

OIL & ENERGY

OILHEAT • PROPANE • DIESEL FUEL • BIOFUELS



Diversity Comes to Oilheat

Evolve, Go Green, Address Consumer Base

Also Inside:

- Fuel Co-ops: Delivering Customers
- New Products at AREE
- Q&A: NEFI's President Chris Keyser
- Leg Up In A Volatile Market
- Diversification Calls for Planning
- Oilheat Firms That "Get It"

Publication of the New England Fuel Institute
Volume 10/Issue 6

NEW ENGLAND FUEL INSTITUTE
www.NEFI.com

GLOBAL'S LATEST TERMINAL ACQUISITIONS
ARE RESOURCES YOU CAN RELY ON

SIX NEW REASONS TO BUY FROM GLOBAL

The most responsive petroleum supplier in the Northeast continues to grow to meet your needs best.

In the past year, we've acquired terminal locations to serve marketers in Vermont, New York, and Rhode Island. Six terminals at convenient locations with extensive capacity to meet diversified product needs. Six ways that expand our competitive lineup. For more information, please contact your Global representative or phone our sales office at 800-685-7222.

Make Global your supplier of choice.



GLOBAL COMPANIES LLC
800 SOUTH STREET, WALTHAM, MA 02454
1-800-685-7222 • www.globalp.com



The Front Burner

CANADIAN FIRM TO OPERATE IRVING'S NE STATIONS

Irving Oil Limited and Alimentation Couche-Tard Inc. recently announce the expansion of their existing seven-year-old partnership to include 252 Irving Oil convenience retail sites across Atlantic Canada and New England.

Under the expanded partnership, 252 Irving Oil convenience stores located in Atlantic Canada and New England would be operated by Couche-Tard. Of these stores, 128 are in Canada and the remaining 124 stores are located in Maine, New Hampshire, Massachusetts and Vermont. Irving Oil will retain ownership of the convenience retail properties and Couche-Tard will lease the properties for the next 20 years. Irving Oil would continue to supply petroleum products to the sites. The fuel pumps and canopies at the sites would remain Irving-branded and the stores would be operated under a Couche-Tard brand.

ENERGY INDUSTRIES MUST EDUCATE LEGISLATORS, PUBLIC

The oil and gas industry is headed for an energy policy "train wreck" unless it can engage the public to influence governmental actions in the industry's favor, said Consumer Energy Alliance Vice President Michael Whatley at the Offshore Technology Conference in Houston recently.

"Since 1980 U.S. demand has increased by 30 percent, but supply has grown by only 15 percent. Yet more than 80 percent of the Outer Continental Shelf remains off-limits to oil and gas exploration and production. Even worse, only 3 percent of onshore federal land is available for oil and gas leasing, and more than 51 percent is totally off-limits for conventional leasing," he said.

Whatley said the industry must form consumer-energy alliances with powerful and influential groups such as labor unions, manufacturers, farmers, and trucker coalitions to pressure Congress for policies helping gas and oil firms meet the country's need for energy. This includes legislation helping the industry provide more energy, not hindering it from finding and producing oil and gas.

CAP AND TRADE LEGISLATION WOULD SPIKE OIL PRICES

Leading Congressional critics of pending cap-and-trade legislation recently said gasoline prices could hit between \$6 to \$8 a gallon if the bill passes Congress and is signed into law.

James Inhofe (R-Okla.) and Jeff Sessions (R-Ala.) said energy prices would drastically increase if the Lieberman-Warner Climate Security Act, Senate bill 2191, was signed into law. Sessions, a member of the Senate's Committee on Energy and Natural Resources, cited sources that suggest the increase could be as much as \$5 a gallon.

"In a few weeks, we expect that the cap-and-trade legislation that's been voted out of Sen. Barbara Boxer's (D-Calif.) Environment and Public Works Committee will be on the floor and, according to the Environmental Protection Agency, it will increase gas prices by \$1.50. The National Association of Manufacturers says it will increase it as much as \$5 per gallon."

Sessions proposed that money should be spent on energy investment and not to establish a regulatory bureaucracy to enforce the provisions of the Lieberman-Warner bill.

"So instead of actually coming forward with any idea about what to do about rising prices, we'll soon be voting on a bill that ... would surge the price of energy, create a bureaucracy—and I just don't think it is the right thing to do," Sessions said. "I'd rather spend our money investing in the new technologies, helping get nuclear power online, improving batteries, researching cellulosic ethanol. Let's spend our money on that without creating cap-and-trade bureaucracies that have not worked in Europe."

THE DIFF.

Spot Prices (Cents/Gallon) as of May 13, 2008*

New York Harbor No. 2 Fuel Oil / Heating Oil	New York Harbor No. 2 Diesel Low Sulfur	U.S. Midcontinent No. 2 Diesel
369.07	383.19	381.44

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

THE BAROMETER

Comparing Heating Oil to Other Financial Products

	May 15, 2008	One Year Ago
No. 2 Fuel Oil/New York (Cents/Gallon)	369.07 Cents/Gallon	187.17 Cents/Gallon
Crude Oil (Dollars/Barrel)	\$124.12	\$62.35
10-Year Treasury Bill	3.92%	4.67%
30-Year Mortgage	6.01%	6.16%
Dow Jones Average	12,993	13,920



There's No Getting Away From The Law.

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

It's The Law!

The Federal Motor Carrier Safety Administration (FMCSA) requires strict compliance with Federal drug and alcohol testing regulations for motor carriers and drivers. Employers in violation are subject to civil and criminal penalties.

The NEFI Alliance Consortium is a simple, quick, and inexpensive solution to this federal requirement. As a non-profit group, the NEFI Alliance is able to offer this comprehensive program at a most reasonable cost.

**Avoid severe fines...
Join today!**



NEFI Alliance Consortium

PO Box 9137, Watertown, MA 02471-9137

For program information and application information, call 617-924-1000

www.nefi.com

Oil & Energy Magazine
Phone: (978) 535-7606
Fax: (978) 535-7826
E-Mail: oil.energy@gstone.biz

Mailing Address
Oil & Energy
67 Foster St.
Peabody, MA 01960

Managing Editor
Franklin B. Tucker

Editorial Assistant
Kris Peterson

Advertising Production
Catherine Armao

Graphic Designer
Nathan Burke

Credits
Volume 10/Issue 6 © June 2008

Postage paid at Manchester, NH
Permit No.1926

Library of Congress, National Serials
Data Program, ISSN-0044-0205.n



Oil & Energy is published monthly by New England Fuel Institute, a non-profit organization incorporated in Massachusetts. The Institute's energies and resources are devoted to Oilheat, Propane, Diesel Fuel, Bioheat® industries and associated service companies.

Editorial and news matter are not necessarily reflective of the opinion of the New England Fuel Institute, its officers and members.

Advertising appearing in *Oil & Energy* does not constitute an endorsement of the advertised products or services by this magazine or the New England Fuel Institute.

© June 2008. All rights reserved.

Advertising

Complete advertising rates and media data are available from *Oil & Energy*, 67 Foster St., Peabody, MA 01960 (978) 535-7606, 9 a.m.-4 p.m. daily. oil.energy@gstone.biz

Classifieds

See classified section.

Subscription Rates

1 year \$24, NEFI member; \$29, non-member
2 years \$35, NEFI member; \$45, non-member

Mail payment with complete name, address, city, state and zip code to:
OIL & ENERGY SUBSCRIPTION
c/o New England Fuel Institute
20 Summer St., Box 9137
Watertown, MA 02471-9137
Or subscribe online at:
www.nefi.com/oilandenergy

NEFI Membership

To inquire about membership and services of the New England Fuel Institute:
New England Fuel Institute
P.O. Box 9137
Watertown, MA 02471-9137
Phone: 617-924-1000
Fax: 617-924-1022
www.NEFI.com

The Greening Of Retail Dealers 12

It is no longer a matter of choice: Oilheat retail dealers must diversify to survive in a world of \$100 barrels of oil and increased competition. Tom Meyer asks, "Why not do so going green?"



Two Oilheat Firms That Get It 14

Wesson Energy of Waterbury, Conn., and WB Steward & Son in Woodbury Heights, N.J., are firms that have changed their business from supplying oil to becoming energy gurus.

Getting a Leg Up In Oilheat's Volatile Market 18

Oilheat dealers heard industry leaders and observers speak on the threat to and opportunities in an industry under the burden of record high oil costs.

Q&A NEFI's Chris Keyser 20

New England Fuel Institute's newly installed chairman of the board talks about the future of the Oilheat industry, the association and himself.

HO's Rising Price More Than Playing The Market 22

Don't simply blame speculators for the spike in oil, says John Kilduff of ML Global, as the price of oil would be just as high without them.

Weather Trends: Warmer, Humid Start; Cooler Finish 24

John Bagioni of Fax-Alert Weather Service says he expects the La Nina event to weaken further as we march through the summer months. Bagioni can be reached at johnbag@Comcast.net

Biz Tip: Diversification Calls For Strategic Planning 26

Paul J. Gerry, Jr. of Gray, Gray & Gray says dealers offering a new product or expanding into a new service line need careful planning and preparation to be successful. Gerry can be reached at pgerry@gggcpas.com

Using a Cooperative Approach To Find New Customers 30

State fuel co-operatives have a ready number of households Oilheat retailers can use to diversity their client base.

AREE Shows Off New Fall Products 32

The lasting impression from the Atlantic Region Energy Expo Convention and Trade Show was how technology is fast becoming a major player in the very old style heating oil industry.

Index Fund Position in Commodities Open To Question 36

Champion Energy Corp CEO Peter Carini asks the Commodity Futures Trading Commission to enforce its own rules.

Oil Market Stance: Jump On The Correction, Or Wait? 38

Taylor Hudson of Hedge Solutions believes one of the most challenging aspects of this year's hedging season for dealers waiting on lower prices has been the speed with which prices dip, turn around and surge even higher. Hudson can be reached at taylor@hedgesolutions.com

Biz Tip: Rays of Sunshine In A Down Market 43

John Nardozi says that despite the doom and gloom pervading the Oilheat industry, he sees some rays of sunshine. Nardozi can be reached at jnardozi@nardozziconsulting.com

Calendar p. 42	Marketplace p. 40
Classifieds p. 45	NEFI FYI p. 7, 8
Degree Days p. 24	State Updates p. 25
Firebox p. 41	The Stats Page p. 46
Industry News p. 23	Think About It p. 46

Moving Forward Together



The Northeast is more than a market to us. It's the environment we share with our families and friends. It's the place we've called home for over 80 years. And with a firm commitment to the future, we work to provide you with the energy and support you need to thrive for decades to come.

High quality products

Our recent \$100 million refinery investment, ensures our ability to supply growing volumes of **Ultra Low Sulfur Diesel** to New England.

Our **Premium PLUS Diesel** offers the benefits of our superior refined diesel, plus the value of improved ignition quality resulting in better performance and reduced emissions.

Our **Cleaner-Burning Gasoline** is another example of how we continue to be leaders in environmentally friendly low-sulfur fuels. In fact we are the first and only oil company to ever receive the prestigious Clean Air Award from the EPA.

And by operating our own state of the art refinery, and fleet of ships and trucks, we ensure efficient and reliable supply to our terminals throughout Eastern Canada and New England.

Give us a call: **(877) 942-3600**
Let's move forward together.



See you there

irvingoil.com

Explore Nappa Valley with NEFI

2008 NEFI Fall Energy Conference Napa Valley, California September 23 ~ September 28, 2008

California is the largest producer of wine of any state in the USA. Each year, it produces millions of liters of quality vintage wines. The best-known wine growing region in the state is Napa Valley, located about 50 miles north of San Francisco.

Napa Valley stretches about 35 miles northward along Route 29. In most parts, it is only a few miles wide with low volcanic hills defining its sides.

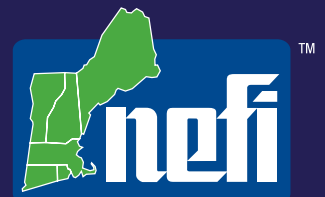
The flat valley floor and the surrounding hillsides are covered with orchards and vineyards. Small towns and villages like Napa, Yountville, Rutherford and Calistoga are set amidst the quaint farmlands. Signs near every intersection invite you to visit famous wineries. Some of the wineries are located in small farms, others are in beautiful estates with palatial mansions and others are in Victorian houses or even in European-style castles.

Doubly blessed with rich volcanic soil and an ideal varied climate, Napa Valley is optimally suited to produce world quality wine grapes. Wherever you travel in this scenic area, you are almost always in view of a vine-covered mountain or valley, and no matter the time of year, you're in for a treat for all the senses.

A FEW OF THE TRIP HIGHLIGHTS ~

- Round trip air out of Boston on American Airlines
- Round trip transfers from airport to hotel & back in a private deluxe motor coach
- Five nights at the Marriott Napa Valley Hotel & Spa
- Full American Breakfast Daily at the hotel's Harvest Café
- Welcome to Napa Valley reception at the hotel with cocktails and hors d'oeuvres
- Full day wine tasting tour in your own private motor coach including visits to Hess Winery, Cakebread Cellars and Cuvaison
- Gourmet picnic lunch at Cuvaison
- Private motor coach to the Napa Valley Wine Train for a gourmet dinner and 3 hour scenic train ride
- Optional tours and activities including golf, spa treatments at the resort and hot air ballooning
- Gala farewell dinner

**For additional information
contact Tracy Goodwin
at (617) 923-5015
or tracy@nefi.com**



Fuel Dealers & Trade Groups March on Washington

Fuel dealers and industry trade groups from around the country brought their issues and concerns to Congressmen and their staffs during the recent "Day on the Hill" event in Washington, D.C., put on by the Petroleum Marketers Association of America (PMAA). New England Fuel Institute (NEFI) and the industry associations from the region took part, and the New England representatives alone met with 30 congressional offices in the U.S. House of Representatives and the U.S. Senate.

In addition to state-specific issues, a number of national issues were also discussed with federal lawmakers, including the following:

- **Commodity Futures Trading Commission Oversight:** PMAA and NEFI urge Congress to pass the Farm Bill which includes an amendment that would expand CFTC authority to regulate certain electronic over-the-counter exchanges. They also called for new measures to minimize or eliminate the so-called "non-physical" or "non-industry" speculators, which now dominate the futures markets, and they called for adequate funding for the CFTC. As this issue went to press, Congress had passed the bill by significant margins, boding well for an override vote as the President is expected to veto the bill.

- **Emergency Price Controls (Gouging) During Emergencies:** The PMAA and NEFI hope Congress appeals to reason rather than emotion when considering legislation to solve the problem of gouging, since any action will leave marketers and retailers to unjustly bear the brunt of consumers' frustration.

- **NORA:** Continued support for the National Oilheat Research Alliance (NORA) through passage of an amendment to the existing program that would improve the operation of NORA; make NORA permanent by eliminating the sunset provision that requires Congressional reauthorization every five years; and modify the funding mechanism.

- **LIHEAP:** Fully funding the federal Low Income Home Energy Assistance Program (LIHEAP) to the amount of \$5.1 billion, and correcting the LIHEAP statute by either removing the leveraging requirement completely; exempting heating oil, Bioheat, kerosene and propane from the leverage requirement; or restricting leverage programs to only state regulated utilities that engage in cost recovery through public utility ratemaking procedures.

- **Biofuels:** Fuel dealers informed members of Congress and their aides on the promise of newly emerging biofuels, such as Biodiesel and BioHeat®, and called for a renewal of the biodiesel tax credit, but they also warned members of Congress not to impose harmful usage mandates or mandatory infrastructure upgrades without considering the consequences of such acts.

- **Other Issues:** Congress must fully fund the Leaking Underground Storage Tank Program; policy remedies for global warming to be scientifically justified and cost effective; the need for Congressional attention on credit card interchange fees; and consider endorsing mandates and spending money on building the infrastructure to dispense biofuels.

New England had strong representation. Attending from NEFI were Shane Sweet, President & CEO, NEFI; and Jim Collura, Vice President for Public Policy, NEFI; accompanied by Bill Riordan of Advanced Fuel Solutions, a Biodiesel and Bioheat expert. Other groups from the region that participated included the Independent Oil Marketers Association (IOMA) of New England, the Independent Connecticut Petroleum Association (ICPA), Maine Oil Dealers Association (MODA), Massachusetts Oilheat Council (MOC), Oil Heat Institute of Rhode Island (OHIRI), and the Vermont Fuel Dealers Association (VFDA).

Copies of the issue papers distributed to members of Congress may be obtained by contacting your state association.

NEFI recommends that marketers regularly communicate their thoughts and concerns with their members of Congress in Washington. To contact your member of Congress, visit the NEFI Legislative Action Center site at www.capwiz.com/nefi.

New Legislation Would Close the "Foreign Markets Trading Loophole"

Federal legislation was introduced recently that, if enacted, would require that energy commodities traded on overseas exchanges by traders in the U.S. will be subject to U.S. reporting requirements and anti-manipulation rules, according to its primary sponsors, Senators Carl Levin (D-Mich.) and Dianne Feinstein (D-Calif.).



The Levin-Feinstein bill, called the "Oil Trading Transparency Act," would direct the Commodity Futures Trading Commission (CFTC) to ensure that any foreign exchange operating a trading terminal in the U.S. for the trading of an energy commodity meets two regulatory requirements that currently apply to traditional U.S. exchanges: imposition of speculative trading limits to prevent price manipulation and excessive speculation, and the mandatory daily publication of trading information from the exchange to ensure market transparency.

The bill would also require the CFTC to obtain information from the foreign exchange to enable it to determine how much trading in U.S. energy commodities is due to speculation. The CFTC issues a weekly publication with speculation data for U.S. markets.

"The good news is that Congress is poised to finally close the 'Enron Loophole,' and place all major electronic trades that could drive energy prices under the watchful eye of the CFTC," said Feinstein. "However, I remain concerned that there are no comparable protections in place when U.S. energy futures are traded on international markets—presenting yet another regulatory loophole for energy traders to exploit. So, this legislation would close that loophole and ensure that the trading of all U.S. energy futures—whether on foreign

or domestic markets—is done with transparency and with an audit trail."

NEFI and affiliated groups are analyzing the bill and closely following the debate.

Energy Markets Not Manipulated, Federal Regulators Say

Energy markets aren't being manipulated and speculators aren't a "major factor" in record prices, the head of the U.S. Commodity Futures Trading Commission said.

"We have a high degree of confidence that people are not manipulating the market," Commission Chairman Walter Lukken said recently at a Senate hearing.

The commission regulates trading on Nymex and other commodity and options markets. Trading on the markets it regulates increased about 27 percent last year, Lukken said.

"We have not seen that speculators are a major factor in driving these prices," Lukken said at a Senate Appropriations subcommittee hearing. Market fundamentals "largely support where prices are at today," he said. But the New England Fuel Institute disagrees with the CFTC's assessment, pointing out that their statements are based on data collected from transparent markets. NEFI argues, and



in prior testimony the CFTC has confirmed, that a majority of trading occurs in opaque trading environments.

Sen. Dick Durbin (D-Ill.) questioned Lukken about the effects of raising the margin requirements for oil trades. Sen. Byron Dorgan (D-N.D.) has thrown his support behind increasing the amount of money traders must have on hand to participate in oil markets, in an effort to dissuade speculators.

"There would be migration off exchanges," Lukken said of the idea. "It would be a tax on a type of trader." NEFI has supported increased margin requirements for non-commercial or "non-physical" traders in order to discourage excessive speculation.

Snowe Proposes Cut in Diesel Excise Tax

Sen. Olympia Snowe (R-Maine) introduced a bill in the U.S. Senate recently that would provide a temporary reduction in the federal excise tax rate on diesel fuel. The Diesel Fuel Tax Parity Act, Senate bill 2896, would cut the current 24.3 cents per gallon federal tax by 6 cents to 18.3 cents per gallon, lowering it to match the same federal tax rate for gasoline. The amount of lost revenue from the

(5.5%), Pennsylvania (8.6%), Rhode Island (4.9%) and the District of Columbia (7.9%).

