

January 2010

# OIL & ENERGY

OILHEAT • PROPANE • DIESEL FUEL • BIOFUELS

## Expanding Market Share



### *Also Inside:*

Building Relationships with Realtors

Keeping Customers Through Biofuels

How 'Crew Margin' Helps Maintain Clients

Creating an Effective Communications Plan

Publication of the New England Fuel Institute  
Volume 12/Issue 1



NEW ENGLAND  
FUEL INSTITUTE

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## NORA EXTENSION UNDER CONSIDERATION IN SENATE

In late December, the U.S. Senate Energy Committee reported 32 bills for full Senate consideration by unanimous voice vote, including an extension for the National Oilheat Research Alliance (NORA).

The home heating industry is hoping to have NORA extended for at least one year while working on a long-term plan for making it a permanent organization. Dealers are encouraged by the New England Fuel Institute (NEFI) to contact their government representatives and express their support for NORA's reauthorization.

## CALIFORNIA RELEASES PRELIMINARY RULES FOR GHG CAP-AND-TRADE PROGRAM

The California Air Resources Board (ARB) released a preliminary draft version of California's greenhouse gas (GHG) cap-and-trade regulation recently. As proposed, the cap-and-trade regulations will take effect in 2012 and will apply to 605 of the state's largest stationary emitters of GHGs, including industries and power plants, along with electricity imports.

Starting in 2015, the regulations will also apply to fuel suppliers, to help address emissions from vehicles and smaller stationary emitters of GHGs, such as homes and commercial businesses. The regulations will set a cap on GHGs emissions that will decline each year through 2020, in order to help bring the state's GHG emissions down to about 15 percent from today's emission levels.

Under the proposed cap-and-trade program, covered entities will receive a declining number of tradable emissions credits, a portion of which will be available through an auction. A trading system will allow entities with higher emissions to buy credits from entities that have reduced their emissions. For flexibility, the trading program is intended to be linked to the Western Climate Initiative, which includes a large portion of Canada and the western United States.

## NEFI TRAVELS TO ALASKA IN JUNE

The New England Fuel Institute (NEFI) invites participants to the 49th state for a land trip for the 2010 Spring/Summer Energy Conference from June 16 to 24, 2010. Combining the cities of Fairbanks and Anchorage with a stay in Denali National Park, guests will experience the wildlife and untamed wilderness of Alaska.

Among the highlights will be the Trans-Alaska Pipeline, the alternative energy wonderland known as Chena Hot Springs, an all-inclusive authentic salmon bake, the Iditarod Trail Sled Dog evening event, the Alaska Railroad Dome Car trip from Denali to Anchorage, Mt. McKinley and more.

There will be opportunities for flying north into the Arctic Circle and landing in the wilderness, panning for gold or making a stop at the Flint Hills Refinery, which processes about 220,000 barrels of crude oil a day. Complete information will be available at [www.nefi.com](http://www.nefi.com) when it is available, or contact Tracy Goodwin, NEFI VP and director of events at (617) 923-5015 or [tracy@nefi.com](mailto:tracy@nefi.com).

## THE DIFF.

Spot Prices (Cents/Gallon) as of December 15, 2009\*

New York Harbor No. 2 Fuel Oil / Heating Oil	New York Harbor No. 2 Diesel Low Sulfur	U.S. Midcontinent No. 2 Diesel
<b>199.30</b>	<b>201.10</b>	<b>190.80</b>

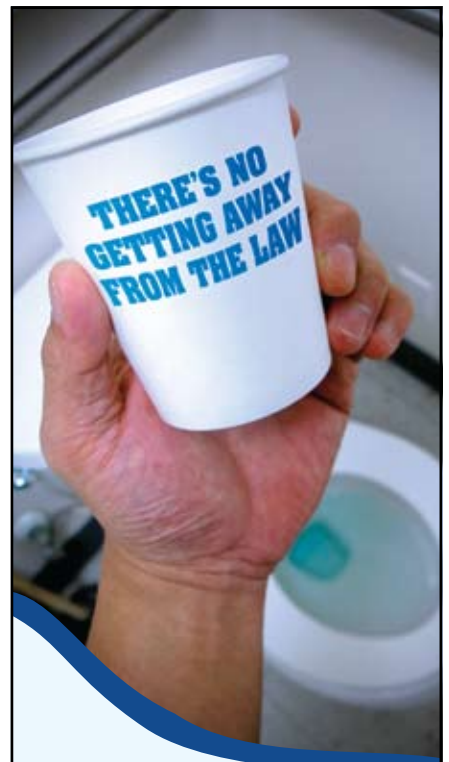
\*Figures taken from Energy Information Administration's "This Week In Petroleum."



## THE BAROMETER

Comparing Heating Oil to Other Financial Products

	December 15, 2009	One Year Ago
No. 2 Fuel Oil/New York (cents/gallon)	199.30	140.10
Crude Oil (dollars/barrel)	\$70.53	\$43.46
10-year Treasury Bill	3.59%	2.11%
30-year Mortgage	5.07%	5.53%
Dow Jones Average	10,463.42	8,845.13



## Mandatory Drug & Alcohol Testing Regulations for Motor Carriers...

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# january



**NEFI Action Center: From Washington** ..... **10**  
 Mark Morgan, NEFI Regulatory Counsel, says that the recent Environmental Protection Agency (EPA) E15 waiver delay sends mixed messaging, while Jim Collura, NEFI Vice President for Government Affairs, writes about the activity the Action Center faced in 2009 and the work left to be done in 2010.



**States Plan Equipment Rebate Programs** ..... **12**  
 With newly released money from the American Recovery and Reinvestment Act (ARRA), states are now finalizing programs that are expected to greatly increase the amount of rebate money available for upgrades of inefficient heating systems. We look at the timeline for some of the programs and where dealers can learn more.



**Oil Market Stance: Paying Attention to 'Crew Margin'** ..... **14**  
 Kris Magnusson of Hedge Solutions writes about "crew margin," which is the margin lost or gained by having a well-synchronized team of employees. She writes about how to build and maintain such a group and improve your crew margin. Magnusson, manager of client services, can be reached at kris@hedgesolutions.com or (800) 709-2949.



**Q&A: Cameron Hanover's Peter Beutel** ..... **16**  
 As serious financial reform winds its way through the U.S. Congress, financial firms have increased their lobbying to prevent completely transparent and fair trading. Oil & Energy talks with Peter Beutel of energy consulting firm Cameron Hanover, who has experience as a commodities trader, about where he sees the market going and what reforms he hopes the government pushes through.



**Biz Tip: How to Create and Maintain an Emergency Manual** ..... **20**  
 John Nardozi of Nardozi Consulting writes about the important of creating and maintaining an emergency manual for home heating oil companies. Though it might seem unnecessary, it can be critical for small businesses in case of unexpected circumstances. Nardozi can be reached at jnardozi@nardoziconsulting.com.



**Biz Tip: Realtors as the Key to Your Success** ..... **22**  
 Expanding and maintaining market share requires constant innovation and tapping into real estate connections can pay off in those regards, writes Rich Carrione, marketing director at Warm Thoughts Communications. Carrione advises Oilheat companies on the best ways to initiate and maintain fruitful relationships with Realtors. He can be contacted at (201) 330-9276, ext. 232 or rcarrione@warmthoughts.com.



**Bioheat®: Keeping Customers through Biofuels** ..... **26**  
 Michael Devine, CEO of the Earth Energy Alliance, says that many current and forthcoming state and federal regulations are creating an active marketplace for biofuels, which is quickly increasing its loyal customer base, and giving dealers a unique marketing angle for their businesses. Devine can be reached at (203) 221-3044 or mike@earthenergyalliance.com.



**Propane: Communicating New Ideas to Marketers** ..... **30**  
 Joe Rose, president of the Propane Gas Association of New England (PGANE), writes about how energy marketers can use different methods of communication to maintain a solid relationship with their customers.



**Weather Trends: Patterns May Battle for January Dominance** ..... **33**  
 John Bagioni of Fax-Alert Weather Service looks at competing weather patterns that could determine the severity of this winter's weather and how likely they are to dominate the Northeast. Bagioni can be reached at johnbag@comcast.net.

## OIL&ENERGY

OILHEAT • PROPANE • DIESEL FUEL • BIOFUELS

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Calendar.....	p. 34	Marketplace.....	p. 34
Classifieds.....	p. 36	NEFI FYI.....	p. 7, 8
Degree Days.....	p. 36	State News.....	p. 28, 29
Industry News.....	p. 21	The Stats Page.....	p. 38
Fire Box.....	p. 32	Think About It.....	p. 38



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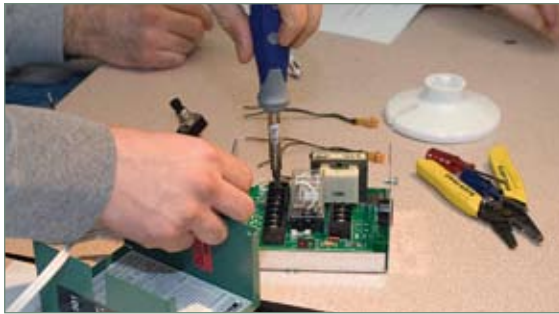
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MAR 11-12	"Compleat" Boiler Room (CBR)	See above
MAR 25-26	Hydronic Control Strategies (HCS)	Learn to conduct an accurate heat loss analysis with pencil, paper, and calculator. Learn how to use our state of the art FloPro Design software. Plenty of hands-on. Sure to benefit any experienced hydronics designer. Basic computer skills required.
APR 8-9	"Compleat" Boiler Room (CBR)	See above
APR 22-23	Hydronic Control Strategies (HCS)	See above
JUNE 24-25	"Compleat" Boiler Room (CBR)	See above
JUL 8-9	Hydronic Heat Loss and Design (HHD)	See above
SEPT 23-24	Hydronic Control Strategies (HCS)	See above
OCT 21-22	"Compleat" Boiler Room (CBR)	See above



### New this year are several "Off-Campus" locations:

#### Minneapolis:

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 May 13-14 HCS  
 May 20-21 HHD  
 June 17-18 CBR

#### Denver:

June 10-11 CBR  
 August 5-6 HCS  
 Sept 9-10 HHD

#### New Jersey:

July 29-30 CBR  
 August 19-20 HCS

#### Philadelphia:

Oct 7-8 CBR

**Visit [www.NEFI.com](http://www.NEFI.com) for late breaking news.**

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Mark S. Morgan, Esq., New England Fuel Institute Regulatory Counsel: [mark@nefi.com](mailto:mark@nefi.com)

## **EPA Announcement Clears Way for Limitations on Greenhouse Gas Emissions**

The U.S. Environmental Protection Agency (EPA) issued a formal announcement recently that greenhouse gas emissions (GHGs), including carbon dioxide, endanger public health.

The U.S. Supreme Court ordered the EPA to make the health endangerment determination pursuant to *Massachusetts v. Environmental Protection Agency*. The immediate consequence of the endangerment finding is to authorize the EPA to regulate greenhouse gas emissions under the Clean Air Act. Greenhouse gas emissions have not been subject to the Clean Air Act before then endangerment finding.

The announcement was designed not only to satisfy the Supreme Court mandate but also to signal the Obama administration's commitment to curb U.S. greenhouse gas emissions at the start of the international summit in Copenhagen, Denmark, where representatives from more than 180 nations met to discuss possible global limitations on such emissions. The announcement also sends a political ultimatum to Congress—enact legislation to limit greenhouse gas emissions soon or the EPA will do so on its own.

The president and EPA Administrator Lisa Jackson are both on record as supporting a Congressional approach to greenhouse gas emissions rather than through EPA regulations. The Competitive Enterprise Institute (CEI) announced plans to challenge the EPA determination in federal court.

The EPA is already contemplating GHG emission limits beyond its proposed rulemaking on higher federal fuel economy standards. The EPA is considering a cap-and-trade program that focuses on emissions from major stationary sources emitting more than 25,000 tons of greenhouse gas emissions per year—primarily from power plants, large industrial facilities and oil refineries.

Business leaders generally agree that an EPA top-down "command and control" approach to limiting greenhouse gas emissions would be too onerous, unfairly focus on only the largest stationary emission sources and choke economic growth.

NEFI has serious concerns about the wisdom of implementing a national cap-and-trade program and nature of such a program to choose "winners and losers" in its credits, free allowance and offset systems.

Legislation in the Senate is currently stalled, pending introduction of a new cap-and-trade bill by an alliance of Sen. John Kerry, D-MA, and moderates Joe Lieberman, I-CT, and Lindsey Graham, R-SC, in early 2010. Sen. Maria Cantwell, D-WA, has also introduced a competing "cap-and-dividend" system that would avoid a Wall Street-based carbon trading scheme and the free allowances. NEFI is currently reviewing this legislation.

Eventually, the EPA is expected to regulate all GHG emissions sources, including heating oil, natural gas (methane) and propane.

## **House Approves OTC Trading Reform in Wall Street Reform Bill**

The U.S. House of Representatives has approved legislation requiring transparency and regulation of off-exchange trading, known as over-the-counter (OTC) swaps and derivatives trading, as part of a sweeping "Wall Street reform" package. The development is a major victory for the New England Fuel Institute (NEFI), the Petroleum Marketers Association of America (PMAA) and their members and allies. H.R.4173 was approved by a vote of 223-202 and now heads to the Senate.

The OTC reform provisions, specifically, would expand the authority of the Securities and Exchange Commission (SEC) and the Commodity Futures Trading

Commission (CFTC) over currently opaque and unregulated off-exchange market activity, including OTC and foreign exchanges.



It would require that swaps and derivatives deals by financial institutions be transacted out in the open, bringing much needed transparency and oversight to the process, as well as extend speculative limits to these markets. Commercial players who have legitimate risk management (hedging) needs, such as fuel retailers, airlines, and companies who engage in other forms of hedging, such as currency or credit, will be eligible for exemptions from these requirements under certain conditions.

The inclusion of the OTC reform legislation in the broader bill was approved in an amendment by voice vote. Two other amendments were passed to make vital improvements to the bill: an amendment offered by Rep. Collin Peterson, D-MN, which preserves the authority of regulators—not Congress or the banks—to define what are considered legitimate risk management needs in gaining exemptions from the bill; and an amendment offered by Rep. Stephen Lynch, D-MA, that limits the percentage of an exchange that can be owned by financial institutions in order keep them from "controlling the police station," according to Lynch.

## **Plan to Tax Oil Speculators Discussed in House**

House Majority Leader Steny Hoyer, D-MD, recently said that a transaction tax on securities, futures and swaps is still under consideration to make Wall Street pay more of the economic recovery effort. Congressman Peter DeFazio, D-OR, and Rep. Michael Arcuri, D-NY, are circulating a plan that could raise \$150 billion annually

through a .25 percent tax on securities trades and a .02 percent tax on futures and swaps.

Earlier, DeFazio introduced a proposal to tax oil speculators in order to raise nearly \$190 billion to fund a \$450 billion highway spending bill. The plan is to tax crude oil futures at .02 percent and the premium of a crude oil option at .5 percent. And finally, Sen. Ron Wyden, D-OR, has introduced legislation in the Senate that would overturn the tax exemptions afforded certain financial speculators in commodities markets who are classified for IRS reasons as nonprofits. NEFI supports the Wyden bill.

## **Amended Wetlines Bill Approved by House Committee**

Because of substantial industry opposition to legislation requiring gasoline transport trucks to use wetlines purging equipment, Rep. James Oberstar, D-MN, chairman of the Transportation and Infrastructure Committee, proposed compromise language that was revised and amended during a recent markup.



