



# 2011 Oilheat Survey Results

**GG&G**  
GRAY GRAY & GRAY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

*VISION • DIRECTION • SUCCESS*

34 Southwest Park, Westwood, MA

781.407.0300 [www.gggcpas.com](http://www.gggcpas.com)

*"Sharing a Vision and providing Direction so our  
Energy clients can achieve Success."*

  
Gray, Gray & Gray

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

# Gray, Gray & Gray Oilheat Survey Results 2011 - Overall

In what state does your company primarily do business?

20%	Massachusetts	30%	Pennsylvania
7%	New York	11%	Connecticut
10%	Maine	4%	New Jersey
4%	New Hampshire	5%	Maryland
4%	Vermont	1%	Rhode Island
4%	Virginia		

Total number of employees: 16

Number of service technicians (full-time equivalent) 5

Number of delivery drivers (full-time equivalent) 4

Are your employees unionized? Yes 3%  
No 97%

Which of the following employee benefits do you offer?

55%	Group Life Insurance
49%	Group Disability Insurance
62%	Retirement Plan (401k)
32%	Pre-Tax Benefit Package (Sec. 125 Plan)
71%	Paid Sick Days
6%	FSA (Flexible Spending Account)
15%	HRA (Health Reimbursement Account)
40%	Incentive pay/bonuses
46%	Dental Plan
88%	Group Health Plan (Percent company paid: 83%)

What is the average HOURLY rate you pay your Delivery Drivers?  
\$18.00 per hour

What is the average HOURLY rate you pay your Dispatchers?  
\$18.00 per hour

What is the average HOURLY rate you pay your Service Technicians?  
\$22.00 per hour

What is the average HOURLY rate you pay your Service Manager?  
\$27.00 per hour

Are you considering any of the following?

17%	Acquiring another company
24%	Selling your company
30%	Transitioning to the next family generation
10%	Conducting a business valuation
9%	Developing a bulk plant
18%	Upgrading an existing bulk plant
4%	Refinancing
18%	Retiring
2%	Converting to an S Corporation
22%	Expanding product lines
9%	Converting to flat rate billing for service

How many fuel customers do you have?  
Retail/Residential Heating Oil 2,253  
Commercial Heating Oil 160  
Propane 2,359

In comparison to April, 2010, has your customer list:  
Increased 40%  
Decreased 28%  
Remained the same 32%

If you have lost customers since April 2010, why?  
Lost to competitor with similar pricing 28%  
Lost to discounter 78%  
Lost to gas conversion 62%

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

Retail/Residential Heating Oil	1,482,965
Commercial Heating Oil	528,112
Propane	705,950

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

Retail/Residential Heating Oil	\$0.56 per gallon
Commercial Heating Oil	\$0.39 per gallon
Propane	\$1.08 per gallon

Which of the following do you offer to RETAIL customers?

48%	Fixed pricing
40%	Price cap
90%	Budget payment plan
61%	Service contracts
15%	Free oil for new customers (oil coupons)
9%	Free service for new customers
9%	Tank monitoring system
37%	Tank protection plans
51%	Central air conditioning
11%	Plumbing service
81%	Heating equipment service
78%	Heating system installation
20%	On-line ordering

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

3%	Yes - for fixed price	no information
31%	Yes - for cap price	27¢ per gal. or fee of \$182
15%	Yes - for down side	27¢ per gal. or fee of \$122
19%	No fee	
44%	Do not offer a price protection plan	

Do your price protection plans offer customers a buyout option?

16%	Yes	\$450 fee (avg.)
84%	No	

Will you offer RETAIL customers price protection plans next year?

45%	Yes
27%	No
28%	Not sure

What percentage of your price protection programs did you hedge?

72%

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

159 gallons

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

\$211

How many PAID service contracts do you have? 890

How many total service calls were made last year? 2,422

Have you completed a merger or acquisition in the past 3 years?

5%	Yes - Retained gallons deal
6%	Yes - Cash at closing deal
89%	No

If "Yes," what percentage of customers did you retain after 1 year?

