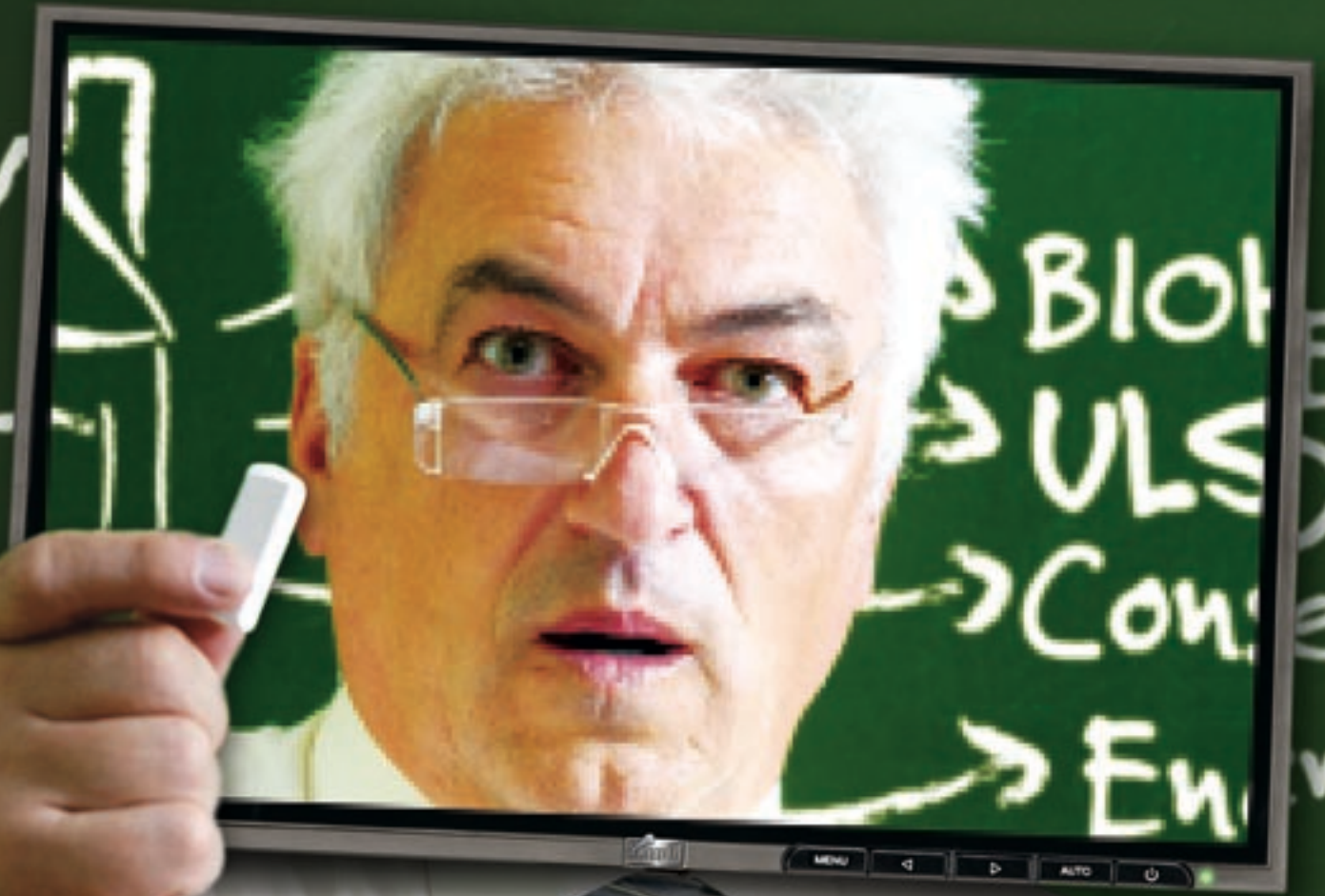


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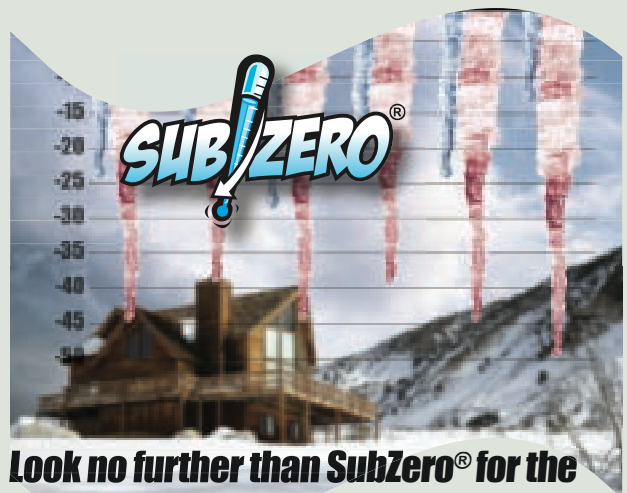
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MOC, AEC Create Second Radio Spot for Massachusetts

The Massachusetts Oilheat Council (MOC) and the American Energy Coalition (AEC) recently continued their campaign to defend Oilheat dealers in Massachusetts by adding a second radio commercial to the current campaign. The new spot, developed by PriMedia and posted on the AEC website (www.americanenergycoalition.org), addresses the outstanding customer service capabilities of Oilheat retailers in Massachusetts and the uncertainty of service from the gas utilities.

The associations first launched their campaign in November in response to an aggressive radio campaign by National Grid that denigrates Oilheat and promotes fuel conversion. The MOC/AEC campaign is featured on radio stations in Boston, Pittsfield and Springfield.

Newly elected MOC Board Chairman Kevin Horgan said, "The entire industry in Massachusetts is benefiting by this radio campaign, and our Board of Directors thanks all those who helped make it happen, but as we move into 2012, more companies in our industry must be willing to support these efforts because the utilities will continue their advertising programs for oil-to-gas conversions."

Fall 2011 Is the Warmest on Record

The combined weather for September through November 2011 was the warmest on record in Boston for those months, according to National Weather Service. The average temperature for that span was 58.5°, beating the record set in 1931. The average temperature for November in Boston was 50.4°, second only to 1975, when the average was 51.8°. In Worcester, Mass. the average temperature for November 2011 was 46.8°, the warmest on record.

AEC Webinar on Competitive Marketing Draws a Big Crowd

More than 100 people tuned in for the American Energy Coalition's (AEC) first educational Webinar "Fighting the Gas Utilities" on Dec. 7. Produced by PriMedia, the 90-minute live session guided Oilheat companies on what the utilities are saying about Oilheat and how CSRs, technicians and other employees can respond effectively and discourage fuel conversion. AEC planned three more live sessions of the webinar on Dec. 14, Dec. 21 and Dec. 28.

Participants were able to provide feedback immediately during the online session. Here is a sample of the comments that the AEC received from four participants: "I was on. It was very informative! I had the whole sales department on and they all agreed it was worthwhile." "I was able to connect by telephone and had six reps in my office. It was a good program." "We both found the webinar very informative and look forward to future ones." "The gas marketing download is a great tool for our employees in the field to have. We should distribute to all employees who come in contact with the customer."

THE DIFF.

Spot Prices (Cents/Gallon) as of November 28, 2011*

New York Harbor	New York Harbor	U.S. Midcontinent
No. 2 Fuel Oil / Heating Oil	No. 2 Diesel Low Sulfur	No. 2 Diesel
295.7	299.7	293.7

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

THE BAROMETER

Comparing Heating Oil to Other Financial Products

	November 28, 2011	One Year Ago
No. 2 Fuel Oil/New York (cents/gallon)	295.7	222.8
WTI Crude (dollars/barrel)	\$98.21	\$82.20
Brent Crude (dollars/barrel)	\$109.38	\$82.97
10-year Treasury Bill	2.11%	2.97%
30-year Mortgage	3.98%	4.80%
Dow Jones Average	12,046	11,006



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december



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Ed Burke, Chairman of the Board of Dennis K. Burke Inc., explains how his company offers training to local firefighters and public safety officials. He can be reached at ed.burke@burkeoil.com or 617-884-7800.



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Adam Kovacs, of Hedge Solutions, explains how fuel dealers can use education to improve company performance. He can be reached at (800) 709-2949 or adam@hedgesolutions.com.



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Mark S. Morgan, Esq., New England Fuel Institute Regulatory Counsel: mark@nefi.com



Oilheat Dealers Have Assets Frozen at MF Global

New England Fuel Institute (NEFI) is working to determine how extensively the heating oil industry has been affected by the recent collapse of MF Global Holdings, a major global securities and futures brokerage firm.

