

FUEL SURCHARGE TARIFF KTR 9003-A

(Replaces KTR 9003 in its entirety)

Effective July 1, 2008, the Kendallville Terminal Railway Co. (KTR) 9003 FSC will be revised with respect to exempt traffic, as follows. This revised surcharge program 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

The formula for determining the fuel surcharge will be 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 fuel surcharge will be 1.0% of the linehaul freight charge for every \$3 per barrel, or portion thereof, by which the WTI Average Price exceeds \$65. The following schedule provides the new Fuel surcharge within the noted WTI Average Price Ranges:

Fuel Surcharge Rates:

WTI Crude Oil (Price per barrel)	Surcharge (Percentage)
\$ 65.00 & Below	None
\$ 65.01 – 68.00	1 %
\$ 68.01 - 71.00	2%
\$ 71.01 - 74.00	3%
\$ 74.01 - 77.00	4%
\$ 77.01 - 80.00	5%
\$ 80.01 - 83.00	6%
\$ 83.01 - 86.00	7%
\$ 86.01 - 89.00	8%
\$ 89.01 - 92.00	9%
\$ 92.01 - 95.00	10%
\$ 95.01 - 98.00	11%

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(continued)

WTI Crude Oil (Price per barrel)	Surcharge (Percentage)
\$ 98.01 – 101.00	12%
\$101.01 – 104.00	13%
\$104.01 – 107.00	14%

- The fuel surcharge will be 14%, plus an additional 1% of the line-haul freight charge for every \$3.00 per barrel, or portion thereof, by which the WTI Average Price per Barrel exceeds \$107.00.

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 WTI Average Price calculation. The fuel surcharge will change monthly per the table below:

Calendar Month of WTI 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

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 measure will be determined and utilized.