Originally Oberstar proposed language that would respond to the Petroleum Marketer Association of America's (PMAA) request to allow the U.S. Department of Transportation (DOT) to have the final say on wetlines regulation through rulemaking. Unfortunately, Oberstar was only giving DOT full jurisdiction over "retrofits" and would force DOT to act within three years or retrofits would be required in 2020. In working with several members of the committee, PMAA had asked for a date later than 2020. Ultimately, the retrofit date

was moved to 2025; however, the rulemaking provision was not included.

PMAA plans to pursue some floor amendments with Rep. Oberstar and will begin proactive lobbying efforts in the Senate. The wetlines legislation would affect tanker trucks, but would exempt most straight trucks, including those that deliver home heating oil.

## Fees Report Slams Credit Card Industry

The Government Accountability Office (GAO) recently issued its long anticipated report on credit card interchange fees. The report highlighted that Visa and MasterCard have been misleading the public about the unfair and burdensome swipe fees.

structure is complicated and confusing, "in 1991, the card companies each had four standard domestic interchange fee rate categories, but by 2009, Visa had 60 and MasterCard had 243 different rate categories that could be charged to card transactions."

Senate Banking Committee Chairman Christopher Dodd, D-CT, has repeatedly said that he would tackle interchange fees during this Congress.

## DOT Issues Much-Anticipated Rules to Enhance Pipeline Safety

U.S. Transportation Secretary Ray LaHood recently announced new Federal regulations for operators of natural gas and hazardous liquid pipelines. The two rules to be published in the Federal Register will include a requirement for operators of natural gas distribution pipelines to adopt integrity management programs similar to current requirements already in place for larger transmission pipelines. In addition, the U.S. Department of Transportation (DOT) is calling for strengthened management and oversight of control room operations for all types of DOT-regulated pipelines.

Integrity management programs combine periodic inspection and testing of a pipeline's condition with continuous management processes to collect, integrate, analyze and apply information about possible threats.



The new integrity management rule for natural gas distribution pipelines incorporates the same basic principles as requirements for transmission

pipelines, but accommodates the significant differences between the two pipeline types.

In addition, the rule requires distribution operators to install excess flow valves in new and replaced services for single-family residences where conditions are suitable for their use. Unlike requirements for transmission pipelines that are limited to "high-consequence areas," the new distribution integrity management rules will be applied to an operator's entire system.

Hazardous liquid and gas pipelines are often monitored in a control room through computer-based equipment, such as a SCADA system, that records and displays operational information about the pipeline system, such as pressures, flow rates, and valve positions. These monitoring and control actions are a principal means of managing pipeline operations. The new control room management requirements improve opportunities to reduce risk through providing more effective control of pipelines.

DOT developed the rules in cooperation with Congress, the NTSB and the pipeline industry.

## EPA Delays E15 Waiver Decision

The U.S. EPA announced recently that it will delay a decision on a Clean Air Act waiver request that would allow the use of ethanol blends greater than E10 in conventional fueled vehicles. The waiver request was filed last April by Growth Energy, a consortium of ethanol producers.

However, in a letter to Growth Energy, the EPA said the decision must be delayed until additional testing is completed on the effects of E15 use on conventional fueled vehicle engines and emission systems. The EPA said a waiver decision is now likely to occur by August 2010. Interestingly, the EPA noted in the letter that preliminary test results indicate that "robust fuel, engine and emissions control systems" on model year 2001 and newer vehicles are likely able to accommodate higher ethanol blends, such as E15. The EPA added "should the test results remain supportive and provide the necessary basis, we would be in a position to approve E15 for 2001 and newer vehicles in the midyear time frame."

Such a result would create a two-tier fuel system for older and newer cars that cannot be easily or economically

supported by current retail storage and dispensing infrastructure. Misfueling would also become a major concern despite EPA plans for a new dispenser label directing consumers to the



appropriate fuel should a partial waiver be approved. The bottom line is that if EPA approves a partial waiver, it will not require an E15 blend, but simply approve its use. The ultimate decision on whether E15 is made available would be left to refiners, who are likely to have major concerns with a two-tier ethanol blend distribution system.

## NEFI Welcomes New Members

New England Fuel Institute welcomes two new members.

### WHOLESALE/RETAIL MEMBER: World Fuel Services

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World Fuel Services is a wholesale supplier and reseller of fuel.

### ASSOCIATE MEMBER: Allegheny Valve & Coupling Inc.

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## Legislative & Regulatory Action Center

### EPA's E15 Waiver Delay Causes Mixed Messaging

Mark S. Morgan, Esq., NEFI Regulatory Counsel

The U.S. EPA's recent announcement delaying a decision on whether to allow E15 gasoline blends for use in conventional fueled vehicles until next summer is sensible, but at the same time mystifying, for petroleum marketers.

First, some background is probably warranted. Last April, a group of ethanol producers asked the EPA to waive a provision in the Clean Air Act that limits ethanol blends used in conventional fueled vehicles to a maximum 10 percent content. Ethanol producers are concerned that without a waiver to clear the way for an E15 blend, petroleum refiners will be unable to meet annual renewable fuel blending mandates required by Congress.

Of course, petroleum marketers have important concerns of their own about E15, but for different reasons. Marketers are concerned that allowing E15 for use in conventional fueled vehicles will create a significant risk of liability for damaged auto emission control systems and failure of petroleum storage and dispensing equipment.

There is also concern that introducing E15 into storage tanks, piping and dispensers will void equipment warranties, insurance coverage and violate local fire marshal requirements. For its part, the EPA is concerned that E15 could damage auto emission systems in conventional fueled vehicles, resulting in an increase in tailpipe emissions. Finally there is an array of additional E15 concerns ranging from its effects on lawn care equipment to marine fuel tank and engines.

Given these concerns, it makes sense to the casual observer that the EPA should take the additional time to make a well-reasoned decision on E15 that is supported by sound research. After all, there are so many unknowns with regard to E15, so little information available or studies completed on the effects of mid-level ethanol blends on conventional fueled vehicles, underground storage tanks (UST), marine equipment and even lawnmowers that it would be irresponsible to rush the decision making process.

The delay makes sense, but what the EPA intends to do, or more accurately, not do with its extra time is what is so mystifying to many petroleum marketers. The EPA said the delay is necessary to finish a test program that is currently in the works to determine the effects of ethanol blends between E10 and E20 on automobile emission systems.

What is so mystifying is that the EPA's efforts are solely focused on automobile emission systems. Despite the many issues raised by stakeholders affected by a possible E15 waiver, the agency will not be studying or collecting information on E15 effects on UST corrosion rates, degradation of plastic piping or rubber gaskets and seals in fuel dispensers. The EPA will not consider the burden placed on petroleum marketers from voided equipment warranties, cancelled insurance policies or increased liability that is likely to result from the introduction of E15 in its decision making process. Nor will there be consideration of equipment replacement costs faced by petroleum marketers if the waiver is approved. The agency is fully aware of these issues.

It seems incomprehensible to most that the EPA could make a decision as important as an E15 waiver with a total bureaucratic vacuum. Outrageous as this may be, it is nevertheless true.

There are a couple of reasons why the EPA can get away with brushing marketer concerns aside. First, under the Clean Air Act, the EPA is only required to consider the effects of a waiver of the E10 maximum blend requirement on air quality standards. Underground tanks, equipment liability insurance coverage and warranty revocation do not qualify for consideration under these criteria.

And that brings us to the real reason why marketer issues are seemingly off the table with respect to an E15 waiver.

The EPA does not want to consider the wider implications of the E15 waiver because it is politically untenable to do so. The agency risks not only the anger of the powerful farm lobby and its friends in Congress if it denies the waiver, but also jeopardizes derailing the entire Renewable Fuel Standard by falling short of the statutory mandate to use 36 billion gallons of renewable fuels in gasoline and diesel fuel by 2022.

Evidently, the EPA reasons it can take the heat from the myriad of interests brushed aside in the decision making process by reminding stakeholders that a waiver would not mandate E15 but simply allows its use. The EPA is telling marketers if you are concerned about putting E15 in your UST systems, don't use it.

This argument, however true, conveniently dispenses with the broader concerns with regard to E15, which may be too hot for the agency to handle. Unfortunately, the EPA's response simply begs the question—will marketers really have the luxury of making a choice between E10 and E15?

### Thank You for Your Support in 2009

Jim Collura, NEFI Vice President for Government Affairs

On behalf of everyone on staff at the New England Fuel Institute's (NEFI) Legislative and Regulatory Action Center, we would like to thank all NEFI members, Oil & Energy subscribers and friends of the industry for their support. We cannot do it without you.

An unprecedented level of challenges emerged in 2009. The nation's political and public policy landscape has changed since the 2008 election. Big business utilities have grown more aggressive in both marketing and in lobbying energy policy on Capitol Hill and in the states. Wall Street interests have invested hundreds of millions of dollars in lobbying against trading reforms. And legislative policy and EPA regulations are now moving aggressively to address climate change.

NEFI and its allies in the industry and in various like-minded coalitions are working to turn those challenges into opportunities. NEFI is a national partner in advancing a bold new national agenda that will launch in 2010. Through its full-time staff in New England and Washington, D.C., NEFI members are kept up-to-date on the latest developments and through grassroots efforts, a chance to be part of the movement.

Expect much more from NEFI in 2010. Congress will be voting on major legislation, including a national cap-and-trade program and clean energy bill, another stimulus program targeting home efficiency and weatherization, Wall Street trading reform and much more.

We look forward to your continued support—in fact, we are now taking NEFI Action Center Fund contributions for 2010. You can donate by visiting [www.nefactioncenter.com](http://www.nefactioncenter.com) or by calling Dave Rocco at the NEFI Action Center at (617) 923-5022 or e-mailing [dave@nefi.com](mailto:dave@nefi.com). Thank you again and happy New Year!



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**COMMITMENT COMES WITH NAMES ATTACHED**  
**WE ARE PLEASED TO RECOGNIZE OUR VALUED SUPPORTERS**

**2009 CONTRIBUTORS as of December 16, 2009**

**\$10,000**

Fawcett Energy Partners, Inc. Kingston, MA  
 James Devaney Fuel Co. Newton, MA  
 Sprague Energy Corp. Portsmouth, NH

**\$7,500**

Atlas Glen-mor Oil Chelsea, MA  
 Peterson Oil Service Worcester, MA  
 Total Energy Solutions, LLC Portsmouth, NH

**\$5,000**

Arlex Oil Corp. Lexington, MA  
 Noonan Energy Corp. Springfield, MA  
 Townsend Oil Co. Inc. Danvers, MA

**\$3,000 And Up...**

Scott - Williams Inc. Quincy, MA  
 Alvin Hollis & Co. South Weymouth, MA  
 Buckley Heating & Cooling Peace Dale, RI  
 Champion Energy New Rochelle, NY  
 Cota & Cota Inc. Bellows Falls, VT  
 MacFarlane Oil Dedham, MA  
 MacLellan Oil Co. Tewksbury, MA  
 Wesson Energy Inc. Waterbury, CT  
 New York Oil Heating Association New York, NY

**\$1,750 And Up...**

Cheshire Oil Co. Keene, NH  
 Dupuis Oil Pawtucket, RI  
 Fred Fuller Oil Co. Hudson, NH  
 L. E. Belcher Inc. Springfield, MA  
 Noar's Oil Worcester, MA  
 Scott Oil Co. Gloucester, MA  
 W. H. Riley & Son Inc. North Attleboro, MA  
 C. K. Smith Oil Company, Inc. Worcester, MA  
 Coan Inc. Natick, MA  
 Energy Kinetics Inc. Lebanon, NJ  
 Munhall Energy Co. Watertown, MA  
 Medway Oil Co. Inc. Medway, MA  
 Dominick Fuel Inc. Norwalk, CT  
 Faulkner Brothers Inc. Somerville, MA  
 Fleming Oil Co. Brattleboro, VT  
 Keyser Energy Rutland, VT  
 Lipton Energy Pittsfield, MA  
 Osterman Propane Whitinsville, MA  
 T. H. Malloy & Sons Cumberland, RI

**\$1,000 And Up...**

Fratlicelli Oil Co. Leominster, MA  
 H. R. Clough Inc. Contoocook, NH  
 Warren Ent./Fisher-Churchill Dedham, MA  
 Anderson Fuel North Scituate, MA  
 Julians, LLC Medway, MA  
 Northboro Oil Co. Inc. Northboro, MA  
 Palmer Gas Co. Inc./Ermer Oil Co. Atkinson, NH  
 Stadium Oil Heat Inc. Peabody, MA  
 East Providence Fuel Oil Co. E. Providence, RI  
 Alpha Oil Co. Inc. Wilbraham, MA  
 Ayer & Goss Inc. Henniker, NH  
 Barrieau Oil Co. Inc. W. Hartford, CT  
 Bursaw Gas & Oil Inc. Acton, MA  
 Chabott Coal & Oil Inc. Keene, NH  
 City Fuel Co. Manchester, NH  
 Concord Oil Co. Inc. Concord, MA  
 Cubby Oil Co. Somerville, MA  
 D R Richard Dover, NH  
 Daniels Oil Co. Inc. Portland, CT  
 Dennis K. Burke Inc. Chelsea, MA  
 Densmore Oil Co. Mystic, CT  
 Dolinsky Associates West Cornwall, CT  
 Griffith Energy Services Columbia, MD  
 Hedge Solutions, Inc. Manchester, NH  
 Horan Oil Corp. Stoughton, MA  
 Huhtala Oil East Templeton, MA  
 Kerivan-Lane Inc. Needham, MA  
 Metro Energy DBA M&T Oil South Boston, MA  
 Norbert E Mitchell Inc. Danbury, CT  
 Orange Oil Co. Inc. Orange, MA  
 Standard Oil of CT Bridgeport, CT  
 Wilcox Fuel Inc. Westbrook, CT  
 Wolfeboro Oil Co. Inc. Wolfeboro, NH

