

# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## OVERALL RESULTS

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	24%
Up Slightly	41%
No Change	10%
Down Slightly	16%
Down Significantly	9%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	5%
Up Slightly	24%
No Change	26%
Down Slightly	29%
Down Significantly	16%

2. What was your average targeted margin during the heating season just ending?

Avg: \$0.39

3. How many oilheat customers do you have?

Residential (avg.):	2,333
Commercial (avg.):	202

4. How many employees do you have?

Avg: 19

5. Which of the following employee benefits do you offer?

Group Life Insurance	51%
Group Disability Insurance	39%
Group Long Term Care	9%
Retirement Plan	63%
Cafeteria Plan (Section 125)	30%
Paid Sick Days	67%
Education Assistance	36%
Incentive/Performance Pay	22%
Group Health Plan	83%
Percent Company Paid (avg.):	85%

6. Does your company offer the following?

Guaranteed Pricing	65%
Price Cap	58%
Budget Payment Plan	90%
Service Contracts	60%
Free Oil for New Customers	16%
Free Service for New Customers	16%
Tank Monitoring	16%
Central Air Conditioning	45%
Plumbing Service	23%
Heating System Design/Install	77%

7. What percentage of your customers are on a "price cap" plan?

Avg: 32%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$16.69
Service Managers	Avg:	\$31.48
Dispatchers	Avg:	\$14.94
Delivery Drivers	Avg:	\$14.76
Sales Person (per account)	Avg:	\$53.39

9. What is the maximum price you charge for a service contract?

Avg: \$210.02

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg: 5.3

11. What is the average number of deliveries made per driver each day (in season)?

Avg: 30

12. What is your average drop (gallons delivered per stop)?

Avg: 206.6

13. Excluding oil, what is your estimated cost per delivery?

Avg: \$19.79

14. What is the single biggest challenge facing your business?

Volatile oil prices	35%
Competition from other dealers	23%
Competition from utilities	4%
Finding/keeping employees	13%
Stability of oil supply & prices	11%
Insurance availability	4%
Banking relationships	1%
Environmental regulations	6%
Other	3%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	22%
I will make fewer contract purchases	55%
I will make no contract purchases	23%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	7%
\$200-\$300 per customer	27%
\$400-\$500 per customer	38%
\$600-\$700 per customer	14%
\$800-\$900 per customer	7%
More than \$900 per customer	7%

17. When you retire, do you expect to:

Pass my business on to my children	41%
Sell my business to a partner	6%
Sell my business to an employee	7%
Sell my business to a competitor	37%
Fold the business	3%
Other	6%



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# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## MASSACHUSETTS

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	24%
Up Slightly	61%
No Change	2%
Down Slightly	13%
Down Significantly	0%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	3%
Up Slightly	23%
No Change	34%
Down Slightly	20%
Down Significantly	20%

2. What was your average targeted margin during the heating season just ending?

Avg: \$0.38

3. How many oilheat customers do you have?

Residential (avg.):	2,093
Commercial (avg.):	187

4. How many employees do you have?

Avg: 14

5. Which of the following employee benefits do you offer?

Group Life Insurance	35%
Group Disability Insurance	30%
Group Long Term Care Insurance	10%
Retirement Plan	57%
Cafeteria Plan (Section 125)	25%
Paid Sick Days	70%
Education Assistance	43%
Incentive/Performance Pay	20%
Group Health Plan	75%
Percent Company Paid (avg.):	85%

6. Does your company offer the following?

Guaranteed Pricing	60%
Price Cap	55%
Budget Payment Plan	82%
Service Contracts	62%
Free Oil for New Customers	25%
Free Service for New Customers	25%
Tank Monitoring	30%
Central Air Conditioning	42%
Plumbing Service	20%
Heating System Design/Install	83%

7. What percentage of your customers are on a "price cap" plan?

Avg: 39%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$18.07
Service Managers	Avg:	\$22.32
Dispatchers	Avg:	\$18.36
Delivery Drivers	Avg:	\$16.67
Sales Person (per new account):	Avg:	\$55.25

