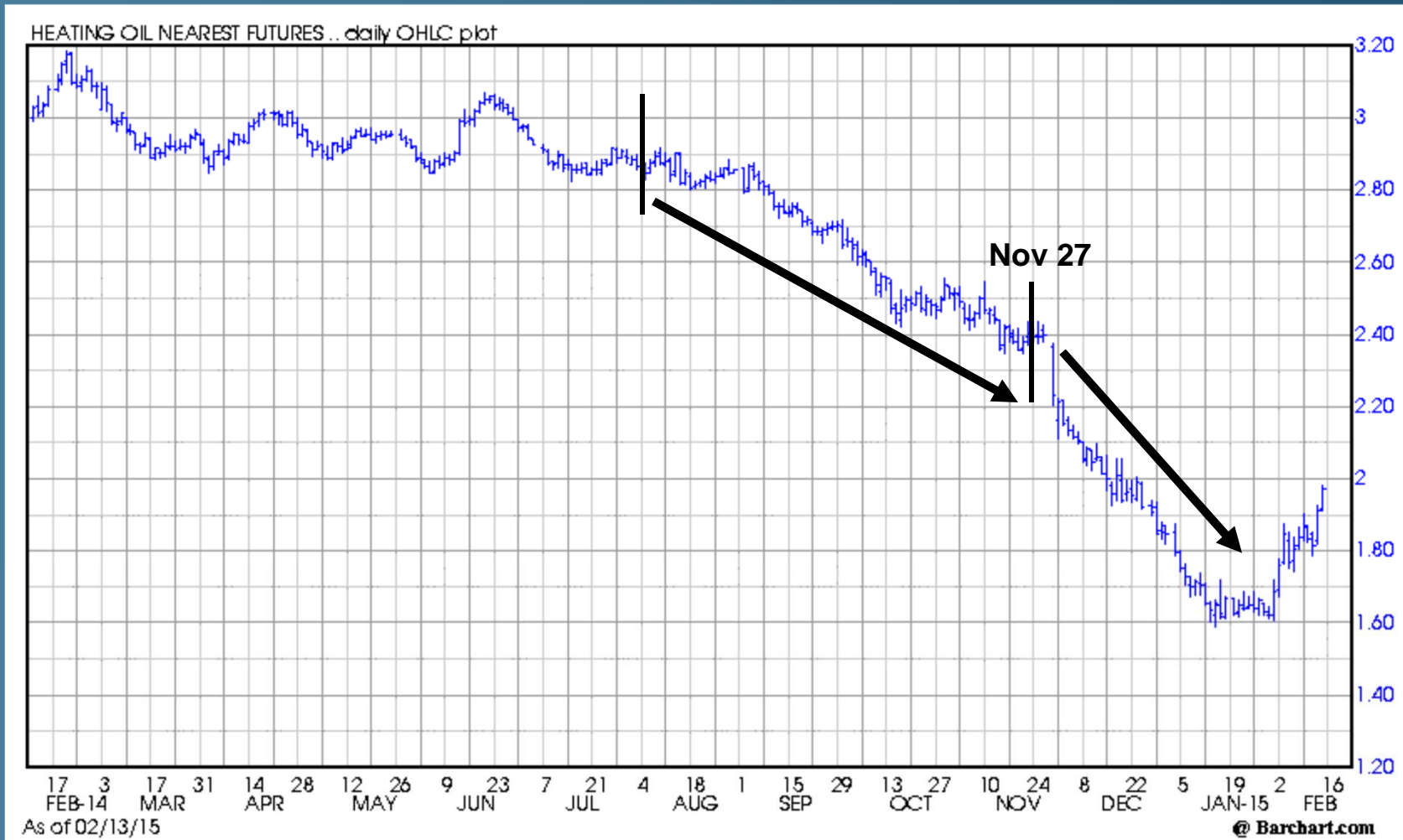
Futures Contracts Hedged & Pricing Breakout
October 31, 2014



Factors Affecting Markets

- The big questions was what will happen at the regularly scheduled OPEC meeting on November 27th. Will OPEC and Saudi Arabia in particular curtail production in order to support price or will they leave production unchanged thus enforcing a new lower price range, protecting their market share, and discouraging the pace of oil supply growth?
- They elected to maintain market share.

