

## **Lakes Gas – Clark Lake Advancement Association Agreement – 2021-2022**

**From: Eric Fairchild**

**Chuck,**

Per our phone conversation a couple weeks ago, Lakes Gas has now solidified pricing for the upcoming propane season. Contracts will be coming out at the end of this month and the price that we will be offering your Association will be \$1.579 good through May 31<sup>st</sup> 2022.

This is an unusually high market trend that we have not seen occur in quite a few years so we do understand the potential for your group's "sticker shock" to this year's offer. We are truly putting our best foot forward with this offer in light of the market's volatility and ensure that even at this rate your Association's offer will place you at one of the lowest margin group in all of Lakes Gas' branches. We are committed to further servicing your group for the upcoming year(s) and have always maintained a level of low margin profitability to help your group weather these types of pricing storms. As a reminder, current gas prices (Market) are around the \$1.92 per gallon range right now and prices soared as high as \$2.66 per gallon this past February. In relation to what the market has actually been doing, the price I am offering your group is relatively still low in comparison.

Your group will receive 0 Truck Charges for the 2021-2022

Tank Rent will be applied if a customer is under utilizing a tank (ie: if you have a 500 gallon tank but don't use 500 gallons in a year, Tank Rent will be applied. This can apply to 325's, 250's and 120 gallon tanks as well. Tank rent can range from \$99 - \$199 annually depending on usage and the size of the tank.) The easiest way to avoid tank rent is to downsize an underutilized tank to a 325 or 250 gallon tank as needed.

There will be no charge on any tank swaps within your group, however every tank swap will require a GSSI (Gas System Safety Inspection) at the time of the swap which is charged to you at a special rate of \$69.95. This would not include the cost of replacing the 2<sup>nd</sup> stage regulator on the home if the existing regulator is not already owned by the customer. If a new regulator is required at the time of the tank swap that is approximately \$75 to replace but it would then be owned by the customer.

Let me know if you have any further questions.

Thank you!

Eric Fairchild  
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