9. What is the maximum price you charge for a service contract?

Avg: \$134.11

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg: 6

11. What is the average number of deliveries made per driver each day (in season)?

Avg: 33

12. What is your average drop (gallons delivered per stop)?

Avg: 206.5

13. Excluding oil, what is your estimated cost per delivery?

Avg: \$18.79

14. What is the single biggest challenge facing your business?

Volatile oil prices	25%
Competition from other dealers	18%
Competition from utilities	9%
Finding/keeping employees	12%
Stability of oil supply & prices	15%
Insurance availability	9%
Banking relationships	0%
Environmental regulations	6%
Other	6%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	21%
I will make fewer contract purchases	53%
I will make no contract purchases	26%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	3%
\$200-\$300 per customer	32%
\$400-\$500 per customer	37%
\$600-\$700 per customer	8%
\$800-\$900 per customer	10%
More than \$900 per customer	10%

17. When you retire, do you expect to:

Pass my business on to my children	44%
Sell my business to a partner	6%
Sell my business to an employee	12%
Sell my business to a competitor	26%
Fold the business	6%
Other	6%



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# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## NEW HAMPSHIRE

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	21%
Up Slightly	29%
No Change	7%
Down Slightly	29%
Down Significantly	14%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	7%
Up Slightly	28%
No Change	37%
Down Slightly	28%
Down Significantly	0%

2. What was your average targeted margin during the heating season just ending?

Avg: \$0.34

3. How many oilheat customers do you have?

Residential (avg.):	3,495
Commercial (avg.):	211

4. How many employees do you have?

Avg: 20

5. Which of the following employee benefits do you offer?

Group Life Insurance	57%
Group Disability Insurance	38%
Group Long Term Care Insurance	7%
Retirement Plan	64%
Cafeteria Plan (Section 125)	50%
Paid Sick Days	71%
Education Assistance	43%
Incentive/Performance Pay	21%
Group Health Plan	100%
Percent Company Paid (avg.):	91%

6. Does your company offer the following?

Guaranteed Pricing	71%
Price Cap	43%
Budget Payment Plan	93%
Service Contracts	11%
Free Oil for New Customers	7%
Free Service for New Customers	0%
Tank Monitoring	29%
Central Air Conditioning	38%
Plumbing Service	11%
Heating System Design/Install	71%

7. What percentage of your customers are on a "price cap" plan?

Avg: 39%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$16.58
Service Managers	Avg:	\$20.11
Dispatchers	Avg:	\$15.94
Delivery Drivers	Avg:	\$13.54
Sales Person (per new account):	Avg:	n/a

9. What is the maximum price you charge for a service contract?

Avg: \$204.00

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg: 5

11. What is the average number of deliveries made per driver each day (in season)?

Avg: 34

12. What is your average drop (gallons delivered per stop)?

Avg: 146.46

13. Excluding oil, what is your estimated cost per delivery?

Avg: \$22.33

14. What is the single biggest challenge facing your business?

Volatile oil prices	42%
Competition from other dealers	7%
Competition from utilities	0%
Finding/keeping employees	37%
Stability of oil supply & prices	7%
Insurance availability	0%
Banking relationships	0%
Environmental regulations	7%
Other	0%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	31%
I will make fewer contract purchases	69%
I will make no contract purchases	0%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	8%
\$200-\$300 per customer	15%
\$400-\$500 per customer	54%
\$600-\$700 per customer	8%
\$800-\$900 per customer	15%
More than \$900 per customer	0%

17. When you retire, do you expect to:

Pass my business on to my children	31%
Sell my business to a partner	15%
Sell my business to an employee	15%
Sell my business to a competitor	31%
Fold the business	0%
Other	8%



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# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## CONNECTICUT

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	37%
Up Slightly	58%
No Change	0%
Down Slightly	0%
Down Significantly	5%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	0%
Up Slightly	10%
No Change	10%
Down Slightly	35%
Down Significantly	45%

