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# **MEETING BOARD OF DIRECTORS NATIONAL OILHEAT RESEARCH ALLIANCE**

**JUNE 12, 2001  
BOSTON, MASSACHUSETTS  
HYNES CONVENTION CENTER, ROOM 102**

an:  
Greene  
onsult

First Vice Chairman  
Don Allen  
E.T. Lawson and Son

Second Vice Chairman:  
Peter Carini  
Champion Energy Group

Research and Development  
Douglas Woosnam  
SICO

Education and Training  
Robert Boltz  
Vincent R. Boltz

Consumer Education  
Jim Pierson  
J.W. Pierson



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**AGENDA  
BOARD OF DIRECTORS  
NATIONAL OILHEAT RESEARCH ALLIANCE  
JUNE 12, 2001  
BOSTON, MASSACHUSETTS  
HYNES CONVENTION CENTER, ROOM 102**

- I. Introductions**
- II. Approval of Minutes**
- III. Chairman's Remarks**
- IV. President's Remarks**
- IV. Report of Collections Committee**
  - a) Status of collections and Refunds**
  - b) Fuel Applicability**
  - c) Payers**
  - d) Discussion**
- V. Report of Finance Committee**
  - a) Status of Budget**
    - i) Scenario Planning**
    - ii) Accounting Functions**
    - iii) Insurance**
    - iv) Independent Audit**
    - v) Future Actions**
  - b) Treasurer's Report – Debt and Start Up Costs**
- VI. Report of Consumer Education Committee**
  - a) Establishment of Subcommittees**
  - b) Advertising Agency Search**
  - c) Research Firm Search**
  - d) Timeline of Activities**
  - e) Public Service Activities**
  - f) Brochure Preparations**
  - g) Discussion**

## **MINUTES OF THE FIRST MEETING OF THE NATIONAL OILHEAT RESEARCH ALLIANCE ("NORA")**

The first meeting of the National Oilheat Research Alliance, Inc., was held at the offices of Patton Boggs, LLP, 2550 M Street, NW, Washington, DC 20037, on February 6, 2001.

The meeting was called to order at 10:14 a.m. by the Robert Greenes, President of the qualified industry organization, the National Association for Oilheat Research and Education ("NAORE").

Mr. Greenes called on John Nardoizzi of the independent accounting firm Gray, Gray & Gray to report the results of the NORA referendum. In accordance with the National Oilheat Research Alliance Act of 1999 ("NORA Act," P.L. 106-469, Section 704 – Referenda), Mr. Nardoizzi reported the tabulation results from the 22 state referendum. Mr. Nardoizzi reported that wholesalers voted 99.52% in favor of the creation of the NORA Alliance; retailers voted to approve the NORA Alliance by a percentage of 97.38%. Mr. Nardoizzi reported that every state that voted in the NORA referendum voted in favor of the NORA program.

On motion duly made, seconded and carried, the report of the independent auditors concerning the industry-wide election held pursuant to Section 704 of NORA was accepted. (It will be filed with these meeting minutes.)

Edward J. Newberry of Patton Boggs, LLP ("Counsel"), provided an overview of the responsibilities that Board of Directors (also referred to as NORA Alliance Members) will have under the NORA Act. Mr. Newberry noted that the Department of Energy must review the budget annually and the Congress has specific oversight responsibilities Mr. Newberry also described the specific rules that NAORE will have to follow as specified under the NORA statute.

John Huber described that NORA was incorporated during the last week of January with an initial Board of Directors who were: Peter Carini, Don Allen, and Robert Greenes. It was established that there was a quorum of the original directors named in the Articles of Incorporation of the National Oilheat Research Alliance, Inc. Counsel next reviewed and read the organizational resolutions of the initial Board of Directors. On motion duly made, seconded and carried, the organizational resolutions were adopted as follows:

RESOLVED, that all of the actions taken by the incorporators of the National Oilheat Research Alliance, Inc. (the "Alliance") in the name and on behalf of the Alliance, including, but not limited to, the filing of the Articles of Incorporation be, and the same hereby are, ratified, approved and adopted in every respect as actions of the Alliance.

RESOLVED, that, upon appointment as the Secretary of the Alliance, he or she shall be, and hereby is instructed to cause a

copy of the Articles of Incorporation, which was filed with the District of Columbia Department of Consumer and Regulatory Affairs on January 31, 2001, to be inserted in the minute book of the Alliance.

RESOLVED, that the Bylaws attached hereto be, and the same hereby are, adopted as the Bylaws of the Alliance, and that, upon appointment as the Secretary of the Alliance, he or she shall be, and hereby is, instructed to cause a copy of the same to be inserted in the minute book of the Alliance immediately following the copy of the Articles of Incorporation.

RESOLVED, that the Board of Directors hereby elects and approves the individuals selected by the National Association for Oilheat Research and Education (attached as Exhibit A) to become the Members of the Alliance, pursuant to the National Oilheat Research Alliance Act of 2000, P.L. 106-469 (the "Act").

RESOLVED, that the number of directors that shall serve on the Alliance Board of Directors shall be sixty-one.

RESOLVED, that as set forth in the Bylaws and by reason of their membership in the Alliance, the Members shall also serve as the Directors of the Alliance.

RESOLVED, that the four vacancies on the Board of Directors shall be filled upon nomination and selection of the four remaining members by the National Association for Oilheat Research and Education and approval by the Board.

RESOLVED, that the Directors/Members shall serve for the number of years indicated in parentheses by their names in Exhibit A and shall serve in such classes of the Board as set forth in Exhibit A.

RESOLVED, that the following persons, (attached as Exhibit A), who are also members of the Alliance and by reason of such membership, such persons shall serve as directors of the Alliance until such time as their terms as members expire.

Mr. Greenes next called for roll-call to be taken. There were present:

Don Allen, Jeff Arntson, Rudy Ballard, John Beckett, Marc Bingham, Bob Boltz, Steve Clark, Don Farrell, Bill Flynn, Boyd Foster (*via* teleconference), John Fuquay, Joe Glick, Bob Greenes, Kurt Haab, Daryl Hackman, Allison Heaney, Jane Hoffman, Michael Hopsicker, Gene Jacobus, Chris Keyser, Marc Lacasse (*via* teleconference), Anthony Losquandro, Bob Luby, Jeff Lykins,



Roger McDonald, Michael Meadvin, Ed Miller, Ralph Mills, Jim Pierson, Ron Sabia, John Santa, Ed Scott, Frank Sestito, Irik Sevin, Donald W. Steward, Jack Sullivan, Paul Vermylen, Jr., John Willey, Jr., J. Blacklock Wills, Jr., and Douglas Woosnam being all of the members of the National Oilheat Research Alliance ("NORA"), duly appointed to serve as Alliance members and directors by the qualified industry organization pursuant to Section 705 of the NORA Act. (There were four vacancies on the Alliance.) These directors were identified and the length of their terms was noted. (Exhibit A will be filed with these minutes.)

The roll-call was heard and a quorum was declared established. Counsel next reviewed the Articles of Incorporation for NORA as a 501(c)(6) corporation. Counsel and Mr. Huber described the general corporate governance matters, including the filing of the articles of incorporation, and the membership structure of Alliance. Mr. Huber noted that the two classes of Directors and Members overlap because NAORE appointed Members of the Alliance, while the Board of Directors structure was used for organizational purposes. Mr. Huber next reviewed the NORA bylaws. He described the establishment of committees, including the five main committees. Mr. Huber explained that the bylaws would allow Directors to meet via teleconference as if in person. He noted that the bylaws would not grant proxy-voting rights. Mr. Huber also explained that, upon advice from Counsel, the draft bylaws had been changed and the 85 percent "turnback" rule had been removed since the rule should be in NORA's operating procedures, rather than in the bylaws.

Following discussion of the bylaws, comments and amendments to the bylaws were solicited. A motion was made, seconded and carried, and the NORA bylaws were adopted.

Counsel next provided an overview of the corporate governance resolutions of the Board of Directors. Counsel read each corporate governance resolution individually. After discussion of these organizational resolutions, a motion was made, seconded and carried, and the organizational resolutions were adopted as follows:

RESOLVED, that the Bylaws attached hereto are hereby ratified and approved by the full Board of Directors.

RESOLVED, that all of the actions taken by the National Association for Oilheat Research and Education, as defined in the National Oilheat Research Alliance Act of 2000, P.L. 106-469 (the "Act"), and their respective representatives, in the name and on behalf of the Alliance, are hereby, ratified, approved and adopted in every respect as actions of the Alliance.

RESOLVED, that all actions taken by Mr. John Huber and his respective representatives, in the name and on behalf of the Alliance are hereby, ratified, approved and adopted in every respect as actions of the Alliance.

RESOLVED, that Patton Boggs LLP be appointed to act as attorney for the Alliance and that they be paid the ordinary professional charges for their services as attorney.

RESOLVED, that the Alliance hereby adopts the current edition of Robert's Rules of Order as the official parliamentary authority of the Alliance, absent other rules to the contrary adopted by a majority of the Alliance.

John Fuquay was next recognized and made a motion that the Board of Directors adopt the following slate of officers of the NORA Alliance:

Chairman:	Robert Greenes
First Vice Chairman:	Don Allen
Second Vice Chairman:	Peter Carini
President:	John Huber
Secretary:	Jack Sullivan
Treasurer:	John Maniscalco

Jim Pierson seconded the motion. Additional nominations were solicited. The Board of Directors next unanimously agreed to Mr. Fuquay's motion and thereby agreed to the election of the above-named officers.

The Board of Directors next considered the organizational resolutions involving the actions to be taken by officers. Mr. Newberry read each one of the organizational resolutions. A motion was duly made, seconded and carried and the following resolutions were adopted:

RESOLVED, that the seal, in the form described in the Bylaws be, and it hereby is, adopted as the corporate seal of the Alliance and the Secretary be, and hereby is, instructed to insert an impression of the seal in the corporate record book. The corporate seal appears here in the margin.

RESOLVED, that the Treasurer and the President be, and they hereby are, authorized, empowered, and directed to establish and maintain accounts on behalf of the Alliance with such banks and investment companies as they deem appropriate, and to pay into or deposit therein, subject to the rules of such banks and firms, funds of the Alliance, consisting of monies, checks, negotiable paper, and other instruments for the payment of money acceptable to the bank or firm; that such funds paid into or deposited in said accounts shall, subject to the rules of such banks and firms, be withdrawn from said account by means of checks, drafts, notes, orders, and receipts issued in the name of the Alliance and signed by the Chairman, the Treasurer or the President for the transaction of business in connection with said accounts.

RESOLVED, that each officer of the Alliance be, and hereby is, authorized to procure all books of account, other books and other materials and supplies necessary or appropriate in connection with maintaining the records and conducting the business of the Alliance, to apply in the name and on behalf of the Alliance on the Form SS-4 for an Employer Identification Number, to pay all expenses and to make full reimbursement for all expenditures made in connection with the organization of the Alliance and, in general, to do all things necessary or appropriate to establish the Alliance and commence with the business thereof.

RESOLVED, that the officers of the Alliance be, and they hereby are, authorized and directed to file an application to the Internal Revenue Service for recognition of exemption of the Alliance from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, as amended, and tax registration forms and application for recognition of exemption from the District of Columbia tax and any other state which may require such filing; that the Chairman and the Treasurer are each authorized to execute any forms required in connection with such application(s); and that the officers are authorized to retain Patton Boggs LLP to provide legal assistance on these matters.

RESOLVED, that the Secretary shall establish and retain the membership rolls.

RESOLVED, that the Board hereby authorizes the Chairman, on behalf of the Alliance, to negotiate the terms and conditions of and enter into an employment agreement with Mr. John Huber.

RESOLVED, that the President or his designee is hereby authorized to execute and file any and all documents with the Virginia Division of Corporations or similar agency and to incur such expenses as are necessary for the Alliance to qualify to do business in the Commonwealth of Virginia.