**\$600 And Up...**

Atlantic Pratt Oil Co. Inc. Braintree, MA  
 Howell Fuel Inc. Fairfield, CT  
 Needham Oil & Air, LLC Needham, MA  
 Stocker Oil Co. Peabody, MA  
 Reliable Oil & Heat Co. Glenbrook, CT  
 Reggie's Oil Co. Inc. Quincy, MA  
 Rowayton Fuel & Oil Co. Inc. Norwalk, CT  
 Bourne's Inc. Morrisville, VT  
 Homestead Fuel Inc. Ellington, CT  
 Landry & Martin Oil Co Inc. Pawtucket, RI  
 Stafford Oil Company Inc. Laconia, NH  
 Sunshine Oil Co. Bristol, RI  
 State Line Oil Co. Granby, CT  
 A. Hohmann & Co., Inc. Dorchester, MA  
 Affordable Oil, LLC Rollinsford, NH  
 Albert Culver Co. Rockland, MA  
 Angus Partners Ft. Lauderdale, FL  
 Ashley Fuel Inc. Beverly, MA  
 Augusta Fuel Co. Augusta, ME  
 B & B Oil Co. Charlestown, MA  
 Baker-Whitney Oil Co. Acton, MA  
 Bigelow Oil Co. Newton Upper Falls, MA  
 Blue Cow Software Lynnfield, MA  
 Boston Steel & Mfg. Co. Malden, MA  
 Brideau Oil Corp. Fitchburg, MA  
 Brow Oil Co. Braintree, MA  
 Central Mass Oil Rutland, MA  
 Chapman Fuel Inc. Gardiner, ME  
 Continental Fuel Co. Inc. Bridgeport, CT  
 D. Ferruccio & Son Inc. Hudson, MA  
 Dunn Oil Co. Inc. Maynard, MA  
 Dutchess Oil & Propane Co. Millerton, NY  
 Erickson Fuel Co. Inc. Medford, MA  
 Federal Heating & Eng. Co. Inc. Winchester, MA  
 Fuel Services Inc. Westfield, MA  
 Gault Inc. Westport, CT  
 Gillespie Fuels & Propane Inc. Northfield, VT  
 Goodrich Oil Co. Inc. Newport, NH  
 Gottier Fuel Co. Inc. Rockville, CT  
 Guy E. Nido Inc. Wilmington, VT  
 Haffner's Service Stations, Inc. Lawrence, MA  
 Hall Oil Co. South Dennis, MA  
 Henry Oil Co Inc Providence, RI  
 Holden Oil Inc. Peabody, MA  
 Huckleberry Heating Oil, LLC Boscawen, NH  
 Imperial Oil Co. South Windsor, CT  
 Interstate Gas & Oil Corp. Sudbury, MA  
 Ives Bros DBA A Plus Oil Willimantic, CT  
 J. & S. Oil Co. Inc. Manchester, ME  
 J. J. Sullivan Inc. Guilford, CT  
 Jack F. Corse Propane, LLC Cambridge Jctn, VT  
 James E. Kimball, Jr. Inc. GT Barrington, MA  
 John A. Healy & Sons Westford, MA  
 JRRBC Inc. Hudson, MA  
 Knight Fuel Co. Hudson, MA  
 L F Powers Company Waterbury, CT  
 Lakeside Oil Co. Inc. Marlboro, MA  
 Lees Oil Service Inc Westport Point, MA  
 Mass Energy & Oil Pittsfield, MA  
 McCarthy Heating Oil Svc. Quaker Hill, CT  
 Mello Fuel Inland Oil Terminal Jamaica Plain, MA  
 Murphy Fuel Corp. Waltham, MA  
 New England Oil Co. Inc. Greenwich, CT  
 PBLs Ent. T/A LS Fuel Libertytown, MD  
 Perry's Oil Svc. Bradford, VT  
 Petrocom Energy Group, LLC Houston, TX  
 Pioneer Propane Co. Harrison, AR  
 R F Oil Fuel Oil Leighton, PA  
 Rand-Handy Oil Co. Marshfield, MA  
 Robert Greene Inc. Bennington, VT  
 Sherman Oil Co. West Brookfield, MA  
 Sippin Energy Products Monroe, CT  
 Sochia's Oil & Gas Inc. East Douglas, MA  
 Star Petroleum Co. Inc. Foxboro, MA  
 Swanze Oil, LLC West Swanze, NH  
 Tasse Fuel Corp. Southbridge, MA  
 Town Oil Co. Wethersfield, CT  
 Waldo-Thompson Brothers Inc. Waldo, ME

**...\$600 And Up...**

West Oil Co. Inc. North Adams, MA  
 Westmore Fuel Co. Inc. Greenwich, CT  
 Whiting Energy Fuels Holyoke, MA  
 Whitney Brothers Oil Co. Clinton, MA  
 Winthrop Fuel Co Inc Winthrop, ME

**\$300 And Up...**

Advanced Fuel Solutions, Inc. North Reading, MA  
 Fred's Plumbing & Heating Derby, VT  
 Marran Oil, LLC Holtsville, NY  
 Micheletti Oil Service Inc. Johnston, RI  
 E. P. Cotter Oil Co. Norwood, MA  
 Madison Oil Co. Inc. Madison, CT  
 Mesick Oil Co. Dolgeville, NY  
 Pallett Oil Co. Inc. Chesapeake, VA  
 Premium Fuels DBA Al's Oil Shrewsbury, MA  
 Arlington Fuel Oil Co. Arlington, MA  
 Atlantic Discount Oil Co. Inc. Gloucester, MA  
 Avatas Payment Solutions Beverly, MA  
 Benway Oil Co. Milton, MA  
 Braley & Wellington Insurance Agency Worcester, MA  
 Cetane Associates, LLC Ellicott City, MD  
 Columbus Energies Inc. Swansea, MA  
 Dempsey Oil Dedham, MA  
 Dorr Oil Co. Inc. Manchester Center, VT  
 East Coast Petroleum Stoughton, MA  
 Foley Oil Co. Inc. Laconia, NH  
 Giguere & Marchand Oil Services Inc. Blackstone, MA  
 Glendale Oil Service Inc. Glendale, RI  
 Goulart Oil Inc. Dighton, MA  
 Guardian Fuel & Energy System Westerly, RI  
 Hayes Oil Co. Waltham, MA  
 Hiller Fuels Inc. Marion, MA  
 Hilton Oil Co. Inc. Lawrence, MA  
 Jennings Oil Co. Danbury, CT  
 John's Fuel Service dba John's Oil Co. Lynn, MA  
 Kieras Oil Inc. North Amherst, MA  
 Lemay Oil Co. Inc. Hartford, CT  
 Lincoln Laboratory Leicester, MA  
 McKusick Petroleum Co. Dover-Foxcroft, ME  
 Michaud & Raymond Oil Inc. Peabody, MA  
 Nardone Oil Co. Wakefield, MA  
 Needham Energy Inc. Needham Heights, MA  
 Patten Oil Co. Inc. Rutland, VT  
 Putnam Fuel Company Inc. Goffstown, NH  
 R. E. R. Fuel Service N. Billerica, MA  
 Rose's Oil Svc / Todd Oil Co. Rockport, MA  
 Sinclair Heating Co. Walpole, MA  
 Sorenti Bros. Inc. Sagamore Beach, MA  
 Spring Brook Ice & Fuel Svc. New Britain, CT  
 Swezey Fuel Patchogue, NY  
 Total Fuel Sevices Corp. New Rochelle, NY  
 Towne Heating Co. Inc. Swansea, MA  
 Wagner Brothers Boylston, MA  
 Wehof Forms Somerville, NJ

**\$100 And Up...**

Murray Oil Co. Turner, ME  
 Niccoli Bros. Oil Inc. Brockton, MA  
 Booma Oil Lynn, MA  
 Boston Environmental, LLC Portsmouth, NH  
 Cape Ann Oil Gloucester, MA  
 Community Oil Co. Cambridge, MA  
 H. H. Snow & Sons Inc. Orleans, MA  
 Port Oil Billerica, MA  
 S-K Quality Fuel Inc. Oquossoc, ME  
 Bousquet Oil Woonsocket, RI  
 Perillo Brothers Farmingdale, NY  
 Interstate Biofuels Roslyn Heights, NY  
 Arrow Fuel Seekonk, MA  
 Blanchard Oil Co. Orleans, VT  
 Gray Gray & Gray Westwood, MA  
 Guy's Inc. Niantic, CT  
 Harvard Oil Co. Harvard, MA  
 Linwood Fuel Inc. Hyde Park, MA  
 People's Fuel Inc. Gardner, MA  
 Prendergast Oil Co. Watertown, MA

If you would like more information on how NEFI's Legislative & Regulatory Action Center serves your interests, and how you can contribute to our annual efforts, please email jimcollura@nefi.com, or telephone 617-924-1000.

**Visit [www.NEFIActionCenter.com](http://www.NEFIActionCenter.com)**



## States Plan 2010 Equipment Rebate Programs

**WHILE MANY OF THE LARGE FEDERAL GOVERNMENT PROGRAMS TARGETED LARGE FINANCIAL** institutions with bailouts, more programs that can directly aid home energy dealers and their customers are now being planned and could provide a boon for companies to offer equipment upgrades as well as touting efficiency savings.

The combination of limited-time incentives and the ability to earn back the cost of the equipment through savings could be a potent combination to convince customers to upgrade older systems. Currently, states are in the process of applying for the rebate money, which is expected to arrive later in 2010.

President Barack Obama also promised to use part of the \$200 billion from the TARP bailout funds to fund a new national stimulus program that will include money for a new program that could focus on enhancing and expand existing Section 25C home efficiency tax credits for home efficiency improvements, including weatherization and HVAC systems.

The program will likely come before Congress in early 2010. The New England Fuel Institute (NEFI) and other industry stakeholders are collaborating on a message regarding the proposal and are following the issue closely.

The following information is just the latest news on the programs released by certain states. Dealers are encouraged to contact their local state energy office for new developments throughout 2010. For the latest information on federal incentives and programs, see [www.energy.gov/recovery](http://www.energy.gov/recovery).

is intended to compliment residential energy conservation programs electric utilities will offer for heating, ventilation and air conditioning appliances that operate on electricity.

The governor said that he anticipates receiving approval for the program from the U.S. Department of Energy by the end of this year and hopes to have funds available for equipment by March 2010.

The new state rebate program will focus on HVAC and water heating equipment that uses natural gas, propane and oil. Eligible equipment must be new and meet or exceed Energy Star standards. The program could potentially fund 32,000 HVAC installations.

It will complement the energy conservation programs electric utilities and suppliers are required to implement for ratepayers under Act 129 of 2008, such as offering rebates for appliances and electric HVAC equipment.

To learn more about how the federal economic stimulus program will benefit communities across Pennsylvania or to view the submitted application, visit [www.recovery.pa.gov](http://www.recovery.pa.gov).

### RHODE ISLAND

Rhode Island was awarded approximately \$1 million in appliance rebate funds and will allocate 73 percent of the funds to rebates on Energy Star heating equipment and 27 percent of the funds to Energy Star kitchen appliances.

Planned rebates are currently \$1,300 for combined high-efficiency boiler and water heating systems and \$300 on indirect water heater, which may in some cases be combined with local utility rebate/discount programs.

The heating system rebates are planned to start in March 2010. Since there are limited funds available, rebates will be on a first-come, first-serve basis while funds last.

For information on the program, contact Janet Keller at the Office of Energy Resources at (401) 574-9126 or [jkeller@energy.ri.gov](mailto:jkeller@energy.ri.gov).

### VERMONT

Vermont's Energy Efficient Appliance Rebate Program will receive an additional \$536,400 from the U.S. Department of Energy (DOE). Funded by the American Recovery and Reinvestment Act, the program provides rebates to consumers replacing used appliances with new Energy Star-certified appliances.

Vermont's program, which will be administered by the Vermont Energy Investment Corporation through the Department of Public Service, is scheduled to begin in March. These savings will be added to the current Efficiency Vermont "Save More with Energy Star" promotions. For more information, see [www.recovery.vermont.gov](http://www.recovery.vermont.gov). ☐

### NEW HAMPSHIRE

In December 2009, the U.S. Department of Energy approved the New Hampshire Office of energy and Planning's (OEP) Appliance Rebate Program proposal. The plan is a progressive one aimed at offering rebates to residents for the replacement of their inefficient home heating systems. This will include boilers, furnaces and hot water heaters. The program will focus on solar hot water systems and more conventional energy efficient fossil fuel-based systems.

In the coming months OEP will enter into contract agreements with the Public Utilities Commission and the electric utilities who will administer the program. OEP expects the program to begin sometime in early spring 2010.

The rebate will be available to New Hampshire residents who are replacing an existing heating system listed under the program. Savings for residents, in some instances, would be as high as 50 percent for replacing older hot-water heaters, boilers or furnaces. The program will be available to all New Hampshire residents, including municipal utility ratepayers.

For more information on the program, see [www.nh.gov/oep/recovery/seearp.htm](http://www.nh.gov/oep/recovery/seearp.htm) or contact Eric

Steltzer of OEP at [eric.steltzer@nh.gov](mailto:eric.steltzer@nh.gov) or (603) 271-1759.

New Hampshire OEP also announced \$12 million in funding from the American Recovery and Reinvestment Act to support energy efficiency and clean energy projects. Selected entities will judiciously and expeditiously approve, oversee and implement projects as they relate to energy efficiency throughout the state of New Hampshire.

This funding will allow for investments in energy efficiency programs designed to promote clean energy, energy efficiency and conservation, and long-term sustainable solutions that work for New Hampshire.

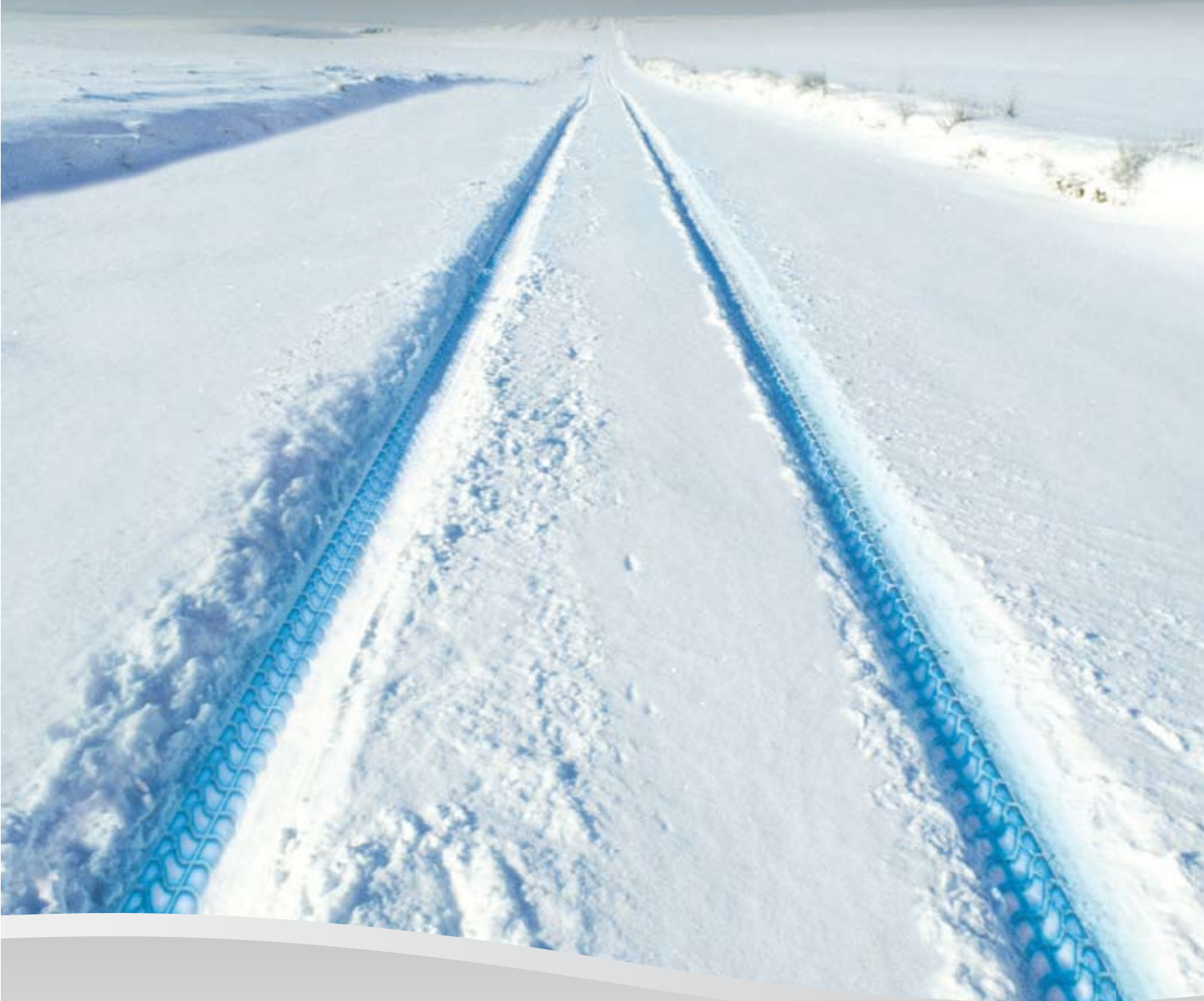
For information on these programs, contact Laura Richardson at OEP at (603) 271-6092, [laura.richardson@nh.gov](mailto:laura.richardson@nh.gov) or Dari Sassan at (603) 271-1765 or [dari.sassan@nh.gov](mailto:dari.sassan@nh.gov).

