

From the President's Desk



Dear Valued Customer,

We share a lot of the same concerns. We can't control the price of crude oil, and these high prices are hard on everyone. Like you, the fuel for our vehicles is costing more than ever, and we are also looking for ways to become more efficient. We know these are not easy times. Everything seems to cost more these days.

We can't control inflation, but we can work hard so you get the most out of each heating dollar you spend. In this issue of The Thermostat there are numerous suggestions for ways to cut your energy use. Taken all together, the potential savings is enormous.

Last but not least, I want to thank you for your business. This past winter was tough on everyone, and many of you made the extra effort to clear your driveways, shovel out your fill pipes. How come we get all the best customers? Again - thank you - we know you have a choice and we are honored you chose Reinhardt Home Heating.

Warmly,

Everyone is thinking about Energy

The primary questions on everyone's minds these days revolves around energy. Why is oil costing so much? When will gasoline prices pull back? What can a homeowner do to reduce costs?

It wasn't too long ago that people doubted we would see \$100 a barrel for crude oil in this lifetime. Well, either our lives are getting shorter, or oil has moved up awfully fast. As of this writing, a barrel of crude oil is trading at \$120, and some see it going even higher.

With continued high prices comes the likelihood of reduced demand. Once the speculators see a change in demand, they may "take their profits" and push the price pendulum back to more sensible levels. We could see a meaningful pull back from today's prices. We sure hope so. Looking ahead to next winter, \$4.00 a gallon for heating oil is quite likely.

Higher prices do not translate into higher profits for retailers of home heating fuel or gasoline. Like all of you, our expenses are going up too, especially the diesel fuel to run our truck fleet. Ouch! Just like you we are looking for ways to be more efficient in all the ways we use energy.

First let's look at why the cost of crude oil is going up so fast, and then we'll look at what we can do about it.

Why crude oil and related energy products are costing so much more:

- ◆ The weakening of the U.S. Dollar. If you are buying anything with U.S. Dollars it is going to cost you more. For example, Oil has gone up about 64 percent over the last year in dollar terms but it's gone up about 49 percent in the last year in euro terms.
- ◆ The perception we have a long-term supply problem. The "peak oil" view is that global oil production has already peaked, and will begin dwindling in the coming decades. Some worry there may not be enough oil to feed the growing demand in China and developing nations. While we do need to have an energy policy that considers these long term scenarios, "peak oil" concerns really should not impact current oil prices. Petroleum supplies are ample just now, with gasoline supplies in the U.S. at a 14-year high. There is no shortage.
- ◆ Rampant investor speculation in oil and related commodities. As a hedge against the falling dollar, and a play on the current bullish bias for energy, Wall Street managers have put lots of money into a variety of energy and commodity investments. Some have taken advantage of what is called "The Enron Loophole" which allows traders to buy and sell energy on "dark exchanges" and grab more profit for themselves. With Wall Street paying out \$50 Billion in bonuses last year, one wonders just how much of that was from profit off energy trades.

What you can do

You can be prepared for next winter and the possibility of persistently high energy prices in a number of ways.

Become a Budget Plan Customer

By spreading your heating bills out to 11 monthly payments, you can better plan out your heating expenses and take some of the stress out of winter bills. Gain peace of mind with our budget plan.

Sign up for our price protection program.

We can't control the price of oil, but we can help put a lid on it. That is what our price protection programs are for. We use market instruments to put a "ceiling" on your fuel costs and help you plan for the coming winter. If prices pull back, our program is designed to do the same, and pass those savings onto our program customers. Most of our budget customers are also on our price protection program

Do what you can over the summer to insulate, weatherize and prepare your home for next winter. You might consider upgrading your heating equipment to a newer and more efficient model, or adding zones, setback thermostats or space heaters so you only heat the rooms in your home that are necessary. Save costs this summer by using less A/C, and switch to fans which use less power overall.

Contact lawmakers and demand they close the "Enron Loophole"

and ask them to put in other measures that would provide greater oversight of energy trading.

