

# LINWOOD CAPITAL, LLC

ENERGY PRICE RISK MANAGEMENT CONSULTING

Jeffrey R. LeMunyon, CFA  
Principal

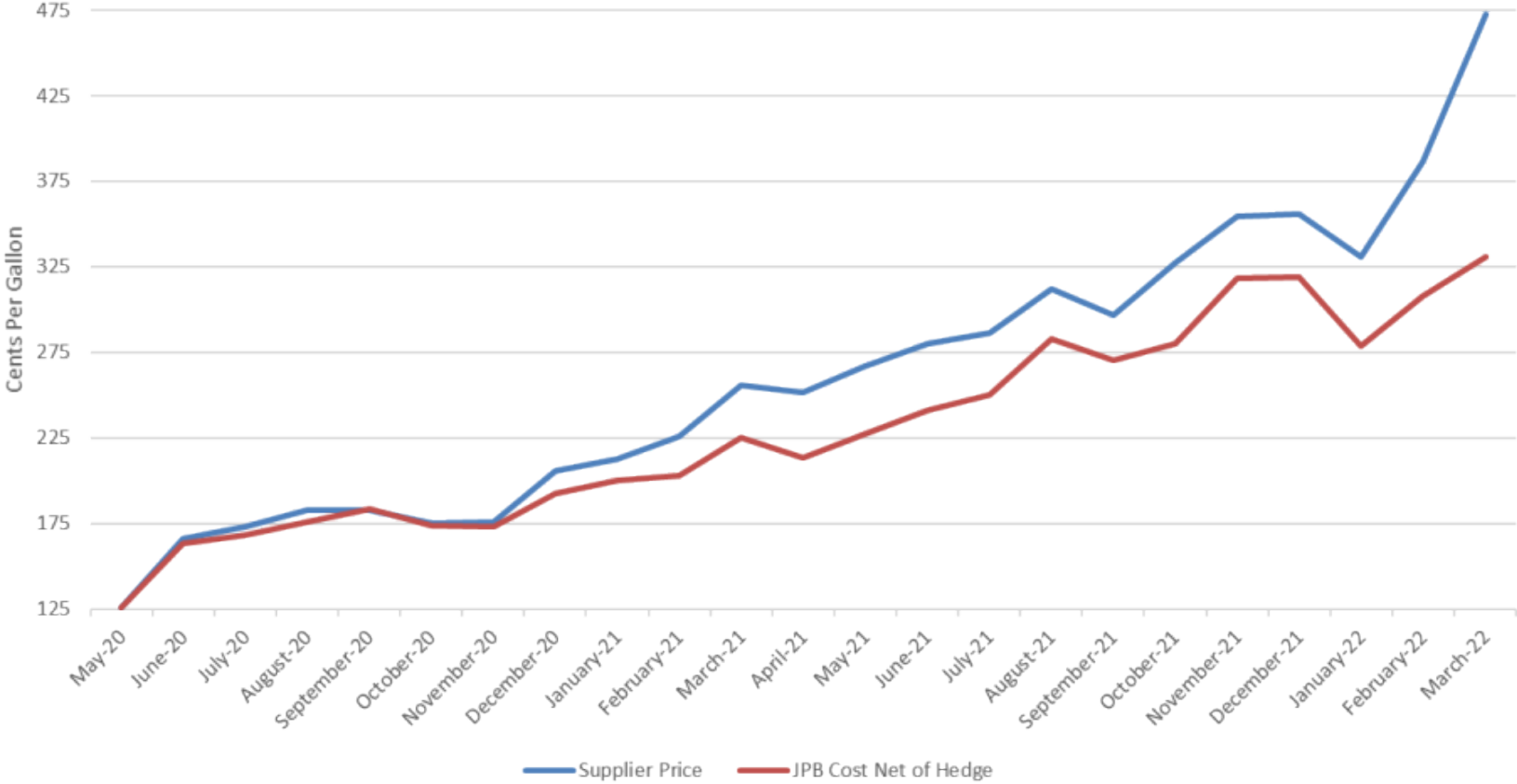
JPB

Hedging Program Overview

March 25, 2022

