

THE INDIANA RAIL ROAD COMPANY

(INRD)

**FUEL SURCHARGE**

In the event the price of West Texas Intermediate Crude Oil (WTI), as published in the Wall Street Journal, equals or exceeds \$28.00 per barrel for thirty (30) consecutive days, INRD retains the right to apply a fuel surcharge to the line haul freight charge(s) referencing this authority in effect on the date the fuel surcharge is applied, herein after referred to as the "Base Freight Charge(s)." If this option is exercised, the fuel surcharge shall be applied according to the following schedule.

<u>WTI Average Price Per Barrel</u>	<u>Fuel Surcharge Percentage</u>	<u>WTI Average Price Per Barrel</u>	<u>Fuel Surcharge Percentage</u>
\$23.00 and Below	No Surcharge	\$41.01 - \$42.00	7.6%
\$23.01 - \$24.00	0.4%	\$42.01 - \$43.00	8.0%
\$24.01 - \$25.00	0.8%	\$43.01 - \$44.00	8.4%
\$25.01 - \$26.00	1.2%	\$44.01 - \$45.00	8.8%
\$26.01 - \$27.00	1.6%	\$45.01 - \$46.00	9.2%
\$27.01 - \$28.00	2.0%	\$46.01 - \$47.00	9.6%
\$28.01 - \$29.00	2.4%	\$47.01 - \$48.00	10.0%
\$29.01 - \$30.00	2.8%	\$48.01 - \$49.00	10.4%
\$30.01 - \$31.00	3.2%	\$49.01 - \$50.00	10.8%
\$31.01 - \$32.00	3.6%	\$50.01 - \$51.00	11.2%
\$32.01 - \$33.00	4.0%	\$51.01 - \$52.00	11.6%
\$33.01 - \$34.00	4.4%	\$52.01 - \$53.00	12.0%
\$34.01 - \$35.00	4.8%	\$53.01 - \$54.00	12.4%
\$35.01 - \$36.00	5.2%	\$54.01 - \$55.00	12.8%
\$36.01 - \$37.00	5.6%	\$55.01 - \$56.00	13.2%
\$37.01 - \$38.00	6.0%	\$56.01 - \$57.00	13.6%
\$38.01 - \$39.00	6.4%	\$57.01 - \$58.00	14.0%
\$39.01 - \$40.00	6.8%	\$58.01 - \$59.00	14.4%
\$40.01 - \$41.00	7.2%	\$59.01 - \$60.00	*

*The fuel surcharge will be 14.4%, plus an additional 0.4% of the linehaul freight charge for every \$1.00 per barrel, or portion thereof, by which the WTI Average Price exceeds \$60.00. Calendar Month of WTI Average Price Fuel Surcharge 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

The price of West Texas Intermediate Crude Oil must equal or exceed a given bracket for thirty (30) consecutive days for the surcharge under that bracket to be applicable. If the price of West Texas Intermediate Crude Oil ceases to be available from the Wall Street Journal or some other readily accessible source, a substitute to measure will be utilized.

The fuel surcharge applies to local as well as interline freight movements. The fuel surcharge will be effected by an amendment to appropriate tariffs of general applicability and will be applied to all traffic moving under tariffs, private price quotes and certain contracts that incorporate those general tariffs. Contracts that contain a price escalator index published by a government entity, such as RCAF, may be excluded.

The formula for determining the fuel surcharge is based on the monthly average price of West Texas Intermediate Crude Oil (WTI Average Price), an industry standard for tracking oil prices. The WTI Average Price for a given calendar month is determined by adding the daily WTI prices published in the Wall Street Journal during a calendar month, and dividing the result by the number of days so published. The result is rounded to the nearest cent.

Governed, except as otherwise provided herein, by Uniform Freight Classification, UFC 6000-Series, National Railroad Freight Committee, Agent, supplements thereto or successive issues thereof, as well as applicable demurrage rules and procedures.

Governed, except as otherwise provided herein, by the Official Railroad Station List, OPSL 6000-Series, Railinc, Agent, supplements thereto or successive issues thereof.

ISSUED: January 27, 2003

EFFECTIVE: February 15, 2003

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