



RESIDENTIAL CUSTOMER INFORMATION HANDBOOK

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PETERSON OIL SERVICE - AN OVERVIEW

Keeping people warm, comfortable and secure has been the cornerstone of the Peterson Family business philosophy since Howard Sr. started Peterson Oil Service at the end of WWII in 1945.

Today, Peterson Oil Service continues to uphold this same philosophy while expanding and concentrating on the service side of the business. Peterson Oil wants each and every customer to feel secure in the knowledge that we're local and in your neighborhood every day.

Peterson's home heating oil business includes delivery to most of Worcester County, but our most important delivery area is your neighborhood. The satisfaction of the retail customer has remained our priority. The continuity of our relationship with our customers has always been most important to Peterson Oil Service. We're also the only full service oil company in Central Massachusetts with its own multiple bulk storage facilities in several locations! So, you'll never have any concerns about your next delivery. We're close to you, every day!

Our service department is second-to-none, providing unrivaled expertise in every aspect of home heating and cooling. With licensed, experienced, in-house technicians on the job, you'll never have to worry about scheduling service. And with our own team of professionals, we can offer services that most other oil companies can't match. Peterson Oil Service offers a variety of services from the design and installation of a new home's heating system, including plumbing and air conditioning, to the conversion or replacement of existing heating systems. We have our own plumbers and heating technicians. The Peterson Family name stands for quality and commitment to you, our customer. Join the Family – you'll be glad you did!

Please note: All of the content describing the service and payment plan terms and conditions contained in this version of the 2007-2008 season Customer Service Handbook supercedes any previous season version. Thank you!

SERVICE PLANS

ULTIMATE SERVICE PLAN

Our Ultimate Plan is the best, most comprehensive plan we offer. For one low annual fee the Ultimate Plan protects your entire heating system for the whole year. If it breaks due to mechanical failure, we'll fix it – no charge. This incredible value covers all parts and labor, up to and including the replacement of the furnace/boiler unit and oil tank, with the exception of any charges we incur to bring your heating system in compliance with applicable laws, regulations or codes.

General Terms and Conditions Apply

DELUXE SERVICE PLAN

Do you have a newer hydronic heating system? Then our Deluxe Plan is the right Service Plan for you. The Deluxe Plan covers any service that may be required due to mechanical failure of your heating system and domestic water piping within (4) four feet of your heat exchanger except the boiler, tankless heater, or indirect water heater. This exceptional value also includes an annual tune-up, service calls during normal business hours and one (1) emergency call per year after normal business hours. This plan is not recommended for warm air heating systems.

Terms & Conditions of the Deluxe Service Plan

The parts include:

For the oil burner: motor, fan, pump, ignition transformer, nozzle assembly, cad cell and holder, combustion chamber, and oil valves.

Oil Burner Controls: primary relays, limit controls, switching relays, thermostat (allowance equal to a Honeywell T-87 retail value for clock or 110v thermostats), aquastats, service and emergency switch.

- Basement above-ground 275-gallon oil tank, oil filter, tank gauge, oil line (allowance for larger tanks or installations deemed inaccessible).

Additional parts include:

Water Parts:

For steam systems: low-water cut-off, boiler relief valve.

For Hot Water Systems: circulators, circulator flanges and gaskets, expansion tank and boiler relief valve.

All of the above parts are included in addition to:

Heating and domestic water piping within (4) four feet of your heat exchanger except the boiler, tankless heater, or indirect water heater.

Mixing valves, 12-lb pressure reducing valves for boiler and pressure relief valve for tankless heater.

General Terms and Conditions Apply

PRIMARY "A"/"G" SERVICE PLAN

The A/G Service Plans cover any service that may be required due to the mechanical failure of the oil burning and safety components of your heating system. These plans also include maintenance for the component parts for various types of systems described below. We offer two versions of this service plan: the Primary "A" Plan which includes an Annual system tune-up, and the Primary "G" Plan, which includes a system tune-up every 1,500-2,000 gallons. Most modern equipment is designed to have preventative maintenance at intervals longer than one (1) year. See your manufacturer's guidelines for further details. Both plans cover the following parts during normal business hours:

Terms & Conditions of the Primary "A" & Primary "G" Service Plans

The parts include:

For the oil burner: motor, fan, pump, ignition transformer, nozzle assembly, cad cell and holder, combustion chamber, and oil valves.