Fuel Price - 1 Year History



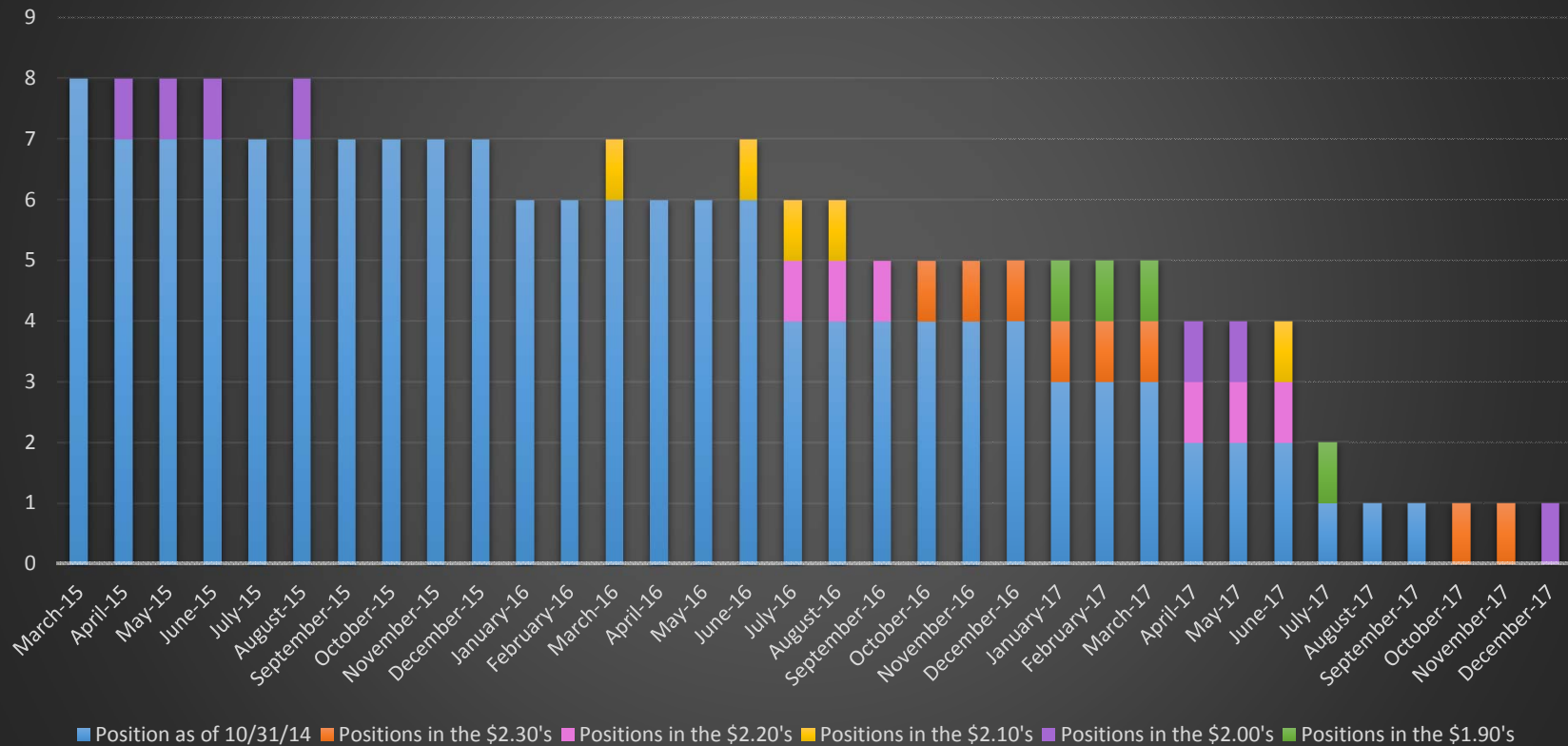
RTA BUYS

- 12/2/14 – 4 Contracts \$2.30
- 12/3/14 – 2 Contracts \$2.32
- 12/5/14 – 5 Contracts \$2.29
- 12/8/14 – 3 Contracts \$2.03
- 12/9/14 – 5 Contracts \$2.12
- 1/3/15 – 3 Contracts \$1.90
- 2/11/15 – 2 Contracts \$2.06
- 2/13/15 – 1 Contract \$2.13

