

Spring 2001

# WARM NOTES

From Klasen Oil Company

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## Dear Friends,

**A**gain we have survived another winter! We really do appreciate your business.

As you know, last winter brought skyrocketing diesel and heating oil prices. I would like to note that we fulfilled all of our customer's fuel needs throughout the fuel shortages. Our inventory and supply networks held solidly, and we met each of our commitments. Just as important, our supply partnerships and resources allowed us to stay very competitively priced throughout the ordeal.

Everyone at Klasen Oil Company would like to take this opportunity to give a heartfelt thanks to our entire



Bob Klasen

Customer Family. You are the foundation our company is built upon, and our relationship with you is never taken for granted. As a Klasen Oil Customer you can count on us every day of the season and we guarantee excellent service every time. Thank you for making Klasen Oil Company your choice for supplying your heating oil, gasoline, diesel fuel, motor oil or propane needs.

Sincerely,

Bob Klasen  
President

## TECHNICAL SIDE: ATF

**D**o you know it takes **four** different Automatic Transmission Fluids to meet the requirements of the various car manufacturers? Most of us are familiar with General Motors Dexron and Ford Motors Mercon, plus the most widely used combined product known as Dexron III Mercon. This product meets all of General Motors vehicles requiring the use of Type A, Suffix A, DexronII, II E, and the current Dexron III. It also is used in Chrysler, American Motors, Nissan, Honda, VW, Subaru, Mitsubishi, Isuzu, Toyota, Fiat, Alfa Romeo, Renault, Porsche, Mercedes Benz and starting with 1977, Fords requiring M2C 138CJ (this will be on the oil dipstick). Here's where it gets confusing because earlier Fords require the use of Type F or M2C 33F, while Fords since 1997 require the use of Mercon V, M2C 202-B. Incidentally, either Mercon V or Dexron III Mercon can be used in Fords calling for Type CJ or H.

The fourth product is for 1988 and later Chrysler, Mitsubishi or Hyundai automatic transmissions and transaxles. ATF+3 meets and exceeds Chrysler MS-7176D and should also be used where 7176 or ATF+2 is recommended.

Pennzoil has recently announced a synthetic blend ATF that is a combination of a mineral base and special synthetic stocks plus advanced additives for use in automatic and powershift transmissions. It is fully qualified as Dexron III Mercon and Mercon V and is approved for Allison C-4 and Caterpillar TO-2 lubricant.

We highly recommend you consult the owner's manual or check the dipstick before adding or changing the fluid. If you are not sure, feel free to call our Salesman, Dick Dean, for help.

## Improvements to PREMIUM DIESEL

**W**hen Pennzoil recently closed their refinery, a major source of quality diesel fuel disappeared. We were challenged to find as good a product. We have now developed a Premium Diesel Fuel that is second to none!

In addition to keeping injectors clean, reducing moisture build-up, increasing cetane ratings and having special lubricity agents, our Premium Diesel even contains a special stabilizing agent to keep fuel fresh in storage tanks the entire season. This is truly a **premium product!**

The name of our new product is AGRI-DIESEL PREMIUM. This product can be used in all on and off road equipment with the same results. Try a tank-full soon. You won't believe the difference.



## Quiz Question

Is it possible to guarantee the maximum cost per gallon of my heating oil for next winter?

1. No
2. Yes

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**KLASEN** OIL COMPANY



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## Guide to Heating Oil Prices

**W**hen energy prices go up, we all feel it. Without having a good understanding of what really causes the ups and downs, it is easy to think the worst. Klasen Oil may not be able to control world energy prices, but we can help you make sense of how the pricing process works.

### **Why aren't oil prices regulated?**

They used to be, but this led to inflated prices and artificial shortages. Now the free market allows the prices to fluctuate sharply, but they have generally stayed much lower than before.

### **How are oil prices set?**

Heating fuels such as oil, electric, natural gas, and propane are traded on the commodities market that goes up and down just like the stock market. The biggest influence, however, on the cost of heating oil is the price of its raw material, crude oil.

### **What can cause rapid price changes?**

The market responds immediately to any situation that might affect supply or demand. Unexpected cold or warm weather, excess production, or supply interruptions are examples of the changes that are immediately reflected in the wholesale price Klasen Oil pays for the oil we ultimately deliver to you.

### **Do local dealers make more profit during sudden price changes?**

**No.** When world oil prices rise, it doesn't mean that Klasen Oil gets a bigger share of the profit. Just like when the price of orange juice goes up because of an early frost, the local grocery store doesn't make the extra money.

### **Who does make the money?**

Major oil companies, refiners, speculators and others who were either smart or lucky enough to have secured oil before the prices started to go up. These same people, however, would have lost money had the prices dropped.

### **Does Klasen Oil wait to deliver until prices are the highest?**

**No.** It's tempting to think that, especially if you've just gotten a high-priced delivery. We have no way to tell what will happen to wholesale prices from day to day. We base our deliveries on customer needs and the most efficient truck routes.

### **How can companies in the same area charge very different prices?**

Heating oil is a very competitive business. At any time, you will find suppliers with prices either higher or lower than Klasen Oil. The difference depends upon the quality of the fuel and the certainty of the supply as well as the quality of the service we provide.

We are committed to offer quality products at competitive prices and to find the best ways to meet your home comfort needs. Klasen Oil offers the following services and payment options:

- Participation in PA Fuel Assistance Program
- Budget Payment Plan (starts in July)
- Pre-Buy Price Cap Program
- 5 cents per gallon Cash Discount
- Accept MasterCard, Visa & Discover
- Senior Citizen Discount
- Summer Fill Program
- Quantity Discount
- Automatic Delivery

## Quiz Corner

Is it possible to guarantee the maximum cost per gallon of my heating oil for next winter?

2. Yes

**T**he Klasen Oil Pre-Buy Price Cap Program allows you to protect the maximum price you will pay per gallon for your heating oil all winter long. You will pay for the entire heating season's estimated fuel bill in advance, at a guaranteed maximum price per gallon.

If the price of heating oil raises dramatically, you will pay no more per gallon than the agreed upon Pre-Buy price. The maximum price is fixed and protected. If the regular price of heating oil, with all discounts, is lower than the Pre-Buy price at the time of delivery, you will receive the lower price per gallon. You will always be buying at the best price per gallon.

This program requires a signed contract and payment in full before deliveries can start. Contact our office to receive complete details on how to lock in the cost of your heating fuel for next heating season.

### ***Dog vs. Driver: Who Wins?***

**N**ow that warmer weather has finally arrived, many of our customers who own dogs allow their pets to stay outside more. This increases the potential of a confrontation between your family pet and our driver.

Your dog may seem friendly around your family and friends, yet may become aggressive when he sees a stranger come onto your property. To assure a safe delivery to your home, please try to keep your dog secured in an area away from the path to your fuel or propane tank.

If your dog exhibits aggressive behavior toward strangers, please call our office so we may make a note in your customer account on the computer. Let's work together to avoid an injury that could involve a trip to the hospital and a call from the Department of Health.