

In This Issue

- A Farewell to Bob Garside .. 2
- Ten Ways to Cut Fuel Costs - Ask the Fuel Experts 3
- Senate Seals Deal on Form 1099 Reform 4
- Executive Director Corner .. 5
- NFPA and NFPA Collaborate on Carbon Monoxide Training Video 6
- Why Consumers Need You to Hedge 7

WWW.NHOILHEAT.COM



MISSION STATEMENT

The Oil Heat Council's Mission is to represent and be a resource to our members by monitoring and communicating pertinent information, regulatory actions and legislation at Federal, State and Municipal levels. To continue to identify and implement new programs, services and training that benefit the membership and the association. To communicate via public appearances and the media, informed responses to various oil industry situations and challenges affecting the consumer public. To keep the public informed regarding energy conservation, safety and environmental protection and the benefits of heating with oil; and to diligently uphold our commitment to the citizens of New Hampshire, practicing business of the highest standard, both professionally and ethically.

The Future is Now

We work in a difficult industry facing difficult times. The "oil business" relies on many factors far beyond our control. We cannot control the weather, we cannot control the local or national economies, and we cannot control the wildly varying price of the product we sell. Beyond that, the demand for our primary product (home heating oil) continues to wane. The average home in New Hampshire burned about 1200 gallons of oil 30 years ago; that number is now closer to 800 gallons due to better insulation, more efficient heating equipment, tighter new home construction, and overall energy conservation by the consumer.

Beyond that, on a national level, there are a number of influences working against oil heat. The natural gas industry and their lobbying efforts are surely against us, and our national energy policy-makers promote other energy sources over oil heat. And, there is a general public perception that oil is "dirty" and "unpatriotic". But we all know that oil is still the better heat source, that oil continues to be the most efficient way to heat your home. What do we do to promote our product, and our livelihood, now?

The oil industry has put forth certain goals to save our business. These include ultra low sulfur heating oil, combined with bio heat, and a national lobbying effort to promote the benefits of this "new oil heat."

An ultra-low/biofuel blend can burn cleaner than natural gas. Eliminating the sulfur will also enable manufacturers to build condensing equipment that is affordable and achieves AFUE ratings in the 90's while providing our industry with a new and improved product that will compete environmentally against natural gas. Home heating oil is already one of the cleanest heating fuels in both residential and commercial applications, and it can readily

become the environmental leader with regard to air emissions in the future.

As small New Hampshire businesses we can not individually understand, develop, and promote these products. As small companies we cannot go up against the government and the utilities in our efforts to promote oil heat. But, as a collective group, we can bring the message to the decision-makers and the consumers. That is why we all belong to our state trade organization, The Oil Heat Council of New Hampshire, and our regional organization, the New England Fuel Institute. Our strength in numbers is only achieved through these organizations.

Beyond the regional level, we have to make a continued commitment to The National Oilheat Research Alliance (NORA). It is through NORA, that the national message gets to Washington to keep oil in the nations' energy picture. It is through NORA, that our small businesses will continue to survive these challenging times.

Next month you will be receiving a letter from the OHCNH office as an appeal to fund the continued efforts to reauthorize NORA. At that time, will ask your individual businesses to carefully consider your financial pledge to that national effort. In the meanwhile, I hope you enjoy the beautiful spring weather, after this wonderful long, cold, New Hampshire winter.



Dana Jones
OHCNH Chairman



YOUR MARKETING SOLUTION FOR:

WEBSITES	NEWSLETTERS
SERVICE AGREEMENTS	ADVERTISING
E-MAIL MARKETING	BRAND DEVELOPMENT
PROMOTIONAL MATERIALS AND BROCHURES	INTEGRATED EQUIPMENT SALES PROCESS
GREEN IMAGE DEVELOPMENT	DUTY TO WARN
MARKETING CALENDER MANAGEMENT	Contact Katelin today at (603) 334-1018 to discuss the possibilities.

A Farewell to Bob Garside

On Friday evening, April 8th, 2011, the Oil Heat Council held a testimonial dinner for our recently retired Executive Director, Bob Garside. This fabulous affair was held at the Executive Court Banquet and Conference Center in Manchester, NH.

