

Risk Factors Comparison 2024-12-04 to 2023-12-06 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

Wholesale Product Price Volatility and Supply Risks Associated with our Business Fluctuations in wholesale product costs may have adverse effects on our business, financial condition, results of operations, or liquidity. Increases in wholesale product costs may have adverse effects on our business, financial condition and results of operations, including the following: • reduced profit margins; • customer conservation; • customer attrition due to customers converting to lower cost heating products or suppliers; • reduced liquidity as a result of higher net receivables including customer credit balances, and / or inventory balances as we must fund a portion of any increase in receivables, inventory and hedging costs from our own cash resources and thereby reduce or eliminate funds that would otherwise be available for distributions and other purposes; • higher interest expense as a result of increased working capital borrowing to finance higher receivables and / or inventory balances; and higher bad debt expense and credit card processing costs as a result of higher selling prices. Our business is a “ margin- based ” business in which gross profit depends on the excess of sales prices per gallon over supply costs per gallon. Consequently, our profitability is sensitive to increases in the wholesale product cost caused by changes in supply, geopolitical forces and other market conditions. Although our wholesale product costs are closely linked to the price of diesel fuel, diesel fuel prices do not always correspond to increases or decreases in consumer demand for our products. Consequently, our wholesale product prices may rise even though demand for our heating oil products is down due to, among other things, warm winter temperatures. Significant increases in product costs result in higher operating expenses, such as credit card fees, bad debt expense, and vehicle fuels, and also lead to higher working capital requirements, including higher premiums and cash requirements for some of our hedging instruments. In certain cases, we cannot pass on to our customers immediately or in full all cost increases by increasing our retail sales prices. This, in turn, negatively affects our profit margins. We cannot predict with any certainty the impact of periods of high wholesale product costs on future profit margins. During periods of high wholesale product costs, the prices we charge our customers generally increase. High prices can lead to customer conservation and attrition, resulting in reduced demand for our products. Additionally, in an effort to retain existing accounts and attract new customers we may offer discounts, which will impact the net per gallon gross margin realized. Increases in ~~in~~ wholesale product prices may also slow our customer collections as customers are more likely to delay the payment of their bills, leading to higher accounts receivable. If increases in wholesale product costs cause our working capital requirements to exceed the amounts available under our revolving credit facility or should we fail to maintain the required availability or fixed charge coverage ratio, we would not have sufficient working capital to operate our business or cash available for distributions to unitholders. When the wholesale price of home heating oil declines significantly after a customer enters into a price protection arrangement, some customers attempt to renegotiate their arrangement in order to enter into a lower cost pricing plan with us or terminate their arrangement and switch to a competitor, which may ~~which may~~ adversely impact our gross profit and operating results. If, due to supply constraints or shortages, we cannot purchase sufficient quantities of products to meet our customer’ s needs, our business and operations will be adversely affected. Constraints in physical product supplies **could adversely affect our ability to deliver our products and services in a timely manner, cause an increase in wholesale prices and a decrease in supply, lost sales, customer attrition, increased supply chain costs, or damage to our reputation, and could negatively impact our financial performance or financial condition.** Constraints have been **and could be** caused by numerous factors ~~including~~ **imbalances in supply and demand of liquid..... could adversely impact our business.** A disruption within our supply chain network due to unforeseen events beyond our control ~~could adversely affect our ability to deliver our products and services in a timely manner, cause an increase in wholesale prices and a decrease in supply, lost sales, customer attrition, increased supply chain costs, or damage to our reputation.~~ Such disruptions may result from weather- related events; natural disasters; international trade disputes or trade policy changes or restrictions; tariffs or import- related taxes; third- party strikes, lock- outs, work stoppages or slowdowns; shortages of supply chain labor, including truck drivers; shipping capacity constraints, including shortages of related equipment; third- party contract disputes; supply or shipping interruptions or costs; military conflicts; acts of terrorism; public health issues, including pandemics and related shut- downs, re- openings, or other actions by the government; civil unrest; or other factors beyond our control. ~~Disruptions to our~~ **In addition, constraints in physical product supplies could be caused by s, imbalances in supply and demand chain due to any of liquid product, exacerbated by geopolitical forces, such as the factors listed above could negatively impact our financial performance- wars in the Ukraine and in the Middle East. Further, backwardated energy markets, which exist when the current market price of wholesale product is higher than the futures price, have caused and may in the future cause suppliers to reduce physical inventories. We expect to cover a substantial majority of or our financial condition expected heating oil and propane needs during the heating season for our full service residential and commercial customers with physical supply contracts and inventory on- hand at the beginning of the heating season. The remainder of our customer’ s needs are satisfied through spot product purchases. During periods when supplies are constrained, we have paid and may continue to pay significant premiums over the wholesale product cost to ensure prompt delivery of spot purchases. In certain cases, these premium payments cannot be passed on to our customers, thereby reducing our profit margins.** If service at our third- party terminals, the common carrier pipelines used or the barge companies we hire to move product is interrupted, our operations would be adversely affected. The products that we sell are transported in either barge, pipeline or in truckload quantities to third- party terminals where we have contracts to temporarily store our products. Any significant interruption in the service of these third- party terminals, the common carrier pipelines used or the barge companies that we hire to move product would adversely affect our