### PENNSYLVANIA

Gov. Ed Rendell announced that Pennsylvania has applied for \$10.9 million in federal American Recovery and Reinvestment Act funds to create a rebate program that will make non-electrical heating, air conditioning and water heating equipment more affordable.

The PA Energy Equipment Rebate Program

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to learn it is directly from an engaged leader who demonstrates caremanship with his or her own crew.

To lead by example in this area of caremanship is so essential to how your crew will ultimately treat your customers that if there is no such evident role model, you might think about hiring one. Nothing weakens crew morale more than an absent leader. Conversely, nothing energizes a crew more than to see the company leader roll up his or her sleeves and pick up the slack during high volume events or known high-volume times.

Engaged leaders who truly care about their crew will also provide education and training through both in-house procedural training and mentoring, along with more formal outside training from local sources including association events. In order to build the collective capacity of the crew, each crew member must have the appropriate skill set and their own “tool box.” Engaged leaders must then set clear expectations proportionate to their skill sets through clear communication channels.

Such communication channels can take the form of a weekly 20-minute staff meeting, or daily 5-minute update meetings; but the purpose should be not only to provide critical information, but to receive feedback and encourage crew participation as well. Additionally, engaged leaders should provide a clear channel to escalate customer issues to the appropriate manager for resolution.

I can't emphasize enough how critical it is to create the time for your crew to provide you with feedback on your customers' concerns or praises, and the opportunity for them to collectively share their best practices, or support and care for one another during a challenging time.

On a final note, many of the energy dealers that I have the pleasure to work with on a daily basis indicate how difficult it is to stay completely engaged, provide training, and make opportunities for two-way communication with their crews, particularly during the heating season.

The first step in building your crew's capability and increasing your crew margin is to honestly assess your leadership skill and style. Are you fair, consistent, accessible and do you care? I would suggest that caremanship and understanding how you want your crew to represent your company to your customers is the place to start.

One simple way to do this is to surprise them with breakfast and a 20-minute meeting some mid-week morning, letting them know that you are aware of their hard work during a busy, stressful season. I can assure you, crew margin will start increasing immediately! ☑

## Paying Attention to 'Crew' Margin

By Kris Magnusson, Hedge Solutions

**'TIS THE END OF THE HOLIDAY SEASON,** the beginning of a new year, but for us, we're smack dab in the middle of the heating season. As a retail energy dealer, you have your eyes on your profit margins for these critical months, right?

Conversations are fixated on prices, product costs, balancing and re-balancing your hedging programs, predictably interrupted only by ever-changing weather and road conditions. Sound familiar? But, the intent of this article is to remind you of a component of your profit margin that is often overlooked at this time of year. I am talking about your team, your “crew.”

“Crew margin” is the term I use for the additional margin gained (or lost) by having a well-synchronized, customer-focused frontline staff (or not). What's at stake is whether or not you command a full-service

and Ajay Murthy (September 2009, p. 22) reveals that across all business segments, customers are getting tired of “rushed and inconvenient service.” About half of those customers surveyed thought the companies they do business with don't “understand or care about them.”

Dougherty and Murthy's research identifies that American customers want knowledgeable employees who can address problems immediately and courteously. When we place this research in the context of our industry, I would suggest that our 24-7-365 promises for the warmth and comfort of our customers would absolutely require a well-focused, responsive and caring frontline crew.

As an energy dealer, ask yourself the following question: “How well does my crew respond—not simply to my customers' needs, but in particular, to those potentially volatile situations common to our industry at this time of year? If you have not asked yourself this question recently, and you have not intentionally observed your crew interacting with your customers, your crew margin could likely be at risk.

Luckily, it is never too late to re-engage with your crew and to develop your crew's capability even in the dead of winter. Successful frontline crews capable of producing both a positive, consistent customer experience and a positive crew margin require the following: “caremanship,” engaged leaders, education and training, and clear communication channels.

Caremanship is the term that I use to articulate not only what is said to a customer, but how it is said, how quickly the issue is identified and resolved, and how genuinely and caringly the entire customer interaction is handled. Caremanship is a learned behavior, much like salesmanship, and the best way

**“I can't emphasize enough how critical it is to create the time for your crew to provide you with feedback on your customers' concerns or praises, and the opportunity for them to collectively share their best practices, or support and care for one another during a challenging time.”**

margin in your market area. Any crew member who has direct contact with your customers, such as customer service representatives, service technicians, drivers, sales and management, all impact crew margin either positively or negatively. Although it is difficult to quantify crew margin the way we calculate gross margin, don't think that its importance is any less significant.

Consider the following: a recent *Harvard Business Review* article, “What Service Customers Really Want,” by Dave Dougherty

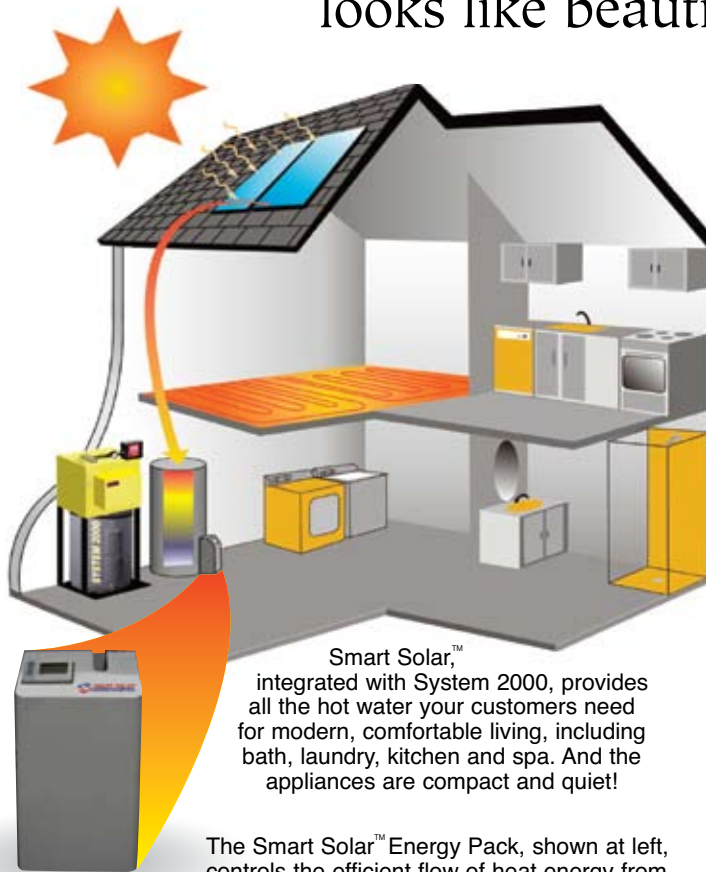
Energy Kinetics' Smart Solar™ hot water features the upscale appearance of superior quality rooftop skylights!



The Energy Kinetics Smart Solar™ wireless "energy-saver" display is hand held, or can also be conveniently mounted on the wall!

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2000**



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[www.system2000.com](http://www.system2000.com)

**Energy prices have been volatile even before the recession hit the credit crisis and stock market slump. What do you believe caused the frequent and sudden price swings?**

I could write a book about the last 10 or 12 years. The lows of 1998 boosted demand and hurt production and that gave us a tripling of oil prices from 1998 to 2000.

Then we had a recession, during which prices were cut in half, followed by 9/11 and the build-up to war with Iraq. That doubled prices from less than \$17/bbl. Prices broke their 1990 highs of \$41.15 in 2004, as the war became problematical and as the world economy grew. And from the middle of 2004 to the summer of 2006, prices doubled again, with the big hurricanes of 2005 playing major roles.

It looked like we were going to see a double top in crude oil prices with the July 2007 high of \$78.40 and the August 2007 high of \$78.77, but that was when Ben Bernanke introduced his "New Transparency," where he told investors what he was planning to do with interest rates. He telegraphed the Fed's intention to keep them low, the dollar started to drop, and we suddenly had swarms of investors—"investulators" is what we call them—throwing billions into oil and other commodities.

It is a funny—not ha ha—thing, but every recession since the 1970s has been preceded by a tripling or more in the price of oil. From the lows of 2001 to the highs of 2007, oil prices were up 4.6 times. The recession started after that, we think largely because of that, but oil prices kept going, largely on the weak dollar.

By the time we reached \$147, so much damage had been done that a recession was inevitable. In the first seven and a half years of the 21st century, American businesses and consumers paid \$1.5 trillion more on energy than during the final seven and a half years of the 20th century. One cannot take that much money out of consumers' and businesses' pockets without it hurting.

Since the August 2007 announcement that interest rates would be low, the oil markets have been turned into proxies for the dollar. That is true for most commodities, and it is a pity, because they are perfectly good markets when left to their own devices. We still don't understand why investulators can't buy euros if they are bearish on the dollar. If they want to invest in oil, there are plenty of well-run companies looking for equity.

**Continued on page 18...**



## Room for Reform

**Analyst: Current Rules Hurt Legitimate Energy Traders**

**WHILE THE PRICE OF OIL HAS BEEN RELATIVELY STABLE FOR A FEW MONTHS NOW, THE** government is getting closer to passing comprehensive legislation that would help keep volatility experienced in recent years from coming back while also increasing trading transparency.



However, the final form of that legislation is still being decided, with financial institutions lobbying heavily to prevent radical changes that the New England Fuel Institute (NEFI) and many analysts agree is needed. One of those analysts is Peter Beutel, the founder of trading research company Cameron Hanover. He has experience as a broker and analyst, having worked with EF Hutton, Gill & Duffus, Rudolf Wolff, Elders IXL, Merrill-Lynch, Pegasus and Brody White.

He started trading stocks at the age of 11 and eventually became interested in commodities, trading cash and futures in refined products for Gill & Duffus after moving from their general brokerage department.

He now offers analysis with Cameron Hanover, and is frequently cited by the media for his insights. Beutel recently spoke with *Oil & Energy* about the state of the energy markets and what reforms he believes are warranted in the coming legislation.

### **How did you begin Cameron Hanover and what services does the company offer?**

I had started writing daily reports with Pegasus in 1990 and kept doing that with Brody White through 1994. I was with Brody in February 1993 in the World Trade Center, when it was bombed the first time. My mother wrote me a letter asking me to leave after that incident, telling me she had had a vision of both towers coming down. I told her that security was insane after the event, and that she had no need to worry, but Brody White fired me a week before Christmas, in 1994, largely because I was not generating enough brokerage. I was not all that sorry to leave, and I was fired on a Friday and had Cameron Hanover set up the following Monday.

I wanted to offer independent research that was not necessarily designed to generate trades. I had discovered over the years that many customers lost money—not on trading—but through commissions on over-trading.

They could have done well by holding to their original concepts for longer periods.

There are two to five, averaging four, major moves a year in oil prices. If a trader can capture part of two of those and avoid being hurt on the other two, he or she can have a pretty good year. I wanted to help smaller companies, including heating oil distributors, avoid getting hurt and I wanted to help them buy more intelligently—with the express purpose of not trading too much.

Cameron Hanover offers independent daily research to small and medium-sized companies, and we are their eyes and ears. vWe try to give them a professional trader's insight into the markets at a reasonable monthly fee. If we are not helping, they can cancel at any time. The clients we have lost have left mostly because of retirement or when a company has been bought out. We still have most of our original clients. We also do small projects for clients, at a very reasonable cost.

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...Continued from page 16

Investing has mirrored the society in an unproductive way. Fast food and obesity are a problem, we are told, and we seem to be seeing a reflection of that in investing, where the trend is for investors to look for fast money for obese wallets. They do not look for sound ideas pursued by sound companies looking for steady returns any more.

Now, it's all about money chasing money rather than ideas or trends in business. It is only working well for a few, though. And it is pouring huge amounts of money into raw commodities rather than the companies that produce them. Instead of investment leading to more supply, it is creating false demand, sending bad signals to producers and consumers alike and raising costs for businesses and consumers. It is not sustainable investment. And neither is it traditional speculation, which still serves a purpose. It is speculation by investors and it has a great many dangers for the future of both.

**Oil prices have been relatively stable and settled in the \$70 to \$80 range. Do you believe they will remain there in the near future? What factors might cause them to change suddenly?**

What makes energy so interesting is what makes it so potentially volatile. Almost anything can affect it. From supply and demand, to wars, to weather, to the economy, the dollar, equities and even the makeup of the market, itself, can move prices. They will not be anywhere near these levels six months or a year from now, although we do not yet know which way they will break from this range.

**The value of the dollar has been tied to the price of crude lately as well. Do you expect this to continue and what do you expect for the dollar?**

We followed the dollar in commodities trading in the late '70s and then went for 25 to 27 years without really ever talking about it. Now, it is something we look at first. Of course, in 1978 and 1979, silver traders took their cue from moves in soybeans, because they saw in them a reflection of coming inflation. These relationships come and go, and then they are forgotten. We hope and expect that to be the case here, as well. At some point, the supply and demand must return to the forefront in this market.

The dollar will not keep falling forever, either. A lot of investulators have piled in on the short side, and they will have their own day of reckoning, we believe.

**Petroleum inventories have been growing during the recession, causing some refiners to close plants or lower their output. What impact do you think this will have on prices and is there a risk of too many refiners lowering output in order to impact prices?**

It was not long ago that every analyst was talking about every refining unit in the U.S. being critical. We had times just two years ago when a single refinery unit fire or other incident would send prices soaring.

**"Now, it's all about money chasing money rather than ideas or trends in business. It is only working well for a few, though. And it is pouring huge amounts of money into raw commodities rather than the companies that produce them. Instead of investment leading to more supply, it is creating false demand, sending bad signals to producers and consumers alike and raising costs for businesses and consumers."**

— Peter Beutel, Cameron Hanover

Unfortunately, and this is systemic, our energy companies are shackled to quarterly reporting models that get shareholders loud and angry. So when we reach a period of slack demand, we close refineries and cut back on drilling. And from those decisions, like a phoenix from its ashes, up pops the next bull market. We want to cry when we hear of refineries closing because we are going to need them again, soon.

Too many shareholders hate refineries because they generate 5 percent on capital, while drilling can return 20 percent or more. Part of the problem is the theoretical independence of refining arms of big oil companies. We long for the old days when oil companies could look at the bigger picture, in which they might have made 25 percent on the entire process of drilling oil and ultimately selling it to end-users. Here, as well, though, it's all about putting items back in Pandora's box; once opened, that does not seem to occur.

It is not limited to this business, though, and it ties in with what we spoke of earlier. We keep thinking of McMansions as we write this, of the demolition of perfectly good houses because developers want a bigger return on the underlying property. Everything is about making the biggest return the fastest way possible, a seemingly fast food approach to every investment. It is everywhere we look and it does not seem to serve the public weal all that well from where we sit. We wish we knew the answer or could find a way

that the system would somehow reward investors for doing what serves the country best. Better minds than ours have been confounded here, as well.

**Massive financial systems legislation is currently being planned in Congress. What are some of the specific limits that you think should be put in place to ensure fair, transparent trading?**

We need position limits and we need transparent markets. No one wants too much regulation, but even Vegas has pot limits. We have certain large players going "all in" regularly and they can bluff out legitimate smaller players. That needs to stop.