# Program Performance Historical Pricing

JPB Diesel Hedge Analysis  
Supplier Price vs. JPB Cost  
March 25, 2022

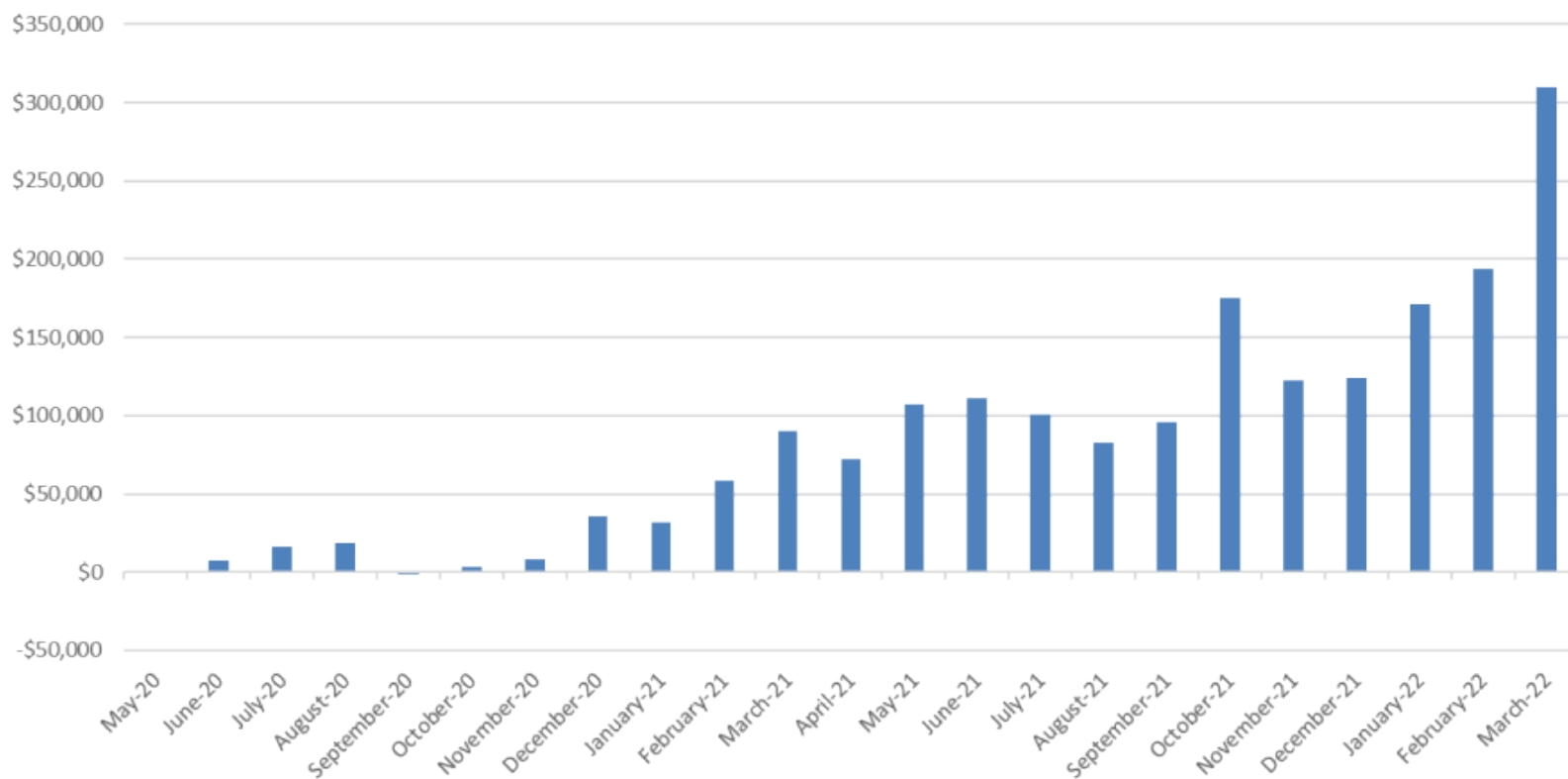


# Program Performance

## Historical