As a measure of Bob's respect within the oil heat industry, we had over 100 guests at the dinner, including many guests from states outside New Hampshire, as well as representatives from NEFI and NORA. Also on hand, were some of Bob's old college friends, former co-workers, and all of Bob and Lois' children. George Winslow, of City Fuels, kept us all laughing as the Master of Ceremony, and there were many good memories shared by all. Bob Garside served our Association for over fourteen years, and is responsible for growing the OHCNH to the respected organization it is today. He will surely be missed! We wish Bob and Lois good health, and good times, in their retirement.



Ten Ways to Cut Fuel Costs - Ask the Fuel Experts

These last few weeks, Jack Frost has taken a bite out of some of us while Mother Nature has shined warmly on others. It's that time of the year again when weather conditions can change quickly without notice, for the best or the worst. But one thing you can count on this winter is that harsh operating conditions will happen fast, so you must be prepared.

Winter operations mean more fuel consumption, so here are ten recommendations to maximize your fuel investment during cold weather. With over 6,000 clients using our Fuel Management solutions we have discovered these are the best ways to cut waste fuel.

1. Train and educate your drivers: Your drivers can control fuel consumption each time they fire up their engines. Proper training can improve fuel efficiency, economy and emissions. Hard acceleration, speeding and idling are the biggest causes of fuel waste. Initiate a training course for drivers and reward participation.

2. Use Fuel Management Online Software: FMO is a software suite from 4Refuel that puts you in touch with all the fuel consumption data you will need to cut your fuel expenses, guaranteed. Information is available to your desk top including refueling location, the unit fueled and where fill ups were done. Tracking miles traveled, average speed and engine efficiency is critical to cutting fuel costs. This information will help your drivers and managers optimize routes with better planning. FMO sets up easily to import and export your data and it is incredibly user friendly.

3. Decrease Idling: Be aware of the time engines idle. Excessive idling adds to your fuel costs by as much as 50% and can shorten the life of engine oil by 75%, adding even more costs. Initiate a campaign to reduce idling time and reward participants. Allowing an engine to idle more than 3 minutes causes expensive damage which harms efficiency, shortens engine life and increases maintenance costs. It all adds up.

4. Start off slower and stop speeding: Jackrabbit starts waste fuel and save less than 3 minutes per hour driving, but can result in using 40% more fuel and increase toxic emissions by 400%! What's the rush? Speeding is dangerous; it wastes fuel and creates higher levels of toxic emissions. Speeds over 100 km/hour drastically impact fuel efficiencies. Trucks travelling at 120 km/hour use 50% more fuel and they also emit 100% more carbon monoxide, 50% more hydrocarbons and 31% more nitrogen oxides.

5. Lose Weight: Excess weight places unnecessary strain on your vehicle's engine and greatly affects its fuel efficiency. By removing as little as 100 pounds you can significantly improve your gas mileage. Check each vehicle and pitch out that unnecessary

weight!

6. Pump it up: Proper tire inflation improves gas mileage. At 4Refuel, our statistics show improperly inflated tires can cost up to two weeks worth of fuel per year! How big is your fleet? Two weeks per year, per vehicle adds up to thousands of dollars in lost profits! In addition, proper inflation results in improved vehicle and braking performance and increased tire life.

7. Cut the time you spend calculating IFTA reporting: If you cross provincial, state or national borders you know how much time it takes to file IFTA and time is part of calculating your true cost of fuel. FMO will cut your time spent gathering tax information for fleets that border cross. Refueling data can be batched by region to each specific refueling station so you know which jurisdiction is owed what.



8. Upgrade your Fleet: Whenever possible, invest in modern, fuel-efficient vehicles. Modern diesel engines are far more fuel-efficient and perform better with modern diesel fuels such as ultra low sulphur diesel and biodiesel. Measure each piece of equipment for fuel efficiency and get rid of the bad ones!

