

FUELING YOUR WAY OF LIFE

SUPERIOR FUEL NEWSLETTER

SPRING 2021

A Message from the Superior Fuel Team

To our valued customers,

After a year that consistently brought on new challenges and obstacles to overcome, we have finally made it to 2021. As the year progresses, we hope that you and your family stay healthy and that our community will bounce back from this pandemic stronger than before. This year, we plan to continue our efforts to increase our capabilities through new technologies and business practices while still providing industry leading customer service. As we continue to grow, we will always be upgrading our offerings and programs, but we will never lower our safety and customer service standards.

The project we are most excited about this year is our Superior Shield Program. This program includes all of the same great benefits as our Stable Monitored Program, but instead of a 500-gallon tank, we set a 1,000-gallon tank. This program is ideal for people who use 1,000 or more gallons of propane throughout the year. As we upgrade more of our customers to the Shield Program, we will be able to further optimize our delivery routing, allowing us to continue to provide these benefits while still offering competitive prices. The more efficient we can become on our deliveries, the more cost savings we'll be able to pass on to our customers.

Our Shield Program is a part of our Tank Upsizing Project. We're focusing most of our efforts this year on taking the best possible care of our current customers. We found that we currently have over 1,000 customers burning a large enough quantity of propane to justify a tank upgrade to a larger tank. By upgrading these tanks, we will be able to give these customers additional supply on hand and increase our delivery efficiency, which then allows us to provide the same great service at a great price to you.

Another large-scale project we'll be completing this year is our rail terminal. This is a propane offloading site that gives us the ability to store 320,000 gallons of propane plus an additional 16 full rail cars that hold 30,000 gallons each. By moving one step up the supply chain, we are able to further ensure security of supply for all of our customers. We are also able to cut out the middle man and buy direct. We are set to complete this project mid-summer. As we start working on getting the storage tanks set and the site prepared, we will be posting pictures and videos on our Facebook page documenting the progress.

To summarize, all of what we are doing this year is geared toward creating long-term value for our customers. We truly enjoy being able to provide better service than the big national, international and private equity companies in our area. When you decided to partner your home heating needs with us, you help support over 60 local Minnesotan and Wisconsinites who all work hard to make Superior Fuel great. We would like to thank you for your business and look forward to continuing to prove why we are the Northland's top-rated propane and fuel oil company.

Sincerely,

The Superior Fuel Team



"Continuing to provide additional benefits for our customers is our 2021 game plan."

- Ryan Gunderson
President



Superior Fuel

Fueling your way of life.™

SUPERIOR PROGRAMS

Shield/Stable Monitored

This year, we are focusing our efforts towards operating at a much higher efficiency. We want to provide quality, local service to our customers for many years to come.

The good news is this is a win-win scenario. By helping us become more efficient, you will be helping yourself maintain great service at competitive prices for years to come. On our Shield Program, you gain additional security of supply, something evermore pressing in today's day and age. Lately, supply chain issues have arisen because of the proposed line 3 and 5 pipeline shut downs. Uncertainty of mass scale propane supply causes price volatility, exemplified this winter by some of our competitors charging over \$3.00/gallon. Both programs we offer protect you from price spikes and our Shield Program gives you additional supply on hand should our area see increased supply chain issues. To achieve our desired level of efficiency, and to protect you and your family, we need all of our customers to take advantage of either our Shield or Stable Monitored Program.



Shield/Stable Program Details

- ❖ 1,000-gallon tank or 500 based on usage
- ❖ Lock-in price per gallon for up to 3 years
- ❖ Stable monthly payments for the duration of your plan
- ❖ Tank monitor installed to track your tank level anywhere, anytime
- ❖ \$250 no runout guarantee

The Shield and Stable Monitored programs offer the latest industry technology and program structure. We are one of the only propane suppliers to offer all-inclusive plans with all of these features. Moving forward, we will only be signing up new customers on these programs to better serve everyone. We feel we are setting new customers up for failure if they sign up for Will Call Market Rates.



You Benefit By:

- ❖ Knowing exactly what you'll pay for propane for up to 3 years.
- ❖ Never having to monitor your tank level.
- ❖ Being able to view your tank level from your smartphone.
- ❖ Receiving industry leading customer service at competitive prices.
- ❖ Security of supply with increased storage on hand (Shield).

We Benefit By:

- ❖ Maximizing our delivery routing by building tight, efficient delivery routes for our drivers.
- ❖ Increasing our buying power by knowing approximately how many gallons our customers need for the upcoming year(s).
- ❖ Eliminating inefficient deliveries and/or run-outs caused by Will Call customers.
- ❖ Reducing our carbon footprint by minimizing the number of deliveries to customers.

Never pay the high Market Rate prices in the winter months. Never worry about running out. Never get left out in the cold. If you are currently on one of these programs, thank you for helping us become a better company. If you're not currently on one of these programs, give us a call and get set up for safety, security and peace of mind.