2. What was your average targeted margin during the heating season just ending?

Avg: \$0.40

3. How many oilheat customers do you have?

Residential (avg.):	1,958
Commercial (avg.):	160

4. How many employees do you have?

Avg: 18

5. Which of the following employee benefits do you offer?

Group Life Insurance	50%
Group Disability Insurance	40%
Group Long Term Care Insurance	5%
Retirement Plan	70%
Cafeteria Plan (Section 125)	35%
Paid Sick Days	75%
Education Assistance	50%
Incentive/Performance Pay	25%
Group Health Plan	85%
Percent Company Paid (avg.):	82%

6. Does your company offer the following?

Guaranteed Pricing	75%
Price Cap	45%
Budget Payment Plan	90%
Service Contracts	90%
Free Oil for New Customers	5%
Free Service for New Customers	40%
Tank Monitoring	5%
Central Air Conditioning	65%
Plumbing Service	45%
Heating System Design/Install	85%

7. What percentage of your customers are on a "price cap" plan?

Avg: 38%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$16.53
Service Managers	Avg:	\$22.89
Dispatchers	Avg:	\$17.05
Delivery Drivers	Avg:	\$17.31
Sales Person (per new account):	Avg:	\$95.16

9. What is the maximum price you charge for a service contract?

Avg: \$180.74

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg: 5

11. What is the average number of deliveries made per driver each day (in season)?

Avg: 28

12. What is your average drop (gallons delivered per stop)?

Avg: 173.5

13. Excluding oil, what is your estimated cost per delivery?

Avg: \$22.49

14. What is the single biggest challenge facing your business?

Volatile oil prices	20%
Competition from other dealers	35%
Competition from utilities	0%
Finding/keeping employees	10%
Stability of oil supply & prices	30%
Insurance availability	0%
Banking relationships	0%
Environmental regulations	0%
Other	5%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	15%
I will make fewer contract purchases	60%
I will make no contract purchases	25%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	0%
\$200-\$300 per customer	30%
\$400-\$500 per customer	25%
\$600-\$700 per customer	25%
\$800-\$900 per customer	10%
More than \$900 per customer	10%

17. When you retire, do you expect to:

Pass my business on to my children	24%
Sell my business to a partner	6%
Sell my business to an employee	0%
Sell my business to a competitor	64%
Fold the business	0%
Other	6%



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# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## NEW JERSEY

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	25.0%
Up Slightly	12.5%
No Change	25.0%
Down Slightly	25.0%
Down Significantly	12.5%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	0%
Up Slightly	37.5%
No Change	25.0%
Down Slightly	25.0%
Down Significantly	12.5%

2. What was your average targeted margin during the heating season just ending?

Avg: \$0.58

3. How many oilheat customers do you have?

Residential (avg.):	1,142
Commercial (avg.):	96

4. How many employees do you have?

Avg: 14

5. Which of the following employee benefits do you offer?

Group Life Insurance	62.5%
Group Disability Insurance	50.0%
Group Long Term Care Insurance	0%
Retirement Plan	75.0%
Cafeteria Plan (Section 125)	25.0%
Paid Sick Days	62.5%
Education Assistance	25.0%
Incentive/Performance Pay	12.5%
Group Health Plan	100.0%
Percent Company Paid (avg.):	82.5%

6. Does your company offer the following?

Guaranteed Pricing	25.0%
Price Cap	37.5%
Budget Payment Plan	87.0%
Service Contracts	75.0%
Free Oil for New Customers	12.5%
Free Service for New Customers	12.5%
Tank Monitoring	12.5%
Central Air Conditioning	37.5%
Plumbing Service	37.5%
Heating System Design/Install	75.0%

7. What percentage of your customers are on a "price cap" plan?

Avg: 9.0%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$18.00
Service Managers	Avg:	\$19.00
Dispatchers	Avg:	\$17.50
Delivery Drivers	Avg:	\$15.50
Sales Person (per new account):	Avg:	\$58.33