9. Service your fleet regularly: This includes having a stringent, well-managed maintenance policy. Regular tire pressure checks can help you cut fuel too. A well maintained vehicle performs better, improves fuel efficiency, reduces toxic emissions and, in the long run, will cost less to maintain. Gather monthly maintenance reports and match them to your fleet numbers and you will stay on top of each unit and expenses too.

10. Use a fuel management system: This is the most powerful way to reduce fuel costs and increase productivity. Available systems range from basic onsite refueling (which saves up to 20 minutes of wasted time and fuel each day per vehicle) to automated fuel tracking (which details every liter pumped into every vehicle by date, time, quantity and fuel type) to telematics (which measures overall fuel efficiency; vehicle performance; fuel waste due to idling, speeding, etc., and identifies critical areas to improve efficiency and reduce fuel costs and emissions). The technology exists so you can become a fuel manager, and stay on top of your fuel consumption, one vehicle at a time. It can work for you.

Even if you employ half of the suggestions above, your winter fuel consumption will drop and so will your costs. That will give you a little extra cash to spend on heating your office, rather than spewing those dollars out your tail pipe. Stay warm!

By Jack Lee, President & CEO of 4Refuel Canada Inc.
Article retrieved from www.askthefuelexpert.com

Senate Seals Deal on Form 1099 Repeal

A burdensome IRS Form 1099 reporting requirement was overwhelmingly struck down by an 87-12 Senate vote on Tuesday, April 5.

The Senate vote in favor of HR4, the Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011, officially sends the bill to the president's desk for a signature.

The bill passed the House with a similarly lopsided vote of 112-15 on March 4.

While the votes on this particular bill may lead some to think that repealing the 1099 requirement was a slam dunk, it was anything but.

Buried deep in the Patient Protection and Affordable Care Act – a 906-page law – was the new requirement for all business owners. It would have required them to submit a separate 1099 form for every single business-to-business transaction that totals more than \$600 in a given year.

For small-business truckers, that could have amounted to hundreds of 1099 forms every year – forms for every fuel stop, repair service, parts provider or restaurant, just to name a few – where a trucker spends more than \$600 annually.

Rep. Dan Lungren, R-CA, took more than one swing at the reporting requirement, first introducing HR5141 last year, which was rejected outright, and then introducing HR4 at the beginning of the current Congressional session. And he wasn't alone. Many lawmakers, both Republican and Democrat, attempted to get legislation passed to repeal the requirement.

The requirement was passed in the health care legislation as a way to generate revenue to help pay for various requirements within the health care bill. It was essentially new revenue in the mind of Lungren.

In a recent House Small Business Committee hearing, Lungren stood strong on his point of "you can't replace what you don't have." Estimates ranged widely on what the requirement would gain in terms of revenue. But the estimates were also consistently showing it to be a huge regulatory burden on small businesses.

The Owner-Operator Independent Drivers Association (OOIDA) was against the requirement from the get-go. The Association lobbied members of Congress and issued several "Calls-to-Action" to its membership calling on members to pressure Congress into repealing the requirement.

Lungren's bill enjoyed full OOIDA support during its journey through the House and Senate.



And, now that it's heading to the president's desk for a signature, OOIDA continues to praise Lungren's efforts as well as thank OOIDA members for their strong opposition to the requirement.

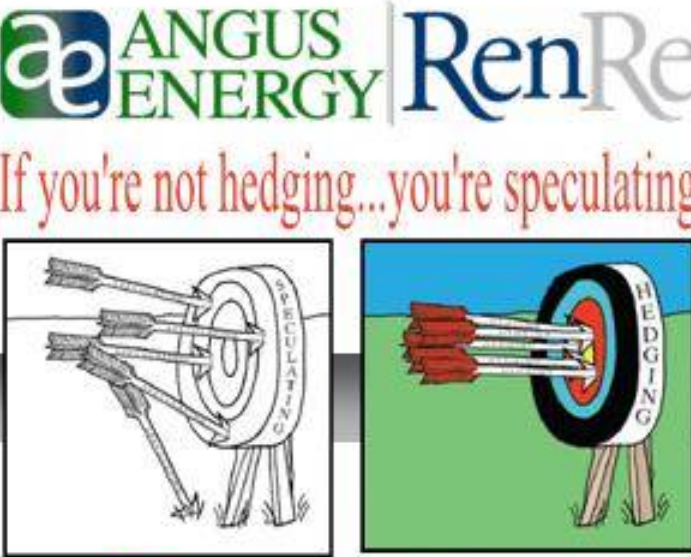
"It is certainly a relief to small-business truckers," said OOIDA Executive Vice President Todd Spencer. "They're already contending with a myriad of overly burdensome and costly regulations."

