



ATTACHEMENT B
Fuel Surcharge/Discount Formula

Fluctuations in fuel costs above or below \$4.00 per gallon of diesel fuel will be recovered by Republic through a Fuel Surcharge or Discount ("FSD") computed using the following formula ("Fuel Cost") determined based on the DOE PADD 1C: Lower Atlantic Region Index (the "Index")

MPG Allowances: Roll Off Trucks – 4.50 MPG

(Fuel Cost - \$4.00) / MPG Allowance = FSD per Mile

(FSD per Mile X 28 Round Trip Miles) = FSD per Load

The FSD will be computed on a cents-per-mile basis and translated to a per load basis for invoicing purposes. Fractions will be rounded to the nearest whole cent. No surcharge will begin to be calculated until the Index exceeds or drops below \$4.00 per gallon. Should the price of fuel decrease to below \$4.00 per gallon, Republic will issue a credit to Customer using the same FSD calculation.

Revisions to the FSD will occur on the first Monday of every Quarter using the average price of diesel fuel for the previous 12 weeks, regardless of the invoice date. When the first business day falls on a DOE observed holiday and no Index is posted, the revision will occur on the next day of DOE posting.

For Debit example, and for illustration purposes only, if the Index is reported as \$3.83 per gallon and the round-trip miles are 100, the FSD from the Origin Facility to the Destination Facility would be for that month:

(\$4.83 - \$4.00) / 4.50 MPG = \$0.1844 per Mile

\$0.1844 * 28 Miles = \$5.16 Debit per Load

For Credit example, and for illustration purposes only, if the Index is reported as \$1.50 per gallon and the round-trip miles are 100, the FSD from the Origin Facility to the Destination Facility would be for that month:

(\$4.50 - \$4.00) / 4.50 MPG = (\$0.1111) per Mile

(\$0.1111) * 28 Miles = (\$3.11) Credit per Load

Average Mileage based on hauls and round trip mileage per Attachments B and C of Bid Documents is 28 miles.

Mileage to be used per haul for FSC calculation is 28 miles.