ability to obtain product. **The risk exist when the current market price of wholesale global terrorism, political unrest and war may adversely affect the economy and the price and availability of the product products is higher than that we sell and the futures price, have caused a material adverse effect on our business, financial condition and results of operations. Terrorist attacks, political unrest and war may in adversely impact the price and availability of the products that we sell, our results of operations, our ability to raise debt or equity capital and our future growth** cause suppliers to reduce physical inventories. **An act** We expect to cover a substantial majority of our expected heating **terror could result in disruptions of crude** oil and propane needs during the heating season for our full service residential and commercial customers with physical supply contracts and inventory on hand at the beginning of the heating season. The remainder of our customer's needs are satisfied through spot product purchases. During periods when supplies are constrained, **markets we have paid and facilities, and the source of the products that we sell could be direct or indirect targets. Terrorist activity may continue also hinder our ability to transport our** pay significant premiums over the wholesale product products if our normal means cost to ensure prompt delivery of spot purchases **transportation become damaged as a result of an attack. Instability in In certain** eases, these **the premium payments cannot be passed on to financial markets as a result of terrorism could also affect** our customers, thereby reducing **ability to raise capital. Terrorist activity could likely lead to increased volatility in the prices of** our **products profit margins**. Our hedging strategy may adversely affect our liquidity. We purchase derivatives, futures **contracts** and swaps of diesel fuel primarily from members of our lending group and Cargill in order to mitigate exposure to market risk associated with our inventory and the purchase of home heating oil for price-protected customers. Future positions require an initial cash margin deposit and daily mark **- to -** market maintenance margin, whereas options are generally paid either upfront or when they expire. Any cash payment reduces our liquidity, as we must pay for the option before any sales are made to the customer. Mark- to- market exposure with our bank group reduces our borrowing base and as such can reduce the amount available to us under our **Credit credit Agreement agreement**. A significant portion of our home heating oil volume is sold to price-protected customers (ceiling and fixed), and our gross margins could be adversely affected if we are not able to effectively hedge against fluctuations in the volume and cost of product sold to these customers. A significant portion of our home heating oil volume is sold to individual customers under arrangements pre-establishing the ceiling sales price or a fixed price of home heating oil over a fixed period. When the customer makes a purchase commitment for the next period, we **currently concurrently** purchase option contracts, swaps and futures contracts for diesel fuel covering a substantial majority of the heating oil that we expect to sell to these price-protected customers. The price of heating oil is closely linked to the price of diesel fuel. The amount of home heating oil volume that we hedge per price-protected customer with diesel fuel derivatives is based upon the estimated fuel consumption per average customer, per month by location. If the actual usage exceeds the amount of the hedged volume on a monthly basis, we could be required to obtain additional volume at unfavorable margins. In addition, should actual usage in any month be less than the hedged volume (including, for example, as a result of warm winters and early terminations by price-protected customers), we may incur additional hedging costs which reduce our gross profit margins. Currently, we have elected not to designate our derivative instruments as hedging instruments under FASB ASC 815-10-05 Derivatives and Hedging, and the change in fair value of the derivative instruments is recognized in our statement of operations. Therefore, we experience volatility in earnings as these currently outstanding derivative contracts are marked **- to -** market and non-cash gains or losses are recorded in the statement of operations. Our risk management policies cannot eliminate all commodity price risk or the impact of adverse market conditions which can adversely affect our financial condition, results of operations and cash available for distribution to our unitholders. In addition, any noncompliance with our risk management policies could result in significant financial losses. While our hedging policies are designed to minimize commodity risk, some degree of exposure to unforeseen fluctuations in market conditions remains. For example, we change our hedged position daily in response to movements in our inventory. Any difference between the estimated future sales from inventory and actual sales will create a mismatch between the amount of inventory and the hedges against that inventory, and thus change the commodity risk position that we are trying to maintain. We monitor processes and procedures to reduce the risk of unauthorized trading and to maintain substantial balance between purchases and sales or future delivery obligations. We can provide no assurance, however, that these steps will detect and / or prevent all violations of such risk management policies and procedures, particularly if deception or other intentional misconduct is involved. We rely on the continued solvency of our wholesale product suppliers and derivatives, insurance and weather hedge counterparties. If one of our wholesale product suppliers were to fail, our liquidity, results of operations and financial condition could be materially adversely impacted, as we may be required to purchase product from other sources which may be at higher prices than we were prepared to pay. If counterparties to the derivative instruments that we use to hedge the cost of home heating oil sold to price-protected customers, physical inventory and our vehicle fuel costs were to fail, our liquidity, operating results and financial condition could be materially adversely impacted, as we would be obligated to fulfill our operational requirement of purchasing, storing and selling home heating oil and vehicle fuel, while losing the mitigating benefits of economic hedges with a failed counterparty. If one of our insurance carriers were to fail, our liquidity, results of operations and financial condition could be materially adversely impacted, as we would have to fund any catastrophic loss. If our weather hedge **counterparty counterparties** were to fail, we would lose the protection of our weather hedge contract. Risks Related to Customer Attrition, Competition, and Demand for Our Products Our operating results will be adversely affected if we continue to experience significant net customer attrition in our home heating oil and propane customer base. The following table depicts our gross customer gains, losses and net attrition from fiscal year **2019 2020** to fiscal year **2023 2024**. Net customer attrition is the difference between gross customer losses and customers added through marketing efforts. Customers added through acquisitions are not included in the calculation of gross customer gains. However, additional customer gains that are obtained through marketing efforts or lost at newly acquired businesses are included in these calculations from the point of closing going forward. Customer attrition percentage calculations include customers added through acquisitions in the denominators of the calculations on a weighted average basis from the

