

CROMWELL ENERGY 2010-2011 FUEL PLAN FAQ (FREQUENTLY ASKED QUESTIONS) SHEET

Q. What is the fuel plan or “buy ahead” program?

A. The fuel plan is a voluntary written contract agreement between Cromwell Energy and you, the customer, for the purchase and delivery of home heating oil. You agree to buy a fixed number of gallons of oil at a locked-in price and we agree to deliver and guarantee the price of those secured gallons. This is for the purchase of fuel oil only. Any heating, hot water, or air conditioning service is invoiced separately from this agreement.

Q. Do I have to participate in the fuel plan agreement?

A. No. The fuel plan is voluntary. It is a choice we offer all of our customers. Approximately 60% of our customers participate. If you do not want to participate, you pay the regular retail price as delivered, or on a conventional budget payment schedule.

Q. How does it work?

A. It's very simple. Enclosed is the written contract. You choose one of our two payment options to pay for your oil:

1) 11-MONTH PAYMENT PLAN: You pay in eleven equal installments.

Downside protection is automatically included in your payment. Payment is due on the first of each month.

OR

2) FULL PAYMENT PLAN: You make full payment up front for your agreed-to number of gallons of oil. Note that this option will save you 10 cents per gallon.

Downside protection is optional, but still recommended.

We deliver your oil on an automatic delivery basis with either plan.

Q. What do I have to do to participate?

A. Carefully read and fill out the written agreement. Then sign and date the agreement, and tear off the yellow copy to keep for your records. Return the white original to us with your first payment (monthly option), or your full payment, by June 1, 2010.

Q. How long is the agreement good for?

A. The agreement and deliveries covered under this contract start from time of sign-up through April 30, 2011, or until you use up the number of gallons of oil you agree to buy.

Q. What happens if I use more gallons than I agreed to?

A. If you use more gallons than you agree to purchase, you will pay the daily retail price for the gallons that exceed the contract amount. (This price could be higher or lower than your locked-in price.) We have estimated your contract gallons based on your historical usage pattern. You may adjust this amount if you feel you will need a higher or lower amount than we have estimated.

- Q. What happens if I do not use all the gallons I agreed to buy?**
A. If you do not use all the gallons you agreed to buy, your credit balance will be used against future deliveries or service requirements.
- Q. What if the retail price of oil drops below the agreed-to price in my contract?**
A. If the retail price of oil drops below your fuel plan price, you pay the fuel plan price, unless you have purchased Downside Protection (see next question).
- Q. What is Downside Protection?**
A. Downside protection is like insurance, in that you are “covered” in the event that oil prices decline over the course of your contract year. If you have downside protection (required for budget lock-in), and the retail price of oil drops below your locked-in price on a day you receive an oil delivery, you will pay the lower price.
- Q. What are the advantages to the fuel plan?**
A. Some of the advantages to the fuel plan include:
1) You pay one price for your oil, eliminating price spikes.
2) You know what your monthly payments are instead of getting a large oil bill after each delivery, especially during winter when deliveries are frequent.
3) It allows you to know your fuel costs for the coming year and budget accordingly.
4) Peace of mind; with downside protection, you know you will always pay the lowest price.
- Q. Why are some other oil companies cheaper?**
A. Cromwell Energy has always been competitively priced in the full service oil market. We do not offer gimmicks or ‘bait and switch’ tactics to take your business away from other companies. We offer the fairest prices we possibly can, and we have always stood behind our commitment. Some companies offering cheaper oil prices have gone out of business, lost their licenses, or are under investigation by the Dept. of Consumer Protection for fraudulent buy-ahead programs. Also, some companies have not upheld their agreements when prices went up. If a company offers an artificially low ‘introductory’ price, they will have to make it up somewhere else. Buyer beware, if it sounds too good to be true, it probably is.
- Q. When do I have to sign up by?**
A. The enclosed signed contract and first payment, or full payment, must be received by June 1, 2010. **The price cannot be guaranteed after this date. Also, supplies are limited.**
- Q. How do I know how much oil I have left?**
A. Your oil delivery ticket has the number of gallons left prior to that day’s delivery.
- Q. What do you think I should do?**
A. Many think we know what the oil future holds. No one can be sure of what oil prices are going to do, and the past few seasons have shown how volatile the energy market can be. Having a fuel plan gives you the ability to know what your costs will be and budget accordingly. And with downside protection, you know you will always pay the lowest price.

If you have any other questions, please call our office at (860) 635-1234.

We value you as a customer and thank you for your business.