9. What is the maximum price you charge for a service contract?

Avg: \$160.66

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg: 5

11. What is the average number of deliveries made per driver each day (in season)?

Avg: 20

12. What is your average drop (gallons delivered per stop)?

Avg: 190.4

13. Excluding oil, what is your estimated cost per delivery?

Avg: \$17.31

14. What is the single biggest challenge facing your business?

Volatile oil prices	37.5%
Competition from other dealers	37.5%
Competition from utilities	0%
Finding/keeping employees	0%
Stability of oil supply & prices	0%
Insurance availability	0%
Banking relationships	0%
Environmental regulations	25.0%
Other	0%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	14.0%
I will make fewer contract purchases	43.0%
I will make no contract purchases	43.0%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	0%
\$200-\$300 per customer	12.5%
\$400-\$500 per customer	50.0%
\$600-\$700 per customer	25.0%
\$800-\$900 per customer	0%
More than \$900 per customer	12.5%

17. When you retire, do you expect to:

Pass my business on to my children	42.0%
Sell my business to a partner	29.0%
Sell my business to an employee	0%
Sell my business to a competitor	29.0%
Fold the business	0%
Other	0%



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# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## MARYLAND

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	100%
Up Slightly	0%
No Change	0%
Down Slightly	0%
Down Significantly	0%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	0%
Up Slightly	0%
No Change	33%
Down Slightly	0%
Down Significantly	67%

2. What was your average targeted margin during the heating season just ending?

Avg: \$0.67

3. How many oilheat customers do you have?

Residential (avg.):	5,250
Commercial (avg.):	125

4. How many employees do you have?

Avg: 19

5. Which of the following employee benefits do you offer?

Group Life Insurance	67%
Group Disability Insurance	67%
Group Long Term Care Insurance	0%
Retirement Plan	100%
Cafeteria Plan (Section 125)	67%
Paid Sick Days	33%
Education Assistance	33%
Incentive/Performance Pay	67%
Group Health Plan	100%
Percent Company Paid (avg.):	75%

6. Does your company offer the following?

Guaranteed Pricing	33%
Price Cap	67%
Budget Payment Plan	100%
Service Contracts	100%
Free Oil for New Customers	33%
Free Service for New Customers	33%
Tank Monitoring	33%
Central Air Conditioning	67%
Plumbing Service	33%
Heating System Design/Install	67%

7. What percentage of your customers are on a "price cap" plan?

Avg: 17%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$15.00
Service Managers	Avg:	\$20.50
Dispatchers	Avg:	\$16.16
Delivery Drivers	Avg:	\$13.66
Sales Person (per new account):	Avg:	\$10.00

9. What is the maximum price you charge for a service contract?

Avg: \$167.83

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg: 4.5

11. What is the average number of deliveries made per driver each day (in season)?

Avg: 36

12. What is your average drop (gallons delivered per stop)?

Avg: 203.3

13. Excluding oil, what is your estimated cost per delivery?

Avg: \$19.31

14. What is the single biggest challenge facing your business?

Volatile oil prices	67%
Competition from other dealers	33%
Competition from utilities	0%
Finding/keeping employees	0%
Stability of oil supply & prices	0%
Insurance availability	0%
Banking relationships	0%
Environmental regulations	0%
Other	0%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	0%
I will make fewer contract purchases	67%
I will make no contract purchases	33%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	0%
\$200-\$300 per customer	0%
\$400-\$500 per customer	67%
\$600-\$700 per customer	33%
\$800-\$900 per customer	0%
More than \$900 per customer	0%

17. When you retire, do you expect to:

Pass my business on to my children	67%
Sell my business to a partner	0%
Sell my business to an employee	0%
Sell my business to a competitor	0%
Fold the business	0%
Other	33%



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# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## MAINE

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	33%
Up Slightly	17%
No Change	5%
Down Slightly	17%
Down Significantly	28%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	6%
Up Slightly	38%
No Change	25%
Down Slightly	31%
Down Significantly	0%

