

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

The 2013 budgeted price for diesel fuel was \$1.035 per liter. Forecast volumes were 50.7 million litres and actual was 51.6 million litres generating an additional cost of \$0.018 per liter. The City used Bank Swap Agreements to price fix 75% of the 2013 forecast volume that resulted in a recovery of \$0.035 per litre. The all-in cost for diesel was \$1.02 per litre in 2013.

- 2013 - To secure the 2013 budget target, Treasury, in conjunction with Supply and Transit, entered Bank Swap Agreements with CIBC, RBC and National Bank to fix 77% of the forecast diesel fuel consumption for 2013.
- 2014 and 2015 - Treasury, in conjunction with the Supply Branch and Transit Services, entered into Bank Swap Agreements to fix 60% of 2014 and 40% of 2015 anticipated diesel fuel consumption.
- Future dated Bank Swaps held by the City had a mark-to-market value of \$3,847,413 in the City's favor as at December 31, 2013

All agreements entered during 2013 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, 2013

ID	Bank	litres/month (1000's)	Fixed Price	Maturity schedule	Total Months	Total Litres (1,000's)
2012-10	CIBC	500	0.76	Oct 14 - Dec 14	3	1500
2012-11	CIBC	500	0.76	July 14 - Sept 14	3	1500
2012-12	CIBC	500	0.76	Apr 14 - Jun 14	3	1500
2012-13	RBC	250	0.76	Apr 14 - Dec 14	12	3000
2013-1	CIBC	500	0.792	Jan 14 - Dec 14	12	6000
2013-2	Nat'l Bank	500	0.7775	Apr 15 - Dec 15	9	4500
2013-5	RBC	250	0.78	Jan 14 - Dec 14	12	3000
2013-6	CIBC	500	0.79	Jan 14 - Mar 14	3	1500
2013-7	Nat'l Bank	500	0.763	Jan 14 - Dec 14	12	6000
2013-8	CIBC	500	0.7557	Jan 15 - Dec 15	12	6000
2013-9	RBC	500	0.76	Jan 14 - Dec 14	12	6000
2013-10	Nat'l Bank	500	0.78	Jan 15 - Dec 15	12	6000
2013-11	RBC	250	0.7685	Jan 15 - Dec 15	12	3000
2013-12	CIBC	250	0.77	Apr 15 - Dec 15	9	2250
2013-13	CIBC	250	0.7935	Jan 14 - Mar 14	3	750
2013-14	Nat'l Bank	500	0.8015	Jan 14 - Mar 14	3	1500