

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

The 2018 budget price for diesel fuel was \$0.88 per litre. Forecast volumes were 54.8 million litres for a total budget of approximately \$48.22 million. Actual volumes were 52.96 million litres and the average price was \$0.927 for a total cost of approximately \$49.09 million generating additional cost of approximately \$0.85 million versus the budget. Floating rate prices averaged \$1.031 per litre in 2018. The 2018 impact from hedging was \$0.10 per litre for a total all-in cost of \$0.931 per litre.

- 2018 - To secure the 2018 budget target, Treasury, in conjunction with Supply and Transit, entered Bank Swap Agreements with CIBC, RBC, BNS and National Bank to fix 71% of the forecasted diesel fuel consumption for 2018.
- 2019 and 2020 - Treasury, in conjunction with the Supply Branch and Transit Services, entered into Bank Swap Agreements to fix 70% of 2019 and 39% of 2020 anticipated diesel fuel consumption.
- Future dated Bank Swaps held by the City had a mark-to-market value of \$5,228,284 million in favor of the Banks as at December 31, 2018

All agreements entered during 2018 are consistent with the City's statement of policies and goals relating to the use of Financial Agreements to address commodity pricing and costs

Table 1 - Statement of outstanding Transactions as of Dec 31, 2018

ID	Bank	Litres/Month (1000's)	Fixed Price	Maturity schedule	Total Months	Total Litres (1,000's)
2017-7	CIBC	500	0.5555	Jan 19 - Jun 19	6	3000
2018-6	RBC	250	0.62	Jan 19 - Mar 19	3	750
2018-7	NBC	250	0.62	Jan 19 - Mar 19	3	750
2018-8	CIBC	250	0.61	Jul 19 - Dec 19	6	1500
2018-9	Scotia	250	0.61	Jul 19 - Dec 19	6	1500
2018-12	CIBC	500	0.745	Jan 19 - Jun 19	6	3000
2018-16	NBC	250	0.75	Jul 19 - Dec 19	6	1500
2018-17	Scotia	250	0.75	Jul 19 - Dec 19	6	1500
2018-18	RBC	250	0.75	Jul 19 - Dec 19	6	1500
2018-19	CIBC	250	0.75	Jul 19 - Dec 19	6	1500
2018-20	RBC	250	0.743	Jul 19 Sep 19	3	750

Table 1 - Statement of outstanding Transactions as of Dec 31, 2018, Continued

ID	Bank	Litres/Month (1000's)	Fixed Price	Maturity schedule	Total Months	Total Litres (1,000's)
2018-21	RBC	500	0.75	Jan 19 - Mar 19	3	1500
2018-22	CIBC	500	0.75	Jan 19 - Mar 19	3	1500
2018-23	NBC	250	0.75	Jan 19 - Mar 19	3	750
2018-24	CIBC	250	0.75	Apr 19 - Jun 19	3	750
2018-25	Scotia	250	0.743	Apr 19 - Jun 19	3	750
2018-26	NBC	250	0.743	Apr 19 - Jun 19	3	750
2018-27	CIBC	250	0.73	Jan 20 -Jun 20	6	1500
2018-28	CIBC	250	0.8125	Jan 19 - Mar 19	3	750
2018-29	NBC	250	0.807	Jan 19 - Mar 19	3	750
2018-30	Scotia	250	0.8125	Jan 19 - Mar 19	3	750
2018-31	RBC	400	0.804	Oct 19 -Dec 19	3	1200
2018-32	CIBC	250	0.74	Jul 19 - Dec 19	6	1500
2018-33	Scotia	250	0.775	Jul 20 - Sep 20	3	750
2018-34	RBC	250	0.775	Jul 20 - Sep 20	3	750
2018-35	RBC	250	0.7875	Jan 20 -Jun 20	6	1500
2018-36	CIBC	250	0.7875	Jan 20 -Jun 20	6	1500
2018-37	Scotia	250	0.7875	Jan 20 -Jun 20	6	1500
2018-38	NBC	250	0.8125	Jul 19 Sep 19	3	750
2018-39	CIBC	500	0.775	Jul 20 - Sep 20	3	1500
2018-40	NBC	250	0.6495	Apr 19 - Jun 19	3	750
2018-41	RBC	250	0.665	Jan 20 -Jun 20	6	1500
2018-42	CIBC	250	0.665	Jan 20 -Jun 20	6	1500
2018-43	Scotia	250	0.665	Jan 20 -Jun 20	6	1500
2018-44	NBC	250	0.665	Jan 20 -Jun 20	6	1500
2018-45	CIBC	500	0.6695	Oct 20 -Dec 20	3	1500
2018-46	NBC	500	0.6695	Oct 20 -Dec 20	3	1500
2018-47	CIBC	850	0.6495	May-18	1	850
2018-48	Scotia	250	0.6495	Apr 19 - Jun 19	3	750
2018-49	CIBC	400	0.6495	Apr 19 - Jun 19	3	1200
2018-50	Scotia	250	0.658	Jul 19 Sep 19	3	750
2018-51	CIBC	400	0.658	Jul 19 Sep 19	3	1200
2018-52	NBC	250	0.658	Jul 19 Sep 19	3	750