"The new 1099 requirements could very well have been the proverbial straw that broke the camel's back for many truckers. Considering that an average owner-operator will fuel up their truck with over \$600 worth of fuel more than 100 times each year and that almost every equipment maintenance bill they pay is for \$600 or more, for them the new requirements would have been extremely cumbersome and costly," said Spencer.

Spencer said the outpouring of opposition from the OOIDA membership delivered that key message to lawmakers, spurring the passage of HR4 into law.

"We greatly appreciate the efforts of Congressman Lungren and other lawmakers who have pushed hard for this correction," said Spencer.

By Jami Jones, Land Line senior editor Copyright © 2011 OOIDA



ANGUS ENERGY | RenRe

If you're not hedging...you're speculating

Hit your sweet spot

2201 West Prospect Road Suite 100
 (800) 440-0472
 (954) 564-7045 Fax
www.AngusEnergy.com

Executive Director's Corner

FAREWELL TO BOB GARSIDE

On Friday April 8, 2011 the membership of Oil Heat Council of New Hampshire paid tribute to Bob Garside for his many years of service as the Executive Director of the Oil Heat Council of New Hampshire.

Well over 100 people comprised of Bob's family, friends and business associates for over fifty years were in attendance to honor Bob. His son Rick flew in from California as a surprise guest and offered the invocation for the meal.

George Winslow did a masterful job as the Master of Ceremony. George put a lot of time, energy and effort into coordinating the evening's events along with Laura Everhart of the Oil Heat Council of New Hampshire.

Those in attendance saw a glimpse of Bob Garside's life. After graduating from Norwich University, Bob spent a short time in the insurance field. Soon after, he began his career in the petroleum industry. Bob worked for the American Petroleum Institute (API), owned a home heating oil company, and a motel, all in Vermont. He then moved to New Hampshire to work for Sprague Energy. After Bob's retirement from Sprague, he then began his career with, what we now know as, the Oil Heat Council of New Hampshire.

The Oil Heat Council of New Hampshire was fortunate to have a man of Bob's character, experience and knowledge at the helm for so many years. We wish him the best of health and happiness as he retires.

FUEL PROBLEMS, BIO-FUEL FOLLOW UP

We sent an email with a written summary from Advanced Fuel Solutions, Inc. regarding the problem that a number of the OHCNH members were having this past winter. Advanced Fuel Solutions, Inc. had an independent lab test samples from some retail home heating oil companies for fuel quality standards. A number of our members were experiencing issues where "coking" was involved along with oil burner service problems. In addition, some of our OHCNH members had fuel that had chunks like asphalt in their product.

The general findings of the tests identified "instability of fuel" as the problem. There was no indication that the problems associated with the home heating oil were connected to biofuel products.

If any OHCNH member would like another copy of the summary from Advanced Fuel Solutions, Inc., please contact Laura at the OHCNH office.

PRE-BUY LEGISLATION HB581

Pre-buy legislation has taken a twisting road during this legislative session. House Bill 581 was retained in committee by the House Committee of Commerce and Consumer Affairs. Repre-

sentative Marshall Quandt introduced an amendment to HB581 which the Oil Heat Council of New Hampshire supported. The chairman of the committee, Rep. John Hunt along with the majority of the committee, did not like the proposed legislation or the general concept of requiring the industry to either bond, place in escrow, or have a letter of credit requiring 75% of pre-buy dollars set aside to protect the consumer. Rep. Hunt felt the language that the OHCNH supported would not properly protect the consumer as was intended.



