

EnergyWise

A
White
Mountain
Oil and
Propane
Customer
Newsletter

EMPLOYEE PROFILE

Vic Calhoun



White Mountain Oil and Propane is pleased to announce the addition of Vic Calhoun to our staff. Vic brings considerable experience in the oil and propane business, having previously worked for both Irving Oil and Amerigas. Vic joined White Mountain Oil and Propane this summer to run our new Lincoln office.

Vic Calhoun is a proud former U.S. Marine, and also the proud father of four children—the youngest in his senior year in high school. Vic enjoys motorcycles and the outdoors, but probably his greatest passion is coaching youth football.

We encourage our Lincoln-area customers to stop by and meet Vic at our new Main Street, Lincoln office or call him there at (603) 745-7136.



WHITE MOUNTAIN OIL & PROPANE

White Mountain Oil & Propane Opens Office in LINCOLN, NH



For many years, White Mountain Oil and Propane has been delivering propane gas to homes, condominiums and businesses in the Lincoln, NH area. As our business

continued to grow in the Pemigewassett Valley region, we decided to open a branch office to better serve our customers in the towns of Lincoln, Thornton, Campton, North Woodstock and Plymouth.

Our new White Mountain Oil and Propane office is located at 264 Main Street, in the shadow of Loon Mountain Ski Area at the western end of the Kancamagus Highway. The local phone number is 603-745-7136. We hope our presence there will allow us to be more responsive to the needs of our growing customer base in the region.

What's going on with *the markets?*

Oil prices have dropped to their lowest level in almost two years, with crude oil (WTI) closing below \$60 a barrel in early January. Is this a flashback to 2008? How low will it go?

In the summer of 2008, the price of crude oil reached \$140 a barrel, and by December of that same year it had fallen to \$67 a barrel, a drop of about \$73 a barrel. The chart (following page) shows the scenario this year, from July, 2014 to early November. The total drop in crude prices has been about \$50, less dramatic than the 2008 drop, but significant nonetheless.

The U.S. oil industry has seen genuine growth in recent years, driven mainly by

new technologies that allow for more efficient extraction of oil from shale-rock formations. This in turn has led to lower crude prices for U.S. refiners who have been importing less crude from other parts of the world. The EIA (Energy Information Agency) data shows crude imports from Saudi Arabia in August, 2014 fell by almost 35% compared with August, 2013.

So why the huge price drop? There are as many opinions as there are analysts, but many analysts point to the recent price cut by Saudi Arabia, the world's largest oil exporter, as one of the major driving

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What's going on with *the markets?* continued from page 1

forces. The Saudi government cut prices for crude oil sold to the U.S. in an attempt to make Saudi crude oil more attractive to U.S. refiners. Some claim this strategy is being pursued to simply maintain market share, while others view it as “taking aim” at U.S. shale oil operations.

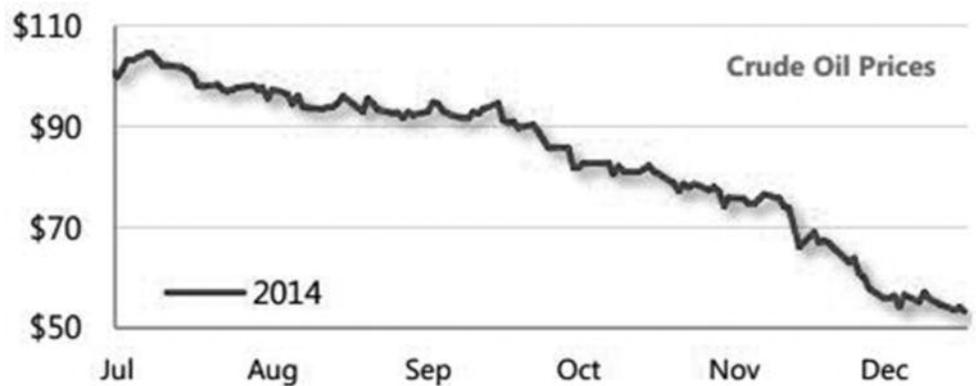
Where it will go from here is anyone's guess. Some analysts predict that \$75 a barrel or lower is the point at which U.S. producers would begin to scale back output as the profit margins at that price level would be too thin to sustain the current activity level.

And there are other factors that could come into play to drive prices back up. The early onset of

cold weather in January could strain heating and refineries and transportation of heating oil to the Northeast, even though there is a strong crude oil supply. And, as we saw last year, a large draw down of propane supply in the Midwest for crop drying could affect the overall

supply for propane gas to our region.

No one could have predicted the dramatic fall on oil prices over the past few months, nor can we predict what 2015 will bring. If there was ever a year that benefits our customers who bought Price Cap Insurance, this appears to be it.



New England Endures *FASTEST* Rising Electricity Costs

U.S. electricity prices rose by 3.2 percent in the first half of 2014, and the fastest rate of increase was in New England, according to the U.S. Energy Information Administration (EIA). Electricity customers in New England experienced price increases averaging 11.8 percent.

The same conditions that contributed to last winter's electricity price spikes are continuing to negatively impact New England ratepayers as we head into the 2014-15 winter heating season. At issue is New England's reliance on natural gas to generate nearly half of the region's electricity. Though large new supplies of natural gas are being extracted nearly on

New England's doorstep in states like Pennsylvania and New York, a lack of pipeline capacity adequate to handle winter demands is causing the price of natural gas for winter delivery to climb sharply. This has also caused a corresponding increase in the price of wholesale electricity.