Realized Gains & Losses

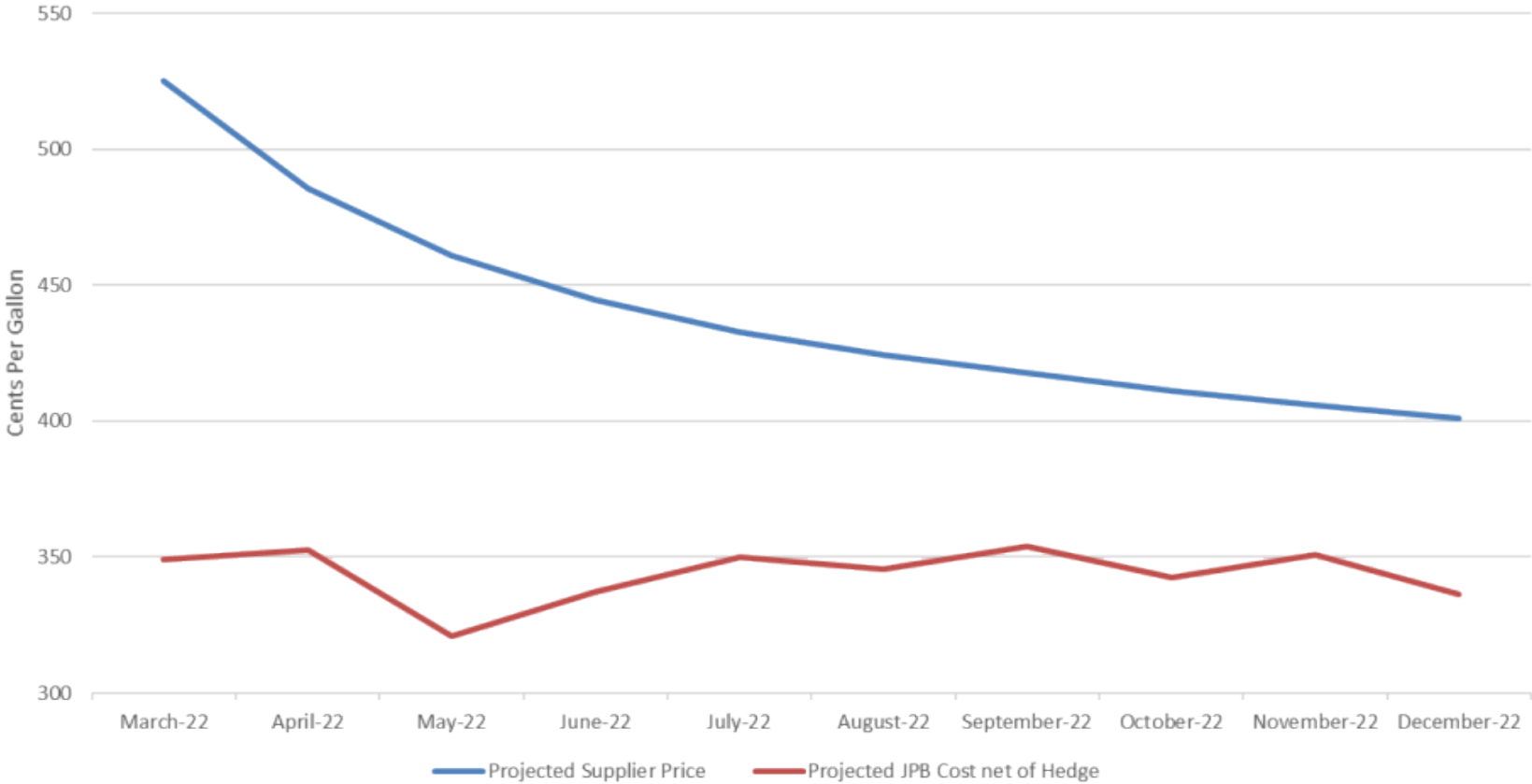
- Cumulative net realized gain since inception is +\$1,936,769
- +\$0.30 per gallon approximately on all gallons since May 2020