Oil Burner Controls: primary relays, limit controls, switching relays, thermostat (allowance equal to a Honeywell T-87 retail value for clock or 110v thermostats), aquastats, service and emergency switch.

- Basement above-ground 275-gallon oil tank, oil filter, tank gauge, oil line (allowance for larger tanks or installations deemed inaccessible).

Additional parts include:

For Steam Systems: low-water cut-off, boiler relief valve.

For Hot Water Systems: circulators, circulator flanges and gaskets, expansion tank and boiler relief valve.

For Warm Air Systems: fan and limit control, blower motor, blower, fan belt, air filter (max one per year.)

Tune Ups:

Preventative Maintenance & Service (Primary "A" Plan - yearly).

Preventative Maintenance & Service (Primary "G" Plan - based on gallons of consumption, every 1500-2000 gallons - Not more than one (1) per year).

Emergency Service: Labor for Emergency Service Calls after hours is subject to an additional charge.

General Terms and Conditions Apply

GENERAL TERMS AND CONDITIONS — ALL SERVICE PLANS

To be eligible for these plans, the customer must purchase their annual fuel oil requirements from Peterson Oil Service, Inc. (“Peterson”). Only owner occupied, residential Heating Systems with a maximum firing rate of not more than 2.5 gallons per hour may qualify for these plans.

Coverage shall become effective once the heating system has been inspected and accepted by Peterson. Failure to abide by this term, Peterson’s credit terms, and the other terms herein will result in immediate termination of these plans at Peterson’s option, without refund.

The inspection of and/or acceptance of a Heating System for inclusion in these plans does not constitute a representation or warranty of any kind by Peterson, including but not limited to any representation or warranty that the Heating System is in good working order, that it is free from defects or that it complies with applicable governmental regulations or codes.

Should a part or component require replacement, Peterson may at its sole option replace the part or component with either new, used or rebuilt parts or components, which in each case shall be functioning parts at least equivalent in quality and performance to the part or component replaced. In the event that Peterson replaces any part or component of the heating system because it does not meet the requirements of any current law, regulation, or code, Peterson shall be entitled to payment for, and the customer shall pay to Peterson, a fee for all labor and replacement parts necessitated by such laws, regulations or codes at Peterson’s standard hourly rates in effect at that time.

Any service required of Peterson under these plans, after 5:00 P.M. weekdays or on Saturdays, Sundays or holidays, must be of an emergency nature resulting from a mechanical failure of the Heating System. Any non-emergency service calls received during these periods will be billed to and paid by the customer at Peterson’s Standard hourly labor rates in effect at that time.

A “mechanical failure” of the heating system means a malfunction due to obsolescence or normal wear and tear, but specifically excludes damage or malfunction that results from any negligent or intentional acts of either the customer or of any third party not employed by Peterson Oil, including by way of example and without limitation, the failure to operate the Heating System in accordance with the manufacturer’s specifications, to properly insulate the home, or extreme temperature conditions.

GENERAL TERMS AND CONDITIONS — ALL SERVICE PLANS (CONTINUED)

Peterson's service plans also specifically exclude service that may be required as a result of damage to or malfunctioning of the Heating System due to freezing of parts or components of the Heating System, freezing of pipes, water in the basement, interruption of electrical power, storms or other acts of God, fire or other casualty, negligence by anyone other than Peterson, improper maintenance, improper use, or inadequate fuel supply, when account payments are in delinquent status, or when access to customers' premises or fuel delivery pipe is obstructed.

Peterson is not responsible for the discovery, reporting, handling, treatment, removal or safety of any hazardous materials (including but not limited to asbestos) nor oil or equipment containing same, or any leakage or spillage of oil from any part of the heating system, except as may be required by law.

Customer is responsible for providing Peterson with access to all concealed or hidden parts or components of the Heating System and for any and all repairs or replacements that arise out of Peterson's need to have access to parts and components, including, for example, walls, floors, ceilings, chimneys, entryways and the like.

These plans cover only the Residential Heating System and components thereof. Without limiting the generality of the foregoing, these plans do not cover general plumbing, household wiring, hot water heaters, power ventilators, walls, chimneys or structural portions of any buildings, or the repair, replacement, renovation or movement of any of the foregoing. These plans do not cover the cleaning of any ductwork, baseboard, radiation or radiators. Combination solid fuel/oil units and wood or coal add-on units are not covered by these plans at any time.

