



"I have a one-BCF lease: Do I hedge all one-BCF or less to best protect extrinsic?"

## Capturing optimal value while increasing flexibility

Storage Optimization Software (SOS™) allows natural gas storage traders to capture optimal value and:

- Effectively manage more storage leases per trader
- Efficiently manage more complicated leases such as multi-scheduled and high-cycle

The SOS™ storage model also allows natural gas storage traders to take into account the impact of minimum maximum requirements, ratchets, fuel and commodity charges, transport to and from the facility, bid/offer spreads, and ad valorem taxes. **Bust** most important, traders can enter short-term cash price forecasts into SOS™ to see their effects on trading recommendations.

### The VaR Calculator

How one hedges depends on how one trades. If you cash trade, which is profit maximizing, then you must **delta hedge** in order to best protect maximum storage value. With the unique VaR Calculator, the model is able to examine different delta hedges for how well they protect value. understands that different hedges can lead to the same extrinsic value protection, and the SOS™ VaR Calculator gives you the means to make the best choices, such as the ones that minimize transaction costs.

The VaR Calculator assesses multiple ways to optimally protect extrinsic value.

#### VaR Calculator for Proposed Hedges

Enter the gas inventory that is to be held over through tomorrow, and enter the proposed hedges. After all data are entered, click the button 'Get VaR.'

Held-Over Inventory (MMBtus): 600,000

Hedging Contract:

Month	Proposed MMBtus for Hedging	VaR of Your Proposed Hedges	VaR of New Optimal Hedges
Jul-2016	0	6.65	6.413
Aug-2016	0		
Sep-2016	0		
Oct-2016	0		
Nov-2016	0		
Dec-2016	-200,000		
Jan-2016	-200,000		
Feb-2016	-200,000		
Mar-2016	0		

Buttons: Get VaR, Reset Sheet

The SOS™ VaR Calculator is the tool you need to optimally hedge maximum storage value

### What our clients are saying about the SOS™ Storage Model!

"With all of the optionality of storage trading, it is nearly impossible to figure out when you should physically inject or withdraw gas or financially lock in spreads. Additionally, how do you know when month you should financially buy or sell against your physical sales and buys, respectively?"

"The trading model provides the answer to these questions as it aids you in maximizing your storage asset's true potential value. By providing price thresholds between physical gas and the prompt financial contract, it provides an easy to use guide to know when to inject or withdraw. Not only is it easy, it is profitable. I strongly recommend this model for any trading shop managing storage assets."

Paul Capriotti  
Columbia Vision

Columbia Vision

"We purchased Storage Optimization Software (SOS) in 2012 and it has helped us perform two vital functions: optimize forward storage leases and maximize daily economic value of our storage portfolio. It is an easy-to-use application that has helped me model the most complex of storage scenarios. Inputs are easy and straightforward while the outputs are easy to understand. As complicated and complex as modeling storage is, SOS performs in an innovative, practical and user-friendly way that does not take hours to get the results."

John Borruso,  
Storage Trader

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- Author: leisa Subject: Highlight Date: 11/6/15, 8:22:15 PM -06'00'  
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- Author: leisa Subject: Highlight Date: 11/7/15, 5:01:50 PM -06'00'  
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- Author: leisa Subject: Highlight Date: 11/6/15, 8:23:06 PM -06'00'  
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- Author: leisa Subject: Highlight Date: 11/6/15, 8:26:06 PM -06'00'  
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