



# Year in Review...

## Oil Group members saved an average of \$250 this season!

The 2008-2009 heating season ended up being less expensive than the 2007-2008 heating season. Last July the forecast looked bleak. However, the commodities' stock market bubble burst and prices fell to 2005 levels. This was great news for all heating oil consumers and especially for NJCA Oil Group members who experienced average savings of \$0.30 per gallon!

Unfortunately, the economy seemed to be on the same slide as oil prices. Even though prices hovered around \$2.00 per gallon instead of \$4.00 per gallon, oil was still unaffordable for many people who lost their jobs or continued to struggle during these difficult economic times.

The good news is that you can count on the Oil Group to continue to fight for safe, reliable and affordable energy. We not only fight hard for you on an individual supplier level, but we also take the fight to a state and federal level.

### State Efforts:

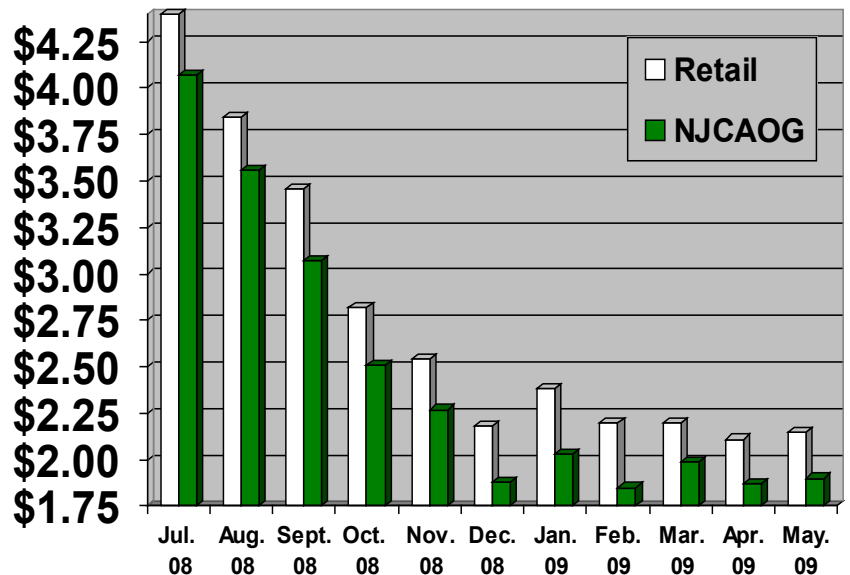
The Oil Group was at the forefront of the battle for additional energy assistance funds. We participated in a task force, appointed by the Governor, which assessed the needs of low income oil heating residents in NJ. Since we speak to oil heaters every day, we knew the federal assistance program, Low Income Home Energy Assistance Program (LIHEAP), was not working for the oil heating community. Last year, when prices averaged \$4.00 per gallon, the maximum LIHEAP credit did not cover a minimum delivery of 150 gallons. Therefore, when a recipient ordered less than the minimum delivery, they were charged more than the retail price to make up for the dealer's loss on the delivery. Essentially, they were being penalized for not being able to afford \$4.00 per gallon. Thanks to our efforts, the LIHEAP funds were increased from \$550 to a maximum of \$1,000 per household and the eligibility was raised from 175% to 200% of the federal poverty level. Unfortunately, the federal poverty level doesn't come close to New Jersey's cost of living!

### Federal Efforts:

The Oil Group is also an active participant of the Commodities Market Oversight Coalition (CMOC). This is the same group that successfully lobbied to close the Enron Loop Hole last spring. Now, we are working on legislation that will close other loop holes that allowed the dramatic increase of oil prices in the stock market last year.

The current administration has created an energy plan that will help homeowners upgrade to more energy efficient heating equipment. This plan includes a tax deduction of up to \$1,500 for the purchase and/or installation of qualified oil furnaces and oil hot water heaters. It also includes \$200 million in funding for homeowners through the Leaking Underground Storage Tank Trust Fund. To learn more about our efforts and the efforts of the current administration, please visit the new legislative section of our website at [www.njcaoilgroup.com](http://www.njcaoilgroup.com)!

**New Jersey Citizen Action Oil Group  
Average Retail Price vs. Oil Group Price  
2008-2009**



## What is in store for the 2009-2010 heating season?

The good news is that experts predict oil prices will remain stable throughout the next 12 to 18 months. I hope their predictions are true, but the surest way to guarantee your maximum savings is to renew your membership with the Oil Group.

Warm regards,

*Wende Nachman, Oil Group Director*

# Could your late payment be an obstacle to future deliveries?

The biggest problem oil consumers faced during the 2007-2008 heating season was record high oil prices. As a result, many consumers defaulted on their oil bills causing this year's biggest problem: credit. Oil dealers across the Northeast were left with hundreds of millions of dollars in unpaid bills. Many long standing oil companies were forced out of business and the others spent another six months and thousands of dollars chasing payments from their delinquent customers.

This forced the industry to evaluate their credit practices and take protective measures. They tightened their credit requirements and forced many existing and new customers to accept up-front or cash-on-delivery payment terms. The industry also acknowledged that since they didn't report delinquent customers to credit bureaus, customers in arrears didn't make paying their oil supplier a priority. The suppliers' leniency was actually encouraging some delinquent customers to frequently switch companies in order to escape their debt.

