MEDIA CONTACTS:
Marcus J. Barlow       Jessica Higdon
Press Secretary       Deputy Press Secretary
Office of the Mayor   Office of the Mayor
E-mail: mbarlow@indygov.org E-mail: jhigdon@indygov.org
Office: 317-327-3713   Office: 317-327-3649
Cell: 317-496-5515     Cell: 317-281-5817

CITY’S FUEL HEDGE AND SAVINGS PROGRAM NETTED OVER 39 THOUSAND DOLLARS IN JUNE

INDIANAPOLIS – (July 8, 2008) The City of Indianapolis’ motor vehicle fuel hedge and savings program netted $39,093.60 during June 2008. The fuel hedge benefits all City-County gasoline purchases, effectively capping the cost of gasoline for the Department of Public Works’ (DPW) Fleet Services Division.

Under a contract with KeyBank through the bank’s energy risk management, 43 percent of DPW’s gasoline purchases are fixed at $3.2225 per gallon and 57 percent of the fuel purchase price fluctuates between $3.12 to $3.35 per gallon. While the daily price of gasoline fluctuates on the open market, the net benefit of the fuel hedge program capped the City’s gasoline costs at $3.22 to $3.35 last month.

The fuel hedge program was allowed to expire in December 2007, leaving the City exposed to the rising fuel market and increasing gasoline costs by $4 million to $5 million for 2008. The fuel hedge program has since been reinstated for 2008. The savings allow funds to be passed back to the City, and a number of similar fuel hedging options are being considered for 2009 and future years.

###