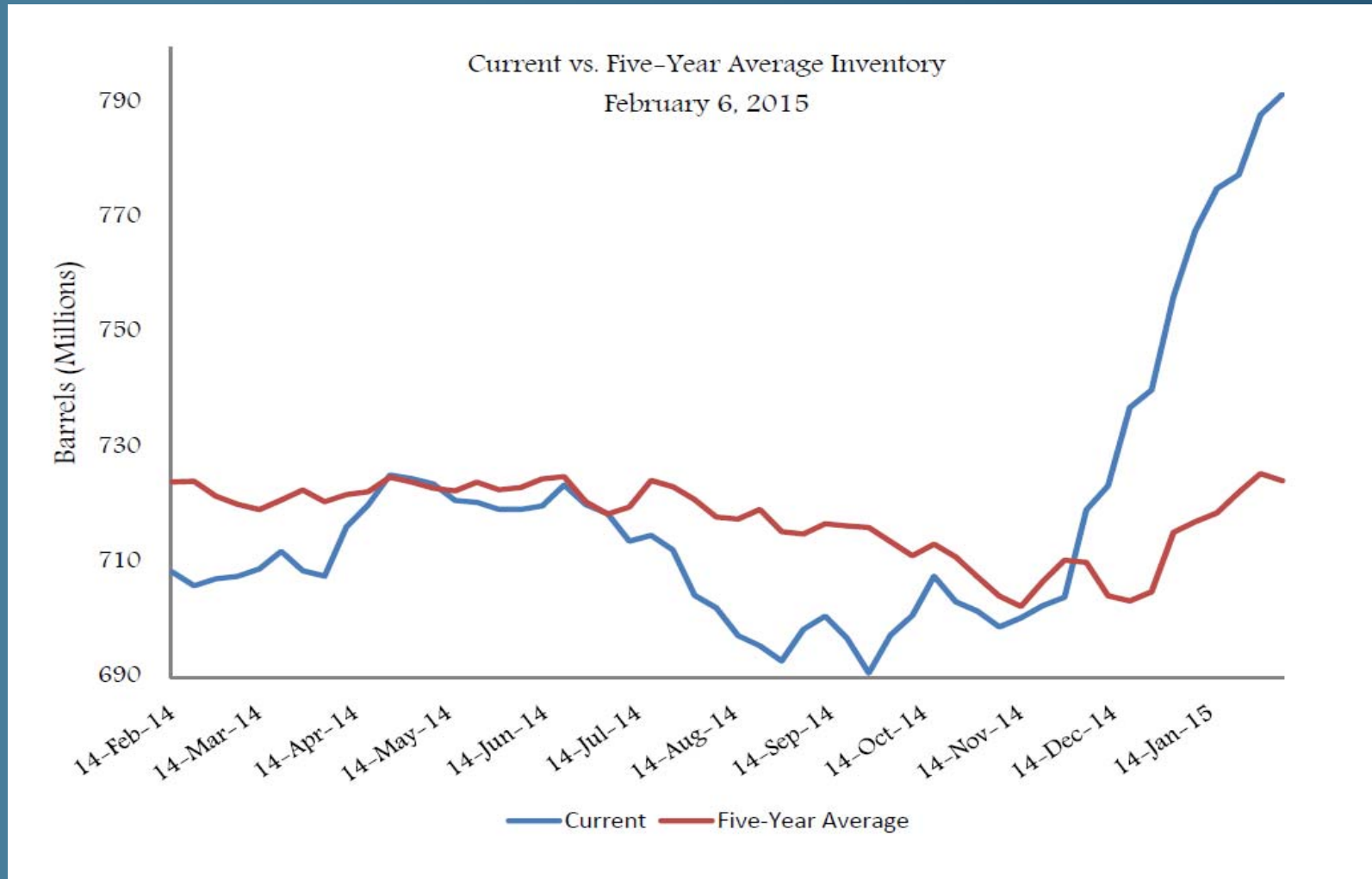
Total Purchase of 25 Contracts – 1,050,000 GALS