When the firm filed for bankruptcy on October 31, 2011, the appointed bankruptcy Trustee discovered more than \$869 million in futures customer cash accounts had disappeared. As a result, the Trustee froze those accounts, preventing customers, including a number of heating oil dealers, from withdrawing funds. NEFI has learned of six heating oil dealers who invested in oil futures contracts and/or cash accounts with MF Global to cover fixed price customer contracts for the current winter heating season. The account freeze is hampering their ability to meet customer contract obligations.

A federal court has authorized the Trustee to distribute \$520 million of cash to customers holding frozen accounts or about 60 cents on the dollar. NEFI is working with the Commodity Futures Trading Commission (CFTC) to ensure that heating oil dealers who hedge are not exposed to similar risk in the future. NEFI is asking the CFTC to tighten up federal regulations that require brokerage firms like MF Global to protect client cash accounts by segregating them from company operating funds. NEFI wants the CFTC to provide closer oversight of customer account segregation regulations and institute new procedures for earlier detection of violations so that heating oil dealers can hedge with confidence and at minimum risk to their investments.

The Commodity Futures Trading Commission (CFTC), the Securities Exchange Commission and the Justice Department are currently investigating cash movements at MF Global in the days before the bankruptcy filing. For more information on the MF Global collapse and up-to-date status reports on customer account payouts go to: <http://www.cmegroup.com/clearing/mfglobal.html>

CFTC Dodges Budget Ax

NEFI and its coalition allies have been fighting relentlessly to secure for the Commodity Futures Trading Commission (CFTC) the funding needed to fully implement new and existing commodity trading rules and to provide the Commission with the staff and technology resources needed for enforcement. Those efforts have been somewhat successful this year, as Congressional appropriators have opted for a \$3 million increase over last year's CFTC funding level and will provide \$205.3 million for fiscal year 2012. It is the largest federal appropriation ever provided to the CFTC.

At the urging of NEFI and its allies, Congress rejected the \$30 million cut that was approved by House Republicans earlier this year. The FY2012 funding was included in a mini-omnibus or "mini-bus" spending bill cleared by Congress last month that was promptly signed by President Obama.

Weight Limits Changed on Maine, Vermont Highways

Congress recently passed into law a measure sponsored by Republican Senator Susan Collins of Maine and Democratic Senator Pat Leahy of Vermont that will raise truck weight limits for their home states from the existing 80,000 lbs. to the 100,000 lbs. level that existed under the recent one-year pilot program. The change is in effect through 2031.

NEFI and the Vermont Fuel Dealers Association (VFDA), along with trucking groups and public safety advocates from those states, have been actively pushing for a permanent renewal since the pilot program expired nearly one year ago. Vermont and Maine, unlike many other states, are subject to lower truck weight limits on federal roads. The current 80,000 lbs. limit forces heavy trucks to find alternate routes, thereby increasing traffic congestion and jeopardizing public safety in rural and urban communities. The measure was included in the "mini-bus" described above that President Obama signed into law.

Congress Repeals Withholding Tax, Approves Hiring Incentives

The U.S. House of Representatives unanimously approved legislation to repeal the "3% percent withholding tax" that would have required federal, state and local governments to withhold 3 percent of payments to government contractors effective January 1, 2013.

The Senate unanimously approved the bill last month, and President Obama had promised to sign the bill into law. Opponents to the onerous tax including NEFI, the Petroleum Marketers Association of America (PMAA) and other business groups successfully argued that it would jeopardize job growth, threaten economic recovery and that it would have levied new administrative and accounting challenges on all levels of government.

In addition to repealing the 3% withholding tax, the new law will require a study into tax delinquency among federal contractors and expand tax incentives for businesses to hire veterans. It will offer \$2,400 to businesses that hire veterans unemployed for one to six months and \$5,600 for hiring veterans unemployed for at least six months (both over the last 12 month period). It would also offer \$4,800 for hiring disabled veterans hired within a year of being discharged from service and up to \$9,600 if the veteran has been unemployed for at least six months. For older veterans, the law will offer a year of G.I. bill benefits for continuing education at community colleges or technical schools.





Keystone Pipeline Could be Re-routed to Satisfy Nebraskans

President Obama has delayed a decision on the Keystone XL pipeline until after the 2012 election, but the pipeline developer, TransCanada Corp., is continuing to advance the project.

TransCanada and Nebraska announced Nov. 14 they would collaborate on a new path for the \$7 billion Keystone XL pipeline, intended to deliver crude from Alberta's oil sands to refineries and ports on the Gulf of Mexico, according to BusinessWeek. Opponents said the original path threatened an aquifer under the Nebraska Sandhills that provides drinking water to 1.5 million people.

Meanwhile, two alternatives to the Keystone pipeline have emerged in recent weeks, according to the New York Times. Enbridge, a Canadian pipeline company that is not involved in the Keystone project, said last month that it had bought a 50 percent interest in the Seaway Crude Pipeline, which runs from Freeport, Tex., to Cushing, the Times reported. Enbridge and Enterprise Products of Houston, the pipeline's other owner, plan to reverse its flow next year to carry crude southward from Cushing. The pipeline is little used at the moment.

The other alternative comes from TransCanada itself, which has said it might seek permission from the Obama administration to begin construction on the southern portion of the pipeline as early as January, which also would run from Cushing to Gulf Coast refineries, according to the Times. The immediate problem for

Canadian oil producers is a growing glut of oil in Cushing, which is currently the final destination for their production. The lack of pipeline capacity from Cushing has led to excessive stockpiles at the oil terminal.

Senate Offers New NAT GAS Act Version

The Petroleum Marketers Association of America (PMAA) reported this week that Senate Majority Leader Harry Reid (D-NV) and Sens. Menendez (D-NJ), Burr (R-NC) and Chambliss (R-GA), introduced their chamber's version of the "New Alternative Transportation to Give Americans Solutions Act" or "NAT GAS ACT."

The bill would encourage the use of natural gas as a motor vehicle fuel through new tax credits for natural gas vehicles and infrastructure. It would provide \$7,500 for vehicles weighing 8,500 lbs., \$16,000 for 14,000 lbs., \$40,000 for 26,000 lbs. and \$64,000 for 26,000 lbs.) It would also provide a producer credit for vehicles fueled by NG or LNG of 10 percent of the basis or \$4,000, with an aggregate credit of \$200 million, and pump installation credits of 50 percent of the cost – up to \$100,000.

The Senate bill would be paid for through a temporary user fee on the sale of liquefied natural gas (LNG) and compressed natural gas (CNG) sold for motor vehicle use. The fee would be phased-in starting in 2014 and would run through 2021. The fee schedule is as follows: 2.5 cents for 2014 and 2015; 5 cents for 2016 and 2017; 10 cents for 2018 and 2019; 12.5 cents for 2020 and 2021; and ending in 2022.

Although the user fee was included to offset scrutiny from fiscal conservatives regarding the costs of the bill, they are already rallying against the measure. The Heritage Foundation has been especially critical, arguing that the credit would be inefficient and actually drive up costs for businesses and for natural gas itself, and that a more effective way to displace oil imports is through domestic production, not through subsidies for natural gas.

PMAA estimates the measure will cost taxpayers \$3.7 billion over five years. The credit will expire in five years but the new tax on LNG and CNG will be for 10 years, and the biggest tax burden will be imposed after the tax credit program expires. PMAA says it will reach out to Senate sponsors to discuss its belief that using natural gas as a transportation fuel is a misguided approach to energy independence. PMAA is advocating that the Congress effectively leverage the \$500 billion in liquid fuels infrastructure that already exists and that it expand research into the more cost effective processes of converting natural gas into distillate fuel. NEFI supports PMAA's efforts on the Natural Gas Act.

EPA Settlement Could Clear Way for Fracking

The U.S. Environmental Protection Agency appears to be headed for a settlement of a lawsuit brought by natural gas companies over the agency's policy of requiring permits for hydraulic fracking.

At issue in the lawsuit is whether the EPA's 2010 policy guidelines requiring federal permits for natural gas hydraulic fracturing operations that use diesel fuel in injection fluid is an illegal exercise of agency authority. Natural gas producers contend that the EPA cannot require permits through policy guidelines but only through rulemaking procedures where affected parties are entitled to comment on proposed regulations.

The EPA announced its intent to issue policy guidelines for fracking permits in 2010 after public sentiment turned against the largely unregulated hydraulic fracturing process designed to extract natural gas deposits locked in shale formations. New extraction technology that includes fracking has opened up huge deposits of natural gas in shale fields throughout the eastern U.S. that were previously unobtainable. The EPA was given the authority under a 2005 Energy Act to require permits for hydraulic fracturing operations that use diesel fuel. However, there is disagreement over whether the EPA can only exercise its permitting authority through the rulemaking process or simply by issuing policy guidance without the input of stakeholders.