RESOLVED, that the President is hereby authorized to select the location of the Alliance's principal place of business in the Northern Virginia area and to negotiate and execute any and all leases, contracts or other agreements on behalf of the Alliance that may be necessary to secure such location.

RESOLVED, that the Secretary be, and hereby is, authorized and instructed to prepare minutes of this meeting and make them available to the public.

RESOLVED, that the officers of the Alliance be, and they hereby are, authorized, empowered, and directed, in the name of and on behalf

of the Alliance, to make all such arrangements, to do and perform all such acts and things, and to execute and deliver all such documents or instruments as they may deem necessary or appropriate in order to implement fully each action taken at this meeting and to fulfill the intent of these resolutions.

Chairman Robert Greenes (the "Chairman") next noted a change to the committee jurisdiction and responsibilities that were outlined in the draft materials. The language describing the Consumer Education Committee's jurisdiction and responsibilities was changed to read as follows:

"The Consumer Education Committee shall be responsible for consumer education materials that educate consumers to the positive attributes of oilheat. The Committee is principally charged with ensuring that all consumer education materials conform to the provisions of the Act. The Committee shall work with and through existing industry organizations."

The Chairman next provided an overview of the ad hoc/temporary committees: the Collection Procedure Committee; the Grants Administration Committee; and the Bylaws Revisions Committee.

The Chairman next described the roles and responsibilities of the NORA Executive and Finance Committees. A motion was duly made, seconded and carried and the following executive and finance committee resolutions were adopted:

RESOLVED, that the Chairman of the Board, the 1<sup>st</sup> Vice Chairman of the Board, the 2<sup>nd</sup> Vice Chairman of the Board, the Secretary, Treasurer (who if not a Member of the Alliance shall be *ex-officio*), the President (*ex-officio*), the immediate Past Chairmen (who if not a Member of the Alliance shall be *ex-officio*) and the following individuals appointed by the Chairman of the Board shall be members of the Executive Committee:

Mike Hopsicker  
Jim Pierson  
John Beckett  
Bob Boltz  
John Fuquay  
Rich Slifka  
Doug Woosnam  
Irik Sevin  
John Santa

RESOLVED, that the Board hereby grants to the Executive Committee the right and full authority to manage the day to day operations of the Alliance, to enter into agreements on behalf of

the Alliance with third parties, to use the funds of the Alliance as may be necessary to further the Alliance's interests and goals and to make such decisions on behalf of the Alliance which are in the best interest of the Alliance and all its Members with such decisions giving full consideration of the guidelines under the Act and the respective fiduciary duties of each Executive Committee member.

The Chairman and the President next provided an overview of NORA's Organization and the functions of the task groups. A discussion of the vision for the use of funds followed. The Chairman explained that of the collected assessments that would be returned to states, funds could be applied for a variety of purposes, including research and development ("R and D").

Counsel reviewed the Patton Boggs' Plan of Action and Milestones and described how the Board of Directors would move forward within the context of the NORA Act. The President explained that Don Allen, Robert Greenes, and the Finance Committee would move forward in preparation of a budget. With respect to the selection of an accounting firm for the assessment collection procedures and for auditing purposes, the Chairman announced that proposals had been solicited from five independent accounting firms. The Chairman explained that the Executive Committee will develop a general strategic plan and Operational Committees will develop internal strategic plans. The President described the anticipated structure of the NORA office and plans for staffing. The Chairman next provided a summary of the consumer education provisions in the NORA Act and directed Board members to the Patton Boggs memo on those provisions.

Ron Raven provided an overview of a proposed collection procedure for collecting all assessments. Mr. Raven indicated that the NORA law provided the general guidance for establishing a collection procedure, however, that Section 707(b)(7) gave general authority to improve and refine the collection procedure envisioned by the statute.

Ron Raven in describing the collection procedure which is described more fully in the forms provided to the Board, and incorporated herein by reference, noted that the industry and the statute attempted to minimize administrative costs by mirroring the information requests of the Department of Energy, and its destination state reports. By allowing companies to use an information system already in place, the ability to start the program immediately was enhanced.

Mr. Raven also indicated that on requests of the states and pursuant to a review of the statistical information gathered regarding the states, that the NORA Board should accept the recommendations embodied in the forms that the Pacific Northwest (Idaho, Oregon, Washington, and Nevada) utilize a retail collection system and the remaining participating states use the wholesale system.

In the states utilizing the wholesale system, to meet the Act's requirement that the fee should be limited oilheat, a refund mechanism similar to that used for federal fuels would be established. Under that system, retailers selling to customers who did not use the fuel for heating could apply for a refund on behalf of their customers.

Ron Raven indicated that the statute clearly envisioned the assessment only applying to dyed fuels. Additionally, imposing a fee on the undyed fuels would increase the amount of refunds, increase administrative complexity and not serve the purposes of the Act. Thus, the instructions limited the assessment to dyed fuels. Additionally, the kerosene product which definitionally must be clear was not included in the definition of 1-D by the instructions. Ron Raven indicated that the Number 1 distillate could cover all kerosene type fuels, but that the Alliance in an effort to establish an efficient and effective system for collecting did not intend to cover the kerosene product. As such, it only made sense to restrict the collection system to dyed fuels, to avoid massive refunds. To that end the kerosene code currently used on DOE reporting would not be used to collect the fee, restricting it to only dyed fuels within three existing product codes: #2 High Sulfur Diesel, #2 Fuel Oil and dyed #1 distillate.

Ron Raven then indicated that the parties who would be allowed to purchase the fuel without the assessment were those on the DOE exclusionary list. This list will be supplemented with parties who meet the definition of a wholesaler who brings product across marketing lines.

The meeting then turned to a discussion of when the system should start. Several marketers and wholesalers indicated that it was essential that the system start March 1<sup>st</sup>. To do otherwise would not allow this important program to begin for nearly a year. Such a result would be unsatisfactory. Ron Raven stated his opinion that it would be possible to have an effective collection system in place by March 2001. More discussion followed.

A lunch break commenced at 12:25 and the meeting resumed at 1:05.

There was additional discussion of the assessment collection process, with John Huber and Ron Raven responding to questions from the floor. The Chairman called on Mike Hopsicker to work with members of the Collection Committee to address concerns, and make necessary recommendations for the next Board meeting. Mr. Hopsicker announced that Michael Meadvin, Bob Luby, Ron Raven, Rich Slifka, John Huber, Ron Sabia, and other volunteers on the Committee would work together to make changes if they are determined necessary.

The discussion continued regarding the ability to begin the assessment on March 1, 2001. After further discussion, a motion in the following form was duly made and seconded.

RESOLVED, that the assessment of the Oilheat Industry shall become effective on March 1, 2001 in accordance with the forms and instructions and that the Alliance staff be authorized to publish a notice of the assessment, establish an interest-bearing checking account to receive such assessments, and perform such administrative functions as necessary to implement the collection process.



Treasurer John Maniscalco next provided an overview of NORA's finances. He described that loans to NAORE were used to finance the referendum. The President reviewed the draft budget for NORA for the year 2001 and 2002. A brief discussion followed. The President noted that the draft budget for 2002 should not include \$100,000 for debt repayment since the repayment would be completed in 2001. Mr. Huber explained that the budget, however, could only serve as a guide, since it had not been presented to the Department of Energy as required by law.

A motion was duly made, seconded and carried and the following financial and administrative resolutions were adopted:

RESOLVED, that the Alliance shall reimburse the National Association for Oilheat Research and Education for cost of the referendum and legal expenses associated with the formation of the Alliance, and other reasonable and necessary costs and expenses, from funds collected through assessments.

RESOLVED, that the Treasurer and the President be, and they hereby are, authorized, empowered, and directed to establish and maintain accounts on behalf of the Alliance with such banks and investment companies as they deem appropriate, and to pay into or deposit therein, subject to the rules of such banks and firms, funds of the Alliance, consisting of monies, checks, negotiable paper, and other instruments for the payment of money acceptable to the bank or firm; that such funds paid into or deposited in said accounts shall, subject to the rules of such banks and firms, be withdrawn from said account by means of checks, drafts, notes, orders, and receipts issued in the name of the Alliance and signed by the Chairman, the Treasurer or the President for the transaction of business in connection with said accounts.

RESOLVED, that for the purpose of authorizing the Alliance to do business or solicit funds in any state, territory, or dependency of the United States, the District of Columbia or any foreign country in which it is necessary or expedient for the Alliance to transact business or solicit funds, the officers of the Alliance be, and they hereby are, authorized, empowered, and directed to appoint and substitute all necessary agents or attorneys for service of process, to designate and change the location of all necessary statutory offices and, under the corporate seal, if required, to make and file all necessary certificates, reports, powers of attorney, registrations, and other instruments as may be required by the laws of such states, territory, dependency, the District of Columbia, or foreign country to authorize the Alliance to transact business or solicit funds therein, and whenever it is expedient for the Alliance to cease doing business or soliciting funds therein and withdraw

therefrom, to revoke the appointment of any agent or attorney for service of process, and to file any such certificate, report, revocation of appointment, surrender of authority or other instrument as may be necessary to terminate the authority of the Alliance to do business or solicit funds therein or take any other action necessary or desirable in connection with the foregoing.

RESOLVED, that the President shall have the authority negotiate and execute, on behalf of the Alliance, a line of credit with a financial institution for up to \$200,000 ("Credit Line").

RESOLVED, that the President shall have the authority to draw upon the Credit Line as he deems necessary to cover the expenses of the Alliance, which expenses shall include, but are not limited to, costs relating to (1) secure a commercial lease for the principal office space, (2) equipment and other items to fully operate the principal office, (3) establish utilities, etc.... (4) payment of salaries and (5) such other day to day costs of Alliance operations.

RESOLVED, that the officers and committees of the Board shall use the proposed budget guidelines attached as Exhibit C, as a guide to the financial operations of the Alliance, however, such budget shall not restrict any act by an officer or committee which would, if not taken, would violate their respective fiduciary duty to the Alliance.

RESOLVED, that the President or his designee shall have the authority to engage a risk manager consultant to determine insurance needs of the Alliance;

RESOLVED, that the President or his designee shall negotiate and secure director and officer liability policies on behalf of the Directors and officers of the Alliance;

RESOLVED, that the President shall negotiate and secure any and all other insurance policies that are necessary to protect the Alliance, including, but not limited to, general liability insurance.

Douglas Woosnam, Chairman of the Research and Development Committee, and Don Allen next provided an overview of the R & D Committee's objectives. They explained that the Committee was planning to work with the Department of Energy on a research plan. A motion was duly made, seconded and carried and the following Department of Energy Partnership was adopted:

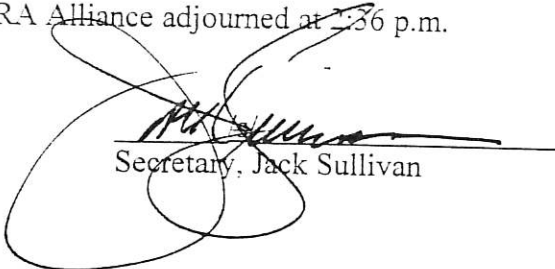


RESOLVED, that the Board or the Executive Committee or their designee is hereby authorized to perform all acts necessary on behalf of the Alliance to develop a partnership with the Department of Energy for research pursuant to the Oilheat strategic plan for 2002 through 2007.

Discussion of the date of the next NORA meeting followed. Concluding remarks were made by Bob Greenes, John Santa, Jim Pierson, and Bob Boltz. Mr. Boltz shared that on March 1, 2001, at 10:00 a.m. there would be a training session at NEFI with a cross-section of trainers from around the country.

It was then agreed, by motion duly made and seconded, that the next NORA meeting would be held some time in early summer. The Executive Committee will establish the time and place for such meeting.

The first meeting of the NORA Alliance adjourned at 2:36 p.m.



