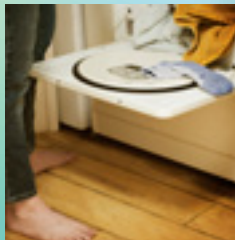




Purchasing and Using Propane Gas in New York State



CONSUMER GUIDE

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What Is Propane?



Propane gas is a versatile energy form that can be used as a heating and cooking fuel in homes and commercial establishments, as a auto gas for many types of vehicles, as a clean-burning industrial and agricultural fuel, and as an emergency fuel in disaster areas.

Consumers are encouraged to compare energy sources for both efficiency and value. Consumers should make an informed decision, weighing all factors such as appliance and energy costs as a way of determining the most efficient fuel for their application.

Uses For Propane

Propane can be used for heating, cooking (indoor and outdoor), water heating, pool heating, clothes drying, lighting, cooling, auto gas, lawn mowers, weed eaters and other lawn care machinery, temporary heat and many other applications.

Whether you are already using or planning to use propane gas, it is important to understand common practices within the propane gas industry. The following questions and answers are intended to help consumers better understand important facts associated with the use of propane gas.

Beginning in 1998, New York consumers could choose a new space-heating technology...vent-free heaters (log fireplaces, stoves) fueled by propane or natural gas. Vent-free gas products employ numerous safety devices, including an oxygen depletion sensor, which automatically turns the unit off before the room oxygen approaches a less than ideal level.

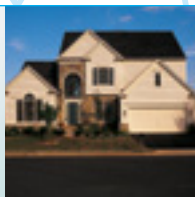
If you choose this technology, be sure to read and follow the label that appears on all such devices sold in New York State:

Caution: This appliance is a supplemental heat source and should not be the primary heat source. This appliance must be installed and serviced according to the manufacturer's instructions and local and state building codes. Select a model with appropriate heat output using guidelines provided by the manufacturer. Using a heater with greater heat output than recommended may be harmful to your health. As with other fuel burning appliances, building codes require installation of a carbon monoxide detector in your home.

Propane Gas Questions and Answers

1

Is propane gas a safe fuel?



Yes, when used properly. Although propane gas is naturally colorless and odorless, an odorant is added to alert users in the event of a leak. To be familiar with the odor of propane gas, ask your supplier for a sniff test. Storage, use and handling of propane fall under the standards adopted by the National Fire Protection Association, Title 49 USC, and approved by the American National Standards Institute (ANSI). The New York State Uniform Fire Prevention and Building Code requires the use of these standards.

THE MOST COMMON ACCIDENTS INVOLVING PROPANE GAS ARE CAUSED BY FAILURE TO COMPLY WITH THE MANDATORY SAFETY STANDARDS OR ABUSE OF GAS EQUIPMENT AND APPLIANCES. Your propane gas company can advise you on questions concerning who enforces safety standards in your area. New York State requires fire/smoke and carbon monoxide detectors in your home. As stated in Amanda's Law (378 Exec. Law), the homeowner is responsible for placement and maintenance of such devices. It is strongly recommended that consumers install gas detectors as well. Remember, carbon monoxide can be a result of any heating source that uses combustion, regardless of the fuel, when it is not operating properly. In addition, make sure your propane provider has shown you how to safely shut off your system. The company should be able to provide you with simple written directions on shutting down your system.

2

Is propane gas readily available?



In the past there have been no significant disruptions in supplying propane. Approximately 90% of the propane consumed in the United States is produced domestically. Of the remaining 10%, which is imported via pipeline, tanker, boat or transport, a large percentage comes from Canada.

3

How is the price of propane gas determined?



The propane gas business is competitive and each company sets its own pricing policy. Most companies price propane gas so that the more you buy per year, the less you pay per unit.

Propane gas prices are usually based on a customer's estimated annual use. When a customer uses additional propane gas appliances, total consumption and cost increase but the unit cost may be reduced. On the other hand, if gas use decreases, the customer will likely pay a higher price per unit.

Another factor that can determine the price of propane, as with any other fuel, is the cost of acquiring the product from wholesalers. Price fluctuation, as with any fuel, may vary depending on a number of factors. Advance planning by a consumer can help control these costs (i.e., budget plans, fixed price programs, etc.). Check with your supplier for the options they may offer.