INFERIOR PROGRAMS

Will Call Delivery

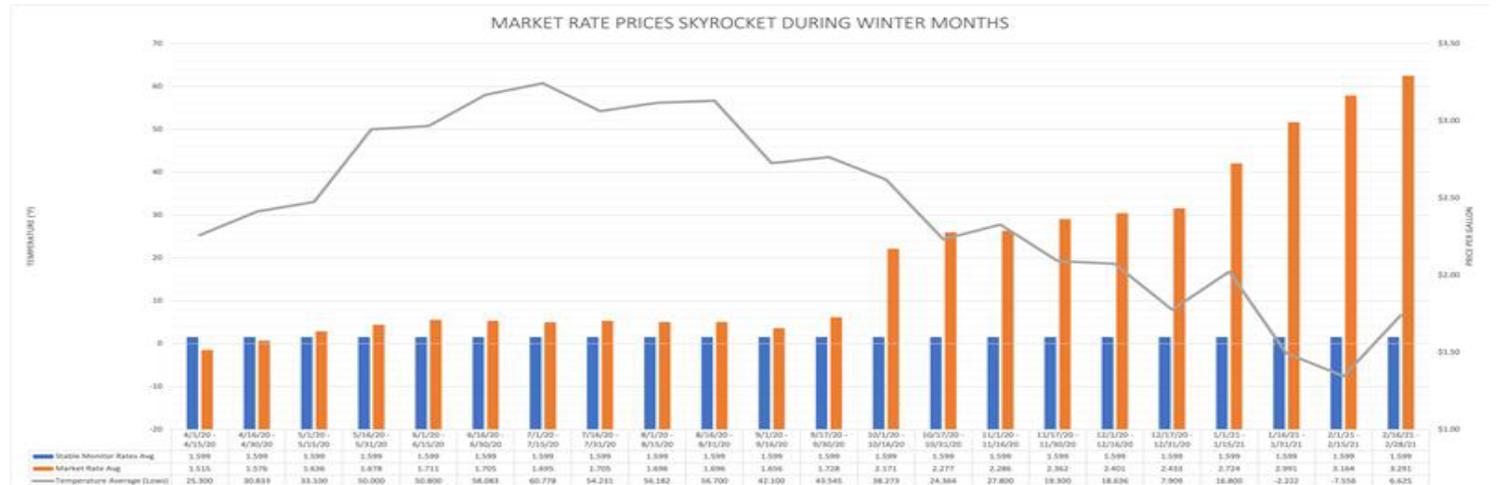
Being a Will Call customer is the old way of buying propane. With today's available technology we are able to simplify your propane experience. Gain additional peace of mind knowing we can monitor your tank on your behalf and guarantee you have propane when you need it the most! Reduce your annual heating costs by moving away from Will Call delivery.

One factor that raises our cost of doing business with Will Call customers is run-outs and emergency deliveries. Whether or not you pay close attention to your tank level, supply uncertainties and long cold snaps make keeping your tank full much more difficult if you're calling in every delivery you need. To the right is a breakdown of our runout costs:

Run-out Costs

- 💡 \$125.00 Inconvenience Fee
 - 💡 We pay our drivers \$125.00 before they step in the truck to thank them for getting out of bed on a cold night to drive to your home or cabin to fill your tank.
- 💡 \$5.00/Mile
 - 💡 We average \$5.00/mile from the cost of the driver's wage, cost of fuel burned driving the vehicle and vehicle depreciation.
 - 💡 \$5.00/mile is also the industry average from a MN statewide study.
 - 💡 Ex. Your house is 30 miles from our nearest bulk plant, which equates to a 60-mile round trip, costing us \$300 in distance driven.

Run-outs also have variable costs associated with the structure of the delivery route. We have had scenarios this past winter where we have very efficient routes planned with our Stable Monitored and Shield customers scheduled that are compromised because that night a Will Call customer wakes up and their house is at 50 degrees inside. We then have to either send out a technician in pitch black to fill them that night or completely alter the route of one of our drivers for the following day. This process happens each and every winter and costs us and our customers unnecessary time and money.



This winter, wholesale price (our cost) of propane went up to \$1.90. This increase in cost of propane is passed along to Market Rate customers. We saw competitor's prices rise to well over \$3.00/gallon as a result of the increase in wholesale propane price. Why pay the highest prices when you need it the most?

Market Rate Pricing

Being on Market Rate is a guaranteed way to pay more to heat your home every year. Whether you're a customer of ours or you're with one of our competitors, you will pay more. Large national, international and private equity companies love their Market Rate customers, because they are able to charge them ridiculously high prices during the winter months when they need propane the most. We look out for our customers' best interests, and genuinely want to provide the best service at the lowest price possible. To do this, we need help from you. We strategically build and offer these programs to you to provide long-term value to not only save you money but time as well. Getting set up on the Shield or Stable Monitored Program is as simple as:

- 💡 Calling in to our main number and going over the program details with one of our customer service representatives (2-3 minutes).
- 💡 Electronically signing the documents sent by the rep to your email (1-2 minutes).
- 💡 Speaking with our Service Department to pick a time for us to come out and install the monitor (2-3 minutes).

500 GALLON GIVEAWAY

REGISTER TODAY!

superiorfuelcompany.com/register

How To Qualify

- Follow The Link superiorfuelcompany.com/register
- Fill Out The Registration Form
- Click Submit

Congratulations, You Are Registered!

We are working on improving our communication with you, and we will use your updated information to keep you in the loop of any new promotions, programs, or updates.



Superior Fuel

Fueling your way of life.™

SuperiorFuelCompany.com

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What to Do if You Smell Gas

If you smell gas in your home or business, the following steps must be taken:

- Get everyone out of the building immediately.
- Do not operate a light switch, cigarette lighter, appliance or thermostat. Any spark in the area where propane gas is present may ignite the gas.
- Call Superior Fuel Company from a neighbor's house or use a cellphone. Do not go back into the house.
- Put out all smoking materials and other open flames.
- Turn off the gas supply at the tank or cylinder. The shut-off valve is located in the dome on top of the tank. Turn the shut-off valve, by hand, clockwise (to the right) until it stops turning.
- Remain out of the house until a service person says it is safe to return.

If you run out of gas, the following steps must be taken:

Turn off the gas supply at the tank or cylinder. The shut-off valve is located in the dome on top of the tank. Turn the shut-off valve, by hand, clockwise until it stops turning.

Notify Superior Fuel Company so a leak test can be performed before restarting the propane system.

CALL TODAY

(218) 722-2050