Soon following the public hearing on HB581, Jackson Energy, of Keene, NH, closed its doors and the pre-buy issue once again was front page on our state's newspapers. State Senator Molly Kelley introduced the language supported by the OHCNH which was the amendment to HB581. This new bill was Senate Bill 197. SB197 had a hearing in the Senate Commerce Committee. It passed the Senate Committee and the Senate Body via a voice vote on March 30, 2011.

SB197 has been assigned to the House Commerce and Consumer Affairs Committee with the hearing scheduled for May 3, 2011. Rep. Hunt, chairman of the committee has suggested amendments to SB197 that are not acceptable to the OHCNH. We will continue to work with him to see if we can support any new language moving forward, or if we suggest to the committee to kill an amended version of SB197. We will keep you informed.

SENATE BILL 157 WEIGHTS & MEASURERS

State Senator Sharon Carson introduced language, at our request, to help alleviate the problem caused by the New Hampshire Department of Agriculture (NHDoA). The problem was that the NHDoA had added four new state inspector positions without a public hearing in policy committee. In addition, rules were created for the Department to raise revenue to pay for these individuals. The excess revenue was to be placed in the state's General Fund.

In addition to this extra financial burden placed on the members, a great inconvenience was created. Now, one or more of these new inspectors would inspect meters on your truck. Should an adjustment or calibration need to be performed; you had to then call a technician from the private sector. Once the meter was properly adjusted, you then had to reschedule for the state inspector to return. This caused a delay in delivery of product and a higher cost to our members.

A vote on SB157 was held on April 19, 2011. If SB157 passes the full committee and the floor vote in the House it will go to the House Finance Committee. We will keep you informed as SB157 continues to make its way through the legislative process.



**It's almost that time of year again
for the OHCNH Golf Outing**

**It's all happening on
Thursday, June 16, 2011 at the
Stonebridge Country Club
in Goffstown, NH**

**We will have sponsorship
opportunities, contests, and
awards**

Registration forms coming soon!

Advertise with us!

Target your market
Advertise Here!



*Let the
OHCNH
Newsletter
get your
name out.*

*With costs starting as low as
\$75.00 per issue,
it's a great bargain!*

*Call Laura at 603-415-8330
for more information.*

***NORA AND NFPA
Collaborate on Carbon
Monoxide Training Video***



The National Oilheat Research Alliance (NORA) and the National Fire Protection Agency (NFPA) recently collaborated to create the newly released Carbon Monoxide safety training video. This nineteen minute training video demonstrates the proper procedures,

guideline and safety precautions that should be used when dealing with Carbon Monoxide. **According to Occupational Safety & Health Administration (OSHA), on average, about 170 people in the United States die every year from CO produced by non-automotive consumer products.** Due to these statistics, NORA and NFPA saw the importance of training technicians on the proper inspection of heating systems in relations to CO safety. NORA's goal for the Oilheat industry is to help consumers reach a better understanding of heating oil, improve the product and to educate both technicians and consumers. "NORA is working diligently to advance the Oilheat Industry in several core areas, education is a top priority", said John Huber, President of NORA.

To view this and other videos visit: www.mynoravideo.com

***Serving fleets throughout
New England for 50 years***



**PREMIUM DIESEL FUEL, HEATING OIL
AND GASOLINE FEATURING BIOFUELS**

www.burkeoil.com 1-800-289-2875

Why Consumers Need You To Hedge

By Mark A. Stillman, COO, Hedge Solutions

Ask most oil and propane customers what they think of paying for price protection (think insurance) and you will likely hear “I hate it.” What is it that they hate exactly? After all, these are the same consumers who buy insurance for everything from cars to vacations and never seem to be upset that it rarely results in “compensation.”

Insurance is really about peace of mind, not financial compensation. We all feel better sleeping at night knowing that if something goes wrong in some risky corner of our lives, then we are covered. Whether that ever happens is oddly inconsequential since none of us actually hopes for bad luck just so we can collect on our premium. Have you ever heard someone say, “It’s about time I got into a car accident...at least now I can justify the expense?”

