



Dump Truck System

A tool that professionalizes your business

Fuel Surcharge Methods



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1. Purpose

Diesel fuel prices have risen over time and remain subject to sharp, unpredictable swings driven by market conditions and external events. These changes can make it difficult to maintain stable operating margins on dump-truck and aggregate-hauling work.

The Dump Truck System (DTS) provides several methods for calculating and applying a fuel surcharge so that the additional cost can be recovered consistently and presented clearly on customer invoices.

2. Fuel Surcharge Methods

DTS supports four approaches. Select the method that matches the customer agreement and the source of the surcharge.

2.1 Manual percentage line

When entering a billing ticket, add a second line. Enter the gross haul amount in the Quantity field and type the surcharge percentage in the Rate field. This method is flexible but is not recommended for routine use. Rates must be looked up or remembered for each customer and date, which increases the risk of inconsistency and disputes.

2.2 Per-customer fuel surcharge table

Define a fuel surcharge table for the customer. Each entry includes a start date, an optional end date, and a surcharge percentage. Leave the end date blank if the rate remains in effect until changed.

On the billing line, enter the item code FS. Enter the gross haul amount in the Quantity field. DTS looks up the percentage that applies to the ticket date and fills the Rate field automatically.

2.3 EIA / PADD weekly diesel index

Base the surcharge on the U.S. Energy Information Administration (EIA) weekly retail on-highway diesel price. PADD (Petroleum Administration for Defense District) regions are the EIA's geographic groupings; the national average may also be used.

Enter the published weekly rates into the PADD table. When a ticket is billed, DTS selects the rate that corresponds to the work date and applies it automatically. Because both parties can verify the published index, this method reduces disputes.

2.4 Quarry fuel surcharge

Some quarries and material suppliers add their own fuel charge for loaders and other diesel equipment. The charge may be a flat amount or a percentage. DTS calculates either form and brings the amount into the billing ticket according to the quarry agreement.



3. Recommended Method by Situation

Situation	Recommended method	Notes
Customer expects a published regional or national index	PADD / EIA weekly diesel rates	Rates are entered once per week. DTS applies the correct percentage from the work date. Reduces disputes because the source is public.
Customer has an agreed schedule or contract table	Per-customer rate table	Percentages and date ranges are defined in advance and applied automatically at billing.
Quarry or material supplier adds its own fuel charge	Quarry fuel surcharge	Matches the supplier agreement and posts to the invoice automatically.

4. Invoice Presentation

Fuel surcharge may be shown in any of the following ways:

- On the same line as the trucking charge.
- On a separate line item.
- In the invoice totals area only.

Choose the presentation that matches the customer agreement and keeps the base rate and the fuel component distinct.

5. Establishing Customer Agreement

A fuel surcharge is appropriate when operating cost has moved outside the assumptions built into the quoted rate and the surcharge recovers only the fuel portion.

A structure commonly used by dump-truck and aggregate haulers is:

- The base rate remains unchanged, or is adjusted only for labor, insurance, and maintenance.
- The fuel surcharge is shown as its own line and is linked to a named published diesel price (EIA weekly retail average or a stated local rack price).
- The surcharge applies only above a stated baseline and moves up or down with the index, so customers can see that it may decrease as well as increase.
- Written notice of 7–14 days is given before the surcharge begins on new and existing work.
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5.1 Sample notice to existing customers

Subject: Fuel surcharge effective [date]

We are adding a fuel surcharge on hauls beginning [date], with at least [7/14] days' notice.

Diesel prices have moved well above the level built into our current rates, and fuel now represents a substantial share of the cost of operating the trucks. Rather than raise the base rate across the board, we are separating the fuel component so the charge tracks actual diesel cost.

The surcharge will be [X% of the haul rate / \$Y per ton / \$Z per loaded mile] when the [EIA U.S. average / named regional / local] diesel price is above \$[baseline]. It will appear as its own line on the invoice and will be reduced or removed if diesel returns to the baseline.

The current calculation and the index used are attached.

Jobs already covered by a signed quote that fixed the total price through [date] will be honored as written.

New quotes and ongoing work after [effective date] will include the surcharge.

We are available to review the calculation on any current job. Please call or reply if you would like the worksheet.



5.2 Short version for a call or text

Follow the conversation with the written notice above.

