

The Thermostat

S&D Petroleum's Customer Newsletter

From the President's Desk



Dear Valued Customer,

We live in a complex world. We live in a world where predictions are a fool's guess at best.

We watch as our economy struggles and the Middle East is in turmoil. It seems we live in a world where honesty, integrity, and genuine helpfulness, are in short supply.

But not entirely ...

You can find those qualities in your friends, your family, and with all of us, at S&D Petroleum, and the S&D Mini-Mart. We know part of our job is to make life easier for our customers. We strive to bring you the best service, because we know our business depends on it. And, we also know part of being the best is treating each customer like a neighbor, a friend, and that means with integrity and honesty and genuine helpfulness.

In that spirit we bring you the spring issue of *The Thermostat*. If we keep at it, in our small way, we can make the world a better place.

Sincerely,

Penny Dietrich, President
S&D Petroleum

Thank you ...

- ... for clearing to your fill pipe.
- ...for your continued patronage.
- ... for telling your friends about us.
- ... for telling us when we have done well, and when we have not.
- ...for being a warm friend to us.

We try not to take anything for granted, especially your business. So, Thanks!

When the going gets rough, we are on your side

Many of our customers have expressed concern over how America's War on Terrorism and the conflict in the Middle East will affect the price and supply of home heating fuel next winter. Will prices skyrocket? Will supply be short? In short, for our customers we're doing all we can to be sure the answer to both questions is, "no".

According to the New York Times (*Crude Oil Prices at a 6-Month High on Mideast Worries*, Neela Banerjee; April 3, 2002), the recent increase in oil prices, "was building on a gradual but substantial run-up in oil prices that started at the beginning of the year, mainly because of reductions in output that the Organization of the Petroleum Exporting Countries began in 2001." OPEC controls about 40% of the world oil supply, and has expressed a desired price range of \$22-28 a barrel for crude oil. The recent run-up is within those perimeters, and OPEC is expected to increase production should the price of crude oil exceed \$28 a barrel.

The New York Times article continues, "Intensifying violence in the Middle East has in the past led to higher prices, oil industry experts noted, but once oil traders recognize that the situation is more stable than news reports might indicate, prices usually drift down."

While Wall Street will react quickly to world events, even severely to news of this kind, our customers shouldn't have to worry. There are a number of ways we work to reduce the unpredictability of oil prices for our customers.

"It is times like these that make our business shine," observes Penny Dietrich, "We see it as our job to protect our customers from the kind of price volatility we have seen lately in the oil markets. Our Guaranteed Price program is one way our customers benefit. We go

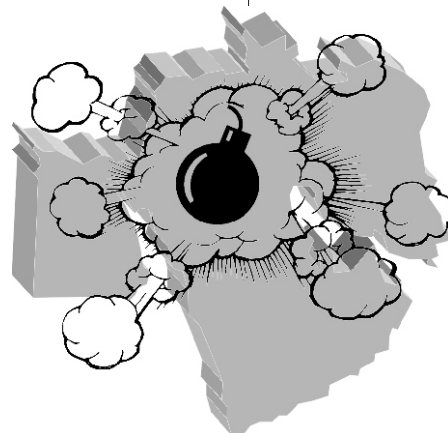
out and take the risk and worry out of oil prices, and our customers get a price commitment from us they can rely on."

Some worry that a war in the Middle East could hinder supply, thus raise the price of oil, or even make oil hard to come by. We all remember the Oil embargo of 1973, and don't wish to repeat it. It is important to note, however, that despite recent violence, relations between the Arab states and the United States of America are much better than in times past. There are more oil producers, and oil producing countries out there, so Middle East problems don't necessarily translate into supply problems. Besides, selling oil is how many Arab states pay the bills, and wars can be expensive.

Again, quoting from the New York Times, "An oil embargo is unlikely," said Lord Browne, the chief executive of BP, in an interview in his New York office yesterday. "There is so much surplus capacity, the shortfall would come from somewhere else. There is no great cause for concern."

