

Going Beyond the Numbers.



2013 Oilheat Survey Results

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

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FuelTrack
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FuelExchange 
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Merger & Acquisition Service

Gray, Gray & Gray Oilheat Survey Results 2013 - Northeast Region

What percentage of your workforce is:
 Service Technicians (full-time equivalent): 29%
 Delivery Drivers (full-time equivalent): 29%
 Other (sales, administration, etc.): 42%

Number of service technicians (full-time equivalent): 4

Number of delivery drivers (full-time equivalent): 4

Are your employees unionized? 4% - Yes 96% - No

What is the average HOURLY rate you pay your Delivery Drivers? \$20 per hour

What is the average HOURLY rate you pay your Dispatchers? \$20 per hour

What is the average HOURLY rate you pay your Service Technicians? \$24 per hour

What is the average HOURLY rate you pay your Service Manager? \$29 per hour

Are you considering any of the following?
 31% - Acquiring another company
 15% - Selling your company
 24% - Transitioning to the next generation of family
 5% - Conducting a business evaluation
 9% - Developing a bulk plant
 7% - Upgrading an existing bulk plant
 0% - Refinancing
 11% - Retiring
 6% - Converting to an S Corporation
 8% - Converting to flat rate billing for service

How many fuel customers do you have?
 Retail/Residential Heating Oil: 1,985
 Commercial Heating Oil: 83
 Propane: 2,950

In comparison to this time in 2012, has your customer list:
 32% - Increased 38% - Decreased 30% - Same

To what do you attribute the gain or loss of customers since April 2012?
 6% - Gained to increased advertising
 1% - Gained due to acquisition
 18% - Gained due to other reason
 5% - Lost to competitor with similar pricing
 24% - Lost to discounter
 40% - Lost to gas conversion
 22% - Lost due to other reason

How many gallons of fuel did you sell during the heating season just ending?
 Retail/Residential Heating Oil: 1,315,028
 Commercial Heating Oil: 212,833
 Propane: 1,307,117

What was your average TARGETED margin for fuel sales during the heating season just ending?
 Retail/Residential Heating Oil: \$0.62 per gallon
 Commercial Heating Oil: \$0.41 per gallon
 Propane: \$1.20 per gallon

Which of the following do you offer to RETAIL customers?

- 48% - Fixed pricing
- 45% - Price cap
- 85% - Budget payment plan
- 61% - Service contracts
- 17% - Free oil for new customers (oil coupons)
- 15% - Free service for new customers
- 14% - Temperature monitoring device/alarm
- 23% - Tank monitoring system
- 41% - Tank protection plans
- 77% - Heating equipment service
- 72% - Heating system installation
- 23% - On-line ordering

Do you charge retail customers for price protection?

- 10% - Yes - For Fixed Price \$40 avg. fee
- 34% - Yes - For Cap Price \$70 avg. fee
- 16% - Yes - For Down Side \$29 avg. fee
- 20% - No fee
- 30% - Do not offer a price protection plan

Do your price protection plans offer a buyout option?

- 7% - Yes \$225 avg.
- 93% - No

Will you offer price protection plans next year?

- 50% - Yes
- 34% - No
- 16% - Not sure

If you hedge your price protection programs, what percentage do you hedge? 81%

What is your average RESIDENTIAL drop (gallons delivered per stop)? 159

What is the average renewal price you charge for a service contract? \$246

What percentage of customers have paid service contracts? 37%

How many service calls we made last year per customer? .98

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

- 5% - Retained gallons
- 8% - Cash at closing
- 87% - No

If "Yes," customers retained after 12 months 87%

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

- 27% - Increased
- 9% - Decreased
- 64% - Kept it the same

Do you have or are you planning to add alternative sources of revenue?