Peterson is not obligated under these plans to service, repair or replace any Heating System which at any time contains antifreeze. By requesting an inspection of their Heating System, the customer represents to Peterson that the Heating System does not contain antifreeze.

Peterson is not responsible for servicing, repairing, or replacing the Heating System, or any parts thereof, if any additions or changes are made to the Heating System after initially accepted by Peterson unless such additions or changes were made or approved by Peterson in writing.

GENERAL TERMS AND CONDITIONS — ALL SERVICE PLANS (CONTINUED)

These plans do not cover, and Peterson is not liable for, any environmental response action, damage or injury, inclusive but not limited to, contamination of soil or groundwater, damage to real or personal property or personal injury relating to or arising out of any leakage or spillage of heating oil from any part of the Heating System. In no event shall Peterson be liable, and Peterson disclaims all liability for, special, indirect, incidental or consequential damages relating to or arising from any leakage, spillage, or other escape of heating oil or any other liquid from any part of the Heating Oil System for any reason whatsoever.

Coverage under these plans will be automatically renewed each year for consecutive one-year periods unless the Customer gives written notice of cancellation within 30 days of renewal.



*With the largest delivery fleet in Worcester County,
we're in your neighborhood everyday!*

HOME HEATING OIL PAYMENT PLANS

The pricing terms and provisions set forth in the following Payment Plans offered by Peterson shall apply except when a disruption in supply occurs due to circumstances beyond Peterson's control, including, without limitation, any act of terrorism, labor stoppage, vandalism, arson, force majeure, act of God, or superseding governmental regulation (hereinafter referred to as a "Supply Disruption"). In the event of a Supply Disruption, Peterson will attempt to obtain alternative sources of oil at the then-current market price and shall have the right to pass on the higher market price to its customers. While Peterson can and does take steps to hedge against fluctuations in the price of oil, through the purchase of put and/or call options on the New York Mercantile Exchange, this option is often unavailable when a Supply Disruption occurs.

PREPAYMENT PLAN WITH DOWNSIDE PRICE PROTECTION

This plan requires the customer to pay a minimum of 80% of their anticipated fuel consumption at the commencement of each heating season. This plan includes an annual fee to insure customers against price increases not due to any Supply Disruption. The amount of the annual fee is based on the prices charged on the New York Mercantile Exchange to purchase put and/or call options to insure against price fluctuations. This plan offers protection from both price increases and price decreases. If the Peterson Oil market price falls below your Prepayment price, you will be automatically billed at the lower market price. If the retail price becomes higher than your original prepay price, Peterson Oil will invoice you for that delivery at the original prepay price unless the price increase is caused by a Supply Disruption. The Prepayment Plan expires at the end of the heating season (June 30th), or when the purchased gallons are consumed, whichever comes first. If you use more than your prepaid gallons, all subsequent deliveries will be at the Peterson Oil Service (POS) posted market price. Credit balances receive no interest. This plan also features the option to purchase one of our service plans. (See Service Plans, front of Handbook).

- If at any time during the heating season, the retail price becomes lower than your original Prepay price, Peterson Oil will invoice you for that delivery at the lower price.
- If at any time during the heating season, the retail price becomes higher than your original Prepay price, Peterson Oil will invoice you for that delivery at the original prepay price unless the price increase is caused by a Supply Disruption.

HOME HEATING OIL PAYMENT PLANS (CONTINUED)

PREPAYMENT PLAN (CONTINUED)

- The Prepayment Plan expires at the end of the heating season (June 30th), or when the purchased gallons are consumed, whichever occurs first. The customer thereafter becomes subject to the terms and provisions of the Market Price Plan until Peterson Oil establishes pricing terms for its various Home Heating Oil Payment Plans for the upcoming season.
- If you use more than your prepaid gallons, all subsequent deliveries will be at the POS posted market price.
- Credit balances receive no interest.
- Customers will receive a \$.04/gallon discount on the renewal of their service plan on the following year. (The maximum discount on your service plan is equal to the value of The Primary “G” Plan and is given off of the following year’s plan.)
- You will become an automatic delivery customer for your convenience, but you may also call for a delivery prior to our scheduling.
- You may call for a fuel delivery at the end of the heating season no later than June 15th to top off your fuel tank. To maintain our delivery efficiency, Peterson normally does not advance its delivery schedule. Your fuel tank gauge needs to register less than 5/8 full for a safe delivery.
- The Prepayment Plan is transferable to either a new home or homeowner.
- Prepayment for fuel is to be made in one (1) payment per heating season.
- All residential customers will have one account for all services and/or products, for each delivery address, which will generate one monthly statement. The cost of labor and materials other than those covered by any of the service plans or payment plans is due in 30 days, or the Prepaid amount will be reduced by the corresponding overdue non-plan amount with a corresponding reduction in the volume of prepaid gallons remaining to be delivered.
- The minimum purchase for this plan is at least 80% of your annual estimated usage. Peterson Oil uses your previous year’s fuel consumption for this estimate. New customer’s usage will be calculated by one of our home heating oil professionals.