If we could find a way to get union pension plans, sovereign wealth funds and college foundations, among others, to leave actual physical commodities alone, the markets would be better served. They should be buying the companies that produce these, or they should trade currencies.

Failing that, it would be nice if their handlers at the large investment banks would explain the short side of trading to them. They trade the way frat boys drink—they buy, buy, buy, far too much, and then they puke it all up, like they did from July to December 2008. That sends lots of bad signals to producers and users of the genuine commodities, and it destroys consumers and businesses, which are all reliant on food and energy to degrees.

We do not know how to get the genie back in the bottle or get all the worms back in the can, but the propensity of huge interests to buy (and only buy, never sell) physical commodities has been one of the worst developments of this young millennium. It threatens the very threads of the financial fabric of the world by artificially bidding up prices for food and fuel.

If a trading entity has not taken a short position, at some point, equal to the long holdings it has taken or wants to take, it should be restricted to a very small exposure in physical commodities. Bona-fide speculators take both long and short positions. We need them. What we do not need are traders who only buy all the time. They are a new addition to the commodities trading arena, and they are about as helpful and welcome as a plague of locusts.

**Do you believe that the government, specifically the Commodity Futures Trading Commission (CFTC), needs more authority to enforce those rules?**

The problem, as outlined above, is huge. The CFTC must be properly armed to control it before it ruins our economy and entire classes of users and producers.

**If the U.S. Congress does create a more transparent energy trading market, do you believe the trading will just be transferred to foreign markets?**

That is the big worry, but I honestly don't know if it is a real threat or just the best talking point of those against regulation. Clearly, we need to outflank them by hitching all the horses to the same wagon. We need other countries to join us with similar regulations.

**An energy bill is also planned, and draft versions have included a cap and trade component. Do you believe such a provision would have an impact on energy prices?**

Cap and trade is a fair idea in theory, but there's many a slip 'twixt cup and lip, and no one knows if it can work in practice without causing some of the same problems we are trying to fix elsewhere.

More than anything, we need to stop seeing things in shades of red or blue long enough to see clearly. We need the two parties to reach across the aisle and embrace a truly bipartisan energy program that can survive the inevitable sense of there being a "mandate" that one party gets when the American public votes against the other party. We need drilling and we need higher mileage standards.

We need everything the Democrats want and everything the Republicans want. The problem is that big. And I believe we should institute the Pickens Plan, which would go a long way toward addressing U.S. energy security.

After watching a rig floating in the mouth of the mighty Mississippi after Hurricane Katrina—without any following oil spill—it is time to understand that oil development can and should be done in an environmentally sound manner. I would put the environmentalists and drillers in a room, along with their loudest representatives in Congress, lock the door and tell them their next meal would come when they had figured out a plan they could both live with for the next 30 years. I believe they just need the proper motivation to figure out how all their needs—and those of the American people—can be served together.

The problem is bigger than either party and both need to come to terms with that. We need a national coalition approach to energy if we are ever going to succeed with it. The great failure of past plans is that they have not survived changes in partisan control of Washington. Brazil made energy independence an objective 30 years ago, and they recently attained it. We need a truly bipartisan plan that can serve as a model for both parties over our next 30 years. The United States deserves no less, in my humble opinion. ☐

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## Why Clean Underwear is Important

### How to Create and Maintain an Emergency Manual

By John Nardozi, Nardozi Consulting

**MY MOTHER ALWAYS WARNED ME, “NEVER LEAVE** the house unless you are wearing clean underwear. You never know when you might get hit by a bus.” Words of wisdom that, strangely enough, apply to your Oilheat business.

What if (heaven forbid) you did get hit by a bus? Would your company be able to open its doors tomorrow morning? Who would handle the thousands of details and decisions that come across your desk each week? Would your employees get paid next Tuesday? Would your customers get their oil this Friday?

One of the great things about the Oilheat industry is that so many companies are independent, family-owned businesses. The owners are, for the most part, deeply involved in day-to-day operations, including marketing, buying oil, bookkeeping, service calls and deliveries, as well as bank relationships and customer service.

**“The emergency manual must be written document, not just ‘some ideas’ on how things might proceed. Ask your most trusted adviser from outside the company to help you prepare the plan, as a fresh perspective can often identify gaps and potential problems that you might miss.”**

The down side of such a closely held business is that most—if not all—of the burden of management falls on a single pair of shoulders. Yours. And unless you are an excellent delegator, you are the lynchpin that holds your Oilheat business together.

That’s why it is absolutely critical that you develop and maintain an emergency manual for your business. Think of it as “clean underwear” for the survival of your company.

I am not talking about a response plan for an oil release, but a response plan that can be put into action in the event that you are injured, die or are otherwise incapacitated. The lack of such a plan could throw your business into chaos, or worse.

What goes into an emergency manual?

List of key contacts—List the name, telephone number and e-mail address of your banker, accountant, lawyer, executor of estate, trustees of trust and key suppliers. Include what those people might be responsible for. Let the contacts know that you are including them in your emergency plan.

Pick a “quarterback” to come in for short-term management of the business. Choose a trusted friend, adviser, professional or even a competitor.

Have a plan, in detail, on what you would like to happen.

For example:

- Call Joe at Jones Oil to take over deliveries, he will purchase the business, etc. (Make an arrangement with Joe in advance!); or,
- I’d like to keep the business running until Johnny or Suzy are old enough to assume management;
- Call my CPA to take over books and make deposits and pay bills;
- Call John Nardozi to help sell the business to Joe or others.

Identify the location of important papers, both personal and business.

List your computer and Internet passwords or the place where can they be found.

List the location of keys to real estate, vehicles, safe deposit boxes and mailboxes.

Prepare a power of attorney that triggers at death or incapacitation.

Leave written instruction on how to get into the company’s accounting system and who is qualified to assist.

List all bank accounts and investments, including bank names and account numbers.

The emergency manual must be written document, not just “some ideas” on how things might proceed. Use a notebook or binder that you can update as things change. Ask your most trusted adviser from outside the company to help you prepare the plan, as a fresh perspective can often identify gaps and potential problems that you might miss.

E-mail copies to your spouse and all the key people who will step into management roles if necessary. A client of mine hung his company’s emergency manual in a shadow box on the wall behind his desk with a sign reading, “In case I’m gone break glass.”

The plan should be updated at least annually and preferably every six months. Update it as part of your New Year’s resolution.

With an emergency manual in place, you’ll be able to sleep better at night knowing that your business will continue without you. Still, remember look both ways before crossing the street. And always wear clean underwear. ☑

**EIA: U.S. GREENHOUSE GAS EMISSIONS DECREASED IN 2008**

The total U.S. emissions of greenhouse gases dropped to the equivalent of 7,053 million metric tons of carbon dioxide in 2008, a 2.2 percent decrease, according to a new report from the Energy Information Administration (EIA).



The drop was largely due to a 2.9 percent decrease in energy-related carbon dioxide emissions, which the EIA attributes to record-high oil prices for much of the year, followed by a decline in economic activity. That decline is expected to continue in 2009, as the EIA's "Short Term Energy Outlook" projects a 6.1 percent decrease in energy-related carbon dioxide emissions, which are the largest source of greenhouse gas emissions in the United States.

But a healthier economy tends to bring increases in such emissions, and the EIA projects a 1.5 percent increase in energy-related carbon dioxide emissions in 2010. Since 1990, U.S. greenhouse gas emissions have grown at an average annual rate of .7 percent.

**FTC EXTENDS RED FLAG RULE**

The Federal Trade Commission (FTC) has extended the Nov. 1, 2009, compliance deadline for its controversial "Red Flag" rule that requires businesses to implement a written program designed to help detect identity theft involving customer accounts.

The new compliance deadline is now set for June 1, 2010. The rule is important to petroleum marketers because it requires specific action that must be taken with respect

to customer accounts in order to come into full compliance.

Congress mandated the Red Flag requirements in the Fair and Accurate Credit Transactions Act of 2003. Under the rule, any company that meets the broad definition of "creditor" established by Congress must put into place a prevention plan that identifies patterns, practices and activities that are "red

flags" for possible identity theft. A "creditor" is defined as essentially any company that bills customers for products or services.

As a result, many petroleum marketers may qualify as creditors under the Red Flag rule and must implement an identity theft prevention plan. The Red Flag rule goes beyond the routine securing of customer account information that most companies already follow. The rule requires companies to seek out and respond to suspicious data in customer accounts that indicate an identity theft has taken place. In other words, companies must now police customer accounts for identity theft.

This is the fourth time the FTC has extended the compliance deadline for the Red Flag rule which was initially set to go into effect on Nov. 1, 2008, then extended to May 1, 2009, then to Aug. 1, 2009, and again to Nov. 1, 2009.

This latest extension was made in response to a request by Congress to delay implementation of the Red Flag rule in order to provide sufficient time to pass legislation that would exempt certain small businesses. The continuing uncertainty over applicability of the rule cuts across a wide array of retail and wholesale businesses and industries.

**HEDGING COLLEGE ANNOUNCES 2010 COURSES ON HEDGING AND MARGIN PROTECTION**

Hedge Solutions will be offering their exclusive Hedging College classes on Jan. 26 and 27, 2010, and again on March 16 and 17, 2010, at 500 N. Commercial St. in Manchester, N.H.

Taylor Hudson will be the instructor and will incorporate information on program implementation and monitoring for the current heating season. This is a vital course for a fuel distributor or anyone supporting an energy dealer because it teaches the tools needed to preserve margins, regardless of the ups and downs of the market. The per-student fee is \$849 for Hedge Solutions clients and \$999 for non-clients.

An Advanced Hedging College class is scheduled for Feb. 24, 2010, at the same location with tuition of \$299 for Hedge Solutions clients and \$399 for non-clients.

Both courses have additional discounts available for multiple participants from the same company. Participation is limited, so contact kris@hedgesolutions.com or call (800) 709-2949 for more information and to obtain a course outline. ☒

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## Realtors—the Key to Your Success

By Rich Carrione, Warm Thoughts Communications

**THE REAL ESTATE COMMUNITY IN YOUR SERVICE** area represents a huge opportunity for you. Realtors can help you acquire new accounts, defend your existing customer base and position yourself as the energy expert in your community.

I just spent a week at the Triple Play Realtor Convention in Atlantic City as a representative for the National Oilheat Research Alliance (NORA)-funded Partnership for Realty and Oilheat Success (PRO\$) program for the

**Having no relationships will keep you on the outside of the deal and won't allow you to positively influence the outcome. Conversions often occur at the point of the home transaction, and you want to make sure you're a part of the conversation.**

Fuel Merchants Association of New Jersey (FMANJ), and I saw first-hand just how much opportunity there is for dealers who can cultivate Realtors and turn them into supporters of not only Oilheat, but of their individual companies.

I've spent the better part of my career working on Oilheat outreach programs

targeted at Realtors. I've also been on the other side, developing marketing and communications support from the corporate office of one of the largest real estate chains, and I've seen an awful lot about how Realtors act and think. Read on for some insights about how you can get the Realtors in your community on your side.

### **WHY FOCUS ON REALTORS?**

The real estate office is the place where the rubber meets the road when it comes to prospective homebuyers making big decisions about Oilheat. The right relationships within your real estate community will earn you referrals and will give you first crack at new homebuyers. Having no relationships will keep you on the outside of the deal and won't allow you to positively influence the outcome. Conversions often occur at the point of the home transaction, and you want to make sure you're a part of the conversation.

And it's not just the fear of doing nothing that should drive you to launch outreach efforts. It's that Realtors are a largely untapped resource in our industry. They are a potential source of new business for you and they keep you connected to your greatest vulnerability—losing an oil-heated home to another fuel—

and they directly influence homeowners, who are your ultimate targets.

Plus, they are open to your message and your information—but only if you treat them right and give them the tools they need to do their job.

### **KNOW YOUR AUDIENCE**

Here's what I've learned about spearheading Realtor outreach efforts across the country:

- Many Realtors have worse perceptions about Oilheat than homeowners. Realtors deal with more homes each year than a typical homeowner, which means they're much more likely to come across a problem with an oil-heated home. One experience with an oil tank leak can cloud judgment very quickly and have long-term ramifications.

- Realtors aren't anti-oil, they're pro—"sell the home quickly." Realtors don't care much about the heat source unless it causes a problem for them. They care about selling the home as quickly as they can for as much money as they can. And that's where your interests overlap. You can help Realtors sell oil-heated homes easier, faster and for more money. And for that, you'll stand a much better chance of keeping that home heated with oil.

• Realtors act differently depending on the real estate market. Boom markets like we saw in the early 2000s had lots of Realtors and a lot of activity. There is good opportunity in a booming market, but Realtors are less hungry for information when business is good. Today's slow real estate market is the perfect time to launch an outreach effort. A slow market allows the true real estate professionals to shine and weeds out the "fringe players," those part-timers who can sell during boom times but aren't experts in the business. A slow market means you'll find Realtors hungry for information and for any advantage to get ahead. They want a local dealer in their back pocket to offer a new homeowner special move-in services or special pricing.

**DEVELOPING AN EFFECTIVE PROGRAM**

**Make outreach a priority.** This may seem like a no-brainer, but rarely do dealers make a commitment to Realtors as they would to other projects. To really generate long-lasting impact, you've got to give your outreach due priority. That's not to say it should take the place of your marketing and communications efforts to acquire new customers, but it shouldn't be relegated to a "when I have time" activity either.

**Align your sales team.** If you don't have someone internal to serve as the point person for all of your Realtor efforts (most dealers don't), it makes the best sense to use your sales team to be the primary points of contact with Realtors. Provide your team with the key points of information, Realtor specials, product focuses that you want, so they are working with Realtors with a consistent message. Ask yourself questions such as what is my primary message, what three things do I want Realtors to know about my company, and what is the advantage for a Realtor to work with my company instead of someone else? Once you've determined what your answers are, align your sales team around them.

**Identify priority targets.** You will be targeting anywhere from 25 offices to upwards of 1,000 offices, depending on the size and reach of your company. Not all offices are equal in value to you, and you'll want to figure out which offices are worth your time and effort. Focus on offices that do the highest sales volume, are in target areas where you either want to grow or are most vulnerable from competition, and are known office chains. This is a good starting place, and as you get deeper into the market, you'll learn more about which offices are worth focusing on and turning into "preferred Realtors" for your company.

**Get involved with your associations.** This can be a great way to reach a lot of

Realtors at once and to position your company as the energy expert of choice in your market area. Virtually all Realtors are members of their local real estate association, and you would do well to become a member. Associations offer their affiliate members a variety of networking and relationship-building opportunities. Get to know association leadership, and go from there. Consider pitching association leadership on an Oilheat class for Realtors or get them to publish an article in their newsletter such as "Make Your Listings More Energy-Efficient" that positions you as the energy expert for the realty community. You'll also want to explore trade show and networking event opportunities with the association.

**The broker is the key.** The broker sets the tone for the entire office. If you get the broker to support/endorse you, you can really "own" the office. Individual Realtors should be cultivated, but getting the broker on your side gives you a good chance to cultivate all the Realtors in the office instead of just one. That's why we focus on getting brokers to endorse our program and have them invite us in to speak with all of the agents instead of targeting individual agents with our message.

It's also how to create lasting impact. In an industry with high turnover, brokers are more stable and are more likely to run an office for years.