81%

If "Yes," did you change the gross margin on your new customers to be in line with your existing customers?

0%	Increased
9%	Decreased
82%	Kept it the same

# Gray, Gray & Gray Oilheat Survey Results 2011 - Northeast Region

Total number of employees: 15  
 Number of service technicians (full-time equivalent) 4  
 Number of delivery drivers (full-time equivalent) 4

Are your employees unionized? Yes 2%  
 No 98%

Which of the following employee benefits do you offer?  
 55% Group Life Insurance  
 45% Group Disability Insurance  
 57% Retirement Plan (401k)  
 30% Pre-Tax Benefit Package (Sec. 125 Plan)  
 81% Paid Sick Days  
 6% FSA (Flexible Spending Account)  
 13% HRA (Health Reimbursement Account)  
 45% Incentive pay/bonuses  
 51% Dental Plan  
 85% Group Health Plan (Percent company paid: 78%)

What is the average HOURLY rate you pay your Delivery Drivers?  
 \$19.00 per hour

What is the average HOURLY rate you pay your Dispatchers?  
 \$17.00 per hour

What is the average HOURLY rate you pay your Service Technicians?  
 \$22.00 per hour

What is the average HOURLY rate you pay your Service Manager?  
 \$28.00 per hour

Are you considering any of the following?  
 19% Acquiring another company  
 28% Selling your company  
 32% Transitioning to the next family generation  
 13% Conducting a business valuation  
 11% Developing a bulk plant  
 21% Upgrading an existing bulk plant  
 6% Refinancing  
 23% Retiring  
 2% Converting to an S Corporation  
 21% Expanding product lines  
 6% Converting to flat rate billing for service

How many fuel customers do you have?  
 Retail/Residential Heating Oil 2,284  
 Commercial Heating Oil 131  
 Propane 2,825

In comparison to April, 2010, has your customer list:  
 Increased 47%  
 Decreased 26%  
 Remained the same 27%

If you have lost customers since April 2010, why?  
 Lost to competitor with similar pricing 28%  
 Lost to discounter 82%  
 Lost to gas conversion 56%

How many gallons of fuel did you sell during the heating season just ended?  
 Retail/Residential Heating Oil 1,457,838  
 Commercial Heating Oil 290,064  
 Propane 1,051,600

What was your average TARGETED margin for fuel sales during the heating season just ended?  
 Retail/Residential Heating Oil \$0.59 per gallon  
 Commercial Heating Oil \$0.38 per gallon  
 Propane \$1.00 per gallon

Which of the following do you offer to RETAIL customers?  
 70% Fixed pricing  
 49% Price cap  
 94% Budget payment plan  
 62% Service contracts  
 13% Free oil for new customers (oil coupons)  
 8% Free service for new customers  
 11% Tank monitoring system  
 40% Tank protection plans  
 47% Central air conditioning  
 15% Plumbing service  
 89% Heating equipment service  
 89% Heating system installation  
 19% On-line ordering

Do you charge RETAIL customers a fee for a price protection plan?  
 6% Yes - for fixed price no information  
 36% Yes - for cap price 28¢ per gal. or fee of \$202  
 21% Yes - for down side 27¢ per gal. or fee of \$100  
 26% No fee  
 30% Do not offer a price protection plan

Do your price protection plans offer customers a buyout option?  
 14% Yes \$525 fee (avg.)  
 86% No

Will you offer RETAIL customers price protection plans next year?  
 55% Yes  
 19% No  
 26% Not sure

What percentage of your price protection programs did you hedge?  
 77%

What is your average RESIDENTIAL drop (gallons delivered per stop)?  
 153 gallons

What is the average renewal price you charge for a service contract?  
 \$204

How many PAID service contracts do you have?  
 730

How many total service calls were made last year?  
 1,833

Have you completed a merger or acquisition in the past 3 years?  
 2% Yes - Retained gallons deal  
 6% Yes - Cash at closing deal  
 92% No