HOME HEATING OIL PAYMENT PLANS (CONTINUED)

PREPAYMENT PLAN (CONTINUED)

Cancellation Fee

There will be no cancellation fee if Peterson Oil Service's current posted Peterson Oil Service (POS) market price (at the time of cancellation) is greater than the original pre-pay price. If the current posted retail price is less than the original prepaid price, the cancellation fee will equal the original prepayment, minus Peterson's current (POS) posted market price, multiplied by the estimated gallons remaining. (Cancellation Fee = (original prepay - POS posted price) x remaining estimated gallons).

Purchasing Practices

How can we offer you price protection with ever-changing oil prices? Our suppliers offer supply contracts with fixed prices for fixed delivery times. When you commit to one of our programs we, in turn, commit to contracts from them, to be delivered in the winter months. We can control most of the factors in your heating oil delivery with one large exception, the weather. (And, as you may already be aware, cold temperatures drive oil consumption.) Based on this fact, we cannot pre-purchase 100 percent of your prepaid volume because we can't predict which months will be colder months and which will be average or warmer months. With this in mind, our heating oil will be purchased through contracts from reliable wholesalers, to be delivered monthly (for approximately 70-80% of the committed volume.) The remaining gallons will be covered through daily purchases and our inventory. With your prepayment money we purchase the supply contracts and apply the remaining money to the daily purchases. Copies of the purchase contracts are available upon request.

PREPAYMENT PLAN - FIXED

Like the standard Prepayment Plan, this plan requires the customer to pay a minimum of 80% of their anticipated fuel requirements at the commencement of each heating season. Like the standard Prepayment Plan, this plan offers protection from price increases not due to any Supply Disruption. Unlike the standard Prepayment Plan, this plan does not charge an annual fee, and therefore does not pass on to the customer any price decrease that may occur during the season. The Prepayment Plan - Fixed expires at the end of the heating season (June 30th), or when the purchased gallons are consumed, whichever occurs first. If you use more than your prepaid gallons, all subsequent deliveries will be at the (POS) posted market price. Credit balances receive no interest. This plan also features the option to purchase one of our service plans. (See Service Plans, front of Handbook).

HOME HEATING OIL PAYMENT PLANS (CONTINUED)

PREPAYMENT PLAN - FIXED (CONTINUED)

- If at any time during the heating season, the retail price becomes higher than your original Prepay price, Peterson Oil will invoice you for that delivery at the original prepay price unless the price increase is caused by a Supply Disruption.
- The Prepayment Plan - Fixed expires at the end of the heating season (June 30th), or when the purchased gallons are consumed, whichever occurs first. The customer thereafter becomes subject to the terms and provisions of the Market Price Plan until Peterson Oil establishes pricing terms for its various Home Heating Oil Payment Plans for the upcoming season.
- If you use more than your prepaid gallons, all subsequent deliveries will be at the (POS) posted market price.
- Credit balances receive no interest.
- Customers will receive a \$.04/gallon discount on the renewal of their service plan on the following year. (The maximum discount on your service plan is equal to the value of The Primary "G" Plan and is given off of the following year's plan.)
- You will become an automatic delivery customer for your convenience, but you may also call for a delivery prior to our scheduling.
- You may call for a fuel delivery at the end of the heating season no later than June 15th to top off your fuel tank. To maintain our delivery efficiency, Peterson normally does not advance its delivery schedule. Your gauge needs to read less than 5/8 of a tank for safe delivery.
- The Prepayment Plan-Fixed is transferable to a new home or homeowner.
- Prepayment for fuel is to be made in one (1) payment per heating season.
- All residential customers will have one account for all services and/or products, for each delivery address, which will generate one monthly statement. The cost of labor and materials other than those covered by any of the service plans or payment plans is due in 30 days, or the Prepaid amount will be reduced by the corresponding overdue non-plan amount with a corresponding reduction in the volume of prepaid gallons remaining to be delivered.
- The minimum purchase for this plan is at least 80% of your annual estimated usage. Peterson Oil uses your previous year's fuel consumption for this estimate. New customer's usage will be calculated by one of our home heating oil professionals.
- Under this Plan, a Cancellation Fee may be charged in an amount equal to the Cancellation Fee charged under the Prepayment Plan.
- This Plan offers price protection to the customer by employing the same Purchasing Practices as described under the Prepayment Plan.

