METRO'S FUEL HEDGING PROGRAM STABILIZES FUEL COST TO HELP IN ANNUAL BUDGETING FOR GASOLINE AND DIESEL

Agreement between Metro and Financial Institution
- Current agreements with Bank of America/Merrill Lynch and 5/3 Bank

Estimate annual fuel usage
- Metro Fleet, Metro Schools MTA/RTA, and City of Franklin participate

Commit to monthly volume of fuel to hedge
- Policy limits # of gallons hedged to 80% of annual usage

Work with advisor and banks to establish price
- Hilltop Securities is Metro's Fuel Hedge Advisor and assists in determining contracted price with banks

Buy fuel through regular process
- Hedging does not impact the process of buying fuel; it is only a financial transaction

Compare market price of fuel to contracted price
- Agreements specify the source used to determine the monthly average market price, which is compared to contract price

If market price is higher than contract price, bank pays Metro so cost equals the contract price

If market price is less than contract price, Metro pays bank difference

For the gallons of fuel hedged, Metro ends up paying the contracted amount regardless of fluctuation in market price