2. What was your average targeted margin during the heating season just ending?

Avg: \$0.36

3. How many oilheat customers do you have?

Residential (avg.):	1,804
Commercial (avg.):	157

4. How many employees do you have?

Avg: 12

5. Which of the following employee benefits do you offer?

Group Life Insurance	68%
Group Disability Insurance	26%
Group Long Term Care Insurance	0%
Retirement Plan	53%
Cafeteria Plan (Section 125)	42%
Paid Sick Days	42%
Education Assistance	37%
Incentive/Performance Pay	11%
Group Health Plan	84%
Percent Company Paid (avg.):	79%

6. Does your company offer the following?

Guaranteed Pricing	84%
Price Cap	79%
Budget Payment Plan	95%
Service Contracts	63%
Free Oil for New Customers	21%
Free Service for New Customers	5%
Tank Monitoring	11%
Central Air Conditioning	16%
Plumbing Service	16%
Heating System Design/Install	74%

7. What percentage of your customers are on a "price cap" plan?

Avg: 29%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$14.58
Service Managers	Avg:	\$20.50
Dispatchers	Avg:	\$11.36
Delivery Drivers	Avg:	\$12.03
Sales Person (per new account):	Avg:	\$18.33

9. What is the maximum price you charge for a service contract?

Avg: \$180.24

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg: 5

11. What is the average number of deliveries made per driver each day (in season)?

Avg: 33

12. What is your average drop (gallons delivered per stop)?

Avg: 147.7

13. Excluding oil, what is your estimated cost per delivery?

Avg: \$16.36

14. What is the single biggest challenge facing your business?

Volatile oil prices	53%
Competition from other dealers	16%
Competition from utilities	0%
Finding/keeping employees	5%
Stability of oil supply & prices	16%
Insurance availability	5%
Banking relationships	5%
Environmental regulations	0%
Other	0%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	26%
I will make fewer contract purchases	53%
I will make no contract purchases	21%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	18%
\$200-\$300 per customer	24%
\$400-\$500 per customer	40%
\$600-\$700 per customer	6%
\$800-\$900 per customer	6%
More than \$900 per customer	6%

17. When you retire, do you expect to:

Pass my business on to my children	53%
Sell my business to a partner	0%
Sell my business to an employee	5%
Sell my business to a competitor	42%
Fold the business	0%
Other	0%



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# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## RHODE ISLAND

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	0%
Up Slightly	40%
No Change	0%
Down Slightly	60%
Down Significantly	0%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	0%
Up Slightly	33%
No Change	0%
Down Slightly	33%
Down Significantly	33%

2. What was your average targeted margin during the heating season just ending?

Avg.: \$0.47

3. How many oilheat customers do you have?

Residential (avg.):	3,236
Commercial (avg.):	174

4. How many employees do you have?

Avg. 27

5. Which of the following employee benefits do you offer?

Group Life Insurance	0%
Group Disability Insurance	20%
Group Long Term Care Insurance	0%
Retirement Plan	80%
Cafeteria Plan (Section 125)	60%
Paid Sick Days	80%
Education Assistance	40%
Incentive/Performance Pay	20%
Group Health Plan	60%
Percent Company Paid (avg.):	90%

6. Does your company offer the following?

Guaranteed Pricing	60%
Price Cap	80%
Budget Payment Plan	100%
Service Contracts	100%
Free Oil for New Customers	40%
Free Service for New Customers	40%
Tank Monitoring	0%
Central Air Conditioning	100%
Plumbing Service	0%
Heating System Design/Install	100%

7. What percentage of your customers are on a "price cap" plan?

Avg. 55%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$15.80
Service Managers	Avg:	\$22.50
Dispatchers	Avg:	\$14.38
Delivery Drivers	Avg:	\$11.88
Sales Person (per new account):	Avg:	\$112.50