A rulemaking could take years to complete while policy guidance on the fracking permit process was due out early next year. The settlement could mean that the current rush to extract shale gas will not be slowed, resulting in a natural gas supply glut that will drive prices down over the long term. NEFI supports comprehensive regulation of the natural gas industry and will provide written comments and other input once the EPA issues its hydraulic fracturing proposal.



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NEFI Calls for Strong Response to MF Global Collapse

EDITOR'S NOTE: This is a letter sent by NEFI President and CEO Michael C. Trunzo to Congressional leaders regarding the MF Global collapse and the effect on home heating oil retailers,

November 29, 2011

RE: MF Global Collapse and the Affect on Home Heating Oil Retailers

Dear Chairwoman Stabenow, Chairman Lucas and Ranking Members Roberts and Peterson:

We write to you today regarding the collapse of commodity brokerage firm MF Global and the subsequent effect on the home heating oil industry. We also urge necessary legislative and regulatory actions that might serve to avert such crises in the future.

For 70 years, the New England Fuel Institute has represented the home heating industry in the New England region and nationally with our partners at the Petroleum Marketers Association of America.

Today, NEFI represents approximately 1,200 retailers or "dealers" of home heating fuels, including heating oil, Bioheat®, kerosene and propane. Most fuel dealers are small, multi-generational family owned- and operated-businesses.

Many home heating oil companies engage in energy futures and swaps in order to hedge against unanticipated price swings and to insulate their businesses and customers from price volatility. They rely on functional and secure commodity markets in order to keep their businesses viable and competitive. Significant consequences can result when the integrity of these markets is jeopardized.

After MF Global filed for Chapter 11 bankruptcy in federal court on October 31, 2011, as much as \$1.2 billion or 22 percent of total client funds were found to be "missing." Customer account activity was frozen, preventing home heating oil companies with hedging positions or other financial assets at MF Global from accessing much-needed financial capital. Since that time, we have worked with some of these companies and with federal regulators and bankruptcy trustees where necessary to help get back as much of their money as possible.

It is important to stress that the impact of this situation is limited to MF Global clients. Given the progress made in recent weeks, we do not anticipate that this situation will in any way affect heating oil supply, availability or service to customers. We are confident that all fixed price, pre-pay and other consumer delivery contracts will be honored. However, it is essential that regulators and the Congress take the necessary steps to make sure that such a crisis is not repeated and that commodity brokerage clients are afforded adequate protections in the future.

We are pleased to learn that Commodity Futures Trading Commission (CFTC) Chairman Gary Gensler has called for a December 5th meeting of Commissioners to revisit proposed modifications to Rule 1.25 relating to segregation of customer funds. Shortly after passage of the Commodity

Futures Modernization Act in 2000, revisions to the rule may have allowed brokerage firms to use customer funds that should have been segregated for problematic and risky investments, such as the purchasing securitized debt obligations. Segregated customer accounts should have been fiercely guarded from such practices, and the Commission should act quickly to make necessary changes to Rule 1.25.

Second, we believe the Congress should ensure adequate bankruptcy protections for commodity clients. The Securities Investor Protection Act of 1970 (Pub.L.91-598) was enacted to afford such safeguards but because commodity trading and hedging were not as widespread at the time commodities brokerage accounts were overlooked. Given the importance and relative complexity of such investments today and the recent experience of MF Global clients, it can no longer be ignored.

The MF Global collapse is yet another example of the importance of adequate transparency and accountability in the derivatives markets. Our association was a strong supporter of commodity derivative market reforms included in Title VII of last year's Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub.L.111-203). Critics of the new law have recently cited the collapse as "evidence" of its failings. We caution against such rhetoric, especially given that regulators have yet to fully implement and enforce necessary market reforms.

We also question the wisdom of criticizing the historically under-resourced CFTC for not adequately monitoring firms like MF Global while simultaneously threatening to slash federal funding necessary for market oversight. The Congress recently sustained Fiscal Year 2011 funding levels for the CFTC through Fiscal Year 2012. Additional funding must be provided in the years to come if the CFTC is to adequately enforce new and existing commodity market trading rules, conduct market surveillance and restore the confidence of market participants.

Thank you for your consideration and for taking this crisis seriously. If you have any additional questions please feel free to contact me at (617) 924-1000 or by email at michael.trunzo@nefi.com.

Sincerely,

Michael C. Trunzo, President & CEO
The New England Fuel Institute

cc: Gary Gensler, Chairman, U.S. Commodity Futures Trading Commission
Jill Sommers, Commissioner, U.S. Commodity Futures Trading Commission
Bart Chilton, Commissioner, U.S. Commodity Futures Trading Commission
Scott O'Malia, Commissioner, U.S. Commodity Futures Trading Commission
Mark Wetjen, Commissioner, U.S. Commodity Futures Trading Commission



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Mark S. Morgan, Esq., New England Fuel Institute Regulatory Counsel: mark@nefi.com



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New England Oil Co. Inc.
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Pallett Oil Inc.
Perry's Oil Svc.
Reggie's Oil Co.
Robert Greene
Rowayton Fuel
R.F. Ohi Fuel Oil
Sherman Oil Co.
Sippin Energy Products
Sochia's Oil & Gas
Stafford Oil
Star Petroleum Co.
Tasses
Town Oil Co.
West Oil
Westmore Fuel Co.

\$300 And Up...

Al's Oil Svc.
Alves Oil
Apgar Oil
Apple Oil
Arlington Fuel Oil Co.

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Braintree, MA
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Newport, NH
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Nantucket, MA
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Sudbury, MA
Willimantic, CT
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GT Barrington, MA
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Boston, MA
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Greenwich, CT
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Bradford, VT
Quincy, MA
Bennington, VT
Rowayton, CT
Lehighton, PA
West Brookfield, MA
Monroe, CT
Douglas, MA
Laconia, NH
Foxboro, MA
Southbridge, MA
Wethersfield, CT
North Adams, MA
Greenwich, CT

Shrewsbury, MA
Ludlow, MA
Allentown, PA
West Haven, CT
Arlington, MA

Ashley Fuel
AVATAS
B.B. Oil Co.
Benway Oil Co.
B.L. Ogilvie & Sons
Booma Oil
Braley & Wellington
Busa Fuel Co.
Cetane Associates
Chudy Oil Co.
Dodge Oil Co.
Dorr Oil Co.
Dunlap's Oil
East Coast Petroleum
E.P. Cotter
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Glendale Oil Service
Guardian Fuel
Hall-Trask Equipment Co.
Hamilton Wilber Oil
Hilton Oil Co.
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Kieras Oil
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Marcey Oil Co.
Marran Oil
Merrimack Valley Oil
Mesick Oil & Mechanical
Micheletti Oil Svc.
John Mitchell
Needham Energy
Perillo Bros.
R.E.R. Fuel
Sinclair Enterprises
Sorenti Bros. Inc.
Spring Brook Service
Swanzey Oil
Swezey Fuel Co.
Tracey Energy Services
Rick Wenzel Oil Co.
Whiting Energy Fuels
Whitney Brothers Oil
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Blanchard Oil
Cape Ann Oil
Columbus Energies Inc.
Community Oil Co.
Consumers Propane
Dinosaur Enterprises
Frank Brothers
Hand's Fuel
H.H. Snow & Snows
H.L. Fuel Co.
Liberty's Fuel Oil
Linwood Fuel
Murray Oil & Propane
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Nichols Enterprises DBA Charlton Oil
Sandy River Cash Fuels
Taylor Energy
Thomas Fuel
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Lynn, MA
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Westerly, RI
Braintree, MA
Moravia, NY
Lawrence, MA
South Windsor, CT
Vergennes, VT
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Reflecting on 2011, Looking Towards 2012

By Michael C. Trunzo, President & CEO, New England Fuel Institute

FOR NEARLY 70 YEARS, THE NEW ENGLAND

Fuel Institute (NEFI) has brought industry expertise to bear on legislative and regulatory issues in the region and in Washington, D.C., provided industry education and training programs for member companies, hosted trade shows and business conferences, and administered service programs to help member companies in their everyday operations. NEFI is also known for its premier monthly magazine *Oil & Energy* and weekly e-newsletter NEON, as well as its regulatory compliance support and national grassroots advocacy program.



Just over a year ago, the NEFI Board of Directors approved a Strategic Plan to restructure the organization that has been a leading voice for the home heating industry for decades.

The premise of the Strategic Plan is relatively simple: *If Oilheat is to have much of a future, it will require a national and regional industry effort that is substantially different, more efficient, and more effectively coordinated than it is today. This means better coordination between the state, regional and national petroleum associations.*

I joined NEFI in April 2011, taking over the reins of an association poised for transition in an industry confronting difficult economic times, market volatility and unprecedented competition.

