



## TARIFF 9600 :: PERCENTAGE BASED FUEL COST ADJUSTMENT FUEL SURCHARGE

Item 1

In the event that the average monthly price of West Texas Intermediate Crude Oil (WTI) equals or exceeds US \$25<sup>00</sup> per barrel: calculated using the daily price of WTI as traded on the New York Mercantile Exchange (NYMEX), Canadian Pacific Railway will assess and the shipper shall, in addition to all other charges, pay a fuel surcharge on all line haul freight charges referencing this. An additional surcharge shall apply in the event that the Monthly Average Crack Spread (MACS), defined as No. 2 Fuel Oil/ Heating Oil at New York Harbor as traded on NYMEX converted to a price per barrel minus the monthly average price of West Texas Intermediate equals or exceeds \$10<sup>00</sup>.

The applicable fuel surcharge percentage shall be applied to each shipment having a shipment date on or after the 1st day of the second calendar month following the calendar month of a given WTI Average Price and MACS Calculation and the fuel surcharge will change monthly.

Effective January 01, 2009

In the event that the average price of West Texas Intermediate Crude Oil (WTI) equals or exceeds US \$25<sup>00</sup> per barrel for the applicable 15 day period, calculated using the daily price of WTI as traded on the New York Mercantile Exchange (NYMEX), as published by Bloomberg Media, Canadian Pacific Railway will assess and the shipper shall, in addition to all other charges, pay a fuel surcharge on all linehaul freight charges referencing this authority. An additional surcharge shall apply in the event that the 15 day Average Crack Spread, defined as No. 2 Fuel Oil/ Heating Oil at New York Harbor as traded on NYMEX, as published by Bloomberg Media, converted to a price per barrel minus the 15 day average price of West Texas Intermediate equals or exceeds \$10<sup>00</sup>.

The applicable fuel surcharge percentage shall be applied to each shipment having a shipment date on or after the 1st day of the Application Period of a given WTI and Average Crack Spread Price Calculation.

The Application Periods are: the 1st through the 15th day of each month; and the 16th through the last day of each month.

For the application period of the 1st through the 15th of each month, the 15 day average WTI and Average Crack Spread trading prices prior to 20 days preceding the 1st day of the month shall determine the fuel surcharge.

For the application period of the 16th through the last day of each month, the 15 day average WTI and Average Crack Spread trading prices prior to 20 days preceding the 16th day of the month shall determine the fuel surcharge.

When the WTI Average Price equals or exceeds US \$25<sup>00</sup>, the applied fuel surcharge will be 3.5% of the line haul freight charges. For each additional \$1<sup>00</sup> per barrel of WTI above US \$25<sup>00</sup>, the fuel surcharge will increase by an incremental 0.25%, and will be applied to the line haul freight charges referencing this authority. Additionally, when the Average Crack Spread, defined as the difference between No. 2 Fuel Oil / Heating Oil at New York Harbor in barrels and WTI, equals or exceeds US \$10<sup>00</sup>, the applied surcharge will be increased by 0.25% for every \$1<sup>00</sup> change.

All average prices will be based on the daily trading prices on NYMEX as published by Bloomberg media. Should Bloomberg media discontinue their publication of data a comparable source will be used.

Notice of changes in the fuel surcharge will be published on CPR's website at [www.cpr.ca](http://www.cpr.ca).

This tariff is applicable only in connection with tariff publications and/or contracts making reference to this tariff and to the extent indicated in such tariff publications and/or contracts.

