

**AKEHURST LANDSCAPE SERVICE INC.**

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**ALSi - Variable Energy Charge Calculation - Effective June 1, 2023**

Akehurst Landscape Service Inc. (ALSi) and its affiliated companies continue to incur higher fuel costs in providing the high-quality services our customers have come to expect. While we attempted to address these higher costs through operating efficiencies, ALSi can no longer continue to absorb the higher fuel costs. As a result we implemented the Fuel Surcharge or Variable Energy Charge to our customers effective March 1, 2022.

This **Variable Energy Charge (VEC)** will be expressed as a percentage of a customer's total invoice amount, excluding taxes and other charges, unless otherwise agreed, and is intended to address direct and indirect energy costs - fuel, natural gas, electricity, oil, and freight - that affect almost every material used and service offered by ALSi. ALSi calculates the variable energy charge using the East Coast National Average Price per gallon of diesel fuel on the 20th day of the month according to the Energy Information Administration of the U.S. Department of Energy (EIA/DOE) as published on its website: <https://www.eia.gov/petroleum/gasdiesel/>

Current DOE Diesel Price Range Example		Variable Energy Charge (VEC)
Low	High	
\$3.00	\$4.49	0.00%
\$4.50	\$4.94	3.00%
\$4.95	\$5.44	6.00%
\$5.45	\$5.98	9.00%
\$5.99	\$6.58	12.00%
\$6.59	\$7.24	15.00%
\$7.25	\$7.96	18.00%
\$7.97	\$8.76	21.00%
\$8.77	\$9.64	24.00%
\$9.65	\$10.60	27.00%
\$10.61	\$11.66	30.00%
\$11.67	\$12.83	33.00%
\$12.84	\$14.11	36.00%
\$14.12	\$15.53	39.00%
\$15.54	\$17.08	42.00%
\$17.09	\$18.79	45.00%
\$18.80	\$20.67	48.00%
\$20.68	\$22.74	51.00%
\$22.75	\$25.01	54.00%
\$25.02	\$27.52	57.00%

**FUEL SURCHARGE/VARIABLE ENERGY CHARGE (VEC)**

Fuel is a standard cost factor of operations, and contracts are proposed with these factors at the Proposal Date. If Diesel Fuel prices increase more than 10% per gallon from the proposals price established by the Proposal Date during the contract term, ALSi will impose a VEC Fuel Surcharge to offset increases in fuel cost for each 10% increase per gallon. Diesel Fuel pricing at time of contract proposal date can be determined per the US Energy Information Administration website at: <https://www.eia.gov/petroleum/gasdiesel/>. If the price of Diesel fuel continues to increase the billing will increase proportionately per our posted Variable Energy Charge (VEC) Schedule which can be found on our website at: <https://www.akehurst.com/VEC.pdf>