MORE FOCUSED AND DELIBERATIVE

We have restructured and as a result, NEFI is more focused and deliberative in its representation of the Oilheat industry before our nation's policy makers, regulators, political leaders, the press and the general public. It has right-sized its New England-based operations, expanded its presence in Washington, DC, and will be opening an office just minutes from the U.S. Capitol in 2012.

Reflecting on 2011, one cannot help but wonder what our federal government was thinking when it comes to energy policy, financial markets, and protections for small businesses and consumers.

While NEFI led the victory that secured commodity trading reforms in last year's Wall Street Reform law, we waited for months as the Commodity Futures Trading Commission (CFTC) delayed

enactment of vital new trading rules. Nine months after the statutory deadline, under extreme pressure from NEFI and its allies, the new speculative position limits were finally approved. Unfortunately, the first phase of these new limits will not be imposed for another six months, but there is hope that once fully implemented they will bring renewed market stability and confidence.

COPING WITH THE MF GLOBAL BANKRUPTCY

NEFI also took a lead role last month in assisting fuel dealers affected by the MF Global bankruptcy. Some dealers have not yet been made whole and are still unable to access many thousands of dollars of capital. Millions more dollars remain frozen elsewhere in the energy and agricultural markets. The crisis shows the desperate need for comprehensive market transparency, strong federal oversight, and protections for bona fide hedgers; and it should be a wake-up call for our federal officials.

The embracement of natural gas by the Obama administration and some leading members of Congress as an energy policy and as a pathway to energy independence ignores the major crude oil discoveries in North Dakota (Bakken Shale), Ohio (Utica Shale) and Pennsylvania and New York (Marcellus Shale). The Bakken discovery alone is larger than Prudhoe Bay in Alaska and when combined with other domestic conventional and unconventional crude oil resources, could provide a path to price stability and wean the United States off of our dependence on foreign oil. We just need national leadership that will make the decision to support these U.S. discoveries and the petroleum industry.

WORKING FOR THE ENVIRONMENT

In 2011, environmental activists remained hard at work in the region and in Washington, urging policy changes in an effort to stop "global warming," including new regulations and taxes, incentives for oil-to-gas conversion and a national cap & trade program. Acknowledging the need for environmental security, NEFI urged policy makers to work with, not against, our industry on environmental stewardship and highlighted the major industry-led gains in conservation, efficiency and new renewable alternatives. Most of these gains were the result of work done with the National

Oilheat Research Alliance (NORA). The federal law authorizing NORA expired in February 2010. NEFI has been a lead advocate for its renewal and several months ago launched a major advocacy effort with the www.SupportNORA.org website.


For the millions of Americans who depend upon federal assistance to heat and cool their homes, the federal government is falling short. The Low Income Home Energy Assistance Program or LIHEAP was the target of a 50 percent budget cut by the Obama Administration in a market where the price of energy, particularly heating oil, is relatively high. NEFI and its coalition allies helped to increase the proposed funding levels, but we have more work to do to ensure adequate resources for those needy home heating customers.

DEFENDING INDUSTRY INTERESTS

On the regulatory front, working in collaboration with other industry groups, NEFI helped to defeat the Environmental Protection Agency (EPA) proposed rule to end the use of small heating oil-fired commercial and industrial boilers and forcing conversion to natural gas; win a new exemption for parked trucks under SPCC regulations; prevented the inclusion of heating oil in the Northeast regional low carbon fuel standard; streamlined retroactive biodiesel tax credits; defeat new loopholes that would have caused a new major explosion in commodity speculation; and defeat the proposed cell phone ban for cargo tank drivers.

As we look toward 2012, NEFI will continue its focus on representing the Oilheat industry in our nation's capital, and working to unite industry efforts in the region behind one common cause – the perseverance, strengthening and continued viability of our industry.

In closing, it is important that the industry employ all its resources and speak with one voice to promote the positive aspects of heating with Oilheat and Bioheat®. NEFI stands ready to help the industry take on that challenge and to work with partners such as the American Energy Coalition, the National Oilheat Research Alliance and Brookhaven National Laboratory and industry state associations, equipment manufacturers, service technicians and affiliated businesses.

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Ward Off Fuel Conversions with a Balanced Approach

By Richard Rutigliano, PriMedia Inc.

OILHEAT DEALERS HAVE SEEN PLENTY OF hard times through the years, but today's challenges might be greater than any that have come before. Oil prices are near an all-time high, many customers are struggling to pay, and gas utilities are aggressively pressing their unprecedented advantage in price.



On top of these challenges, the heating season is off to a miserable start, with some of the warmest November weather in history.

Dealers might be tempted to hunker down and trim their communications investments, but silence can prove very costly when customers are looking elsewhere in the hope of reducing their heating costs. The gas utilities are ramping up their marketing, and it is vital to defend your business and your fuel and help customers see that they are better off with you in the long run.

Despite all the factors working against Oilheat, there is still a compelling story to tell. Oilheat retains a huge advantage in customer service, and there is good reason to believe that the current price inequality will disappear as utility gas producers develop new markets for their product. Oilheat is also transitioning to cleaner fuel that will erase any environmental advantage for utility gas.

FIND YOUR MESSAGE AND DELIVER IT

Truth is on our side, but it helps us only when we communicate the facts effectively to the customers. You can help yourself by

honing a pro-Oilheat message and delivering it to customers succinctly and consistently. At the same time, you can articulate your company's value proposition and make it easy for customers to do business with you.

There has been robust debate within the industry about the merits of "bashing gas." Is it more effective to promote your company and your fuel on their own merits or to mix promotion with some truth telling about the competing fuel? Given the aggressive utility marketing we're seeing in Massachusetts and the pro-gas policies in states like Maine and Vermont, the question has been answered for us. We need to educate customers aggressively about the negatives of gas to help them see through the utility propaganda. They are making Oilheat look bad, and we need to tarnish their luster to level the playing field.

One of the best arguments that an oil dealer can make is that homeowners are better off buying from a local company that is competing hard for their business rather than switching to a utility. Consumers strongly prefer working with local companies, according to a 2011 survey by WebVisible. The survey found that 83 percent of customers prefer local businesses and cited three primary reasons: They want to support their communities, they prefer a business close to home, and the service is more personal.

Oilheat's advantage is particularly strong, because the alternative energy supplier is usually a utility, and customers are not fans. National Grid, the same utility that is spending more than \$700,000

to lure customers away from Oilheat in Massachusetts, was lambasted in a customer survey run by Patch.com after the latest widespread power outages in Massachusetts. Of 231 respondents to the question "How would you rate the performance of National Grid in responding to the recent power outages?" 102 chose the response "Terrible – National Grid needs to completely overhaul how they respond to power outage emergencies." Another 46 chose "Poor – I think National Grid could have done a better job getting power back sooner." That's 64 percent rating the utility's performance either terrible or poor.

Rapid response to customer emergencies is one of the most important services that oil dealers provide. Customers understand that the importance of prompt, reliable response to a heat emergency, and most of them likely appreciate the peace of mind they feel knowing that you offer "I'll be right over" service. Nonetheless, it is reasonable to assume that they might overlook that concern when considering a fuel conversion – unless you have been reminding them.

RAISE DOUBTS ABOUT PRICE

Another topic that requires some truth telling is price. Utility gas enjoys a substantial advantage now, and customers need to be educated about how prices can change. Gas prices are low because there is a pronounced mismatch between supply and demand. Gas production has skyrocketed in the shale formations in Texas and the Northeast at a time when demand is sagging due to the economic downturn.

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Without any word to the contrary, consumers are likely to believe that low utility gas prices are here to stay. We need to communicate all the reasons why prices could rise in the years ahead. Here are a few points that our customers should hear:

- Energy prices tend to equalize. When one fuel enjoys a price advantage, demand for that fuel increases and prices rise.
- Natural gas producers are seeking to increase exports of liquefied natural gas (LNG). Dominion Resources is now seeking federal approval to allow 1 billion cubic feet of gas per day to be exported through a terminal it owns in Maryland, and Cheniere Energy has signed a long-term contract to supply overseas electricity providers. Increasing exports set the stage for higher utility gas prices at home.
- Electric utilities are increasingly replacing coal-fired generation plants with gas-fired plants. NaturalGas.org reports that natural gas-fired electricity generation is expected to account for 80 percent of all added electricity generation capacity by 2035. As more gas is used for electricity generation, prices will rise.
- Utility gas could be more widely used in transportation in the years ahead. Congress is looking to promote the use of natural gas in transportation through the NAT GAS Act, and the group Natural Gas Vehicles for America says the United States could replace 10 billion gallons of gasoline per year with domestically produced natural gas within 15 years. Using more natural gas for transportation will drive up prices.
- Gas production costs could rise if federal regulators implement new rules for gas drillers.
- Demand for utility gas will increase as the economy regains strength. The U.S. Energy Information Administration predicts that global natural gas demand will increase by almost 50 percent by 2030.

