

HouseCalls

from **Westmore FUEL CO., INC**

PERSONALLY SPEAKING

we've seen this before

Dear Friends,

If you told me in October that this would be one of the warmest winters ever, I would've expected oil prices to drop. Instead, it has been extremely frustrating to see oil and gas prices increasing when all the fundamentals say prices should be dropping.

Part of what is driving this is the rise in crude oil prices. Also, while we've been toasty, Europe has been shivering. Record cold temperatures abroad caused fuel to be directed overseas,

so oil stockpiles did not build up here. Iranian threats to close the Strait of Hormuz and disrupt oil supplies have given fuel traders the jitters and speculators the ammunition they needed to play the market.

Of course, when this happens, both you and I pay the price. The only good news I see is that when prices have an "artificial" run-up, history shows they've had a tendency to crash once the balloon is popped (see chart at right). For this reason, we offer our customers capped price contracts. Should we have a repeat of the '08-'09 season, our capped price customers will be protected against rising prices and will enjoy the benefit of falling prices if the market crashes.



Richard C. Bologna

You can always look to us to **keep you informed about market trends** and to also provide you with options to protect yourself from price surges. At WestmoreFuel.com you can check out our daily energy reports by logging in to your account to view our latest pricing options and enter into a pricing contract.

You can even compare our prices with the average rates in your area. We're confident that the more you understand things, the more you'll appreciate our value.

Normally we are somewhere in the middle of price comparisons—above the discount, no-service and COD companies and below the big companies who attract customers with seemingly low introductory prices only to ratchet them up at the first opportunity.

Please call us any time if you have questions about your fuel pricing options, or check out our website. **We're here for you.**

Warmly,

Richard C. Bologna

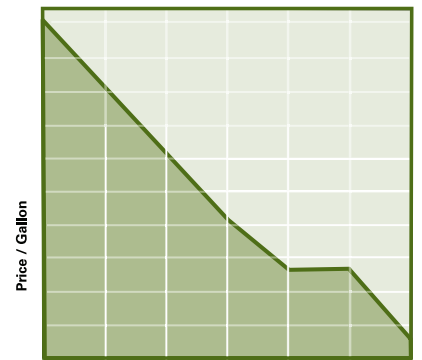
Richard C. Bologna

understand your pricing options

For this coming season, we are once again offering you three pricing options for your heating oil—a capped price, a fixed price and our market rate.

Last season, customers who chose price protection (with a capped price or fixed price) saved money. But we **cannot guarantee** that price protection programs will save you money every year. They only guarantee cost

heating oil prices 2008-09



Aug '08 Sept '08 Oct '08 Nov '08 Dec '08 Jan '09 Feb '09

Fuel prices tend to look darkest (when they're high) before the dawn (when they drop). That's what happened during the 2008-09 heating season.

certainty. As you can see from the chart here, a fixed price could be risky right now. Should you lock into a fixed price, it could turn out to be too high if prices start falling like they did a few years ago.

You can log on to your account online or call us to learn more about our pricing options. Our only recommendation is that if you enter into a pricing contract, make it a capped price and avoid what happened in the '08-'09 season.

Source: U.S. Energy Information Administration



News you can use to make smart choices

There's breaking news every day in the world of energy. But how does this affect your family and the choices you make? We've boiled down the hottest topics here and offer some advice.

gas companies don't want you to read this

Red flags are being raised about natural gas, including environmental concerns and prices.

Natural gas prices could rise by as much as 54%, according to the U.S. Energy Information Administration. This is



because there is tremendous demand for natural gas in Europe and Asia, where prices are three to four times higher than here. Gas companies

are clamoring to ship more of their product overseas, where they can make more money. To read more, do a Google search for: [Will natural gas exports raise prices?](#)

The natural gas industry has been getting blasted for failing to act responsibly to protect the environment and for misleading the public about the true risks of extracting gas from shale formations. This gas extraction is done through a highly controversial method called **hydraulic fracturing** (fracking).

oil heat makes sense: clean, safe and efficient

The oil heat industry's continued focus on matching **clean-burning** technologies with **greener fuels** is paying dividends! Heating oil will soon be reformulated to reduce sulfur levels dramatically. This will allow for the introduction of **super-efficient** heating systems, which are already being used with great results outside of the U.S.

oil heat by the numbers

\$8,000 Estimated average cost to convert an oil heating system to natural gas. Improving efficiency with a new oil heat system costs a fraction of that.

The average number of hours of heat that one gallon of heating oil provides. You would get only about three hours of heat from an equivalent amount of natural gas. **5**

210 Estimated number of oil boiler models that have an Energy Star efficiency rating of 85%–92%. **.003** Three tenths of 1% of particulate emissions in the U.S. are produced by residential oil burners. The amount of emissions from an oil heating system is about the same as that from a similar-size natural gas burner.

natural gas by the numbers

3 trillion Amount, in cubic feet, of annual methane leakage. Methane is the primary component of natural gas and a potent greenhouse gas.