So why is it that our customers are generally offended by paying for price insurance despite simultaneously demanding to pay less for oil or propane? After all, the net result has been a significant drop in program participation, which, in turn, removes this important value-add service from your arsenal. That, in turn, puts you squarely in a street price war with low margin competitors. Not good.

Perhaps the secret can be found by better understanding consumer behavior in a broader context. Buyers of anything have a nasty habit of oversimplifying and then distorting the facts. It’s the oldest negotiating trick in the book. If I can make you feel bad (or better yet, guilty) about how you arrived at your “exorbitant” price, then you will give it to me cheaper. In our world, it’s as easy as saying, “The COD guy down the road is 30 cents less than you and now you want me to pay another 30 cents to cap my price!?” We all know that this is an utterly inaccurate depiction of reality, but your customers do it every day. And very often, you give in to their demands, however unreasonable, to keep the account. What exactly is happening here?

Like most of my coworkers, much to my mother’s chagrin, I went to college to study economics. Clichés aside, you learn in 101 class that powerful competition in a market can force the price of a given product down to the point where firms can no longer derive a profit. And who drives this dynamic? Correct, consumers. They ultimately decide what anything is worth given stable supply. Oil and propane consumers seem to have decided that they want cheaper energy; hence they are pushing down prices and by extension, your profits.

Is It Really All About Price?

There is another interesting facet to this situation. While doing research for an upcoming AREE presentation, I interviewed a randomly chosen sample of heating oil consumers. I asked them about price, and almost invariably they cited “lack of price stability” as being equal to or more important than the cost per gallon. The message is that they seem to be annoyed that prices spike in

extreme fashion leaving them with unpredictable expenses.

When pressed further, these same folks admitted to at least considering a switch to natural gas. The answer again was not necessarily because it was “cheaper,” but because it was “more stable” in regards to price.



Hedging allows marketers to exert incredible power over both the ultimate cost and price stability of oil and propane. When properly applied, hedging can help you offer consumers more attractive prices while not eroding margin. This is not simply relevant to your program business, but also, more importantly, your rack to retail business.

Maintaining competitive advantage in a market where consumers are flexing their muscles can be extremely challenging. You have to find that balance between a compelling price and a quality customer experience. And you have to make enough money to run your business!

Like it or not, a new age of consumerism means that prices will come under more pressure before they come under less. Therefore, incremental gains in margin can literally mean the difference between your success and failure. Learning to integrate hedging, both short and long term varieties, into your strategic plans is likely to become a business requirement in the years to come.

It is ironic that price insurance (aka puts and calls), the very thing that annoys so many consumers, is the same tool that will ultimately help them get the lower prices they demand. Perhaps as an industry we need to do a better job pointing out this important and rather odd contradiction.

Retrieved from Fuel Oil News, March 2011

Looking Ahead...

Mark your calendars for the
46th Annual OHCNH Convention
September 13-15, 2011

Mt. Washington Resort, Bretton Woods, NH



Look for more information to follow the next few months, and prepare for another great event this year!



E-MAIL DIRECTORY

General info@nhoilheat.com

Robert J. Sculley rjsculley@nhoilheat.com
Executive Director

Dana Jones djwmo@yahoo.com
Chairman

Tom Proulx ... tproulx@proulxoilandpropane.com
Vice Chairman

John Rider jsrider@webberenergy.com
Secretary / Treasurer

Paula McLaughlin paula@nhoilheat.com
Executive Administrator

Laura Everhart laura@nhoilheat.com
Administrative Assistant

Street Address

19 Henniker Street • Concord , NH 03301

Mailing Address

PO Box 3898 • Concord, NH 03302-3898
Phone: 603-415-8330 • Fax: 603-415 8329

WWW.NHOILHEAT.COM

April 21, 2011
DOT Collector Training 8am-4pm (Call for Info)

19 Henniker Street, Concord, NH

May 4, 2011
Air Foundations 9am-3pm (Call for Info)

19 Henniker Street, Concord, NH

June 16, 2011
Annual Golf Outing
Stonebridge Country Club
161 Gorham Pond Rd., Goffstown, NH

September 13-15, 2011
46th Annual OHCNH Convention
Mt. Washington Resort, Bretton Woods, NH