Using solid information like this, oil dealers can help customers understand that today's attractive natural gas prices could rise rapidly in an economic recovery.

ENVIRONMENTAL ARGUMENTS FAVOR OILHEAT

The idea of defending oil on environmental grounds might have sounded

preposterous a few years ago, but it's now both possible and necessary. The utility gas industry is pounding Oilheat as a dirty fuel. Consider this statement from a National Grid commercial: "Natural gas burns cleaner than oil, releasing less carbon emissions in the air so it's better for the environment." Repeating a simple statement like that again and again is enough to convince consumers that natural gas is the cleaner fuel. Dealers can neutralize this argument by educating consumers about methane pollution and clean heating oil.

First, combustion emissions from Oilheat and gas are nearly identical when traditional Oilheat is replaced with a blend of ultra low sulfur oil and biofuel. Just a few months from now, New York City residents will make the switch to an ultra low/biofuel blend, and similar changes will follow within a few years in many Oilheat states. In the meantime, dealers have the option of making the switch themselves and promoting cleaner fuel.

Then there is the matter of pipeline leaks and rampant methane pollution. Methane is a potent greenhouse gas, and the American Energy Coalition (AEC) website has detailed information about how utility gas production aggravates global warming. With combustion emissions being roughly equivalent, methane emissions tip the balance and make utility gas the dirtier fuel. Consumers need to understand that utility gas is not a pro-environment choice.

Consumers should also understand the concept of gas utility "leak management" and what it means for the local environment. Utilities classify known gas leaks according to how much risk of fire or explosion they present, and they often monitor leaks that are considered non-hazardous rather than repair them right away. As a result, gas routinely wafts through neighborhoods and kills shade trees. The AEC website has a section dedicated to methane leakage on its Science & Research page.

GET THE WORD OUT

We have a great message about our own strengths and the shortcomings of utility gas, and dealers need to communicate it proactively. Most customers are not going to call and ask for your opinion before making a fuel conversion, so you need to communicate regularly now – while they



are still your customers.

A website is a great place to start. Expand your site to include a special section aimed specifically at customers who are considering a fuel conversion. Once the information is in place, you can direct your customers there using a combination of customer letters, newsletters and bill inserts. Consider publishing a special edition newsletter that deals specifically with the perils of fuel conversion.

IMPRESS YOUR CUSTOMERS

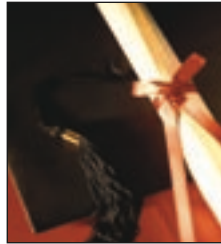
It might not be easy to muster resources for marketing in these lean times, but it's vital to present a pleasing image and value proposition to your customers so that they will continue to prefer you. Start by fine-tuning your message on energy savings. Present yourself in all your customer outreach as a conservation advocate that helps customers reduce energy consumption and costs. Help them feel confident that they are in good hands not only for emergency service but for incorporating advanced technology to minimize their energy needs.

At the same time, address customer convenience, particularly online. Enhance your website with self-service features such as account lookup, payment and ordering, a rewards program and program enrollment. E-commerce pioneers like Amazon have trained customers that they can do business online without ever using the phone, and you can strive for the same standard.

By communicating proactively and improving your own image, you give yourself the best opportunity to retain your customers in these challenging times and keep your business vibrant. ☐

OESP ANNOUNCES DAVE NELSON SCHOLARSHIP

The National Association of Oil & Energy Service Professionals (OESP) is once again offering \$5,000 scholarships to students who are continuing their HVAC-R or plumbing education in a technical college or trade school. The program must include Oilheat as part of their overall curriculum. This year there will be a minimum of four (4) scholarships.



All details can be found on the OESP website (www.naohsm.org) or obtained from any OESP local chapter. The 2012 application is two pages and provides guidance for the essays that applicants are required to submit. The judges are interested in knowing the applicant's goals, what they have done personally to reach their chosen path of study, and their financial need. OESP is also asking for a respected authority – such as their instructor, guidance counselor, employer or clergy – to validate the applicant's statements.

The essay and application are due on March 1, 2012. Winners will be invited to attend the OESP convention and be recognized at the annual awards banquet on May 22, 2012, in Providence, RI.

NEFI TO OVERHAUL ITS WEBSITE

New England Fuel Institute will soon launch a new website at www.nefi.com. Designed and built by PriMedia, the site adds a new section for consumers and links readers to NEFI's Legislative and Regulatory Action Committee website.

IEA SEES OIL PRICES AS THREAT TO RECOVERY

The chief economist of the International Energy Agency (IEA) recently said that the high price of oil could hinder global economic recovery, according to a report by Reuters.

The IEA's Fatih Birol told Reuters that the world economy was in a more fragile state now than during the crisis of 2008-2009, when oil prices were lower. "I believe oil prices are well-positioned today to strangle the economic recovery efforts," he said.

Birol said that Europe was especially at risk from the high oil price, but that it could also turn into a major problem for energy-hungry Asia. "It is a major risk for the slowdown (of) the economic growth in Asian countries which were the countries which brought us out of the financial crisis in 2008," Birol told Reuters.

Paris-based IEA advises 28 industrialized countries and manages their emergency oil stockpiles. IEA member-countries are required to hold emergency oil reserves equal to at least 90 days of their net oil imports. Earlier this year the IEA tapped member countries'

emergency reserves for only the third time since it was founded in 1974 in the wake of the Arab oil embargo.

BIODIESEL INDUSTRY SETS NEW PRODUCTION RECORD

The U.S. biodiesel industry has set a new record for annual production, according to the latest EPA figures. The industry has produced more than 802 million gallons of biodiesel in plants from Florida to Iowa to Washington state, the figures show, more than doubling last year's production of about 315 million gallons and breaking the previous record of about 690 million gallons set in 2009.

The new record comes as a federal tax incentive for biodiesel was reinstated this year, and as the incentive is in danger of expiring on Dec. 31 without congressional

action. "I can say without question that this tax credit has helped us grow our production and hire new people, and it will play a big role in our growth going forward," said Gabe Neeriemer, president of Patriot Biodiesel in Greensboro, N.C. "It will affect how many people we can hire, how much feedstock and equipment we buy, how many truckers we put to work delivering fuel."

Patriot Biodiesel was forced to temporarily suspend operations when the tax credit expired in 2010. With the incentive restored this year, the plant is not only back online but is expanding production to about 5 million gallons per year and hiring a half dozen new employees.

The biodiesel industry's rebound comes after Congress reinstated the fuel's \$1-per-gallon tax credit in December 2010. Without the incentive in 2010, production dropped dramatically as dozens of plants shuttered and thousands of people lost jobs. This year's increased production will support more than 31,000 jobs – up from fewer than 13,000 last year – while generating at least \$3 billion in GDP and \$628 million in federal, state and local tax revenues, according to a recent economic study conducted by Cardno-Entrix.

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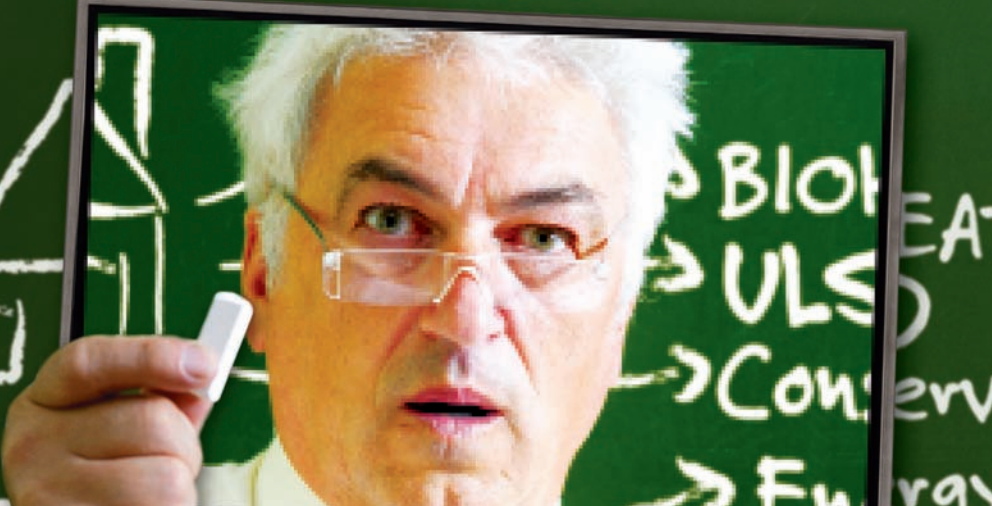
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Training Goes Online and Covers New Topics

Industry leaders discuss new priorities, new delivery methods and the loss of NORA funding

By John MacKenna

OILHEAT AND PROPANE COMPANIES HAVE excellent opportunities to train employees in 2012, thanks to the efforts of dozens of associations and companies that are maintaining a commitment to continuing education.