LIHEAP's growth rate for fiscal 2008 was 3.7 percent almost matches that of the Food Stamp program at 5.1 percent. While the Food Stamp program was able to expand with increasing demand as it is funded on an entitlement basis, LIHEAP is funded as a discretionary grant program and so could not grow similarly. NEFI continues to call for a full funding for \$5.1 billion and additional monies through supplemental funding bills and Presidential emergency relief, as necessary. For the complete press release, go to: <http://www.neada.org/communications/press/2008-04-25.pdf>.

Webinar for SPCC Compliance

New England Fuel Institute will be planning a July 2008 Webinar on Spill Prevention and Control Compliance (SPCC) issues, set for on or about July 1, which is the "one year out" date for full compliance with an array of amendments to the SPCC program passed by EPA since 2002.

All petroleum marketers with storage of any kind will want to participate. Mark S. Morgan, New England Fuel Institute Regulatory Counsel, will lead the regulatory discussion.

The webinar will also include fuel marketers that have already met the new SPCC requirements, a certified engineer to discuss compliance options, banks that will provide guidance on meeting financing needs; and possible EPA participation at the close of the session. Watch for future RSS feeds, NEFI's weekly NEON e-letter, and visit www.nefi.com for later updates on this topic. Information on SPCC regulations can also be obtained at the EPA website, www.epa.gov/oilspill.

DOT Number Holders Sent Registration Letter

The U.S. Federal Motor Carrier Safety Administration (FMCSA) recently announced that 2008 registration letters for the new federal Unified Carrier Registration (UCR) program has been sent to fuel dealers.

The UCR registration letter is being

sent to all current DOT number holders who operate in interstate commerce. Any fuel dealer with commercial vehicles that travel across state lines and weigh over 10,000 pounds or are required to have a DOT HAZMAT placard must register by June 1 and pay a fee based on the number of trucks in the fleet.

The following UCR fee schedule is:

Fleet Size	Fee Per Company
1-2	\$39
3-5	\$116
21-100	\$806
101-1000	\$3,840

In addition, states are permitted to expand the UCR registration program to intrastate transporters, including for-hire and private petroleum transporters who never cross state lines. Intrastate transporters who must register will receive UCR letters from their state DOT office.

The FMCSA is giving a grace period until June 1 to those interstate transporters who did not register and pay a fee during the abbreviated 2007 registration year.

The UCR registration may be completed online. Marketers who did not receive the 2007 and/or 2008 registration forms in the mail should download the packet at www.ucr.in.gov. For information on compliance within your state, contact your state association.

2008 Visions Conference

The 2008 Visions Conference (www.visions2008.org) will be held at the Hilton Boston Logan Airport Hotel in Boston, Mass. on Sept. 8-10. Mark your calendars now, and call Tracy Goodwin, NEFI Vice President & Director of Events at 617-923-5015 or email tracy@nefi.com for information. Visions will again be held in cooperation with Petroleum Marketers Association of America (www.pmaa.org), National Oilheat Research Alliance (www.nora-oilheat.org), and state Oilheat associations throughout the country. NEFI's Planning Committee, chaired by Don Craft of Global Companies and Craig Snyder of Wesson Energy is hard at work on the program content. Registration, vendor tabletops, and sponsorship opportunities will be on the Visions website very soon.

2008 Fall Energy Conference to Napa Valley

Be on the lookout for NEFI's 2008 Fall Energy Conference to Napa Valley, Sept. 23-28, 2008. Please call Tracy at 617-923-5015 or email tracy@nefi.com if you would be interested in joining NEFI and your industry colleagues in a trip to the beautiful wine country of northern California. Registrations will be sent by email and postal mail to NEFI member companies soon.



Highway Trust Fund due to the reduction would be taken out of the general fund under the bill. Snowe said the cut is necessary to provide relief to the trucking and commercial fishing industries that have been hit hard by skyrocketing diesel fuel prices. The cut would be temporary and last through 2008. Diesel prices have jumped 40 percent in the last six months, according to DOE. The legislation faces an up-hill climb, and similar gasoline tax relief measures have been introduced but are receiving criticism from economists and industry experts.

Record number of LIHEAP Recipients Seen by National Directors Group

The National Energy Assistance Directors' Association (NEADA) has announced that the number of households receiving LIHEAP funds this year is the highest in 16 years. An estimated 5.8 million households received energy assistance in fiscal year 2008, an increase of 3.8 percent over fiscal 2007.

Seventeen states plus the District of Columbia reported increases of more than four percent and eight by more than nine percent. These states include New York (4.9%), North Carolina

NEFI Welcomes New Members

New England Fuel Institute welcomes three new members.

Gates Heating

Scott Gates
PO Box 341
Sharon, VT 05065
Phone: 603-252-8291
Email: namzat1968@yahoo.com
Gates Heating provides Bioheat or Biodiesel, Propane and #2 heating oil delivery service.

Tiger Payment Solutions, LLC

Jon Predaris and Rob Fawcett
82 Main St.
Kingston, MA 02364
Phone: 781-585-4343
Fax: 781-585-1990
Email: jon@tigerprocessing.com
Web: www.tigerprocessing.com

P.B.L.S. Ent, Inc. T/A L. S. Fuel

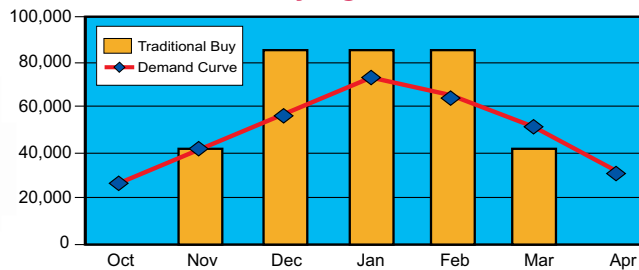
Rick Agoris
PO Box 248
Libertytown, MD 21762
Phone: 301-834-9701
Fax: 301-834-8903
Email: lsfuel@netzero.net
PBL S is a retail fuel dealer also dealing with kerosene, gasoline, diesel-over the road and off road, Bioheat or Biodiesel and C-stores.



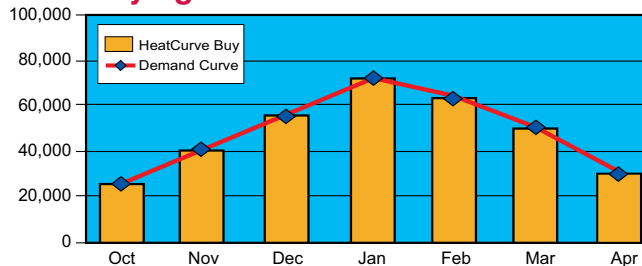
You can buy heating oil in lots dictated by your supplier.

Or you can buy in quantities demanded by your customers.

Traditional Buying Pattern



Buying Pattern with HeatCurve



Your heating oil customers don't burn exactly 42,000 gallons at a time. So why should you have to buy in lots of exactly that amount? With Sprague Heat Curve, you buy your heating oil in the same increments in which you sell it. HeatCurve gives you:

- Contracted gallons dispersed to meet your customers' actual demands
- Guaranteed delivery on the first of every month
- One season-long price to simplify record keeping
- Your choice of four HeatCurve schedules:
 - Oct-Apr Nov-Apr
 - Oct-Mar Nov-Mar
- Minimum program purchase of 5 contracts (210,000 gallons)

Learn more. Go to www.spragueenergy.com/heatcurve.htm
Or call 1-888-440-4944.

Sprague 
DEMAND MORE THAN SUPPLY

A "year of change,"
an era of challenges...



Legislative & Regulatory Action Center

NEW ENGLAND FUEL INSTITUTE confronts multiple issues and regulatory assaults on the well being of the independent fuel distribution industry via the NEFI Legislative and Regulatory Action Center (LRAC).

Your 2008 financial support is needed.

Now more than ever, the New England Fuel Institute is taking on the challenges and opportunities that matter to its members and the industry at-large. Due in large part to NEFI's growing and nationally-recognized Legislative and Regulatory Action Center, we are tackling the biggest issues facing the industry in decades — perhaps in our history.

We would not be able to pursue action on behalf of fuel marketers were it not for the generous contributions of NEFI member firms and others in prior years.

We extend a most appreciative thank you to all those who have participated in the past. We ask those companies to join the effort again in 2008 and to encourage newcomers from all affected businesses to support our efforts.

Unprecedented volatility and surging futures prices on energy commodities markets remain at the forefront of items for which we seek relief and resolution. Loopholes in federal law have allowed speculators to drive up the price of energy with disregard for consumers and the economic fundamentals of supply and demand. NEFI has led the charge, bringing national attention to the issue, building essential coalitions, educating the public, supporting federal legislation, and laying the groundwork for victory and futures prices based on facts and figures, not fear and greed.

NEFI continues to be on alert for federal regulations that affect your business, opposing harmful regulation and providing guidance on important new rules. As but one example, when new Environmental Protection Agency rules required a transition to lower sulfur diesel fuel, NEFI provided the only timely and vital compliance resource to members, saving them from fines of up to \$32,500 per day, per violation. That is concerted action... made possible via LRAC.

Please respond to our request for a supporting contribution by mail Send check to NEFI LRAC, Box 9137, Watertown, MA 02471.

Or you may contribute online at www.nefi.com/payment.php
Check the LRAC box and submit the completed form.

A list of NEFI's most recent and extensive achievements, made possible by LRAC funding, can be found at www.nefi.com/LRAC. We encourage you to review the list. It demonstrates our capacity to apply the valuable dollars you provide to the most important needs of our time.

Among NEFI's many resources that work to serve you:

- A skilled government relations staff that coordinates communication efforts with the U.S. Congress and federal agencies on legislative and regulatory issues; and constantly monitors activity in Washington for developments of interest to you, and ACTS when our industry's interests are threatened.
- Legislative Action Alerts and our online Legislative Advocacy Center (www.capwiz.com/nefi) keep you informed of urgent developments in Washington that may require immediate action.
- Experienced Regulatory Counsel in Washington, DC, provide updates and expert guidance on impending or proposed federal regulations and provides consultation directly to members dealing with legal issues related to regulatory compliance and enforcement.
- Easy-to-understand Compliance Kits and Bulletins will help you come into compliance with new and existing rules and regulations, saving you valuable time and money.
- A new, members-only regulatory guidance website (coming online soon!) that will be a 24-hour depository of our regulatory guidance documents, bulletins, and lists of "frequently asked questions."
- Significantly improved communication and coordination of efforts between state and industry associations in New England and around the country, including PMAA, NAORE and others.
- Involvement with vital alliances and national coalitions including the LIHEAP Coalition, NEFI-led Energy Market Oversight Coalition and a new Oilheat industry public relations alliance.
- NEFI Energy Online News! (NEON) electronic newsletter keeps you up-to-date on weekly developments in the Halls of Congress and beyond... providing news headlines, updated NEFI education and training information, local news updates from each of the New England state associations and the National Oilheat Research Alliance (NORA).



COMMITMENT COMES WITH NAMES ATTACHED

WE ARE PLEASED TO RECOGNIZE OUR VALUED SUPPORTERS

\$10,000

Global Companies LLC Waltham, MA
Sprague Energy Corporation Portsmouth, NH

\$7500

Fawcett Energy Partners, Inc. Kingston, MA
Total Energy Solutions LLC Portsmouth, NH

\$5,000 or more

Arlax Oil Corporation Lexington, MA

\$3,500 or more

Atlas Glen-Mor/Petro Chelsea, MA
Buckley Heating & Cooling Peacedale, RI
Champion Energy New Rochelle, NY
Alvin Hollis & Co., Inc. Weymouth, MA
MacFarlane Oil Dedham, MA
MacLellan Oil Company Tewksbury, MA
Roy Brothers Oil Company Ashburnham, MA
Scott Williams, Inc. Quincy, MA
Wesson Energy Waterbury, CT

2,500 or more

L. E. Belcher, Inc. Springfield, MA
Marran Oil LLC Holtsville, NY
Noar's Oil Company Worcester, MA
Noonan Energy Corporation Springfield, MA
W. H. Riley & Son Attleboro, MA
Scott Oil Company Manchester, MA

\$1,750 or more

Ayer & Goss, Inc. Henniker, NH
Fleming Oil Company Brattleboro, VT
Lipton Energy Pittsfield, MA
Osterman Propane Whitinsville, MA
Wolfeboro Oil Co., Inc. Wolfeboro, NH

\$1,000 or more

Alpha Oil Company Wilbraham, MA
Anderson, Inc. Scituate, MA
B & B Oil Co., Inc. Charlestown, MA
Bender's Oil Service, Inc. Lebanon, CT
Dennis K. Burke, Inc. Chelsea, MA
Central Oil Company Chicopee, MA
Chabott Coal & Oil, Inc. Keene, NH
Chair City Oil, Inc. Gardner, MA
City Fuel Co., Inc. Manchester, NH
Concord Oil Co., Inc. Concord, MA
Dolinsky Associates Cornwall, CT

...\$1,000 or more

Energy Kinetics, Inc. Lebanon, NJ
Fratlicelli Oil Company Leominster, MA
Griffith Energy Services Columbia, MD
Horan Oil Company Stoughton, MA
Mass. Oilheat Council Wellesley Hills, MA
Metro Energy Boston, MA
Rand-Handy Oil Company Marshfield, MA
Sunshine Oil Company Bristol, RI
H. Wright's Service Billerica, MA

\$600 or more

Atlantic Pratt Oil Co., Inc. Braintree, MA
Augusta Fuel Company Augusta, ME
Baker-Whitney Oil Company Acton, MA
Bigelow Oil Company Newton U.F., MA
Boston Steel & Mfg. Company Malden, MA
Daniels Oil Co., Inc. Portland, CT
Davis Oil Co., Inc. Keene, NH
Dunn Oil Co., Inc. Maynard, MA
Dutchess Oil Company Millerton, NY
East Coast Petroleum Stoughton, MA
East Providence Fuel Oil Co. Providence, RI
Federal Heating & Engineering Co., Inc. Winchester, MA

D. Ferruccio & Son Hudson, MA
Fuel Services, Inc. Westfield, MA
Gillespie Fuels Northfield, VT
Goodrich Oil Company Newport, NH
Gottier Fuel Co., Inc. Rockville, CT
Robert Greene, Inc. Bennington, VT
Haffner's Service Stations, Inc. Lawrence, MA
Hall Oil Co., Inc. Dennis, MA
J. A. Healy & Sons Oil, Inc. Westford, MA
Holden Oil Company. Peabody, MA
Imperial Oil Co., Inc. Windsor, CT
Julian's LLC Medway, MA
Knight Fuel Company Hudson, MA
Murphy Fuel Corporation Waltham, MA
Northfield Fuel Corporation Greenwich, CT
North Shore Fuel Co., Inc. Revere, MA
L. F. Powers Co., Inc. Waterbury, CT
Reliable Oil & Heat Company Glenbrook, CT
Rowayton Fuel & Oil Company Rowayton, CT
Sherman Oil Company Brookfield, MA
Sochia's Oil & Gas, Inc. Douglas, MA
Star Petroleum Co., Inc. Foxboro, MA
J. J. Sullivan, Inc. Guilford, CT
Total Fuel Services Corp. New Rochelle, NY

...\$600 or more

Town Oil Company Wethersfield, CT
Vincent Oil Company Southbridge, MA
Westmore Fuel Co., Inc. Greenwich, CT
West Oil Co., Inc. N. Adams, MA
Winthrop Fuel Co., Inc. Winthrop, ME

\$300 or more

Advanced Energy Ltd. Westwood, MA
Arlington Fuel Oil Co., Inc. Arlington, MA
Ashley Fuel, Inc. Beverly, MA
Bourne's Inc. of Morrisville Morrisville, VT
Braley & Wellington Insurance Worcester, MA
COCARD Beverly, MA
E. P. Cotter Oil Company Norwood, MA
Dorr Oil Company Manchester Ctr, VT
Fairlawn Oil Service, Inc. Lincoln, RI
Forni Bros. Oil, Inc. Bridgewater, MA
Giguere & Marchand Oil Service Blackstone, MA
Greystone Services, Inc. Peabody, MA
Hiller Fuels, Inc. Marion, MA
Howell Fuel, Inc. Fairfield, CT
Interstate Oil & Gas Corporation Sudbury, MA
J & S Oil, Inc. Manchester, ME
Kerivan Lane, Inc. Needham, MA
Lee's Oil Service Westport Pt., MA
Lemay Oil Co., Inc. Hartford, CT
Madison Oil Co., Inc. Madison, CT
T. H. Malloy & Sons Cumberland, RI
Needham Energy, Inc. Needham, MA
Premium Fuels/Al's Oil Shrewsbury, MA
Putnam Fuel Co., Inc. Goffstown, NH
SonoEnergy Corporation Norwalk, CT
Spring Brook Service New Britain, CT
Squier & Co., Inc. Monson, MA
Stocker Oil Co., Inc. Peabody, MA
Todd Oil/Rose's Rockport, MA
Towne Heating Co., Inc. Swansea, MA
Wagner Brothers Boylston, MA
Wehof Forms Somerville, NJ

\$100 or more

Arrow Fuel Seekonk, MA
Booma Oil, Inc. Lynn, MA
Community Oil Company Cambridge, MA
Greeley's Oil Co., Inc. Halifax, MA
Hilton Oil Co., Inc. Lawrence, MA
John's Fuel Service, Inc. Lynn, MA
Niccoli Bros. Oil, Inc. Brockton, MA
People's Fuel, Inc. Gardner, MA
H. H. Snow & Sons, Inc. Orleans, 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

2008 CONTRIBUTORS
as of May 27, 2008

The Greening of Retail Dealers

By Franklin B. Tucker

WITH HOME HEATING OIL NEARING \$5 A GALLON and competitors waiting eagerly to lure away their customers, Oilheat dealers need to



Tom Meyer of the Green Mechanical Council

open their businesses to new ideas and strategies, or else, said Tom Meyer, executive director of the Green Mechanical Council.

In a talk before dealers at the Atlantic Region Energy Expo in April and in a conversation with *Oil & Energy*, Meyer warned dealers that the market realities are so

stark that “you either evolve or you become extinct.”

Meyer said he’s had oil dealers scoff out loud when he explained the current dire market conditions.

“And that’s what the dinosaurs said just before the meteor hit the earth,” said Meyer, who heads the Green Mechanical Council, an international not-for-profit whose mission is to improve structural mechanical systems—such as oil-based heating—by increasing efficiency and reducing carbon emissions.

Meyer said Oilheat customers today are generally moving away from oil to hybrid systems or converting to natural gas. And the numbers don’t lie: There were 13.5 million households using oil in 1980; in 2005, that number fell by nearly half to 7.7 million. And most of that drop occurred when oil was cheap, at least compared to \$130 a barrel.

To survive what many experts predict will be the most challenging heating season in memory, Meyer and others contend that oil retailers must transform themselves

into a full service company with an eye on meeting every heating and cooling demand from their clients.

“It’s about becoming an energy guru for your customers, not just the guy who delivers the oil,” Meyer said.

While most dealers are well aware that they need to diversify, achieving those goals is proving a hard nut to crack. Dealers are understandably skittish to commit time and money in such a volatile market that can be confusing to even the best-educated general manager and owner.

But it appears that retailers just may have that choice decided for them by their own customers.

Meyer advocates that dealers consider a diversity plan based on a worldwide trend that is usually not associated with Oilheat: Going “green.”

At first blush, matching up sustainable and environmentally sensitive energy systems with an oil-based business sounds highly suspect even to retailers. But Meyer said that linking the two seemingly unlikely partners is not that farfetched. In fact, your average Oilheat technician “was ‘green’ before being ‘green’ was cool,” he said. “He and service managers will work on a heating system until it is humming along at maximum efficiency,” reducing the oil being burned “which is simple and effective conservation,” said Meyer.

