

Consumers Cooperative Oil Company Propane Gas Programs and Policies

Thank you for choosing us to be your preferred propane supplier and reviewing this annual safety letter.

Please be sure that all members of your household take a few minutes to review the enclosed **Important Propane Safety Information** brochure and understand the importance of this safety information. Take the sniff test. Also, Wisconsin State Statutes now **requires you to notify us** of changes to your system. Details are listed on the enclosed brochure called **PLAY IT SAFE**. Please be sure to read it. Also, it is important to understand, the odor in propane may not awaken someone who is sleeping. We highly recommend you purchase a U.L. approved LP Leak Detector and have it installed by a professional. If you install it yourself, be sure to follow manufacturer's recommendations.

Out of Gas & Delivery Policy:

According to the experts, most LP gas accidents are a result of running out of LP gas. This is a safety issue for you and for our drivers. **If you are actually out of gas** when our driver arrives, according to state and national codes, **it will be necessary for us to leak check your system** to ensure that it does not have any leaks. The driver will also relight all of your standing pilots at the same time. In order to light the pilot lights and verify the integrity of your system, we need to have access to your home or building. **Therefore, for an out of gas call, you need to be available at the time of delivery.**

If you are out of gas and unable to be there, we will not make the delivery until you are available.

If you refuse the testing and pilot lighting service, we will not deliver propane.

SCHEDULED DELIVERY PROGRAM - You can avoid all of the hassles and charges by being on our Scheduled Delivery Program. No need to call in for a delivery. We will keep LP in your tank on a scheduled delivery basis. This allows us to deliver product to all of our customers on a safe, efficient and timely basis. This program is available for customers with approved credit.

THREE STRIKES POLICY - If you are on a call in / will call or C.O.D. basis and run out of gas three times in a 24- month period, we will remove our tank and no longer provide service to you. **Please watch your tank level and call at least three days ahead of needing propane.** This is important for your safety, reducing cost, and in planning our daily delivery routes.

DELIVERY POLICY - If you call and require same day service, you will be charged \$200.00 provided you are not out of gas when the driver arrives. **If you are out of gas when the driver arrives, the charge increases to \$300.00**, as a Leak check must be performed. **The charge for night, weekend, holiday deliveries called in will be \$300.00**, provided you are not out of gas when the driver gets there. **If you are out of gas when the driver arrives, the charge increases to \$350.00** for the service and leak check. Watch your tank volume level – call in early. **We recommend calling when your tank is approximately 30-35%.**

PROPANE FEE SCHEDULE

Leak Check	\$100
Route Break / Same Day	\$200
After Hours or Weekend	\$300
Driver Labor Rate	\$100
After Hour or Weekend + Leak Check	\$350

AFTER HOURS DELIVERY AND EMERGENCY REPAIR SERVICE is available 24/7 by calling 608-643-3301 and following the prompts. Please be aware that there are additional charges for special deliveries including out of gas, nights, weekends, holidays or same day delivery. See the above fee schedule.

UNSAFE CONDITIONS - To those of you that have steep driveways and call in for a delivery, please watch your tank level closely and call in well ahead of a snow or ice storm. In the past, we have had several instances where we had to abort a delivery because the driveway was too slick. **If the driver feels your driveway is unsafe due to ice or snow (or other obstacles), we may need to postpone the delivery until conditions improve.** If you call in when your tank is about 30-35%, we can usually avoid this problem and make the delivery when conditions are good. Also, **please keep your driveways clear for a large truck** to enter without breaking tree limbs or otherwise damaging the truck. Please remember, these are BIG vehicles and require additional clearance, as well as room to turn around if possible.

Insurance requirements and costs related to the propane market continue to rise due to claims and losses relating to the industry and regulatory compliance. We follow strict safety policies that are being imposed to meet these requirements and for your safety in general. We are pleased that we have been able to meet these stringent requirements and maintain our substantial insurance requirements. This is important for you to know and for your protection as well as that of your co-op's.

Discounts, Contracting & Budget Programs

To incentivize timely payment, we are consolidating our discount programs to offer a year-round .10 cent a gallon discount for gallons purchased that are paid for within 7 business days. This replaces all other propane discount programs including our summer fill program. Remitting a copy of the invoice is still required and must be returned with payment. We encourage you to take advantage of this savings!

