

**Gray, Gray & Gray, LLP's
ANNUAL OILHEAT SURVEY**

2004 Oilheat Survey Results - Overall Results

In what state does your company primarily do business?

Alaska	1%
Connecticut	16%
Maine	8%
Maryland	3%
Massachusetts	18%
New Hampshire	3%
New Jersey	5%
New York	16%
Pennsylvania	18%
Rhode Island	1%
Vermont	7%
Wisconsin	1%
Unknown	3%

Business in the 2003-2004 heating season was:

Up Significantly	11%
Up Slightly	15%
No Change	53%
Down Slightly	21%
Down Significantly	0%

Median TARGETED margin:

\$0.43 per gallon

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\$0.43 per gallon

Dealers with bulk storage plant:

55%

If "yes", do you plan to bring your bulk plant into compliance with new environmental regulations?

Yes	80%
No, I am going to dismantle it	3%
No answer	17%

FuelTrack

Gallons of heating oil delivered in the past 12 months:

3,250,000

Number of paid service contracts:

875

Number of FREE service contracts

175

OIL DEPARTMENT (last 12 months)

What were your total oil sales?

\$3,750,000

Number of fuel oil customers:

3,250

What was your cost of sales for oil (product cost)?

\$2,750,000

Employee benefits offered

Group Life Insurance	56%
Group Disability Insurance	48%
Group Long Term Care Insurance	18%
Retirement Plan (401k)	79%
Pre-Tax Benefit Package (Section 125 Plan)	41%
Paid Sick Days	82%
Education Assistance	37%
Incentive/Performance Pay	34%
Dental Plan	52%
Group Health Plan	92%
Average: 88% company paid	

What was your Oil Department payroll?

(Drivers & dispatcher only. Does not include owner's salary.)

Avg.: \$250,000

SERVICE DEPARTMENT**What was your sales volume for service contracts?**

\$250,000

Group health care provider:

Blue Cross / Blue Shield	45%
Aetna	1%
Travelers	1%
Harvard / Pilgrim	4%
Tufts Health Plan	8%
Fallon Community Health Plan	1%
Other	36%
Does not apply	4%

What was your sales volume for other service?

\$375,000

How much did your group health premium rates increase last year?

12%

What was your cost of sales (parts) for the Service Department?

\$375,000

What was your Service Department payroll?

Avg.: \$250,000

INSTALLATION DEPARTMENT**Customer programs offered:**

Guaranteed pricing	66%
Price cap	77%
Budget payment plan	96%
Service contracts	71%
Free oil for new customers (oil coupons)	26%
Free service for new customers	19%
Tank monitoring system	18%

What was your sales volume for your Installation Department?

Avg.: \$375,000

What was your cost of materials for your Installation Department?

Avg.: \$375,000

Central air conditioning	53%
Plumbing service	22%
Heating system installation	78%

Do you charge customers a fee for a price cap protection plan?

Yes	36%
No	40%
Do not offer a price cap plan	24%

If "yes", how much do you charge for your price cap plan?

\$37.00

Percentage of your customers on a "price cap" plan:

25%

Maximum price charged for a service contract: (range: \$200-\$224)

\$212

8. What is the average hourly rate you pay:

Service Technicians	\$20
Service Manager	\$20
Dispatchers	\$17
Delivery Drivers	\$17

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

5

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

27

What was your payroll for your Installation Department?

Avg.: \$150,000

ADMINISTRATION EXPENSES

What were your administrative expenses?

(Includes other payroll, owner's payroll, insurance, vehicle expense, advertising, professional fees, office expense, utilities, real estate, taxes, rent, employee benefits, repairs & maintenance, retirement plans, environmental remediation, etc.)

\$650,000

How many delivery trucks did you put on the road?

6

Total delivery mileage (all trucks):

150,000

Total number of delivery stops:

16,250

Average gallons delivered per truck:

541,600

Number of service trucks?

6

Total number of employees?

22 (range 10-24)

Average RESIDENTIAL drop (gallons delivered per stop):

162 gallons

Average gallons per customer:

1,000 gallons

Excluding oil, what is your estimated cost per delivery?

\$18

Which routing/dispatching software do you use?

SmartDrops	3%
Clear Computing	0%
ADD	15%
Taurus	8%
ForceField	0%
GeoCom TMS	0%
Other	30%
None	40%

Value of customer list:

\$450 per customer

Energy Products sold:

Fuel Oil	100%
Propane	33%
Natural Gas	1%
Coal	5%
Kerosene	58%
Gasoline	29%
Diesel Fuel	64%
Electricity	0%

Average sales per employee:

\$216,000

Number of oil drivers (full-time equivalents?)

5

Number of service techs (full-time equivalents?)

6

Average HVAC revenue per technician:

\$166,600

What was your owner's salary/payroll, including bonuses?

\$150,000

Gray, Gray & Gray, LLP
CERTIFIED PUBLIC ACCOUNTANTS
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34 Southwest Park, Westwood, MA 02090
(781) 407-0300 * Fax (781) 407-0303
E-mail: ggg@gggcpas.com

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