

From the President's Desk



Dear Valued Customer,

It's true. Our phones have been ringing off the hook. A lot of you have been calling to discuss budget payments, inquire about our program, or arrange for a delivery. We don't have a fancy voice mail system where you get to press lots of buttons and wait on hold before you can talk to someone. We actually answer our phones. We like talking to each of you and helping meet your home comfort needs. We look forward to hearing from you.

A warm welcome to the many new customers who have signed up this fall. We pledge to bring you terrific service 24/7. We hope you enjoy your first issue of The Thermostat.

Also thanks to all of you who shared your positive remarks about us with your friends and neighbors. Your vote of confidence means a lot.

We are looking forward to serving you this winter.

Very truly yours,

CUSTOMERS HAVE CONCERNS

We have the answers

It has been a busy fall. People are naturally concerned about their upcoming seasonal heating bills. There have been plenty of phone calls to sign up for our price program, get on a budget, or just ask a few questions.

Here are some Frequently Asked Questions we would like to share

What can a home owner do to increase efficiency and lower costs?

Burner Efficiency and Maintenance

Burner efficiency has come some distance over the years. The most efficient models can save you as much as 20-40%, depending on the model you are replacing. If your unit is 20 years or older, you might consider this option.

Before you make any decisions on all this, however, you should have an experienced service technician look your system over, and give it a tune-up. He will measure your unit's efficiency using special testing equipment that measures flue gas composition, temperature, smoke level, and chimney draft. Once your system is running optimally, he can discuss options, including possible adjustments or equipment upgrades, aimed at energy conservation and saving you money. Call our office and we can suggest who to call for an appointment.

On the Home Front

Through conservation and home maintenance you can also save on your fuel bills. Here are a few quick ideas:

- Install a set-back thermostat, which one can program to lower the heat when you are at work, or asleep, minimizing the times you heat your home to full temperature.
- Insulation. It is not too late to deal with those drafty spots in your home. When it gets to -20 F you will be glad you did!
- Insulate piping in partially heated areas, get a jacket for your hot water heater.
- Keep your baseboards and hot air ducts clean and free of dust buildup.
- Let the sun in! Allow the sun to provide passive solar where possible.
- Insulated curtains or cellular shades can be drawn at night, or when the sun is not out, to retain heat in your home and cut back on drafts.

Will oil and gas prices continue to rise?

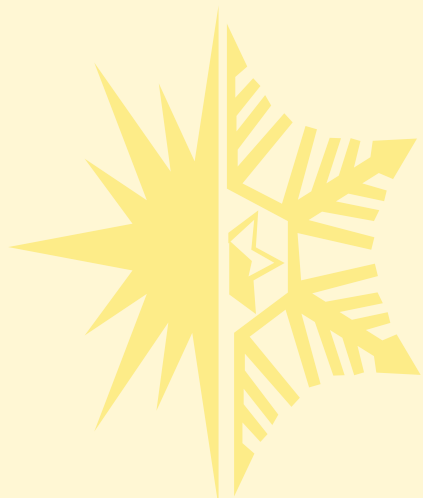
In our view it is highly unlikely oil prices and related products will continue to soar. Already we are seeing prices in crude oil drop from their highs of early September

Like the spike in energy prices we saw in the 1970s, we believe heating oil prices will also pull back over time. We are not alone in this assessment. In the futures market, where traders place their bets on various commodities going out a year or more, we are seeing prices as much as 25% lower than today's costs. Of course nobody has a crystal ball, and some price volatility may be here to stay. One thing we have proven over time, is that customers who are on our price program don't have to worry about unusual peaks in pricing. They know their price for fuel is capped, and can plan accordingly.

Is heating with oil still a good choice?

Oil continues to be the best choice for a combination of safety, ease of use, and price. Keep in mind, that relative to oil all other products fail in one of these areas. It is also typical when the price of oil goes up other energy products do as well. Coal, natural gas and processed wood prices have also risen sharply in recent months. Oil also burns clean, with modern burners emitting fewer particulates than most other combustion sources. When you add the ease of use and safety into the picture, you just can't beat oil.

These are just a few thoughts, and there are more ways to think about conserving fuel, increasing efficiency and saving money. Excellent resources exist online, including the Energy Savers website (<http://www.eere.energy.gov/consumer/tips/>) hosted by the US Department of Energy. Check it out, and start making changes today!



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: S&D Petroleum, 2761 State Highway 26, Cincinnatus, NY, 13040.

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: _____

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: _____

EMPLOYEE PROFILE

Michael Murray Jr.

Handling and delivering propane is not the job for everyone. It requires attention to detail, sheer strength, and common sense.

Installation of the equipment also requires experience and careful work. So when S&D found it was in need of a

propane delivery and installation professional, we screened applications carefully with safety in mind. Right away, Michael Murray Jr stood out.

His prior experience was one way we knew he could handle the job, but his interview told us he was the right man for S&D. "Mike is an observant person. He had good references, and was familiar with the area" says Penny Dietrich, "I also found him to be very friendly and professional. It is easy to see he will be a great addition to our Propane Department."

Mike is a family man. He has four children at home ranging in age from 9 to 16 years. Mike is an avid sportsman with years of hunting fishing, and trapping under his belt. He even runs a deer processing plant, which gets pretty busy this time of year! Along with Lynn, his spouse, and the kids, Mike shares his life with a small herd of Boer goats which he raises for meat.

An industrious and down to earth guy, we feel lucky to have Michael Murray Jr. on our team. Welcome Michael!



Mike cleaning up our delivery truck

Payment Options and our Credit Policy

Credit Policy

Payment is due upon receipt of invoice.

Balances over 30 days are subject to 1.5% per month finance charge.

Accounts with balances over 30 days MAY be subject to deliveries being held until the account is brought up to current status.

Budget accounts that are on the price program must keep their monthly budget payments current to receive program pricing.

COD accounts must pay in advance of delivery.

HEAP can Help!

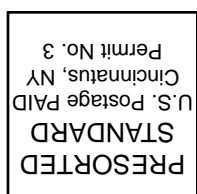
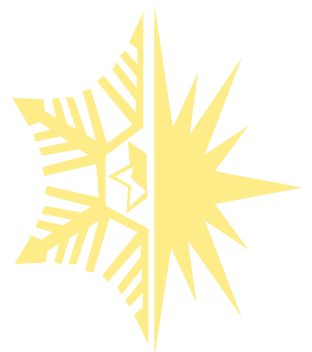
If you need help to pay your heating bills you should look into government assistance. The Low-Income Home Energy Assistance Program (HEAP) is a federally funded energy assistance program, and you may qualify.

The program starts the first part of November for both regular and emergency HEAP. New York State mails applications to persons who are automatically qualified, such as 60 or older, or have qualifying children. It usually takes about 2 weeks for applications to be processed.

"However, if you have not received an application or have questions about the program, please call the number listed below for assistance in your county:"

Cortland County: 607-753-5148

Chenango County: 607-337-1500



S&D Petroleum
2761 State Highway 26
Cincinnatus, NY 13040