**Focus on what Realtors want.** Realtors won't be interested in everything you have to offer, so don't try to sell them on all your products. Keep the focus of your Realtor outreach efforts tied to issues related to real estate. When you are invited to speak to an office, talk about the things Realtors would find helpful. For instance, you might talk about the special services you provide to homeowners getting their home ready to sell. If you're a certified energy auditor, you might want to talk about how energy audits can increase the value of a home. Focus on what's relevant to the Realtor, so you'll earn their trust, gain their referrals and defend against move-outs.

This should provide you with some good food for thought as you decide your pathway to growth in 2010. I would be happy to talk with any dealer who is looking for additional guidance and support in launching a program this year. Please feel free to contact me at (201) 330-9276, ext. 232 or at rcarriane@warmthoughts.com. ☒

**HEDGING COLLEGE & ADVANCED HEDGING COLLEGE FOR 2010**

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**ADVANCED HEDGING COLLEGE (1 DAY):** February 24, 2010

**LOCATION:** Hedge Solutions / 500 N. Commercial St. / Manchester, NH 03101



**RATES:**

**HEDGING COLLEGE:** \$849 for Hedge Solutions clients;  
 \$999 for non-clients  
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**Join these other Oilheat and energy products and service providers who have made earlybird reservations for the 2011 ENERGY EXPO.**

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- Amtrol Inc.**
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- R.W. Beckett Corp.**
- Boston Environmental**
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- Dennis K. Burke, Inc.**
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**TANK-GAUGING SYSTEM HELPS DEAD RIVER HEAD INTO SECOND CENTURY OF BUSINESS**

Not many companies “luck” into celebrating a 100th anniversary. To reach that level of success, they must be able to adjust to an ever-changing marketplace and willing to try new technologies in order to keep the business moving forward. For example, take Dead River Company of Portland, Maine. The company was founded in 1909 by Charles Hutchins as a timber harvester along a branch of the Dead River in western Maine.



A century later, the company—still family-owned—has become one of the largest retailers of home heating oil and propane in northern New England. As such, it now operates a network of 56 bulk plants or bulk-distribution facilities spread out among the communities in which it retails. A typical Dead River Company bulk facility has four to six vertical aboveground storage tanks (ASTs) that are used for storing No. 2 fuel oil, kerosene and on- and off-road diesel.

Knowing that the tank-checking system was impacting manpower and cost-efficiencies, the company researched automatic tank monitoring and gauging, including the SiteSentinel iSite Automatic Tank-Gauging System from OPW Fuel Management Systems. Selecting a group of three bulk facilities that made the most logistical sense, they began having the iSite and OPW’s Petro Vend FSC3000 Site Controller equipment installed in July 2008.

The iSite has been developed to offer easy, low-cost installation; easy-to-manage user interfaces; highly accurate and precise tank-monitoring peripherals; easy reconciliation of inventories and deliveries; a variety of probe and sensor options; tracking of regulatory-compliance reporting; an easy-to-read LCD touch-screen with an icon-based menu structure; and the latest in communications technology that allows access to the system from anywhere in the world. See [www.OPWglobal.com](http://www.OPWglobal.com) for more.

**ONSET ANNOUNCES MEASUREMENT AND VERIFICATION SYSTEM**

Onset, a leading supplier of data loggers, recently announced the HOBOMeasurement and Verification System, a portable energy logging system for measuring, analyzing and documenting building energy performance.

The self-contained system makes it convenient and economical for energy performance contractors, energy consultants, and building energy managers to track the

performance of building systems, such as chillers and packaged HVAC units, and verify the impact of energy efficiency improvements.

The system, which is housed in a rugged, heavy-duty carrying case, provides pre-wired sensors for quick set up, and includes magnetic mounting feet for fast, secure placement in electrical panels.

Users can plot and analyze energy performance data with the accompanying HOBOWare software. HOBOWare provides an intuitive, graphical user interface that enables users to quickly and easily graph, analyze and print data files, as well as export the data to Microsoft Excel and other spreadsheet programs.


The HOBOMeasurement & Verification System is available in both single-phase and three-phase models. Both models include a four-channel HOBOMicro Station data logger, energy sensors, software, and associated cables and accessories. The single-phase model is priced at \$899; the three-phase model is priced at \$999. Visit [www.onsetcomp.com](http://www.onsetcomp.com) for complete product details.

**BLACKMER INTRODUCES THE TXH35A HIGH-SPEED PUMP FOR PETROLEUM PRODUCTS**

Blackmer has announced the availability of the latest addition to its high-speed truck-pump product line: the TXH35A model. The pump was launched at the recent National Tank Truck Carriers Maintenance Seminar and Exhibition, which was held in Nashville, Tenn.

The TXH35A is the newest member of Blackmer’s family of TX/TXD Series pumps, which are designed to handle clean petroleum products such as gasoline, diesel, fuel oil, kerosene, avgas, jet fuel, biodiesel ethanol, biofuel blends and light lube oils. The TXH35A is a truck-mounted, cast-iron, 3-inch ported pump that can run at a maximum speed of 1,000 rpm and deliver approximately 300 gpm.

Other key features of the TXH35A pumps include the ability to handle viscosities to 20,000 ssu; FKM elastomers; parallel ports with either NPT or weld flanges; a mounting bracket that can be used in one of three positions for easy pump installation; 3-inch bearings; and FKM mechanical seals. The TXH35A replaces Blackmer’s ATX300 Aluminum truck pump.

For information on Blackmer’s new TXH35A sliding vane transport pumps, go to [www.blackmer.com](http://www.blackmer.com). 





sulfur fuels. It can also complement competent fuel treatment packages with its solvency characteristics to help clean sedimentation from the oil tank to the nozzle.

Bioheat requires no system modifications and in most cases is cost-competitive with conventional Oilheat. Marketed properly, Bioheat can easily create public relations opportunities for the Oilheat dealer, and it integrates nicely in a service department's value-added products and service for home air quality, particularly in the sales of humidifiers and air filtration installations. I saw Bioheat as an opportunity to enhance our company's business plan, rebrand us and move from an Oilheat company to a Bioheat company.

The strategy worked—we began to see a significant increase in new customers through the marketing efforts and we did not lose these new Bioheat customers when market volatility arose or the latest “deal” was on the street. We were no longer one of the many Oilheat marketers; we had become a Bioheat marketer.

One of the interesting aspects of becoming a Bioheat marketer is that in most cases, biodiesel education is required on some level between the marketer and the consumer. Typically after this discussion, a dialog occurs between either the existing customer or a potential new one and a question is commonly asked, “Why wouldn't I use Bioheat?” I use to love to answer this question because I know that we have the answer that our competitors do not.

Retaining Oilheat customers is one of the most significant issues facing energy marketers today. The entire organization needs to be part of the solution, from the service technician and oil truck driver to the individual who answers the phone. In this economic environment, price is and will always be a consideration. When any business has the ability to deliver a product or service that is value added and unique, then that company achieves the critical aspect in distinguishing a difference.

For those marketers who have yet to discover Bioheat, keep in mind that it is not only the 300-plus Bioheat marketers nationwide that have enjoyed becoming part of the renewable energy world. There are now tens of thousands of Bioheat consumers that also feel unique and enjoy being a part of the renewable energy solution. By the way, they are not shy about telling their friends and neighbors how cool it feels.

For more information on Bioheat marketing or customer retention, please feel free to contact me at (203) 221-3044 or e-mail me at [mike@earthenergyalliance.com](mailto:mike@earthenergyalliance.com). For additional information on Bioheat or biodiesel, visit [www.bioheatonline.com](http://www.bioheatonline.com) or [www.biodiesel.org](http://www.biodiesel.org). ☐

## Keeping Customers Through Bioheat®

By Michael Devine, Earth Energy Alliance. Petroleum Liaison, National Biodiesel Board

**SIX YEARS AGO I WAS SITTING IN MY OFFICE** and straightening up my desk as our children and the children of some of our employees played during our office holiday party.

While I was going through some of my mail, I ran across an invitation to attend the inaugural National Biodiesel Conference in Palm Springs, Calif. I did not know what biodiesel was at the time, however their brochure indicated that biodiesel was a domestically produced renewable energy that could easily be blended with heating oil. This interested me immediately as a possible way to distinguish our company as an environmentally friendlier, cleaner and greener Oilheat marketer.

The timing could not have been better; like many Oilheat dealers, we were in the process of playing the annual marketing shell game. We would create sales promotions and pricing plans for new customers, as would most of the marketers in our region.

The problem was that for every new customer we acquired, we seemed to lose an existing customer due to another marketer's promotion, hence the Oilheat shell game. The next question was, how could we get off this merry-go-round? Perhaps a trip out to Palm Springs to investigate the possibilities of biodiesel would present the opportunity that I was looking for.

The first National Biodiesel Conference was attended by a few hundred individuals who all wanted to be a part of something special. Many were grassroots entrepreneurs like myself, and then there were other individuals who were producing biodiesel in their garage. There were a few large corporations investigating

the possibilities, but for almost all of us, it was more like a cause.

There was one educational track dedicated to Oilheat and only one individual who presented on the subject. That individual was Paul Nazzaro. Subsequently, I returned from the conference that February, created Devine Bioheat and within eight months began marketing 80,000 gallons of B5 Bioheat® and never looked back.

Today, many of the 24 NORA states are considering new initiatives which are being introduced into the respective state general assemblies to blend biodiesel with ultra-low sulfur diesel (ULSD) to create a new heating oil specification for the industry.

As states and markets adopt this new fuel, an opportunity still exists for Oilheat marketers to distinguish themselves in their marketplace. A company that offers Bioheat is perceived in the community to be a company that is unique and innovative—an organization that cares about the environment, and most notably, an industry leader. We know that there are clear differences between Oilheat marketers within the same marketplace, however it is not as clear to the Oilheat consumer, which is one of the reasons that we find our new customers coming in the front door while our existing customers are exiting out of the back door each season.

Bioheat speaks to many of today's current issues such as climate change and our nation's dependence on foreign oil, plus it is a renewable energy product. Using Bioheat will help improve the lubricity of heating oil as it begins its decrease in sulfur, causing the fuel to become less lubricating than our current high



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## Connecticut

### OPERATION FUEL FACING DEEP CUTS

Gov. Jodi Rell has requested that the Connecticut General Assembly cut Operation Fuel's state grant by more than \$4.2 million, leaving the private fuel bank with approximately \$750,000 in funds to allocated in emergency heating assistance for this winter.



Operation Fuel gave out nearly \$6 million in energy assistance to more than 13,000 Connecticut households last year. Operation Fuel provides emergency energy assistance to lower-income working families, the elderly and disabled individuals who are in financial crisis and not eligible for, or have exhausted, government benefits. Heating oil dealers who participate in the Operation Fuel program are paid the market price for oil on the day of delivery.

The governor called the General Assembly into special session slated for Dec. 15 to vote on her latest deficit mitigation plan.

### GOVERNOR PROPOSES CUT IN COMMERCIAL TANK PROGRAM

Gov. Jodi Rell released a deficit mitigation plan to deal with a growing state budget deficit in late November, including cuts to 95 different programs, including a \$1.5 million cut to the Commercial Tank Fund/Program.



Independent Connecticut Petroleum Association (ICPA) President Gene Guilford contacted the governor about the potential effects of the cut, requesting that the

proposal be removed from her plan. ICPA Motor Fuels Committee Chairman Mike Devino of Mercury Fuel called for an emergency conference call to devise a strategy to deal with the proposed cut.

Resulting from the call, it was decided that jobbers would contact that governor, legislative leaders, their local legislators to lobby against the governor's proposed cuts to the Tank Program.

## Massachusetts

### FMCSA OVERRULES BOSTON HAZMAT ROUTING DECISION

In November, the Federal Motor Carrier Safety Administration (FMCSA) published a determination overruling Boston's de facto decision to ban the hauling of hazardous and flammable materials on Boston city streets.

In 2006, the city acted independently of the FMCSA to close off Big Dig tunnels to transporters of hazardous materials, as well as ban daytime hauling of such materials on the streets of Boston. In October 2008, the Massachusetts Oilheat Council (MOC) submitted a letter in support of the American Trucking Association's (ATA's) petition for a preemption determination on Boston's routing and transportation restrictions.

More than a year later, the fruits of that MOC/ATA effort have finally been realized. The FMCSA found that federal law preempts the highway routing restrictions Boston instituted in 2006 because the city failed to comply with FMCSA's standards for establishing or modifying a hazmat route, effectively making the city's ban illegal.

The decision becomes effective May 17, 2010, allowing city officials some time to comply with federal regulations.

## New Jersey

### STATE ANNOUNCES REDUCED SULFUR CONTENT FOR NO. 2

The New Jersey Department of Environmental Protection has announced they will publish regulations that will reduce the sulfur content in No. 2 heating oil to 500 ppm in 2014 and 15 ppm in 2016, according to the Fuel Merchants Association (FMA). It is anticipated the rules will be published in the Nov. 16 New Jersey Register.

"While reducing sulfur is something we wholeheartedly agree with, this is simply too long a time period for implementation. The industry is aggressively moving towards redefining heating oil as a 15 ppm, 5 percent bioblend product," said FMA Executive Vice President Eric DeGesero. "FMA recently testified at a hearing convened by NESCAUM (Northeastern States for Coordinated Air Use Management). The purpose of the hearing

was to discuss whether or not heating fuels should be included in NESCAUM's proposed low carbon fuel standard.

"We are working to making such a fuel a reality and FMA steadfastly opposes inclusion in NESCAUM's proposal since it is evidently clear that based on their July 17, 2009, report, they want the heating oil industry gone!" DeGesero concluded.

## NJEDA RELEASES UST FUND APPLICATIONS

The Fuel Merchants Association of New Jersey (FMANJ) recently received updated documents from the New Jersey Economic Development Authority (NJEDA) to implement the statutory changes to the state's Petroleum Underground Storage Tank Program that took effect Oct. 1, 2009.



FMANJ Executive Vice President Eric DeGesero said, "The new law required that the reimbursement for non-leaking tanks be the same as the NJDEP's for leaking tanks. The new forms issued by NJEDA provide various categories for the removal and installation of different size tanks. While this is a positive step, the application is confusing as it refers only to 'single wall' ASTs. Additionally, the new application makes new requirements for the installation of new USTs under the program.

"FMA also has questions concerning language on the FAQ for the non-leaking UST application that contains a reference to 'business' tanks despite the fact that only residential tanks and 501c3 organizations can voluntarily replace a tank under the program."

DeGesero continued, "FMA has contacted EDA to clarify these issues and we will forward additional information to members as it becomes available. We understand there will be learning curve to implement the program and will continue to work to assure the viability of this important program."

The complete package of updated forms is located at [www.newtanksnj.org](http://www.newtanksnj.org).

## Vermont

### VFDA PROGRAM PROVIDES MORE THAN 6,000 GALLONS OF FUEL

Thanks to the generosity of Vermont fuel dealers, along with local businesses and organizations, the Patch Chit "Split the Ticket" program will provide more than 6,000 gallons of free heating fuel to Vermonters in need this winter.

Nearly four dozen members of the Vermont Fuel Dealers Association have agreed to donate a delivery of up to 150 gallons to a customer. Donations from the community are used to match dealer-donated gallons.

The fuel dealer assistance program has provided a safety net for low-income Vermonters for more than 20 years. Patch Chit recipients don't qualify for state fuel assistance and are often too proud to ask for help.

Dealers are encouraged to donate to the Vermont Fuel Dealers Association's (VFDA) Split the Ticket campaign for this heating season. All funds will be used to match fuel donations by Vermont's oil and propane dealers—none are used to administer the program.