If "Yes," what percentage of customers did you retain after 1 year?  
 83%

If "Yes," did you change the gross margin on your new customers to be in line with your existing customers?  
 0% Increased  
 0% Decreased  
 100% Kept it the same

# Gray, Gray & Gray Oilheat Survey Results 2011 - Mid-Atlantic Region

Total number of employees:	17	What was your average TARGETED margin for fuel sales during the heating season just ended?	
Number of service technicians (full-time equivalent)	6	Retail/Residential Heating Oil	\$0.53 per gallon
Number of delivery drivers (full-time equivalent)	4	Commercial Heating Oil	\$0.41 per gallon
Are your employees unionized?	Yes 7% No 93%	Propane	\$1.20 per gallon
Which of the following employee benefits do you offer?		Which of the following do you offer to RETAIL customers?	
56% Group Life Insurance		22% Fixed pricing	
56% Group Disability Insurance		29% Price cap	
68% Retirement Plan (401k)		85% Budget payment plan	
34% Pre-Tax Benefit Package (Sec. 125 Plan)		59% Service contracts	
59% Paid Sick Days		17% Free oil for new customers (oil coupons)	
7% FSA (Flexible Spending Account)		10% Free service for new customers	
20% HRA (Health Reimbursement Account)		5% Tank monitoring system	
34% Incentive pay/bonuses		34% Tank protection plans	
39% Dental Plan		56% Central air conditioning	
93% Group Health Plan (Percent company paid: 90%)		7% Plumbing service	
What is the average HOURLY rate you pay your Delivery Drivers?		71% Heating equipment service	
\$18.00 per hour		66% Heating system installation	
What is the average HOURLY rate you pay your Dispatchers?		22% On-line ordering	
\$19.00 per hour		Do you charge RETAIL customers a fee for a price protection plan?	
What is the average HOURLY rate you pay your Service Technicians?		0% Yes - for fixed price	n/a
\$21.00 per hour		24% Yes - for cap price	26¢ per gal. or fee of \$162
What is the average HOURLY rate you pay your Service Manager?		7% Yes - for down side	28¢ per gal. or fee of \$140
\$26.00 per hour		12% No fee	
Are you considering any of the following?		61% Do not offer a price protection plan	
15% Acquiring another company		Do your price protection plans offer customers a buyout option?	
20% Selling your company		20% Yes \$375 fee (avg.)	
27% Transitioning to the next family generation		80% No	
7% Conducting a business valuation		Will you offer RETAIL customers price protection plans next year?	
5% Developing a bulk plant		34% Yes	
15% Upgrading an existing bulk plant		36% No	
2% Refinancing		30% Not sure	
15% Retiring		What percentage of your price protection programs did you hedge?	63%
2% Converting to an S Corporation		What is your average RESIDENTIAL drop (gallons delivered per stop)?	169 gallons
22% Expanding product lines		What is the average renewal price you charge for a service contract?	\$221
12% Converting to flat rate billing for service		How many PAID service contracts do you have?	1,085
How many fuel customers do you have?		How many total service calls were made last year?	3,304
Retail/Residential Heating Oil	2,209	Have you completed a merger or acquisition in the past 3 years?	
Commercial Heating Oil	197	10% Yes - Retained gallons deal	
Propane	1,661	7% Yes - Cash at closing deal	
In comparison to April, 2010, has your customer list:		83% No	
Increased	32%	If "Yes," what percentage of customers did you retain after 1 year?	80%
Decreased	29%	If "Yes," did you change the gross margin on your new customers to be in line with your existing customers?	
Remained the same	39%	0% Increased	
If you have lost customers since April 2010, why?		14% Decreased	
Lost to competitor with similar pricing	26%	86% Kept it the same	
Lost to discounter	74%	How many gallons of fuel did you sell during the heating season just ended?	
Lost to gas conversion	66%	Retail/Residential Heating Oil	1,514,491
How many gallons of fuel did you sell during the heating season just ended?		Commercial Heating Oil	780,485
Retail/Residential Heating Oil	1,514,491	Propane	306,025
Commercial Heating Oil	780,485		
Propane	306,025		