

## Annual Commodity Price Hedging Report as per BY-LAW NO. 2008 – 426

### Diesel Fuel

The 2023 budget price for diesel fuel was \$1.47 per litre. Forecast volumes were 45.11 million litres for a total budget of approximately \$66.28 million. Actual volumes were 41.50 million litres and the average price was \$1.377 for a total cost of approximately \$57.15 million generating savings of approximately \$9.13 million versus the budget. Floating rate prices averaged \$1.446 per litre in 2023. The 2023 impact from hedging was \$0.068 per litre, effectively reducing the floating price, to a total all-in cost of \$1.377 per litre.

- 2023 - To secure the 2023 budget target, Treasury, in conjunction with Supply and Transit, entered Bank Swap Agreements with CIBC, RBC, BNS and National Bank to fix 76.1% of the forecast diesel fuel consumption for 2023.
- 2024 - Treasury, in conjunction with the Supply Branch and Transit Services, entered into Bank Swap Agreements to fix 61.7% of 2024 anticipated diesel fuel consumption.
- Future dated Bank Swaps held by the City had a mark-to-market value of \$2.56 million in favor of the banks as at December 31, 2023.

All agreements entered during 2023 are consistent with the City's statement of policies and goals relating to the use of Financial Agreements to address commodity pricing and costs.

### Statement of outstanding Transactions as of Dec 31, 2023

ID	Bank	litres/month (1000's)	Fixed Price	Maturity schedule	Total Months	Total Litres (1,000's)
2023-1	CIBC	250	0.915	Jan 24 - Dec 24	12	3000
2023-2	BNC	250	0.915	Jan 24 - Dec 24	12	3000
2023-3	CIBC	250	0.9	Jan 24 - Dec 24	12	3000
2023-4	BNC	250	0.9	Jan 24 - Dec 24	12	3000
2023-7	CIBC	250	0.92	Jan 24 - June 24	6	1500
2023-8	SCOTIA	250	0.92	Jan 24 - June 24	6	1500
2023-9	CIBC	250	0.91	Jan 24 - June 24	6	1500
2023-10	SCOTIA	250	0.91	Jan 24 - June 24	6	1500
2023-11	BNC	200	0.91	Jan 24 - June 24	6	1200
2023-16	RBC	300	0.93	Jan 24 - Dec 24	12	3600
2023-17	SCOTIA	200	0.93	Jan 24 - Dec 24	12	2400
2023-18	BNC	200	0.91	Jul 24 - Dec 24	6	1200
2023-19	CIBC	300	0.93	Jan 24 - Dec 24	12	3600
2023-20	CIBC	300	0.865	Jan 25 - Dec 25	12	3600
2023-21	SCOTIA	300	0.865	Jan 25 - Dec 25	12	3600
2023-22	BNC	300	0.865	Jan 25 - Dec 25	12	3600

## **Natural Gas**

The City has appointed Jupiter Energy Advisors Inc (Jupiter) as a broker to manage the City's natural gas purchases, as well as a consultant to make hedging recommendations and cost forecasts using a financial-risk modeling strategy.

The City relies on Jupiter to update the required natural gas quantities based on factors including weather changes, energy projects, operational changes, and the addition of new facilities. Jupiter analyzes data and, based on risk, budget, and market trends, makes hedging recommendations. Transactions are executed following a recommendations review and agreement by Natural Gas Purchasing Committee.

All transactions executed during 2023 are consistent with the City's statement of policies and goals relating to the use of Financial Agreements to address commodity pricing and costs.