

Energy Price Risk Management Update



April 25, 2017

Finance Committee

Presented by:
Office of Management and Budget

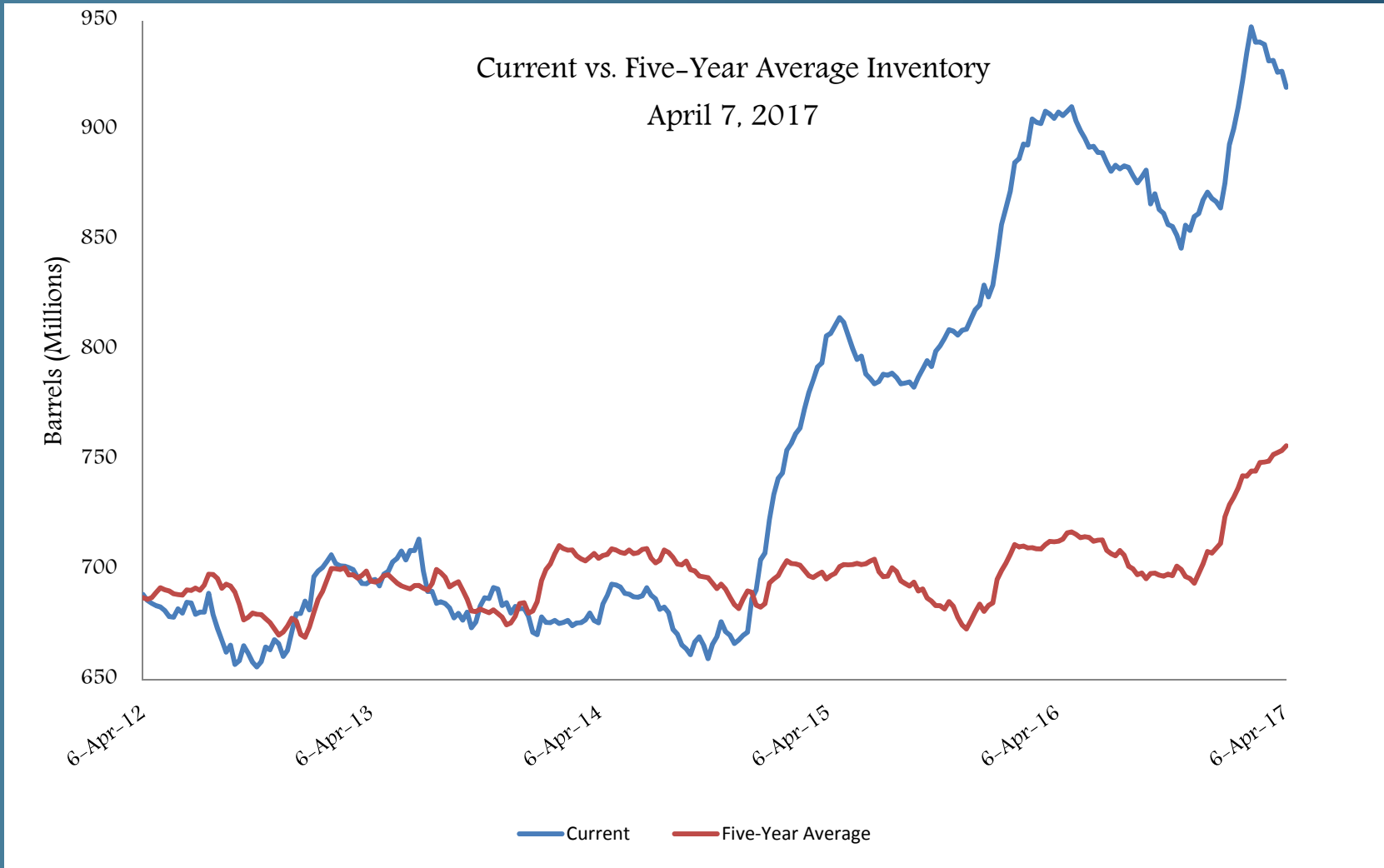


Energy Price Risk Management Program Original Objectives

- Increase Budget certainty
- Protect against sharp price increases

2016 Diesel Fuel Results

■ Budgeted Cost	\$ 9,274,000
■ Net Cost	<u>\$ 8,600,000</u>
■ (Over)/under	\$674,000



World liquid fuels production and consumption

balance



Source: Short-Term Energy Outlook, April 2017

Fuel Hedge Status – 04/24/17

<u>Year</u>	<u>Status</u>	<u>Avg Monthly Price</u>
2017	80% Hedged	\$2.13
2018	75% Hedged	\$1.73
2019	36% Hedged	\$1.66

YTD March 2017 Diesel Fuel Results

■ Budgeted Cost	\$ 2,005,000
■ Net Cost	<u>\$ 1,782,000</u>
■ (Over)/under	\$223,000

Projected Total 2017 Diesel Fuel

■ Budgeted Cost	\$ 7,742,000
■ 1 st Q Projection	<u>\$ 7,028,000</u>
■ (Over)/under	\$714,000

Total Diesel & CNG Fueling Expenses 000's

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Diesel Gallons	4,778	4,432	3,392
CNG Diesel Gallon Equiv	<u>0</u>	<u>388</u>	<u>1,181</u>
Total	4,778	4,820	4,573
Total Net \$ Diesel + CNG	\$14,746	\$12,264	\$9,131
Cost per Gallon/DGE	\$3.09	\$2.54	\$2.00



Questions & Answers

Energy Price Risk Management
Presentation

Greater Cleveland
Regional Transit Authority

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