Secretary, Jack Sullivan

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## RESOLVED

The Collection System and its effective start date of March 1, 2001 has been processed successfully and the budget anticipated by that start date has accomplished the goals of the Board of Directors.

However, a number of situations that would improve the collections system and ensure fair treatment are necessary to accomplish the goals of NORA to have a fair and complete collection system.

The items which have been identified and which the Board desires actions on are kerosene, common reference names, clarification of forms, a better understanding of exemptions, and better information for the Oilheat community.

To accomplish these objectives, the Collections Committee has held a series of meetings to develop solutions to these problems. Their solutions are more fully described in the Exhibits furnished with this Board packet, which is hereby included as an Exhibit.

Resolved: That the NORA fee be extended to that product commonly labeled and identified as kerosene, so long as it is dyed for federal excise tax collection purposes, and that this extension occur by October 1, 2001.

Resolved: That the expanded and more complete identification of products identified in the exhibits become part of the forms for NORA.

Resolved: That miscellaneous changes described in the instructions including due dates, late fees, billed gallons and bad debts be incorporated into the forms, and that a new multi-state form be accepted for processing.

Resolved: That those retailers that have imported product from states not participating in NORA or from foreign countries in tanker or less than tanker loads be included in the system as direct payers for the volumes that they importing and that outreach occurs to accomplish that goal.

Resolved: That an exemption form allowing motor fuels distributors who sell no heating oil to purchase fuel without the NORA assessment.

Resolved: That the staff of NORA disseminate the forms to Oilheating, Oil and Energy, Fuel Oil News and on its website and receive comments on these changes.

Chairman:  
Robert Greenes  
Petroconsult

First Vice Chairman  
Don Allen  
E.T. Lawson and Son

Second Vice Chairman:  
Peter Carini  
Champion Energy Group

Research and Development  
Douglas Woosnam  
SICO

Education and Training  
Robert Boltz  
Vincent R. Boltz

Consumer Education  
Jim Pierson  
J.W. Pierson

Be it further Resolved: That the Executive Committee review any comments and make appropriate technical and conforming changes by August 1, 2001.

Be it further Resolved: That the staff disseminate information regarding these changes to appropriate information sources in a timely manner.



## Exemption Certificate

### National Oil Heat Research Fee

The undersigned party certifies that it:

Resells **all the dyed fuel oils** it purchases for exempt (non oilheat) purposes:

\_\_\_\_\_  
(use in equipment, motor vehicles, manufacturing).

Estimated annual volume: \_\_\_\_\_ gallons

Type of fuel oil(s): \_\_\_\_\_

In the event that any fuel purchased under this exemption certificate is diverted to oilheat, reseller agrees to pay the NORA assessment fee directly to NORA. By signing this form reseller consents to audits by NORA or its designated accountants. Reseller acknowledges that the NORA assessments is handled by suppliers for the good of the oilheat industry and that every supplier may not be able to process exempt purchases and that this certificate gives him no right to demand exempt billing from any specific supplier.

Certified:

\_\_\_\_\_  
Reseller

By: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Date

**DRAFT LANGUAGE Incorporating June 6, 2001 meeting suggestions**  
(Note: if adopted conforming changes will be made to 782b form)

**INSTRUCTIONS FOR FILING  
WHOLESALE SALES OF OILHEAT  
NORA-782C**

**General Information**

**I. Purpose**

This report is submitted to remit the fees collected on oilheat sales sold to non wholesalers for use in the participating states.

**II. Who must submit**

All wholesalers who are classified as Prime Suppliers must report. Prime Suppliers are those currently must submit the DOE EIA-782C reports. NORA may issue an annual supplemental listing of a few additional wholesalers after the annual DOE Prime Supplier list is issued. *All of these supplemental wholesalers must submit a return.*

**III. What and Where to submit**

Submit a single Schedule I as a cover sheet. Submit a separate Schedule II for each month for each State in which any of the listed products were sold and delivered to local retailers or end users. If ownership transfers in one State, but the product is delivered into a different State as shown on the bill of lading, report the volume in the State to which it is to be delivered.

Mail reports and payments to: NORA:

By Mail: P. O. Box 826136, Philadelphia, PA 19182-6136

By Courier: PNC Bank, Route 38 and East Gate Drive, Moorestown, NJ 08057

By Wire: Mellon Bank, Pittsburgh, PA ABA#: 043 000 261 To Credit: Merrill Lynch  
Account #: 101-1730-12 FBO: National Oilheat Research Alliance Account #: 749-07V05  
(Return to be sent to the mail address when funds sent by wire)

Computer printouts in the format of this report or currently accepted by DOE for the EIA-782C report will be accepted. For additional information on how to file these reports, make payments or program information call: NORA (703) 519-4204.

**IV. When to Submit**

Reports must be submitted no later than 25 calendar days after the close of the quarter. However, wholesalers may request permission to submit monthly as they

currently do with their EIA-782C reports. *Returns must be submitted if the EIA-782 shows any sales in the covered states even if no fee is due. Postmark date, delivery date to private courier service or EFT date will be treated as date of filing. If the 25th falls on a banking holiday, the due date will be the next banking day. A late payment fee of 5% plus 1% per month interest will be assessed on payments not meeting the above dates.*

### **General Instructions**

- I. To avoid double counting and payment, respondents are to exclude sales to the refiners, inter-State resellers, traders and exporters who are on EIA-782C exclusionary list. This list will normally be updated and sent to each prime supplier by DOE in January of each year. NORA may issue an annual supplemental listing of a few additional wholesalers after the annual DOE Prime Supplier list is issued.
- II. Report all volumes in ~~thousands of~~ *billed* gallons; ~~e.g., report 6,500 gallons as 7- and 6,400 gallons as 6.~~ Leave volume blank if no product was sold or delivered.
- III. Enter the sales made during the reference month. Unlike the DOE EIA-782C reports, prior period adjustments for volumes may be added to the current report under the adjustments line. Do not report negative volumes as a total for the period. Refunds will only be made based upon a report if it is a revision to the previously submitted prior period report.
- IV. Report only the data for the products listed. This report does not cover all the products listed on the DOE EIA-782C report.
- V. Exclude amounts supplied to exchange partners who are listed on the EIA-782C exclusionary list. Treated exchanges to other parties as if they were sales and report accordingly.
- VI. Report the entire firm's monthly sales of selected products. This includes sales made directly by the parent, affiliates, subsidiaries; or through commissioned agents. Exclude sales made among the parent firm, subsidiaries and affiliates; i.e. intra firm transfers/sales.
- VII. Exclude all volumes sold for export from the United States, regardless of where transfer of title occurs.
- VIII. If the importer of record is not a prime supplier listed on the DOE EIA-782C exclusionary list, that person (*importer*) must submit the report and fees directly on all sales which would be reported by a prime supplier. *If a retailer purchases low sulfur heating fuel oil which was billed by a prime supplier as low sulfur diesel fuel without the fee, the retailer must report and pay the fees upon his oil heating sales on form 782b.*

### **Specific Instructions**

1. Complete NORA-782C exactly as the DOE EIA-782C reports except as listed below.

### **Schedule I**

Item 8. NORA report 782C is only due quarterly although wholesalers may request to file monthly as they do with their DOE EIA-782C report. Mark the appropriate reference period.

Item 12. Total of all fees submitted with the report. Sum the fees on each Schedule II.

### **Schedule II**

Part I. Report only the totals on for the states of CT, DE, DC, ME, MD, MA, NH, NJ, NY, NC, OH, PA, RI, VT, VA and WI. *Two alternative forms are available.*

Part II. Only report the volumes from DOE EIA-782C product codes 467, 470 and 469, for the listed products, not all products on the DOE EIA 782c.

Calculate the fee due on all gallons of oilheat products. Total the fee on each Schedule II and place amount remitted on Schedule I, item 12.

### **Definitions**

No. 1 Distillate (Dyed) This includes DOE reporting code 467 and Exstars reporting codes 231, 073 and 074.

A light distillate fuel oil that has distillation temperatures of 400 degrees Fahrenheit at the 10 percent recovery point and 550 degrees Fahrenheit at the 90 percent point and meets the specifications defined in ASTM Specification D 396.

Kerosene (Dyed) This includes DOE reporting code 331 and Exstars reporting codes 231, 073 and 074.

*A light petroleum distillate having a maximum distillation temperature of 400 degrees Fahrenheit at the 10 percent recovery point, a final boiling point of 572 degrees Fahrenheit, and a minimum flash point of 100 degrees Fahrenheit. Included are No 1-K and No. 2-K, and the two grades recognized by ASTM Specification D 3699, as well as all grades of kerosene called range or stove oil which have properties similar to No. 1 fuel oil. This product is only subject to the fee when indelibly dyed in accordance with regulations prescribed by the Secretary of the Treasury under section 4082(a)(2) of the Internal Revenue Code of 1986.*

No. 2 Fuel Oil This includes DOE reporting code 470, FTA reporting code 228 and Exstars reporting code 226.

A distillate fuel oil that has a distillation temperatures of 400 degrees Fahrenheit at the 10 percent recovery point and 640 degrees Fahrenheit at the 90 percent recovery point and meets the specifications defined in ASTM Specification D 396. This product is indelibly dyed in accordance with regulations prescribed by the Secretary of the Treasury under section 4082(a)(2) of the Internal Revenue Code of 1986.

No. 2 Diesel High Sulfur This includes DOE reporting code 469 and Exstars reporting code 226.

A fuel that has distillation temperatures of 500 degrees Fahrenheit at the 10 percent recovery point and 640 degrees Fahrenheit at the 90 percent recovery point and meets the specifications defined in ASTM Specification D 975. The sulfur level is above than .05 percent by weight. This product is indelibly dyed in accordance with regulations prescribed by the Secretary of the Treasury under section 4082(a)(2) of the Internal Revenue Code of 1986.

### **Pass Through of Fee**

It is required that this fee be set out separately to all wholesalers and retailers who are not on the DOE EIA-782C exclusionary list. Retailers may be eligible for refunds of the fee passed through to them on their sales made to consumers for purposes other than oilheat. On direct sales to consumers by wholesalers making this report, the fee is due if the customer will use the fuel for non industrial commercial or residential space or hot water heating. The wholesaler may chose whether to list the fee separately or include it in the price. On direct sales to consumers who are not using the fuel for oilheat, the fee is not due. Remit fees actually billed, not in thousands of gallons. A credit will be available after one year for fees billed which the wholesaler was unable to collect *once the debt has been written off for income tax purposes.*

### **Exempt Use**

The fee is only due on fuel used for **oilheat** which is defined in the law as being "used for nonindustrial commercial or residential space or hot water heating." *The fee is due on sales to consumers who use the fuel to heat space, whether by forced air or boilers, or water. Among the included uses are residential (private and commercial), retail shops or malls, institutions (including hospitals and dormitories) and rental facilities (hotels, assembly halls and offices). Exempt uses include fuel used by vessels, railroads in trains, utilities for power generation, farmers in agriculture production, industrial use in equipment and the military.*

NORA 702C

Schedule II Alternative

Company Identifying Information

Period and Report Type

Destination State

Product	Connecticut	Maine	Massachusetts	New Hampshire	Rhode Island	Vermont	Delaware	District of Columbia	Kentucky
#1 Fuel (dyed)									
#2 HSD									
#2 Fuel Oil									
Kero (dyed)									
Adjustments									
Prior Periods									
Non-Oilheat									
Oilheat Sales									
NORA \$ 002									
Due by state									

Product	Maryland	New Jersey	New York	Pennsylvania	Virginia	North Carolina	Ohio	Wisconsin	Indiana
#1 Fuel (dyed)									
#2 HSD									
#2 Fuel Oil									
Kero (dyed)									
Adjustments									
Prior Periods									
Non-Oilheat									
Oilheat Sales									
NORA \$ 002									
Due by state									

## Exemption Certificate

### National Oil Heat Research Fee

The undersigned party certifies that it:

Consumes **all of the fuel oils** it purchases in an exempt manner:

\_\_\_\_\_  
(railroad locomotives, electrical generation, tug boats).