"Diesel prices have risen enough that the rates we quoted no longer cover truck operating cost. Beginning [date] we are adding a fuel surcharge tied to the weekly diesel average. It will appear as a separate line, not as a blanket rate increase, and it will be removed if fuel drops. I will email the exact formula today so you can review it before it appears on any invoice."

5.3 Language for new quotes

Include the following, or equivalent, language on the quote:

"Rates exclude fuel surcharge. A fuel surcharge of [formula] applies and will be itemized on each invoice."

6. Defensible Formula

Customers accept a surcharge more readily when they can verify the number. Common simple forms are:

- A percentage of the haul charge (for example, 8–15% when diesel is in a stated band).
- A per-ton or per-load adder.
- A per-mile adder based on average gallons per mile and the difference between the current diesel price and the baseline.

Example that can be adapted: baseline \$3.50 per gallon. For every \$0.25 diesel rises above that baseline, add \$X per ton (or Y%). Publish the current surcharge percentage or dollar amount weekly or monthly so the figure is not perceived as arbitrary.

6.1 Sample formula tied to the EIA index

The following formula can be adopted as written. It uses the public EIA weekly on-highway diesel price so a customer can check the result.

- Index: EIA weekly retail on-highway diesel price, U.S. average (or a named PADD region). Published each Monday (Tuesday if Monday is a holiday) at eia.gov.
- Baseline (peg): \$4.00 per gallon. This is the diesel price already built into current haul rates. No surcharge applies at or below \$4.00.
- Fuel use: 4.5 miles per gallon (a typical figure for a loaded Class 8 dump truck in local and regional work; the common range is about 3.5–5.5 mpg).

Surcharge per loaded mile:

$(\text{current EIA price} - \$4.00) \div 4.5$

Round to the nearest cent. If the result is zero or negative, the surcharge is \$0.00.

Billing rules

- Mileage jobs: surcharge $\times$ loaded miles.
- Ton or load jobs: convert using average loaded haul length, or use the percentage table below.
- Empty miles, standby, and hourly work are not surcharged unless stated otherwise.
- The surcharge is a separate invoice line and is not a discountable part of the haul rate.

Update rule: The Monday EIA price sets the surcharge for loads hauled from Wednesday of that week through Tuesday of the following week. The current figure may be shown on quotes and invoices.

Example: At an EIA price of \$6.382, the per-mile surcharge is \$0.53. A 25-mile loaded haul carries a \$13.25 fuel surcharge. If diesel returns to \$4.00, the surcharge is \$0.00.

6.2 Percentage table (alternative for ton or load billing)

EIA diesel price	Surcharge on haul charge
\$4.00 or below	0%
\$4.01–\$4.50	6%



EIA diesel price	Surcharge on haul charge
\$4.51–\$5.00	10%
\$5.01–\$5.50	14%
\$5.51–\$6.00	18%
\$6.01–\$6.50	22%
\$6.51–\$7.00	26%
Above \$7.00	26% plus 4% for each additional \$0.50

At \$6.382 the table yields 22%. Adjust the steps if the fuel share of the ticket is materially higher or lower than about 20–25%.

6.3 Rate-sheet paragraph

Fuel surcharge: a separate charge equal to (current EIA U.S. weekly on-highway diesel price minus \$4.00) divided by 4.5, per loaded mile, rounded to the nearest cent. No surcharge applies when the EIA price is \$4.00 or less. The Monday EIA price applies to loads from the following Wednesday through the next Tuesday. The current EIA price and the resulting surcharge are available on request. Fixed-price quotes signed before the effective date are honored through their stated expiration.

Set the baseline to the diesel price on which current rates were actually built, and change the miles-per-gallon figure only if fuel records show a clearly different average. Both numbers should remain fixed in the policy so the surcharge moves only when the EIA price moves.

7. Practical Guidelines

- Apply the surcharge uniformly. Selective application creates disputes and unfavorable comparisons.
- Honor fixed-price jobs that are already signed and short-term. Apply the surcharge to time-and-materials work, ongoing work, and new work.
- Keep the base rate and the surcharge separate so that a later decline in fuel price is visible as a reduction in the surcharge line.
- If a large customer declines the surcharge, a temporary blended rate may be negotiated. Include a written review date so the arrangement is not open-ended if diesel remains elevated.