closing date. Fiscal Year Ended September 30, Gross customer gains **9.8 %** 12.0 % 11.9 % 10.7 % 12.2 % **12.0 %** **Gross customer losses 14.9 %** **15.6 %** 15.6 % 14.6 % 15.6 % **18.3 %** Net attrition **(4.2 %)** (3.6 %) (3.7 %) (3.9 %) (3.4 %) (-5.4 %) The gain of a new customer does not fully compensate for the loss of an existing customer because of the expenses incurred during the first year to add a new customer. Typically, the per gallon margin realized from a new account added is less than the margin of a customer that switches to another provider. Customer losses are the result of various factors, including but not limited to, wholesale product price volatility, price competition, warmer than normal weather, customer relocations and home sales / foreclosures, credit worthiness, service disruptions, and conversions to natural gas and electricity. Periods of high wholesale product costs due to energy market volatility and inflation have added to our difficulty in reducing net customer attrition. Warmer than normal weather has also contributed to an increase in attrition as customers perceive less need for a full-service provider like ourselves. **A substantial majority of the Company's price-protected customers have agreements with us that are subject to annual renewal in the period between April and November of each fiscal year. If a significant number of these customers elect not to renew their price-protected agreements with us and do not continue as our customers under a variable price-plan, this will adversely impact our net customer attrition and, consequently, the Company's near term profitability, liquidity and cash flow.** If we are not able to reduce the current level of net customer attrition or if such level should increase, attrition will have a material adverse effect on our business, operating results and cash available for distributions to unitholders. For additional information about customer attrition, see Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations – Customer Attrition." Because of the highly competitive nature of our business, we may not be able to retain existing customers or acquire new customers, which would have an adverse impact on our business, operating results and financial condition. Our business is subject to substantial competition. Most of our operating locations compete with numerous distributors, primarily on the basis of price, reliability of service and responsiveness to customer service needs. Each operating location operates in its own competitive environment. We compete with distributors offering a broad range of services and prices, from full-service distributors, such as ourselves, to those offering delivery only. As do many companies in our business, we provide home heating equipment repair service on a 24-hour-a-day, seven-day-a-week, 52 weeks a year basis. We believe that this tends to build customer loyalty. In some instances, homeowners have formed buying cooperatives that seek to purchase home heating oil from distributors at a price lower than individual customers are otherwise able to obtain. We also compete for retail customers with suppliers of alternative energy products, principally natural gas, propane (in the case of our home heating oil operations) and electricity. If we are unable to compete effectively, we may lose existing customers and / or fail to acquire new customers, which would have a material adverse effect on our business, operating results and financial condition. **Our operating results will be adversely affected if we experience significant net customer attrition from conversions to alternative energy products, principally natural gas or electricity.** The following table depicts our estimated customer losses to natural gas conversions for the last five fiscal years. Losses to natural gas in our footprint for the home heating oil industry could be greater or less than our estimates. Fiscal Year Ended September 30, Customer losses to natural gas conversion and electricity (1.6 %) (1.5 %) (1.1 %) (1.1 %) (1.4 %) **In addition to our direct customer losses to natural gas and electricity competition, any conversion to natural gas** Energy efficiency and new technology may reduce the demand for our products and adversely affect our operating results. Increased conservation and technological advances, including installation of improved insulation and the development of more efficient furnaces and other heating devices, such as electric heat pumps, have adversely affected the demand for our products by retail customers. Future conservation measures or technological advances in heating, conservation, energy generation or other devices might reduce demand and adversely affect our operating results. **Our operating results will be adversely affected if we experience significant net customer attrition from conversions to alternative energy products, principally natural gas or electricity.** The risk of global terrorism, political unrest **following table depicts our estimated customer losses to natural gas and electricity conversions for** war may adversely affect the economy last five fiscal years. Losses to natural gas and electricity in our footprint for the price-home heating oil industry could be greater or less than our estimates. Fiscal Year Ended September 30, Customer losses to natural gas conversion and electricity (1.4 %) (1.6 %) (1.5 %) (1.1 %) (1.1 %) **In addition to our direct customer losses to natural gas and electricity competition, any conversion to natural gas or electricity by a heating oil consumer in our geographic footprint reduces the pool of available** available customers from which of the products that we sell can gain new heating oil customers, and could have a material adverse effect on our business, operating results and financial condition. **If we do not make acquisitions on economically acceptable terms, we will not be able to replace or grow our declining customer base. Generally, heating oil and propane** are secondary energy choices for new housing construction, because natural gas is usually selected when the infrastructure exists. In certain areas in our operating footprint, state and local legislatures are mandating **the replacement of using electricity in new building construction, thus displacing** heating systems using fossil fuels, such as heating oil and propane, with systems using electricity in new building construction. As such, our industry is declining. Accordingly, our ability to maintain or grow our customer base will depend on our ability to make acquisitions on economically acceptable terms. We cannot assure that we will be able to identify attractive acquisition candidates in the future or that we will be able to acquire businesses on economically acceptable terms. Adverse operating **and financial results of** may limit our access to capital and adversely affect our ability to make acquisitions. **Our acquisition activities could result in** operations-operational difficulties. Terrorist attacks, political unrest **unrecoverable costs** and war **other negative consequences, any of which** may adversely impact **our financial** condition and results of operations. Any acquisition may involve potential risks to us and ultimately to our unitholders, including an increase in our indebtedness, an increase in our working capital requirements, an inability to integrate the operations of the acquired business, an excess of customer loss from the acquired business, loss of key employees from the acquired business and the assumption of additional liabilities, including environmental liabilities. Since weather conditions may adversely affect the demand for home heating oil and propane, our business, operating results and financial condition are vulnerable to warm

