## **FUEL SURCHARGE POLICY**

Effective January 2013 Lincoln Archives, Inc. will be implementing a fuel surcharge that is adjusted monthly. Adjustments to the fuel surcharge basis will be effective the first of each month.

The fuel surcharge is indexed to the National U.S. Average On-Highway Diesel Fuel Prices (for New England (PADD1A) region) reported by the U.S. Department of Energy for the month that is two months prior to the adjustment. For example, the surcharge for January 2007 is based on the November 2006 National U.S. Average On-Highway Diesel Fuel Price.

Please view the following link On-Highway Diesel Fuel Prices to reference the U.S. Department of Energy's National U.S. Average On-Highway Diesel Fuel Prices (for New England (PADD1A) region) for the reported diesel fuel pricing information. (NOTE: If you click on the link, it will open in a new window.) Fuel surcharge percentages and thresholds are subject to change without prior notice. If the fuel surcharge price basis rises above \$6.046 per gallon or there are changes to the thresholds, the table will be updated.

Fuel surcharge percentages and thresholds are subject to change without prior notice. If the fuel surcharge price basis rises above \$6.046 per gallon or there are changes to the thresholds, the table will be updated.

<u>Billing</u>: The fuel surcharge will be included on your invoice as a separate line item. The fuel surcharge will be applied against transportation-related charges to include Trip Charges and Shredding Services. For a complete list of line items included in the fuel surcharge calculation, please refer to the following table:

## **Fuel Surcharge**

As seen in the table below, the base rate was set at \$2.545. This base rate was determined by the national average On-Highway Diesel Fuel Price for November 2006.

National U.S. Average On-Highway Diesel Fuel Price (\$/Gallon)

At 1	Dut Lass Than	Cahaa
At Least	But Less Than	Surcharge
\$0.001	\$2.545	0.0%
\$2.546	\$2.645	0.6%
\$2.646	\$2.745	1.2%
\$2.746	\$2.845	1.8%
\$2.846	\$2.945	2.4%
\$2.946	\$3.045	3.0%
\$3.046	\$3.145	3.6%

\$3.146	\$3.245	4.2%
\$3.246	\$3.345	4.8%
\$3.346	\$3.445	5.4%
\$3.446	\$3.545	6.0%
\$3.546	\$3.645	6.6%
\$3.646	\$3.745	7.2%
\$3.746	\$3.845	7.8%
\$3.846	\$3.945	8.4%
\$3.946	\$4.045	9.0%
\$4.046	\$4.145	9.6%
\$4.146	\$4.245	10.2%
\$4.246	\$4.345	10.8%
\$4.346	\$4.445	11.4%
\$4.446	\$4.545	12.0%
\$4.546	\$4.645	12.6%
\$4.646	\$4.745	13.2%
\$4.746	\$4.845	13.8%
\$4.846	\$4.945	14.4%
\$4.946	\$5.045	15.0%
\$5.046	\$5.145	15.6%
\$5.146	\$5.245	16.2%
\$5.246	\$5.345	16.8%
\$5.346	\$5.445	17.4%
\$5.446	\$5.545	18.0%
\$5.546	\$5.645	18.6%
\$5.646	\$5.745	19.2%

\$5.746	\$5.845	19.8%
\$5.846	\$5.945	20.4%
\$5.946	\$6.045	21.0%
\$6.046	TBD	TBD

## **Examples**

Assume that your contracted trip charge is \$15.00. If the average On-Highway Diesel Fuel Price was \$2.60/gallon for a measurement month, the surcharge (applied to the month that follows the measurement month by two months) would be 0.60%. In dollar terms, that would be \$15/trip X 0.60% = 0.09/trip surcharge.

For a shredding customer, the surcharge will be applied to your shredding services. If you have a shredding service charge of \$75 X 0.60% = \$0.45/shredding service surcharge.

If the Average, On-Highway Diesel Fuel Price was to \$3.00/gallon for a measurement month, the surcharge would be 3.00% and, using the same math, the surcharge would be \$0.90/trip or \$2.25/shredding service.

The table above only goes up to \$6.046/gallon. If necessary, it will be expanded to cover higher fuel prices.

The surcharge is a percentage so that higher or lower trip or shredding charges will have correspondingly higher or lower surcharges.