

**THE KENDALLVILLE TERMINAL RAILWAY COMPANY (KTR),
FUEL SURCHARGE TARIFF 9003-B**

(Replaces KTR 9003-A in its entirety)



Web Address: <https://pioneerlines.com/the-kendallville-terminal-railway-company-ktr/>

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ISSUED BY:

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The Kendallville Terminal Railway Company (KTR) 9003 Fuel Surcharge (FSC) will be calculated via a variable, percentage-based formula as described below. This FSC will apply to all local and joint-line traffic moving on all public and private price authorities that reference the 9003 series tariff.

The fuel surcharge shall apply on the following traffic:

- 1) All carload traffic, as noted, originating on the KTR.
- 2) Carload traffic, as noted, originating at stations on carriers other than KTR, received at interchange points by KTR, and handled beyond such interchange points via KTR under AAR Accounting Rule 11 billing.
- 3) All carload traffic, as noted, originating at stations other than KTR, received at interchange points by KTR where rates are contained in KTR pricing documents, and freight charge billing is performed by KTR.

The foregoing surcharge will be billed to the payer of the freight charges.

FUEL SURCHARGE CALCULATION

In the event the average price per gallon of highway diesel fuel (HDF) (as determined below) equals or exceeds \$2.400 per gallon, the fuel surcharge will be calculated by multiplying the respective percentage per the chart below against the KTR portion of the line haul rate for the shipment. The fuel surcharge shall be applied to applicable shipments beginning the second month following the month the HDF average price calculation was based. (example: the fuel surcharge applied on March 1st would be based on the January HDF average price)

The HDF average price for a given calendar month is reported on the U.S. Energy Information Administration web site (www.eia.gov). Should the Energy Information Administration cease reporting the price of Retail Diesel Fuel (On-Highway), Pioneer Lines will employ an appropriate substitute source of price or measure.

The fuel surcharge will begin at 1.0% of the line haul freight at \$2.400 per gallon and will increase 0.5% for every additional \$0.10 cents per gallon. The following schedule provides the new Fuel Surcharge within the noted HDF Average Price:

FUEL SURCHARGE PERCENTAGE TABLE

| Diesel (On-Highway) – All Types (Price per gallon) | Surcharge (Percentage) |
|---|-----------------------------------|
| \$ Below \$2.40 | None |
| \$ 2.40 - 2.49 | 1.0% |
| \$ 2.50 - 2.59 | 1.5% |
| \$ 2.60 - 2.69 | 2.0% |
| \$ 2.70 - 2.79 | 2.5% |
| \$ 2.80 - 2.89 | 3.0% |
| \$ 2.90 - 2.99 | 3.5% |
| \$ 3.00 - 3.09 | 4.0% |
| \$ 3.10 - 3.19 | 4.5% |
| \$ 3.20 - 3.29 | 5.0% |
| \$ 3.30 - 3.39 | 5.5% |
| \$ 3.40 - 3.49 | 6.0% |
| \$ 3.50 - 3.59 | 6.5% |
| \$ 3.60 - 3.69 | 7.0% |
| \$ 3.70 - 3.79 | 7.5% |
| \$ 3.80 - 3.89 | 8.0% |
| \$ 3.90 - 3.99 | 8.5% |
| \$ 4.00 - 4.09 | 9.0% |
| \$ 4.10 - 4.19 | 9.5% |
| \$ 4.20 - 4.29 | 10.0% |
| \$ 4.30 - 4.39 | 10.5% |
| \$ 4.40 - 4.49 | 11.0% |
| \$ 4.50 - 4.59 | 11.5% |
| \$ 4.60 - 4.69 | 12.0% |
| \$ 4.70 - 4.79 | 12.5% |
| \$ 4.80 - 4.89 | 13.0% |
| \$ 4.90 - 4.99 | 13.5% |

The Fuel Surcharge will be 14%, plus an additional 0.5% of the line-haul freight charge for every additional \$0.10 cents per gallon, or portion thereof, by which the HDF average monthly price per gallon exceeds \$5.00.

FUEL SURCHARGE MONTHLY APPLICATION

The fuel surcharge shall be applied to each shipment having a bill of lading dated on or after the 1st day of the second calendar month following the calendar month of a given HDF Average Price calculation. The fuel surcharge will change monthly per the table below:

| Calendar Month of HDF Average | Fuel Surcharge Price Applied |
|--|---|
| January | March 1 |
| February | April 1 |
| March | May 1 |
| April | June 1 |
| May | July 1 |
| June | August 1 |
| July | September 1 |
| August | October 1 |
| September | November 1 |
| October | December 1 |
| November | January 1 |
| December | February 1 |