Training through state and regional associations might not be as plentiful or affordable as it has been due to the de-authorization of the National Oilheat Research Alliance (NORA) in 2010. NORA has funded training programs throughout the Oilheat states in recent years, but that support has dried up since NORA lost its funding, and most states have spent most or all of their NORA training money.

Oil & Energy presents a look at the 2012 training opportunities in this issue. You can read the view from the associations here and then learn about training opportunities from companies in the following pages.

NORA's temporary absence is a setback for industry training programs, according to Kevin Rooney, CEO of the Oil Heat Institute of Long Island (OHILI). "It does not allow people like me to think and plan ahead with any degree of certainty," he said. "If I knew NORA funding was in place I would start working on getting technicians and the industry involved in everything related to energy and renewables. We'd transition the industry from oil to a total energy industry. These are all things that I want to do, but I can't plan and implement because there is no degree of certainty."

NORA DEALS WITH CONGRESSIONAL LOGJAM

There is optimism that NORA will gain

reauthorization in 2012. NORA President John Huber told Oil & Energy that industry leaders are lobbying Congress to bring NORA back as soon as possible. "It has been very difficult, mostly due to the inaction of Congress," he said. "We are hoping that the Congressional inactivity logjam breaks. At that point, we are in pretty good position. We have good supporters, in both the House and Senate and in both parties." At last count, NORA had 63 bipartisan co-sponsors in the House and 15 in the Senate.

After reauthorization, NORA would have new training priorities. "The main change will be that we will really work harder on a more available delivery system," Huber said. "We have a lot of content available that needs to have a better delivery system in a more coherent fashion. For example, our basic learning system should have video available on the Internet for all key lessons."

Huber said he anticipates an evolution in Oilheat training under the reauthorized NORA. "With the advent of lower sulfur fuel and better equipment in field, cleaning equipment and annual maintenance may become less important," he said. "As a result, the industry training needs to focus on other services for homeowners that a service provider can be cross-trained to do. This may mean having training on other needs of homeowners, using more advanced technologies, or even helping customers better understand why changing their existing system is important."

In Rhode Island, Julie Gill of the Oil Heat Institute of Rhode Island, also sees a need for NORA-sponsored training. "We could be facing much higher tuition fees

[without NORA funding], and that is going to impact dealers. They're struggling as it is to be able to afford sending technicians to school," she said. "Training is crucial. We are constantly advancing new technologies, and as we enter into biofuel and ultra-low sulfur fuel, these guys will need to be trained."

Jamie Py, President of the Maine Energy Marketers Association (MEMA), said that industry training helps companies deliver great customer service. "Training is really about customer satisfaction. When you do the job right you get happy customers who stay with you and do more business with you," he said. "You also don't have as many callbacks when your employees know what they're doing, and that reduces your costs and keeps customers satisfied."

Michael Ferrante, president of the Massachusetts Oilheat Council, told Oil & Energy that strong industry training supports progress. "A lot of companies are not moving forward now," he said. "They need the support of industry associations to open doors for them and show them opportunities so they can evolve."

NEW PRIORITIES IN TRAINING

Rooney said industry training has evolved in recent years. "There is a whole lot more emphasis on electronics and controls than in the past," he said. "The level and sophistication of technology increases almost exponentially every year because that is how new systems achieve ever greater efficiencies. We're getting more requests for courses on electronics, diagrams, and reading schematics."

Rooney says training is essential to the health of an Oilheat business, "If you don't train, it will cost the company and the customer money and lead to customer dissatisfaction," he said. "If you're not training technicians to handle and service equipment properly, you can't fix problems correctly. You wind up sending another technician out, which costs you time and money, and the customer loses faith in the company. When you're promoting 'we'll-be-right-over service,' it had better be 'we'll-be-right-over-and-we-know-what-we're-doing service.'"

A CRITICAL NEED

Ralph Adams, co-chairman of education for the National Association of Oil & Energy Service Professionals, says training "is critical to any company's success. You've got to have properly trained people on the job, or you won't have customers

for very long.” He sees a particular need for training on electronics. “With all the new controls coming out in the last five or six years, you have to know how to program them.” Some newer controls have troubleshooting capability built in that can save a technician time, “but it’s only useful if you know how to get at it,” said Adams.

Better companies take advantage of advanced technology to help customers achieve better comfort and save money, while others fall behind, according to Adams. “The risk is that their technicians will not be able to make repairs on the first visit or help the customer maximize energy savings. Customers become disenchanted, and the company loses business,” he said.

Here is a look at what some industry associations are planning for education and training in 2012.

AMERICAN ENERGY COALITION

One industry association that ramped up its educational offerings late in 2011 is the American Energy Coalition (AEC). In December, the Coalition produced four weekly webinars to help Oilheat managers and employees communicate effectively about utility gas and fuel conversions.

“We’re looking for ways to help dealers compete,” said executive director Tom Tubman. “There is a changing marketplace with new dynamics, and dealers need help training their front-line people so that they can respond to gas utility marketing and the questions that customers ask.”

The 90-minute webinars are designed for anyone who comes in contact with customers and might field questions about fuel conversion. “There is a good story to tell, and we want to help companies tell it effectively,” Tubman said. The AEC expects to make the webinars available online for review in 2012.

INDEPENDENT CONNECTICUT PETROLEUM ASSOCIATION

The Independent Connecticut Petroleum Association (ICPA) offers training through the ICPA Technical Education Center (ITEC) in Cromwell, Conn. ICPA President Gene Guilford said ITEC is stronger now for having survived a temporary loss of NORA funding in 2005, while NORA was awaiting an earlier reauthorization. “We created a business plan in 2005 because we lost NORA money,” he said. “We were lucky that we were forced to do that because we learned a lot about the market that we didn’t know.”

ITEC diversified its programs to meet contractors’ real needs, and the center now offers courses in Oilheat, propane, commercial driving, plumbing, solar and BPI building analysis.

ICPA had been using NORA education money to subsidize tuitions, but that money is gone, pending NORA’s reauthorization. ITEC raised its tuitions and cut some payroll to compensate, Guilford explained. “Last year and this year, we ran entirely without NORA money, and while we regret having to raise our prices, we got through in one piece,” he explained. In fact, enrollments rose by 30 percent in 2011.

Night classes were particularly well attended in 2011, which means that people already employed in the industry are expanding their skills, Guilford said.

MAINE ENERGY MARKETERS ASSOCIATION

The Maine Energy Marketers Association (MEMA) offers a wide range of education programs to help Maine dealers and contractors meet all their customers’ needs. MEMA opened its MEMA Technical Education Center in 2004 in Brunswick and now serves hundreds of contractors a year with instruction in Oilheat, propane and air conditioning. The Center also offers Building Performance Institute (BPI) training so that contractors can gain BPI certification to conduct home energy audits.

Contractors can train at the Education Center in Brunswick or request local training from MEMA. Class tuitions have been subsidized with NORA funding, but that support will cease if NORA is not reauthorized this year and tuitions could increase, according to MEMA President Jamie Py.

MASSACHUSETTS OILHEAT COUNCIL

The Massachusetts Oilheat Council (MOC) is looking to increase its education offerings in the years ahead as the New England Fuel Institute (NEFI) reduces its educational programming. NORA’s support is critical, according to MOC President Michael Ferrante. “We need NORA to come back, because that is going to be the mechanism for states like Massachusetts to re-energize,” he said.

MOC used NORA funding in 2011 to help 60 Oilheat technicians and contractors gain Building Performance Institute (BPI) certification to perform home energy audits. NORA funding paid for scholarships that lowered the cost of BPI certification training to \$150 per person. MOC offered

the training in conjunction with the Conservation Services Group.

MOC is seeking to develop a new management training program in 2012 focused on employee relations. Ferrante said companies need guidance on core management issues such as family leave, background checks for new hires, interviewing and benefits.

NATIONAL ASSOCIATION FOR OIL & ENERGY SERVICE PROFESSIONALS

OESP (formerly NAOHSM) will continue to offer NORA- and NATE-certified training for Oilheat professionals, according to Executive Director Judy Garber. OESP will also continue its emphasis on its “Train the Trainer” programs in order to promote effective, consistent training throughout the industry, she said.

OESP is also launching a new program this year aimed at helping salespeople perform as professional energy consultants. The association will provide training that covers system sizing, ductwork design, energy-saving controls and more, Garber said. OESP will launch the program at its annual Trade Show and Convention. OESP is also weighing the possibility of launching online training initiatives in 2012.