HOME HEATING OIL PAYMENT PLANS (CONTINUED)

INSTALLMENT PLAN

This plan permits the customer to make monthly payments over 10 months. This plan anticipates that the customer will pay a fixed monthly price for fuel deliveries, absent any Supply Disruption. This plan comes with the option to purchase one of our service plans. (See Service Plans, front of the Handbook).

- Customers will receive a \$.04/gallon discount on the renewal of their service plan on the following year. (The maximum discount on your service plan is equal to the value of The Primary “G” Plan).
- You will become an automatic delivery customer for your convenience, but you may also call for a delivery prior to our scheduling.
- A payment, based on your previous year’s usage, is due each month from August to May. New accounts may sign up at any time with usage pro-rated to the end of the heating season.
- Payments are due by the 15th of the month.
- Finance charges of 1.5% per month (18% per annum) will be added for balances over 30 days with a minimum \$.50 charge.
- The Installment Plan is transferable to either a new home or homeowner.
- If you use more than your estimated gallons, all subsequent deliveries will be at the (POS) posted market price.
- The Installment Plan expires at the end of the heating season (June 30th), or when the purchased gallons are consumed, whichever occurs first. The customer thereafter becomes subject to the terms and provisions of the Market Price Plan until Peterson Oil establishes pricing terms for its various Home Heating Oil Payment Plans for the upcoming season.
- Optional downside price protection is available under this plan. The annual fee for this price protection is paid at inception and is nonrefundable. The amount of the annual fee relates to the prices charged on the New York Mercantile Exchange to purchase put and/or call options to insure against price fluctuations. With downside protection, if at any time during the heating season the retail price becomes lower than your original Installment Plan price, Peterson Oil will invoice you for that delivery at the lower price.
- You may call for a fuel delivery at the end of the heating season no later than June 15th to top off your fuel tank. To maintain our delivery efficiency, Peterson Oil Service normally does not advance its delivery schedule. Your fuel tank gauge needs to register less than 5/8 full for a safe delivery.
- No interest will be paid on credit balances.

HOME HEATING OIL PAYMENT PLANS (CONTINUED)

INSTALLMENT PLAN (CONTINUED)

- All customers will be billed from one account, which includes not only the payment due under the Installment Plan, but also amounts due under the Service Plan the customer has chosen. The customer is in default under the Installment Payment Plan if:
 - (i) the customer fails to pay an invoice for heating services within thirty (30) days; or
 - (ii) the customer fails to make any two monthly payments under this plan.Upon the occurrence of a default, the Installment Plan will be cancelled automatically with any applicable cancellation fee billed to the customer's account. Upon the occurrence of a default under the Installment Plan, the customer's account automatically becomes subject to the terms and conditions of the Market Price Plan.
- Under this Plan, a Cancellation Fee may be charged in an amount equal to the Cancellation Fee charged under the Prepayment Plan.
- This Plan offers price protection to the customer by employing the same Purchasing Practices as described under the Prepayment Plan.

MARKET PRICE PLAN

For homeowners who prefer to pay their bills in full as they go, we extend credit for 30 days from date of delivery, and give you the option of paying by check, credit card, cash, or direct withdrawal. This plan offers fuel at the Peterson Oil Service (POS) posted market price. This plan comes with the option to purchase one of our service plans. (See Service Plans, front of the Handbook).

- Customers will receive a \$.04/gallon discount on the renewal of their service plan on the following year. (The maximum discount on your service plan is equal to the value of The Primary "G" Plan.)
- 30-day payment terms will be extended with approved credit for either automatic delivery or will-call delivery options.
- Payment may be made with cash, personal check, direct withdrawal or credit card.
- You will be invoiced at the posted price, at the time of delivery, with payment due according to your individual credit terms.
- You will receive a priced delivery ticket as your invoice, and you may choose either a month-end or instant reminder statement through the mail.
- Invoice price is the posted price on the day of delivery as printed on your delivery ticket.
- Customers can choose an automatic delivery schedule offered by Peterson Oil. Automatic delivery shall continue in effect unless the customer notifies Peterson Oil of a requested change in the delivery schedule.