9. What is the maximum price you charge for a service contract?

Avg.: \$361.49

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg.: 4

11. What is the average number of deliveries made per driver each day (in season)?

Avg.: 39

12. What is your average drop (gallons delivered per stop)?

Avg.: 150.0

13. Excluding oil, what is your estimated cost per delivery?

Avg.: \$15.27

14. What is the single biggest challenge facing your business?

Volatile oil prices	60%
Competition from other dealers	20%
Competition from utilities	0%
Finding/keeping employees	20%
Stability of oil supply & prices	0%
Insurance availability	0%
Banking relationships	0%
Environmental regulations	0%
Other	0%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	0%
I will make fewer contract purchases	80%
I will make no contract purchases	20%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	25%
\$200-\$300 per customer	25%
\$400-\$500 per customer	0%
\$600-\$700 per customer	50%
\$800-\$900 per customer	0%
More than \$900 per customer	0%

17. When you retire, do you expect to:

Pass my business on to my children	0%
Sell my business to a partner	0%
Sell my business to an employee	0%
Sell my business to a competitor	80%
Fold the business	20%
Other	0%



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# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## VERMONT

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	11%
Up Slightly	56%
No Change	22%
Down Slightly	11%
Down Significantly	0%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	25%
Up Slightly	25%
No Change	50%
Down Slightly	0%
Down Significantly	0%

2. What was your average targeted margin during the heating season just ending?

Avg: \$0.37

3. How many oilheat customers do you have?

Residential (avg.):	1,770
Commercial (avg.):	164

4. How many employees do you have?

Avg: 8

5. Which of the following employee benefits do you offer?

Group Life Insurance	33%
Group Disability Insurance	11%
Group Long Term Care Insurance	0%
Retirement Plan	56%
Cafeteria Plan (Section 125)	0%
Paid Sick Days	78%
Education Assistance	33%
Incentive/Performance Pay	11%
Group Health Plan	100%
Percent Company Paid (avg.):	86%

6. Does your company offer the following?

Guaranteed Pricing	67%
Price Cap	67%
Budget Payment Plan	100%
Service Contracts	56%
Free Oil for New Customers	11%
Free Service for New Customers	0%
Tank Monitoring	22%
Central Air Conditioning	11%
Plumbing Service	22%
Heating System Design/Install	67%

7. What percentage of your customers are on a "price cap" plan?

Avg: 29%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$13.84
Service Managers	Avg:	\$16.66
Dispatchers	Avg:	\$13.75
Delivery Drivers	Avg:	\$13.49
Sales Person (per new account):	Avg:	\$25.25

9. What is the maximum price you charge for a service contract?

Avg: \$181.00

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg: 4

11. What is the average number of deliveries made per driver each day (in season)?

Avg: 28

12. What is your average drop (gallons delivered per stop)?

Avg: 137.8

13. Excluding oil, what is your estimated cost per delivery?

Avg: \$13.72

14. What is the single biggest challenge facing your business?

Volatile oil prices	23%
Competition from other dealers	33%
Competition from utilities	0%
Finding/keeping employees	33%
Stability of oil supply & prices	0%
Insurance availability	0%
Banking relationships	0%
Environmental regulations	0%
Other	11%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	71%
I will make fewer contract purchases	29%
I will make no contract purchases	0%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	0%
\$200-\$300 per customer	22%
\$400-\$500 per customer	56%
\$600-\$700 per customer	22%
\$800-\$900 per customer	0%
More than \$900 per customer	0%

17. When you retire, do you expect to:

Pass my business on to my children	44%
Sell my business to a partner	0%
Sell my business to an employee	14%
Sell my business to a competitor	28%
Fold the business	0%
Other	14%



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# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## PENNSYLVANIA

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	14%
Up Slightly	42%
No Change	14%
Down Slightly	16%
Down Significantly	14%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	3%
Up Slightly	22%
No Change	28%
Down Slightly	39%
Down Significantly	8%