## New Hampshire

### DIVISION OF WEIGHTS AND MEASURES HOLDS PUBLIC HEARING ON RULES CHANGES

The state is proposing to remove the authority of licensed state Weights and Measures service technicians to certify meters, scales and the like. Instead, they have proposed the hiring of four new inspectors and the purchase of a large amount of equipment in order to bring all of this work in-house. As one would expect, this is highly expensive, and they have proposed significant increases to the fees charged to certify all meters, etc.

New Hampshire propane marketers are urged to contact the governor, their state representatives, senators and executive councilors to ask that they reconsider this rule change—especially considering: the economic and budget climate, the hardship that will be created will ultimately lead to higher energy costs for residents and the fact that there is an existing system that works well. This rule has a line item budget of \$400,000.

## Pennsylvania

### STATE'S SOLAR CAPACITY DOUBLES UNDER REBATE PROGRAM

The Sunshine Solar Program is performing better than expected and has helped to double the state's solar generating capacity in less than 6 months, according to Gov. Ed Rendell.

According to the Department of Environmental Protection, the program has reached its first incentive milestone for small business rebates—the deployment of 5 megawatts of solar power, or enough to supply electricity to about 575 average homes in the state.

Since the program opened on May 18, the commonwealth has committed \$12.5 million in 625 projects by residential and small business consumers. The projects represent at least \$50 million in private investment, according to DEP.

More than 300 installers have been certified to install solar systems under the

program and DEP continues to receive and accept applications.

The \$100 million PA Sunshine Solar program reimburses homeowners and small business owners up to 35 percent of the purchase and installation costs of solar energy technology. In combination with federal tax credits, consumers could reduce system costs by 45 percent. It is part of the \$650 million Alternative Energy Investment Fund that Rendell signed into law in July 2008.

For information, visit [www.depweb.state.pa.us](http://www.depweb.state.pa.us), keyword: Pa Sunshine. ☒



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## Communicating New Ideas to Propane Marketers

By Joe Rose, Propane Gas Association of New England

### **MANY SMALL BUSINESSES FAIL TO PLAN.**

Take some time during the first quarter of this year to develop a vision of where you see your business today and what you think it will look like in five years.

I know you have deliveries to make and service calls to do and for some, this will seem like a waste of time. But believe me, you will be amazed what a well-thought-out plan that stays on your desk and is read occasionally can do to improve your business in every key area that you identify and take small action steps on.

One key area businesses should reflect on is communication. How can communication contribute to the bottom line, you might be asking yourself right about now. Read on and allow me to explain.

**“As we enter a new decade, we should take time to reflect for a brief moment or two, and then spend considerable time thinking outside that proverbial box on how this decade will change the way we communicate with our customers, attract new customers and grow our businesses.”**

As we enter a new decade, we should take time to reflect for a brief moment or two, and then spend considerable time thinking outside that proverbial box on how this decade will change the way we communicate with our customers, attract new customers and grow our businesses.

Five years from now will anyone looking for energy not use the Internet? In our world of instant feedback, do we e-mail invoices and statements to our customers? How quickly can we react and follow up to leads, service inquiries and new business opportunities?

To answer these questions will mean involving your entire staff, even the outside employees, some of your customers in focus groups, your computer software vendor, your credit card processor and thinking beyond the ways we have always done it. This will be difficult for most, near impossible for some, but necessary for all who want to succeed and grow. A strategic communication and marketing plan has become a critical element for any business that wants to stand out from the crowd.

A good first step is to look at companies that you do business with that are progressive and offer you choices in communications. If you are an old-school personality who still likes to open the mail and write checks, I suggest that you assign this project to a 20-something-year-old in your company. Allow them time and resources to gather information and develop a plan. Have an open mind when you read it and then share it with your advisers before commenting at all.

Remember this is going to stretch your thinking and at first it won't be comfortable for you. The keys to this plan are using technology and offering choices. Using a robust Web site, e-mail newsletters, e-mail invoices and

automatic payment systems won't work for everyone, but many more customers than you can imagine will welcome them. Progressive people tend to associate with other progressive people, who all use energy, and may want the convenient choices that you offer. For many, making life a little simpler is worth a lot.

Communication doesn't have to be expensive! In fact, a good Web site should pay back all the development costs within less than six months! The same goes for newsletters. An electronic newsletter that offers a special or two should pay for itself in 30 days from customers taking advantage of your special offers.

You will need a designer who can create an image for your business that remains consistent throughout your communications. Your vision becomes a graphic representation of who you are and your company values. This will cost a few dollars, but again, it's part of the investment. Once made, every piece of paper, every e-mail, your Web site, store signage and even your business cards should portray your company image and vision.

Empower your staff, your customers and yourself to think outside the box, create a communication plan and grow your business by improving communications with your existing customers, prospects and your staff. This can be an exciting project that will motivate everyone that you allow to participate! ☞

**CAROL SETO JOINS GRAY, GRAY & GRAY AS TAX DIRECTOR**

Carol L. Seto, CPA, MST, has been named Tax Director at Gray, Gray & Gray. Seto joins the Westwood, Mass., accounting firm from RSM McGladrey Inc., where she was director of tax consulting.



“We are very fortunate to have someone with Carol Seto’s experience and expertise join our firm,” said Joe Ciccarello, managing partner of Gray, Gray & Gray. “We have a long tradition of truly exceptional tax services, and Carol will help us to continue to provide our clients with top notch tax strategy and advice.”

As tax director, Seto will manage the tax consulting and compliance services of clients in various industries, including professional services firms, construction and real estate development companies, residential and commercial real estate investment joint ventures and high net-worth individuals.

Seto has extensive tax and consulting experience with pass through entities, providing such services as tax compliance, transaction analysis, merger and acquisition consulting, as well as day-to-day consulting.

For more information on Gray, Gray & Gray, see [www.gggcpas.com](http://www.gggcpas.com).

and maintain the storage quality of fuels: heating oil, diesel, biodiesel, low-sulfur fuels, and gasoline. The company is known for its UltraGuard heating oil treatment, designed to reduce fuel-related service calls and increase customer satisfaction with Oilheat.

**OILMEN’S TRUCK TANKS COMPLETES DEF TESTS**

After six months of research and development, the Department of Agriculture Weights and Measures certified Oilmen’s Truck Tanks’ proprietary DEF pumping system. The approval process involved pumping more than 300,000 gallons of DEF through Oilmen’s system and road testing the unit.

After becoming aware of the Environmental Protection Agency (EPA) mandate that all diesel vehicles with engines greater than 3 liters of displacement manufactured after Jan. 1, 2010, must be equipped to significantly lower NOx (nitrogen oxide) emissions, Oilmen’s Truck Tanks developed a delivery system to deliver ultra-pure urea (more commonly known as diesel exhaust fluid or DEF). Oilmen’s system is composed of stainless steel components that meet ISO 22241 (International Organization for Standardization) specifications and are capable of pumping DEF at rates up to 80 GPM. Terra Environmental

Technologies (TET), North America’s largest DEF manufacturer, partnered with Oilmen’s Truck Tanks to provide them with TerraCair DEF for weights and measures testing.



Oilmen’s has been designing, equipping, and stocking tank truck and fuel truck delivery equipment for a wide range of customers since 1951. Oilmen’s also offers DEF/UREA compatible parts, plus a wide range of truck tank related equipment including pumps, meters, reels, hoses, terminal loading equipment and computer register equipment. Oilmen’s offers expert repair service and stocks one of the industry’s most complete inventories of high quality, well-known name brand parts for all equipment they sell and service.

For information see [www.trucktanks.com](http://www.trucktanks.com) or call (800) 859-8265. ☒

**FUEL MANAGEMENT SERVICES ANNOUNCES NEW PRESIDENT**

Fuel Management Services Inc., a provider of fuel performance products and additives, recently announced that Mark Stellmach will step up from his role as sales manager to become the company’s president. A 17-year veteran of the fuel industry, Stellmach brings renewed energy to Fuel Management Services’ efforts to maximize the benefits that the current and new fuels (ultra-low-sulfur and bioblends) will bring to the industry.



Also, the company announced its relocation to new headquarters at 13 Main Bayway, Toms River, N.J. 08753. The new phone number is (732) 929-1964. The company Web site, [www.fuelmanagementservices.com](http://www.fuelmanagementservices.com), remains the same.

Stellmach replaces previous company president and owner, Ed Kitchen, who will have a greater opportunity to focus on solving fuel quality problems in conjunction with International Lubrication and Fuel Consultants (ILFC), the company’s partner and manufacturer of UltraGuard heating oil treatment.

Fuel Management Services, Inc. offers products that will maximize the performance

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 May 4 - June 3, Tues & Thurs, 7:00am - 3:30pm

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80 - Hour Course of Study  
**Evenings:**  
 March 9 - June 3, Tues & Thurs, 6:00 - 10:00pm  
 September 7 - November 11, Tues & Thurs, 6:00 - 10:00pm

These classes held at the NEFI Technical Training Center in Watertown, MA. For classes at other locations, visit our website.

[WWW.NEFI.COM/TRAINING](http://WWW.NEFI.COM/TRAINING)



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## DOE AND USDA AWARD \$24 MILLION IN BIOMASS GRANTS

The Department of Energy (DOE) and the U.S. Department of Agriculture (USDA) announced in November more than \$24 million in grants for the research and development (R&D) of biofuels, bioenergy and high-value biobased products.

The grants will support a dozen projects aimed at increasing the availability of biofuels and other products produced from biomass.

Six projects involve R&D in biomass conversion technologies, including an effort by GE Global Research to develop kinetic models of biomass gasification, which will help engineers design better gasifiers.

Three grants will support biomass feedstock development. Agrivida will develop a form of switchgrass with new traits that eliminate the need for both expensive pretreatment equipment and enzymes; Oklahoma State University will study best practices and technologies necessary to ensure sustainable production of cellulosic ethanol feedstocks; and the University of Tennessee will compare three varieties of switchgrass using various management practices, harvesting equipment, and harvesting timelines.

The final three awards will support analyses of future biofuels production. Purdue University will analyze the global impacts of second-generation biofuels within the context of other energy technologies, as well as alternative economic and climate change policy options; the University of Minnesota will assess the environmental sustainability and capacity of forest-based biofuel feedstocks within the Lake States region; and the Consortium for Research on Renewable Industrial Materials will compare environmental and economic impacts of collecting biomass from various sources for conversion to fuels via several pathways, using the analysis to estimate the national potential for biofuels production.

## DOE AND USDA AWARD \$564 MILLION TO BIOREFINERY PROJECTS

The Department of Energy (DOE) and the U.S. Department of Agriculture (USDA) announced in December the award of \$564 million in American Recovery and Reinvestment Act funds to 19 integrated biorefinery projects.

Located in 15 states, the projects will validate biorefining technologies and help lay the foundation for full commercial-scale development of a biomass industry in the United States. The selected projects will produce advanced biofuels, bioproducts and power from biomass feedstocks at the pilot, demonstration and commercial scale.

Collectively, these projects will be matched with more than \$700 million in private and non-federal cost-share funds, for total project investments of nearly \$1.3 billion. They are meant to help close the gap between the current biofuels production from a small number of advanced biorefineries and the aggressive goals for cellulosic and advanced biofuels included in the federal Renewable Fuel Standard.



Of the new funding, up to \$483 million will go to 14 pilot-scale and four demonstration-scale biorefinery projects, which will produce biofuels and bioproducts from such sources as algae, poultry fat, plant oils, switchgrass, sweet sorghum, agricultural and forest residues and various sources of wood (including hybrid poplar trees and wood waste). The projects will produce ethanol and biobased versions of diesel fuel, gasoline and jet fuel. Several projects will produce high-value biobased chemicals, including potassium acetate, ethyl acrylate and succinic acid. One demonstration-scale project will also produce 2 megawatts of power.

## APPLES-TO-APPLES FEEDSTOCK COMPARISON STUDY RESULTS RELEASED

New feedstock comparative research data is now available as a free biodiesel industry-wide resource to aid developers, suppliers and researchers determine feedstock characteristics.

Renewable Energy Group (REG) recently released the "Biodiesel and Feedstock Characteristics Report," which outlines the ASTM D6751 results for biodiesel made from more than 30 commercially available and unique feedstocks.

Armed with more than a dozen years of biodiesel feedstock commercialization expertise, REG's analysis utilized lab-scale pretreatment and production which mimic today's commercial biodiesel processes.

"The report showcases benchmarks

for traditional and unique oils and fats," explained Glen Meier, REG's director, technology and feedstock development. "For the first time, side-by-side comparisons of the feedstocks' fatty acid profiles and resulting biodiesel characteristics are now available. This opens the door to discussions about market viability and commercialization of new or unique feedstocks."

Biodiesel was produced from each of the feedstocks and tested for compliance with ASTM D6751 specifications for transportation fuel. To produce the biodiesel, REG designed a uniform method for pretreating the crude feedstock, esterifying the free fatty acids, transesterifying the triglycerides and filtering the finished methyl ester.

More than 130 pages of methodology and testing results are available free of charge to the industry. The results of the study are now available online at [www.regfuel.com](http://www.regfuel.com).

## DOE ANNOUNCES ADVANCED BIOFUEL FUNDING

U.S. Department of Energy Secretary Steven Chu and Agriculture Secretary Tom Vilsack recently announced the selection of 19 integrated biorefinery projects to receive up to \$564 million from the American Recovery and Reinvestment Act to accelerate the construction and operation of pilot, demonstration, and commercial scale facilities.

Vilsack noted that USDA Rural Development has selected San Diego, California based Sapphire Energy to receive a loan guarantee for up to \$54.5 million through the Biorefinery Assistance Program to demonstrate an integrated algal biorefinery process that will cultivate algae in ponds, and will use dewatering and oil extraction technology to produce an intermediate that will then be processed into drop-in green fuels such as jet fuel and diesel.

The Biorefinery Assistance Program, authorized through the 2008 Farm Bill, promotes the development of new and emerging technologies for the production of fuels that are produced from non-corn kernel starch biomass sources. The program provides loan guarantees to develop, construct, and retrofit viable commercial-scale biorefineries producing advanced biofuels. The maximum loan guarantee is \$250 million per project.

The biofuels and bioproducts produced through these projects will displace petroleum and accelerate the industry's ability to achieve production targets mandated by the federal Renewable Fuel Standard (RFS). These investments will help close the gap between the production from the small number of biorefineries currently in operation and the aggressive Renewable Fuel Standard goals for cellulosic and advanced biofuels. ☐



## Weather Patterns May Battle for January Dominance

By John Bagioni, Fax-Alert Weather Service

is in play the entire winter; that is never the case. The NAO always goes through an ebb and flow from positive to negative. The key is whether or not it is spending most of the time in its negative or positive phase, as well as how intense the positive and negative periods are.

If the December NAO trend is a true indicator of what the average winter NAO will do, as it often is, the potential will be high this year for frequent cold intrusions into the eastern U.S., some of which may be very strong.

It must be remembered though that the NAO will not likely run negative continually. There will be times when it trends neutral or even strongly positive during the course of the January/February period. In fact, given the strong -NAO that developed during mid-December, it is very likely that it will try to shift into a neutral or positive phase during early January.

With this in mind, I expect the very cold mid-to late-December weather pattern to trend normal, possibly even milder than normal, for a period during early January.

If the history of a repetitive NAO signal does verify, this would mean a trend back toward a -NAO should occur shortly after early January. This would force any milder-than-normal regime during early January to flip back to a colder-than-normal pattern. Given the normal tendency for the coldest air masses of the winter to form during the January period, any sustained -NAO would increase the risk of one or more brutally cold air mass intrusions into the eastern U.S.