Estimated annual volume: \_\_\_\_\_ gallons

Type of fuel oil(s): \_\_\_\_\_

In the event that any fuel purchased under this exemption certificate is diverted to oilheat, purchaser agrees to pay the NORA assessment fee directly to NORA. By signing this form purchaser consents to audits by NORA or its designated accountants. Purchaser acknowledges that the NORA assessments is handled by suppliers for the good of the oilheat industry and that every supplier may not be able to process exempt purchases and that this certificate gives him no right to demand exempt billing from any specific supplier.

Certified:

\_\_\_\_\_  
Consumer

By: \_\_\_\_\_  
Title:

\_\_\_\_\_  
Date

EIA 782-A & B and 821 Reporting Reference Guide  
Samples  
Distillate Fuel and Kerosene

Residential Use (Covered by NORA fee)

Home heating, cooking and hot water (Single Family)

Commercial Use (Covered by NORA fee)

Apartment Buildings (Multi-family Dwellings)

Banks

Churches

Colleges, Schools and Institutions

Department Stores

Governments: Federal, State and Local

Hospitals

Hotels and Motels

Laundry Company

Office Buildings

Medical Services

Ski Resort Lodges

Warehouses

Industrial Use (Not covered by NORA fee)

Assembly plant processing

Chemical production

Construction Company equipment

Food processing

Gravel Pit or Quarry equipment

Logging

Manufacturing facility processing

Mills: Lumber, fabric or paper equipment

Mining equipment

Printing processing

Road Building and Asphalt Production

Recycling Company processing

Other Uses (Not covered by NORA fee)

Farming operations

Electric Utility generation

Railroad locomotives

Vessel Bunkering

On-Highway vehicles

Military

Off-Highway equipment



## Schedule II Alternative

### Period and Report Type

## Destination State

[illegible]



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## RESOLVED

In accordance with the statute for the National Oilheat Research Alliance, the Finance Committee on behalf of the Executive Committee presents this budget for approval of the Board of Directors.

The budget presented complies with the statutory requirements for allocations for Administration.

Further, the budget will now be presented and distributed to the states, with a request that information be provided as to what projects will be funded in their state by area including, research and development, education and training, and consumer education.

That once these allocations are received, that this budget will be published, and comments requested. That the Finance Committee shall review those comments and incorporate necessary changes. At that point, the Committee shall submit the budget to the Department of Energy. After receiving comments from the Secretary of Energy, the Finance Committee shall incorporate appropriate changes and report those changes to the Board of Directors, so that the budget for 2001 and 2002 may be approved.

In reviewing the budgets, the Board of Directors should recognize that the budget is an accrual budget, and that the most significant collections for NORA are anticipated to occur in January 2002 and May 2002, and that financing may be appropriate and necessary to ensure that NORA programs commence expeditiously.

National Oil Research Alliance  
Year 2001 & 2002 Budget  
Statement of Activities - Accrual Basis

	Revised Budget 2001	Original Budget 2001	Var	Revised Budget 2002	Original Budget 2002	Var
<b>REVENUES, Net:</b>						
Assessment Collections	\$ 11,055,556	\$ 12,274,000	\$ (1,218,444)	\$ 16,296,296	\$ 17,775,500	\$ (1,479,204)
Allowances	(1,105,556)	0	(1,105,556)	(1,629,630)	0	(1,629,630)
Interest Income \ (Expense)	64,215	0	64,215	(3,136)	0	(3,136)
<b>Total Net Revenues</b>	<b>10,014,215</b>	<b>12,274,000</b>	<b>(2,259,785)</b>	<b>14,663,530</b>	<b>17,775,500</b>	<b>(3,111,970)</b>
<b>EXPENDITURES:</b>						
<b>Administrative Expenses:</b>						
Salaries & Consultants	220,833	220,000	(833)	425,000	435,000	10,000
Employee Taxes	16,083	20,000	3,917	30,500	40,000	9,500
Health Insurance	10,500	0	(10,500)	24,000	0	(24,000)
Retirement Plan	16,083	15,000	(1,083)	30,500	32,500	2,000
Rent	20,600	40,000	19,400	30,000	40,000	10,000
Telephone	20,000	20,000	0	30,000	30,000	0
Postage & Mailings	40,000	40,000	0	63,000	63,000	0
Office Supplies	25,000	25,000	0	30,000	30,000	0
Equipment Maintenance	5,000	10,000	5,000	10,000	15,000	5,000
Printing Annual Report & Other	30,000	20,000	(10,000)	30,000	20,000	(10,000)
Insurance (D&O, L)	15,000	10,000	(5,000)	15,000	10,000	(5,000)
Dues & Memberships	12,000	12,000	0	15,000	15,000	0
Subscriptions	4,000	4,000	0	6,000	6,000	0
Public & Staff Travel	40,000	27,000	(13,000)	45,000	32,000	(13,000)
Meeting Expense	35,000	23,000	(12,000)	35,000	23,000	(12,000)
Legal	158,000	216,000	58,000	102,000	216,000	114,000
Accounting Fees	50,000	0	(50,000)	50,000	0	(50,000)
Professional Travel	25,000	0	(25,000)	25,000	0	(25,000)
Web Site	30,000	0	(30,000)	30,000	0	(30,000)
<b>Total Administrative Expenses</b>	<b>773,100</b>	<b>702,000</b>	<b>(71,100)</b>	<b>1,026,000</b>	<b>1,007,500</b>	<b>(18,500)</b>
<b>Other Expenses:</b>						
Assessment & Collections	250,000	260,000	10,000	346,000	300,000	(46,000)
Start-up Costs	235,000	100,000	(135,000)	0	100,000	100,000
Depreciation & Amortization Expenses	8,889	0	(8,889)	13,333	0	(13,333)
<b>Total Other Expenses</b>	<b>493,889</b>	<b>360,000</b>	<b>(133,889)</b>	<b>359,333</b>	<b>400,000</b>	<b>40,667</b>
<b>Grant &amp; State Rebates:</b>						
Research & Development	350,988	480,000	129,012	552,815	720,000	167,185
Education & Training	350,988	480,000	129,012	552,815	720,000	167,185
State Rebates	8,045,250	10,233,000	2,187,750	12,172,567	14,900,000	2,727,433
<b>Total Grant &amp; State Rebate Funding</b>	<b>8,747,226</b>	<b>11,193,000</b>	<b>2,445,774</b>	<b>13,278,197</b>	<b>16,340,000</b>	<b>3,061,803</b>
<b>Total Expenditures</b>	<b>10,014,215</b>	<b>12,255,000</b>	<b>2,240,785</b>	<b>14,663,530</b>	<b>17,747,500</b>	<b>3,083,970</b>
<b>Increase/(Decrease) in Net Assets</b>	<b>\$ -</b>	<b>\$ 19,000</b>	<b>\$ (19,000)</b>	<b>\$ -</b>	<b>\$ 28,000</b>	<b>\$ (28,000)</b>

National Oilheat Research Alliance  
Statement of Activities  
For the Period from Inception to May 31, 2001

2001

REVENUES, NET:

Assessment Revenue, net of refunds	\$4,074,074
Less: Allowance for Collections	(407,407)
Interest Income/(Expense)	6,357
Total Net Revenues	<u>3,673,024</u>

OPERATING EXPENSES:

Administrative Expenses:

Salaries and Consultants	20,583
Employee Taxes	1,592
Health Insurance	600
Retirement Plan	1,458
Rent	7,762
Telephone	979
Postage and Mailings	22,772
Office Supplies	1,604
Equipment Maintenance	
Printing Annual Report & Other	348
Insurance (D & O, L)	4,839
Public and Staff Travel	4,593
Meeting Expense	3,800
Legal	44,097
Accounting Fees	12,725
Professional Travel	2,925
Web Site	4,791
Total Administrative Expenses	<u>135,469</u>

Other expenses:

Assessments and Collection	62,437
Start-up Costs	235,000
Total Other Expenses	<u>297,437</u>

TOTAL OPERATING EXPENSES

432,906

Grants and State Rebates:

Research and Development	139,052
Education and Training	139,052
State Rebates	2,955,658
Total Grants and State Rebates	<u>3,233,762</u>

TOTAL EXPENDITURES

3,666,668

INCREASE/(DECREASE) IN NET ASSETS

\$6,357

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See Accountants' Compilation Report

National Oilheat Research Alliance  
Statement of Financial Position  
May 31, 2001

2001

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$1,865,430
Assessments Receivable, net of allowance	<u>1,561,824</u>
Total current assets	3,427,254

PROPERTY AND EQUIPMENT, Net	5,377
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TOTAL ASSETS	<u><u>\$3,432,631</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$29,895
Accrued expenses	167,817
Accrued State Rebates	2,955,658
Accrued State Grants	<u>272,904</u>
Total liabilities	3,426,274

UNRESTRICTED AND RESTRICTED NET ASSETS:

Current year profit	6,357
Appropriated	<u>6,357</u>
Total unrestricted net assets	6,357

Total unrestricted and restricted net assets	<u><u>6,357</u></u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$3,432,631</u></u>
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See Accountants' Compilation Report

# NATIONAL OILHEAT RESEARCH ALLIANCE (NORA)

211 N. Union Street, Suite 100  
Alexandria, VA 22314

TO: Agency Selection Subcommittee  
Consumer Education Committee  
Research Subcommittee  
NORA State Association Executives

FROM: John Huber, President

SUBJ: Agency Selection, Research Firm Selection  
Meeting of Agency Selection Subcommittee

DATE: June 8, 2001

Since our last meeting on April 25<sup>th</sup>, a number of activities have occurred to advance the agenda established at that meeting. Jim Pierson established two subcommittees to handle the selection of an advertising agency and research firm. A copy of those subcommittees is attached for your reference. Both subcommittees have been active and have been trying to accomplish the goals established by the full committee.

The Research and Agency Selection Subcommittees have issued a number of proposal requests for the firms that will be considered. To date the research committee under the Chairmanship of Neil Bianco has contacted Wirthlin Worldwide and Penn Schoen. Neil has discussed the activities of the committee with his subcommittee and is moving steadily along.

The Agency Selection Committee has scheduled its first meeting and Jim Pierson has established a process for moving through the proceedings. The Committee has invited fourteen firms to respond to the request for proposals, and we are expecting written materials from those firms by June 14<sup>th</sup>. At that time, Jim Pierson and I (Since this memorandum, Allison Heaney, Jim Townsend, Irik Sevin, and Michael Ferrante have volunteered to assist, and the meeting has been scheduled for June 19<sup>th</sup>) will meet to decide which firms the subcommittee interviews, our goal is to have eight firms make a presentation on June 25<sup>th</sup> to the Agency Selection Subcommittee. However, that number could shrink or grow slightly if appropriate. We should commence business at approximately 9:00 a.m., at Penn Station Center, 11 Penn Plaza, 5<sup>th</sup> Floor, New York, New York on June 25<sup>th</sup>. We anticipate a long day of interviewing, and at the end of interviewing; we plan to select the top three candidates for further evaluation.

At this point, Jim and I have not established criteria for reducing the number of firms from 14 to 8. If you have suggestions as to objective criteria for this evaluation, or feel strongly about one or more of the firms listed below, please call or e-mail me at [jhuber@nora-oilheat.org](mailto:jhuber@nora-oilheat.org). (Please disregard the e-mail address on the attached send).

If you are planning to attend, please let me know. The room I have reserved accommodates 25, there are thirteen members of the subcommittee, and I would anticipate each firm bringing 4-5 persons for their presentation.