4

What other additional charges can I expect to see?



In addition to the contract price per unit of propane, there are minimum costs to the supplier to bring propane service to the consumer. Your supplier may recover these costs by:

- Minimum Annual Requirement (MAR) - If you are a low-volume user, you may be assessed a usage fee
- Lease and/or Rental or Equipment Charges
- Pickup, Disconnect or Reconnect Charges
- Installation Charges
- Service Charges
- Regulatory/Environmental Compliance Fee

ASK YOUR PROPANE SUPPLIER OR PROSPECTIVE SUPPLIER FOR SPECIFIC DETAILS ON EACH OF THESE CHARGES.

5

How do the costs of propane gas differ from those of other fuels?



Normally the propane gas company owns all equipment, including the tanks and regulators. Therefore, the price of propane gas to the customer may include a charge for use and maintaining equipment. For other fuels, the customer owns the equipment and the price covers only the fuel.

6

What different pricing programs are available?

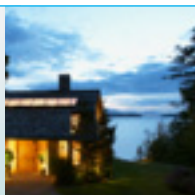


- **Budget Pricing** Paying a fixed amount monthly based on projected usage over a number of months. The last month is used to pay any balance.
- **Fixed Pricing** Locking in a predetermined price for a fixed period of time.
- **Pre-Buy Pricing** Purchasing a predetermined amount of gallons at a set price ahead of time.
- **Pipeline Pricing** Paying an amount above a specified pipeline. As the price at the pipeline changes, so may your price.
- **Multiple Location Discount Pricing** Many propane marketers offer discounts to consumers who have multiple properties that use propane gas.

Your supplier or prospective supplier may offer a variety of different pricing programs. Inquire directly with them for details.

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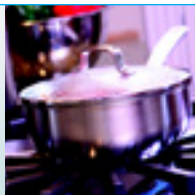
Why do prices vary from one dealer to another?



Propane dealers operate in a competitive marketplace and prices may vary among companies. Transportation costs contribute to geographic variations in price. Companies that provide complete 24-hour-a-day, seven-day-a-week service are usually more expensive than companies that offer limited service hours. Also, a few companies only sell propane and offer no other services. Choose a level of comfort to suit your needs.

8

Can you use propane gas with all appliances?



Some appliances are specifically manufactured to use propane gas. Some may be converted from natural gas to propane use. Mobile or manufactured homes and recreational vehicles must use appliances, such as water heaters and heating equipment, which are approved by the American National Standards Institute for propane use (each appliance should have a manufacturer's label for its intended use). Also, air intakes are necessary when using propane appliances in these homes, but are not required for standard housing equipment. Check with your prospective supplier of propane gas for more details. An important note: Do not change the air supply to the appliances in your home. Always follow the manufacturers' guidelines.

9

Before signing a propane contract, are there any fine-print details?



Many propane gas companies may require you to sign a contract/service agreement; be sure to read it thoroughly and understand it. If necessary, review it with your gas supplier. Refer to Question 4 in this brochure for specific charges that should be addressed in the contract. Also, consider the following:

- If you are a C.O.D. customer, will your provider make you pay by certified check or money order?
- If you are not an automatic delivery customer, are you responsible for notifying your propane supplier when to refill your tank? If so, how much advance notice is required?

10

Will a propane company require a credit application prior to delivering fuel?



Most likely. It is now common practice for any company that grants credit to request a credit application from customers.

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What service calls, deposits or charges must be paid?



Propane gas companies may charge a fee for the following: temporary or seasonal use; renting, installing and servicing equipment; repair service to non-contract customers; and deliveries made after hours or off schedule. Some companies require a deposit. Consumers are encouraged to shop and understand what services are best for them before making a decision to enter into or renew a contract.

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What methods of delivery are available?



Propane gas is delivered in replaceable cylinders or by pumping fuel from large bulk delivery trucks into containers on the premises. The current common industry delivery method is the computerized automatic refill system. This means you do not have to call your propane gas company to request a delivery. Based on the amount of your past gas usage, a company representative will determine how frequently you will need your propane gas container refilled. However, will-call delivery is sometimes available and requires you to contact your propane gas company before a delivery is made. Will-call delivery may be subject to an additional charge and a possible delay in delivery time.