This created a niche in the market for a company called Oil Well. Oil Well is a consumer reporting agency specifically designed for the residential and commercial heating oil industry. Oil suppliers purchase a subscription that allows them to upload and retrieve information about delinquent customers from a website database. If someone skips out on their bill with company "A" and then tries to purchase oil from company "B", company "B" can look them up in Oil Well and see that they already owe money to company "A" and decide the risk is not worth the business. Company "A" will then be notified that someone else has done a search on their customer, which indicates that they have been shopping for a new supplier.

Consumer records remain in the Oil Well database for seven years and the information available includes name, address, delinquency notes and the last four digits of their social security number. Files also cross reference other people living at that address who are listed in the Oil Well database.

Since Oil Well is a consumer reporting agency, it is bound by the Fair Credit Reporting Act. Therefore, you must initiate business with an oil supplier before they can look up your name in the database.



As stated on their website, Oil Well can provide you with a copy of the information they have about you on file. Upon written request, they will also reinvestigate any information that you believe is inaccurate and correct any information that is determined to be inaccurate or incomplete.

Many oil companies are mom and pop businesses with long standing, personal relationships with their clients. Most are more likely to help you work out a payment schedule than take you to court or report you to the credit bureau. If you are experiencing a financial hardship or need a more affordable payment schedule, call your supplier and let them know!

As an Oil Group member, you are protected from refusal of service based on credit. Our suppliers must provide oil on a COD basis if a member's credit does not meet other payment plan requirements.

# Underground Oil Tanks: What Every Home Owner Should Know

There are literally 100,000's of Underground Storage Tanks (UST's) located throughout New Jersey. The vast majority of these UST's are used as the primary source of heating fuel in many of our homes. However, if your heating fuel storage system is not properly managed and maintained, PROBLEMS CAN ARISE.

There are certain common signs that might indicate a potential problem is brewing with your Underground Storage Tank. Any of the following conditions may be cause for concern:

- The burner won't fire because there might be water in the tank or an air leak.
- You notice an increase in fuel consumption, but don't recall any need for additional heat or hot water
- You see an oily sheen on the water around your property after a heavy rain.
- There is an odor in your basement, especially after a rain.



An undetected problem can become very costly! At a minimum, you should have your tank tested. The following three types of tests are typically used to determine if your tank might be a concern.

1. The most cost effective way to test your tank is to regularly check the tank (or have a fuel merchant test it) with a measuring stick and water paste to identify if any water intrusion had occurred. This is the least expensive test and should be done at least quarterly.
2. Another option is an acoustical tightness test. During this test, the tank is isolated from your heating system and then a gentle vacuum is pulled on the tank. A technician listens for any noise. If a whistling sound is heard, it is a potential indication of a leak above the oil line in your tank. If a bubbling sound is heard, it is typically an indication of a leak below the oil line in your tank. No noise is a good sign.
3. Soil Borings are another common way to test. This method can be more expensive if samples need to be sent to a laboratory or if drilling equipment is necessary to collect samples. Soil samples are collected from several locations around the perimeter of the tank. Samples can be field screened using hand held devices but often require submission to third party testing labs.

If your tank testing supports that there are no current reasons to be concerned, GREAT! Continue to perform the same tests at regularly scheduled intervals as suggested. However, if the tank testing suggests that there may be reason for concern, you should respond promptly.

The State of New Jersey has funding available for homeowners, who meet certain requirements, to have most of the cost of the old UST removed and a new above ground tank installed. This program is specifically designed to encourage homeowners to replace underground tanks with above ground storage tanks NOW to avoid potentially costly problems at a future date. (Find out more at [www.nj.gov/dep/srp/finance/ustfund/](http://www.nj.gov/dep/srp/finance/ustfund/) or by calling 609-777-0101.)

Recent changes in New Jersey require that only properly trained and licensed individuals can legally remove underground oil tanks, close the excavation and take the appropriate samples to ensure that there is no environmental area of concern. Participation in the NJ DEP State UST Removal and Replacement program mandates that you employ a NJ DEP certified and licensed UST Contractor. Just like any other professional service for your home, remember, not all contractors are created equal and not all companies are the same. Ask for several competitive bids while keeping in mind that the lowest bid is not always the best, and an experienced and trustworthy company is important. Before hiring any contractor, be sure they have proper insurance and are licensed. Always verify references and make sure the company you select has adequate staff and resources to complete your project in a timely manner.

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LEW Corp. is a full service environmental company serving NJ since 1992. LEW Corp is fully licensed and insured.  
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# Announcements

## We need your help!

We are in the process of updating our marketing material and would like to include our members' comments. Please take the time to share your experiences with us on the back of your renewal form this year.

## Membership Dues

URGENT! Please make sure you pay your membership dues on time. If you don't, your supplier WILL back bill you at the retail rate.

## Free Membership!

For every person you refer who becomes a member of the Oil Group, you will receive a FREE year of membership! Tell everyone you know about the Oil Group and have them reference your name on the application where it asks, "How did you hear about us?" Then sit back and collect unlimited free memberships!

*(Free memberships will be credited to next year's membership dues.)*

## Find The Price...Online

If you like to keep on top of the ever changing price of oil, we just made it easier for you! Simply provide us with your current email address, via your renewal form or our website. Then you can verify prices online. Once we have a valid email address, we will send you your login name and password. You can even check the price of oil for past deliveries to confirm that you were charged the correct price.

*New Jersey Citizen Action Oil Group is not responsible for the services advertised. Inclusion of information on any business in this newsletter does not constitute an endorsement or guarantee of the quality of the services or products that are advertised.*

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