OIL HEAT INSTITUTE OF LONG ISLAND

The Oil Heat Institute of Long Island (OHILI) operates an extensive industry education program in conjunction with Suffolk County Community College, according to Rooney. With OHILI’s support, the college built and equipped a \$5 million HVAC workforce development center. When the college is not using its facilities, OHILI runs courses on Oilheat, NORA Oil Tank Certification, air conditioning, basic electricity, heat loss calculations and more. Students can earn NORA certification and continuing education credits.

VERMONT FUEL DEALERS ASSOCIATION

Vermont Fuel Dealers Association Executive Director Matt Cota sees fuel dealers requiring a broader range of training opportunities with each passing year. “Our dealers have diversified into propane and even biomass, and we have responded with propane training and a biomass combustion class.”

VFDA is trying to help dealers “own the home” by providing more than just oil delivery and service. “We want to support them in providing efficiency services and help them with wood pellets, because there is a lot of interest in that,” he said. ☐

2012 Training Opportunities for Fuel Companies



ADVANCED FUEL SOLUTIONS, INC.

ADVANCED FUEL SOLUTIONS

Advanced Fuel Solutions, a full service fuel additive supplier, orients customers on how to improve fuel quality. Improving fuel quality is the catalyst to improving operational efficiency and service profitability. This AFS program is supported by the "How to Market Premium Fuel" program, according to Sales Manager Lou Nazzaro. "Our training wraps the fuel treatment program around the complete business cycle with a focus on operational profitability," he explained.

The company offers its customers individualized training on the technical aspects of fuel chemistry and treatment. If a customer uses an injection pump for additives, AFS will help them calibrate the pump for the correct treat rate and provide support throughout the installation of new pumping equipment.

Much of AFS's training focuses on the importance of marketing a treated fuel as a competitive differentiator, Nazzaro explained. "When dealers roll out a program, they often use a newsletter to tell the story and explain that fuel is not just a commodity. They might also follow up with bill inserts and delivery ticket stuffers and websites that support the new brand."

AFS will help dealers evaluate the

marketing they have done and make improvements to ensure their investment in the treatment program is addressing the bottom line.

For more information, visit yourfuelsolution.com or call Lou Nazzaro at (978) 258-8360



ANGUS ENERGY

Angus Energy offers periodic seminars to help fuel dealers improve profitability, according to Mark Bloom, Director of Marketing. One recent seminar entitled "Stop the Revolving Door" offered instruction on reducing customer attrition and getting customers' attention off the price of energy. The seminar examined whether price protection programs are "barriers to exit" and whether they are profitable.

For more information on training opportunities from Angus, visit the company website at angusenergy.com or call (800) 440-0472.

Beckett

BECKETT CORP.

Beckett offers training on burners and controls in a variety of formats, according to

Jeff Rozga, technical service representative. Some Beckett training is done in house, while other sessions are conducted on the road through wholesalers. The company sets the schedule in advance and publicizes it through its website and Beckett's wholesalers network. Training sessions take one full day and involve a lot of hands-on work. Beckett also offers classes at its training center in Sturbridge, Mass.

"The courses have a strong emphasis on burner servicing and troubleshooting," Rozga said. "We also spend a lot of time on primary controls and advanced controls like the AquaSmart." When Beckett takes its training on the road, the trainers bring equipment, including controls that can be connected to a docking station for live demonstrations and training.

Beckett made its first venture into e-learning in 2011 with the an interactive presentation on controls. "Contractors are face-to-face with the control, and they have to program it and wire it," Rozga said. "They click and drag the wiring to connect it. They also get to set the limits and differentials. It's like working on a boiler with a live control." There are nine separate online modules, and contractors can go at their own pace, he said. Beckett might create new online training in 2012 for the GeniSys control and other new products.

Rozga said contractors benefit from continuous training. "With all the changes

Continued ...

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in the equipment, such as higher static pressure burners and new electronic controls, it's important to stay on top of it," he said.

Nine Beckett employees conduct training programs, and they expected to conduct more than 500 training sessions in 2011. To view Beckett's training opportunities, contractors must register online. The schedule is located in the professionals-only section of the Beckett website (www.beckettcorp.com).

Buderus



BUDERUS/BOSCH

Buderus and Bosch offer training opportunities at their U.S. facilities, on the road and online, according to Thomas Dixon, Training Support Specialist. "The main thing is our live-fire training, and we have a lot of interest in training on tankless hot water heaters," he said. "Live-fire is great because it's important to get your hands on the actual units."

The company schedules lots of training sessions at its own facilities, where there are laboratories set up for contractors to operate live equipment. Buderus and Bosch also train on the road with a trailer than is equipped with a boiler.

Dixon said there is a lot of demand for training on the Bosch Greenstar condensing boilers, which are wall-hung and operate with natural gas or propane. There is also e-learning available through the Bosch WayToGrow program.

Bosch offers training in geothermal heat pumps, solar thermal, gas tankless, electric heat pump, water heater and boiler installation, and service.

Here is a look at some of the courses offered in 2011.

Buderus 125BE Installation and Service (one day) – This seminar will focus on the 125BE oil-fired boiler with Low NOx Burner, its installation, and troubleshooting.



The Bosch Greenstar Wall-Hung Condensing Boiler

Solar Basic Training (2 Days) – The course agenda includes introduction to solar; types of solar collectors; solar system overview; Bosch components and mounting systems overview; differential controller lab and basic system sizing. Day Two is dedicated to a hands-on lab where contractors learn tile roof installation, asphalt shingle installation, flat roof installation, awning installation, differential controllers and system commissioning.

GB142 Condensing Gas Boiler Tech Training (one day) – Product Training for Buderus' GB142 class focuses installation and troubleshooting, covering installation and venting, piping & wiring, and commissioning best practices for condensing boilers.

Bosch Tankless Troubleshooting (one day) – Offers an in-depth analysis of Bosch Tankless Water Heaters for contractors who want to service them. Agenda includes troubleshooting techniques, commercial and residential applications/systems design, and use of combustion gas analyzers, volt meters and manometers. Contractors will also learn to disassemble and re-assemble units.

To view a training schedule for Buderus, visit www.buderus.us and click on Training. For more information on Bosch training, visit www.boschwaytogrow.com and click on Training. Dixon can be reached at Thomas.dixon@us.bosch.com.



CARGAS

Cargas offers training in the Microsoft Dynamics GP and Customer Relationship Management (CRM) software as well as in human resources.

Nate Scott, vice president of the company's Energy Business Unit, said Cargas customers can receive a full spectrum of training in Microsoft Dynamics and CRM, either at Cargas's own Microsoft Certified Education Center or at the client's site. Much of Cargas's training is aimed at end users, such as service technicians.

For clients using the Cargas Energy software platform, "our approach is to design training that is most convenient for the customer. This usually involves an integrated approach of trainers at their locations, the use of comprehensive training guides and web-based tutorials," Scott



A classroom at Cargas.

explained. "We also offer a one-to-two-day user group – Cargas Energy Summit – for customers to learn about enhancements to the software and best practices from other users."

Cargas also offers some web-based learning and plans to extend its online offerings in the future. "We are planning on rolling out a library of training videos in digestible five-minute segments for our Cargas Energy customers as a 2012 initiative," Scott said.

In addition to the software training, Cargas educates clients in human resources. "Our HR training focuses on pulling away from the technical side and recognizing that a lot of companies are struggling with people issues," said Organizational Development Consultant TJ Titcomb. "We do a lot of training with front-line supervisors. They are the pivotal people." She explained that she has spent a lot of time solving HR problems herself "and I've become a great believer in preventing problems."

Titcomb also offers training focused on leadership. "We help them develop a clearer strategic vision ... and decipher and define organizational culture," she said.

For more information, contact Nate Scott at NScott@cargas.com or TJ Titcomb at TJTitcomb@cargas.com.

CROWN BOILER



Crown Boiler recently took its contractor training program in a new direction by establishing Crown Boiler University, an e-learning venture. "Basically, Crown Boiler University grew out of our desire to expand training offerings to contractors who could not take advantage of what we offer here and on the road with our training van," said Lee Ensminger, national sales manager.

Through its experience with Blue Hawk Distribution, Crown had observed online training in action. "The feedback

CROWN BOILER UNIVERSITY



The introduction screen to a Crown Boiler University e-learning course on the Bimini Boiler.



from distributor members [at Blue Hawk] was very positive, so we decided to move forward with it," Ensminger explained. One of Crown's goals is to get contractors comfortable with their equipment so that they will choose to install it.

Online training also offers contractors an easy way to refresh their knowledge of the equipment without having to come to Crown headquarters or wait for a training session in their area. "This allows people the freedom to take the course when they want to," Ensminger said.

Crown Boiler University's first online course focused on service for Crown's Bimini boiler line. "We based it on the training that we do [at the factory]. We made it interactive, so that it's more than just going through a PowerPoint program," he said. "It launches in a media player. There are animations and graphics as well as audio, so students don't have to read it." At the end of the session, students complete a quiz to achieve certification for NATE or NORA.

