



Portland Fuel Price Protection offers 2 key products; Portland Fixed and Portland Capped.

“Chaos, a rough
and unordered
mass...
you will go most
safely by the
middle way”

Portland Fixed

- Zero fee - costs nothing to take fixed price
- Fixed price offered for periods of 1 week to 12 months
- All grades of fuel covered (Diesel, Petrol, Gasoil, Jet A1, Fuel Oil, LPG)
- Portland does not buy the fuel - customer sources fuel in usual way
- Volume set by customer

Worked Example

- Travelsmart Bus Ltd are a bus company purchasing 100,000 litres of Diesel per month. They are looking to fix their costs on a portion of their fuel consumption.
- They decide they would like to fix the price of 50% of their monthly volume for the next 3 months, ie, 50,000 litres in Month 1, 50,000 litres in Month 2 and 50,000 litres in Month 3
- They agree a price of £1.05 per litre (excluding VAT) with Portland Fuel Price Protection for the 3 month period.
- The Portland Fixed product requires no up-front fee.
- Travelsmart continue to buy their fuel in the normal way from their usual fuel supplier(s).
- In month 1, the average price of Diesel turns out to be £1.06 per litre so Portland owes Travelsmart 1 pence per litre (ppl). On 50,000 litres that is £500 paid by Portland into Travelsmart's bank account (50,000 litres x 1p = 50,000 pence = £500)
- In month 2, the average price of Diesel continues rising and goes up to £1.08 per litre so Portland owes Travelsmart 3ppl. On 50,000 litres that is £1,500 paid by Portland into Travelsmart's bank account (50,000 litres x 3p = 150,000 pence = £1,500)
- In month 3, the price of Diesel falls back to an average of £1.04 per litre. That is 1ppl less than the agreed fixed price, so Travelsmart owe Portland £500 (50,000 x 1p).

Remember that Portland does not get involved in the physical purchase of fuel. You continue to negotiate with your fuel suppliers, receive the product and pay their bills in the normal way. We simply credit or debit the difference between what is paid versus the agreed Portland price.

(see next sheet for Portland Capped)



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Portland Capped

- Premium paid up-front
- Price capped from 1 month to 12 months (ie, customer never pay more than capped price)
- All grades of fuel covered (Diesel, Petrol, Gasoil, Jet A1, Fuel Oil, LPG)
- Portland does not buy the fuel
- customer sources fuel in usual way
- Volume and capped price set by customer

Worked Example

- Demolition Derby plc is a plant and equipment operator using 50,000 litres of Gasoil (Red Diesel) in the summer months, when trade is at its busiest.
- It is critical to Demolition Derby that they do not pay more than 55 pence per litre (ppl) in June and July, but they also want to take advantage of any falling fuel prices in those same months.
- Therefore Demolition Derby buys a fixed price of 55ppl in advance and pays Portland up-front a 1.50ppl fee per month ($1.50p \times 50,000 = 75,000$ pence = £750 in both June and July)
- In June the average price actually drops to 53ppl. Demolition Derby pay nothing because they chose the Premium product which requires a one-off, up-front fee. Portland pay nothing as the 53ppl price is lower than the agreed 55ppl capped price.
- However in July, the Gasoil price rockets and the average price for that month is 59ppl, 4ppl higher than the capped price. Therefore Portland owes Demolition Derby 4ppl and pays them £2,000 accordingly ($50,000 \text{ litres} \times 4p = 200,000$ pence = £2,000).

Once again, you buy and pay for your fuel in the normal way. Portland simply carries out a reconciliation on the price at the end of each month. Remember also that Portland Fuel Price Protection can offer fixed prices on a weekly basis if this better suits the customer's fuel purchasing patterns.

Still not clear?

We believe it is always better to go through things face-to-face, so please ring:

01904 570021

to make a free, no commitment appointment and one of our experts will talk you through what we offer.