

# 2019 ENERGY INDUSTRY SURVEY RESULTS

**GRAY GRAY & GRAY**®  
CERTIFIED PUBLIC ACCOUNTANTS | ADVISORS  
BEYOND THE NUMBERS

**OIL & ENERGY**

**FuelExchange**   
FuelExchange, LLC  
An Affiliate of Gray, Gray & Gray, LLP  
Merger & Acquisition Service

# Gray, Gray & Gray Energy Survey Results 2019

## In what state does your company primarily do business?

38%	Massachusetts	9%	New York
11%	Pennsylvania	17%	Connecticut
9%	New Hampshire	2%	Vermont
2%	New Jersey	2%	Wisconsin
6%	Maine	2%	Virginia
2%	California	2%	Missouri

Are you a family-owned business? 97% - Yes 3% - No

- If "Yes," how many generations? 3

Total number of employees: 36

Are your employees unionized? 3% - Yes 97% - No

Number of service technicians (full-time equivalent): 8

Number of delivery drivers (full-time equivalent): 8

Do you own a bulk plant? 69% - Yes 31% - No

- Capacity of your largest bulk plant for fuel oil? 111,154 gallons

- Capacity of your largest bulk plant for propane? 64,377 gallons

## What is the average HOURLY rate you pay:

Delivery Drivers	\$23.00 per hour
Dispatchers	\$23.00 per hour
Customer Service Representatives	\$20.00 per hour
Accounts Payable/Receivable Staff	\$22.00 per hour
Service Technicians	\$26.00 per hour
Service Manager	\$36.00 per hour
Controller/Accounting Manager	\$34.00 per hour

## How do you compensate Sales People?

38% - Straight salary (Avg. amount: \$73,513)  
 48% - Salary plus commission (Avg. amount: \$69,386)  
 14% - Commission only

## If you use a fleet management software program, which one do you use?

26% - Blue Cow Ignite Mobile	5% - Linxup	5% - Fleetmatics
17% - Digital Dispatcher	5% - Spireon	5% - Samsara
11% - Silent Passenger	5% - Total Energy	5% - Other
11% - Verizon	5% - TDS	

## Which fuel management software program do you use?

44% - Blue Cow	5% - Taurus	16% - Other
11% - Total Energy	4% - Destwin	
11% - DRM	2% - Cargas	
5% - ADD Systems	2% - TerraOil	

## Which accounting ledger system do you use?

78% - QuickBooks	4% - Great Plains	11% - Other
5% - Sage Intacct	2% - PeachTree	

## Are you considering any of the following (check all applicable):

59% - Acquiring a company	22% - Developing a new bulk plant
27% - Selling your company	14% - Upgrading a bulk plant
41% - Transitioning to the next generation	8% - Converting to S Corporation
19% - Conducting a business valuation	8% - Converting to flat rate billing
3% - Refinancing	3% - Merging into a joint venture
24% - Retiring	

## How do you intend to exit the business?

68% - Transition to the next generation 2% - Merge  
 30% - Sell to an outside party

## How many active fuel customers did you have as of Mar. 31, 2019?

(Note: An active customer is defined as having received a delivery within the last 18 months.)

Fuel Oil - Full Service Residential:	2,179
Fuel Oil - On-Demand Residential (COD, will-call):	1,455
Fuel Oil - Commercial:	97
Propane - Full Service Residential:	2,856
Propane - On-Demand Residential (COD, will-call):	955
Propane - Commercial:	211
Other:	513

## What percentage of your total fuel volume (gallons) does each customer type represent?

Fuel Oil - Full Service Residential:	21%
Fuel Oil - On-Demand Residential (COD, will-call):	21%
Fuel Oil - Commercial:	19%
Propane - Full Service Residential:	12%
Propane - On-Demand Residential (COD, will-call):	11%
Propane - Commercial:	11%
Other:	5%

## How do you see each segment of your fuel business changing in the next three years?

Fuel Oil - Full Service Residential:	35% - Increasing	17% - Decreasing	48% - Same
Fuel Oil - On-Demand Residential:	51% - Increasing	20% - Decreasing	29% - Same
Fuel Oil - Commercial:	12% - Increasing	35% - Decreasing	53% - Same
Propane - Full Service Residential:	84% - Increasing	4% - Decreasing	14% - Same
Propane - On-Demand Residential:	56% - Increasing	7% - Decreasing	37% - Same
Propane - Commercial:	48% - Increasing	0% - Decreasing	52% - Same
Other:	22% - Increasing	0% - Decreasing	78% - Same

## How many gallons of fuel did you sell during the heating season that just ended?

Fuel Oil - Full Service Residential:	1,540,768
Fuel Oil - On-Demand Residential (COD, will-call):	481,155
Fuel Oil - Commercial:	144,594
Propane - Full Service Residential:	1,349,251
Propane - On-Demand Residential (COD, will-call):	489,808
Propane - Commercial:	274,821
Kerosene:	86,258
Gasoline:	777,655
Diesel:	372,662
Biofuel:	1,310,326

# Gray, Gray & Gray Energy Survey Results 2019

What was your average margin for fuel sales during the heating season that just ended?