winters. Weather conditions in regions in which we operate have a significant impact on the demand for home heating oil and propane because our customers depend on this product largely for space heating purposes. As a result, weather conditions may materially adversely impact our business, operating results and financial condition. During the peak- heating season of October through March, sales of home heating oil and propane historically have represented approximately 80 % of our annual volume sold. Actual weather conditions can vary substantially from year to year or from month to month, significantly affecting our financial performance. Climate change may result in increased weather volatility. See “ We face possible risks and costs associated with the effects of changes in climate and severe weather ” in ~~these Risk the~~ **these** Risk Factors. Warmer than normal temperatures in one or more regions in which we operate can significantly decrease the total volume we sell and the gross profit realized and, consequently, our results of operations. To partially mitigate the adverse effect of warm weather on cash flows, we have used weather hedge contracts for a number of years. In general, such weather hedge contracts provide that we are entitled to receive a specific payment per heating degree- day shortfall, when the total number of heating degree- days in the hedge period is less than the ten year average. The “ payment thresholds,” or strikes, are set at various levels. The hedge period runs from November 1, through March 31, of a fiscal year taken as a whole. Although we have entered into weather hedges for fiscal **2024 2025** and in prior years' periods, there can be no assurance that weather hedge contracts on historical terms and prices will continue to be available past fiscal **2024 2025**. There can be no assurance that our weather hedge contracts, if any, will fully or substantially offset the adverse effects of warmer weather on our business and operating results or that colder weather will result in enough profit to offset our hedging costs. Our operating results are subject to seasonal fluctuations. Our operating results are subject to seasonal fluctuations since the demand for home heating oil and propane is greater during the first and second fiscal quarter of our fiscal year, which is the peak heating season. The seasonal nature of our business has resulted on average in the last five years in the sale of approximately 30 % of our volume of home heating oil and propane in the first fiscal quarter and 50 % of our volume in the second fiscal quarter of each fiscal year. As a result, we generally realize net income in our first and second fiscal quarters and net losses during our third and fourth fiscal quarters and we expect that the negative impact of seasonality on our third and fourth fiscal quarter operating results will continue. Thus, any material reduction in the profitability of the first and second quarters for any reason, including warmer than normal weather and wholesale product price **volatility, generally cannot be made up by any significant profitability improvements in the results of the third** and ~~availability and~~ fourth quarters. We face possible risks and costs associated with effects of changes in climate and severe weather. We cannot predict changes in climate. The physical effects of changes in climate could have a material adverse effect on our business and operations. Since weather conditions may adversely affect the demand for home heating oil and propane, our business, operating results and financial condition are vulnerable to warm winters. “To the extent that changes in climate impact weather patterns, our markets could experience severe weather. If the frequency or magnitude of severe weather conditions or natural disasters such as hurricanes, blizzards or earthquakes increase, as a result of changes in climate or for other reasons, our results of operations and our financial performance could be negatively impacted by the extent of damage to our facilities or to our customers’ residential homes and business structures, or of disruption to the supply or delivery of the products we sell. Risks Related to Regulatory and Environmental Matters- See also Item 1 “ Business – Government Regulations ” Federal, state and local legislation in response to climate change has the potential to adversely impact the Company’ s operations and reduce demand for our products and services. There is increasing attention in the United States and worldwide concerning the issue of climate change and the effect of greenhouse gas (“ GHG ”) emissions, from the combustion of carbon- based fossil fuels. Our heating oil and propane products are widely considered to be fossil fuels that produce GHG emissions. To combat the cause of global warming domestically, President Biden identified climate change as one of his administration’ s top priorities and pledged to seek measures that would pave the path for the U.S. to achieve net zero GHG emissions by 2050. On August 16, 2022, President Biden signed the Inflation Reduction Act which aims to reduce GHG emissions by offering tax and other incentives desired to encourage homeowners to switch to alternative sources of energy than the ones we sell. In addition, the State of New York, where a majority of our operations are located, Massachusetts, Rhode Island and Connecticut and certain municipalities in our operating footprint have adopted laws, regulations and policies addressing climate change and restricting GHG emissions from fossil fuel burning systems. For additional information about climate change regulations affecting us, See Item 1 “ Business – Government Regulations ” for a summary of certain laws, regulations and policies adopted by states and municipalities in our operating footprint addressing climate change and / or restricting GHG emissions from fossil- fuel burning systems. The federal, state and local climate change regulatory landscape is highly complex and rapidly and continuously evolving. At this time, ~~while~~ we cannot predict whether, when, which, or in what form climate change legislation provisions and GHG emission restrictions may be enacted and what the impact of any such legislation or standards may have on our business, financial conditions or operations in the future ; ~~these~~ **These** measures could have a negative impact on our business over time or in the future. Our results of operations and financial condition may be adversely affected by environmental regulations, and regulatory costs. Our business is subject to a wide range of federal, state and local laws and regulations related to environmental and other matters. Such laws and regulations have become increasingly stringent over time. We may experience increased costs due to stricter pollution control requirements or liabilities resulting from noncompliance with operating or other regulatory permits. New regulations, such as those relating to underground storage, transportation **,and delivery** of the products that we sell, **might adversely impact operations** ~~our~~ ~~adversely impact operations~~ or make them more costly. In addition, there are environmental risks inherently associated with home heating oil operations, such as the risks of accidental releases or spills. We have incurred and continue to incur costs to remediate soil and groundwater contamination at some of our locations. We cannot be sure that we have identified all such contamination, that we know the full extent of our obligations with respect to contamination of which we are aware, or that we will not become responsible for additional contamination not yet discovered. It is possible that material costs and liabilities will be incurred, including those relating to claims for damages to property and persons and the environment. For additional information about environmental and other regulations we are subject to, see Item 1 “ Business- Governmental