2. What was your average targeted margin during the heating season just ending?

Avg: \$0.36

3. How many oilheat customers do you have?

Residential (avg.):	3,196
Commercial (avg.):	3,418

4. How many employees do you have?

Avg: 25

5. Which of the following employee benefits do you offer?

Group Life Insurance	74%
Group Disability Insurance	64%
Group Long Term Care Insurance	18%
Retirement Plan	72%
Cafeteria Plan (Section 125)	26%
Paid Sick Days	67%
Education Assistance	26%
Incentive/Performance Pay	26%
Group Health Plan	85%
Percent Company Paid (avg.):	87%

6. Does your company offer the following?

Guaranteed Pricing	74%
Price Cap	72%
Budget Payment Plan	97%
Service Contracts	59%
Free Oil for New Customers	26%
Free Service for New Customers	10%
Tank Monitoring	10%
Central Air Conditioning	59%
Plumbing Service	21%
Heating System Design/Install	77%

7. What percentage of your customers are on a "price cap" plan?

Avg: 29%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$15.02
Service Managers	Avg:	\$18.75
Dispatchers	Avg:	\$13.34
Delivery Drivers	Avg:	\$13.96
Sales Person (per new account):	Avg:	\$36.58

9. What is the maximum price you charge for a service contract?

Avg: \$168.00

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg: 6

11. What is the average number of deliveries made per driver each day (in season)?

Avg: 31

12. What is your average drop (gallons delivered per stop)?

Avg: 370.3

13. Excluding oil, what is your estimated cost per delivery?

Avg: \$18.31

14. What is the single biggest challenge facing your business?

Volatile oil prices	33%
Competition from other dealers	26%
Competition from utilities	3%
Finding/keeping employees	10%
Stability of oil supply & prices	8%
Insurance availability	10%
Banking relationships	0%
Environmental regulations	10%
Other	0%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	21%
I will make fewer contract purchases	61%
I will make no contract purchases	18%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	8%
\$200-\$300 per customer	25%
\$400-\$500 per customer	31%
\$600-\$700 per customer	17%
\$800-\$900 per customer	8%
More than \$900 per customer	11%

17. When you retire, do you expect to:

Pass my business on to my children	46%
Sell my business to a partner	3%
Sell my business to an employee	3%
Sell my business to a competitor	40%
Fold the business	3%
Other	5%



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# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## VIRGINIA

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	17%
Up Slightly	33%
No Change	33%
Down Slightly	17%
Down Significantly	0%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	17%
Up Slightly	17%
No Change	17%
Down Slightly	17%
Down Significantly	32%

2. What was your average targeted margin during the heating season just ending?

Avg: \$0.42

3. How many oilheat customers do you have?

Residential (avg.):	1,648
Commercial (avg.):	337

4. How many employees do you have?

Avg: 18

5. Which of the following employee benefits do you offer?

Group Life Insurance	67%
Group Disability Insurance	17%
Group Long Term Care Insurance	17%
Retirement Plan	67%
Cafeteria Plan (Section 125)	33%
Paid Sick Days	67%
Education Assistance	33%
Incentive/Performance Pay	33%
Group Health Plan	83%
Percent Company Paid (avg.):	82%

6. Does your company offer the following?

Guaranteed Pricing	33%
Price Cap	0%
Budget Payment Plan	84%
Service Contracts	50%
Free Oil for New Customers	0%
Free Service for New Customers	0%
Tank Monitoring	0%
Central Air Conditioning	33%
Plumbing Service	33%
Heating System Design/Install	50%

7. What percentage of your customers are on a "price cap" or guaranteed pricing plan?

Avg: 17%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$16.80
Service Managers	Avg:	\$25.00
Dispatchers	Avg:	\$12.00
Delivery Drivers	Avg:	\$14.35
Sales Person (per new account):	Avg:	\$20.00