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How do I know when I am due for a delivery?



If you are on automatic delivery, your propane supplier will know when to fill your tank(s). They monitor your consumption and refill your tank accordingly.

If you are on will-call delivery, most companies ask you to call your propane supplier to schedule a delivery when your tank gauge is at 30%.

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What happens if I run out of propane?



1. Close all propane tank or cylinder supply valves.
2. Call your propane supplier.

An interruption of your gas supply requires a leak test be performed. This may result in additional charges.

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Is the propane gas company required to notify consumers if a delivery will not be made during the heating season?



Yes. From November 1 to April 15 all fuel companies, including those selling propane, are required to follow the procedures described below for cutoffs affecting residential consumers.

Propane companies must ask their customers if they would like a third party to be notified in the event of propane cutoff. This must be done by November 1 each year for existing accounts and for new customers.

Notice of “Delivery Hold” to automatic delivery customers:

- Companies must provide an automatic delivery customer with written notice of at least three days before the cutoff date. It must state the reason for non-delivery.
- Companies must also make at least three attempts to notify the automatic delivery customer by telephone at least three days before the cutoff date.
- In a telephone notice, the company must do the following:
 - Inform the customer of the cutoff and the reason for it.
 - Determine whether the customer is out of propane or when more will be needed.
 - Ask if the customer can obtain propane elsewhere or find adequate alternative shelter. (Note: It is unlawful for a propane company to fill another company’s tank without their permission.)
 - Inform the customer that assistance may be available from the Social Services district office and give the name, address and telephone number of the appropriate office.
 - Ask if the customer wishes to have anyone else notified of the cutoff.

These requirements do not apply to situations in which a company changes an account from automatic delivery to will-call or cash-on-delivery, as long as the company notifies the customer of the change by telephone and determines that the customer is not out of propane or expecting to run out of fuel within 48 hours.

Company notice to will-call (C.O.D.) customers:

- This covers all customers not on automatic delivery; i.e., who only receive a delivery by specific request.
- Companies are not required to give advance written notice of a cutoff to a will-call customer.
- The company is required to notify any person designated by the customer to receive notice of a cutoff, as well as the Social Services district office, if the customer is unable to obtain propane from another source or secure adequate alternative shelter, or if the affected residence is a multiple dwelling.

Is the propane gas company required to provide a receipt at the time of delivery?



New York State law requires the propane gas company's truck driver to present the customer with a delivery ticket at the time of delivery. This ticket must include the following information:

1. Date of delivery
2. Net weight or volume of propane gas delivered
3. Total price*
4. Price per unit**
5. Name and address of seller
6. Name and address of buyer

* The delivery ticket need not include the total price if, within five days after delivery, the propane gas company provides the consumer with a written statement that includes all of the above information and the total price.

** Unless billing address is different from delivery address, in which case the price per unit will be provided to the billing address.

Who is responsible for maintaining the propane gas tank?



In most cases the propane gas company owns the tank and is responsible for inspecting and maintaining it. However, if you own the tank, you are responsible for maintenance. The National Fuel Gas Code requires an inspection every time a delivery is made. The deliverer must check the tank for any surface bulges, leaks or loose fixtures. After certain periods of time, some tanks may require formal recertification. All containers are required to be painted a light, reflective color. All combustible material must be at least five feet away.

What can consumers do to ensure efficient use of propane gas and minimize fuel bills?



First, make sure that the propane gas you burn is not wasted. If your furnace, water heater, or appliance does not work efficiently, you will use more propane gas than necessary.

Second, check to be sure heat is not escaping from your home. Improving the efficiency of your propane gas appliances is only part of the solution to high home energy costs. Check for drafts, which indicate substantial heat losses. All doors and windows should be caulked and weatherstripped. If your home is not insulated, or has only a small amount of insulation, it may be a good time to invest in insulation, which will repay you in energy savings and increased comfort for as long as you own your home. (See Question 8 of this brochure to understand how changing the air flow of your house may alter the safety and efficiency of your appliances. Your gas-burning appliances require a minimum amount of combustion air to operate safely and efficiently.)

