

From the President's Desk



Dear Valued Customer,

This morning I went out to my car to find the frost had set in. There is no denying it now. Winter is at our doorstep.

I am here to report we are ready to take on whatever winter throws our way. Our trucks are in tip top shape and our staff is geared up and ready to meet the challenge. Our office hours have expanded and we are now open 7:30am-5:00pm M-F, and 9am-noon on Saturdays for the rest of the heating season.

With the holidays around the corner, let me also take this opportunity to thank you for your business and wish you and yours a happy holiday season.

Very truly yours,

David Harder, President



We make warm friends.

Preparing for Winter's Chills and Bills
a little planning goes a long way

According to the *US Energy Information Agency's Oct 2011 Short Term Energy Outlook*, heating oil prices are expected to run about 10% higher than last winter. Other sources predict much higher prices, and some say lower prices are on the way. The same ridiculous predictions are made about the seasonal weather forecast. A little searching can find a full range of predictions. One thing we have learned is predictions are always a gamble when it comes to energy prices and the weather.

It is true that prices are higher this year for many fuels, but we don't yet know how that will play out over the course of the heating season. Your overall cost to heat your home will vary depending on the combined effect of global energy markets and weather patterns.

One thing we know for sure is heating a home is not a small expense, and smart consumers plan well ahead to make sure they can cover the cost. "Our goal is to have an informed customer, a customer that has the tools they need to meet the demands of higher energy costs this year," says David Harder. We figure it is better to err on the side of caution, and believe it is never too late to make positive changes.

On our website, you can find lots of information about efficiency and conservation (<http://www.reinhardthomeheating.com/learning-center.php>) Basic efficiency and weatherization strategies can make a real difference in fuel usage rates. Our price program is another tool we offer that has consistently helped our program customers plan for home heating costs by setting a ceiling price and spreading out payments over the year. We can still accommodate additional program customers. Whether you want to be on the price program or not, making regular payments, like a car payment, is often a lot easier for people to manage. Call our office to see what we can set up for you.

Some of our customers may also be surprised to learn they qualify for heating assistance dollars (HEAP) from the State of New York (*see below*). If you decide to apply for HEAP benefits we urge you to get right on it as funds are more limited this year. Even if you do qualify for HEAP benefits, we also recommend you supplement the HEAP benefit with payments of your own. Start now with a manageable monthly sum, and you'll be ahead of the game however the weather or global oil markets progress over the winter.

Winter may be upon us, but cold weather doesn't mean you don't have a warm friend to help you through it. Please be sure to call our office if we can assist you in any way.

State Announces Home Heating Help Available Beginning November 16th

The State Office of Temporary and Disability Assistance (OTDA) has announced that New York State's Home Energy Assistance Program (HEAP) will open for the season on Wednesday, November 16th. HEAP provides assistance to help low-income and elderly New Yorkers keep their homes warm in the winter months.

"As the cold weather approaches, so do higher energy bills, leaving many New Yorkers looking for help to cover these costs," said OTDA Executive Deputy Commissioner Elizabeth Berlin. "With heating oil prices significantly higher than a year ago, HEAP is providing vital assistance to the many individuals and families who may have difficulty affording the cost of heating their homes this winter."

HEAP is a federally-funded program administered through OTDA to help eligible households in meeting their home energy needs. Last winter, more than 1.4 million households received HEAP benefits.

This winter, the maximum regular HEAP benefit a household can receive is \$500. Eligibility is based on income and household size. For example, a family of four can have a household income of up to \$49,519 annually and still qualify for a HEAP benefit.

Income eligible households in New York can receive one regular HEAP benefit per season and could also be eligible for an emergency benefit if they are in impending danger of running out of fuel or having their utility service shut off. Applications for emergency benefits will be accepted beginning January 3, 2012.

Applicants are encouraged to apply early, as HEAP benefits are awarded on a first-come, first-served basis. March 16, 2012, will be the last day for accepting applications for regular HEAP benefits.

New York residents can check to see if they may be eligible for HEAP, and numerous other benefits, by answering a few questions privately online at myBenefits.ny.gov.

Local Resources

We hope you will save this list as a resource. It may be you find yourself in need or perhaps someone you know. If you are able to give, a number of the organizations below would be happy to accept a donation if you have time or other resources you wish to donate. Either way, you can get or give help through many of the offices and groups listed below.

Otsego County

- Low-Income Heating Assistance Program (HEAP) . . (607) 547-1700
Will help with fuel costs, cash assistance for unemployed, family services
- Office of the Aging (607) 547-4232
Will help with fuel costs, updating home heating systems.
- Opportunities for Otsego County (607) 433-8000
Will help with food and fuel costs, weatherization, budgeting . . (800) 986-5463
- American Red Cross in Oneonta (607) 432-5353
. in Cooperstown (607) 547-2441
- Catholic Charities of Otsego County (607) 432-0061
Food pantry, help with medical prescriptions, emergency utility payments.
- Department of Social Services (607) 547-4355
Can help direct you to employment, HEAP, (607) 547-1700 family services or shelter information

Delaware County

- Low-Income Heating Assistance Program (HEAP) . . (607) 746-1615
Will help with fuel costs, cash assistance for unemployed, family services
- Office for the Aging (607) 746-6333
Will help with fuel costs, updating home heating systems.
- Dept. of Social Services (607) 746-2325
Can help direct you to employment, HEAP, family services or shelter information
- Catholic Charities of Delaware County (607) 432-0061
Food pantry, help with medical prescriptions, emergency utility payments.

