

## Lease Fees & Why Propane Companies Charge Them

Paraco has a large investment in the equipment installed at its customers' residences. The minimum usage fee, commonly known as a lease fee, is charged to customers whose propane usage falls below the minimum requirement, enabling us to recover costs associated with providing equipment (propane tanks) to a residence when their usage falls short of the required minimum. Below are frequently asked questions concerning lease fees.

### **Frequently Asked Questions About Our Annual Lease Fee**

1. Why am I being charged? Lease fees are standard in the industry. Companies charge this fee because of the high purchase, maintenance, and replacement costs associated with the equipment installed on customers' properties.
2. My tank has been installed here for a long time. Shouldn't it be paid for by now? Propane tanks must be recertified or replaced after their original test dates expired. If the tank is in good condition, it can be certified on location without any inconvenience to you. But in many cases they are in poor condition due to conditions such as age, or the chronic contact with outside environment and elements.
3. Isn't the cost of the equipment factored into the price per gallon? No, the price of propane is based on numerous factors that include, but are not limited to market conditions, estimated annual usage, and what it costs us to deliver to you. Our cost for the truck, driver, and other delivery expenses stay the same, whether we deliver 40 gallons or 400 gallons. That's why the more propane you use, the lower the price per gallon; a common principle that applies to many other commodities.
4. I found a company that said they didn't charge a lease fee. Why shouldn't I change companies? As mentioned above, the lease fee is an industry standard. At Paraco, your safety is our top priority and we are transparent about our fees. When researching a prospective propane provide, inquire if the company requires a minimum usage and what are the other associated costs and potentially hidden fees might be.
5. If I increase my usage, will the lease fee be waived? Yes, additional uses such as heating or hot water can decrease your price of propane and remove the lease fee.

For all things propane, visit us at <https://paracogas.com/>