

Did You Overspend To Stay Warm? A Year In Review

As the 2009/2010 heating season winds down, I thought it would be of value to ask local residents one simple question: “Did you overspend on your heating costs?” The response has been interesting because for the most part homeowners were not sure. In fact, most did not know how much they were paying in total to stay warm each year. The uncertainty was not all that surprising since totaling heating costs is not as obvious as one might think.

To get a better handle on residential heating costs Kosco, the areas leading local heating company offered some enlightening information. Annual heating costs are comprised of tangible and intangible costs. Tangible costs include two primary expenses, energy and service. The fuel paid for to stay warm and the maintenance to keep the heating system operating properly. Typically the energy used to heat a home is derived from oil, propane, kerosene, electric, wood and natural gas. In many cases homeowners using primary fuel sources like oil or propane also use an electric space heater to stay warm during the colder months. This may be because their heating system is not working properly or the home is experiencing excessive heat loss. In either case a homeowner in this situation is paying for both oil and electric energy and both must be considered when adding all tangible heating costs. Operating an electric water heater is also an expense that is often unrecognized as a heating expense. Consider two homeowners with the same style and size home and life styles; one that uses a water heater that generates heat from a oil fired heating system and the other uses inefficient electric heat. Although the homeowner relying solely on oil may be using more fuel, his total annual heating cost is going to be less. Newer oil and propane heating systems are typically more efficient to operate than electric systems. Depending on the amount of hot water used and the cost of fuel, a homeowner is likely to save a hundred dollars or more annually. Primary heating fuels expenses like oil and propane are easy to total because suppliers provide invoices that breakout these costs. Too often homeowners gamble on the costs they pay for these fuels. Many homeowners purchase from a COD company on a cash basis at the unpredictable going rates, (typically higher during the winter months). The homeowners buying their fuel this way are also responsible for monitoring their own tank storage levels to assure that they do not run out of fuel. Alternatively, homeowners choosing to buy their fuel from a full service heating company like Kosco can control their heating fuel costs by purchasing their fuel on a Price Protection Plan usually offered in early summer when prices are typically at their lowest. Price Protected fuel plans allow a homeowner to “cap” and budget their fuel costs. This season Kosco customers that price protected their heating fuel paid only \$2.399 per gallon. A typical homeowner using 1000 gallons of fuel paying \$2.649 cents would have paid \$250.00 less this year had they price protected with Kosco. Over the years price protection remains a proven method to save on heating fuel. The U.S. Energy Information Administration (EIA) suggests: “Talk to your heating oil dealer about participating in a budget plan to help stabilize your monthly bill.

You can also talk to your heating oil dealer about "cap" or fixed price protection programs, which can help keep costs down."

Heating systems service is another tangible expense that many homeowners hedge that their heating system will not breakdown and therefore take the chance and choose not to have a service plan to protect their warmth. The problem with this is that unless a heating system is marinated annually it will; over time lose its efficiency and burn more fuel than necessary and eventually breakdown. Two very tangible costs that in the end will add up to more than the short term savings of going it with out a plan. The very best valued plan in the area is Kosco's "No Surprises Service Plan" for only \$228.00 it covers 24/7 emergency service, parts and labor and the exclusive Kosco branded premium tune-up; other service plans offered in the area cover less and cost more.

Less tangible expenses like loss of work trying to find a service technician willing to come out the same day to get your heating system up and running, frozen pipes that need to thaw out, waiting for an oil delivery from a COD company because you forgot to check the tank are all examples of intangible expenses that add up to general discomfort that can all be avoided with a full service heating comfort company like Kosco.

So ask yourself did you pay too much to stay warm this year? What are you going to do this coming year?

This article was written with the assistance of Kosco they can be reached at your local offices in Dutchess County 845-876-2033 or Columbia County 518-943-3500