Energy Price Risk Execution Future Contracts Hedged

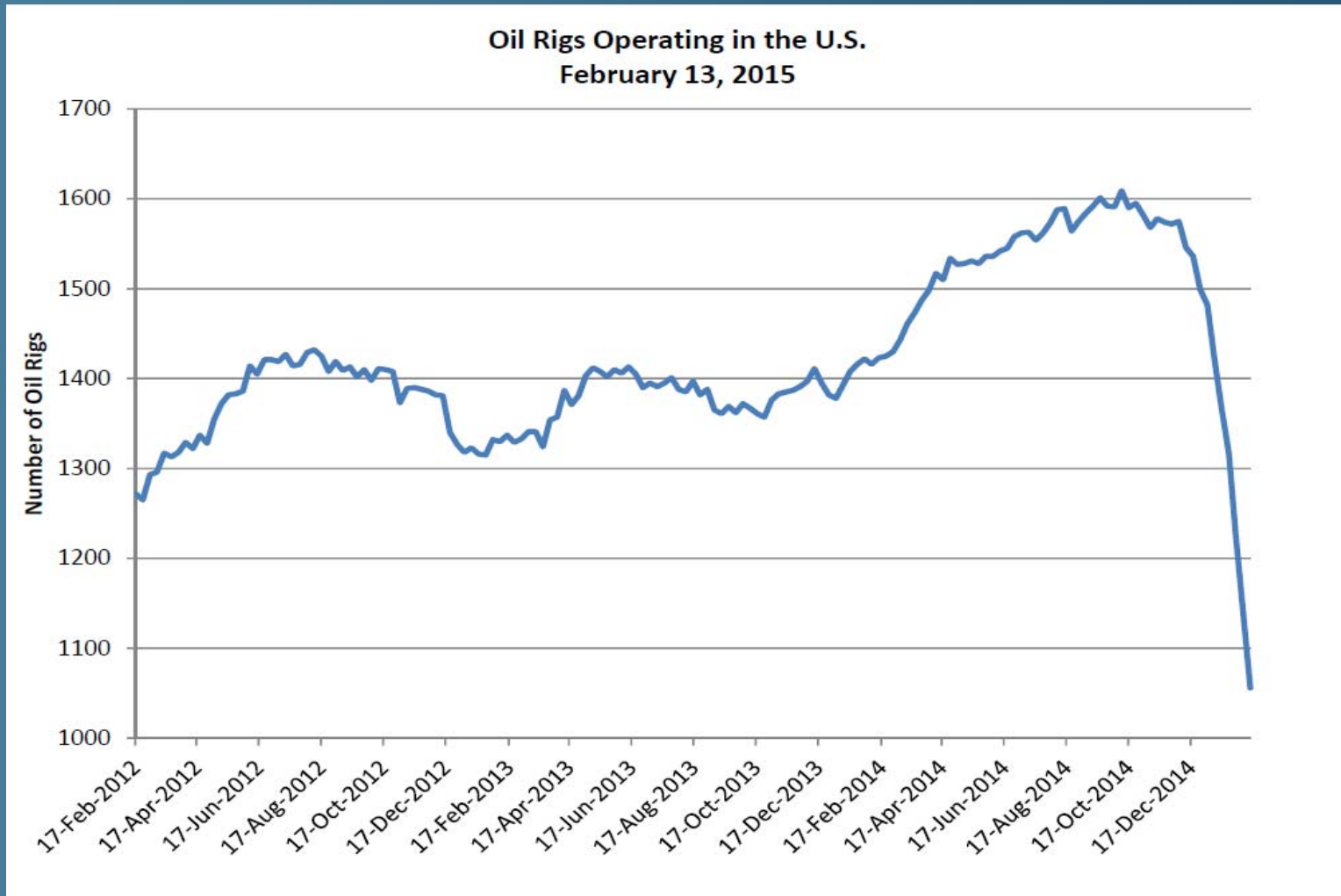
Futures Contracts Hedged and Pricing Breakout
February 27, 2015



Current vs. 5 Year Average Inventory



Oil Rigs Operating in the U.S.



January Fuel

- Actual = 338,806 GALS x \$1.68978 = \$572,507 **Lowest Since Prior to 2007**
- Realized Loss = \$404,762
- Net Cost = \$977,270 **Lowest Since April 2012**
- Budget = \$1,204,153
- Savings = \$226,913



Questions & Answers

Energy Price Risk Management
Presentation

Greater Cleveland
Regional Transit Authority

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