Regulations.” We are subject to operating and litigation risks that could **Changes in tax laws or regulations may have a material adverse** ~~adversely~~ ~~adverse affect effect on~~ our operating results whether **business, cash flow, financial condition** or not covered results of operations. **New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. Changes to existing tax laws or the enactment of future reform legislation could have a material impact on our financial condition, results of operations and** ability to us from all material expenses related to potential future claims. Changes in tax laws or regulations may have a material adverse effect on our business, cash flow, financial condition or results of operations. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. Changes to existing tax laws or the enactment of future reform legislation could have a material impact on our financial condition, results of operations and ability to pay distributions to our unitholders.

Risks Related to Information Technology and Cybersecurity We depend on the use of information technology systems that have been and may in the future be a target of cyber- attacks. We rely on multiple information technology systems and networks that are maintained internally and by third- party vendors, and **their failure or breach of these systems** could significantly impede operations. In addition, our systems and networks, as well as those of our vendors, banks and counterparties, may receive and store personal or proprietary information in connection with human resources operations, customer offerings, and other aspects of our business. A cyber- attack or material network breach in the security of these systems could include the exfiltration, or other unauthorized access or disclosure, of proprietary information or employee and customer information, as well as disrupt our operations or damage our information technology infrastructure or those of third parties. For example, in July 2021, we detected a security incident that resulted in the encryption of certain of our information technology systems. Promptly upon discovery of the incident, we launched an investigation with the assistance of an outside cybersecurity firm, notified law enforcement, and took steps to address the incident and restore full operations. As a result of our investigation of the incident, we do not believe any personal information belonging to customers was involved. However, we believe that an unauthorized third party exfiltrated and / or accessed certain employee personal identifying information (“ PII ”) and / or protected health information (“ PHI ”) relating to employee health insurance plans and human resources information, residing on some of the affected systems. We were able to continue to serve our customers without interruption. We do not believe that this incident had a material adverse effect on our business, operations or financial results. However, we cannot be certain that that similar cyber- attacks will not occur in the future. Any future cyber- attacks or incidents may have a material adverse effect on our business, operations or financial results. **It is our view that Cyber cyber-** attacks are increasing in their frequency, levels of persistence, and sophistication and intensity. Furthermore, because the techniques used to obtain unauthorized access to, or to disrupt, information technology systems change frequently, we may be unable to anticipate these techniques or implement security measures that would prevent them. We may also experience security breaches that may remain undetected for an extended period. In addition, the information technology controls or legacy third party providers of an acquired business may be inadequate to prevent a future cyber- attack, unauthorized access or other data security breaches. If another cyber- attack were to occur and cause interruptions in our operations, it could have a material adverse effect on our revenues and increase our operating and capital costs, which could reduce the amount of cash otherwise available for distribution. To the extent that a future cyber- attack, security breach or other such disruption results in a loss or damage to the Company’ s data, or the disclosure of PII, PHI or other personal or proprietary information, including customer or employee information, it could cause significant damage to the Company’ s reputation, affect relationships with its customers, vendors and employees, lead to claims against the Company, and ultimately harm our business. In addition, we may be required to incur additional costs to mitigate, remediate and protect against damage caused by cyber- attacks, security breaches or other such disruptions in the future. We have paid and may continue to pay significantly higher insurance premiums to maintain cyber insurance coverage, and even if we are able to maintain cyber insurance coverage, it may not be sufficient in amounts and scope to cover all harm sustained by the Company in any future cyber- attack or other data security incident. **For more information on management’ s risk management, strategy, governance and impacts from cybersecurity incidents, see “ Item 1C. Cybersecurity.”**