	Already Offer	Plan to Add
Service Gas Equipment	37%	9%
Sell Propane	23%	9%
Sell Electricity	8%	6%
A/C Installation & Service	39%	6%
Plumbing Services	11%	5%
Solar Installations	8%	2%
Home Security Services	1%	0%
Other	3%	6%

Gray, Gray & Gray Oilheat Survey Results 2013 - Mid-Atlantic Region

What percentage of your workforce is:
 Service Technicians (full-time equivalent): 33%
 Delivery Drivers (full-time equivalent): 28%
 Other (sales, administration, etc.): 39%

Number of service technicians (full-time equivalent): 6

Number of delivery drivers (full-time equivalent): 5

Are your employees unionized? 0% - Yes 100% - No

What is the average HOURLY rate you pay your Delivery Drivers? \$18 per hour

What is the average HOURLY rate you pay your Dispatchers? \$19 per hour

What is the average HOURLY rate you pay your Service Technicians? \$21 per hour

What is the average HOURLY rate you pay your Service Manager? \$26 per hour

Are you considering any of the following?
 23% - Acquiring another company
 25% - Selling your company
 30% - Transitioning to the next generation of family
 18% - Conducting a business evaluation
 10% - Developing a bulk plant
 8% - Upgrading an existing bulk plant
 3% - Refinancing
 25% - Retiring
 5% - Converting to an S Corporation
 8% - Converting to flat rate billing for service

How many fuel customers do you have?
 Retail/Residential Heating Oil: 2,934
 Commercial Heating Oil: 295
 Propane: 2,110

In comparison to this time in 2012, has your customer list:
 28% - Increased 48% - Decreased 24% - Same

To what do you attribute the gain or loss of customers since April 2012?
 8% - Gained to increased advertising
 8% - Gained due to acquisition
 13% - Gained due to other reason
 5% - Lost to competitor with similar pricing
 28% - Lost to discounter
 45% - Lost to gas conversion
 23% - Lost due to other reason

How many gallons of fuel did you sell during the heating season just ending?
 Retail/Residential Heating Oil: 1,344,899
 Commercial Heating Oil: 238,230
 Propane: 887,484

What was your average TARGETED margin for fuel sales during the heating season just ending?
 Retail/Residential Heating Oil: \$0.54 per gallon
 Commercial Heating Oil: \$0.41 per gallon
 Propane: \$1.12 per gallon

Which of the following do you offer to RETAIL customers?

48% - Fixed pricing
 43% - Price cap
 90% - Budget payment plan
 50% - Service contracts
 8% - Free oil for new customers (oil coupons)
 5% - Free service for new customers
 5% - Temperature monitoring device/alarm
 15% - Tank monitoring system
 35% - Tank protection plans
 73% - Heating equipment service
 70% - Heating system installation
 25% - On-line ordering

Do you charge retail customers for price protection?

13% - Yes - For Fixed Price \$7 avg. fee
 40% - Yes - For Cap Price \$108 avg. fee
 5% - Yes - For Down Side n/a
 n/a - No fee
 45% - Do not offer a price protection plan

Do your price protection plans offer a buyout option?

13% - Yes \$400 avg.
 87% - No

Will you offer price protection plans next year?

39% - Yes 44% - No 17% - Not sure

If you hedge your price protection programs, what percentage do you hedge? 60%

What is your average RESIDENTIAL drop (gallons delivered per stop)? 160

What is the average renewal price you charge for a service contract? \$245

What percentage of customers have paid service contracts? 72%

How many service calls were made last year per customer? .87

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

8% - Retained gallons 10% - Cash at closing 82% - No

If "Yes," customers retained after 12 months 88%

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

14% - Increased 0% - Decreased 86% - Kept it the same

Do you have or are you planning to add alternative sources of revenue?

	Already Offer	Plan to Add
Service Gas Equipment	33%	3%
Sell Propane	18%	3%
Sell Electricity	8%	3%
A/C Installation & Service	48%	3%
Plumbing Services	20%	5%
Solar Installations	8%	3%
Home Security Services	0%	5%
Other	8%	13%

Gray, Gray & Gray Oilheat Survey Results 2013 - Overall

In what state does your company primarily do business?