Customers who purchase less than 500 gallons a year, or who have an LP tank with less than a 250 - gallon capacity are ineligible for all contracting or budget programs.

PROGRAMS AND GUIDELINES – If you would like more detailed information about any of the following programs or guidelines, please call our office at 608-643-3301 x 0. If you would like information on last year's usage or how much you pre-bought, please dial ext. 210.

1. **PRE-BUYING OF LP GAS FOR RESIDENTIAL AND COMMERCIAL USE:** Pre-pay in full for all gallons contracted. No additional discounts on winter contract pricing. Receive the best market price for pre-payment!
2. **DEPOSIT PROGRAM:** This program allows you to lock in a specific number of gallons, at a specific price by paying a deposit of twenty cents (\$0.20) per gallon ordered. Program cost is \$.05 cents per gallon over current contract price.
3. **BUDGET PLAN:** This program sets a fixed monthly payment based on the previous year's usage. Budget plan customers must lock in (contract) a price per gallon. Program cost is \$.05 cents per gallon over current contract price.
4. **Booking Program:** Booking contracts will be offered for **5,000** gallons of propane or more. This will be offered at a \$.05 cents per gallon over current contract price. Must be current with account and approved by our credit department.
5. **SCHEDULED DELIVERY PROGRAM:** You receive the best market price year-round. No need to call in for a delivery. We'll keep LP in your tank on a scheduled delivery basis. This program is only available for customers with approved credit.

6. **CASH DISCOUNT:** Eligible customers will receive a ten cent (\$0.10) per gallon discount with delivery. This will be stated at the bottom of your invoice if you qualify. Payment must be **received** within seven business days **AND** remittance of the invoice must be enclosed with payment. Discount is only available for payments made in cash, by check or through Consumers Coop's web site (you still need to remit a copy of your invoice to us). If payment is not received on time, discount will not apply and customer is responsible for paying balance.
7. **MINIMUM DELIVERIES** of LP gas for call in/will call customers is 200 gallons for tank size larger than 250 gallons. Tank size less than 250 gallons must be filled. Smaller deliveries are available with an additional service charge.
8. **LEASED TANK FEES** are charged in June. Refer to your tank lease for applicable fees & terms.
9. **AFTER HOURS DELIVERY AND REPAIR SERVICE** is available 24/7 by calling 608-643-3301 and following the prompts. Please be aware that there may be additional charges for special deliveries including out of gas, nights, weekends and holidays and same day delivery.

***ALL CONTRACTS** have a 500 - gallon minimum order. Current contracts will be in effect from June 1st until April 30th. We encourage you to contract based on the number of gallons you consumed in the previous year. We require that 80 % of contracted gallons be delivered. If usage falls below 80 % of your contracted volume, a forfeiture may apply. All remaining prepaid and deposit gallons not affected by the forfeiture policy will be purchased by Consumers Coop at the original price and paid by placing a cash credit on your account. **BUDGET BALANCES** will transfer to your regular account. If an overpayment occurred, a credit will be posted to your account. If a balance is due, a statement will be mailed

If you are interested in Pre-buying LP or signing up for one of the other programs, please call or stop in for current price, then complete and return the attached PROPANE CONTRACT. Payment must be received with contract. We will sign the contract and return a copy to you for your records. All price quotes are good for 3 days to allow time for mailing. Beyond that, contracts will reflect prices in effect at the time of receipt of payment at the Co-op. We are not responsible for postal delays. These programs and policies are subject to change without further notice.

The propane markets can be volatile. However, on a 5-year average, customers who pre-bought their LP saved money verses those that did not pre-buy. You may want to consider pre-buying all or at least part of what you will need for the winter. If you are unwilling or unable to pre-buy, you may want to consider the deposit or budget program (if you have an approved charge account). Please call for current prepay and deposit contract prices.

THANK YOU FOR YOUR BUSINESS!

Please call us at 608-643-3301 if you wish to take advantage of any of these programs or if you have any questions or comments. You can also visit us at our website at www.cenex1.com. Thank you!

Eric Cantwell
CEO/GM