

2019 Letter to Homeowners

To: All Long Bay and South Down Homeowners

We completed our 5 year fuel buying agreement with Dead River on May 31st. This was a tremendous success for us and has resulted in pricing that is over \$1.00/g under what we would have experienced without this agreement. We met with Dead River to discuss the agreement in early May and found that Dead River was equally happy with the business they have built with South Down and Long Bay residents. They have agreed to keep the program where it is for another 5 years.

- Dead River's program is a 5 year commitment and based on a formula tied to wholesale costs. We will know each year what the pricing is going to be. It is not subject to further negotiation, and every SD/LB homeowner receives the same pricing.
- South Down and Long Bay homeowners that also have a primary residence in areas serviced by Dead River, will receive the same pricing.

We have been following the market pricing for propane the last 3 weeks and the timing has worked out to our advantage to lock in the pricing for the 2019/2020 Heating Season. We will be enjoying pricing that is 18% lower and \$.30/g lower than a year ago.

It is now time to contact Dead River to renew your individual agreements for the coming heating season. We have a two-week window in which the pricing quoted below will be in effect.

***** FIXED PRICING QUOTED BELOW WILL BE IN EFFECT UNTIL JUNE 21, 2019 -MARKET PRICES WILL BE EVALUATED AFTER THAT DATE FOR FUTURE FIXED PRICE AGREEMENTS***PRICING WILL BE UPDATED AND REFRESHED BI-WEEKLY*****

PRICING

- **For Propane** this offers homeowners a **Fixed Price** this coming Heating Season (Sept 1 to May 31) of \$1.399. Payments in 15 days or sign up for 10-11 month Budget Plan and save another \$.03/g, for a net price of \$1.369. Those that sign up for a Pre-Buy will receive \$1.349/g. Pricing outside the Heating Season is formula pricing based on a daily floating wholesale cost plus fixed markups. On 6/5/19 the floating rate was \$1.18/g.
- **For Heating Oil** this offers homeowners a **Fixed Price** this coming Heating Season (Sept 1 to May 31) of \$2.459/g. Pre Payment, Payments in 15 days, or sign up for 10 month payment plans save another \$.03/g, for a net price of \$2.429. Pricing outside the Heating Season is formula pricing based on a daily floating wholesale cost plus fixed markups. On 6/5/19 the floating rate was \$2.351/g.
- **For K1 Kerosene** this offers homeowners a **Fixed Price** this coming Heating Season (Sept 1 to May 31) of \$2.999. Pre Payment, Payments in 15 days, or sign up for 10 month payment plans save another \$.03/g, for a net price of \$2.969. Pricing outside the Heating Season is formula pricing based on a daily floating wholesale cost plus fixed markups. On 5/9/19 the floating rate was \$2.595/g.

SERVICE and SERVICE PLANS

Dead River offers 24/7 service with technicians dispatched from their Bristol, NH office. They also offer service plans on boilers and furnaces, subject to passing an inspection. An inspection would be done at the time of a scheduled annual tune-up on the homeowner's system(s). Dead River does not service K1 Monitor of Toyotomi systems

AGREEMENTS

As in the past, DR will need a 5-year Supply Agreement and zero dollar Equipment Lease signed on behalf of each homeowner (for UG propane tanks only).

DR will perform a safety inspection, free of charge, on all units to ensure that all propane systems are up to current gas codes. Any compliance work needed to bring any of the individual systems up to code would be the responsibility of the homeowner.

Dead River Company is one of the largest petroleum marketers in the Northeast and has been owned and operated by the same family since 1907. DR has a fully-staffed service department and delivery fleet On-call 24/7 to service your energy needs. The nearest office is located in Bristol and customer service representatives are available by phone in Plymouth, Bristol and New London.

NEW OWNERS/ NEW CUSTOMERS

- **For new homeowners** joining the program, the application process starts by completing a Dead River Application (please see the Long Bay or South Down website) and faxing it to Customer Service. For existing homeowners simply call Dead River and lock in your Fixed Price rates prior to June 21st.

- Dead River will set up an account with each new homeowner, schedule a home equipment inspection, provide a contract to sign, and handle purchase of propane tanks from current suppliers.

- The Dead River contract is a boiler plate template that they cannot change and there are elements that do not impact South Down and Long Bay and therefore there is an Addendum. (Please see attached) . This provides more details on what happens in the case of Overages or Underages on the Contract.

Should you have any questions on any of the elements of this fuel buying opportunity or why it is important to support your Associations in a combined effort now, you can email your questions to:

South Down –Frieda Yueh - fwy125@gmail.com

Long Bay - Dick Bordwell – dbordwell52@gmail.com