



718.854.7500



The BORO BULLETIN

Fall 2008

www.borofueloil.com

Message from the President

Perspectives on Oil and the Economy

The weather is getting cooler, and we all share one common thought: keeping homes warm this winter. And this year poses to be another difficult one for oil companies and consumers alike. But if we continue to work together, it is my hope **we can weather this storm, and keep you comfortable this season.**



While oil prices have retreated 40% from their highs in July, our economy has been reeling from the fallout of this serious financial crisis. At the heart of both the oil crisis and this economic crisis, I find one common thread ... GREED.

I have spoken out in the media and to our politicians for over a year now, appearing on WABC, FOX and WB11

television, and met with Senator Schumer. I have spoken about the plight of homeowners and small property owners, and the difficult times you are facing in the wake of runaway energy prices. I warned anyone who would listen that energy speculators and hedge funds were hurting consumers and the economy.

In my opinion, the resulting credit situation is foreshadowing what could potentially happen this winter. Credit lines for businesses are scarce, even for established companies like Boro Fuel with a long-standing track record. Rest assured that my working capital line is OK for this winter, but for many of my competitors and terminal operators, the same cannot be said.

We can all expect credit terms to tighten, and you will be expected to do your share this winter (see article on page 2). But more importantly, **we are here to help. If you experience a financial setback, we need you to communicate this to us.** Let me repeat that ... **COMMUNICATE.** There are sources of help for homeowners, and **we can get you the most money possible (see page 3).**

I wish all of us the best of luck and success. Let's all hope the next administration will guide us all to prosperity.

Sincerely,

Jeffrey Cohn
President



Our Team Is Here for You This Winter

The success of any business is judged by the people that represent it. Boro Fuel is fortunate to have a management staff with over 150 years of experience in the energy business.

Jeffrey Cohn, President:

Jeff has owned Boro Fuel since 2000, and has worked in this third-generation family business since 1985. Jeff is the "answerman," and is an industry spokesman for many of the issues affecting the oil industry today. Jeff is the founder of Great Eastern Energy, one of National Grid's largest Energy Service Companies (ESCOs), and still owns part of the company. In his spare time, Jeff is a soccer goalkeeper, playing in the USL Soccer League in New Jersey.

Bill Crocker, General Manager:

Bill has been with Boro Fuel since 1986, and worked as a service technician and trouble-shooter until moving into management in 1999. Bill oversees the day-to-day operation of the oil and service department and runs the invoice and IT programs for Boro Fuel. In his spare time, Bill cheers for the NY Islanders.

Lenny Lapetina, Service Manager:

Lenny has been service manager since 2002, and has been with Boro Fuel since 1989. Lenny's management style and dedication to customer service makes him a natural as a service manager. He is responsible for dispatching and customer communications when service problems develop. When he's not working, Lenny enjoys fishing.

Joe Belvedere, Credit Manager:

Joe joined Boro Fuel in 2007, and has over thirty years experience in credit and account management in the oil industry. Joe has an outstanding ability to work with customers who need help with their payments, setting up budget plans and working our financing arrangements for them. Joe is an avid bowler when he's not working.



John Pumilia, Accounts Manager:

John joined Boro Fuel in 2007, and is a seasoned veteran, working for Brooklyn Union Gas/KeySpan for over thirty years. John brings his excellent people skills to us, and helps to establish new accounts here at Boro Fuel. John's knowledge allows us to utilize his expertise for new boiler installations. In his spare time, John dedicates himself to working with children by umpiring baseball games on Staten Island.

Bill Qian, Boiler Program Manager:

Since 1999, Bill has helped run our "in language" program for Chinese-speaking customers, which has made us the largest company serving the Asian market in New York. In addition, Bill manages our NYC Boiler Inspection Program, which is a dedicated job in itself. If you have questions concerning violations and building codes and rules, talk to Bill first. When Bill is not working, he is home taking care of his three daughters.

It's Nothing Personal ... Just Business!

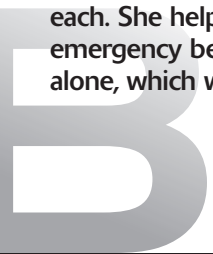
When it comes to extending credit, Boro Fuel operates like any other American company, with one exception. We know our customers, we know how you pay your bills, and we know how to work with a homeowner who falls behind. It's a matter of give and take; we'll extend you credit, and we expect it to be paid back in a timely fashion.

Like all oil companies, we buy from wholesalers who "take" their payments electronically from us ten days later. We extend credit for up to thirty days to our customers, and we use our limited credit line from our bank to "float" the money you owe us. We pay our bank interest, so please expect us to charge you the same if your payments fall delinquent.

Our credit terms are "load to load" or "30 day terms," in most cases, for those customers who are credit qualified. With the current credit crisis, Boro Fuel is fortunate to have a bank that values relationships, like we do with our customers. This translates to one important motto: **"Please pay us, so we can pay them!"** Capital One Bank may like us personally, but our relationship is business. The same can be said for all of our customers.