For the first six months of 2014, the day-ahead wholesale power price in the ISO-New England control area averaged \$93 per

megawatt hour, 45 percent higher than the average wholesale price during the same period last year.



PROPANE-FUELED Standby Generators



With the continued barrage of ice storms in northern New England, the sales of emergency generators to homeowners and businesses has increased dramatically over the past ten years. At White Mountain Oil & Propane, we now have hundreds of customers who depend on propane-fueled generators to keep the power on when the electrical service goes down.

To better serve these customers, we recently formed a partnership with The Generator Connection of Barrington, NH. The Generator Connection can provide emergency service for your propane generator, as well as annual service contracts and routine maintenance.

We will continue to supply your propane gas and we can service propane gas-related issues on your home generator. However, from this point forward, we strongly recommend you call The Generator Connection directly for generator service at: 603-664-4004.

IMPORTANT INFORMATION ON OIL TANKS

FOR RESIDENTIAL AND BUSINESS HEATING OIL CUSTOMERS IN NEW HAMPSHIRE FROM THE NH DEPARTMENT OF ENVIRONMENTAL SAFETY

In the unlikely event of a spill from your oil tank, the State of New Hampshire's Fuel Oil Discharge Cleanup Fund can cover much of the cleanup cost. As of July 1, 2015 the cleanup cost coverage will be reduced by \$500 for residences and \$1,000 for businesses if your storage is not in compliance with the NH DES "Best Management Practices" (BMPs) for On-Premise-Use Heating Oil Tanks.

An existing \$500 deductible applies to all cleanups covered by the Fuel Oil Discharge Fund, and if your storage tank does not meet the BMPs, your out-of-pocket cleanups costs increase to \$1,000 for residences and \$1,500 for businesses. *To minimize your out-of-pocket costs if an inadvertent oil spill occurs, it is important to be sure your heating oil storage tank meets proper standards.*

Trust is comfort.

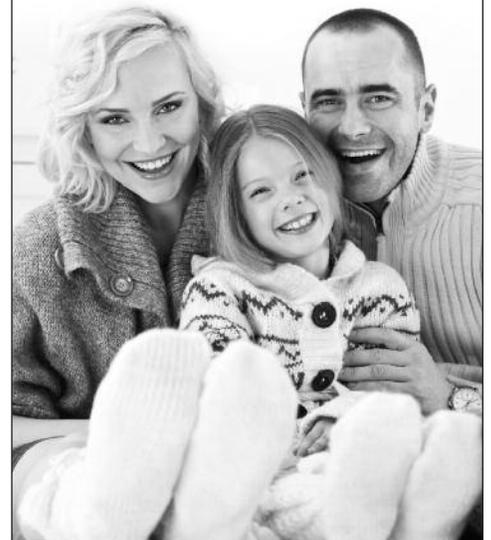
When choosing to keep your family safe and warm, why not consider a trusted member of the Oil Heat Council of New Hampshire?

Oil Heat Council of New Hampshire members are reliable, locally-operated businesses who participate in the oil heat industry at the highest levels of service and integrity. Oil Heat Council members are dedicated to their local communities, providing quality heating oil products and trained service professionals to serve their loyal customers.

White Mountain Oil & Propane is your local Oil Heat Council of New Hampshire member

 **Oil Heat Council**
of NEW HAMPSHIRE

nhoilheat.com





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Winter Propane System Safety

Accumulated snow and ice have the potential to damage your propane system. Here are some of the steps you can take to avoid winter problems.

1. Get to know your propane system.

If you're not familiar with it, take a few minutes to identify core components: tank, regulators, meter, piping and supply valves, as well as any appliance

vents. Be sure you know where your gas supply valve is located in case you need to close it in the event of an emergency.

2. Mark your tank and regulator with a brightly-colored stake or flag taller than the maximum anticipated snow depth. Also mark your secondary pressure regulator or meter; it is usually on the side of your home.

3. Have an adequate supply of propane in your tank—and clear driveways and pathways to propane tanks so that they can be refilled.

4. Keep snow and ice from accumulating on propane equipment. Make sure those removing snow know the location of all your propane equipment.

5. Be alert to snow buildup on rooftops and other areas. Never shovel snow onto any part of your propane system. Heavy accumulations of snow or ice falling on tanks, regulators, meters, piping or valves may cause damage that could result in a gas leak.

6. Keep appliance vents, chimney flues and other vents clear. Improper venting can cause deadly carbon monoxide to become trapped in your house.

7. Consider installing snow protection or a “snow shelter” above your meter or regulator to prevent snow and ice damage.



WHITE MOUNTAIN OIL & PROPANE

Help keep our community warm this winter by donating your unwanted **winter coats, mittens, hats and gloves** to those in need. Drop off items at our North Conway or Lincoln offices and we will make sure they get donated to **The Revolving Closet, Children Unlimited** and other local charities.

All sizes welcome! Thank you for your support!

www.whitemountainoil.com
2820 White Mtn. Hwy., North Conway Village
264 Main St., Lincoln, NH



Stay connected with White Mountain Oil & Propane!