Penny Dietrich has a similar message, "I have been on the phone with our suppliers, and entered into purchase commitments well into next year. I have every reason to believe our supply of heating oil is solid."

So while it is true that the world is full of surprises and uncertainty, S&D Petroleum is not. We encourage you to sign up early this summer for our 2002-2003 Price Program, to stabilize the cost of your heating fuel, and trust that we will take the worry out of prices and supply. After all, our motto is: "we make warm friends", and like a good friend we will be there for you if the going gets rough.





Spring Profile: Cincinnatus Business Association

We value our way of life here in Cincinnatus. The rural landscape, especially in the spring, is a beautiful sight. But we also need, and indeed rely, on a positive business climate for our way of life to be supported. In a rural area, even more than urban, it is important we join together with others to create strong inter-business, and inter-community ties, so that all our needs are communicated and addressed.

The Cincinnatus Business Association was established in the fall of 2001 to do just that. Cincinnatus has over 150 businesses in the area. The Association was formed to support these businesses, help provide better communication between them, as well as spearhead efforts in exploring the needs of our community.

Penny Dietrich, President of S&D Petroleum is on the board of directors, explains, "It is so important that we all



CBA board of directors. Back row, left to right: Richard Kearney; Bill Cobb; Phil Totman. Front row, left to right: Mike Natoli, Secretary Treasurer; Brad Totman, Chairman; Penny Dietrich; Kevin Sharp.

work together to continue to address the needs of the communities we serve. The Association aims to do this through creating a network of businesses and business owners. As a group we are united in our effort to sustain, and improve, the quality of life in our region."

Though only in it's infancy as an organization, the Cincinnatus Business Association already has a strong membership, and boasts a dedicated board of directors. At S&D Petroleum,

S&D Mini-Mart News



Congratulations to Harry and Mary Simmons, the winners of our Christmas Stocking give-away, and Joan Slavick, the winner of our Easter Bunny Give-away. Watch for more freebies to come.



Thanks to your generosity, and matching funds from us, we were able to raise \$400 for the 911 Disaster Fund at the American Red Cross. If there is a charity you would like considered as a donation box recipient, please let us know.



Welcome! Please give a smile to our new clerks Michele Tefft and Jaclyn Pittsley. We are pleased they have joined the Mini-Mart Team.

we are proud to be a part of this new and needed organization, and look forward to working with them to better the community in which we live and work.

The CBA is seeking new members, and values your input. The cost is \$25 to become a member, and is payable to: Cincinnatus Business Association, P.O. Box 299, Cincinnatus, NY, 13040.

Tax Credits for removing old oil tanks



Did you know you can get a tax credit for removing an existing, unprotected residential fuel oil storage tank? Here's how it works:

The tax credit is allowed against a taxpayer's New York state personal income tax for the cost of removing existing, below-ground or above-ground, unprotected residential fuel oil storage tanks, permanently closing an unprotected tank, and installing a new residential fuel oil storage tank to replace an existing tank.

To qualify, the tank must be used to

provide heating fuel for a single-family, two-family, three-family, or four-family residence located in the state of New York. The credit cannot exceed \$500.

To learn more go to the New York State Department of Taxation and Finance's website (www.tax.state.ny.us). Click on the FAQs link, and then on the Residential Fuel Oil Storage Tank Credit link on the left side of the page.

If you decide to change out your old tank, and wish to use this tax credit, be sure you have the work invoiced separately from other burner service work, and save it. You don't need to submit the receipt with your tax return, but you may need it later if requested by the New York Department of Taxation.

Propane News



It is the season's first BBQ. You have invited a crowd, when you discover you need to fill the tank for your gas grill. Oops! So, you go downtown to find you can't get it filled because your tank needs an "overfill protection device" or OPD. Huh?!

Don't be alarmed. You are not being singled out. As of 4/1/02, all L/P tanks must have an OPD. This safety feature was not installed on all tanks until recently, so your grill tank may not have one.

New propane tanks are available through S&D Petroleum and the Mini-Mart. Save yourself some stress later, and update your grill's tank now, before you have that first BBQ!

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