HOME HEATING OIL PAYMENT PLANS (CONTINUED)

MARKET PRICE PLAN (CONTINUED)

- Prices are subject to change without notice.
 - Finance charges of 1.5% per month (18% per annum) will be added for balances over 30 days with a minimum charge of \$.50.
 - Accounts with balances over 30 days are in default and POS has no obligation to make any further deliveries.
 - No cancellation fee.
 - The Market Price Plan does not contemplate that a customer will have a credit balance. However, in the event that a customer makes an overpayment or for any reason has a credit balance, Peterson Oil Service shall pay interest on credit balances of no less than three percent (3 %) per annum, calculated as of the last business day of each month.

MARKET PRICE BUDGET PLAN

Enjoy all of the same benefits as the Market Price Plan but budget your payments over 10 months. This plan is for homeowners who like to have monthly payments and be billed at the (POS) posted market price (the monthly payment is based on the prior year's consumption, or for new customers, calculated by one of our home heating oil professionals.) Payment amounts will be reviewed monthly and adjustments made accordingly based on actual pricing and consumption. This plan comes with the option to purchase one of our service plans. (See Service Plans, front of Handbook).

- Customers will receive a \$.04/gallon discount on the renewal of their service plan on the following year. (The maximum discount on your service plan is equal to the value of The Primary "G" Plan.)
- You will become an automatic delivery customer for your convenience, but you may also call for a delivery prior to our scheduling.
- New accounts may sign up at any time with usage pro-rated to June.
- You will be invoiced at the (POS) posted market price at the time of delivery but will make 10 monthly payments based on an estimate of your annual fuel bill.
- Monthly payments will be due from August to May by the 15th of the month and will be based on your previous year's consumption.
- All customers will be billed from one account, which includes not only the payment due under the Market Price Budget Plan, but also amounts due under the Service Plan which the customer has chosen. The customer is in default under the Market Price Budget Plan if:
 - (i) the customer fails to pay an invoice for heating services within thirty (30) days; or

HOME HEATING OIL PAYMENT PLANS (CONTINUED)

MARKET PRICE BUDGET PLAN (CONTINUED)

(ii) the customer fails to make any two monthly payments under this plan. Upon the occurrence of a default, the Market Price Budget Plan will be cancelled automatically and POS shall have no obligation to make any further deliveries.

- At the end of the heating season (June 30th), the customer becomes subject to the terms and provisions of the Market Price Plan.
- Finance charges of 1.5% per month (18% per annum) will be added for balances over 30 days with a minimum charge of \$.50.
- No cancellation fee.
- The Market Price Budget Plan does not contemplate that a customer will have a credit balance. However, in the event that a customer makes an overpayment or for any reason has a credit balance, Peterson Oil Service shall pay interest on credit balances of no less than three percent (3 %) per annum, calculated as of the last business day of each month.

JUST OIL PLAN

If you do not require a full service plan, this may be your option. You may still choose to have automatic delivery. In a stable energy environment, for tenants or others who are not responsible for equipment maintenance, this plan is ideal. This plan features:

- Customers who pay in full within five days or less from the date of receipt of delivery receive a 16 cent discount per gallon from the (POS) current market price.
- Full price is due in 30 days from receipt of delivery with approved credit.
- Finance charges of 1.5% per month (18% per annum) will be added for balances over 30 days with a minimum charge of \$.50.
- Different delivery areas may have different prices due to competitive pressures.
- We will NOT guarantee service to customers on the Just Oil Plan but we may offer service based on the availability of technicians, after our full-service customers have been serviced. There will be no tune-ups offered from July to December.
- There will be no weekend or night run-out service.
- There will be a \$25 fee charged for same-day deliveries.
- There are no service plans offered to customers on this pricing plan.
- Accounts with a balance past 30 days are considered overdue and in default, and POS will no longer be obligated to make future deliveries.
- You will not be eligible for the No Run-Out Pledge.
- Service labor rates will differ from our other full-service plan rates.