And Oilheat dealers are encountering an ever-growing number of consumers actively demanding a green component to their energy system. In a recent study, nearly 7 out of 10 consumers want to do business with companies

that are environmentally responsible and energy efficient. In 2008, U.S. consumers will double their spending on green products and services, totaling \$500 billion.

“Customers are getting smarter and they want to be ‘green’ including what type of energy they use and how it’s produced,” said Meyer. “They will begin demanding that information and you’ll need to know what they’re talking about.”

In addition to consumers rushing for products and systems—solar, geothermal, insulation, high efficiency heating units—that are environmentally friendly, other forces are influencing decisions by dealers to head towards a greener business plan. And the most significant of those forces, said Meyer, is also green: money.

“Economically, we can’t afford to consume energy as we did in the past. No one can. In addition, legislation will force compliance towards specific environmental goals established by local and the federal governments,” said Meyer.

With pressure coming from customers and the government, retailers should be preparing a plan to meet those “green” demands.

“You want to do it before you are forced to do it. You want a head start on this,” said Meyer.

If a dealer does undertake a ‘green’ diversification approach, Meyer said it shouldn’t be done halfheartedly. The first step is to put it in writing as a mission statement, “to acknowledge what you want to accomplish,” said Meyer.

Meyer said the main objective of this new approach is to commit to becoming a “green

partner with their customers.” In addition, the dealer should also promise to provide the most efficient and up-to-date heating and cooling possible to his clients. By committing to these objectives, Meyer believes it will begin reversing a common misconception of the Oilheat retailers as a one-trick-pony.

“You must move away from the clients saying, ‘Oh, the oil guy can’t be green,’” said Meyer. “That’s because green is viewed as being healthy and happy and high performance and energy efficient, and the perception of Oilheat is that it’s none of those,” said Meyer.

Meyer believes that “education must be your first priority, period,” said Meyer. “It’s time for you and your technicians to fit in and be comfortable in this new place.”

For example, by pinpointing a specific area in conservation or efficiency, a retailer can carve an effective niche to exploit.

“Get all the information you can on high performance systems, learn it and become the high performance expert for your customers.”

The most significant new standard text for contractors and heating professionals working with sustainable ‘green’ energy sources and creating highly efficient systems and structures is LEED—the Leadership in Energy & Environmental Design—that supports and certifies successful green building design, construction and operations. A contractor who doesn’t know about LEED “is throwing away half his toolbox.”

There is a lot of material in LEED and a final version won’t be released until early next year, said Meyer, “but don’t be afraid that you won’t understand this important

subject,” as there are many Web sites that can assist contractors.

Education is also a two-way street; the customer must also be aware how the new “green” approach benefits him. And that begins when a service manager or technician sits down and discusses increasing the efficiency of the customer’s heating system.

Meyer believes it requires taking the homeowner thorough their house and pointing out savings that can be found with better efficiency and conservation—changing standard lights to energy efficient ones or purchasing an automatic thermostat.

“Dealers should be asking customers: ‘What can we do as a team?’” said Meyer. But a dealer cannot simply wave the “green flag” and expect [customers] to follow. In addition to being environmentally aware, the

consumer needs to be reminded that he will also save money.

“That will grab their attention,” Meyer said.

While the consumer is seeking a return on investment, retail dealers may ask the WIIFM question: What’s it in for me? The answer is in winning trust.

“It’s showing that it’s important to them, convincing them to buy less of your product. And this is why they will stick with you. It’s customer service and a trust that is established,” he noted. “Do you have a combustion analysis as part of the service contract? It’s an opportunity to get into that partnership,” Meyer told the retailers. In the next heating bill, he suggests placing a how-to pamphlet on conservation and request an energy audit.

“You have to look like the ‘green’ hero to [your customers],” said Meyer. ☐

WHAT IS LEED?

The LEED—the Leadership in Energy & Environmental Design—Green Building Rating System™ is a voluntary, consensus-based standard to support and certify successful green building design, construction and operations.

LEED provides a nationally recognized certification system to promote integrated, whole-building design practices in the building industry. It deals with the environmental performance of a building.

LEED was created to accomplish the following:

- Define “green building” by establishing a common standard of measurement
- Promote integrated, whole-building design practices
- Recognize environmental leadership in the building industry
- Stimulate green competition
- Raise consumer awareness of green building benefits
- Transform the building market

To access the online reference guide, login to www.usgbc.org and click on Online Reference Guide Access.



Two Firms Changing The Way To Do Business

Becoming an 'Energy' Retailer Key to Their Future

WHENEVER A NEW FAD OR TECHNOLOGY emerges, there are a few people and companies that become trendsetters, those who discovered early on how to use or present that new craze before the rest of their contemporaries.

They "get it."

Usually major cultural seismic shifts emerge in areas that thrive on change, such as technology, fashion or music. There was Microsoft in computer software, iPods in hardware devices, "mod" fashion and music's hip-hop revolution.

The Oilheat business generally has been immune from industry-wide upheavals. A company that sprung up in the 1940s and 1950s remained successful simply by making deliveries and repairing decades-old equipment. In fact, replacing a tanker truck and accepting payment with credit cards were about the most significant changes most firms ever encountered.

But that is no longer the case. With firms financially squeezed by skyrocketing oil prices and by other energy providers threatening their customer base, industry observers are telling anyone willing to listen that the home heating industry must now evolve at breakneck speed for firms to survive.

"We want the company to be one-stop shopping site for our customer's energy needs."

—Dan Gentile, Wesson Energy, Waterbury, Conn.

While these expert predictions have a foreboding tone, some firms are not just planning for the future; they have set their own course. These companies have begun and, in some cases, completed the transformation from being the local oil

guy into an emerging energy conduit to all consumers, not just their existing clients.

WESSON ENERGY, WATERBURY CONN.

Go to Wesson Energy's Web site—which is still under construction—and you'll be hard pressed to find the word "oil." It's referenced only once, in the lower left hand corner of the screen.

You would think that a company servicing more than 11,000 customers in one of Connecticut's largest cities would be trumpeting being an oil delivery leader.

But according to company officials, Wesson Energy is beyond being a single-fuel firm. "Oil is still our bread and butter," said Jerry Greco, the company's propane manager. "But going forward, we have to look at ourselves as being more than just an oil dealer."

Today, according to Greco, Wesson views the energy needs of its customers as if they were looking down from an airplane "35,000 feet in the air. We're looking at the big picture of what their needs are."

Changing the firm's name to emphasize energy is a natural step in revamping the company's image and function to being a regional energy firm. The transformation began four years ago when the company viewed the future for Oilheat dealers becoming more precarious as competitors began taking a greater percentage of the market share of residential heating.

"We could see the drop in gallons sold and just knew that for us to survive we needed to change and diversify our services," said Daniel Gentile, Wesson's service manager.

The goal of the firm's transformation was to retain customers and also create a niche in the market. It would be accomplished by

increasing the services provided to customers and the type of energy sources they would sell. Rather than attempt to increase market share by lowering prices, Wesson repositioned itself as a customer-friendly energy center.

"We want the company to be a one-stop shopping site for our customer's needs," said Gentile.

MORE CHOICES

A major shift in the company's business profile was diversifying its energy sources and Greco is an example of that change. Greco once owned his own propane delivery and service company before selling it to Wesson four years ago and coming on board to run the operation.

"I think [Wesson] saw before most other oil dealers the potential for obtaining more business by linking oil with propane," said Greco.

That initial move into diversification has been a significant success. Now, propane is Wesson's fastest growing market, representing 20 percent of sales. That achievement has led the company to venture into other areas such as sustainable energy sources including geothermal and recently solar as Wesson puts the finishing touches on its first solar-heated hot water job.

The company is not averse to servicing natural gas in homes as part of a service package. "It doesn't make sense to alienate a customer. We want to keep all our options open to them," said Gentile.

But fuel is just half of Wesson's new look as it added HVAC systems, plumbing and indoor air quality to its business model. The construction and contracting side of the business has allowed Wesson to garner

Continued on page 16...

UEi

EAGLE²

COMBUSTION ANALYZER[™]

C125

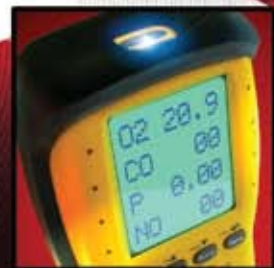


Award Winning User Friendly Interface
True Repeatability Draft & Static Pressure Readings
Heater Exchange Integrity Test
Customizable Pressure Display Settings



4 Instruments In 1:

- Full featured Combustion Analyzer
- High resolution differential Manometer
- Dual input differential Thermometer
- Ambient CO Detector



NOW, COMPLETE SYSTEM ANALYSIS CAPABILITIES

1.800.547.5740 • WWW.UEITEST.COM/EAGLE

...Continued from page 14

a greater percentage of commercial clients (such as churches), which now make up a quarter of its client base, while also satisfying a greater range of the energy needs of its residential clients.

Adding these new functions has cost Wesson a significant amount of up front capital, "but the sales trajectory is straight up" for both HVAC and propane, said Greco.

But this new approach requires a great deal of hand holding in customer service, convincing longtime customers that they should sink their savings into an expensive new system as their existing one "runs just fine," said Gentile.

Part of that education process is a plan to open a showroom displaying high efficiency burners and furnaces for the consumer's inspection.

"We want to tell them, 'This is the type of boiler or burner you can have' and then we can show them the savings," said Gentile. Selling a new efficient system will result in fewer gallons sold in the future, Gentile said, but Wesson realizes that the company can no longer view their future as simply pumping oil.

"We have to provide more service than just filling a tank. Anyone can do that," said Gentile.

WB STEWARD & SON, WOODBURY HEIGHTS, NJ

WB Steward & Son isn't the biggest oil dealer in the Philadelphia suburbs. The 54-year-old firm has 1,400 customers and just took delivery of a new truck—to increase their fleet by a third—to service a 40 mile radius around Woodbury Heights.

But in the view of sales manager Chris Roethke, the firm is a leader in how the typical small family-owned oil dealer can face competition and change to meet that challenge.

"We've become their energy dealer."

—Chris Roethke, WB Steward & Son, Woodbury Heights, NJ

Roethke, a former police officer, said that change isn't an abstract exercise for Steward & Son; rather, it's a very real component for the firm's survival. Not only does it face strong local independent competitors, but it also must meet the challenge of being an aggressive regional oil delivery player.

One advantage Steward & Son has over other dealers is that they have made the transition into a complete energy outlet from the traditional Oilheat business. This steady and deliberate approach began a decade ago when Steward's management recognized that market forces were punishing dealers.

But unlike bigger and better financed dealers such as Wesson, Steward and Son used

a low cost approach that proved affective. Early on in the process, the company willingly threw out the standard oil dealer playbook that emphasized price for a new game plan focusing on beefing up customer service and not turning down a job.

CUSTOMER COMFORT

In fact, looking at Roethke's business card, the words heating and cooling come before fuel oil, a distinction that the owners put into their mission statement, said Roethke.



The employees at WB Steward & Son of Woodbury Heights, N.J. work towards supporting customers' cooling and heating needs regardless of what fuel is used. From left: Ginny Setsinger, office assistant; Don Steward, Sr., owner of the W.B. Steward and Son for 54 years; Don Steward, Jr., vice president of the company; Adam Jones, service technician; Tristan Morales, service technician; Bonnie Ross, office assistant; Eric Solina, service technician; Chris Roethke, sales manager; Jeff Billings, service manager.

"Back when oil was \$1 a gallon, we said the purpose of our company was to meet the heating and cooling comfort of our customers. We didn't say that it had to be oil because we knew comfort could come from many different fuels," said Roethke.

"We said, 'Let's not put blinders on ourselves. Let's look at everything because our customers will,'" said Roethke.

One of the first moves Steward & Son made in the late 1990s was becoming a factory-authorized dealer, allying with manufacturer Bryant, a firm they viewed as both an industry and, as Roethke noted, an energy leader.

As with Wesson, Steward & Son saw customer service as the real dealmaker for long-term survivability, even if requiring short-term sacrifice. One example is the firm's push to sell the most efficient heating system to customers, regardless of the energy source used to power it or the loss of future revenue.

Recently, one of Steward and Son's residential customers realized a 40 percent decrease in oil payments from the previous year after replacing an old system with a new oil-fired boiler with indirect hot water heat and a new oil tank.

"With the cost of oil, that was a tough sale.

What I was doing was selling less fuel and also less servicing and maintenance. But that's my job in this company, helping them," said Roethke.

Rather than seeing the sale as an out-and-out lose of revenue, Roethke said he wants the customer to be satisfied with paying less and being more "green" since the new equipment emits less emissions. What he left in the house, said Roethke, was goodwill for Steward & Son and a change of perception in the consumer's mind.

"We've become their energy dealer," said Roethke.

This approach to meet the client's cooling and heating needs even extends to what some might consider heresy for an oil dealer: he'll suggest a natural gas system and strike a deal on a service contract. It may appear counterproductive, even suicidal, for Oilheat professionals to recommend its direct competitor for residential customers.

"We are walking a tightrope. Does it drive me crazy when [the homeowner] will say they will only take a gas system? You bet it does," said Roethke. And the company had until recently a "no gas" referral policy.

"But we had a discussion five years ago where we asked ourselves, 'If we don't provide our customers with an opportunity to have 96 percent to 98 percent efficient gas burners, someone else will.' We decided we would not turn our back to a loyal customer, some of them who have been with us for 50 years," he said.

But by allowing an opportunity to pick a gas system, "I have a chance to educate him about just how good the newest oil systems have become. It allows me to make the pitch for Oilheat rather than just walking away," Roethke said. ☐

Awards Presented At NAOHSM

The awards banquet at the 55th annual National Association of Oil Heating Service Managers (NAOHSM) Convention and Trade Show was held Tuesday, May 20 before a full house at the Marriott-Hartford, in Hartford, Conn.

In addition to the awards, the 2008-9 NAOHSM board of directors was elected and sworn in. They included: George McQueeney, President; Dan Auciello, Jimmy Falconi, Ralph Adams and Jay Moser, Vice-Presidents; Danny Thomas, Secretary; and Rosemarie Barchak, Treasurer.



Associate of the Year:
Charlie Bursey, Rhode Island Chapter and F.W. Webb.



Instructor of the Year:
Bill McDermott, Connecticut Valley Chapter and instructor at the Independent Connecticut Petroleum Association.



Service Manager of the Year:
Paul Cuprewich, Garden State Chapter and Service Manager of Wooley Fuel.



Manufacturer of the Year:
Slant/Fin owners, Melvin Dubin (right) and Adam Dubin.



Lifetime Achievement Award:
John Wilcox, Bucks Mont Chapter and co-chairman of the convention committee.



Hugh McKee Award:
Dorsey Finn, Jr., Garden State Chapter and General Manager of Mitchell Supreme Fuel.

U.S. HOUSE PASSED RENEWABLE FUEL TAX CREDITS

On the week President Bush vetoed the farm bill, the U.S. House of Representatives passed a bill extending the lives of tax provisions for alternative fuels set to end this summer.

Biodiesel and agri-biodiesel would be eligible for a \$1-per-gallon tax credit. Agri-biodiesel is biodiesel derived solely from virgin oils including oils from corn, soybeans, sunflower seeds, cottonseeds, canola, crambe, rapeseeds, safflowers, flaxseeds, rice bran, mustard seeds, or animal fats.

Known as House bill H.R. 6049, the Renewable Energy and Job Creation Act extends dozens of expired or expiring tax provisions for renewable fuels. The ethanol tax credit provision was removed from H.R. 6049 because a similar provision is included in the recently passed Farm Bill that was vetoed by Bush. The ethanol tax credit falls to 45 cents starting Jan. 1, 2009; however, the law sunsets Dec. 31, 2009.

Also included in H.R. 6049 are increases in the credit for alternative refueling equipment such as E85 pumps. The bill increases the credit to 50 percent of the costs associated with installation and increases the cap to \$50,000 per station, per year. Under current law, gas station owners who install E85 pumps can receive a credit for 30 percent of the costs or up to \$30,000 per location, per year.

BIODIESEL REFINER OBTAINS FINANCING

Innovation Fuels, a producer of renewable fuels at its biodiesel refinery located in New York Harbor, announced that it had entered a financial relationship with Citizens Bank which included establishing a working capital line of credit to support its production and sale of biodiesel.

Innovation Fuels will also use Citizens Bank's cash management and trade banking services as the partnership will help to foster continued growth and expansion for the company in the U.S. and around the world.

The New York City-based Innovation Fuels is a rapidly emerging, U.S.-based renewable fuel company that manufactures, markets, and distributes approximately 950,000 barrels or 130,000 metric tons of biodiesel fuel to customers around the world.

Innovation Fuels' research and development center is studying next generation technology and feedstocks including jatropha and algae—both crops that don't divert resources away from feeding people.



Getting a Leg Up In Oilheat's Volatile Market

Industry Observers Give Advice To Oilheat Owners

IN A DEMONSTRATION JUST HOW VOLATILE THE Oilheat market has become in the past year, Sean Cota, chairman of the board of the New England Fuel Institute, told the 200 Oilheat professionals attending an interactive televised seminar that the price of diesel had just shot up 7 cents to \$3.11 a gallon in the 35 minutes since the event began.

The reaction to Cota's statement was a collective knowing laugh, one that didn't demonstrated any joy in Cota's statement by those attending the interactive seminar titled "Looking for a Leg Up... or a Lifeline?" beamed to seven sites across New England and the Mid-Atlantic states.

Held in March and sponsored by several state Oilheat associations, the seminar was a chance for representatives of the traditionally small, family run businesses which make up the bulk of Oilheat dealers to hear from industry leaders and observers on the threat to and, yes, opportunities in an industry under the burden of record high diesel costs.

Cota told the attendees one reason the price of oil has risen well over its previously high adjusted for inflation could be attributed to the flood on money into energy markets by speculators.

"So even if you manage all the risk perfectly, it is still a difficult time to make it," said Cota.

Cota said industry members must use all the skills they've gained over the years to get that leg up. But it is also a time for dealers to perform some self-analysis of their business practices, especially those multigenerational small businesses that make up much of the Oilheat community.

"And if we survive, we will not only be much stronger, but we'll be able to meet challenges on all fronts; from market financial instability and customers being tempted to change to other fuels," he said.

Thomas Santa of Inland Fuel Terminals and Santa Fuels said the key factors for the energy price explosion are many of the usual suspects: supply and demand with more of the world's oil being sought after by a larger number of players. The most notable being the fastest growing country in the world, China. Santa also pointed to the lack of refinery capacity to distill crude into diesel and gasoline and the weakening dollar as adding to energy prices moving steadily higher.

But Santa said there were two new dynamics playing a large role in the energy price equation: fear and greed. The fear of an economic downturn that has investors heading to oil as a safe haven and the greed of speculators, made up of large fund and hedge funds, who place more money into the energy sector due to its ever increasing price, artificially driving prices higher.

Bob Frackiewioz, the senior vice president for credit at Global Companies, said businesses such as Oilheat dealer who tend to rely and use credit to run their operations are finding their own credit position more challenging than ever due to the contraction of the overall credit market.

Frackiewioz said in this environment, businesses need to change some longstanding pricing practices that may have been effective in luring customers in the past but could now sink a small business. One such custom that should come to an end is prepaid contracts.

"Credit can no longer be a marketing tool," said Frackiewioz. He shook his head when he said most dealers take that prepaid money and put it directly into working capital to fund other parts of their business.

"This is why retailers don't have any money," said Frackiewioz.

In these challenging times, Frackiewioz made an appeal to all dealers that they can no

longer be a Mr. Nice Guy. "We must manage our daily cash flow," he said. "Every sale must be profitable."

As an example, he points to customers who will ask dealers not to top off their tanks to save money. While this may appear to be an innocent request, Frackiewioz questions the wisdom of spending time traveling to a site where dealers can't justify the fuel expenditure.

"This is not an alternative service. When was the last time you looked at your own fuel costs?" said Frackiewioz. He even suggested whether a customer is worth maintaining if they select a dealer exclusively on price.