Fuel Oil - Full Service Residential:	\$0.81 per gallon
Fuel Oil - On-Demand Residential:	\$0.70 per gallon
Fuel Oil - Commercial:	\$0.56 per gallon
Propane - Full Service Residential:	\$1.36 per gallon
Propane - On-Demand Residential:	\$1.38 per gallon
Propane - Commerical	\$0.69 per gallon
Kerosene:	\$0.85 per gallon
Gasoline:	\$0.20 per gallon
Diesel:	\$0.44 per gallon
Biofuel:	\$0.74 per gallon

How has the change in oil prices affected your business?

44% - Better margins      18% - Lower margins      38% - No effect

In comparison to this time in 2018, has your customer list:

73% - Increased      9% - Decreased      18% - Remained the same

To what do you attribute the gain or loss of customers?

- 35% - Gained due to better or more effective marketing
- 3% - Gained due to an acquisition
- 29% - Gained due to better use of the internet or e-commerce
- 12% - Gained due to other
- 0% - Lost to competitor with similar pricing
- 7% - Lost to competitor with lower prices
- 10% - Lost to gas conversion
- 4% - Lost due to other

Please provide percentages for the following sources of new customers (between 4/1/18 and 3/31/19):

- 16% - Sales team
- 19% - Customer referrals
- 18% - Traditional advertising (print, radio, tv, direct mail, etc.)
- 17% - Digital marketing (email, pay-per-click, social media, website, etc.)
- 13% - E-Commerce customer platform
- 11% - Real estate agents
- 6% - Other

Which of the following do you offer to RETAIL customers?

- 53% - Fixed pricing
- 63% - Price cap
- 93% - Budget plan
- 84% - Service contracts
- 12% - Free oil for new customers
- 23% - Free service for new customers
- 14% - Temperature monitoring
- 42% - Tank monitoring system
- 49% - Tank protection plans
- 86% - Equipment service
- 86% - Heating system service
- 86% - Heating system installation
- 88% - Prompt Pay Discount
- 58% - Online ordering

What percentage of receivables fall into each date range?

- 26% - Less than 30 days
- 25% - 30-60 days
- 26% - 60-90 days
- 23% - Over 90 days

Do you use a third party for receivables collection?      21% - Yes      79% - No

What percentage of active customers use a budget plan?      24%

What percentage of active customers use a price protection plan?      25%

Do you charge retail customers for price protection?

- 24% - Yes - For Fixed Price      \$0.10 per gallon
- 43% - Yes - For Cap Price      \$0.19 per gallon
- 33% - Yes - For Down Side      \$0.22 per gallon
- 35% - No fee

How many deliveries did your drivers make in the last 12 months?      24,457

What is your average RESIDENTIAL drop (gallons per stop)?      165 gal.

What is the average renewal price you charge for a service contract?      \$268

How many PAID service contracts do you have?      1,140

What is the average HOURLY labor rate you charge for service:

- Oil Service:      \$106.00 per hour
- Propane Service:      \$114.00 per hour
- Air Conditioning:      \$120.00 per hour
- Plumbing:      \$110.00 per hour
- Pipeline Gas:      \$122.00 per hour

How many total service calls were made last year?      5,625

What is the average number of years an account has been a customer?      11 years

Have you acquired another company in the past three years?

- 21% - Yes-Retained gallons
- 5% - Yes-Cash at closing
- 74% - No

Are you planning to add alternative sources of revenue?

	Already Offer	Plan to Add
Service Gas Equipment:	24%	3%
Sell Propane:	22%	1%
A/C Installation & Service:	32%	0%
Plumbing Services:	9%	1%
Solar Installations:	1%	0%
Energy Efficiency Services:	3%	1%
Other	2%	0%

Gray, Gray & Gray is the nation's premier accounting firm for the energy industry. No other accounting or consulting firm has such intimate experience and expertise in the field. We serve the tax, accounting and business management needs of some of the leading fuel oil and propane dealers in the country.

More than any other accounting firm, the name Gray, Gray & Gray is solidly linked to success in the energy business. What can we deliver to you that your current accountant is missing?

Among our exclusive services for the energy industry are:

- **Annual Survey** – Annual “snapshot” of the industry to assist energy companies with benchmarking and strategic business planning
- **FuelExchange™** – Merger & acquisition service for the propane and fuel oil industry
- **Accounting Systems** – Enterprise and cloud-based accounting and financial management systems
- **Business Planning** – Formulate business plans and advise on key management decisions
- **Succession Planning** – Assistance with generational transfer or business sale
- **Valuations** – Industry-specific calculations of business value
- **GrayPay™** – Bill paying service

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