AGENCY	CONTACT	TELEPHONE	LOCATION	CLIENTS	SIZE	TAPE	PRINT
Orsati and Partners	Ross Rackliff	617-423-9110	Boston				
Rabasca	Ken Rabasca		Melville, NY				
Allen and Gerritsen	Tom Holmes	617-924-1845	Boston				
Hill Holiday	Ted Gilvar	617-926-4005	Boston				
Wolf Group	Mike Rogers	212-596-0220	New York				
Warwick Baker	Wilder		New York				
Partners and Simmons	Chris Demakis	617-692-2134	Boston				
Modernista	Matt Lindley	617-451-1110	Boston				
Primedia	Rich Ritigliano	800-796-3342	New York				
Barber Martin	Annette Boyd	804-320-3232	Richmond				
Bozell Group	Mark Williams	312-988-2000	Chicago				
Cliff Freeman	Charles Rosen	212-463-3561	New York				
Marc USA	David Hadelar	972-776-8011	New York				
Merckley	Steve Bowen	212-366-3503	New York				
Fallon	Amy Frisch	212-699-9090	New York				
Adworks	Nancy Karpinski	202-342-5585	Washington				
Mesner	Joanne Tilove	212-886-4186	New York				
Holland Mark	Chris Colbert	617-960-3713	Boston				
Work, Inc.	Rob Austin		Richmond				
Merckley, Newman Hartly	Steve Bowen	212-366-3500	New York				



## Research Firms

Russell Research  
New York

ORC Marco  
New York

Plan It Marketing Intelligence  
Boston

Wallace and Washburn  
Wellesley, MA

WB & A Market Research  
Crofton, MD

IPSOS-NPD  
Port Washington, NY

Wirthlin Worldwide  
McLean, VA

Chadwick, Martin and Bailey  
Boston

Penn Schoen and Berland  
New York

## RESEARCH COMMITTEE

Neil Bianco  
Champion Energy  
Corp.

Mike Hopsicker  
Agway Energy  
Products

Mike Anton  
Heating Oil Partners

John Santa  
Santa Energy

Steve Clark

Genesee Fuel &  
Heating Co.

Michael Deberdine  
Jerome H. Rhoads

John Fuquay  
Berico Fuels

Nancy Kister  
O and P Oil and Gas

J. Leonard Bicknell  
Alvin Hollis

Dave Martin  
Webber Energy

Ex Officio

Mr. Bob Greenes

Mr. Don Allen  
E.T. Lawson and Son,  
Inc.

John Huber

## ADVERTISING AGENCY SELECTION COMMITTEE

Jim Pierson  
J.W. Pierson Co.

Jim Townsend  
Townsend Oil

Irik Sevin  
Petro

Dan Donovan  
Meenan Oil Co. LP

Nancy Allen  
E.T. Lawson and Son.

Linda Rupertes  
Rupertes Oil

Peter Bridgeman

Jim Yeager  
Yeager Oil

Allison Heaney  
The Energy  
Conservation Group  
LLC

Larry Scudder

Mr. Gene Jacobus  
Jacobus Energy

Ex Officio

Mr. Bob Greenes

Mr. Don Allen  
E.T. Lawson and Son

John Huber  
NORA

:

## CONSUMER EDUCATION COMMITTEE

Mr. Ed Scott  
978-526-7540

Mr. James Pierson  
973-673-7385

Mr. Len Bicknell  
781-335-6134

Mr. Locke Wills  
301-932-3668

Mr. James Townsend  
978-927-4900

Mr. Peter Bridgeman  
321-453-0313

Mr. James Yeager  
610-432-3334

Ms. Nancy Allen  
757-722-3490

Mr. Michael Deberdine  
717-295-3140

Mr. Dave Martin  
207-942-0116

Mr. Roy Patterson  
215-563-9448

Mr. Charles Ermer  
603-898-8471

Mr. Paul Vermylen  
516-364-9171

Mr. Chris Keyser  
802-459-3444

Mr. Michael Hopsicker  
315-449-6682

Mr. Carl Benker  
401-431-0280

Ms. Allison Heaney  
718-445-0936

Mr. Gene Jacobus  
414-359-1357

Mr. Larry Scudder  
718-828-7800

Mr. Jeff Lykins  
513-831-4518

Mr. Herb Schneider  
845-783-7643

Mr. Steve Clark  
206-723-7533

Mr. Irik Sevin  
203-328-7470

Mr. John Fuquay  
336-272-5755

Mr. Neil Bianco  
203-862-9711

Mr. Jeff Arntson  
503-284-4819

Linda Rupertes  
856-547-0181

:



211 North Union Street, Suite 100, Alexandria, VA 22314 / Phone: 703-519-4204 / Fax: 703-519-4205 / E-mail to: [info@mora-oilheat.org](mailto:info@mora-oilheat.org)

## RESOLUTION

The Consumer Education Committee recommends that \$200,000 be voluntarily contributed by the participating states in a ratio to their fair share turnback. Such funds shall be used for the preparation of research that shall guide a consumer education campaign. The Consumer Education Committee also recommends that the solicitation of research firms and advertising agencies commence immediately, that request for proposals be generated, and that recommendations be made by a subcommittee at the next meeting of the full consumer education committee meeting which shall be scheduled for August.

Chairman:  
Robert Greenes  
Petroconsult

First Vice Chairman  
Don Allen  
E.T. Lawson and Son

Second Vice Chairman:  
Peter Carini  
Champion Energy Group

Research and Development  
Douglas Woosnam  
SICO

Education and Training  
Robert Boltz  
Vincent R. Boltz

Consumer Education  
Jim Pierson  
J.W. Pierson

## NORA Education and Training Committee Deliverables Proposals

The NORA Education and Training Committee proposes to invest their 2001 Budget of \$373,000 on the following initiatives.

### *Technician Certification Program*

The Education and Training Committee moves that the Board authorize an expenditure not to exceed \$165,000 for 2001 to develop the following programs and initiatives. Such authorization will require the Committee to clearly define the projects, provide public notice of the objectives, receive comments and respond appropriately, and then issue a request for proposals to accomplish these projects. After review of proposals, the Chair shall submit to the Executive Committee the proposed projects that may be approved if they are within the authorized amount described above. At that time, the Chairman and President shall be empowered to enter into contracts. Further, the Finance Committee shall include all authorized expenditures within its budget, and they shall be considered to be liabilities until the funds are paid or the project is suspended. A report on any such contracts shall be made at the next Board Meeting.

1. The Committee purposes to purchase the Technician Certification Program from PMAA. The Committee plans to out source the administration of the Certification Program to an established Oilheat Industry Association with a long and proven track record of successfully administrating technical education programs, specifically the PMAA Silver and Gold Technician Certification Program. The Committee envisions that the successful bidder will serve as a repository and distributor for all of our educational offerings, as well as a primary provider of training. To do so they must have an existing administrative infrastructure, warehouse space, an in-house training laboratory with at least 20 functioning heating units and have built up and have experience administrating at least four satellite operations. They must have the ability to house transient students. It will be expected that the successful bidder maintain total fiscal accountability, therefore they must demonstrate that they have the infrastructure in place to achieve this end. Maintaining and manipulating a data base of all certified technicians, and all certified trainers, proctors, and continuing education courses and credits will require that a dedicate computer and printer as well as a phone and fax line be provide for this program by the successful bidder.

The tasks involved with administration include but are not limited to: creating and maintaining the data base of certified technicians; maintaining a list of certified courses, proctors, and instructors; print, inventory and handle Gold and Silver Book sales; receive and forward orders for tests to Ferris State; handle billing for books and tests. The successful bidder will hire at least one person who will be available to answer questions and solve problems related to the certification program during normal business hours. The successful bidder will need to straighten out misunderstandings about certification CEU's and update each technician's file. They will need to track credits, get a better handle on and expand certified courses, and explore the idea of increasing the number of CEU credits required (currently 24 hours in 5 years). The estimate for the cost to launch and administer this program- \$150,000 for the balance of 2001.

2. PMAA and OMA are currently rewriting *The Oilheat Technicians Manual* (the Silver Book). The Committee proposes to assume PMAA's financial responsibility for this project. NORA's share of the cost of rewriting the Silver Book will be \$5,000. (OMA is paying the majority of the cost for this project.) Once the book is finished the Committee will need to proof read the book, test the tests, print the book and tests, and market the program to the industry and to consumers. The Committee envisions the cost to accomplish this to be less than \$10,000.

Once the book is printed the Committee plans to make a modest profit on the sales of books and test that will be used to reduce the cost of administering this program. We will have a volume discounted retail price and will offer NORA State Associations a wholesale price that will allow them a modest profit for marketing the books and other NORA educational materials.

3. The Committee proposes to create a new Gold Book and Test, and to extend the scope from conservation to also include heating systems, improved reliability, performance, and comfort. The

Oilheat Technician Program has two stages, silver and gold. The Gold Book, *Advanced Oilheat, A Guide to Improved Efficiency*, is due to be redone. John Batey and Roger McDonald wrote the book in 1994 and it is due to be refreshed. We have the opportunity to build on this successful program. John and Roger wrote the book for Brookhaven and the DoE. PMAA adopted it as the advanced course text as a way to demonstrate to the DoE that the Brookhaven R&D Program was worthwhile and accepted by the Oilheat Industry. Having NORA fund the rewrite will be a good way to show the government that NORA funds can be used to accomplish tasks the DoE might otherwise do, in this case rewriting its book.

While we are at it we will expand the focus of the book to make the Gold Program even better. It is also a chance to integrate with the Silver program in a way that strengthens both of them. The Silver Program deals with oil burners, tune ups and trouble shooting. The Gold Program will cover heating systems, installations, efficiency, energy conservation and heat loss calculations. Costs: Approximately \$30,000 to rewrite the book and create the new Gold test.

### ***Industry Survey***

The Education and Training Committee moves that the Board authorize an expenditure not to exceed \$12,000 to perform an Industry Survey. Such authorization will require the Committee to clearly define the project, provide public notice of the objectives, receive comments and respond appropriately, and then issue a request for proposals to accomplish this project. After review of proposals, the Chair shall submit to the Executive Committee the proposed project that may be approved if it is within the authorized amount described above. At that time, the Chairman and President shall be empowered to enter into contracts. Further, the Finance Committee shall include all authorized expenditures within its budget, and they shall be considered to be liabilities until the funds are paid or the project is suspended. A report on any such contracts shall be made at the next Board Meeting.

Thanks to the NORA referendum process we have a complete Oilheat Industry mailing list. The Committee proposes to do an Education Needs Analysis Survey of the Industry. It will determine: the number of Front line heroes (FLH)- technicians, drivers, and CSR's in the field, the current demand for FLH, the average age of the FLH, and amount of experience. We will also ask how many FLH would be let go if we only had any alternatives. This will help us determine the extent of the FLH shortage, if the current FLH need more training, and experience, how many replacements will we need, and when will we need them. We will also ask for education requirements, and ask about delivery technology opinions. Finally, to establish a baseline against which to evaluate progress, we will ask about the nature of service calls. We will create and disseminate a detailed report of the survey results. To minimize costs we plan to include the survey with the Fall NORA Newsletter mailing.

### ***Catalog and Calendar***

The Education and Training Committee moves that the Board authorize an expenditure not to exceed \$15,000 to develop an Education Catalog and Calendar. Such authorization will require the Committee to clearly define the project, provide public notice of the objectives, receive comments and respond appropriately, and then issue a request for proposals to accomplish these projects. After review of proposals, the Chair shall submit to the Executive Committee the proposed projects that may be approved if they are within the authorized amount described above. At that time, the Chairman and President shall be empowered to enter into contracts. Further, the Finance Committee shall include all authorized expenditures within its budget, and they shall be considered to be liabilities until the funds are paid or the project is suspended. A report on any such contracts shall be made at the next Board Meeting.

The Committee proposes to create a catalog of Oilheat Education resources. It will include a list of the industry trainers, and the courses they offer, it will list all the manufacturer's trainers, and the courses they offer, it will also include a listing of all the books, videos, CD-ROM's, "seminars in a box," and Oilheat websites, as well as a listing of all the training facilities, labs, and scholarships.