Remember gasoline is also a part of your energy bill. Save gas

by going the speed limit, carpooling, changing air filters, keeping tires properly inflated, keeping your car properly maintained, don't idle, and limiting your use of A/C in the car are just a few ways to save gas.

Use less hot water. About 15 percent of an average home energy bill goes to heating water. Save energy with lo-flow shower heads, lower the temperature of your hot water heater, insulate your water heater and pipes, and replace old appliances with more efficient models.

Change to compact fluorescent light bulbs. Incandescent light bulbs are outdated; 95 percent of the energy used goes to heating the bulb, adding unwanted heat to your home in the summer. Replace your five most used light bulbs with ENERGY STAR compact fluorescent bulbs to save \$60 each year in energy costs. These light bulbs use two-thirds less energy and last up to 10 times longer.

We make warm friends.



Get the most out of your heating equipment
and heating dollars with our

Burner Service Plans

Are you paying a premium for heat?

You probably are if your burner isn't checked and adjusted by professionals who know how to do it right. Like any fine machine, your burner needs to be serviced regularly.

Imagine only getting the oil changed in your car every 30,000 instead of every 3,000 miles? Never! So why treat your burner in the same fashion?

It's all in the numbers.

During the year, your heating system's efficiency will drop approximately 5% because of carbon buildup, and adjustments that may be needed. If you use 900 gallons of fuel annually, this could cost you another \$175 in fuel, or more!

Proper servicing will restore efficiency, save you the \$175, and give you the confidence of trouble free heat all winter long, even when the temperature drops to minus 20°F.

Our customers say it best:

We could boast about our service standard, or tell you we are honest and good people to deal with, or we could just let our loyal customers tell you themselves. With comments like these it is not surprising most of our new accounts come from "word-of-mouth" advertising.

I have been a customer of Reinhardt Home Heating for over 40 years and I always take advantage of the burner service contract. Having the service contract definitely makes me feel secure. I can depend on getting my furnace cleaned and tuned each year. If the furnace goes out at night, or day, all I have to do is call and a technician will come right over to get the system going again, no extra charge. Thank you Reinhardt Home Heating for being so dependable and pleasant to deal with.

Mary Ludwig
Mt. Vision, NY

Burner Department Manager

Gary Grant



"For nearly 30 years I have been helping Reinhardt Home Heating customers get the most out of their heating dollars. I enjoy the daily challenges of meeting our customer's heating needs. I especially enjoy going to our customer's homes for estimates on new heating systems."

"I wish that all our customers were on a burner service plan. Take it from me, I know how much a customer can benefit from being on a service plan for both peace of mind and for the pocket book."

Introducing

Adam Hurlburt

Service technician and all around great guy



Adam Hurlburt may only have been with us for 6 months, but he is already an invaluable member of the service department. Maybe that is because he came to us with experience as a service technician with Suburban/Agway, and as a dairy farmer. Anyone who dairy farms out there knows, that experience alone qualifies you for many jobs!

Gary Grant, Service Manager, could tell that Adam would make a great addition to Reinhardts and hired him right off. "Adam is a very good worker. He's easy going, good natured and fun to work with. He is experienced in working on oil and propane fired heating systems. Adam is always willing to lend a helping hand to his fellow employees and customers. He is a real asset to our company," says Grant. An excellent recommendation for a relatively new employee!

Adam says the job is a real good fit so far. He appreciates his co-workers, and notes that the people at Reinhardt make it "a great place to work." He enjoys keeping up with the latest technology in home heating and cooling equipment, but admits it can be challenging.

Adam is also a family man, and enjoys spending time with his wife, Christal Lyn, and their three kids who range in age from 3 years to 12 years old. He enjoys hunting and fishing when time allows, and is a sports fan as well.

So we give an official welcome to our newest service technician. We are glad you are on our team, Adam!



Thank you to all our customers
who voted us the

#1 Fuel Delivery Company

in the Oneonta Daily Star's

2007 Reader's Choice Awards.

We are honored and proud to be your "Best of the Best" and appreciate the confidence and trust you place in us.

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