

**ENERGY COMMODITY PRICE HEDGING**

Section:	Finance (FN)
Subject:	Energy Commodity Price Hedging
Legislation:	
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**APPROVED:**

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**Chair, on Behalf of SAIT's Board of Governors**

## POLICY

The policy of the Board of Governors is to provide a framework and guidelines for the use of hedging instruments to manage the price volatility of and to provide cost certainty for the energy commodities that SAIT consumes.

## DEFINITIONS

**Energy commodities** Electricity and natural gas that SAIT consumes, excluding non-fixed charges such as power transmission and distribution wires, and natural gas pipeline transportation and fuel costs.

## GOVERNING PRINCIPLES

1. Energy commodity price hedging activities will only be undertaken to reduce the price volatility of and increase the price certainty for electricity and natural gas, for budgeting purposes.
2. SAIT shall not acquire energy commodity volumes that exceed the forecasted usage requirements.

## POLICY/PROCEDURE REFERENCE

FN.15.1.1 Energy Commodity Price Hedging procedure  
*The official controlled version of this document is held in the Board of Governors Office.*