We will also create an Oilheat Training Master Calendar posted on the NORA website. To accomplish this we will develop a survey to be directed towards manufacturers, State Associations,

Service Manager Chapters, Independent Trainers, and Technical Schools. The survey will include questions about: what materials exist, in what forms, what training programs are available, or conducted, and key contact persons.

The Catalog will be finished by September so the NORA State Associations will know what Education resources are available to them while they are creating their NORA budgets. Cost:

### ***Training Videos***

The Education and Training Committee moves that the Board authorize an expenditure not to exceed \$125,000 to develop the following programs and initiatives. There are several old training videos for Oilheat. We propose to update four of them and create one new one. Such authorization will require the Committee to clearly define the projects, provide public notice of the objectives, receive comments and respond appropriately, and then issue a request for proposals to accomplish these projects. After review of proposals, the Chair shall submit to the Executive Committee the proposed projects that may be approved if they are within the authorized amount described above. At that time, the Chairman and President shall be empowered to enter into contracts. Further, the Finance Committee shall include all authorized expenditures within its budget, and they shall be considered to be liabilities until the funds are paid or the project is suspended. A report on any such contracts shall be made at the next Board Meeting. We propose to create the following videos.

- A video on how to make a proper oil delivery. Rumor has it that there is a company in Pennsylvania with a proprietary video that shows how to confirm the delivery address, how to listen for the vent whistle, etc. We can include the check lists from the PMAA Oil Tank Project.
- A what to do in the case of an oil spill video, in the late 70's FMA/NJ created such a video, we plan to update it.
- A video on how to do a proper tune-up
- A video on the proper action response to a no heat call. NEFI did both of these videos in the early 80's, we plan to update them.
- We also plan to create a new video on the Benefits of Oilheat based upon OMA's booklet. It will be used for employee recruiting and orientation, as well as educating people in the industry.

### ***Technician Recruiting***

The Education and Training Committee moves that the Board authorize an expenditure not to exceed \$26,000 to develop the following programs and initiatives. Such authorization will require the Committee to clearly define the projects, provide public notice of the objectives, receive comments and respond appropriately, and then issue a request for proposals to accomplish these projects. After review of proposals, the Chair shall submit to the Executive Committee the proposed projects that may be approved if they are within the authorized amount described above. At that time, the Chairman and President shall be empowered to enter into contracts. Further, the Finance Committee shall include all authorized expenditures within its budget, and they shall be considered to be liabilities until the funds are paid or the project is suspended. A report on any such contracts shall be made at the next Board Meeting.

Technician recruiting is a major challenge for our Industry. This will be one of the major ongoing projects for this committee. To get started we are working with NAOHSM on their Careers in Oilheat Project and plan to create a poster to accompany the CD NAOHSM has created that can be displayed in class rooms about the advantages of a career in the Oilheat Industry. We will also assist NAOHSM in the distribution of the material to heating oil retailers and schools.



## **NORA Research and Development Committee Proposal**

The Research and Development Committee moves that the Board authorize an expenditure not to exceed \$300,000 for 2001 to begin to develop the following programs and initiatives. Such authorization will require the Committee to clearly define the projects, provide public notice of the objectives, receive comments and respond appropriately, and then issue a request for proposals to accomplish these projects. After review of proposals, the Chair shall submit to the Executive Committee the proposed projects that may be approved if they are within the authorized amount described above. At that time, the Chairman and President shall be empowered to enter into contracts. Further, the Finance Committee shall include all authorized expenditures within its budget, and they shall be considered to be liabilities until the funds are paid or the project is suspended. A report on any such contracts shall be made at the next Board Meeting.

### **Fuel Performance Test Development and Field Studies**

The Oilheat Industry's top two service priorities are improved reliability and reduced heating equipment service costs. It is the opinion of this Committee, backed up by a recent small scale study, that as many as half of all residential emergency no heat service calls are fuel related. The Committee has estimated that fuel performance problems cost the industry as much as \$110 million a year, \$10 a customer. Our first job is to better define the magnitude, the nature of the fuel performance problems, and location of this problem. It appears that fuel problems vary in different parts of the country. Further study of the geographic diversity of the problem may give us important clues leading to solutions.

There are many types of fuel performance problems: the effects of sulfur, nitrogen, cold flow properties, odor, bottom sediment and water, storage stability, biologicals, inorganics (dirt & rust), water and emulsions, and thermal stability. Given the extreme cost in terms of time, money, and consumer confidence the Committee proposes to initially focus on problems that manifest themselves as no heat calls caused by plugged nozzles, strainers, and filters. It appears that most of these are caused by a combination of thermal and storage instability, micro-biological activity, bottom sediment, water, emulsions, and inorganics (dirt, rust, and fibers) in the fuel.

Some work has already been done on this problem. Santa Fuel has led the way in this initiative. Their experience indicates that a well-planned additization program along with good housekeeping, installing filters on all their customers' burners, and an aggressive problem-tank cleaning or replacement program can cut fuel related service calls in half. The big question is what is causing the other half of the problems? Tom Santa has also found that there is a seasonal nature to this problem. He has the most fuel related problems in October, and the least in the spring. Therefore, this study must be conducted over an entire heating season.

The objectives for the program are: to ascertain the leading causes of fuel degradation, to measure the effects on performance caused by changes in fuel characteristics brought on by the use of fuel additives, to develop methods that will improve fuel quality and stability, and to investigate alternative fuel storage systems. This effort will lead to the development of an industry-wide consistent set of practices that will reduce fuel related service calls.

A field study of fuel characteristics, supported by industry participants, is needed to assess the changes in fuel quality from the source to the end user. Participation across the supply chain from fuel producers to wholesalers, retailers, and service organizations is considered a critical part of this effort. This task would involve a pilot program to establish parameters then selected large scale sampling, field and laboratory testing for specific fuel performance indicators. Required will be the development of field test procedures, coordination of data collection, analyses and reporting. The project will include an evaluation of fuel performance on a regional, local, and distribution level (that is, pipeline, terminal, retail, and homeowners tanks). Field experience indicates that fuel performance problems are not restricted to older tanks. Problems are also known to develop with fuel in new replacement tanks. Study of the performance of steel versus fiberglass and plastic tanks could provide important clues as to the cause of these problems.

Role of the Fuel Performance Subcommittee: The subcommittee will review the basic concept for this field study and revise as necessary. The Subcommittee will then develop a more detailed plan for implementation of the study.

#### Objectives of the Fuel Study:

1. There is too much idle conjecture about the causes of the fuel problem. This study is intended to clear up widely held misconceptions.
2. A comprehensive assessment of the condition of heating oil and storage tanks at end use locations.
3. Identification and measurement of precursors to fuel performance problems.
4. Analysis of fuel quality changes through the supply chain, and the heating season.
5. Analysis of major factors, including additive programs, storage and maintenance programs, regional, and company practices that statistically impact end-use quality.
6. Development of specific tools and programs for improving fuel performance.

#### Major Program Steps

1. Review what other groups of middle distillate users (the transportation industry, stand-by diesel powered electric generators, the military, and the European Oilheat Industry) are doing about fuel performance problems.
2. Identify key criteria for the proposed field study. Early Action: Develop a purely objective, repeatable methodology for measuring the magnitude of fuel problems; Using this methodology determine problem magnitude by specific subsets of region, supply network and company. Additionally measure magnitude as a function of end-user components, tankage, oil piping, filtration, nozzle size/type etc.
3. Definition of the test methods and test plan development that includes specific and detailed tasks that are quantifiable and repeatable. Analysis will include basic properties, stability, tank water content, sludge content, and microbes present.
4. Development of a small group of service organizations to participate in the pilot program. Select service organizations will be invited to participate. For those willing to participate and selected, their operations will be reviewed for compatibility with the program. Some of the factors we want to evaluate: regional differences, different types of filters, two pipe versus one pipe, barge versus pipeline, blended versus segregated fuels, steel versus plastic and fiberglass tanks, and underground versus above ground, versus indoor tanks. A meeting will be held with participating organizations to fully brief them on the work plan and to provide them information and equipment needed to assist with the sampling. Service organizations will be expected to share with the program, on a confidential basis, their service database to enable correlations of service requirements with fuel quality.
5. Development of the group of participating majors and terminal operators.
6. Sampling at the pilot service organizations. Most of the planned sampling work will be done by the service organizations. Sampling would be done on no heat calls caused by fuel problems. Sampling would involve collecting the nozzle, strainer, filter and fuel samples from the top and bottom of the tank, as well as a description of the installation, the amount of oil in the tank, the K factor, and the date of the most recent delivery. We will need to closely supervise the field data collection to insure accuracy and objectivity. On a periodic basis the companies will be visited to review sampling procedures, make spot checks on tanks, and address questions.
7. Sampling at the majors and terminals to establish the characteristics of the base line fuels.
8. Management and Analysis of collected data.
9. Roll out to a larger sample of service organizations as suggested by what we discover during the pilot program.
10. Development of specific recommendations for improved operations and service tools.
11. Work with the NORA Education and Training Committee to educate the industry about our findings and prescriptions for improving fuel performance.
12. After this study is completed it is envisioned that a study on additives will follow.

# **POLICIES, RULES AND PROCEDURES**

of the

**National Oilheat Research Alliance**

# National Oilheat Research Alliance

## POLICIES, RULES AND PROCEDURES

1. **Introduction and Interpretation.** This document sets forth Policies Rules and Procedures for the National Oilheat Research Alliance. Nothing herein shall be construed to conflict with the National Oilheat Research Alliance Act of 2000 (NORA), Public Law 106-469 (42 USC 6201, et. seq. note.) or the Bylaws of the National Oilheat Research Alliance. To resolve any conflict, refer first to NORA, then to the Bylaws, and finally to this document.

## 2. **Glossary of Terms**

- 2.1. **Administrative expenses** –Administrative expenses shall not exceed seven percent (7%) of any funds collected in any fiscal year and shall include only those, expenses which are reasonable and necessary for the Alliance, Section 706, plus any reimbursement within the statutory limitation of Alliance-related costs incurred by the Federal government.
- 2.2. **Assessment** – The amount of money payable to the Alliance shall be \$.002 per gallon on sales of heating oil within the states participating in NORA. The rules for collecting and the related forms are found at [www.nora-oilheat.org](http://www.nora-oilheat.org).
- 2.3. **Retail Marketer** - A person engaged primarily in the sale of oilheat to ultimate consumers.
- 2.4. **Wholesale Distributor** – A person that produces or imports No. 1 distillate or No. 2 dyed distillate, or transports this product across state lines in bulk and sells the distillate to another person that does not produce or imports No. 1 distillate or No. 2 dyed distillate, or does not transport this product across state lines in bulk.
- 2.5. **Qualified State Association** – The industry trade association or other organization that the qualified industry organization or the Alliance determines best represents retail marketers in a State.
- 2.6. **Qualified Industry Organization** – The National Association for Oilheat Research and Education..

## 3. **Administrative Expense Exclusions**

3.1. **Program and Project Costs** Program and project costs are excluded from administrative expenses and include funds expended to:

- 3.1.1. develop, maintain or carry out NORA programs and projects or the coordination of these activities with industry trade associations and others ;
- 3.1.2. conduct a referendum on the Alliance's own initiative or upon a valid petition submitted by the industry ;
- 3.1.3. costs incurred in the collection of assessments ;
- 3.1.4. determine and impose late payment charges or interest charges;
- 3.1.5. Other costs incurred by the Alliance related to grants, contracts or other agreements to the extent that the allocation of such costs is consistent with the allowable allocations for federal grants under the federal Office of Management and Budget's Circular A-122, *"Cost Principles for Non-Profit Organizations."*

**3.2. Start-up Costs.** Start-up costs shall not exceed 10 percent (10%) of costs in the first year.

**4. Disclosure Policy.** The Alliance shall keep minutes, books, and records that clearly reflect all of the acts and transactions of the Alliance and make public such information. The President shall comply with, and carry out, the following disclosure policy to ensure that the public has ready access to information about the Alliance and its actions.