This new disciplined approach to selling oil is being used at Global, said Frackiewioz. His company now takes a hard look at dealers' financial statements and letters of credit before allowing them to buy on credit.

Speaking on the future for dealers, John Nardozi of Nardozi Consulting said that businesses are currently working with some of the smallest price margins ever as they attempt to keep the price hikes to their customers to a minimum. It is now time for dealers to put a prepricing program or policy in place that will allow them to make a profit and hold to it, said Nardozi.

Nardozi said that "there is no rhyme or reason" for dealers to garner greater market share with artificially low pricing programs. If dealers decide to go down the prepaid route, "they need to be intelligent about it," said Nardozi; lock up supplies, have a price that you will stick to and have a hedge program in place.

In addition, dealers must stay vigilant on customer's bills with the plan on keeping bills that are 40 to 60 days behind payment to a minimum. He suggested being aggressive in collecting debts "because if you can't, the

customer's other creditors certainly will and you'll lose out," said Nardozzi.

"This is the year of the shake up and many will not survive," Nardozzi said, predicting the market for dealerships will be very active as many will sell before the next heating season.

But if an owner is thinking about selling, know that "it's a buyers market," said Nardozzi, adding values for companies and their client list will be off between 30 to 40 percent from just a few years ago.

Yet Nardozzi ended with some hopeful words, asking dealers to "salvage" the season by making full deliveries to homes or begin charging a fee for those customers who won't take a full delivery.

"The biggest asset is your customer base and how to keep them is by increasing your efficiency," he said.

Yet there are necessary ingredients to be a success in these markets, said Taylor Hudson, senior account executive for Hedge Solutions. He is also optimistic that businesses will meet the challenges of the economic downturn and high oil prices as they adapt to the new economic landscape.

"There's common sense in long term plans which usually trump short term goals," said Hudson. For example, dealers have been hurt, and have done damage to the industry, when they battle for customers over price. He said his experience has shown that customers never leave an oil dealer on price, so the business should set oil at a level that makes economic sense.

Hudson presented a four-point common sense plan that will help dealers beat back the economic threat now facing them.

The first is resurrecting a budget plan with hedging as an intrigal part. He said when talking to businesses, many don't have any idea how much money they'll need to stay open six months to a year down the road. That is now essential to follow a plan that saves the company money.

In addition, dealers must start improving their internal risk management and controls; that includes being aware of the retail price of oil; knowing when to change the retail price. Finally, Hudson believes everyone can use technology more effectively in their daily business.

"I'm not saying only sit in front of a screen. But you have to discover what's happening that can help us in your business," said Hudson.

And if a dealer doesn't know anything about hedging, they shouldn't simply walk away, said Hudson, as they are throwing away an important tool to survive the long-term volatility that is the hallmark of all energy markets.

"It's really just simple math," said Hudson of hedging. ☐

Are credit card processing fees making *you* feel like this?



- If you are a home heating oil dealer, you are entitled to pay reduced fees to process transactions.
- COCARD is the recognized industry processing expert working with energy companies from small one-man trucks to the country's leading dealers.
- Hundreds of your colleagues are currently using COCARD to meet their processing needs.
- COCARD processes ALL major card types with reduced processing rates for MasterCard & Visa.
- COCARD is actively involved with many Regional & State Oil Heat Associations.
- Call today and see how much money COCARD can save your business.



COCARD
(866) 849-8800

**The preferred processing partner of
the oilheat & propane industries.**



Skills Will Need to Improve in Changing Market

WHEN INITIALLY ASKED IF HE COULD SIT DOWN AND DO A QUESTION AND ANSWER ON recently becoming the chairman of the board of the New England Fuel Institute (NEFI), Chris Keyser asked if he could do it at a later time.

"I first have to see about my cows," said Keyser.

That shouldn't be surprising from a man who lives on a farm in Vermont, where Keyser was born and raised. In fact, as a child, Keyser spent a great deal of time at his uncle's dairy farm, part of his love of being "outside."

But rather than making cheese or hauling milk, Keyser decided to buy an Oilheat business in the late 1970s.

Today, Keyser is the owner of Owner Services, Inc., in Proctor, Vt., and next year will be celebrating 30 years in the fuel and energy business. He has spent nearly as long as a member and official with Oilheat trade groups in his home state and New England. Rising steadily through the ranks, Keyser now leads NEFI, the largest Oilheat association in the country.

Keyser is just as busy in his own community. He is the Past President and various committee chairman of the Rutland Region Chamber of Commerce, Past President of the Rutland Economic Development Corp., Vice Chairman of the Vermont Economic Progress Council—a state board which grants business tax incentives—President of the Killington Music Festival and a Rotary member since 1983 as well as a Paul Harris Fellow.

When and why did you become involved in NEFI?

The advantages one gets from life requires one to give back. This has been part of my family's outlook since I was old enough to remember. I first became involved in NEFI as I was going through the chairs at what was the Vermont Oil Heat Institute (VOHI) during the mid-'80s. Positions in the industry included becoming VOHI president and board President of the VOHI Workers Compensation Self Insurance Corp., being on the VOHI nominating committee, then the NEFI board, the first National Oilheat Research Alliance board and its finance committee.

What is the collective financial condition of retail fuel dealers in this time of historic high prices?

Let me first give an example. The second acquisition I made was a company called Bixby's Fuels. Started in the 1880s as a dry goods store, the company sold heating oils, coal and sold and serviced heating equipment. The person from whom we purchased the company had a policy of collecting payment for services and products in the spring, when the tax refunds were sent. During 1979 thru 1981, the retail price of fuel went from 60 cents to \$1.28, a larger increase by percentage than what we are experiencing now. The owner just did not have the tools or mindset to manage a company within this changing dynamic.

I don't pretend to know what is the collective financial condition of retail fuel dealers. The point is that every dealer needs different skills to handle the vagaries of the business over time. So it was here when account receivables ate the old guard. I have noticed that the successful businesses have become more professional; provided additional products and services while managing the various risks.

What is the greatest challenge facing your members in the changing market?

Challenges vary from market to market. In my area, where we rely on bulk storage, the financial, permit and construction of 2009 SPCC compliant facilities can add \$5 to \$6 a storage gallon to capital costs. The result is more throughput and diminished storage. And not one of these expenses adds to profitability. In areas that compete with natural gas, the threat is painfully obvious. Additionally, as the price goes up, the industry will see reduced demand and product substitution. We all will be required to get by with less volume. Thus the service department will need to be a source of real additional income. By its very nature, mechanical services require a whole different set of skills than those of fuel

Tell our readers a little about yourself.

Most of my time as a boy was spent enjoying the simple pleasures of small town Vermont in the 50s and 60s with a younger brother and sister. My father is an attorney by training and ran several businesses and was active in politics. My mother was a mechanical engineer and kept the family. When I was 12 we moved to Proctor Vt., where I graduated from high school, and in 1975, I graduated from Tufts

"It is incumbent upon NEFI to support the marketers as they change focus and business lines. NEFI will need to at least keep up with the changes its members are experiencing or face becoming marginalized."

University. I continued my interest of the outdoors by pursuing a career in recreational management and became the assistant grounds superintendent and ski area manager at Quechee Lakes Development in Quechee, Vt. At the time, I was married with a child on the way and was looking to move on in my career when a neighbor of my parents was looking to sell the local oil and coal business. I made the decision to stay and raise

my family in Vermont. So, in 1979, I made a career change.

What prompted you to create this multi-pronged energy business?

During the 1980s, I made nine acquisitions. These additions expanded our products and services to include gasoline and diesel fuels, heating service and equipment installation. The first three acquisitions included anthracite, or hard coal, that grew from 180 tons to more than 2,000 tons annually. Three years ago, we exited this market when sales went to less than 150 tons. But we do have a coal pocket that is on the National Historic Register!

In the '90s, we expanded by adding product lines and extensions. With the removal of underground tanks which reduced our commercial fuel business, we went into unattended fueling; later came propane, plumbing and then air conditioning. And this year we started with solar. The idea is to do something every year. It keeps one fresh, expands sales and profit centers. This strategy requires thoughtful planning and employee involvement. Always forward, never straight.

distribution. But it is in servicing the equipment we sell that dealers will be around to fight another day. Again, skill sets need to change.

Is it important for heating oil businesses to diversify their business? How do you envision NEFI assisting members seeking to branch out into new areas, such as including propane and energy audits to their services?

Like I said previously, it is incumbent upon NEFI to support the marketers as they change focus and business lines. NEFI will need to at least keep up with the changes its members are experiencing or face becoming marginalized. The vision is to have NEFI add to its expertise and lead the dealers.

At recent conferences, going "green" is the new trend being pitched to heating oil businesses. How is NEFI embracing the push to include sustainable energy and environmentally sensitive products?

It is the customers who will drive what marketers need to provide. Five years ago, I had a commercial business come to us with a request to supply biodiesel for their operations. It was from this push that we investigated and ultimately supplied biodiesel to places where the temperature dips to minus 20 degrees Fahrenheit. In the last three years,

we have supplied our retail customers a B5 heating oil. By the way, environmentally sensitive products can be thought of as the flame retention burner. Our industry has embraced equipment sales and its resulting lower volume because it helps customers. And really, isn't this the bottom line?

How much attrition do you expect to see in the industry before the start of the 2008-2009 heating season? What will the heating oil business look like on Nov. 1, 2008? 2010?

I believe attrition will come from the gas pipeline communities.

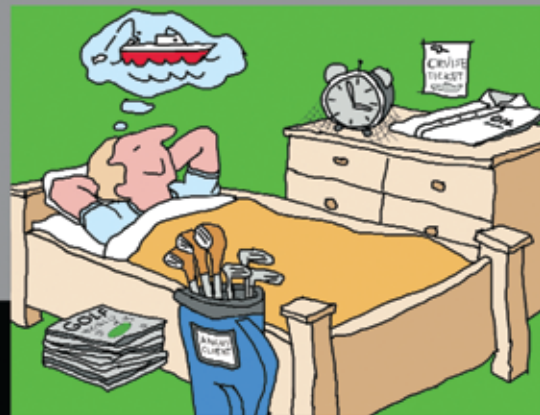
Do you have any advice for a marketer struggling to maintain viable operations and reach the coming season?

Look in the mirror. Are you an entrepreneur who understands the risks and enjoys them? My uncle was a dairy farmer. He grew up on a farm, rented one and then purchased one. When it was dry in other places and there was a demand for hay, he would keep the cows out of some meadows and sell his hay. When the price of milk stayed down, he would sell the herd and start logging. He would know the price of wood in its many fashions and provide the market with what was most

profitable. And of course, there was maple sugar: he produced some 1,000 gallons a year. You get the picture. What he was doing was providing the market products that provided the best return. I have friends in the business who sell oil with service and equipment installation and at the same time have self-storage and apartments. In the heart of small business must beat an entrepreneur.

NEFI has been one of the leaders nationally in seeking reform of the "Enron" loophole. What's your take on this effort and the likelihood of success?

During the discussions regarding the "Enron" loophole, I had the feeling some felt this was the be-all-and-end-all of the fight. It should be obvious that this is just one more step on the way to increased influence within government. We will have additional bullets in our gun just because the price continues upward. The success of hitting the target will come as we work with other organizations, such as the Petroleum Marketers Association of America and state governments, and begin to form alliances with organizations with similar interests. It always struck me odd that we have more success doing such things when the Democrats are in control [in Congress] rather than the Republicans. ☐



You work hard all winter, so you can have restful summer nights.

Who are you going to be this summer?

ANGUS ENERGY

If you're not hedging... You're speculating

800-440-0472 • info@angusenergy.com

Call Angus Energy today at 1-800-440-0472 and we can help you with more than your handicap.



HO's Rising Price More Than Playing The Market

Don't Simply Blame Speculators For Spike In Oil

HO's rising price more than playing the market. Don't simply blame speculators for spike in oil.

IT HAS BECOME THE RALLYING CRY RESOUNDING throughout the Oilheat community.

With oil nearly double the price for a barrel from just a year ago, many are advocating that the only way to stop this unrelenting increase is to rid the market of who they believe are the chief culprits responsible for the rocketing prices: commodity speculators. But according to one prominent Oilheat observer, preventing these moneyed opportunists from entering the market by requiring them to take physical ownership of each barrel they purchase



John Kilduff, senior vice president at ML Global and keynote speaker at the Atlantic Region Energy Expo.

will not impede oil's drive towards ever-higher prices.

"It would kill the heating oil trading market but not kill the real cause for the high cost of oil," said John Kilduff, senior vice president at ML Global and keynote speaker at the Atlantic Region Energy Expo held recently in Atlantic City.

Talking to nearly 200 attendees, Kilduff said that if every dollar of speculative funds were exorcised from the market, the price of heating oil would continue its recent steep upward trek.

"If we took heating oil out of the index, I'd still argue that the price would be just as high. It might not be as extreme, but it would keep going up,"

Kilduff, who is also a futures commentator on cable television's CNBC, acknowledges the action by speculative investors, such as hedge

fund managers, is affecting the price of heating oil paid by consumers. They are seeking an inflation hedge against the falling U.S. dollar and have fostered the "wave" of money into heating oil and many other commodities. And there's a lot of money out there. Kilduff calculated that 67 cents of every dollar invested in heating oil today is speculative in nature.

He also noted that the current volatility in the mercantile markets, where moves in prices that took years now can occur in a day, is making the entire commodity sector difficult to make predictions of its future direction.

"This investor class has changed the way we look at commodities," he said, as they seek out and buy gold and crude oil as a hedge against economic downturns. And playing the speculative market today is "as easy as pushing a button on a keyboard," said Kilduff.

But while Kilduff agrees regulators should impose commodity market reforms—such as the need for greater transparency and government oversight in trading—he believes calls in the industry and by some legislators to curtail the purchasing of commodities by large funding firms will end up going nowhere.

"Just think what that would do to the capital exchange market. The exchange is the meeting place for capital. Without it, who will fund the next important innovation or the expansion of companies in this market?" wondered Kilduff. He also said that for the past 30 years, speculators were one of several market forces that kept downward pressure on the price of oil.

Furthermore, forcing speculation out of the market would not affect the current skyrocketing price of heating oil, said Kilduff, as he demonstrated in a series of charts the correlation between the rise in heating oil and

other commodities, and financial factors such as the falling value of the weakening dollar.

"If we took heating oil out of the index, I'd still argue that the price would be just as high. It might not be as extreme, but it would keep going up," he said. And if the strategy to limit speculators from the oil market were successful, fewer and larger oil companies and wholesalers would find the commodity sector easier to manipulate.


He noted that none of the three presidential candidates—John McCain, Hillary Clinton and Barack Obama—supports the "de-indexing" of heating oil or any other commodity from the capital investment market.

"That says that the next president probably understands the importance of keeping capital in the commodities market," he said.

Several factors are causing prices of heating oil to move higher, said Kilduff, the primary one is the growing global economy where demand from China, India and the European Union is greater than the level of production from oil producing countries. Others factors are the geopolitical terrorism and wars, capacity constraints in production and refineries, the weather affecting transportation as well as speculators.

Kilduff said what dealers and investors must do in this volatile market is simple: learn to hedge yourself.

Kilduff is somewhat optimistic on what's coming down the road: Supply should begin to recover as the oil supply grows with greater production of tar sands from Canada and newly discovered areas off the coast of Guinea where a new production field could hold more oil than the North Sea.

"But unless and until the dollar policy changes, energy prices will continue to soar," said Kilduff. 

**Citizens Bank's
Energy Lending Unit**

Matthew J. Ide
Vice President
(617) 725-5745
Cell: (860) 836-3094

Jeff Simpson
Vice President
(617) 725-5586
Cell: (617) 794-3224

Citizens Bank of Massachusetts
28 State Street MS1450
Boston, MA 02109



PROTECT.
the customer and you.

**Our exclusive TANK-GUARD®
Program offers more to dealers:**

- NO upfront investment
- NO inventory expense
- GUARANTEED annual profit
- Positive cash flow
- Reduced oil tank liability



To find out more, call
508-892-4717
www.tank-guard.com

TANK-GUARD is a registered trademark of Lincoln Laboratory

**LOOK WHO'S AVAILABLE
TO HELP YOUR OILHEAT
BUSINESS.**



John Nardozzi is ready to help your oilheat company with business valuations, merger & acquisition services, pricing strategies, operational reviews and management consulting.

Call John at (617) 487-4752 for a free initial consultation.

NARDOZZI CONSULTING, LLC
Consulting, Management & Valuation Services
617.487.4752
jnardozzi@nardozziconsulting.com

STANDARD OIL HONORED BY BBB

Standard Oil of Connecticut was recently honored for being a national finalist for The Council of the Better Business Bureaus International's Torch Awards in a ceremony held at the National Press Club in Washington, D.C.

Standard Oil was recognized as a national finalist and presented a plaque for Marketplace Excellence, which recognizes superior commitment to exceptional standards that benefit customers, employees, suppliers and surrounding community.



Roy Friedman, President of Standard Oil of Conn. With Tim Russert

Roy Friedman, Standard Oil President, attended the ceremony and accepted his award

on behalf of his employees. Tim Russert, moderator of NBC's "Meet The Press" gave the keynote address.

Recently, in November 2007, Standard Oil was the first Connecticut company to win all four First Place Connecticut BBB Torch Awards including: Marketplace Excellence, Outstanding Website, Excellence in Consumer Education and Superior Service By a Company Employee.

FEDS DELAY DRIVER ID COMPLIANCE

The Transportation Security Administration (TSA) announced an extension of the final compliance date by which drivers must obtain a Transportation Worker Identification Credential (TWIC) in order to enter certain port facilities located around the country.

The TWIC deadline was originally set for Sept. 25, but has now been pushed back to April 15, 2009. The seven-month extension is required due to a backlog of applications and driver background checks that are waiting to be processed.



Owners and operators of facilities located within Captain of the Port Zones Boston, Northern New England, and Southeastern New England will need to comply by Oct. 15. Additional compliance dates for select ports will be announced in the coming weeks, and

the Coast Guard will provide at least 90 days' notice prior to enforcement.

TWIC was established in the Maritime Transportation Security Act and the SAFE Port Act to serve as an identification program for all drivers requiring unescorted access to secure areas within a port. The program is on track to complete enrollment for a number of jurisdictions by the end of 2008, and several ports will be required to comply with TWIC regulations this year.

Additional information can be found on the U.S. Coast Guard's Homeport site, <http://homeport.uscg.mil>, and on the Transportation Security Administration's web site at www.tsa.gov/twic.

NEW CAMPAIGN AGAINST CLIMATE CHANGE

The U.S. Environmental Protection Agency (EPA) is launching a national campaign to help Americans join in the fight against climate change.

The campaign, "Change the World, Start with Energy Star" helps people make important energy-efficient changes at home and at work that can add up to significant reductions in emissions of greenhouse gases.

The campaign builds on the success of the Energy Star "Change a Light" campaign by providing a set of steps people can take to save money and reduce greenhouse gas emissions.

In addition to replacing at least one light in the home with an Energy Star one, the new Energy Star pledge encourages consumers to:

- Make home heating and cooling systems work more efficiently
- Make sure homes are well sealed and insulated
- Enable the power management features on home computers and monitors
- Choose an Energy Star qualified refrigerator, dishwasher and/or clothes washer when replacing or purchasing new appliances

Organizations interested in participating in the campaign should go to: www.energystar.gov/changetheworld and click to "Learn More" under "For Participating Organizations."

LAZNIK NAMED WORLD ENERGY CFO

World Energy Alternatives, LLC today announced that Michael Laznik has joined the company as its Chief Financial Officer. The move rounds out World Energy's senior management team.

World Energy develops new energy sources and new markets to expand the global energy supply. Laznik joins World Energy from FTI Consulting where he was Director of Corporate Finance. ☐



Warmer, Humid Start, Cooler Finish For This Summer

By John Bagioni, Fax-Alert Weather Service

MY MAY "WEATHER TRENDS" ARTICLE, WHICH was written in mid-April, stated the early signs pointed toward the possibility of a hotter than normal summer season across the Northeast. The summer outlook issued in May was the preliminary call based on the spring trends through mid-April. This article will try to reassess the early forecast and make any necessary changes. Based on atmospheric and oceanic trends during May, I have decided to push the overall summer forecast away from the hot category for the Northeast, but still favor the first half being warmer than the second half.