Monthly Realized Gains  
March 25, 2022



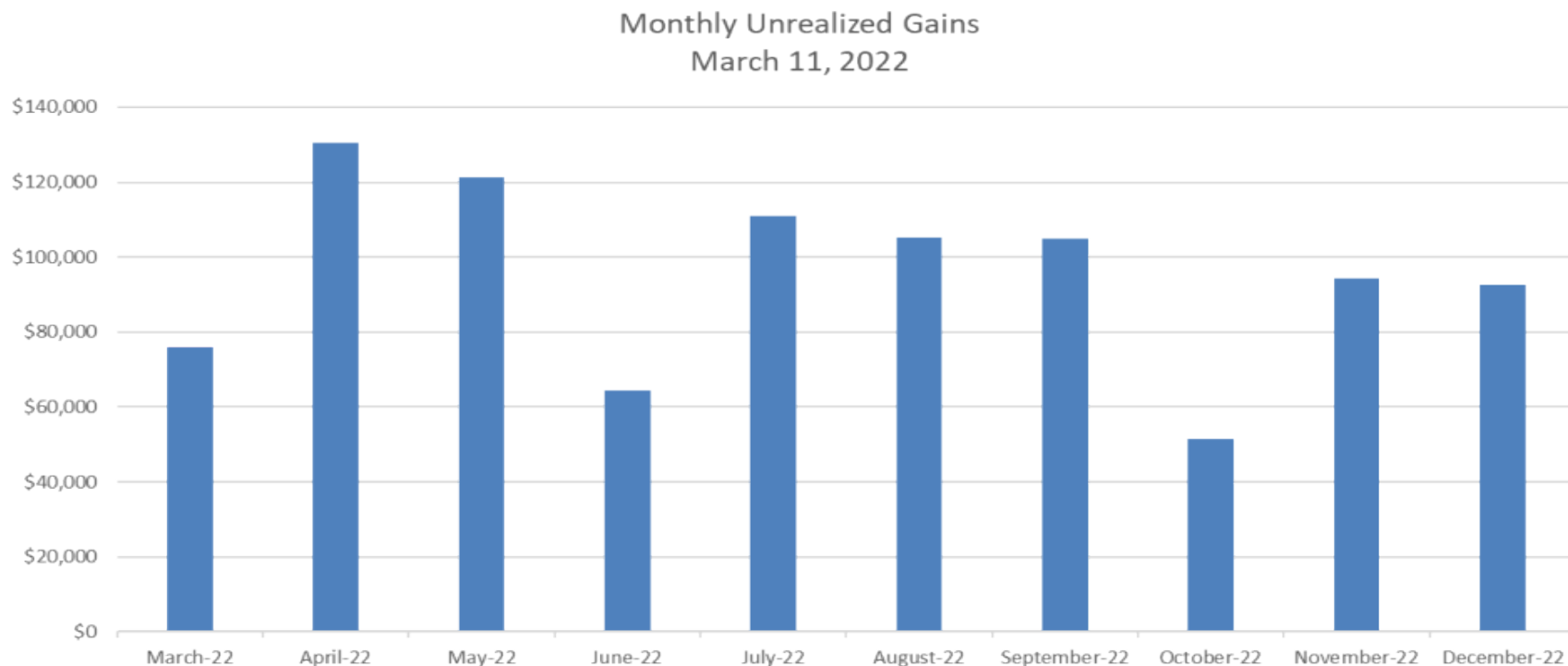
# Program Performance

Prospective Analysis  
Projected Supplier Price vs. Projected JPB Cost Net of Hedge  
March 25, 2022



