

## **2024 Annual Commodity Price Hedging Report as per BY-LAW NO. 2008 – 426**

### **Diesel Fuel**

The 2024 budget price for diesel fuel was \$1.3588 per litre. Forecast volumes were 43.32 million litres for a total budget of approximately \$58.78 million. Actual volumes were 41.10 million litres and the average price was \$1.395 for a total cost of approximately \$57.27 million generating savings of approximately \$1.50 million versus the budget. Floating rate prices averaged \$1.374 per litre in 2024. The 2024 impact from hedging was \$0.021 per litre, effectively increasing the floating price, to a total all-in cost of \$1.395 per litre.

- 2024 - To secure the 2024 budget target, Treasury, in conjunction with Supply and Transit, entered Bank Swap Agreements with CIBC, RBC, BNS and National Bank to fix 76.6% of the forecast diesel fuel consumption for 2024.
- 2025 and 2026 - Treasury, in conjunction with the Supply Branch and Transit Services, entered into Bank Swap Agreements to fix 61.4% of 2025 and 13.7% of 2026 anticipated diesel fuel consumption.
- Future dated Bank Swaps held by the City had a mark-to-market value of \$203,884 million in favor of the banks as at December 31, 2024.

All agreements entered during 2024 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, 2024**

ID	Bank	litres/month (1000's)	Fixed Price	Maturity schedule	Total Months	Total Litres (1,000's)
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
2024-1	RBC	250	0.845	Jan 26 - Jun 26	6	1500
2024-4	RBC	250	0.86	Jan 25 - Sept 25	9	2250
2024-5	CIBC	250	0.86	Jan 25 - Sept 25	9	2250
2024-6	SCOTIA	250	0.86	Jan 25 - Sept 25	9	2250
2024-7	BNC	250	0.86	Jan 25 - Sept 25	9	2250
2024-8	CIBC	250	0.845	Jan 26 - Jun 26	6	1500
2024-9	SCOTIA	250	0.845	Jan 26 - Jun 26	6	1500
2024-10	CIBC	300	0.855	Jan 25 - Mar 25	3	900
2024-11	SCOTIA	300	0.855	Jan 25 - Mar 25	3	900
2024-12	BNC	300	0.855	Jan 25 - Mar 25	3	900
2024-13	CIBC	150	0.839	Jan 26 - Sept 26	9	1350
2024-14	CIBC	250	0.847	Oct 25 - Dec 25	3	750
2024-15	SCOTIA	250	0.847	Oct 25 - Dec 25	3	750
2024-16	BNC	250	0.847	Oct 25 - Dec 25	3	750
2024-17	RBC	250	0.847	Oct 25 - Dec 25	3	750
2024-18	CIBC	300	0.785	Apr 25 - Jun 25	3	900
2024-19	SCOTIA	300	0.785	Apr 25 - Jun 25	3	900
2024-20	RBC	300	0.785	Apr 25 - Jun 25	3	900

**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 2024 are consistent with the City's statement of policies and goals relating to the use of Financial Agreements to address commodity pricing and costs.