Risks Related to Our Workforce Our inability to identify, hire and retain qualified individuals for our workforce could slow our growth and adversely impact our ability to operate our business. Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees to meet the needs of our business. We have experienced and may continue to experience shortages of qualified individuals to fill available positions. We place a heavy emphasis on the qualification and training of our personnel and spend a significant amount of time and money on training our team members. Any inability to recruit and retain qualified individuals may result in higher turnover and increased labor costs, could compromise the quality of our service, and could have a material adverse effect on our business, financial condition and results of operations. A substantial portion of our workforce is unionized, and we may face labor actions that could disrupt our operations or lead to higher labor costs and adversely affect our business. As of September 30, ~~2023~~ **2024**, approximately **44 39** % of our employees were covered under 62 different collective bargaining agreements. As a result, we are usually involved in union negotiations with several local bargaining units at any given time. There can be no assurance that we will be able to negotiate the terms of any expired or expiring agreement on terms satisfactory to us. Although we consider our relations with our employees to be generally satisfactory, we may experience strikes, work stoppages or slowdowns in the future. If our unionized workers were to engage in a strike, work stoppage or other slowdown, we could experience a significant disruption of our operations, which could have a material adverse effect on our business, results of operations and financial condition. Moreover, our non- union employees may become subject to labor organizing efforts. If any of our current non- union facilities were to unionize, we could incur increased risk of work stoppages and potentially higher labor costs. Our obligation to

fund multi- employer pension plans to which we contribute may have an adverse impact on us. We participate in a number of multi- employer pension plans for current and former union employees covered under collective bargaining agreements. The risks of participating in multi- employer plans are different from single- employer plans in that assets contributed are pooled and may be used to provide benefits to current and former employees of other participating employers. Several factors could require us to make significantly higher future contributions to these plans, including the funding status of the plan, unfavorable investment performance, insolvency or withdrawal of participating employers, changes in demographics and increased benefits to participants. Several of these multi- employer plans to which we contribute are underfunded, meaning that the value of such plans' assets are less than the actuarial value of the plans' benefit obligations. We may be subject to additional liabilities imposed by law as a result of our participation in multi- employer defined benefit pension plans. Various Federal laws impose certain liabilities upon an employer who is a contributor to a multi- employer pension plan if the employer **withdraws from the plan or the plan is terminated or experiences a mass withdrawal, potentially including an allocable share of the unfunded vested benefits in the plan for all plan participants, not just our retirees. Accordingly, we could be assessed our share of unfunded liabilities should we terminate participation in these plans, or should there be a mass withdrawal from these plans, or if the plans become insolvent or otherwise terminate.**

Risks Related to Ownership of Our Common Units

Conflicts of interest have arisen and could raise- arise arise in the future. Conflicts of interest have arisen and could arise in the future as a result of relationships between the general partner and its affiliates, on the one hand, and us or any of our limited partners, on the other hand. As a result of these conflicts, the general partner may favor its own interests and those of its affiliates over the interests of the unitholders. The nature of these conflicts is ongoing and includes the following considerations:

