

29<sup>th</sup> July 2022

# Customer Advisory

## FUEL ADJUSTMENT FACTOR (FAF) – UPDATE

Ports of Auckland has in place a formula for calculating the Fuel Adjustment Factor (FAF) to compensate our business as and when the price of fuel fluctuates. This process has been in place since August 2006 and we have continued to keep customers informed of the trend to the changing purchase price of fuel.

The calculation used to determine the Fuel Adjustment Factor is based on current pricing, working in bands of +/- 20%. If the six week average triggers a move up or down, the following formula applies with two weeks' notice of change.

The 6 weekly average for FAF as at 29th July 2022 has moved down a band into the +81% to +100% range. Based on this information, FAF will be charged as per the schedule below, effective 12<sup>th</sup> August 2022 being two weeks from today.

The next adjustment, either up or down, will still be based on the six week average change, however the notice period will increase from two weeks to four weeks. This is to enable customers sufficient time to make adjustments to their own pricing considerations.

Based on POAL purchase price in NZ\$ as of 1 September 2006	Container Terminal Handling Charge per Full container (Imports, Exports and Tranships)		Marine Service Rates	
	Full containers	Tranship per leg	Under 10,000 GRT	Over 10,000 GRT
Band				
Below - 20%	No charge	No charge	\$ -	\$ -
-20% to +20%	\$5.00	\$2.50 / \$2.50	\$75.00	\$150.00
+21% to +40%	\$7.50	\$3.75 / \$3.75	\$115.00	\$225.00
+41% to +60%	\$10.00	\$5.00 / \$5.00	\$170.00	\$300.00
+61% to +80%	\$12.50	\$6.25 / \$6.25	\$230.00	\$380.00
+81% to +100%	\$15.00	\$7.50 / \$7.50	\$300.00	\$460.00
+101% to 120%	\$17.50	\$8.75 / \$8.75	\$380.00	\$540.00
+121% to +140%	\$20.00	\$10.00 / \$10/00	\$460.00	\$620.00
+141% to +160%	\$22.50	\$11.25 / \$11.25	\$540.00	\$700.00

For your information our buy prices of fuel are based on the MOPS (Mid of Platts Singapore) Gas/Oil Index adjusted for exchange rate movements and shipping. We continue to have the application of FAF audited by an external third party and examples of the audit letter can be found on our website. Please don't hesitate to contact the below for a copy if required.

For further information contact:

**Customer Service**

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