

Cumbria Logistics Ltd  
Shed 8, Unit 7 Sandysike Ind Est  
Longtown, Cumbria, CA6 5SR  
Tel: 01228 792111  
Fax: 01228 792586  
www.cumbrialogistics.co.uk



11<sup>th</sup> January 2022

## **FUEL ESCALATOR 2022**

Dear customer

As you will be aware, the cost of fuel has again been increasing over the past few months.

The market price of fuel is obviously beyond our control and represents a significant variable and volatile cost to be managed, although a distasteful subject where distribution costs are concerned. For each 1p increase in the price of fuel, our operating costs are affected by 0.5%, you will now once the fuel surcharge hits 5%, we have reduced the increments by 0.25% for every 1p added and will look to absorb the difference.

We are moving away from the AA fuel matrix and will now charge based on the average cost price to us for the previous month. This will be communicated to you accordingly

You will note that the fuel escalator will be calculated using a base rate of £1 per litre excluding Vat with the surcharge being implemented should the price rise above this.

As a valued customer we have kept the surcharge to a minimum to hopefully retain your business, whilst addressing the commercial reality of fuel price fluctuation. It is our aim to ensure that as a significant supply chain partner you our customer, we ensure that we act in a business-like fashion to address variable cost increases which are driven by external economic factors.

I do hope we can continue building on our good trading relationship, and if we can help in any way or you have any questions or queries regarding this letter, please do not hesitate to contact me.

Yours Faithfully

James Charnley  
Managing Director

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FUEL ESCALATOR SURCHARGE INDEX 2022 onwards

<b>FUEL PRICE - PENCE PER LITRE (EXCULDING VAT)</b>		<b>SURCHARGE %</b>
<b>AT LEAST</b>	<b>BUT LESS THAN</b>	
1.00	1.01	0.5
1.01	1.02	1.00
1.02	1.03	1.50
1.03	1.04	2.00
1.04	1.05	2.50
1.05	1.06	3.00
1.06	1.07	3.50
1.07	1.08	4.00
1.08	1.09	4.50
1.09	1.10	5.00
1.10	1.11	5.25
1.11	1.12	5.50
1.12	1.13	6.00
1.13	1.14	6.25
1.14	1.15	6.50
1.15	1.16	6.75
1.16	1.17	7.00
1.17	1.18	7.25

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1.18	1.19	7.50
1.19	1.20	7.75
1.20	1.21	8.00
1.21	1.22	8.25
1.22	1.23	8.50
1.23	1.24	8.75
1.24	1.25	9.00