

## Littleham Oil Collective

- Gas users have a government regulator
- Electricity users have a government regulator
- Water users have a government regulator
- Oil users ?

This means that oil suppliers just have to compete with each other for the domestic heating oil market. This indicates that the users might gain better prices if they cooperated

If you are willing to cooperate notify your present local enabler:

Roddy Cornish            01237 429235            Littleham Oil Collective

The initiative was started on the first of January 2008 and was originally limited to Littleham residents as we did not want to attract more enquiries than we could handle. We now have customers in Landcross and Monkleigh.

The product we are concentrating on is Domestic Fuel Oil of the most common variety (28 secs (UN 1223 Kerosene 3 PG111)) and not 'clean burn' varieties, diesel or gas oil.

To be able to take advantage of the collective pricing effort you will need to be able to pay by switch or credit card, or establish an account with the lowest priced supplier. The suppliers name will not be known until the day of trading.

The Oil companies mostly price by quantities e.g.

500 litres	
500-900	
900-1000	
1000+	
2000+	legal max. delivery 2275 litres at one time.*
3000	
4000	
4500	

A certain amount of latitude is allowed in these figures as most tanks are only accurate to plus or minus 10% which makes estimating difficult.

As the demands for oil from different users are collected together negotiations with the oil company move down the scale giving the smaller users the better prices.

When the final negotiation is done the users are 'phoned with the price available, the supplier , telephone number and a code to use when ordering. They place their own orders and clear their own accounts. But they can rest assured they have the best price available on that day. In a 'price rising' market it is more difficult to make the correct decisions but we do our best.

The oil distributors do not resist these cooperatives as it enables them to make lower cost multiple deliveries to one area instead of coming back and forth for each customer. This cuts their delivery costs by 1.5 – 2.0p/litre so we are quite entitled to ask for and get lower prices. They also gain by gaining new customers.

Further these 'streamlined' deliveries reduce the heavy lorry movements in the village.

So is Littleham Oil Collective a success?

Well there are 154 residents in Littleham, some heated by electricity, gas, logs, wood pellets and we have registered 45 interested parties. We have price locked ten times covering 31 deliveries and 30,000 litres of fuel this year. In a market where the price is rising on a daily basis it is hard to calculate just how much is saved but if we look at the average order for 1000 litres the saving across the average of the three lowest price suppliers (in April) was 54.65p/litre +VAT while the average price of the deliveries was 52.27p/litre +VAT a saving of 2.08p/litre or £20.80 per delivery.

\* +VAT @ 17.5% applies after 2300 litres