- The general partner's affiliates are not prohibited from engaging in other business or activities, including direct competition with us.
- The general partner determines the amount and timing of asset purchases and sales, capital expenditures, distributions to unitholders, unit repurchases, and our capital structure, each of which can impact the amount of cash, if any, available for distribution to unitholders, and available to pay principal and interest **on debt and the amount of incentive distributions payable in respect of the general partner units.**
- **The general partner decides whether to retain its counsel or engage separate counsel to perform services or for us.**
- **Unitholders are deemed to have consented to some actions and conflicts of interest under the Partnership Agreement that might otherwise be deemed a breach of fiduciary or other duties under applicable state law.**
- **Under the Partnership Agreement, the general partner is allowed to take into account the interests of parties in addition to the Company in resolving conflicts of interest, thereby limiting its fiduciary duty to the unitholders.**
- The general partner determines whether to issue additional units or other of our securities.
- The general partner is not restricted from causing us to pay the general partner or its affiliates for any services rendered on terms that are fair and reasonable to us or entering into additional contractual arrangements with any of these entities on our behalf. Cash distributions (if any) are not guaranteed and may fluctuate with performance and reserve requirements. Distributions of available cash, if any, by us to unitholders will depend on the amount of cash generated, and distributions may fluctuate based on our performance. The actual amount of cash that is available for distribution will depend upon numerous factors, many of which are out of our control. Our ~~Credit~~ **credit Agreement agreement** imposes restrictions on our ability to pay distributions to unitholders, including the need to maintain certain covenants. (See the ~~sixth amended and restated~~ **credit agreement and at** Note 13 of the Notes to the Consolidated Financial Statements — Long- Term Debt and Bank Facility Borrowings). If we fail to maintain an effective system of internal controls, then we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential unitholders could lose confidence in our financial reporting, which would harm our business and the trading price of our common units. Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. We may experience difficulties in implementing effective internal controls as part of our integration of acquisitions from private companies, which are not subject to the internal control requirements imposed on public companies. If we are unable to maintain adequate controls over our financial processes and reporting in the future or if the businesses we acquire have ineffective internal controls, our operating results could be harmed or we may fail to meet our reporting obligations. Ineffective internal controls over financial reporting could cause our unitholders to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our common units. Our unitholder rights plan may discourage potential acquirers of the Company. In March 2023, we adopted a unitholder rights plan, which provides, among other things, that when specified events occur, our unitholders will be entitled to purchase additional common units. The unitholders rights plan will expire on March 24, 2028, unless further extended. The common unit purchase rights are triggered ten days after the date of a public announcement that a person or group acting in concert has acquired, or obtained the right to acquire, beneficial ownership of 15 % or more of our outstanding common units. The common unit purchase rights would cause significant dilution to a person or group that attempts to acquire the Company on terms that are not approved by the board of directors of the general partner. These provisions, either alone or in combination with each other, give our general partner a substantial ability to influence the outcome of a proposed acquisition of the Company. These provisions would apply even if an acquisition or other significant corporate transaction was considered beneficial by some of our unitholders.

Risks Related to Our Indebtedness

Our substantial debt and other financial obligations could impair our financial condition and our ability to obtain additional financing and have a material adverse effect on us if we fail to meet our financial and other obligations. At September 30, ~~2023~~ **2024**, we had outstanding under our ~~sixth~~ **seventh** amended and restated revolving credit facility agreement a \$ ~~148~~ **210.5** million term loan, **less than \$ 0.1 million under the revolver portion of the agreement, \$ 5.2 million under the revolver portion of the agreement** ~~letters of credit, \$ 3-14 .2 million of letters of credit, \$ 0.1 million hedge positions were secured under the credit agreement and our availability was \$~~ **202 166.45 million.** (See the ~~sixth amended and restated~~ **credit agreement and at** Note 13 of the Notes to the Consolidated Financial Statements — Long- Term Debt and Bank Facility Borrowings). Our debt is often substantially higher during the heating season as we access our revolving credit facilities to finance accounts receivable and inventory balances. For example, our borrowings

under the revolver peaked at \$ 125-79.6 million during the fiscal 2023-2024 heating season. Our substantial indebtedness and other financial obligations could:

- impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, unit repurchases, paying distributions or general partnership purposes;
- have a material adverse effect on us if we fail to comply with financial and affirmative and restrictive covenants in our debt agreements and an event of default occurs that is not cured or waived;
- expose us to interest rate risk because **certain a significant portion** of our borrowings are at variable rates of interest;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and