In earlier articles, I discussed the state of the ongoing La Nina pattern and its possible ramification on the late spring and summer weather patterns across the Northeastern states. My forecast was for some occasional cold periods to occur through early May before a more robust pattern reversal would carry us into a more summer-like regime once past mid-May. Well, a very rapid weakening trend of the La Nina helped induce a much colder than envisioned Northeast and New England pattern from late April right through mid-May. When I was writing this article on May 14, the cold periods were still out-dueling the warm periods, and it was looking like the transition into a more summer-like pattern was going to have to wait until the very end of May, or more likely early June.

I expect the La Nina event to weaken further as we march through the summer months with the equatorial Pacific sea-surface temperature pattern likely taking on a neutral or very weak La Nina signature by summer's end. Using a very weak La Nina or near neutral

Pacific pattern as the main backdrop, here is what I think the summer will look like across the country.

The most likely location for persistent hotter than normal weather will run from far southern California across the Desert Southwest and up the spine of the Rockies. This includes much of interior Texas and at least the western portions of the Plains states. It is within this area that I believe an upper level ridge will be present much of the summer.

An offshore trough will likely allow the Pacific Northwest to average wetter and cooler than normal.

NORMAL RAINFALL

The Great Lakes, Midwest, and possibly part of the Ohio Valley area will be the toughest forecast zone. Currently lots of wet ground in these areas favors a generally cooler than

normal summer season. Also, the potential for a mean trough axis to sit across these areas argues for coolness overall. That being said, the potential for lots of variability across the midsection of the country is high this summer, which also means above normal rainfall could continue to be an issue.

Now to the East Coast states. Early signs point toward a stronger than normal offshore ridge to exist east of the Middle Atlantic and New England coastal plains. Water temperatures are running above normal in western areas of the Atlantic just off the East Coast and that may help enhance stronger than normal high pressure centers just offshore once fully into the summer season. Assuming we do end up with a general trough axis across the Midwest and a mean upper air ridge off the East Coast, we should expect frequent

Continued on page 43...

Degree Day Reporting Form				REPORTING DATE: 4-30-2008
Station	Total Actual Accumulation To Date	Normal Accumulation To Date	Actual Accumulation To This Date 1-Yr. Ago	Normal Next 30-Day Period
Caribou, ME	8937	8984	8595	417
Portland, ME	6505	6841	6436	361
Concord, NH	6771	7086	6515	302
Burlington, VT	6692	7305	6943	283
Albany, NY	5965	6558	6224	240
Worcester, MA	6008	6479	6059	278
Boston, MA	5111	5349	5121	233
Hartford/Springfield	5429	5871	5479	195
Providence, RI	4986	5489	5008	221
Chatham, MA	4889	5427	5018	357
Bridgeport, CT	4686	5258	4931	207

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.

New Jersey Plans for Its Energy Future

The New Jersey Governor recently released a draft energy master plan after spending two years in the planning stage.

Gov. John Corzine's plan calls for the state to reduce energy consumption by 20 percent by 2020. The plan will focus on energy efficiency including using building codes and land use planning, electric generation and consumption and space heating.



One of the most talked about parts of the plan is the possibility of the construction of a new nuclear power plant.

The Fuel Merchants Association of New Jersey (FMANJ) said the plan was "positive" for its members.

"This is a document the Oilheat industry can stand behind," said FMANJ Executive Vice President Eric DeGesero.

Penn. Cellulosic Ethanol Plant to be Built

An innovative company specializing in the development and production of next-generation biofuels from non-food sources will locate a commercial demonstration production plant in Westmoreland County, Penn., Gov. Ed Rendell announced recently.

"Pennsylvania is a leader in producing alternative fuels," said Rendell. "Coskata's decision to locate this promising and cutting edge facility here was made in part because of our commitment to developing technologies like this and achieving energy independence."

Rendell said Coskata's technology was a promising alternative to fossil fuels to help meet America's energy needs without diverting crops, such as corn and soybeans from the food supply.

Coskata's demonstration plant will be built in Madison, Westmoreland County. The \$25 million project will be built at the Westinghouse Plasma Center, the site of a pilot-plant gasifier that is owned and operated by Westinghouse Plasma Corp., a wholly owned subsidiary of Alter Nrg Corp.

The plant will produce 40,000 gallons of cellulosic ethanol per year that will be used by General Motors to test the automaker's flex-fuel vehicles at its Milford, Mich., proving

grounds. General Motors is a strategic partner and investor in Coskata.

For more information on the initiative or Governor Rendell's Energy Independence Strategy, visit www.depweb.state.pa.us, and click on the "Fueling Energy Savings" icon.

Massachusetts Radio Days

A series of new radio commercials was released throughout Massachusetts recently touting the benefits of Oilheat, according to the Massachusetts Oilheat Council (MOC).

"This is one of the strongest National Oilheat Research Association (NORA) campaigns we've ever had in terms of content and frequency, and the advertising comes at a critical time for the industry," said MOC's Michael Ferrante.

Four separate 30-second radio spots played in the Boston, Springfield, Worcester, Pittsfield and Cape Cod markets. The campaign involved piggy-backing two 30 second spots into a one minute ad which helped reinforce the message that Oilheat equipment is state-of-the-art and technology driven and that home heating oil is safe, environmentally improved with Bioheat®, warm and a vital part of home life and comfort.

The commercials ran through May and will resume sometime in the fall.

Oil Heat Council of New Hampshire's Website Up and Running

The new Oil Heat Council of New Hampshire (OHCNH) Web site is officially up and running. You can visit the site at www.nhoilheat.com. Council members are being asked to take a look at the site and provide feedback to the Council.



Dealers who are listed on the site should check that all their information is accurate. If there is any information that is missing or is not correct, please contact Susan Breen at the Council office at 603-895-3808 or email ohcnh@nhoilheat.com.

WILL YOU JUST BE HANGING ON AGAIN THIS YEAR?

Instead of hanging on, you should be climbing higher. Do more than survive from season to season. Let Gray, Gray & Gray help you create a business of lasting value. The deep experience we have in assisting fuel oil dealers of all sizes can be put to work on your behalf. Call us today at (781) 407-0300.



CERTIFIED PUBLIC ACCOUNTANTS
VISION • DIRECTION • SUCCESS
781.407.0300 www.gggcpas.com





How are you going to pay for it?

Whether you are buying another business or growing your own, you'll need funding. Can you pay for it out of current cash flow or will you invest your own savings? If you don't have the cash, you'll need to find a source of funding. The first stop should be your current bank, since they are familiar with your company and your history. But if tight credit terms prevent them from lending to you, you may have to seek alternate financing or outside investors.

Will you organize this new line as a separate entity or a division of the current business?

The answer to this question will have serious consequences come tax time. Although setting up the new venture as a separate company takes a little more time and money, it may be a better choice for taxes and liability issues. The latter is especially important if you are going to be selling a new product or service with which you are not totally familiar.

Do you have the administrative capacity to take on the additional workload?

Who is going to run this new operation? You know how you were scrambling to manage everything during the heating season. Will you have the time to oversee another business? Or will you need to promote or hire a manager?

Will you be using your same management systems or will you need a separate system for the different lines?

If you expand into products that are similar to oil, such as kerosene, diesel, etc., you may be able to piggyback on your current invoicing and accounting system. But if you are venturing into new territory (i.e. plumbing, landscaping, etc.) it may require a whole new internal structure for managing cash, workflow, inventory and personnel.

What is your intended return on investment (ROI)?

This may be the question you should ask first. Will the new business actually make a profit that is worth the investment of time, money and effort? If you are simply thrashing about trying to find something—anything—to make a few more dollars, you may end up further in the hole. Make sure you do your homework in advance. Sit down with your trusted advisors, including your accountant and attorney, to make sure your new venture makes financial sense.

A little planning can go a long way toward making the expansion of your business a success. ☐

Diversification Calls for Strategic Planning

By Paul J. Gerry, Jr., CPA, Gray, Gray & Gray, LLP

FOR YEARS, SOME DEALERS HAVE SUPPLEMENTED their oil income by selling kerosene, diesel and other energy products. Others offer plumbing and HVAC services or installing septic systems—whatever they can do to bring in more money. When you think about it, even a service department, while directly related to oil, is also a separate business.

Recently, the difficult task of making a reasonable profit in today's tough Oilheat market has led many dealers to consider expanding their offerings to include other products and services. As the old farmer's adage goes, "the

"But deciding to offer a new product or expand into a new service line is not something to be approached lightly. It takes careful planning and preparation to be successful."

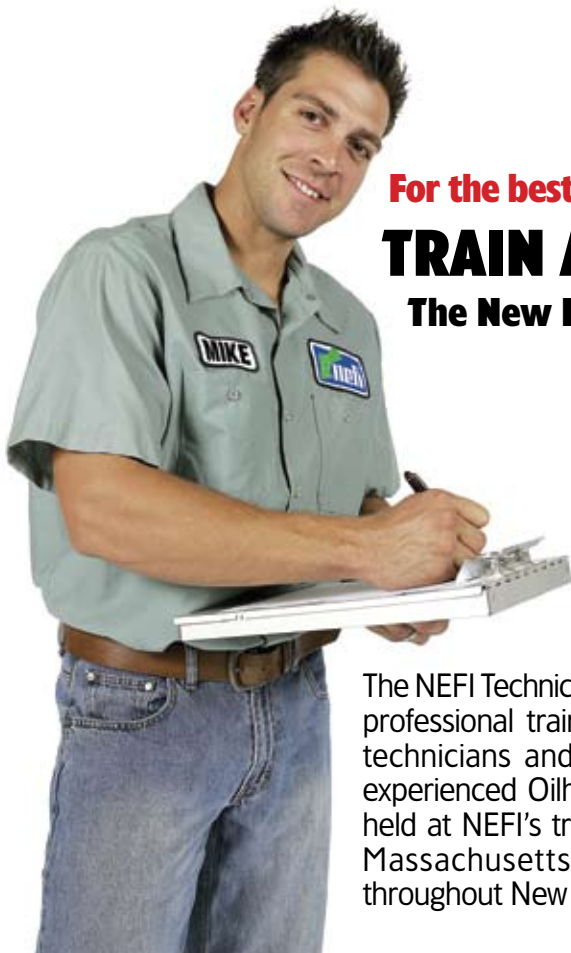
more legs on the stool, the more stable it will be." But deciding to offer a new product or expand into a new service line is not something to be approached lightly. It takes careful planning and preparation to be successful.

Here are six key questions to ask—and answer—before launching into any new business venture.

Will the new business lines be grown organically or will you purchase an existing business?

It can sometimes be easier to add an operation that is already up and running and generating income. But that requires an up front investment, and how you structure the purchase has significant tax implications (both positive and negative) for your current business.

If, on the other hand, you are going to grow your new business yourself, you'll need to determine how much capital investment you will need for equipment, personnel, marketing, etc. The good news here is that the recently enacted Economic Stimulus Package includes an accelerated depreciation deduction that can help you write off equipment investments in the first year.



For the best in Oilheat and Residential Air Conditioning Training: **TRAIN AT "THE INDUSTRY'S SCHOOL"** The New England Fuel Institute Technical Training Center

NEW CLASS!!
HVAC System Design
June 17-18
7:00 AM - 3:30 PM
\$599

Go to
www.nefi.com
for information



The NEFI Technical Training Center offers both professional training for entry level heating technicians and continuing education for experienced Oilheat personnel. Courses are held at NEFI's training center in Watertown, Massachusetts, and at several schools throughout New England.



The entry level course is designed to prepare each student for employment as a qualified oil heating technician; the receipt of a certificate of competency can lead to a license appropriate to the state or regional authority where the student plans to work as a professional technician.

Continuing education programs are designed to accelerate understanding of new and existing energy concepts (and applications) and provide opportunity for career advancement within the service industry. These courses include:

- Residential Home Heating
- Electrical Management Control Systems
- Residential Whole House Air Conditioning
- NEW! Masters Course for advanced training on controls, venting, and whole house comfort systems
- Gas Heat Training for the Oilheat technician

Auxiliary Courses Include:

- Heat Loss Calculation Courses
- HAZMAT Training Seminars

Courses held regularly at our Watertown, Mass. training facility and affiliated school locations in Rhode Island, New Hampshire, Vermont and Springfield, MA.

The most fully equipped and advanced training facility of its kind in the country.

All types and models of working equipment as well as the necessary test instruments from leading manufacturers.

Completely renovated and specialized equipment labs

Low ratio of students to instructors



EDUCATION

www.NEFI.com

Financial assistance available on training courses. For information, visit **www.nefi.com/training**.

Training Center Licensed By Commonwealth of Massachusetts, Dept. of Education

To obtain a training brochure, email school@nefi.com or phone 617-924-1000. REGISTER ON THE WEB FOR OILHEAT AND AC COURSES. Log on to www.nefi.com and click the "Heating & AC Training" tab.



Oilheat Visions



ONE
CONFERENCE.
MANY SOLUTIONS.
Dedicated to learning and planning for your
future in the heating oil and diversified
home energy business.

OILHEAT VISIONS 2008
Boston Logan Airport Hilton Hotel
September 8 through 10, 2008

Easy to reach by air travel and direct highway access to convenient parking at the hotel site, adjacent to Logan Airport pedestrian concourses and airline flight lobbies.

OUR PROGRAM IS SHARP IN FOCUS,
SMALL IN CLASS SIZE.

Interact with the course leader and your peers in 1-hour seminars that provide new insights to drive your business forward. Each class is limited in size. Reserve early!



VISIONS 2008 is hosted by New England Fuel Institute, the National Oilheat Research Alliance, and Petroleum Marketers Association of America with participating sponsorships by



**ONE
CONFERENCE.
MANY SOLUTIONS.**

YOU NEED THIS! NOW MORE THAN EVER BEFORE!

**...with "bottom line" topics and a presenter lineup
that you will not find anywhere but at VISIONS 2008.**

**OILHEAT VISIONS 2008
Boston Logan Airport Hilton Hotel
September 8 through 10, 2008**



Pricing will be \$295 for the first person per company, \$195 for each additional person from the same company.

NORA Board of Directors meeting and state association meetings are scheduled for Monday, September 8, 2008, the day before the conference. Look for a Bioheat® tour at a local supplier and/or evening event for Monday to be announced.

Four unique, timely and outstanding keynote presentations, with corresponding breakout sessions. Attend them all over two days, Tuesday and Wednesday, September 9 & 10, 2008.

1. Global Vision

What Drives High Prices?
Trends?
"The Top 5 Things You
Need to Know To Be In
Business in 5 Years"
Cultural Transitions:
Refocus Your Company

**2. Banking
& Financial**

Forecasting
Accounts Receivable &
Cash-Flow for Today
10 Ways Not to Screw
Up Your Business —
"Oilheat for Dummies"
Financial Dashboards

**3. Hedging:
Get the "value to work"
for your profits**

Contracts
Software
Accounting
Hedging Strategy

4. Diversification

"Own the House"
"Survive on 600 Gallons"
Efficiency/Productivity
NORA Software
HVAC Profitability
New Technologies
New Fuels
Customer Behavior
Internet Marketing

ACCOMMODATIONS: Rooms at the Hilton Logan Airport Hotel are available at the special conference rate of \$209 plus tax. Call 617-568-6700 and mention the NEFI (New England Fuel Institute) block.

FOR COMPANIES SERVING THE INDUSTRY: Vendor tabletop displays will be available at \$1,100 each. Sponsorship opportunities will be available at Diamond, Platinum, Gold, Silver and Bronze levels. Visit our website at www.nefi.com/Visions for updated information from May 1 going forward. Contact Tracy Goodwin, Vice President and Director of Events at 617-923-5015 or email tracy@nefi.com for more information and to reserve displays and sponsorships.

REGISTER NOW FOR VISIONS 2008 FIRST PERSON PER COMPANY = \$295. EACH ADD'L. FROM SAME COMPANY = \$195. TOTAL = _____

NOTE: YOU MAY TAKE A 10% DISCOUNT OFF TOTAL IF PAID AND RECEIVED BY NEW ENGLAND FUEL INSTITUTE BEFORE APRIL 30, 2008.

MAKE YOUR CHECK PAYABLE TO: NEW ENGLAND FUEL INSTITUTE Post Office Box 9137, Watertown, MA 02471-9137 PROVIDE ALL INFORMATION. THANK YOU.

Your Name _____
 Company _____
 Street Address (no P.O. Boxes, please) _____
 City, State, Zip _____
 Phone _____ Fax _____ Email _____

IF YOU WISH TO PAY BY CREDIT CARD: MAIL FORM OR FAX TO: 1-617-924-1022.

Name on Card _____
 Authorized Signature & Date _____
 Card Type: MC VISA AMEX Your Direct Line Phone Number _____
 Card Number _____ Card Expiration Date _____



NJCAOG's Rachel Jenkins (left) and Wende Nachman talk with a retail supplier working with the non-profit.

Fuel Cooperatives: A Challenge to Some, Yet An Approach to Find New Customers

By Franklin B. Tucker

FROM HER OFFICE IN CAMDEN, N.J., Wende Nachman is witnessing first hand how \$4 a gallon heating oil is affecting homeowners in the Garden State. Since the beginning of the year, more residents are becoming members of the largest fuel oil co-op in the state, New Jersey Citizen Action Oil Group.

"In fact, it's been a good year so far," said Nachman, who is the non-profit's executive director. "We had a record month in November when 200 people called to sign up." As of this spring, membership has topped 3,500, most

"Our value to the dealers is that we are a performance-based marketing channel. While they charge our members less, they are selling gallons above their marginal cost. We're not like other forms of marketing that cost you regardless of performance." —Larry Chretien, Mass Energy

joining after hearing about the co-op through word of mouth, the Yellow Pages and from other non-profits.

For Nachman and others who run the handful of large fuel co-operatives along the Atlantic coast from New Jersey to Massachusetts, these new members are creating a consumer wave that they hope will increase their influence in the retail oil market.

With customers the lifeblood of any business, especially during times of

economic turmoil and industry changes, fuel co-ops have a ready number of households—in some cases their credit status has already been vetted—that Oilheat retailers can use to diversify their client base. The caveat is the lower margin for retail fuel distributors, hopefully compensated by volume that might not otherwise come their way.

"It's a service that has worked hard to understand why prices are so high and convey that to their customers," said Ed Miller, who has been a retailer with the Oil Group for seven years and is the owner of Skylands Energy that serves 6,000 customers in the central part of New Jersey.

A co-operative is a business but in several important ways they're unique: they are motivated not as much by profit, but to meet members' needs for affordable goods or services.

Co-operatives—credit unions, mutual insurance and the Harvard Co-op being some well-known examples—saw an explosion in growth in the late 1960s and through the 70s. Many fuel co-ops began in the early 1980s. Typical of those early fuel ventures was the Energy Consumers Alliance of New England. Doing business today as Mass Energy, it began in 1982 (New Jersey's began in 1983) in a Boston neighborhood with a few volunteers seeking to convince neighbors to become members of their fledgling enterprise. Today,

it's the largest co-op in eastern and central Massachusetts and Rhode Island with 12,000 members in two states, according to Larry Chretien, executive director of Mass Energy. In Connecticut, Citizen's Oil Co-op has grown and now covers the entire state. It's a reflection of the times and the nature of energy costs for a typical household.

STRENGTH IN NUMBERS

Most co-ops work on the same principle: in strength of numbers, there is power. In the case of fuel co-ops those numbers are directed to influence the price of heating oil by securing long term contracts with many of their state, city or region's premier full-service heating oil companies. Co-ops negotiate with dealers who agree to reduce their margin-over-rack to its members. The dealers in turn are provided ready access to supply co-op members.