If a problem develops and you fall behind, do not ignore our letters and calls. Please communicate any financial or personal set-backs to us. There are assistance programs to help you, but we need to know who you are! Last winter, our bookkeeper Joyce Schorr helped thirty customers receive L.I.H.E.A.P. benefits of up to \$2,100 each. She helped secure over \$40,000 in emergency benefits last March and April alone, which was extraordinary!



Help with Winter Fuel Bills

L.I.H.E.A.P. (Low Income Home Energy Assistance Program):

The L.I.H.E.A.P. program has been expanded for the 2008-2009 heating season. Benefits have been increased, and eligibility limits have increased as well. The program starts November 1, 2008. You must contact Boro Fuel and ask for Joyce Schorr, our L.I.H.E.A.P. program manager. There are both regular and emergency payments ranging from \$400 to \$2,000 per family. For more information or an application, please contact Ms. Schorr at 718-854-7500.

CITIZEN'S ENERGY: Call 1-877-563-4645. The 2009 Citizens Energy/CITGO Free Oil Heating program will begin on Monday, January 5, 2009. Applications will be taken beginning that day until the program runs out of free oil benefits. Homeowners will receive 100 gallons of oil from Boro Fuel once they are approved for assistance. The program will be sold out quickly, so call early.

SALVATION ARMY: To apply for a grant for a "true need," please contact Jeff Cohn personally, as these grants are limited and controlled by NYOHA (New York Oil Heating Association).



Customer Spotlight

DOV OUSTATCHER

We were very flattered to receive this letter recently, which we thought we'd share with you:

Dear Mr. Cohn,

A word of thanks is in place. Boro Fuel Oil Company agreed to replace our burner and boiler this week, and did so, despite the hardship of not having their main installer available (hopefully, the much talked about Fred will recover from his unexpected injury and rejoin your wonderful staff soon).

The crew assigned to remove the old boiler and deliver the new one did so professionally, even though the stairway was narrow and the boiler sections heavy enough that the floor caved in (which Charlie, without my asking, was kind enough to repair). They left our boiler room broom-swept in short time. Thank you for selecting an excellent team.

Then Joe and Charlie proceeded to lay out and perform the installation. Their precise measurement and calculation of numerous oil supply, boiler water, incoming and outgoing automatically regulated hot water, steam, draft and similar systems was mind-boggling. The job was complex, but it did not faze them.

Their prompt arrival each morning and friendly explanation of each subsystem inspired confidence in this customer. It made me glad I chose Boro Fuel Oil Company as my supplier.

Jeff, people are judged by the "company" they keep.
You are great!

May you, and all those you have inspired and are dear to you, merit to enjoy the happy and healthy year you so deserve.

Thank you again!
Dov Oustatcher

Customer Account Status Information

This notification pertains to customers on automatic delivery. Any customer that is on automatic delivery will remain on this service unless we receive written notification to switch you to "will call" delivery status. All accounts are considered active, unless we hear from them in writing. Customers have the right to cancel their service contract, but are obligated to pay for all future service calls on a "per call basis."





2 Church Avenue
Brooklyn, NY 11218

718.854.7500
www.borofueloil.com

PERSPECTIVES:

OIL HEATING

— VS. —

GAS HEATING

OK. The secret is out: Boro Fuel was a successful partner with National Grid this past summer. As a "VALUE PLUS INSTALLER," Boro has converted over 200 former Oilheat customers to gas heat. While Boro Fuel President Jeffrey Cohn is saddened by the exodus, he will still maintain these customers as gas service and gas sales customers. As the owner of the National Grid ESCO (Energy Service Company) Great Eastern Energy, Cohn knows he can still provide service contracts, faster emergency service, and lower gas prices than the utility.

"With prices hovering near \$5.00 a gallon for heating oil, even I had to realize that conversions to gas were a logical option for consumers," said Cohn. "So with a heavy heart, I decided it was better to work with Goliath, rather than trying to defeat it." Cohn added that Boro's mechanics are trained in both oil and gas service, and requiring customers to purchase their gas from Great Eastern Energy allows him to recoup some of the losses.

Thanks to the large number of boiler upgrades performed by Boro Fuel in the last five years, only 5% of Boro Fuel customers made the conversion to gas. This is the lowest percentage in the oil industry to date, as we were very proactive keeping our customers on oil.

But what about now?

With oil prices dropping almost daily, and prospects of falling oil prices in the months ahead, it makes more sense than ever to remain with Oilheat. With the government promoting alternative energy sources, the long-term prospects for oil demand will drop. Using simple economics, lower demand will mean lower prices in the future. **Oil prices could fall another 25% this winter, while the prospects for natural gas long-term are 15% higher.**

In fact, we have seen a drop-off in the number of customers looking to convert. One of the biggest obstacles right now facing property owners is the 7/1/08 New York City Code change that requires owners to re-line their terra cotta chimneys with a steel liner when converting from oil to gas. This can add another \$2,000 to \$3,000 onto the cost of converting.

Summary

Cohn has looked at the market for conversion and feels now is the right time to upgrade a boiler, and not convert. "We are installing a new oil boiler every day, so we know the market is still strong," said Cohn. "Saving 20% on your energy bill still translates into big money in a short period of time." Cohn feels that **with this rapid decrease in the price of oil, customers would be foolhardy now to invest in gas heating equipment.**