10%–40% Amount of water returning to the surface from deep underground after fracking; it now contains chemicals and, at times, naturally occurring radioactive material. **2,840** Number of significant natural gas pipeline accidents from 1990 to 2010. More than one-third of these accidents caused deaths and major injuries.

20,000 Estimated number of people treated annually for carbon monoxide poisoning, a medical emergency that's much more common in homes with gas heat than oil heat.

making the right choice with efficiency

Here are some permanent (and smart) ways to reduce your heating bills next winter.

What to do	Estimated annual savings*
1. Install new heating system	\$750
2. Improve insulation	\$480
3. Keep equipment properly maintained	\$300
4. Lower thermostat by 6° overnight.	\$180

Reducing your energy costs by just \$300 per year can increase the value of your home by about \$6,000.

— Appraisal Journal

* For comparative purposes only. Savings based on annual heating costs of \$3,000. Actual savings vary by location, personal habits, size of home, etc. Sources: U.S. Department of Energy, Rocky Mountain Institute, Consumer Energy Council of America.



Your return on investment for energy improvements is about 16% per year.

— U.S. Department of Energy



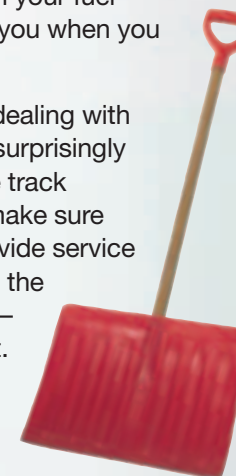
the winter that wasn't

We were lucky this winter! Most people in the U.S. (with the exception of Alaska) experienced one of the mildest winters on record, with the number of heating degree days running about 10% below normal levels. Not everyone was so fortunate. There was a prolonged cold snap in Europe and snow blanketed much of Asia.

While the need for emergency service to our customers was reduced because of this year's mild winter, we **always remain on call** to provide you with help in a hurry. We know that the most important thing you expect from your fuel company is our being there for you when you need us the most.

We have a lot of experience in dealing with quirks in the weather, from the surprisingly mild to the downright nasty. We track weather forecasts carefully to make sure our staff is fully prepared to provide service to you without delay. That's just the way we go about our business—whether winter shows up or not.

Snow shovels stayed in storage this past winter.





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- ▶▶▶ 100 free gallons of oil
- ▶▶▶ avoid the biggest mistake

a new boiler can pay for itself

Many people are taking a closer look at the energy efficiency of their homes so they can conserve energy and lower their heating costs. Because of advances in technology, today's high-efficiency oil heating systems use much less energy than older models. A new system can reduce annual energy bills, on average, by about 30%.

For example, we've helped many customers save a lot of money on fuel by installing the **Energy Kinetics System 2000**.

Brookhaven National Laboratory, which is funded by the U.S. Department of Energy, has rated the System 2000 the most efficient oil boiler in the world!

The System 2000 has the lowest overall standby heat loss (the heat lost up the chimney when a boiler turns off) and the best annual efficiency performance of all heating systems tested to date.

Call us today if you would like a FREE evaluation of your heating system and a free estimate on a replacement system.



Studies show that the System 2000 is more efficient and burns cleaner than most gas heating equipment.

don't make this mistake

What is the single biggest mistake a homeowner can make when replacing a heating system? **Choosing the wrong contractor!**

Let's face it, no matter who you ask to give you a bid, they will tell you they can handle the job, and they will probably make it sound easy. But a lot goes into the installation of a heating system, and if the contractor makes mistakes, **your life can get downright miserable.**

One of our customers in Rye discovered all of this when they chose the wrong contractor to install a new boiler

—and nothing went right.

They lost their heat because the boiler kept shutting down. And when it did run, the pipes connected to it banged and shook. Frustrated, our customer turned to us when their original contractor could not solve the problem.

Glenn Nadin, our service and installation manager, did an inspection and found that the boiler had been improperly sized and piped incorrectly; it needed to be completely overhauled and re-piped. Our installation crew took care of this last December, and our customer hasn't had a problem since!

Unfortunately, not choosing Westmore in the first place cost them a lot of money—and gave them a lot of headaches.



Glenn Nadin
service manager

win 100 gallons of heating oil

Visit our **Facebook page** and get updates on the latest changes in energy markets that might affect you. "Like us" and we'll enter you in our drawing to **win 100 gallons of oil.**

You can visit us at Facebook.com/WestmoreFuel.