Third Party Notice

There are times in life when you may be unable to contact us because you are sick, or disabled in some way. By providing our company with a third party, (i.e. friend, relative, community organization), we can find someone to contact in the event that we are forced to terminate fuel deliveries because of unpaid bills.

This "third party" is not responsible for your bill in any way. You should choose someone who will get in touch with you after receiving the notice, and help you resolve the problem. Just fill out this form and send to our office:

Reinhardt Home Heating
P.O. Box B
West Oneonta, NY 13861.

I request that any notice stating my heating fuel deliveries may be terminated due to unpaid bills should also be given to the "third party" specified below:

Name: _____ e-mail _____
 Address: _____
 City, State, Zip: _____
 Phone: _____ Acct #: _____
 Signature _____ Date: _____

Name of person or organization to be notified:

Name: _____
 Address: _____
 City, State, Zip: _____

I (we) agree to receive any Notice of Termination for information purposes only, without obligation to pay amounts owed.

Signature _____ Date: _____



Your Energy \$ should go to fuel - not fees!

As we enter into the heart of the heating season, we thought it would be a good time to remind you some of our key delivery policies. By following these guidelines you can avoid fees.

If you are a **will call customer** you must place your fuel order a full week ahead of when you need it so we can fit you into our delivery schedule. We require a minimum order of 150 gallons. Do not let the tank run dry. Re-start fees may apply (\$25.00).

If you cannot wait and require **emergency delivery**, you will be charged a minimum fee of \$75.00 or \$4 a mile for the distance we must travel to get to your home, and get the delivery truck back on route, or back to the garage. **We encourage you to confirm you are out of fuel before ordering on an emergency basis.**

If you are on **automatic delivery**, we will make sure you do not run out of fuel. You do not have to check your tank, place a call, or remember to schedule a delivery. Just relax and stay warm!

Tip: If you really need that delivery, but want to avoid fees, try getting through on a 5 gallon can or two of Kerosene (not gasoline!). Just open your fill pipe and dispense fuel from your can. Your fuel oil burner won't mind, and you'll save the special delivery fee.



Employee of the Year Shawn McGrath

Pictured here with Reinhardt Home Heating President, David Harder, is Shawn McGrath as he receives the Reinhardt Home Heating Employee of the Year Award at our annual Employee Appreciation party this past October. Shawn was chosen for

the award out of a field of many nominees because he is a stand-out employee with a can-do attitude. He is technically very skilled and can handle any job that comes his way. Shawn is always striving to learn more, and recently was certified by the Building Performance Institute to provide home energy auditing services.

Congratulations Shawn! You are a fantastic employee who well deserves this special award.

For the retailer, higher prices does not equal more profit

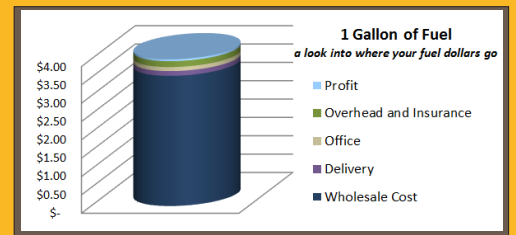
When prices for energy are on the rise it is typical for consumers to blame the local retail outlet for the increase. Most often, however, the very opposite is true.

When wholesale costs are on the rise, retailers end up taking a lower % gross profit, and instead will strive to keep a minimum cents per gallon profit to cover their operating expenses. Amazingly, in surveys of gasoline consumers most people thought the profit for the local station on a gallon of fuel was in the range of \$1.00 per gallon, when profit is closer to \$0.05 - and sometimes less!

The same is often true for a home heating fuel retailer like us. When underlying wholesale costs for fuel are increasing, and since pricing on the street typically lags wholesale price swings, we sometimes struggle to maintain a gross profit that adequately covers our

operating expenses. The last thing we want to do is raise the price to our customers.

The chart to the right shows a breakdown of underlying costs, and the eventual profit we make from a gallon of fuel oil sold based on current market pricing:



If all goes according to plan, only about 1% of sales, or 4 cents per gallon, makes it to the bottom line and becomes profit. Like most retail businesses, we are not trying to make a killing, just a living. Unlike "big oil" companies, we do not increase our profit margins when prices for fuel are on the rise

Next time you are frustrated by the cost of fuel, please remember, your local provider is probably frustrated too.

ADDRESS SERVICE REQUESTED

RESORTED
 STANDARD
 U.S. Postage PAID
 West Oneonta, NY
 Permit No. 10

Reinhardt Home Heating
 P.O. Box B
 West Oneonta, NY 13861