If we are unable to meet our debt service obligations and other financial obligations, we could be forced to restructure or refinance our indebtedness and other financial transactions, seek additional equity capital or sell our assets. We might then be unable to obtain such financing or capital or sell our assets on satisfactory terms, if at all. We are not required to accumulate cash for the purpose of meeting our future obligations to our lenders, which may limit the cash available to service the final payment due on the term loan outstanding under our Credit Agreement equity capital and or sell our assets. **We might then be unable to obtain such financing or capital or sell our assets on satisfactory terms, if at all. We are not required to accumulate cash for the purpose of meeting our future growth obligations to our lenders, which may limit the cash available to service the final payment due on the term loan outstanding under our credit agreement. Subject to the limitations on restricted payments that are contained in our credit agreement, we are not required to accumulate cash for the purpose of meeting our future obligations to our lenders.** As discussed above a result, we may be required to refinance the final payment of our term loan, which is expected to be \$ 82-110.6-3 million. Our ability to refinance the term loan will depend upon our future results of operation and financial condition as well as developments in the capital markets. Our general partner will determine the future use of our cash resources and has broad discretion in determining such uses and in establishing reserves for such uses, which may include but are not limited to, **complying with the terms of any of our agreements or obligations** providing for distributions of cash to our unitholders in accordance with the requirements of our Partnership Agreement, providing for future capital expenditures and other payments deemed by our general partner to be necessary or advisable, including to make acquisitions, and repurchasing common units. Depending on the timing and amount of our use of cash, this could significantly reduce the cash available to us in **subsequent periods to make payments on borrowings** under **our credit agreement**. Restrictive covenants in our **Credit credit Agreement agreement** may reduce our operating flexibility. Our **Credit credit Agreement agreement** contains various covenants that limit our ability and the ability of our subsidiaries to, among other things, incur indebtedness, make distributions to our unitholders, purchase or redeem our outstanding equity interests, sell assets, and engage in other lines of business. These restrictions could limit our ability to obtain future financings, make capital expenditures, withstand a future downturn in our business or the economy in general, conduct operations or otherwise take advantage of business opportunities that may arise. Our **Credit credit Agreement agreement** also requires us to maintain specified financial ratios and satisfy other financial conditions. Our ability to meet those financial ratios and conditions can be affected by events beyond our control, such as weather conditions and general economic conditions. Accordingly, we may be unable to meet those ratios and conditions. Any breach of any of these covenants, failure to meet any of these ratios or conditions, or occurrence of a change of control would result in a default under the terms of the **Credit credit Agreement agreement** and cause the amounts borrowed to become immediately due and payable. **If the lenders of our indebtedness or other financial obligations accelerate the repayment of borrowings or other amounts owed, we may not have sufficient assets to repay our indebtedness or other financial obligations.** If we were unable to repay those amounts, the lenders could initiate a bankruptcy proceeding or liquidation proceeding or proceed against the collateral, if any. **If the lenders of our indebtedness or other financial obligations accelerate the repayment of borrowings or other amounts owed, we may not have sufficient assets to repay our indebtedness or other financial obligations.** General Risk Factors **Recessionary Risk Factors** "We are subject to operating and litigation risks that could adversely affect our operating results whether or not covered by insurance. Our operations are subject to all operating hazards and risks normally incidental to handling, storing, transporting and otherwise providing customers with our products such as natural disasters, adverse weather, accidents, fires, explosions, hazardous material releases, mechanical failures and other events beyond our control. If any of these events were to occur, we could incur substantial losses because of personal injury or loss of life, severe damage to and destruction of property and equipment, and pollution or other environmental damage resulting in curtailment or suspension of our related operations. As a result, we may be a defendant in legal proceedings and litigation arising in the ordinary course of business. The Company records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. As we **self - Increases in wholesale product costs may have adverse effects insure workers' compensation, automobile, general liability and medical claims up to pre-established limits, we establish reserves based upon expectations as to what our ultimate liability will be for claims based on our business historical factors. Periodically, we** **claims based on our historical factors.** We evaluate on an annual basis the potential for changes in loss estimates with the support of qualified actuaries. Other than matters for which we self-insure, we maintain insurance policies with insurers in amounts and with coverage and deductibles that we believe are reasonable and prudent. However, there can be no assurance that the ultimate settlement of these claims will not differ materially from the assumptions used to calculate the **liabilities reserves** or that the insurance we maintain will be adequate to protect us from all material expenses related to potential future claims. **Changes in tax laws Recessionary economic conditions and rapid inflation could adversely affect our results of operations and** financial condition **5. Our business and** results of operations **may be adversely affected by changes** , or liquidity," we believe that the war in Ukraine **national or global economic conditions, including inflation, interest rates, availability of capital markets, consumer spending rates, unemployment rates, rising health care costs, energy availability and costs, other -- the negative impacts** geopolitical forces have caused **by global conflicts** a sustained period of high wholesale product costs , **pandemics** which has impacted our profit margins and operating results. An act of terror could result in disruptions of crude oil supplies, markets and facilities, and the source of the products that we sell could be direct or indirect targets. Terrorist activity may also hinder our ability to transport our products if

our normal means of transportation become damaged as a result of an ~~and~~ attack. Instability in ~~public health crises, and~~ the effects of governmental initiatives to manage economic conditions. Volatility in ~~financial markets and deterioration of~~ national and global economic conditions, including rapid increases in inflation, have impacted, and may again impact, our business and operations in a variety of ways. Uncertainty about economic conditions poses a risk as our customers may reduce or postpone spending in response to tighter credit, negative financial news and / or declines in income or asset values, which could have a material negative effect on the demand for our products and services and could lead to increased conservation, as we have seen certain of our customers seek lower cost providers. In addition, recessionary economic conditions could negatively impact the spending and financial viability of our customers. As a result of terrorism, we could experience an ~~also~~ affect our ability to raise capital. Terrorist activity could likely lead to increased ~~increase~~ volatility in the prices of ~~bad debts from financially distressed customers, which would have a negative effect on~~ our products ~~liquidity, results of operations and financial condition~~.