9. What is the maximum price you charge for a service contract?

Avg: \$221.29

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg: 5.0

11. What is the average number of deliveries made per driver each day (in season)?

Avg: 21

12. What is your average drop (gallons delivered per stop)?

Avg: 184.66

13. Excluding oil, what is your estimated cost per delivery?

Avg: \$17.83

14. What is the single biggest challenge facing your business?

Volatile oil prices	17%
Competition from other dealers	0%
Competition from utilities	33%
Finding/keeping employees	0%
Stability of oil supply & prices	33%
Insurance availability	0%
Banking relationships	0%
Environmental regulations	17%
Other	0%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	17%
I will make fewer contract purchases	50%
I will make no contract purchases	33%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	0%
\$200-\$300 per customer	17%
\$400-\$500 per customer	49%
\$600-\$700 per customer	17%
\$800-\$900 per customer	0%
More than \$900 per customer	17%

17. When you retire, do you expect to:

Pass my business on to my children	49%
Sell my business to a partner	17%
Sell my business to an employee	0%
Sell my business to a competitor	17%
Fold the business	0%
Other	17%



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# GRAY & GRAY & GRAY OILHEAT SURVEY 2002

## NEW YORK

1a. Compared to 2000, company gross margin in 2001 was:

Up Significantly	25%
Up Slightly	30%
No Change	15%
Down Slightly	20%
Down Significantly	10%

1b. Compared to 2000, we expect 2001 gross margin to be:

Up Significantly	5%
Up Slightly	32%
No Change	16%
Down Slightly	37%
Down Significantly	10%

2. What was your average targeted margin during the heating season just ending?

Avg: \$0.38

3. How many oilheat customers do you have?

Residential (avg.):	1,624
Commercial (avg.):	207

4. How many employees do you have?

Avg: 30

5. Which of the following employee benefits do you offer?

Group Life Insurance	29%
Group Disability Insurance	43%
Group Long Term Care Insurance	14%
Retirement Plan	52%
Cafeteria Plan (Section 125)	24%
Paid Sick Days	57%
Education Assistance	29%
Incentive/Performance Pay	19%
Group Health Plan	86%
Percent Company Paid (avg.):	80%

6. Does your company offer the following?

Guaranteed Pricing	62%
Price Cap	62%
Budget Payment Plan	71%
Service Contracts	43%
Free Oil for New Customers	0%
Free Service for New Customers	5%
Tank Monitoring	19%
Central Air Conditioning	38%
Plumbing Service	19%
Heating System Design/Install	76%

7. What percentage of your customers are on a "price cap" plan?

Avg: 32%

8. What is the average hourly rate you pay:

Service Technicians	Avg:	\$16.03
Service Managers	Avg:	\$20.83
Dispatchers	Avg:	\$12.13
Delivery Drivers	Avg:	\$13.92
Sales Person (per new account):	Avg:	\$50.00

9. What is the maximum price you charge for a service contract?

Avg: \$163.22

10. What is the average number of services calls per day, per service technician, you make (in season)?

Avg: 4.0

11. What is the average number of deliveries made per driver each day (in season)?

Avg: 25.0

12. What is your average drop (gallons delivered per stop)?

Avg: 167.7

13. Excluding oil, what is your estimated cost per delivery?

Avg: \$19.86

14. What is the single biggest challenge facing your business?

Volatile oil prices	62%
Competition from other dealers	19%
Competition from utilities	0%
Finding/keeping employees	14%
Stability of oil supply & prices	0%
Insurance availability	0%
Banking relationships	0%
Environmental regulations	0%
Other	5%

15. Will you make contract purchases for oil next year?

I will make more contract purchases	20%
I will make fewer contract purchases	40%
I will make no contract purchases	40%

16. How much do you realistically think your business is worth?

Less than \$200 per customer	17%
\$200-\$300 per customer	33%
\$400-\$500 per customer	39%
\$600-\$700 per customer	11%
\$800-\$900 per customer	0%
More than \$900 per customer	0%

17. When you retire, do you expect to:

Pass my business on to my children	40%
Sell my business to a partner	10%
Sell my business to an employee	15%
Sell my business to a competitor	25%
Fold the business	5%
Other	5%



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