

Gray, Gray & Gray Oilheat Survey 2005

OVERALL RESULTS

In what state does your company primarily do business?

Connecticut	11%
Maine	16%
Mid-Atlantic Region (MD, DE, VA)	7%
Massachusetts	24%
New Hampshire	3%
New Jersey	6%
New York	14%
Pennsylvania	11%
Rhode Island	4%
Vermont	3%
Unknown	1%

Business in the 2004-2005 heating season was:

Up significantly	4%
Up slightly	37%
No change	16%
Down slightly	37%
Down significantly	6%

Median TARGETED margin: \$0.44 per gallon

Actual (computed) margin: \$0.33 per gallon

Number of fuel oil customers: 3,431

Employee benefits offered:

Group Life Insurance	59%
Group Disability Insurance	50%
Group Long Term Care Insurance	13%
Retirement Plan (401k)	80%
Pre-Tax Benefit Package (Section 125 Plan)	47%
Paid Sick Days	76%
Education Assistance	37%
Incentive/Performance Pay	30%
Dental Plan	46%
Group Health Plan	91%

Average: 74% company paid

Increase in group health premium increase: 12%

Increase in property & casualty premium increase: 9%

Customer programs offered:

Guaranteed pricing	64%
Price cap	63%
Budget payment plan	87%
Service contracts	66%
Free oil for new customers (oil coupons)	17%
Free service for new customers	17%
Tank monitoring system	21%
Tank protection plans	46%
Central air conditioning	44%
Plumbing service	20%
Heating equipment service	80%
Heating system installation	80%
On-line ordering	17%

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

Yes	38%
No	33%
Do not offer a price cap plan	29%

If "yes," how much? \$37

Were you able to honor all price cap commitments during the past heating season?

Yes	74%
No, we had to increase prices	2%
Not applicable	24%

Will you offer a price cap plan next year?

Yes	60%
No	40%
Not sure	0%

Percentage of customers on a "price cap" plan: 38%

Maximum price charged for a service contract: \$211

AVERAGE hourly rate of pay:

Service Technicians:	\$18
Service Manager:	\$23
Dispatcher:	\$17
Delivery Drivers:	\$17
Sales Person (per new customer):	\$117



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OVERALL RESULTS (pg. 2)

Average number of service calls per service technician:	4	Cost of sales (parts) for the Service Department:	\$273,810
Average number of deliveries made per driver:	30	Service Department payroll:	\$262,821
Average RESIDENTIAL drop:	171 gallons	<u>INSTALLATION DEPARTMENT</u>	
Estimated cost per delivery (excluding cost of oil):	\$20	Sales volume for Installation Department:	\$721,154
Value of customer list:	\$538 per customer	Cost of materials for Installation Department:	\$393,579
Energy products sold:		Payroll for Installation Department:	\$293,478
Fuel Oil	100%	<u>ADMINISTRATION EXPENSES</u>	
Propane	30%	Average administrative expenses:	\$1,326,563
Natural Gas	3%	(Includes other payroll, owner's payroll, insurance, vehicle expense,	
Coal	3%	advertising, professional fees, office expense, utilities, real estate,	
Kerosene	54%	taxes, rent, employee benefits, repairs & maintenance, retirement	
Gasoline	31%	plans, environmental remediation, etc.)	
Diesel Fuel	54%	Delivery trucks on the road (in season):	5
Electricity	1%	Total delivery mileage (all trucks):	156,098
Low sulfur fuels	31%	Total number of delivery stops:	22,115
Bio fuels	6%	Number of service trucks:	6
Heavy oil	9%	Total number of employees:	21

FuelTrack MANAGEMENT ANALYSIS

Gallons of heating oil delivered in past 12 months:	3,352,041	Number of oil drivers (full-time equivalents):	5
Number of paid service contracts:	1,323	Number of service techs (full-time equivalents):	6
Number of FREE service contracts:	243	Owner's salary/payroll, including bonuses:	\$325,000

OIL DEPARTMENT

Total annual oil sales:	\$6,090,426
Cost of sales for oil (product cost):	\$5,015,957
Oil Department payroll (Drivers & dispatchers):	\$282,609

SERVICE DEPARTMENT

Sales volume for service contracts:	\$300,000
Sales volume for other service:	\$434,211



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