Now onto something else to consider about the January weather pattern, which will muddy the waters a bit. During December, the El Nino continued to strengthen and was borderline strong by the time I was writing this discussion. Moderate to strong El Nino events often try to flood the country, especially western sections, with a lot of warm air.

The only way to prevent the warming from overwhelming the Northeastern U.S. is to have a -NAO kick in from time to time. If the -NAO December signal does not come back into play during January, warm air from the western U.S. would likely flood into the eastern states.

I will favor the -NAO phase being frequent enough to allow the El Nino effects to be offset once into the eastern U.S. During neutral or positive periods of the NAO, we will likely see the El Nino warming come into play, and thus while I still favor a January that runs colder on average, I will not predict an extremely cold month, even though the potential for some truly bitter cold periods cannot be dismissed. ☞

**WHILE SOME OF THE WARM INDICATORS THAT** helped produce a very mild November carried on over into the first week of December, the atmospheric players that were expected to offset the warming trends of the moderate El Nino arrived on the scene shortly thereafter. This allowed the December pattern to quickly flip to a much colder pattern and this cold pattern then intensified on into the holiday period.

Those of you that have followed these weather discussions over the past few years have heard me harp about the need to see a -NAO pattern to get sustained Northeastern cold during the winter season. While a -NAO is not the be-all and end-all for eastern cold, it is considered to be the driving force behind the most significant cold winters we have experienced.

**Given the normal tendency for the coldest air masses of the winter to form during the January period, any sustained -NAO would increase the risk of one or more brutally cold air mass intrusions into the eastern U.S.**

Let's briefly review what a -NAO represents. NAO is the abbreviation for the North Atlantic Oscillation. The NAO is the name given to the oscillating pressure pattern, surface and aloft, that exists from the central Atlantic northward on across to Greenland.

When pressures are higher than normal across the central Atlantic and lower than

normal across the general area of Greenland, the NAO is said to be in the positive phase (+NAO). During this phase, the jet stream flow across the Northeastern section of the country and eastern Canada moves rather swiftly from west to east and does not allow the direct discharge of cold air into the Northeast. If cold air masses do come southward during the +NAO phase, they are usually quick hitting, short-lived events with no staying power.

But during a negative phase (-NAO), atmospheric pressure levels are higher than normal across the Greenland area, with lower pressures off to the south, in the central Atlantic. This type of setup usually causes a buckling of the jet stream across the Northeastern U.S., which in turn allows frequent cold air mass intrusions to come south into this area. A solid -NAO pattern can lead to much below-normal temperatures and long-running cold periods across much of the eastern U.S.

There is a real interesting aspect of the December -NAO pattern, however. There is a saying frequently used by long-range forecasters: "What happens in December, the winter will remember!"

While not a textbook rule, it happens enough that it should not be dismissed. This is particularly true of a fall or early winter (December) -NAO pattern. Many times we find that December -NAO periods are a tip off of repeating -NAO periods during January and February. That does not mean the -NAO

For the industry's most comprehensive full year calendar, visit: [www.nefi.com/calendar](http://www.nefi.com/calendar)

**January 2010**

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

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**February 2010**

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

**7-10 National Biodiesel Conference**, Texas, [www.biodieselconference.org](http://www.biodieselconference.org)

**10 National Fuel Funds Network's LIHEAP Action Day**, Washington, D.C. [www.nationalfuelfund.org](http://www.nationalfuelfund.org)

**15-17 Annual Ethanol Conference**, Orlando, Fla. [www.ethanolrfa.org](http://www.ethanolrfa.org)

**19-20 Petroleum & Convenience-Store Exposition of Mid-America (PACE)**, Branson Convention Center, Branson, Mo. [www.pmaa.org](http://www.pmaa.org)

**March 2010**

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

**3-4 Southeast Petro-Food Marketing Expo**, Myrtle Beach Convention Center, Myrtle Beach, S.C. [www.ncpcm.org](http://www.ncpcm.org)

**4-5 Affordable Comfort Inc. New Jersey Home Performance Conference and Awards Banquet**, Trump Plaza Hotel, Atlantic City, N.J. [www.affordablecomfort.org](http://www.affordablecomfort.org)

**10 Pennsylvania Petroleum Marketers & Convenience Store Association PPMCSA C-Store Trade Show**, Monroeville Convention Center, Monroeville, Pa. [www.libertyusa.com](http://www.libertyusa.com)

**24-26 HVACR & Plumbing Instructor Workshop**, National Conference Center, Lansdowne, Va. [www.instructorworkshop.org](http://www.instructorworkshop.org)

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## NAOHSM to Host 57th Annual Convention, Trade Show

**THE NATIONAL ASSOCIATION OF OILHEATING SERVICE MANAGERS** (NAOHSM) recently announced that it will hold its 57th Annual Convention and Trade Show from May 23 to 27, 2010, in Providence, R.I.

“As with all NAOHSM annual events, a theme is carried throughout,” said Judy Garber, executive administrator of NAOHSM. “This year’s theme will be Superheroes of Service—a tribute to the men and women that make our industry shine.”

NAOHSM invites professionals of various trades, including plumbing, HVAC, and chimney services, to join them for a full array of education, fun and networking.

In keeping with their mission of education, NAOHSM will offer technical and managerial classes from Monday to Wednesday. Monday will be dedicated to managers and owners, featuring a one-day PowerPoint class for those in the Train-the-Trainer program and another class just for managers. Tuesday and Wednesday will feature a broad range of technical classes covering solar, condensing technology, resets, new technologies, ECM technology, air flow and more. NAOHSM will also give attendees an in-depth look at the

business opportunities available with propane and energy audits. Thanks to NAOHSM sponsors and their commitment to education, all classes are free of charge.

NAOHSM has recruited some of the top speakers in the industry for this annual event, including Dan Holohan (HeatingHelp.com), John Barba (Taco), Dave Yates (Contractor) Jodi Samuels (Viessmann), Chris Mohalley (Certified Master ECM Trainer), John Levey (Oilheat Associates) and more.

Credits for certification programs, such as National Oilheat Research Alliance (NORA) and North American Technician Excellence (NATE), will be available to those who attend these technical classes.

Hotel rooms are available at The Westin Providence in the heart of Rhode Island and conveniently attached to both the Convention Center and Providence Place Mall. For one rate, convention attendees can book a room, enjoy breakfast and attend evening events. For continual news and registration information visit [www.naohsm.org](http://www.naohsm.org). For further details regarding exhibiting or attending this free event, contact Judy Garber at (888) 552-0900. ☒



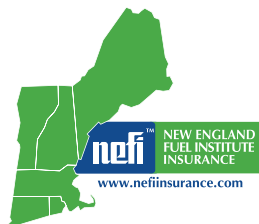
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Interested parties are urged to contact Shane Sweet, CEO, at [shane@nefi.com](mailto:shane@nefi.com) or (617) 923-5011, with proposals or questions.

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Caribou, ME	2094	2235	1975	1505
Portland, ME	1459	1568	1444	1152
Concord, NH	1583	1661	1569	1220
Burlington, VT	1485	1630	1538	1246
Albany, NY	1329	1460	1381	1142
Worcester, MA	1355	1429	1370	1119
Boston, MA	982	1044	1075	932
Hartford/Springfield	1124	1245	1217	1060
Providence, RI	970	1127	1130	966
Chatham, MA	998	1077	1117	894
Bridgeport, CT	895	985	1021	924

Report compiled by John Bagioni, a consulting meteorologist who runs Fax-Alert Weather Service LLC, Burlington, Conn. He can be reached at: (860) 675-9091, or at: [johnbag@comcast.net](mailto:johnbag@comcast.net).

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	Week Ending				Week Ending		
District	12/11/09	12/04/09	Year Ago	District	12/11/09	12/04/09	Year Ago
East Coast (PADD I)	26.2	25.7	16.7	East Coast (PADD I)	8.3	8.9	7.2
NEW ENGLAND	2.7	2.8	1.8	NEW ENGLAND	0.3	0.3	0.4
MID-ATLANTIC	13.8	13.1	8.0	MID-ATLANTIC	4.9	5.2	3.4
SOUTH TO FLA.	9.7	9.9	6.9	SOUTH TO FLA.	3.1	3.4	3.4
Midwest (PADD II)	25.0	25.3	21.0	Midwest (PADD II)	2.7	2.5	3.6
Gulf Coast (PADD III)	32.0	32.2	21.1	Gulf Coast (PADD III)	7.7	7.8	7.4
Rocky Mtn. (PADD IV)	3.0	2.9	2.6	Rocky Mtn. (PADD IV)	0.2	0.2	0.4
West Coast (PADD V)	9.7	10.0	10.1	West Coast (PADD V)	1.2	1.1	1.5
<b>U.S. Total</b>	<b>95.9</b>	<b>96.2</b>	<b>71.5</b>	<b>U.S. Total</b>	<b>20.1</b>	<b>20.6</b>	<b>20.2</b>
Greater than 500 ppm (0.05%) Sulfur				TOTAL DISTILLATE STOCKS			
	Week Ending				Week Ending		
District	12/11/09	12/04/09	Year Ago	District	12/11/09	12/04/09	Year Ago
East Coast (PADD I)	40.1	41.9	30.0	East Coast (PADD I)	74.6	76.6	53.9
NEW ENGLAND	10.4	11.0	6.3	NEW ENGLAND	13.4	14.1	8.6
MID-ATLANTIC	27.0	28.6	20.4	MID-ATLANTIC	45.8	46.9	31.8
SOUTH TO FLA.	2.7	2.3	3.3	SOUTH TO FLA.	15.5	15.6	13.6
Midwest (PADD II)	1.7	1.9	2.5	Midwest (PADD II)	29.4	29.7	27.2
Gulf Coast (PADD III)	5.4	5.7	7.4	Gulf Coast (PADD III)	45.1	45.6	35.9
Rocky Mtn. (PADD IV)	0.1	0.1	0.1	Rocky Mtn. (PADD IV)	3.3	3.3	3.2
West Coast (PADD V)	1.0	1.0	1.8	West Coast (PADD V)	11.9	12.1	13.4
<b>U.S. Total</b>	<b>48.3</b>	<b>50.6</b>	<b>41.9</b>	<b>U.S. Total</b>	<b>164.4</b>	<b>167.3</b>	<b>133.5</b>

**ANOTHER OPPORTUNITY FOR EQUIPMENT UPGRADES**

**WITH MONEY FROM THE AMERICAN RECOVERY and Reinvestment Act (ARRA) coming to individual states to use for encouraging energy efficiency, equipment manufacturers and dealers have a new marketing angle to use with customers, as written about in this issue.**

However, even more money could be released to help with incentives to upgrade older heating systems, according to a recent speech by President Barack Obama. In December, he said that some money out of the billions received from the Troubled Asset Relief Program could be used to assist in weatherization and efficiency upgrades.

The program has not yet been decided upon, but it appears that the federal government will build off previous efficiency upgrade tax credits. If that is the case, the home heating oil market must work to ensure that its equipment is included in the language the government uses.

If the government uses the funds to increase the amount taxpayers can receive from the Section 25C federal Home Efficiency Tax Credit, which is currently set to a maximum of \$1,500, the industry must continue to try and increase the amount of equipment available. Currently, the tax credit is available for 30 percent of the cost up to \$1,500 for upgrades to systems with an AFUE rating of 90 or above.

That number greatly restricts the number of oil-fired heating systems that are eligible. For the past year, the New England Fuel Institute (NEFI) and other state and national associations have been looking for a way to amend the credit to include a greater number of oil-fired units, while still offering equipment that would be an upgrade for many households.

With the possibility of new Congressional action in light of Obama's remarks, the industry has an opportunity to expand the tax credit for more equipment. The language the industry is proposing would include equipment such as "boilers installed in conjunction with an indirect water heater and temperature reset, or thermal purge with an AFUE of 86" and "furnaces with an AFUE of 85 installed in conjunction with an electronically commutated motor and microprocessor controls certified to reduce consumption by 10 percent."

Both of these measures would allow many more systems to be eligible for the tax credits and give Oilheat customers more reason to upgrade. Opening up potentially billions of dollars in tax credits for new equipment should be a priority for dealers to discuss with their state representatives in 2010. ☐

**Weather Summary**

Selected U.S. Cities  
(Population Weighted Heating Degree Days)

The weather for the nation, as measured by population-weighted heating degree-days from July 1, 2009, through Dec. 12, 2009, has been 1 percent cooler than last year and 1 percent cooler than normal.

Location	Current	Normal	% Change
	7/1/09 thru 12/12/09	7/1/09 thru 12/12/09	Current vs. Normal
Boston	1,317	1,372	-4%
Chicago	1,591	1,695	-6%
Hartford	1,505	1,618	-7%
New York	957	1,108	-14%
Philadelphia	1,005	1,157	-13%
Pittsburgh	1,434	1,552	-8%
Portland	1,847	1,977	-7%
Providence	1,316	1,467	-10%
Raleigh	793	879	-10%
Richmond	836	985	-15%
Washington	873	980	-11%

**Oil & Energy Securities Recap**

Company	Symbol	12/16/09	11/23/09	Change
<b>Ashland Inc.</b>	ASH	40.60	37.05	+3.55
<b>BP-Amoco</b>	BP	57.30	58.94	-1.64
<b>ChevronTexaco</b>	CVX	78.31	79.13	-0.82
<b>Conoco Philips</b>	COP	51.13	53.13	-2.00
<b>ExxonMobil</b>	XOM	69.05	75.88	-6.83
<b>Global Partners</b>	GLP	22.83	24.10	-1.57
<b>Hess Corp.</b>	HES	57.91	59.91	-2.00
<b>LUKOIL</b>	LUKOY	56.45	61.40	-4.95
<b>Marathon Oil</b>	MRO	31.57	33.59	-2.02
<b>National Grid Plc</b>	NGG	53.76	54.79	-1.03
<b>Occidental</b>	OXY	80.40	82.43	-2.03
<b>Royal Dutch Shell Plc</b>	RDSA	59.88	62.22	-2.34
<b>Star Gas</b>	SGU	3.87	3.85	+0.02
<b>Sun</b>	SUN	25.67	25.97	-0.30
<b>Tesoro Petroleum</b>	TSO	12.89	13.28	-0.39
<b>Total</b>	TOT	63.94	63.83	+0.11
<b>Valero Energy</b>	VLO	16.82	16.41	+0.41

**Sources:**

Energy Information Administration, Weekly Petroleum Status Report. For information about distillate stocks, contact Diana House: 202-586-9667 or by e-mail at dhouse@eia.doe.gov.

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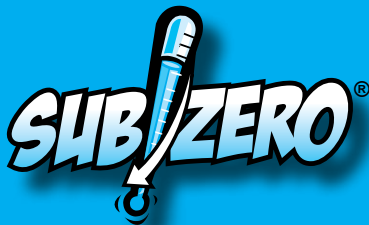
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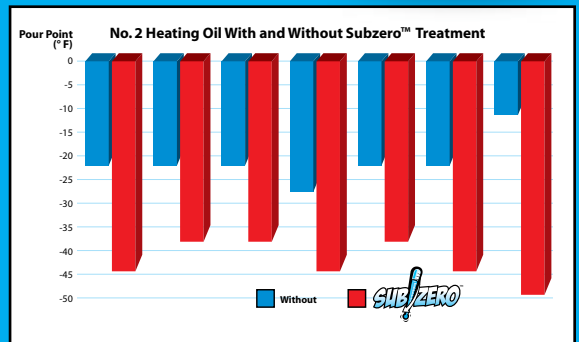
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