HOME HEATING OIL PAYMENT PLANS (CONTINUED)

JUST OIL PLAN - Capped

This plan offers the same terms and conditions as the Just Oil Plan, however this plan offers a fixed price, absent any Supply Disruption. This plan includes an annual fee to protect customers from any price increases not caused by a Supply Disruption, the cost of which is based on the prices charged on the New York Mercantile Exchange to purchase put and/or call options to insure against price fluctuations. If you do not require a full service maintenance plan, this may be your option. You may still choose to have automatic delivery.

This plan features:

- Customers who pay in full within five days or less from the date of receipt of delivery receive a 16 cent discount per gallon from the (POS) current market price, or the Just Oil Fixed Price, whichever is lower.
- Full price is due in 30 days from receipt of delivery with approved credit.
- Finance charges of 1.5% per month (18% per annum) will be added for balances over 30 days with a minimum charge of \$.50.
- We will NOT guarantee heating service to customers on the Just Oil Plan-Fixed but we may offer service based on the availability of technicians, after our full-service customers have been serviced. There are no tune-ups offered from July to December.
- There is no weekend or night run-out service.
- There is a \$25 fee charged for same-day deliveries.
- There are no service plans offered to customers on this pricing plan.
- Accounts with a balance past 30 days are considered overdue and in default. Thereafter, Peterson Oil is not obligated to make future deliveries, and the fixed price option is no longer in effect.
- You will not be eligible for the No Run-Out Pledge.
- Service labor rates will differ from our other full-service plan rates.

We'll be happy to answer any of your questions.

Please call our Customer Service Department: 508.368.1000

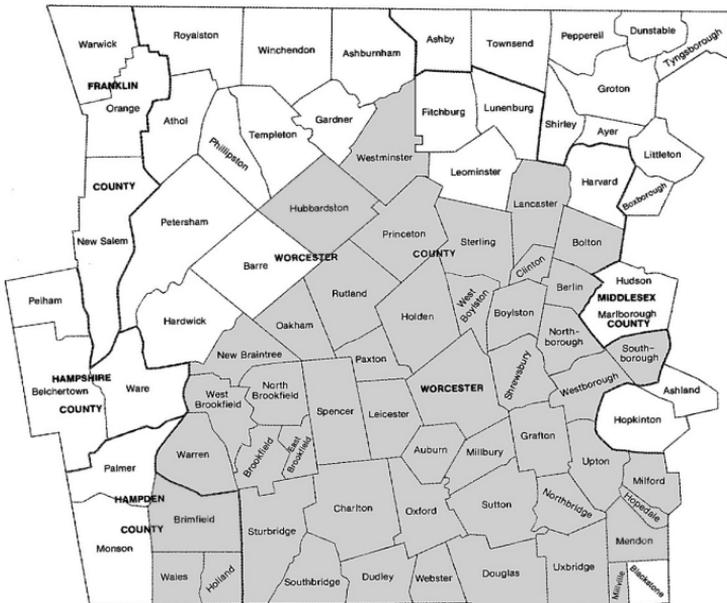
HOME HEATING OIL PAYMENT PLANS (CONTINUED)

PETERSON OIL'S NO RUN-OUT PLEDGE

Because we are confident of our automatic delivery scheduling process, we offer our No Run-Out Pledge to our full-service customers. If you run out of home heating oil and your oil burner has to be primed, we give you a free service plan for the following year.

The free plan is a renewal of your existing plan. You must satisfy the following conditions:

- For the Market Plan, you must have a zero (0) balance for 72 hours prior to your delivery, or a bill that is less than 20 days old.
- All installment payments must be made on time or current, with all late fees paid in full 72 hours prior to your delivery.
- Peterson Oil is not responsible for non-delivery due to physical fill pipe obstruction, road closures or other such similar physical obstructions.
- Peterson Oil is not responsible for run-outs due to lifestyle changes, i.e., additional family members, equipment changes or additions that are not reported to the company.
- You must be an automatic delivery customer with a service plan.



Peterson Oil Service accommodates a wide range of communities throughout Central Massachusetts and Northern Connecticut.

FREQUENTLY ASKED QUESTIONS

ABOUT BUDGET PLANS AND PAYMENT SCHEDULES

Q. When does my fuel Payment Plan expire?

A. Your fuel Payment Plan expires at the end of the heating season on June 30th, or when you have consumed your selected gallons, whichever occurs first.