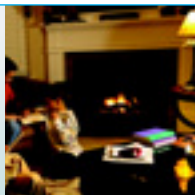
Finally, remember the following conservation measures:

- Check furnace filters every two months and clean or replace as necessary.
- Keep the area around the propane gas appliance free of dust, lint and litter.
- Don't block air inlets and outlets, including radiators, with furniture, drapes or other items.
- Vacuum radiators, convectors, baseboard heating units or ducts regularly.
- Close off unoccupied or seldom-used rooms.
- Open drapes and shades in sunny rooms during the day to help heat these areas. Otherwise, close drapes and shades to keep warm air in.
- Keep the fireplace damper closed unless there is a fire going. An open damper will allow heat to escape up the chimney.
- Repair leaky faucets to lower water heating costs. Remember, as a propane gas customer, you can control the amount of propane gas you use.
- Have your service contractor make sure that your propane gas appliances work efficiently and your home is properly weatherized. These probably have more to do with how much you spend on propane gas than small price fluctuations.
- Have your propane gas appliances cleaned and tuned up annually.

- Consider replacing your heating system if it is inefficient or in poor condition.
- Learn to recognize trouble signals (odors, erratic operation) and call your supplier promptly for help.
- Remember not to tamper with or abuse your propane gas appliances or their safety controls. If you have a problem, call your propane gas supplier or a qualified gas service technician.

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How can I tell if there is a gas leak?



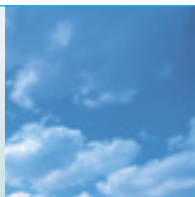
It is critical that your propane system be kept in good operating condition. This can be done by your propane supplier. There are nationally recognized programs, such as GASCheck, to help ensure your system's safety. (The Consumer Product Safety Commission advises the use of the GASCheck program.)

First and foremost, you can tell there is a gas leak by the smell. As a protective measure for your safety, a strong odor is added to the propane so that you will easily be able to detect the smell. Your propane supplier has scratch cards that will familiarize you with the odor of propane. Make sure your entire family can recognize the odor of propane gas.

Under some conditions, such as when people have colds, allergies or sinus congestion, or there is a presence of strong cooking odors, you may not smell a gas leak; therefore, it is recommended that you install a propane gas/carbon monoxide detector in accordance with the manufacturer's instructions. Call your propane provider for additional information.

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What should I do if I smell gas?



Take immediate action! If you smell gas in your house, camper, RV, workplace or around any gas equipment...

1. Put out smoking materials and other open flames.
2. Do not turn light switches, appliances or thermostats on or off, and do not use the telephone. An electric spark could ignite the gas.
3. Promptly get everyone out of the building, vehicle, RV, trailer or area.
4. Close all gas tanks or cylinder supply valves.
5. Call your supplier from a neighbor's telephone.
6. Stay outside until the problem has been corrected.

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Is financial assistance available for conservation efforts?

New York State offers a variety of programs to help its residents identify the many ways they can save on fuel bills. Two programs that may be of special interest to propane gas customers are listed below:

Home Energy Assistance Program (HEAP):

This federally funded program may be able to help with propane gas bills, repairs and replacement of your appliances.

Using propane gas as a heating fuel will not affect your eligibility for this program.

You are probably eligible for HEAP if you receive:

- Food Stamps
- Public Assistance
- Supplemental Security Income, or if you meet the income eligibility standards

For more information about HEAP if you are under age 60, contact your local Social Services Department, Community Action Office or Economic Opportunity Office at 1-800-342-3009.

If you are 60 or over, or disabled, apply in person or by mail at your local Office for the Aging or call the State Office for the Aging toll-free hotline at 1-800-342-9871.

The Weatherization Assistance Program helps low-income households reduce their energy bills by providing weatherization services such as caulking, weatherstripping and insulation at no cost with a maximum assistance cap of \$4,500. To be eligible, a household must have an income at or below 60 percent of the State's median income or below 150 percent of the State's poverty level.

Given to you free by the NYPGA to help you make an informed decision when selecting a propane provider. For more information or additional brochures contact:

New York Propane Gas Association
PO Box 760, Clifton Park, NY 12065
(518) 383-3823

or call Your Propane Dealer

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