"Our value to the dealers is that we are a performance-based marketing channel. While they charge our members less, they are selling gallons above their marginal cost. We're not like other forms of marketing that cost you regardless of performance," said Mass Energy's Chretien.

It's estimated that homeowners in co-ops could save several hundred dollars over the course of a heating season when compared to conventional sources. For some fuel service dealers it represents a better strategy than

having to compete with day street vendors that lure bargain hunters with COD prices. Bachman said the lower price allows her members to afford more fuel, and ostensibly more gallons per delivery for the dealer.

In addition, some co-ops, most notably Connecticut's Citizen's Oil Co-op, have joined the diversity movement by adding propane and biofuel to the mix of products.

But it's not just a price break that co-ops provide their members. All co-ops ink contracts with only full-service dealers who are willing to provide a full range of maintenance and related services for their customers.

"Our company goal is to offer consumers a full-service arrangement at a fair price," said Chretien. He indicated that Mass Energy provides free access to a 24-hour service contract with full-service local Oilheat suppliers. Members also enjoy a free annual cleaning, tune-ups and dependable deliveries. Conveniences such as automatic fuel deliveries, credit terms and budget billing are also available.



Courtney Johnson of Camden County gets some help from Nachman with the paperwork to join NJCAOG.

As fuel co-ops aim to help consumers save on heating costs, Oilheat dealers who are looking to diversify their customer-base can direct their gaze to the growing numbers belonging to a fuel co-op. While the dealers are selling the oil at a discount they are trying to earn the lost dollars back via added volume.

Nachman said fuel co-ops are not looking to bully dealers over cost. In fact, it's in their own best interest to keep dealers happy and motivated.

"The price is out there. We're not out there to kill them. We need our retailers," said Nachman.

Most dealers who have become co-op retail partners consider the tradeoff—reduced price for access to a significant number of new and dependable customers—a fair one.

John DiMauro, owner of River Valley Oil Service in Portland, Conn., was looking to grow his 700 household customer list after three years in business. Having known about co-ops from his sister-in-law who was a member, DiMauro joined up with Citizens and saw 100 new customers migrating to him during the past heating season.

"They were quality customers," said DiMauro, noting only a handful were more than 30 days late in paying their bill.

SAVING IN THE LONG RUN

For other companies, the cut in fuel margin is offset by savings in other areas of their business, often sales and marketing that can be assumed to a certain degree by the co-op's public outreach. "[The Oil Group] has taken on the overhead costs of sales and marketing so I can provide a better-than-market rate to their members," said Skylands' Miller.

In the case of Citizens Oil Co-op, Hutson reached out to a dealer to help provide its members with biofuel. "The Co-op contacted us to distribute our product to its members looking for fuel efficient and cleaner energy," said Richard Hosley, Jr., owner of Hale Hill Farm Biofuels of Branford, Conn., They (the co-op) saw the relationship as a way to integrate biodiesel into the energy mix.

Co-ops generally seek dealers who can meet a standard profile. Mass Energy accepts dealers with a strong background in energy efficiency and who must accept Low Income Home Energy Assistance Program payments. They must be in good standing with their state's attorney general, the Better Business Bureau and other references that Mass Energy can check.

"We've taken on a couple of dealers who have been fairly new to the business and we've helped them grow, but we obviously like dealers who have a good track record in their community," said Mass Energy's Chretien.

Understandably, co-ops want to talk and work with dealers. "We are looking for dealers of all shapes and sizes. They can cover any part of New Jersey. Even if we already have dealers in their area, we like to be able to offer our members a choice," said Natchman.

"We think it's in the interest of consumers and dealers to have more than one choice sometimes. For example, some of our dealers only want automatic delivery and we respect that. Others will do will-call. And some of our dealers have said occasionally that we have sent them too many customers too fast," said Mass Energy's Chretien.

Said Citizen's Oil Co-op's Hutson, "In fact, we would like to give consumers a choice of dealers that service their geographical location. Nobody can satisfy all of the people

all of the time. So, if a customer has a problem, we can give them an option."

While co-ops have thousands of members, they remain a niche portion of the 8.1 million Oilheat consumers in the country. Nachman



Richard Hosley, Jr., owner of Hale Hill Biofuels of Branford, Conn., with Mark Hutson, president of Citizen's Oil Co-op in Connecticut.

feels many people see "discount" and think co-ops are probably too good to be true and most energy assistance programs are income based.

While many co-ops started under activist umbrellas, their membership rolls are generally open to anyone who can pony up the annual fee that ranges under \$40 for most.

Nachman said the Oil Group's members range from the very wealthy to those who can only purchase oil with a discount. "People think they are only for lower income households when in fact, anyone can join," she said.

CO-OP CONTACTS

Retail dealers interested in finding out more about fuel co-operatives in their area can contact the groups listed below:

New Jersey

Wende Nachman
New Jersey Citizen Action Oil Group
856-966-3095, ext. 202
wende@njcitaction.org

Connecticut

Mark Hutson
Rosie Stanko
Citizen's Oil Co-op
860-561-6011
hutson@oilco-op.com

Massachusetts/Rhode Island

Larry Chretien
Massachusetts Energy Consumers Alliance and People's Power & Light
617-524-3950, ext. 121
www.massenergy.org
www.ripower.org

New York

Pilgrim Fuel Oil
1-800-774-0062
info@oilforless.com

Pennsylvania

Emily Schiller
PIRG Fuel Buyers
215-893-3835
fuelbuyers@pirg.org



AREE Shows Off New Products For The Fall *Technology Playing A Greater Role In All Applications*

THE LASTING IMPRESSION AFTER VISITING THE products and services presented at the Atlantic Region Energy Expo Convention and Trade Show held recently in Atlantic City was that the latest generation of technology is fast becoming a major player in the Oilheat industry.

From small residential devices to applications for large commercial operations, the Oilheat world is growing ever more dependent on electronics and microprocessors to better do jobs that once were done with gauges and mechanical devices.

While the 2008-2009 heating season is still months away, companies are showcasing their latest equipment and new applications to dealers and retailers who will be installing and applying them into residential and commercial properties. Here are a few of the more interesting new products and equipment at AREE.

CARLIN EZ-H2L RESIDENTIAL OIL BURNER

When technicians open the sleek black box of the Carlin EZ-H2L, it will initially appear to be a standard Carlin EZ-1 oil burner.

But if the tech takes a closer look, they'll see that the East Longmeadow, Mass., manufacturer of burners, igniters and controls has

added a tiny electronic brain into their standard system to create what they expect will be the most fuel-efficient residential oil burner on the market, reaching Energy Star standards.

Using the latest in "smart temperature controls" electronics developed by Carlin Combustion Technology, Inc. and sponsored by the National Oilheat Research Alliance (NORA), the EZ-H2L is a dual speed blower operation with a fuel unit that has a high/low pressure regulator with an all new combustion enhancement system.

While the motor is based on the firm's mainstay EZ burner, in a small black box resembling a car's fuel injection system is a multi-tasking microprocessor control. Dubbed the ESP, the system's electronic brain regulates the burner's firing rate, the combustion process and the blower speed. It is the ESP that chooses whether to engage in the low or high firing rate by working with information being sent from the appliance's smart temperature control. When there is little need for heating, the microprocessor will inform the burner's engine to switch to a lower setting, saving electricity and oil. And when the burner is on, the system can sense whether the burner needs to be running at the higher setting.

Similar to a modern car's injection system, the EZ-H2L does not need old-style linkages to operate the air/fuel ratio, relying on its up-to-date electronics to provide the motor speed regulation while also controlling the combustion at low and high speed.

The EZ's ESP can be combined with other Carlin electronics such as the triple limit/cold start control to create even greater efficiency, noted company techs. The burner can also use many of the same components as in earlier EZ burner including electronic igniter,

standard primary controls and the familiar EZ burner chassis.

The EZ-H2L is about to reach the market as an exclusively Original Equipment Manufacturer (OEM) device. Carlin worked closely with appliance manufacturers Buderus, Bock Water Heaters, Olsen Furnace and Thermo-Dynamics to ensure that the burner and controls were at their most efficient in meeting each of their response characteristics.

The design is being tested at Brookhaven National Laboratory where initial results confirmed higher efficiency. The EZ-H2L is waiting for final test data and will likely be ready for the coming heating season.

For more information, visit Carlin's website: www.carlincombustion.com.

KERR'S COMPACT-MULTI OIL BURNER

It did not appear that Kerr Heating Products was at AREE trade show to be a part of the entertainment. But showing up at the Kerr booth, show attendees were told Kerr's latest furnace, the Compact-Multi, was more than meets the eye. And "Presto!" like magic, one furnace became three before their eyes.

In fact, the Nova Scotia-based company was presenting their new three-in-one Compact-Multi furnace at the show: the Classic, Evolution and Max. Each furnace has an output between 74,000 to 80,000 btu/h with the Evolution coming with the EVO management system boiler including the firm's True air modulation which provides greater cooling and dehumidification. An electronically commutated motor (ECM) powers the main circulation blower in the Compact-Multi MAX, significantly reduces electrical power consumption than a conventional blower motor during both heating and cooling cycles, which in turn reduces Greenhouse Gas Emissions.





Being from Canada, where the federal and provincial governments have high standards of efficiency, Kerr could claim that each boiler was 87 percent efficient at a steady state and 85 percent AFUE and all Energy Star qualified.

Due to its high-pressure construction, exhaust from a Compact-multi can be directly vented outside without the need of a flue and chimney. The compact furnace—measuring 45 inches high and 19 inches wide and slightly longer in depth—can be installed horizontally or in the up flow or down flow position. Each variation comes air condition-ready with a capacity of three tons.



The multi-positional design allows dealers and retailers to present customers with a single unit that can be adapted to function as one-of-three ways. The multiple-use furnace should also be a boom for wholesalers as they will only inventory a single appliance yet can provide three furnace configurations.

For information, visit www.KerrHeating.com.

BLU-FLAME BIOFUEL FILTERS

With the greater availability of Bioheat® (5 percent biodiesel) and other blended biodiesel fuels, service managers and retailers of Oilheat systems will be searching for companion devices to provide the greatest level of protection to existing systems when using these evolving fuels.

One area that has given Oilheat professionals some concern has been how Bioheat and biodiesel acts as a detergent. When added into an oil-fired system, heating oil residue is loosened and enters the system. And the first line of defense for these already-in-service systems is the filter.

Blu-Flame came to AREE packed with filters and accessories that were both fuel oil and BioHeat compatible. Created by Central Illinois Manufacturing, the filters can be used in residential and commercial heating systems and used for blends as pure as B100 biodiesel.

The difference in Blu-Flame filters according to their representatives is its use of 10 micro media, what the company describes as a state-of-the-art filtering material that is used as opposed to paper-based filters. Using this new media technology—which was tested and approved for use with all biofuels as well as heating oil—the company claims the filter reduces pressure drops while having a longer life span than traditional ones. It also will not breakdown as the paper-based filters, which will allow paper particles to enter the heating fuel system.

The residential and commercial filters have matching maximum firing rates of 12 gallons per hour and flow rates of 60. The Blu-Flame spin-on units also come with pre-lubricated gaskets to allow for an effective seal. Each also has a vacuum gauge that indicates when the filter has reached capacity.

For information, go to www.cim-tek.com.

WOHLER A 600 HAND-HELD COMBUSTION AND EMISSIONS ANALYZER

The Bluetooth world is everywhere. A wireless personal area network (PAN), Bluetooth provides a way to connect and exchange information between devices such

as mobile phones, laptops, digital cameras and video game consoles over a secure, globally unlicensed short-range radio frequency.

Add to that list the next generation of emission analyzers with Wohler's A 600 flue



gas analyzer. An update of the company's A 500, which is used to determine the combustion and emissions compliance of a heating system, the A 600 relies on a wireless probe that is used with a touch screen operational reader with a large color display. The benefit of the wireless probe is that technicians or service managers no longer need to be connected with a cable to the reader/display box for the data to be collected.

With the ability to transfer data via Bluetooth, technicians can convert their notebook computer or PDA into a professional Flue Gas Analyzer. By using available software, a service manager or tech can use their existing computer systems allowing buyers to save on purchasing the reader.

The A 600 is able to read for multiple fuel fired heat applications including oil, gas and solid fuel and use a variety of probes for different measurement tasks. It also has adapters for temperature and air flow probes.

For more information, go to Wohler's website: www.wohlerusa.com. ☒

JUNE 9 and 10, 2009

**THE JOHN B. HYNES VETERANS
MEMORIAL CONVENTION CENTER
BOSTON, MASSACHUSETTS**

**SPONSORED BY
THE NEW ENGLAND
FUEL INSTITUTE**



**RESERVE BOOTH
SPACE NOW!**

**CONTACT THE
EXPO MANAGER,
MR. TRACY GOODWIN
AT 617-924-1000,
OR MAKE EXHIBIT
COMMITMENT AT
WWW.NEFI.COM.**



**THE 33rd NORTH AMERICAN
HEATING & ENERGY
EXPO**

OILHEAT BIOHEAT[®] DIESEL PROPANE SOLAR



SIGN ON NOW TO REACH THESE TARGET MARKETS FOR THE 2009 EXPO.

OILHEAT



The primary market driver for our EXPO for over 60 years, the audience is as viable as ever with over 8 million homes and businesses in the Northeast and Mid-Atlantic sold and serviced by EXPO attendees. These business owners and managers are looking for new and innovative ways to serve a marketplace in transition to fuel efficient heating and hot water.

BIOHEAT®



Following guidelines established by the National Oilheat Research Alliance (NORA), the fuel distributor population that incorporates Bioheat® into their delivered product continues to grow. Going forward, there is encouragement by several states for Bioheat® incentives. The uptrend is “green,” as marketers respond to homeowner enthusiasm for “home grown” fuel resources. There will be companion Bioheat® seminars at the New England Fuel Institute (NEFI) Business Conference, held in tandem with the EXPO during non-show hours.

IF YOU SELL PRODUCTS AND/OR SERVICES TO THE TRADE IN ONE OR MORE OF THESE FIELDS, YOU NEED TO DISPLAY AT THE EXPO!

- Additives (Fuel)
- Air Conditioning
- Bioheat®
- Boiler/Furnace Services
- Bulk Plant Equipment
- Burners (Burners, Controls, Ignition)
- Combustion Products
- Computer Services/Systems
- Convenience Stores
- Energy Conservation
- Environmental
- Filtration
- Forms, Tickets
- Fuel Delivery: Software/Hardware
- Fuel Transport
- Furnaces
- Heating Controls
- Heating Systems, other
- Humidifiers
- Insulation
- Insurance
- Materials Handling
- Meters, Fuel and other
- Nozzles, Filters, Valves
- Oil Product Hedging/Trading
- Oil Price Services
- Oil Storage Tanks
- Oil Suppliers
- Propane
- Pumps, Circulators
- Sales Aids, Marketing
- Security Alarms
- Solar Heating / Accessories
- Storage Tanks; AST/UST
- Supply Houses
- Truck Hardware
- Truck Maintenance
- Trucks / Truck Tanks
- Technical Training
- Water Filtration
- Water Heaters / Storage

DIESEL FUEL / GASOLINE / C-STORES



If you are involved with trucks and transport in any fashion, you recognize that on-highway demand is what drives the distillate market. With the advent of ultra-low sulfur fuel and biodiesel, there are a host of opportunities to present your products and services before diesel fuel resellers, many of whom augment heating oil distribution with sales to truckers via roadside pumps and truck stops and scheduled fillups to fleets within customer yards. Many of our attendees are diversified petroleum jobbers who own/operate independent service stations and C-stores, a key component to their overall profits — and certainly an added value opportunity for EXPO exhibitors.

PROPANE



A growing part of the product and marketing mix, Oilheat companies continue to broaden their home services scope by making the substantial capital commitment to propane. Conversely, major propane distributors now own and oversee heating oil divisions. “Covering all bases” is the appropriate catch phrase for these companies and you’ll find their decision makers present at the 2009 EXPO.

SOLAR

A slice of the market now, a growth segment in future years, conventional fuel distributors are looking at what it takes to augment current heat and hot water equipment with solar systems. If you provide solar to new home construction and/or retrofits, the EXPO provides you on-site access to the nation’s leading full service Oilheat companies who have the largest independent base of established homeowner customers and are exploring the profit avenues that solar tie-ins can provide.



Over 12 billion gallons of No. 2 distillate are sold annually by marketers attending the EXPO, accounting for 85% of all No. 2 fuel oil sales in the U.S.A.

Index Fund Position in Commodities Open to Question

Oilheat Company Exec Asks Trade Commission to Enforce Own Rules

ON MAY 1, CHAMPION ENERGY CORP. CEO PETER

Carini sent Walter Lukken, acting chairman of the Commodity Futures Trading Commission (CFTC), this letter critical of CFTC's position allowing the price of heating oil to be manipulated by commodity speculators including hedge and index funds. He urges Lukken to halt the practice where index funds are exempt from position limits, which would help return "sanity" to the heating oil industry.



Peter Carini

Mr. Walter L. Lukken
Acting Chairman
Commodity Futures Trading Commission
Dear Chairman Lukken:

Following up on my visit with you on Dec. 10, 2007, we mutually agreed that a continued dialog would be helpful regarding the heating oil price dilemma and its ramifications of transparency, speculation and market distortion. The heating season has come to a close. This is the traditional time, over the

next six months, to be putting oil in storage as refiners max out production runs for the oncoming gasoline-driving season. Unfortunately, the market is acting in the same fashion that it did last year allowing no "carry" for oil to be put into storage as the winter months of 2008/2009 heating season are priced like the current spring months. This is a precursor for another volatile market driven by spike hikes subject to every exaggerated rumor because there is no inventory cushion. Just-in-time inventory is the ideal backdrop for speculators to run up prices. The cause for this anomaly is hedge fund and commodity traders buying the current month and rolling their contracts month-after-month thereby keeping the current month's price high and not allowing for the traditional off-season price variance to develop which is necessary in order to have a financial incentive to build inventory. As you are well aware, 50 percent of heating oil is consumed within a three month peak winter season and a sizable inventory is necessary to maintain an orderly market that allows for dependability of delivery and price stability.

Recently new opportunities to invest in commodities through mutual funds, which have no limits as to the size of the positions they hold, are off the radar screen regarding regulations allowing runaway speculation to continue unabated.

"The short answer to the problem is to deflate the speculative bubble that now exists in the current month as quickly as possible so as to begin to build the heating oil inventory in the now empty Northeast storage terminals."

The only way our industry can build inventory is to have the current months priced lower than the winter months (price pattern that has existed for more than 75 years) so as to cover the cost of money and storage charges. Analyst Steve Brieser, a well-known commodity expert and author of *The Commitment of Trader Bible*, was quoted in Barron's financial paper and estimates the index funds hold more than \$211 billion worth of bets on the buy side in US markets from the position limit.



We know you have more important things to do than worry about your dental plan!

That's why New England Fuel Institute recently partnered with Northeast Delta Dental to offer competitive dental plan options to its members in New Hampshire and Vermont.

- Special group rates
- Two program options
- Service backed by a world-class Guarantee Of Service ExcellenceSM program

Please contact:

Donna Carcerano, Benefits Administrator
New England Fuel Institute
PO Box 9137, Watertown, MA 02471-9137
(617) 924-1000, ext. 220



Unless regulators clamp down, the index funds will become an even bigger force in the market. Nearly \$9 out of every \$10 of index money is not traded directly on the commodity exchange but instead goes through dealers that belong to the International Swaps and Derivatives Association (ISDA). These swap dealers lay off their speculative risk on the organized commodity markets while effectively serving as market makers for the index funds.

By using the ISDA as a conduit, the index funds get an exemption from position limits that are normally imposed on any other speculator, including the \$1 in every \$10 of index fund money that does not go through the swap dealers.