## Prospective Analysis Current Unrealized Gains (losses)

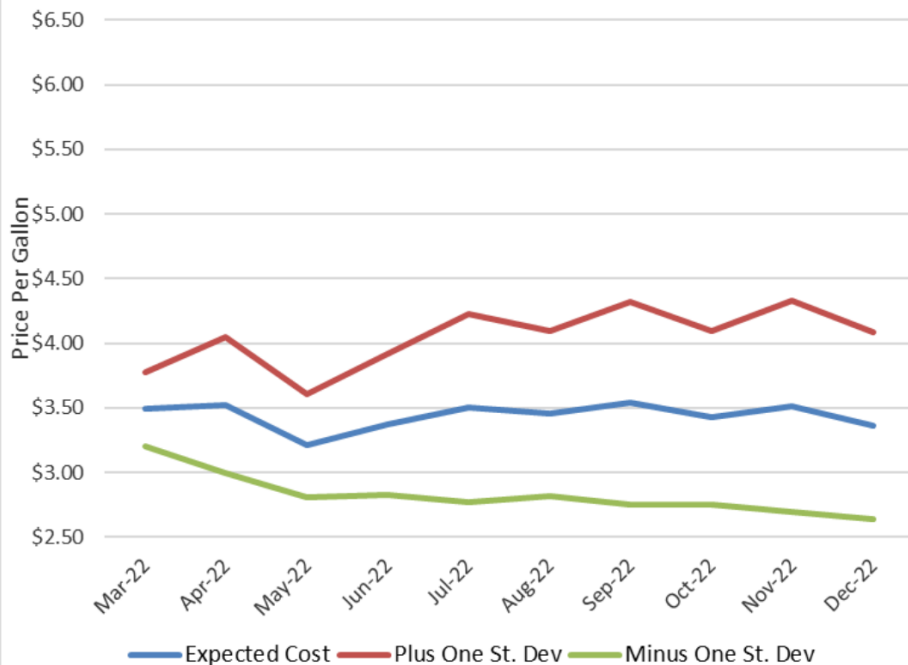
- Current unrealized gain is +\$2,690,549
- Combined unrealized gains and cumulative realized gains is +\$4,627,318
- Unrealized gain of approximately \$0.50 on all projected gallons of consumption through December 2022.



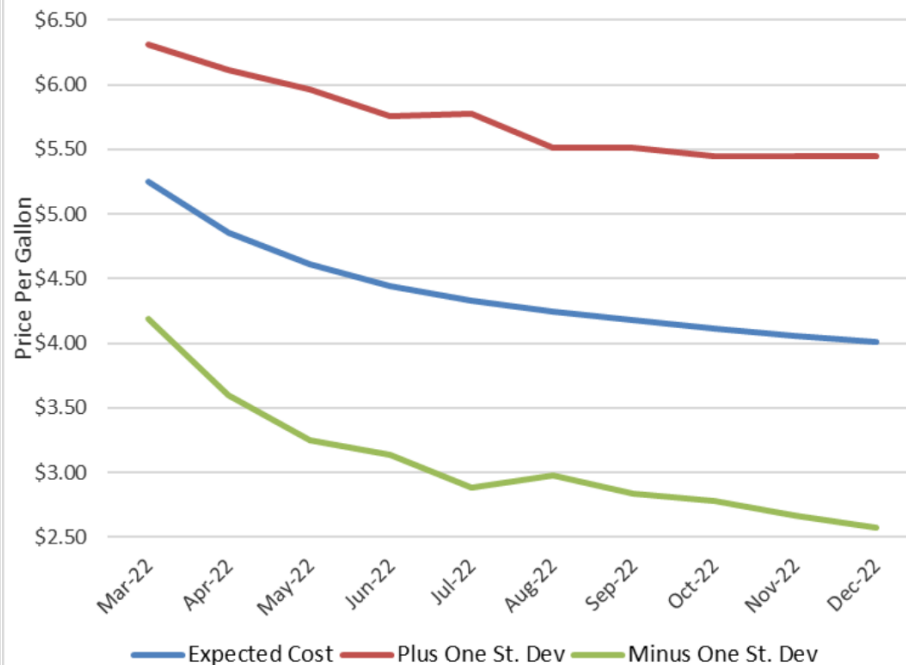
# Projected JPB Cost Variability

- Projected variability in JPB cost as indicated by plus and minus one standard deviation of expected market movement between now and the indicated time period.
- Graph on left is current variability profile net of hedge.
- Graph on right is current variability profile if there were no hedging.

**JPB Hedged  
Diesel Fuel Cost Variability Analysis  
March 25, 2022**



**JPB Un-Hedged  
Diesel Fuel Cost Variability Analysis  
March 25, 2022**



## Cash Flow at Risk (CFaR)

- CFaR is the difference between the projected cost and the plus one standard deviation cost.
- This is to analyze the amount by which projected costs could increase given the current hedge position and without the current hedge position.
- CFaR through December 2022 with hedging is \$2,068,347.
- CFaR through December 2022 without hedging is \$4,238,262
- Not only is hedging currently producing gains, but it is avoiding an additional \$2,169,915 in fuel cost in the next 10 months should prices average 1 standard deviation higher than current market.