30%	Massachusetts	23%	Pennsylvania
10%	New York	8%	Connecticut
5%	Maine	3%	New Jersey
8%	New Hampshire	1%	Maryland
2%	Vermont	5%	Rhode Island
2%	Virginia	2%	Other

What percentage of your workforce is:

Service Technicians (full-time equivalent):	33%
Delivery Drivers (full-time equivalent):	27%
Other (sales, administration, etc.):	40%

Number of service technicians (full-time equivalent): 5

Number of delivery drivers (full-time equivalent): 4

Are your employees unionized? 4% - Yes 96% - No

What is the average HOURLY rate you pay your Delivery Drivers? \$20 per hour

What is the average HOURLY rate you pay your Dispatchers? \$19 per hour

What is the average HOURLY rate you pay your Service Technicians? \$23 per hour

What is the average HOURLY rate you pay your Service Manager? \$28 per hour

Are you considering any of the following?

- 28% - Acquiring another company
- 18% - Selling your company
- 26% - Transitioning to the next generation of family
- 9% - Conducting a business evaluation
- 10% - Developing a bulk plant
- 7% - Upgrading an existing bulk plant
- 1% - Refinancing
- 16% - Retiring
- 5% - Converting to an S Corporation
- 8% - Converting to flat rate billing for service

How many fuel customers do you have?

Retail/Residential Heating Oil:	2,308
Commercial Heating Oil:	162
Propane:	2,645

In comparison to this time in 2012, has your customer list:

31% - Increased 41% - Decreased 28% - Same

To what do you attribute the gain or loss of customers since April 2012?

- 6% - Gained to increased advertising
- 3% - Gained due to acquisition
- 16% - Gained due to other reason
- 5% - Lost to competitor with similar pricing
- 25% - Lost to discounter
- 41% - Lost to gas conversion
- 22% - Lost due to other reason

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

Retail/Residential Heating Oil:	1,309,825
Commercial Heating Oil:	221,397
Propane:	1,177,627

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

Retail/Residential Heating Oil:	\$0.59 per gallon
Commercial Heating Oil:	\$0.41 per gallon
Propane:	\$1.17 per gallon

Which of the following do you offer to RETAIL customers?

- 48% - Fixed pricing
- 44% - Price cap
- 87% - Budget payment plan
- 57% - Service contracts
- 14% - Free oil for new customers (oil coupons)
- 12% - Free service for new customers
- 11% - Temperature monitoring device/alarm
- 21% - Tank monitoring system
- 40% - Tank protection plans
- 75% - Heating equipment service
- 71% - Heating system installation
- 23% - On-line ordering

Do you charge retail customers for price protection?

- 12% - Yes - For Fixed Price \$24 avg. fee
- 34% - Yes - For Cap Price \$83 avg. fee
- 13% - Yes - For Down Side \$24 avg. fee
- 13% - No fee
- 34% - Do not offer a price protection plan

Do your price protection plans offer a buyout option?

- 10% - Yes \$275 avg.
- 90% - No

Will you offer price protection plans next year?

- 41% - Yes
- 30% - No
- 9% - Not sure

If you hedge your price protection programs, what percentage do you hedge? 75%

What is your average RESIDENTIAL drop (gallons delivered per stop)? 160

What is the average renewal price you charge for a service contract? \$243

What percentage of customers have paid service contracts? 48%

How many service calls were made last year per customer? .92

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

- 5% - Retained gallons
- 9% - Cash at closing
- 86% - No

If "Yes," customers retained after 12 months 87%

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

- 22% - Increased
- 6% - Decreased
- 72% - Kept it the same

Do you have or are you planning to add alternative sources of revenue?

	Already Offer	Plan to Add
Service Gas Equipment	36%	7%
Sell Propane	22%	7%
Sell Electricity	8%	5%
A/C Installation & Service	42%	5%
Plumbing Services	14%	5%
Solar Installations	9%	2%
Home Security Services	1%	2%
Other	5%	9%