In addition, the speculators who use the older commodity pools add additional volume to those of the index funds and speculative money forms 58 percent of all bullish positions. Although the CFTC provides figures on index trading from over 10 commodities, petroleum is excluded. The short answer to the problem is to deflate the speculative bubble that now exists in the current month as quickly as possible so as to begin to build the heating oil inventory in the now empty Northeast storage terminals. This will bring a rational and secure supply with traditional pricing and product availability to the eight million households who rely on our industry to meet its customary support obligations. Many commodity experts believe the CFTC could also prick the bubble by enforcing its own rules. If the agency were to rescind the exemption on position limits given to the index funds (on a phased basis so that the funds could make the orderly retreat) prices would probably fall back to reflect their true supply-demand fundamentals.

Heating oil speculations have become very dissimilar to ultra-low sulfur diesel (ULSD) and should be decoupled. Diesel has critical specifications in pour point and cetane index rating where fuel oil does not. Two thousand parts-per-million (ppm) sulfur-heating oil versus 15 ppm ULSD obviously further distinguishes these fuels. Currently, ULSD is a ten times larger market and is not subject to sharp seasonal demand driven by weather. The only similarities these two distinct classes of products have are that their origin is from a distillate-refining stream.

All this would occur within the framework of sound financial principles that will enable our banking relationships to be more comfortable and supportive to our industry as the speculation gyrations are eliminated which add an element of fear and financial unpredictability.

I urge the CFTC to act with deliberate speed and thereby send the appropriate signal to the speculator market that heating oil is no longer the attractive commodity to manipulate. Sanity would return to an industry that is currently overwhelmed by the events of the last two months while not affecting other commodity markets. Executed with deliberate speed will eliminate the current chaos and financial pain our industry is currently facing and allow for the critical

inventory buildup which is most essential. The only barometer that can be relied upon as a guide to the true success of these suggestions is manifested in the amount of inventory build that will be created by these important changes.

Peter J. Carini
Chief Executive Officer
Champion Energy Corp.



Delta Dental of Rhode Island

WE ARE PLEASED TO WELCOME

Rhode Island members of **New England Fuel Institute** with competitive dental plan options, featuring:

- **Special group rates**
- **Two plan options**
- **Best-in-class account & member service**

We look forward to administering their dental benefits to ensure good oral health.



Please contact:

Donna Carcerano
Benefits Administrator

New England Fuel Institute
PO Box 9137
Watertown, MA 02471-9137

(617) 924-1000 ext. 220

www.nefiinsurance.com





Jump On The Correction, Or Do I Wait?

By Taylor Hudson, Hedge Solutions

ONE OF THE MOST CHALLENGING ASPECTS OF this year's hedging season for many dealers has been the short and shallow price correction. Thanks to 24-hour trading and lightning fast execution speed, the market's dip to a moving average support level or test of earlier breakout can literally take just minutes to complete. Dealers waiting on lower pricing have found themselves watching as prices dip, turn around and surge much higher.

The volatility puts everyone on edge. Dealers are hesitant to make a commitment today for a sale they (hopefully) will make tomorrow, not to mention a month from now. Many markets have collectively decided to wait and see if prices move lower, increasing the perception of risk for the dealer buying contracts on a shallow dip that followed a huge price upswing. The perceived risk to owning the \$3.85 wet barrel today is that by next week the market returns to earth at \$3.25.

This month, I will discuss a basic option strategy that could potentially be of use in these periods of price retreat. The strategy is relatively simple, but involves selling an option—a procedure not often executed by heating oil dealers.

Picture the scene: forward wet barrel prices jump from \$3.25 to \$3.85 in a matter of days. The \$3.99 fixed price offer being contemplated with a \$3.25 wet barrel is no longer a viable choice. In fact, \$4.50 seems like the new reality. However, the following week prices have pushed back to \$3.50 one afternoon. Perhaps it is the third day of

a three-day sell off, and the chart readers are talking about the market resting on some sort of support point. The dealer is enticed to buy the wet barrel because time is running out and just a few days ago the market was trading \$3.85. On the other hand, locking in the wet barrel here may be followed by prices falling another 25 cents to \$3.25.


The choice at this point is clear: buy the wet barrel here or wait for lower pricing. The answer can actually be to do both: lock in an acceptable "maximum" cost for the oil (if the dip turns out to be brief) but also position oneself to benefit from lower pricing if it occurs prior to program rollout. The choice requires, however, buying and selling put options at different strikes simultaneously.

To accomplish our goal, we'll assume the dealer locks in the wet barrel at \$3.50. At the same time two option transactions will occur, a \$3.50 put option is purchased for 35 cents and a \$3.15 put option is sold for 15 cents. Both options will have the same expiration date.

Selling options immediately generates a cash flow to the seller equal to the premium. This cash is used to offset the premium of the ATM put. Our dealer must pay the option seller 20 cents up front (bought put for 35 cents, sold put with different strike for 15 cents). This expense means the maximum cost for the wet barrel will be \$3.70 (\$3.50, +20 cents), a full 15 cents less than where prices were the week before. Also, if the market falls, the dealer has the potential to reduce this cost further.

How could the strategy result in lower pricing? Recall the dealer has purchased to \$3.50 put and sold the \$3.15 put. If the market falls to \$3.15 prior to program rollout, the example dealer would be able to unwind the option position for a net gain of 35 cents (Sell back the \$3.50 put for 35-cents plus time value, buy back the \$3.15 put for time value). If we then apply the 35 cents gain to the wet barrel cost of \$3.50 and the premium paid initially of 20 cents, the net result is a wet barrel cost of \$3.35. Paying \$3.35 is also the dealer's best-case cost for the wet barrel. Because the dealer purchased the \$3.50 put but sold the \$3.15 put, the maximum payout is only 35 cents, no matter how low the market trades.

If we assume the dealer would have been a willing wet barrel buyer in the event forward pricing reached \$3.25 (the \$3.99 offer became viable again), this strategy allows a final result only 10 cents higher. Considering the potential for the market to make new highs above \$3.85, the example dealer would have had the ability to ensure a maximum cost of only \$3.70.

This option strategy may be attractive to some during the hedging season because it allows a dealer to know their worst case upside cost, yet still have some flexibility should prices collapse prior to program rollout. If the dealer knows that a \$3.25 forward wet barrel price will likely be a place other dealers will be buying because it implies a program price under \$4, selling the put and allowing their own cost to come close makes sense. 



Heating Oil Retailers: Now Is The Time For Bioheat®

by Bill Riordan, Advanced Fuel Solutions

CONSIDERING THE CURRENT MARKET CLIMATE, THE BIGGEST QUESTION ON MOST DEALERS' MINDS today is: where do I go from here to remain competitive and continue to grow my business? Some are still holding steady in their customer pricing and product offerings. But with futures market and wholesale prices racing well above \$3 per gallon and crude oil flirting with \$120 per barrel, how much longer can dealers afford to hold the line? Was it really less than 10 years ago that average retail home heating oil prices were being quoted by government agencies at less than \$1 per gallon? Although daily price volatility is on all dealers' minds, there has never been a better time to start switching over to Bioheat®. With wholesale prices at an all-time high, Bioheat offers the dealer an opportunity to market a product that is new and exciting, and just may help ease some of the concerns over the cost of product.

Bioheat is a blend of traditional home heating oil and pure biodiesel. Biodiesel, also known as B100, is a product that is made from a variety of feedstocks, including commonly known products such as soy oil and canola oil. Biodiesel may also be made from recycled restaurant grease. To ensure a quality fuel, regardless of the feedstock, all Biodiesel must meet ASTM spec 6751D. Once the biodiesel meets ASTM 6751D it may be blended into heating oil to create Bioheat. Although blends vary from a low of 2 percent to more common 5 percent, higher blends to 20 percent and 30 percent are not unusual.

Some dealers have already made the move to Bioheat and are enjoying the success of offering this new and exciting product. From Seattle, Wash. to Williamsburg, Va. to Long Island, N.Y. and Norwalk, Ct. to Dedham, Mass. and Auburn, Me., more and more dealers are embracing the move to Bioheat. When you factor in the endorsement of Bioheat from national organizations like the National Oilheat Research Alliance (NORA), regional organizations like NEFI and various state organizations like the Massachusetts Oilheat Council (MOC), it is easy to see why more and more dealers are starting to make the move to Bioheat.

Sometimes it is hard to make the decision to move to a new product because of uncertainty or even unknown obstacles that may stand in your way. I encourage you to collect all available information helpful in determining if you should make the switch to Bioheat. Information is readily available online or from industry associations. Two good online resources are the National Biodiesel Board (www.nbb.org) and NORA (www.oilheatamerica.com).

So you may be asking yourself "what is the big attraction to Bioheat?" Biodiesel is a quality renewable fuel source that will reduce our dependence on foreign oil and will help reduce greenhouse gas and other emissions. Local oil dealers that offer Bioheat are able to align themselves with images of American-made renewable energy instead of "big oil." Bioheat gives dealers the ability to show they are taking a proactive approach to making the move away from foreign oil and toward a self-sustaining American economy. With Bioheat, a cleaner, greener future awaits the oilheat industry; let's embrace the idea! Although the move to Bioheat has been a slow one, it is indeed moving. State mandates to use Bioheat are pending in Massachusetts and New York, as are tax credits in numerous states for homeowners that use Bioheat. Tax credits will vary from state to state and be based on blend percentage, but credits could be as high as 50 cents per gallon. Many state bids already require that dealers supply state buildings with Bioheat.

As you evaluate whether or not you want to be an early Bioheat marketer or if you want to wait for state mandates, the one thing that waiting will not do is bring down the cost of wholesale product. Bioheat will not solve all the challenges the industry faces but it is most definitely one of its most promising opportunities! ☑

Beckett

Parts & Accessories

Customers
complaining
about
**high fuel
prices?**

We'll help you
**save \$\$\$
on fuel!**

**Beckett
HeatManager™**

**Guaranteed
10%
Fuel Savings**

(See website for details)

www.becketthm.com

Place Your Marketplace Ad Here!

Only \$140/month per 3-time order or more.
Contact Oil & Energy at (978) 535-7606
or fax to (978) 535-7826.

Marketplace

TOTAL FUEL™ WINDOWS 98/NT/XP

- Degree day forecasting
- Accounts Receivable
- Burner service
- Customer control & credit
- Budgets, Collection letters
- Extensive tax reporting
- Tank & truck control

And many more features . . .

MARKET LINE

1-800-210-1498

www.mlcsoft.com
sales@mlcsoft.com

Market Line Computers
1-800-284-4877

NEED FORMS?

CALL THE
FORMS PRO!

- METER TICKETS
- STATEMENTS
- INVOICES
- DOOR KNOB ENVELOPES
- STOCK FORMS
- LABELS



www.FormsPro.net

METER
TICKETS

TO FIT ANY
APPLICATION;
GIVE US A CALL

800-221-1209

WEHOF
FORMS

Committed to
Quality & Service

100% SATISFACTION GUARANTEE FOR OVER 25 YEARS!

SLIP
TICKETS

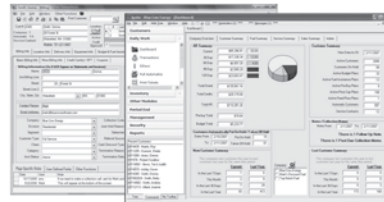
ROLL
TICKETS

COMPUTER
TICKETS

Ignite

- ◆ Enterprise
- ◆ Mobile
- ◆ Web

**Different From Other
Software Companies,
But You'll Get Used to It...**



With Unique Features Like an
Executive Dashboard and
'Complete Care' Support

BLUE COW software



.net

Lynnfield, MA

888-499-2583

www.bluecowsoftware.com

Local Availability

NE 860-882-0213

PA/MD/DE/VA 800-565-3840

NY 585-223-5982

ID/MT/WA 250-497-5332



Solid Fuel & Oil Furnaces
Oil Boilers

www.NewmacFurnaces.com
e-mail: newmac@ca.inter.net
902-662-3840 (ph) 902-662-2581 (fax)

DRM, INC.

Data Resource Management



Are You Getting Great Software Support?

Complete Accounts Receivable.
Plus...

Seasonal Delivery Scheduling

- Ticket Printing
- Route Building

Service Scheduling

- Service Van Routing
- Contract Management

Unlimited Customer Notes!
The Best Support in the Industry!

Hundreds and Hundreds of Users
from Coast To Coast in the
United States and in Canada since 1981



DRM, INC.
Data Resource Management

800-255-5242

WWW.DRMNET.COM



Taurus Systems, Inc

Fuel Oil & Propane
Management Software

A full featured Delivery and Service System
tightly integrated to A/R
Also available: G/L, A/P, P/R
Electronic Meter & Credit Card Interface
Data Conversions & More!

207-666-3167

www.taurus-systems.com

Email: Info@taurus-systems.com

PO Box 201, Bowdoinham, ME 04008

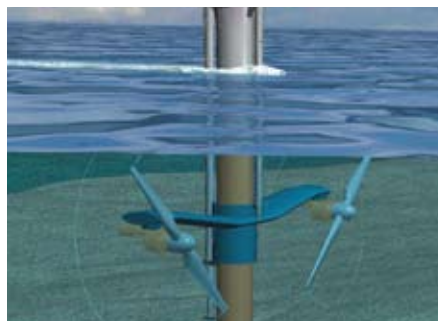
15th
Year



For links to these
advertisers, and more,
visit nefi.com

FUTURE FOR TIDES, NUCLEAR

The emergence of tidal energy in Canada and U.S. advances in nuclear energy were among the various energy sources that will be required in the future to help supplement fossil fuels, said speakers participating in a recent Offshore Technology Conference (OTC) panel discussion on alternative energy.



Alison Scott, Nova Scotia deputy minister of energy, said Nova Scotia province officials are considering testing tidal energy devices in the Bay of Fundy.

"Tidal is a new industry," Scott said. "We're a long way off from being competitive with onshore wind power."

Thomas J. O'Connor, director of the Office of Gas Reactor Deployment for the U.S. Department of Energy (DOE), said advancements in reactor technology are promising for what he called energy security, economic security, climate security, and national security.

The next generation of nuclear plants would involve Generation IV reactors, O'Connor said.

The Energy Policy Act of 2005 authorized a Next Generation Nuclear Plant (NGNP) demonstration project at DOE's Idaho National Laboratory. DOE currently is seeking public and industry comment on how to achieve NGNP goals.

PRICE PRESSURES ON NATURAL GAS

US natural gas markets will have to compete in price in global gas markets if they expect to attract sufficient supplies into storage before the country's gas withdrawal season that traditionally begins on Nov. 1.



That was the main message of David Thames, president of Cheniere Marketing, as he spoke recently at the final day of the Offshore Technology Conference in Houston. And he believes historically high prices for this time of the year suggest U.S. markets will respond.

Arguing the primacy of liquefied natural gas as the fuel most likely to fill the import demand, Thames cited the flat growth in domestic natural gas production despite rising gas rig counts and prospects for falling gas imports from Canada.

The result, he said, will be that the U.S. will face a 5-8 billion cubic feet per day deficit.

DRILLING COSTS HIT ALL-TIME HIGH

The cost of drilling and equipping oil and gas wells in the U.S. reached an all-time high in 2006, the American Petroleum Institute reported.

Spending in 2006 totaled nearly \$110 billion, up 44 percent from the previous year, according to the most recent Joint Association Survey on Drilling Costs. Increases in the number of



wells and total footage drilled pushed the average cost per well and per foot to their highest levels ever. The 2006 average cost for oil wells, gas wells, and dry holes surged 22 percent to \$2.1 million.

For the 19th consecutive year, drilling outlays for gas exceeded those for oil. In 2006, expenditures to drill 30,610 gas wells accounted for 54 percent of the total drilling spending. Oil drilling expenditures, for 16,670 wells, dropped to 34 percent of the total. Dry holes accounted for the remaining 12 percent of outlays.

UTILITY CALLS FOR 50 MW OF SOLAR

The Long Island Power Authority (LIPA) released a request for proposals recently that calls for 50 megawatts of solar power to be installed on Long Island, NY.



The solar energy could be produced by one or more developers of solar photovoltaic systems and will be fed into the electrical grid and purchased by LIPA. The project developers will own or lease the solar energy systems and sell the power to LIPA under a long-term contract, so the LIPA offer can serve as a way to receive financing for large solar power systems located on Long Island.

The LIPA project is one example of the rapid growth of solar power in the United States. According to the Solar Energy Industries Association, 254 megawatts of photovoltaic and concentrating solar energy were installed in the United States in 2007.

MASS CLOSING IN ON BIOFUEL MANDATE

Massachusetts may soon become one of the first big Oilheat states to mandate the use of biofuel, a blend of heating oil and crop-based feed stocks such as soy beans and vegetable and plant oils. Recently, the Governor's Advanced Biofuels Task Force issued a comprehensive report on the initiative.



Late last year, Governor Deval Patrick filed legislation—HB 4364—calling for a biofuel and biodiesel mandate that would require a 2 percent blend of biofuel in heating oil by July 2010, with incremental percentage blends of 3, 4 and 5 percents by 2013.

IT'S THE LAW!

FUEL PRODUCT DECALS ARE REQUIRED BY EPA FOR POSTING ON DISPENSERS OF KEROSENE, DIESEL FUEL, AND HEATING OIL.

**ORDER NOW FROM
NEW ENGLAND FUEL INSTITUTE**

There are now twelve (12) distinctive decals required by the EPA for use and compliance with federal regulations! On-road diesel fuel and kerosene were required as of June 1, 2006 and non-road diesel and heating oil decals as of June 1, 2007. Failure to use, or mislabeling pumps may subject the violator to fines of up to \$32,500 per day, per violation. The decals available from NEFI meet the API labeling standards. IMPORTANT! Before applying any decals we strongly recommend that you obtain the detailed COMPLIANCE KIT FOR FUEL DISPENSER LABELING REQUIREMENTS prepared by New England Fuel Institute (NEFI). This kit has been mailed free of charge to member companies of NEFI. Non-members can obtain the kit for \$50. Phone 617-924-1000.

**TO OBTAIN ORDER FORM AND COMPLIANCE KIT
PHONE 617-924-1000
or visit**

www.nefi.com

**and link to
ORDER EPA MANDATED LABELS
on the home page.**



June 2008

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					

11 Oil Heat Council of New Hampshire's Annual Golf Outing, Stonebridge Country Club, Goffstown, NH. 603-895-3808
www.nhoilheat.com

22-25 Maine Oil Dealers Association 54th Annual Convention, Samoset Resort, Camden, ME. 207-729-5298 • www.meoil.com

22-25 Joint North Carolina Petroleum & Convenience Marketers/Virginia Petroleum & Convenience Grocery Assn. Summer Convention, Marriott Resort, Hilton Head Island, SC. NCPDM: 919-782-4411 • www.ncpcm.org
VPCGA: 804-282-7534

25-26 Propane Gas Assn. of New England Summer Meeting, Stoweflake Resort & Conference Center, Stowe, VT. 603-544-2226 • www.pgane.org

July 2008

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		

1 (Tentative Date): NEFI's SPCC Compliance Webinar. Phone: 617-924-1000 www.nefi.com

10-15 ESPA/PPMCSA Canadian Rockies Adventure Summer Convention, Fairmont Banff Springs Resort, Banff, Alberta, Canada. 877-666-3404 518-449-0702

20-22 Penn. Petroleum Marketers & Convenience Store Assn. (PPMCSA) Summer Conference, Grand Hotel, Ocean City, MD. 717-902-0210 • www.ppmcsa.org

August 2008

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						

7 OHI of Rhode Island's Annual Clambake, Kempenaar's Clambake Club, Middletown, RI. 401-464-8000

13-15 Radiant Panel Association's Annual Conference and "REX" Radiant Expo, Schaumburg, Illinois. 970-613-0100

18 Mass. Oilheat Council's Golf Tournament, Pinehills, Plymouth, MA. 781-237-0730 • www.massoilheat.org

25 Oil Heat Institute of Long Island's Fall Golf Outing, St. Georges Golf & Country Club, Stony Brook, NY. 631-360-0200 • www.ohili.org

September 2008

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			

8-10 Visions Conference, Hilton Boston Logan Airport Hotel, Boston, MA. 617-924-1000 • www.nefi.com/visions

16-18 Oil Heat Council of New Hampshire's Annual Convention, Sheraton Harborside Portsmouth Hotel & Conference Center, Portsmouth, NH. 603-895-3808 • www.nhoilheat.com

23-28 NEFI Fall Energy Conference, Napa Valley, CA. 617-923-5015 www.nefi.com

VISIT WWW.NEFI.COM/CALENDAR TO SEE EVENTS SCHEDULED FOR THIS FALL.