Q. When should I renew my Service Plan?

A. Your Service Plan is renewable on the anniversary date of your service contract with Peterson Oil.

Q. If I have a credit balance on my budget or installment account, do I still need to make a payment?

A. Yes. Your monthly statement will indicate the payment due that month.

Q. What happens with my credit balance at the end of the heating season?

A. The customer has the option of purchasing the following year's service plan, rolling over the balance into the following year's budget or requesting a refund of the credit balance.

Q. What happens if I owe money at the end of the heating season?

A. The balance must be paid in full prior to the first delivery of the next heating season.

Q. What determines how much I pay each month on a Budget Plan?

A. We calculate your monthly budget payment based on last year's usage.

Q. How long is the budget period? What are the starting and ending dates?

A. Budgets are for 10 months, beginning August 1st and ending May 31st.

Q. When is the monthly payment due?

A. Payments are due by the 15th of the month.

Q. Why are service bills deducted from my credit balance?

A. All charges are automatically subtracted from your credit balance. However, when the service payment is made (due in 30 days), the credit will be added back.

Q. Why do I receive oil tickets asking me to "pay this amount"?

A. Oil tickets are your invoice. If you are a market price plan customer, you should pay from your delivery ticket. If you are an installment or market budget payment plan customer, the oil tickets are for your records only. The purpose of the ticket is to show you the dates and number of gallons for each delivery. Please continue to pay your budget payment only.

FREQUENTLY ASKED QUESTIONS (CONTINUED)

Q. Are there circumstances under which you would not make my delivery?

A. If we are not physically able to get to your address or your fill pipe due to circumstances beyond our control.

A. I am a market price plan customer.

1. We will not be able to deliver if your next delivery will exceed your credit limit.
2. We will not deliver if we've made two deliveries and received no payments.

A. I am a market price budget or installment plan customer.

1. We will not deliver if your next delivery will exceed your credit limit. If this occurs, then there is a possibility that your budget has been miscalculated – Please call customer service immediately.
2. We will not deliver if we've made two deliveries and received no payments.
3. We will not deliver if you've missed two budget or installment payments; we will reinstate your delivery schedule after your account becomes current and you have paid the late payment charges.
4. If you have a check returned to us unpaid by the bank, no deliveries will be made until the check is cleared and the returned check fee is paid.

Q. What if I disagree with my bill?

A. Call or write our Customer Service department for clarification and resolution. If we can't come to a mutually acceptable solution, we will recognize Worcester Community Action Council or The Better Business Bureau as mediators.

Q. How do you notify me if I'm not current with my payments?

- A. With market price customers,** your delivery ticket is your invoice. At the end of the month, you will receive a reminder statement. At approx. 30 days after your delivery, you will receive a late notice and you are in default. POS is no longer obligated to make further deliveries.
- A. With budget or installment customers,** we will send a monthly bill which is due by the 15th of that month. You have the option of naming a third party to be notified in the event that we need to interrupt your deliveries.

We'll be happy to answer any of your questions.

Please call our Customer Service Department: 508.368.1000

FREQUENTLY ASKED QUESTIONS (CONTINUED)

- Q.** What happens when my Home Heating Oil Payment Plan expires?
- A.** When your Home Heating Oil Payment Plan expires, the customer becomes subject to the Market Price Plan. The customer's automatic delivery schedule previously in existence remains in effect. The customer's service plan also remains in effect.
- Q.** What if I have a question that's not covered here?
- A.** You may always call our Customer Service Department.

We'll be happy to answer any of your questions.

Please call our Customer Service Department: 508.368.1000

ACCOUNT BALANCE DISPUTES

If you believe any statement sent to you contains a billing error, you must notify us in writing within sixty days of your receipt of the statement. You must specify the amount of the error and the reason for disputing it. We will acknowledge receipt of your written notification within 30 days. Within 60 days of receipt of your written notification, we will either make appropriate corrections to your account or send you a written explanation of the reasons we believe the original statement was correct. We will not make any attempt to collect the disputed amount, or restrict or close your account, until we have sent you the written explanation provided for herein.

Your cooperation is appreciated. Peterson Oil Service will accept Worcester Community Action Council or The Better Business Bureau as mediators in any dispute that cannot be resolved to your satisfaction.

- Finance charges of 1.5% per month (18% per annum) will be added for balances over 30 days with a minimum charge of \$.50.

www.petersonoil.com