

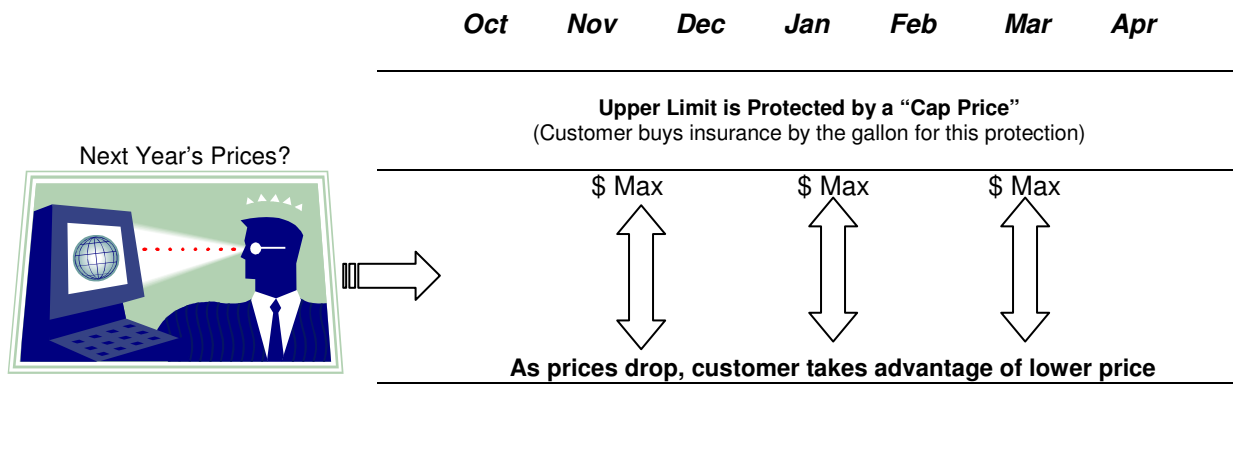
**White Mountain Oil & Propane, Inc.**  
*The Price Cap Insurance Program – Frequently Asked Questions*



A “capped” price, or ceiling price, is a maximum price per gallon you will pay regardless of market fluctuations. If your account has a price cap set, you pay the established price if it is lower than the cap price. *When prices rise, you will pay up to the cap price but no higher.* Without price cap insurance protection (and assuming you have not chosen to participate in a pre-buy or fixed price program), there is no limit to the potential price increases one might see.

Price Cap Insurance can be purchased regardless of whether you are on a budget or not. The fees associated with the Price Cap Insurance Program are announced as soon as they are available (typically in the August-September timeframe), and a letter explaining the program and final pricing is then mailed out all customers who are participating in the program.

To provide this service, White Mountain Oil & Propane must pay (by the gallon) in advance for this price protection. However, we do allow customers to include the cost of this insurance in their budget and spread that cost out over 12 months.



## Frequently Asked Questions Price Cap Insurance

### **1. *What is price cap insurance and why do I need it?***

This program provides peace of mind all year long by offering a price ceiling while, at the same time, allowing you to benefit from lower prices when they occur. A “capped” price, or ceiling price, is a maximum price per gallon you will pay regardless of market fluctuations. If your account has a price cap set, you pay the established price if it is lower than the cap price. *When prices rise, you will pay up to the cap price but no higher.* Without price cap insurance protection (and assuming you have not chosen to participate in a pre-buy or fixed price program), there is no limit to the potential price increases one might see.

### **2. *Why Do I Have To Pay for Price Cap Insurance?***

To provide this service, White Mountain Oil & Propane must pay for price protection insurance when purchasing fuel in the futures market. In recent years the cost of this insurance has increased dramatically, making it necessary to charge for price protection guarantees. However, we do allow our customers to include the cost of this insurance in their budget and spread that cost out over 12 months.

### **3. *Is White Mountain Oil the only company charging for Cap Price Insurance?***

No, most other fuel companies charge similar fees if they offer a cap price insurance program.

### **4. *How much does price cap insurance cost?***

The cost of price cap insurance in the 2011-2012 Program is estimated to be approximately \$ 0.25/gal but is subject to change as the market changes.

### **5. *How long is the Cap Insurance coverage valid?***

The 2011-2012 program will be effective from 10-01-2011 through 4-30-2012. Only gallons delivered during this period will be covered by the Price Cap Insurance Program.

**6. How does White Mountain Oil & Propane handle the sale of Price Cap Insurance?**

Customers who are on a budget or who had Price Cap Insurance last year are automatically renewed and charged for the insurance. Customers are charged based on the average annual gallons used over the prior 2 years. If a customer chooses to “opt out” of the insurance, we ask that they do so within 30 days of receiving their Price Cap Insurance Program contract.

**7. Can I spread out the payments for my price cap insurance?**

- Budget customers – Yes, the fee will be charged against your budget.
- Non-Budget – Payable in full before a cap price will be implemented.

**8. How late into the budget year can one purchase cap price insurance?**

*Typically, the Price Cap Insurance Program enrollment period ends in August.*