...Continued from page 24



Rays of Sunshine In All the Doom and Gloom

By John H. Nardozi, Nardozi Consulting

I DON'T KNOW ABOUT YOU, BUT I COULD USE some good news to offset the doom and gloom that seems to be pervading the Oilheat industry. Let's see if we can find some "rays of sunshine" among the clouds.

Oilheat dealers who survive this season will be stronger and more profitable.

The value of your customer list, though depressed currently, will come back next year and be worth more than ever.

Natural gas prices are sure to come up, while oil prices are likely to come down. The parity of the two fuels will be back to normal.

Companies that offer prepaids unethically will be out of business. Those customers will be free to do business with long established, stable companies.

"Discount oil companies and one-truck operators will find staying in business or opening up a local oil company more difficult than ever."

Due to regulation and customer demand, prepaids will only be available through companies that are financially strong and able to get performance bonds or buy the wet barrels.

Fixed price gallons should be a thing of the past. Cap price gallons will be priced at a premium or offered for an up-front fee (equal to the cost of protection).

Discount oil companies and one-truck operators will find staying in business or opening up a local oil company more difficult than ever. In an industry that in the past had a low cost of entry (the price of a truck and

three thousand gallons) we are now finding that cost prohibitive.

Because banks are getting more demanding and tightening up on credit, weak companies and low margin companies will find it difficult to get credit. Suppliers will also tighten up on those same companies. They will more than likely be forced to sell the company or close the doors in the very near future.

Are these good signs for our industry? They are if you have run your business conservatively and honestly, meaning:

Determining the appropriate margin for your company and having the courage to stick to it.

Not using prepay money inappropriately (and possibly illegally), such as for capital expenditures and to pay for prior mistakes.

Working with your banker and suppliers ahead of the season.

Reinvesting profits into the business.

Trimming expenses where you can do so without affecting the performance of your business.

Purging your low margin and problem customers.

Working on accounts receivable every day.

Using available resources. Get a hedging expert, a knowledgeable banker, a CPA with industry experience. Talk to your supplier every day. Hire a marketing company to help communicate with customers.

There is no evidence that the coming heating season will be any easier than last year. But do what you need to do to be a "survivor" and the future might look a little brighter. ☺

periods of deep-layered southerly flows up the coast on into New England. This would lead to a generally warmer than normal summer not so much due to "hot" temperatures, but more a reflection of lots of humidity and thus above normal nighttime periods.

To complicate matters further, there are signs that an upper level low might frequently be positioned across northeastern Canada this summer. When the circulation around the low dominates the flow across the Northeast it could occasionally sweep cooler air masses southward into much of the Northeast and New England regions, as well as the northern portions of the Middle Atlantic region.

This suggests I should not go too warm with my summer forecast across the East, especially after mid-July, and thus I will not call for a scorching hot summer.

SUMMER BEGINS WARM

For the period June through mid-July, I will let the offshore ridge become the main player and call for a modestly warmer than normal (1.5 to 3 degrees) first half of the summer with tropical humidity occasionally being the big story.

If the expected upper low across eastern Canada develops, it could become a significant factor in keeping the second half of the summer, mid-July through August, near normal to somewhat cooler than normal. For now, that is the way I am going to play it.

This means I have lowered my overall temperature call for the Northeast this summer. While there will be some hot periods, I do not think we will see hot weather dominate the summer this year across the Northeast, and above normal periods will be more of a function of steamy tropical air masses, not hot continental air masses.

Like most La Nina winters and springs, tornadoes have been the big newsmakers this year. It has been a destructive and deadly tornado season, not unlike past La Nina events, and this likely will continue into June. My concern for some time now has been that the final push of tornado action would be into the Northeastern states during late May or June. Hopefully by the time you read this article that will not have been the case.

It is obvious from recent past seasons that we still have a lot to learn when it comes to predicting hurricane frequency and landfall threats well in advance of the start of the season. But given the expected position of this year's main weather features (a Rockies ridge, Midwest trough, and an offshore high pressure center) most forecasters would highlight the western Gulf and the East Coast (Carolinas to New England) as the main areas with an elevated risk of landfalls. ☺

YOUR INDEPENDENT STATE ASSOCIATIONS:

Working to serve your interests as your in-state resource. Working in tandem with New England Fuel Institute on regional and national affairs.



INDEPENDENT CONNECTICUT PETROLEUM ASSOCIATION

Executive Offices:

10 Alcap Ridge
Cromwell, CT 06416

Ph: (860) 613-2041
Toll Free 1-866-521-ICPA [4272]
Fx: (860) 632-1122

Eugene A. Guilford, Jr.
Executive Director & CEO

gene@icpa.org
www.icpa.org



MAINE OIL DEALERS ASSOCIATION

25 Greenwood Road
PO Box 249
Brunswick, ME 04011

Phone: 207.729.5298
Fax: 207.721.9227
Email: oilman@meoil.com



MASSACHUSETTS OILHEAT COUNCIL

Michael Ferrante, President

118 Cedar Street
Wellesley Hills, MA 02181

Ph: 781-237-0730

800-722-0623 (MA Only)

Fax: 781-237-2442

mferrante@massoilheat.org
www.massoilheat.org



Oil Heat Institute
of Rhode Island

1395 Atwood Avenue, Suite 209A

Johnston, RI 02919-4931

Phone: 401-464-8000

E-mail: julie@ohi.necoxmail.com

www.oilheatinri.com



Oil Heat Council of NEW HAMPSHIRE

www.nhoilheat.com

Phone: 603-895-3808

Fax: 603-895-3325

Email: ohcnh@nhoilheat.com



Matt Cota
Executive Director

Vermont Fuel Dealers Association

802.485.7999 office

802.318.2190 cell

802.485.9637 fax

vermontfuel@gmail.com

<http://www.vermontfuel.com>

Be it heating oil, propane, or biofuels, these state associations, in concert with New England Fuel Institute work 24/7 to protect your business interests and the well being of consumers served by the vast and vital network of independent fuel distributors. We encourage you to take advantage of the many benefits provided by state and regional membership. Contact your respective state association and New England Fuel Institute via phone or email and help yourself grow your business. It is the best and most immediate way to stay informed about industry news and critical regulations that impact your operations daily.



New England Fuel Institute
Offices at 20 Summer Street, Watertown, MA 02472
617-924-1000 • www.nefi.com

Want information from advertisers? Faster? Check off boxes, and FAX to 978-535-7826. Or check boxes, and mail to: Oil & Energy, 67 Foster St., Peabody, MA 01960. Your request will be sent to desired companies for response direct to you. Be sure to include your name and address.

- Angus Energy, p. 21
www.angusenergy.com • 800-440-0472
- Association Block, p. 44.....
- Avalux/Fuel Advantage Marketing, Insert.....
www.fueladvantage.com • 888-584-2422
- Beckett, p. 39, 48.....
www.beckettcorp.com • 800-645-2876
- Blue Cow Software, p. 40.....
www.bluecowsoftware.com • 888-499-2583
- Citizens Bank, p. 23
www.citizensbank.com
- COCARD, p. 19
www.cocardprocessing.com • 866-849-8800
- Delta Dental, NH, VT, p. 36
www.nefinsurance.com
- Delta Dental, RI, p. 37.....
www.nefinsurance.com
- DR Micro, p. 40
www.drminet.com • 800-255-5242
- Global Companies LLC, p. 2, 47
www.globalp.com • 800-685-7222
- Gray, Gray & Gray, p. 25
www.gggcpas.com
- Irving Oil Corp., p. 5
www.irvingoil.com • 877-942-3600
- Market Line Computers, p. 40.....
www.mlsoft.com • 800-210-1498
- Nardozzi Consulting, p. 23
www.nardozziconsulting.com
- NEFI, p. 3, 6, 10-11, 27, 34-35, 42
www.nefi.com • 617-924-1000
- Newmac, p. 40
www.newmacfurnaces.com • 888-291-0990
- Sprague, p. 9
www.spragueenergy.com • 800-225-1560
- Tank-Guard, p. 23.....
www.tank-guard.com • 508-892-4717
- Taurus Systems, p. 40
www.taurus-systems.com
- UEi, p. 15.....
www.ueitest.com
- Visions 2008, p. 28-29
www.visions2008.org • 617-924-1000
- Wehiforms, p. 40
www.FormsPro.net • 800-221-1209



Select from one or more terrific learning opportunities coming up at the hands-on workshop lab and newly refurbished classrooms at New England Fuel Institute.

HVAC SYSTEM DESIGN JUNE 17-18
PHONE 617-924-1000
OR VISIT WWW.NEFI.COM

WANTED: USED FUEL TANKS (FOR EXPORT)
Must have 2 or more compartments. Good to excellent condition, 2800 or more gallons. Condition of truck not important. Tank mounted on truck also OK. 973-768-9895 ONL 06-08

THINKING OF SELLING?
WE ARE BUYING.

We are looking to acquire full-service fuel oil companies within the Greater Boston area. We are a Newton, Massachusetts based, family owned business with no stockholders, board members or private investors to report back to. We don't take a "cookie-cutter" approach to acquisitions. We understand that each company has unique needs and requests when the decision to sell has been made. We have the resources and flexibility to make it work. For a confidential discussion, contact:

TOM KILBRIDE (617) 213-8524
James Devaney
FUEL COMPANY

CLASSIFIED RATES

BIG RESPONSE — LITTLE \$

\$40 gets you four lines of text (approx. 25 words) for 2 issues of *Oil & Energy* and 4 months on **www.nefi.com**

Photos are accepted at \$30 additional.

Additional text lines at \$10.

To obtain these rates, ads must be placed online at:
www.nefi.com/classifieds.

For regular rates not submitted online and for display classifieds, call 978-535-7606.



WE ARE BUYING OIL COMPANIES.
JOIN THE BEST TEAM
IN THE MARKET.

We have the resources to provide a most attractive buyout package for fuel oil companies. Talk direct — we have no intermediaries. We operate autonomously within Massachusetts and are providing the earnest rewards you deserve for maintaining your business.

Atlas Glen-mor
Phone: J. DeRosa 617-887-7301

SPN 12-08

TECHNICIAN POSITIONS WANTED

These are recent graduates of the NEFI Basic Oilheat Technician Training program (160 hour training) who are seeking employment.

Scott Childs 74 Daniels Street Malden, MA 02140 Phone: 781-388-3615
Stephen Nickerson 18 Southwick Street, Apt. 1 Middleboro, MA 02346 Phone: 508-967-2700 nickersonstephen@yahoo.com

Eric Baylus 3501 Englehead Road Baltimore, MD 21208 Phone: 410-653-0453 ebaylus@localnet.com
Joseph K. Perigny 11R Davis Street Woburn, MA 01801 Phone: 617-840-6191

Phil Savoy 3 Redwood Lane Shrewsbury, MA 01545 Phone: 774-535-1322 Pguitar989@yahoo.com

Energi is an insurance program for fuel distribution companies that are committed to industry best practices. This alternative risk management program provides a long-term solution where you can buy insurance like a Fortune 500 company. Learn more: Contact Rick Metivier, 800-370-5446 or **www.coniferenergy.com**

SPN 12-08



FUEL & PROPANE METER TICKETS

We provide both Stock & Custom tickets Please call us before your next order! 800-519-3691 or john@amerbusforms.com ONL 07-08

WEB DESIGN FOR FUEL DEALERS!

Oilwebs.com can build you the perfect website for your fuel business. Don't go to just any designer. We know the fuels Business! **www.oilwebs.com** ONL 07-08

Distillate Stocks by PADD (Million Barrels)
PRODUCTS IN STOCK: MOST RECENT WEEKS

Ultra-Low Sulfur / 15 ppm and under				Low Sulfur / 15 ppm+ to 500 ppm			
	Week Ending				Week Ending		
District	5/9/08	5/2/08	Year Ago	District	5/9/08	5/2/08	Year Ago
East Coast (PADD I)	13.4	13.5	12.7	East Coast (PADD I)	5.2	5.1	6.3
NEW ENGLAND	1.3	1.4	1.9	NEW ENGLAND	0.1	0.2	0.5
MID-ATLANTIC	5.9	6.0	5.9	MID-ATLANTIC	1.6	2.0	2.8
SOUTH TO FLA.	6.2	6.1	4.8	SOUTH TO FLA.	3.5	3.0	3.0
Midwest (PADD II)	22.5	21.7	19.3	Midwest (PADD II)	3.8	3.6	5.9
Gulf Coast (PADD III)	20.1	19.4	17.0	Gulf Coast (PADD III)	6.7	7.4	9.9
Rocky Mtn. (PADD IV)	2.3	2.3	2.5	Rocky Mtn. (PADD IV)	0.5	0.5	0.4
West Coast (PADD V)	9.0	9.1	8.6	West Coast (PADD V)	1.5	1.3	1.1
U.S. Total	67.3	66.0	60.3	U.S. Total	17.7	18.0	23.6
Greater than 500 ppm (0.05%) Sulfur				TOTAL DISTILLATE STOCKS			
	Week Ending				Week Ending		
District	5/9/08	5/2/08	Year Ago	District	5/9/08	5/2/08	Year Ago
East Coast (PADD I)	13.2	13.0	22.3	East Coast (PADD I)	31.9	31.6	41.3
NEW ENGLAND	2.3	2.3	5.3	NEW ENGLAND	3.7	3.8	7.7
MID-ATLANTIC	9.2	9.3	13.7	MID-ATLANTIC	16.7	17.2	22.5
SOUTH TO FLA.	1.8	1.4	3.3	SOUTH TO FLA.	11.4	10.6	11.1
Midwest (PADD II)	2.7	2.6	3.5	Midwest (PADD II)	29.0	27.9	28.7
Gulf Coast (PADD III)	4.7	4.4	7.4	Gulf Coast (PADD III)	31.5	31.2	34.3
Rocky Mtn. (PADD IV)	0.2	0.2	0.2	Rocky Mtn. (PADD IV)	3.0	3.0	3.1
West Coast (PADD V)	1.3	1.6	2.5	West Coast (PADD V)	11.7	12.1	12.3
U.S. Total	22.1	21.7	35.9	U.S. Total	107.1	105.7	119.8

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, 2007 through May 17, 2008 has been 2 percent warmer than last year and 4 percent cooler than normal.

Location	Current	Normal	% Change
	7/1/07 thru 5/17/08	7/1/07 thru 5/17/08	Current vs. Normal
Boston	5300	5539	-4%
Chicago	6229	6410	-3%
Hartford	5628	6042	-7%
New York	4197	4753	-12%
Philadelphia	4255	4746	-10%
Pittsburgh	5317	5744	-8%
Portland	6765	7112	-5%
Providence	5175	5672	-9%
Raleigh	2813	3464	-19%
Richmond	3279	3913	-16%
Washington	3470	4056	-14%

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.

Oil & Energy Securities Recap

Company	Symbol	5/20/08	4/18/08	Change
Ashland Inc.	ASH	57.02	53.44	+3.58
BP-Amoco	BP	74.25	68.09	+6.16
ChevronTexaco	CVX	102.63	92.93	+9.70
Conoco Phillips	COP	93.54	83.57	+9.97
ExxonMobil	XOM	94.31	94.06	+0.25
Global Partners	GLP	18.91	21.45	-2.54
Hess Corp. (formerly Amerada Hess)	HES	132.88	104.90	+27.98
LUKOIL	LUKOY	112.40	92.10	+20.3
Marathon Oil	MRO	53.47	48.82	+4.65
National Grid Plc (formerly Keyspan Corp.)	NGG	71.73	71.38	+0.35
Occidental	OXY	97.36	82.90	+14.46
Royal Dutch Shell Plc	RDSA	84.57	76.06	+8.51
Star Gas	SGU	3.24	3.05	+0.19
Sun	SUN	45.42	55.85	-10.43
Tesoro Petroleum	TSO	25.20	28.38	-3.18
Total	TOT	89.11	80.83	+8.28
Valero Energy	VLO	49.55	52.49	-2.94

**"WILL CALL" RIDES AGAIN...
MAYBE NOT**

AS RETAIL HEATING OIL PRICES MOVED OVER the \$4.50 per gallon threshold in mid-May in parallel with escalating diesel fuel prices, the thinking that will call accounts would once again populate the marketplace was a foregone, if not inevitable conclusion to the sorry state of affairs now slapping retail oil and propane distributors.

Unfortunately, the will call option may become the one of choice for some consumers who must be worried and perplexed as to how energy commodities have climbed so far so fast in price in the face of what would be viewed as moderate demand. In case anybody forgot, it's spring in the U.S.

Who wants to think about heating oil when the baseball season is underway?

Yet everybody is thinking about heating oil, wondering where the cost pressure is coming from now. We've known for a long time there is speculation in the marketplace—to an unimaginable dollar volume of trades on and off NYMEX—then crude topped \$100 per barrel and speculators reloaded with more ammunition. Or is it genuine demand for the middle distillates coming from our own transportation market and surging construction development occurring in India and the Far East? Or, perhaps it's just plain fear that "just in time" inventory procedures may not be in time when looking ahead to the next heating season demand. Because even if prices take a tumble, the loss of large storage capacity over the past three decades means there is less opportunity to capture product.

With all this going on it's easy to grasp why the will call strategy would gain strength among consumers. But the will call mindset can be offset by dedicated full service marketers who get the customer to realize that at these prices they (the retailer) are more important than ever to the well being of the customer's home and comfort.

Why? Because heating oil dealers and technicians know the energy factors of each home better than anyone else, excepting the residents. Dealers can point to efficiency and conservation strategies.

And dealers now have the tools to do so. NORA has introduced a free fuel savings analysis calculator that can show a homeowner potential savings directly on a laptop PC. It works, it's convincing, and it helps secure confidence and trust in Oilheat dealers as efficiency experts.

Going the efficiency route creates a stronger bond between homeowner and heating provider and is one way to stave off account departures to a will call mode. ☐

GLOBAL PREMIUM FUELS

YOUR EXPRESSWAY TO PERFORMANCE

Four-season use of Global's enhanced fuels can provide cleaner and more efficient systems than conventional distillate — Heating Oil Plus™ for home heating, DieselOne® for on the road excellence, and SubZero® for absolute cold weather flow of heating oil and diesel fuel. Better performance for your customers leads to better results for you. Talk to Duane McLevedge or your Global sales representative about these performance driven fuels.

1-800-685-7222



DieselOne®



- So. Portland, ME
HO Plus
- Burlington, VT
Diesel One & HO Plus
- Revere, MA
Diesel One & HO Plus
- Chelsea, MA
Diesel One & HO Plus
Biodiesel & Bioheat®
- Danvers, MA
Diesel One
- Sandwich, MA
Diesel One & HO Plus
- Needham, MA
HO Plus
- New Bedford, MA
Diesel One & HO Plus
- Springfield, MA
Diesel One
- E. Providence, RI
Diesel One & HO Plus
- Terminal Rd., Providence, RI
Diesel One & HO Plus
Biodiesel & Bioheat®
- Plainfield, CT
Diesel One & HO Plus
- New Haven, CT
Diesel One & HO Plus
- Wethersfield, CT
Diesel One & HO Plus
- Bridgeport, CT
Diesel One
- Inwood, NY
Diesel One
- Glenwood, NY
Diesel One
- Oyster Bay, NY
Diesel One & HO Plus
- Macungie, PA
Diesel One & HO Plus

Beckett[™]

CORPORATION

Bringing Beckett to You



R.W. Beckett, North Ridgeville, Ohio

**Beckett Training Center
Opening June 2008
Sturbridge, Massachusetts**