**4.1. Notice of Meetings.** Public notice shall be given of all Alliance meetings by posting the date, time and location on the Alliance's Internet website (<http://www.nora-oilheat.org>) at least thirty (30) days in advance of the next Alliance meeting,

**4.2. Written Notices.** Meeting notices also will be sent in writing at least thirty (30) days in advance of the next meeting to the Secretary of Energy and to the following trade press:

4.2.1. – Oilheating

4.2.2. – Oil and Energy

4.2.3. – Oil Price Information Service (OPIS)

**4.3. Minutes of Meetings.** Following approval by the Alliance of the minutes of the previous meeting, the approved minutes shall be posted on the Internet ([http://www. Nora-oilheat.org](http://www.Nora-oilheat.org)) within ten (10) business days following the meeting at which the Alliance approved the minutes.

**4.4. Budget Plan.** The Alliance shall post on the Alliance's Internet web site (<http://www.nora-oilheat.org>) the annual budget plan for public review and comment. The budget plan should include the probable cost of all programs, projects and contracts.

**4.5. Access to Alliance Documents.** The public may have access to any of the documents listed in Section 4.7 of this document by submitting a written request to the President that includes the name and address of the requesting party and the proposed date and time for access. Access to information or documents may be made only during normal business hours. A request for access must be received at least fifteen (15) business days prior to the proposed access date.

**4.6. Copies of Alliance Documents.** The public may receive copies of any of the documents listed in Section 4.7 of this document by submitting a written request to the President that includes the name and address of the requesting party. Upon receiving a valid request, the President shall send via regular mail, postage prepaid, the documents to the requesting party within fifteen (15) business days of receipt of the request. If an alternative method of delivery is requested by the member of the public, the Alliance may, at its discretion, request reimbursement in advance for the delivery expenses.

**4.7. Available Documents,** The following information and documents are available to the public upon request:



- 4.7.1. Books and records that clearly reflect all of the acts and transactions of the Alliance. This information will include minutes of previous meetings and the annual budget plan.
- 4.7.2. The Annual Report identifying and describing all programs and projects undertaken by the Alliance during the previous year as well as those planned for the coming year and which details the allocation or planned allocation of Alliance resources for each such program and project.
- 4.7.3. The Policies, Rules and Procedures document.
- 4.7.4. The Funding Request Form specifying information required to submit a valid request to the Alliance for funds.
- 4.7.5. Copies of the National Oilheat Research Alliance Act.

## **5. Alliance Meeting**

- 5.1. Open Meetings.** All meetings of the Alliance shall be open to the public and shall be preceded by at least 30 days advance public notice. Provision shall be made to accommodate attendance by the public at all Alliance meetings
- 5.2. Alliance Members Participation.** Except as provided in Section 5.3 of these rules, only duly appointed Alliance members shall participate in the official debate and vote upon matters before the Alliance.
  - 5.2.1. Participation by Conference Telephone.** Members of the Alliance may participate in a meeting of the Alliance by means of conference telephone or similar device. Participation by such means shall constitute presence of the member at the meeting,
  - 5.2.2. Alternates and Proxies.** The use of alternates and voting by proxy shall not be permitted.
- 5.3. Ex-Officio Capacity.** The President shall serve in an ex-officio capacity to the Alliance and may participate in Alliance debate but shall not be entitled to vote on matters before the Alliance.
- 5.4. Recognition by Chairman.** At the discretion of the Chairman, time may be set aside during Alliance meetings when the public may be invited to address the Alliance.
- 5.5. Presentations.** Any person other than a Alliance member requesting time to make a presentation to the Alliance must advise the President at least ten (10) days in advance of the meeting.

## **6. Public and Industry Comment**

- 6.1. Solicitation of Comments.** To the extent reasonable, the Alliance shall solicit public and industry comment and recommendations on proposed changes to Alliance policies, rules and procedures, the annual budget plan, and on any significant plans, programs and projects to be funded by the Alliance.
  - 6.1.1.** The Alliance shall provide at least thirty (30) days for submission of public or industry comments,
  - 6.1.2.** Solicitation of industry and public comment shall be through notices published on the Alliance's Internet web site, made available to industry publications, and distributed to industry trade organizations.

**6.2. Written Comments Required.** All public or industry comments must be submitted in writing to the President to be considered by the Alliance in the adoption of final policies, rules and procedures, the annual budget plan, or significant plans, programs, and projects.

## **7. Funding and Grant Policies.**

**7.1. Contracts and Agreements.** The Alliance shall enter into contracts or agreements to fund programs and projects which are designed to enhance consumer and employee safety and training, to provide for research and development of clean and efficient oilheat utilization equipment, and to inform and educate the public about oilheat.

**7.2. Funding Priorities.** In considering funding requests, the Alliance shall give priority to proposals for research and development, safety, consumer education and training.

**7.3. Coordination to Avoid Duplication.** In developing programs and projects for the Alliance funding, the Alliance shall coordinate its activities with industry trade associations and other persons to provide efficient delivery of services and to avoid unnecessary duplication of activities.

**7.4. Matching Funds.** The Alliance shall seek every opportunity to maximize the effectiveness of its funds. To this end, the Alliance may seek matching funds from the grant recipient or a third party for any grants authorized. Matching funds may be in the form of cash or in-kind services or products.

**7.5. National Scope; Industry-wide Purpose.** General assessment revenues (revenues other than those dedicated to rebates or returned to the states) shall be reserved for programs and projects that are national in scope or that serve a particular industry-wide interest in a region or target market sector. A state entity may utilize rebate funds for programs or projects that specifically reach consumers only in its state. Any organization including a state entity may seek funds to conduct or develop programs of national importance.

**7.6. Review of Materials.** Prior to the widespread dissemination of materials developed with NORA funds, and prior to affixing the NORA trademark to any materials, those materials shall be delivered to NORA headquarters for review to ensure they comply with all legal requirements.

## **8. Funding Request Procedures.**

**8.1. Funding Request Forms.** All applications for funding shall be submitted to the President on standard Alliance Funding Request Forms (available on the Alliance's web site or upon request.) In addition to, a signed original Funding Request Form., applicants shall submit Funding Request Forms in an electronic format as specified by the Alliance in order to facilitate processing of funding requests. At a minimum, to be valid all applications submitted shall include the following information:

- 8.1.1. Applicant.** Complete identification of the applicant, including name, address, phone, fax and e-mail addresses. If the applicant is a subsidiary of another entity, identify the parent.
- 8.1.2. Officers.** Identification of officers or owners of the applicant, and the name of the contact person.
- 8.1.3. State Entity.** If a state entity is requesting some or all of the funds from the state assessment rebate as provided for in Section 11 of this document, it shall clearly state the amount.
- 8.1.4. Summary.** An Executive Summary of the project to be funded.
- 8.1.5. Priorities.** A statement of how the project addresses the priorities listed in Section 7.2 of this document.
- 8.1.6. Time Line.** A time line for completion of the project.
- 8.1.7. Deliverables.** Anticipated results of the project and planned deliverables.
- 8.1.8. Detailed Budget.** A complete statement of projected costs and a detailed budget. This budget shall include specific information on direct costs, salaries, overhead, and any subcontractor costs, fees or expenses.
- 8.1.9. Matching Funds.** A detailed statement of how much the applicant is contributing toward the costs. This may be in cash or in-kind services. The applicant shall also indicate whether funding has or will be requested or is expected from any other source. The applicant shall identify the source and the amount of expected funding, the status of such funding, and any conditions imposed on the applicant with respect to the use of those funds.
- 8.1.10. Amount.** The amount of the Alliance funding requested.
- 8.1.11. Evaluation Statement.** Identification of the method(s) to be used by the applicant to evaluate the impact of the program or project upon its completion, as well as other measures that may be useful to the Alliance its evaluation of the project.
- 8.2. Acknowledgment of Funding Requests.** The President shall promptly acknowledge in writing the receipt of each funding request and shall identify any information that may be missing or any additional information as the Alliance may require. The acknowledgment also shall indicate when the proposal will likely be considered for funding by the Alliance and when the applicant can expect a response.
- 8.3. Review by Advisory Committees.** Where appropriate, the President shall submit funding requests to an advisory committee established by Alliance for evaluation and recommendations, if any, prior to presenting such requests to the Alliance for consideration.
- 8.4. Approval by Executive Committee.** The Executive Committee shall have full authority to approve project funding requests between Alliance meetings, provided that two-thirds of the members of the Executive Committee vote to approve the funding requests. The Chairman shall report all Executive Committee funding decisions at the next meeting of the Alliance. This may only occur when the scope of the project and the expected expenditure has been previously presented to the Alliance and the Alliance has voted in favor of the project.
- 8.5. Approval by President** All proposals for funding which meet the requirements of NORA and this document and which do not exceed the maximum amount of funding specified in this document may be approved by the President without specific review and approval by the Alliance.



**8.5.1. Project Limitation.** The maximum amount of funding for any single proposal which may be approved by the President shall be \$5,000.

**8.5.2. Aggregate Limitation.** In no event shall the President approve project funding which in the aggregate exceeds \$15,000 in any fiscal year.

**8.6. Quarterly Report.** The President shall provide the Alliance with a quarterly report on all projects that have been approved, both by the Alliance and by the President.

**8.7. Pre-Meeting Summaries.** Thirty (30) days prior to the next regularly scheduled meeting of the Alliance, the executive summary of each funding request received since the last meeting will be sent to Alliance members by the President with an itemization of the total amount of funding requested by all such proposals, a budget status report, and staff recommendations.

**8.8. Alliance Discretion.** Except as otherwise provided in this document, the Alliance shall decide, by majority vote, which projects shall be considered and/or funded and at what level,

**8.8.1.. Modification of Terms,** In making its decision, the Alliance may make approval contingent upon modification of the terms of the proposal.

**8.8.2. Oral Presentation.** The Alliance may, at its discretion, require an applicant to make an oral presentation to the Alliance.

**8.9. Expedited Review.** Procedures may be developed for expedited review of proposals.

**8.10. Notification of Alliance Action.** As soon as practical and in no case more than 10 business days after action is taken by the Alliance on a funding request, the President shall notify the applicant of the action taken.

**8.11.. Implementation of Alliance Funding Decisions.** The President shall implement the decisions of the Alliance with respect to funding requests.

**8.11.1. Contract Terms.** Following Alliance approval of a funding request and prior to disbursement of funds, the President shall ensure that any terms, conditions or modifications adopted by the Alliance with respect to that particular funding request are incorporated into the contract to be entered into pursuant to Section 9 of this document.

**8.11.2. Disbursement of Funds.** The President shall have authority to disburse funds only in a manner consistent with this document and the terms, if any, specified in the Alliance's approval of a funding request.

## **9. Contract Terms.**

**9.1. Contracts Required.** Prior to the release of Alliance grant or rebate funding, all recipients of such funding shall execute a contract with the Alliance which will include terms governing the receipt and expenditure of funds.

**9.2. Product Availability to Industry.** The product of any project funded in whole or in part by a grant or rebate from the Alliance shall be made available to all industry participants of the oilheat industry on equal terms. In no event may the products be restricted to any group of industry participants or may pricing of the product discriminate among distinct groups of industry participants. For example, a NORA publication shall be made available to industry participants at the same cost, however, other organizations may choose to resell that product at a different cost to recoup their marketing expenses, but the product shall be sold to everyone at the same price. For example, if a state is conducting a training program and through a grant, NORA provides the educational materials, then the school shall not develop a discriminatory pricing schedule.

**9.3. Intellectual Property Rights.** In the event any project funded in whole or in part by a grant or rebate from the Alliance results in the development of distinct intellectual property rights, such as a patent, copyright or trademark, the Alliance shall have first right of refusal to a level of ownership of said property rights.

**9.4. Reports Required of Grantees.** Unless otherwise specifically provided in the grant contract or rebate agreement, grantees and rebate recipients are required to provide progress reports on a specified timeline, a final report and such other reports as may be deemed necessary to enable the President to monitor the use of Alliance funds.

**9.5. Production and Inventory Costs; Sales Risks.** Generally, the Alliance funds shall be used to cover project development costs. In the case of projects leading to the production of materials which the grantee may produce and distribute (e.g., books, pamphlets, brochures, audio-visuals and multi-media materials), the cost of production, inventory and the risk of sales shall be borne by the grantee who shall be entitled thereby to a reasonable return on the risk. All sales of such materials shall be subject to the provisions of this document.

**9.6. Audit Rights of the Alliance Preserved.** The Alliance shall have the right to audit the books of an a grant or rebate recipient with respect to the expenditure of funds provided by the Alliance,

**9.7. Return of Unused Funds.** Immediately following the completion of a project or program funded by the Alliance, the grant or rebate recipient shall return any unused funds to the Alliance.

**10. State Programs.** Compliance with NORA Section 6(e) requirements for coordination with State Programs shall be in accordance with the following policy.

**10.1. Assessment Rebate.** The coordination program shall be an assessment rebate of at least 15 percent.

**10.1.1. Calculation.** The assessment rebate shall be calculated based on the gallons of oilheat identified as sold within the state by collections. Refunds shall be included in that calculation. In preparing budgets, and submittals, data from the energy Information Administration will be used, with periodic adjustments during the year to conform to actual collections.

- 10.2. Recipients.** Only one entity per state or region shall be recognized as the Alliance rebate recipient.
- 10.3. Rebate Recipients.** All payments of assessment rebates shall be made to a qualified state association, as defined in Section 2.5 of this document.
- 10.4. Basis of Rebate Payments.** Assessment rebates shall be paid only upon approval by the Alliance of a specific program or project .
- 10.5. Rebate Requests.** Requests for assessment rebates or other grant funds shall be submitted by a state entity following procedures outlined in Section 8 of this document.
- 10.6. Statutory Requirements.** To be approved by the Alliance, rebate programs and projects shall meet the requirements and limitations of NORA. A copy of the law is available upon request to the President. Particular emphasis shall be placed on priority issues.
- 10.7. Accounting and Reporting Requirements.** The Alliance will ask each successful recipient to sign an agreement that outlines the accounting responsibilities for the use of funds and reporting requirements.
- 10.8. Disbursement of Funds.** Upon approval of a project or program submitted by a state entity that will use assessment rebates exclusively, the Alliance shall disburse the funds in advance. For projects or programs to be funded under Section 10.12 of this document, funds may be disbursed in advance or on a reimbursement basis, depending upon the project, the ability of the state entity to meet expenses in advance, and other factors determined by the Alliance.
- 10.9. Representation of More Than One State.** If an entity represents more than one state, such as in the case of a foundation created by the industry to serve the needs of two or more states, the Alliance shall require a statement from the foundation or other entity that it represents the interests of each state as declared by the oilheat marketers within those states and that it shall use the funds equitably to benefit industry participants in all such states. The Alliance reserves the right to seek independent verification of such a representation.
- 10.10. Advisory to State Entities.** The Alliance shall periodically advise all state entities of the amount of money available to them under the assessment rebate program. At the end of each calendar year, the Alliance shall provide by U.S. mail a notification to all state entities that clearly specifies:
- 10.10.1.** the amount of assessment rebate money that the state entity was eligible to receive from the Alliance during the calendar year;
  - 10.10.2.** the amount of assessment rebate money that was disbursed by the Alliance to the state entity during the calendar year;
  - 10.10.3.** the amount of assessment rebate money, if any, remaining separately accounted in the state entity's name;

**10.10.4. Unused Funds.** After December 31, 2001, all assessment rebate money that is unused by a state entity, then and at the end of each successive calendar year, will be carried forward and separately accounted in the state entity's name for one year. At the end of the retention year and following notification of the state entity by registered U.S. mail and expiration of the 90day period provided for response to such notification, the Alliance may elect to transfer such funds to general revenues or may continue to maintain the funds separately.

**10.11. Deference to State Entities.** It is the intent of the Alliance to defer to the wishes of state entities with respect to the use of assessment rebate funds to the maximum extent possible, consistent with the Alliance's statutory and fiduciary obligations.

**10.11.1. Prohibited Use of Funds,** Section 8 of NORA prohibits the use of assessment funds to influence legislation or elections,

**10.11.2.** The Alliance shall not approve grant or rebate funds to state entities to support those aspects of newsletters, web sites, and other means of communications that report on or advocate industry policy and/or political positions-with respect to legislation or elections.

**10.12. Funding In Excess of State Rebate.** In the event that a foundation or qualified state association, requests funding for one or more projects, the cost of which exceeds the fifteen percent rebate funds that the foundation or state NORA is eligible to receive: the Alliance may, at its option, fund the excess from the general funds available.

**10.12.1.** Any state entity may request funding for any project or activity without regard to the state rebates and such requests shall be treated by the Alliance in the same manner as a funding request received from the general public. In the latter case, for such grants, the party making the request may be asked to match all or a portion of the project costs in order to maximize the effective utilization of Alliance funds.

**10.13. Procedures; Disqualification.** Procedures shall be implemented for processing, accounting and auditing of state rebates, including the method of reporting such activity to the Alliance. As necessary, under conditions to be determined, the Alliance may disqualify a recipient for misuse of funds. Funds which are misused are reimbursable to NORA, and NORA may establish procedures to ensure that misuse does not occur.

## **11. Significant Plans, Programs and Projects.**

**11.1. Definition.** A significant plan, program or project shall be an single-proposal for funding which, if approved, would consume at least \$1.5 million of the Alliance's annual budget; or which would represent a substantial departure from the types of plans, programs or projects previously funded by the Alliance; or which would constitute a substantial departure from the priorities listed in Section 2.6 of this document.

**11.2. Industry Comment.** In accordance with NORA Section 5(i), the Alliance shall solicit industry comment and recommendations on any significant plans, programs and projects prior to making a funding decision.

**11.3. Method of Solicitation.** Industry comment and recommendations shall be solicited pursuant to procedures set forth in Section 6.1 of this document.

**12. Collections and Enforcement.** *A Manual on Assessment Procedures* shall be approved and published by the Alliance. This **Manual** shall contain the basic rules governing assessments and their payment to the Alliance, together with appropriate reporting forms, A copy is available upon request to the President.

**13. Amendment of this Document.** The Alliance may, by a majority vote, amend the Policies, Rules and Procedures document.

DOCKET NUMBER \_\_\_\_\_

CATEGORY \_\_\_\_\_

DATE REC'D \_\_\_\_\_

National Oilheat Research Alliance, 211 N. Union Street, Alexandria, VA 22314  
Telephone 703-519-4204, 703-519-4205

## FUNDING REQUEST

1. Name of Applicant	
2. Short Title of Project:	
3. Brief Summary of Project	
4. Funding Sought from Alliances \$	5. Total Estimated Cost of Project: \$
6. Type of Funding Request <b>Grant</b> <input type="checkbox"/> <b>Rebate</b> <input type="checkbox"/>	
8. Please indicate classification of project: Consumer Education _____ Education and Training _____ Research and Development _____	

### Applicant Information

1. Name of Contact		2. Title	
3. Mailing Address			
4. Street Address (if different from Mailing Address)			
5. City	6. State	7. Mailing Zip	8. Street Zip



9. Telephone	10. Fax
11. Contact E-Mail address	12. Web Site
13. Identify the principal officers or owners of the Applicant, including titles	
14. If the Applicant is a subsidiary, identify the parent. If not a subsidiary, enter "N/A."	
15. Federal Employer Identification Number:	16. Has the Applicant been determined to be "exempt from taxation" under section 501(c) of the Internal Revenue Code? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, please attach copy of IRS determination letter.

### **Additional Information Required**

*Before a funding request may be scheduled for consideration it must be complete. To be complete, each funding application must contain the following attachments, submitted on 8 1/2 x 11 paper, typed single spaced--*

☐ ATTACHMENT ONE: Statement of the Project that includes--

- Background information about the project.
- Evidence or results of research demonstrating a need for the project.
- Describe any prior projects upon which the proposed project is based or which had the similar goals and objectives as the proposed project.
- Goals, objectives, and anticipated results of the project and planned deliverables.
- Identification of essential personnel expected to participate in the project.
- Status of essential personnel as employee of the Applicant, consultant or contractor.

☐ ATTACHMENT TWO: Timeline for the Project that includes--

- Commencement date
- Completion date
- Key project stages and activities
- Dates upon which deliverable(s) will be presented to Alliance
- Final Report due date (due not more than 60 days from completion date.)

☐ ATTACHMENT THREE: Budget and Statement of Costs that includes--

- Specifically, include direct costs, salaries, overhead and subcontractor costs, fees and expenses.
- Statement of how much the applicant is contributing toward the cost of the project in cash, kind and services.
- Detailed statement of other funding sources contacted or to be contacted, the expected amount of funding from each, the status of each application of funds, and any conditions placed upon the use of funds.

☐ ATTACHMENT FOUR: Benefit Analysis that includes--

- An examination of the value(s) of all favorable effects (benefits) to safety, education and training and consumer awareness.

☐ ATTACHMENT FIVE: Evaluation Statement of method(s) to evaluate the impact of the project.

- A well-written and thorough evaluation plan will assist in demonstrating the applicant's commitment to the Alliance's overall evaluation component.
- The applicant's Evaluation Statement should describe roles, responsibilities, performance measures, evaluation methodologies and data sources.

### **Electronic Submission of Funding Requests Also Required**

In order to be considered complete, this funding request, including all five required attachments, must be submitted in both printed form (signed and dated) and electronically on either a 3.5-inch floppy diskette or as an email attachment. NO EXCEPTIONS. For the electronic version of the funding request, a single file in either MS Word™ or Acrobat Reader™ (.pdf) is preferred and provides for the most efficient handling by the Alliance.

### **Confidentiality of Application Information**

The Alliance's intent is to use data included in funding applications for evaluation purposes only. The use and disclosure of such data may be restricted, provided that the applicant marks the cover sheet of the application and each page containing restricted data with the term "Confidential Proprietary Information."

### **Verification:**

I verify that I am authorized to make this application, and that the statements made herein, including all attachments and exhibits, are true and correct to the best of my knowledge.

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[date of signing]

---

[signature of contact individual]

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[printed name]





## CONSUMER EDUCATION COMMITTEE

### Facsimile Numbers

Mr. Ed Scott  
978-526-7540

Mr. Len Bicknell  
781-335-6134

Mr. James Townsend  
978-927-4900

Mr. James Yeager  
610-432-3334

Mr. Michael Deberdine  
717-295-3140

Mr. Roy Patterson  
215-563-9448

Mr. Paul Vermeylen  
516-364-9171

Mr. Michael Hopsicker  
315-449-6682

Ms. Allison Heaney  
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Mr. Herb Schneider  
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Mr. Irik Sevin  
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Mr. Neil Bianco  
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Mr. James Pierson  
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Mr. Locke Wills  
301-932-3668

Mr. Peter Bridgeman  
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Mr. Dave Martin  
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Mr. Chris Keyser  
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Mr. Gene Jacobus  
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Mr. Jeff Lykins  
513-831-4518

Mr. Steve Clark  
206-723-7533

Mr. John Fuquay  
336-272-5755

Mr. Jeff Arntson  
503-284-4819

Linda Rupertes  
856-547-0181

- VII. Report of Education and Training Committee**
  - a) Training Center and Certification**
  - b) Recruitment**
  - c) Survey Work**
  - d) Discussion**
- VIII. Report of Research and Development Committee**
  - a) Discussion**
- IX. Report on Grants Committee**
  - a) Policies**
  - b) Application**
  - c) Establishing Guidelines for States**
- X. National Fuel Funds Network**
- XI. Unfinished Business**
- XII. New Business**
- XIII. Next Meeting – October 2, 2001**
  - a) Spring Meeting**
- XIV. Conclusion**