Crown has since added courses on the Crown Boiler product line; selecting the right boiler; and education on the Bimini Buddy hydraulic separator, which is designed to simplify the installation process of the Bimini boiler. Crown expects to add more online courses in 2012.

Ensminger said he sees Crown Boiler University as an extension of the education programs that Crown has run for years.

There is a lot of demand for training on the Crown Bimini wall-hung boiler.



Contractors can opt for factory training in Philadelphia that focuses on high-efficiency equipment, including practical theory on installation; combustion testing using various combustion analyzers; control setup; propane conversion; and troubleshooting.

Crown also has training vans that it sends all over the country to bring education to contractors. The company trains about 750 contractors in a typical year. "Training helps keep contractors comfortable installing our products," he said. "Should a problem ever develop, the training gives them the confidence to troubleshoot a problem and fix it."

Crown maintains a strong commitment to Oilheat. "We have a live-fire oil boiler in each of our vans," said Ensminger. "Oil is not the ugly stepchild for us. It's a very prominent part of what we do."

To take advantage of Crown Boiler training, contractors can visit the Crown website at www.crownboiler.com.

ENERGI INSURANCE SERVICES INC.

Energi Insurance Services trains its fuel dealer clients in how to reduce risk throughout their operations, according to Justin Russo, Managing Director of Safety and Loss Prevention. Once a new client signs on with Energi, the insurer conducts a compliance audit and then puts together a safety training program.



Justin Russo, Managing Director, Safety & Loss Prevention

Training covers a wide variety of topics including spill prevention, tank and line inspection, fuel oil delivery, hazardous materials and defensive driving. Energi trains at the customer's location and also offers online Energi Live training modules for use at any

time. The company currently offers 209 safety videos, including versions in Spanish. "Clients love Energi Live because they can utilize it on their own time in different locations," Russo said.

The company also offers webinars and quick "tailgate meeting" videos on topics like winter driving and seatbelt safety that companies can use to provide a quick refresher for employees during at a staff meeting or at the beginning or end of a shift.

To learn more about Energi training, e-mail Russo at jrusso@energi.com.



ENERGI KINETICS

Energi Kinetics helps contractors sharpen their skills and improve their expertise on System 2000 installation and service with its Pro-Train™ programs. The company recently released a 2012 schedule that includes 19 seminars. Some are at Energi Kinetics' headquarters in Lebanon, N.J., while others are held at various locations throughout the East and Northeast.

Pro-Train seminars are full-day workshops where contractors learn about installation, applications, service and diagnosis of the System 2000, and the industry-standard components that the system uses. Seminars at Energi Kinetics also include a plant tour. Seminars are certified for 8 CEU credits for NORA and BPI.

Attendees receive the latest illustrated tune-up guides and a technical manual complete with wiring diagrams, installation instructions and important settings and short cuts for tune-ups and diagnostics. The seminar cost is \$95 per person, per session, and advance registration is required. To register call Katy Payne at 800-323-2066.

Here is Energi Kinetics' 2012 seminar schedule. All sessions begin at 8 a.m.

- Feb. 16, Lebanon, NJ, Energi Kinetics
- March 1, Annapolis, MD, Doubletree Hotel
- March 8, Plainview, NY, Holiday Inn
- March 21, Randolph, MA, Lombardo's
- March 22, Enfield, CT, Holiday Inn
- April 10, West Lebanon, NH, Fireside Inn
- April 11, Burlington, VT, Holiday Inn
- April 17, Nashua, NH, Holiday Inn
- April 18, Portland, ME, Howard Johnson
- April 19, Bangor, ME, Hilton Garden Inn
- May 3, East Syracuse, NY, Courtyard Syracuse Carrier Circle
- May 10, Lebanon, NJ, Energi Kinetics
- June 14, Lebanon, NJ, Energi Kinetics
- July 12, Lebanon, NJ, Energi Kinetics
- August 9, Westborough, MA,

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- Doubletree Hotel
- August 16, Lebanon, NJ, Energy Kinetics
- September 13, Lebanon, NJ, Energy Kinetics
- October 18, Lebanon, NJ, Energy Kinetics
- November 15, Lebanon, NJ, Energy Kinetics



FIELD CONTROLS

Field Controls has offered contractor training on its core products for drafting, venting and combustion air for many years and recently starting working with North American Technician Excellence (NATE) to offer CEU credit for some courses, according to Bobby Nelson, vice president of sales and marketing. Field's courses also offers CEUs for the National Oilheat Research Alliance (NORA).

Industry veteran Tim Begoske leads Field's instructor-led training. He and other members of the Field team offer classes for contractor groups and companies. The company also offers NATE-recognized training to support its indoor air quality (IAQ) and UV products. With the launch of its new Healthy Home System platform, Field now offers NATE-certified training on a holistic approach to solving IAQ problems. Field helps contractors understand media filtration, UV purification and damper technologies for the introduction of fresh air.

In 2012, Field expects to launch its e-learning initiative, focusing on indoor air quality. "For us to meet the requirements of our customers, distributors and contractors, we want an e-learning platform that allows a much broader base of contractors to receive training, and it lets them work at their own pace," Nelson explained.

Here is a look at the courses that Field offers regularly. Courses can be customized to meet a company's needs:

Indoor Air Quality – Sell, Install and Service. – Teaches contractors to market, recommend, quote, sell, install, and service custom IAQ systems. Includes in-depth product knowledge, problem/solution training, a step-by-step local marketing program, sales tools, and more. Better indoor air quality includes three critical components: Fresh Air Ventilation, Clean Air Filtration, and Pure Air UV Treatment.

Energy Efficiency & The Whole House – With the renewed emphasis on energy efficiency, it is important to look at the

whole house as a system. An increase in a home's "tightness" reduces air availability and creates air quality problems. It can also cause problems with combustion and venting of HVAC appliances as well as impacting laundry dryers, bath fans, etc. The entire house and all its equipment and systems must work together to keep the inhabitants comfortable and healthy while minimizing energy consumption.

Combustion Air – A system starved for combustion air is a problem waiting to happen. In this class, contractors learn how to determine when an appliance requires additional combustion air, how to choose the correct system and how to prevent combustion air related soot, shut-downs and call backs.

Power Venting – Properly installed, power venters are safe, reliable and can solve a number of venting problems. In this session, contractors learn to install, set up and service a power venting system for maximum safety, efficiency and trouble-free operation. They also learn how to add combustion air to a power venting system.

Draft – Often overlooked or forgotten, the Barometric Draft Control is a key component in the proper operation of any oil-fired heating system. In this session, contractors gain a clear understanding of the principles of draft and learn how to size, install and maintain a draft control and how it affects over-fire draft, burner efficiency and overall system operation. The benefits and proper use of draft inducers are also covered in this session.

For more information on Field Controls' training, visit www.fieldcontrols.com/training.php. To request a class at your location, call 252-522-3031.

Fuel Management Services



FUEL MANAGEMENT SERVICES

Fuel Management Services offers training on fuel quality management, additive use and fuel testing, according to President Mark Stellmach. The company also trains company CSRs on how to market premium fuel.



GENERAL FILTERS

General offers a course entitled Basic Humidification 101 that teaches contractors about the use of humidifiers to improve

air quality. Topics covered include: Why dry air is a problem; humidification sizing; humidification technologies; humidifier installation; and humidifier maintenance.

Marketing Coordinator Paige Freeland says the company is planning to develop more training materials, including videos. For more information, visit the General website at www.generalfilters.com.



GLOBAL

Global offers training on premium fuels to customers who use Global's premium fuel program. "We train in an informal kind of setting at the customer's location," said Duane McLevedge, Global's Premium Fuels Manager. "We want to make sure everyone is on same page and understands the programs and the chemistry. Whether they are adding at the terminal or blending themselves, we want everyone to talking the same language."

For more information on Global's premium fuels training, call McLevedge at 781-398-4222 or e-mail him at dmclevedge@globalp.com.

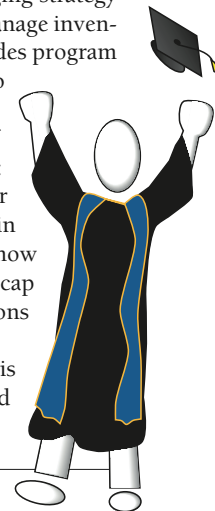


HEDGE SOLUTIONS

Hedge Solutions helps clients become better hedgers through its education programs, Hedging College and Advanced Hedging College. Hedging College is a two-day session where fuel dealers and fuel buyers learn the basics of hedging, including how to design a hedging strategy and how to protect basis and manage inventory. The curriculum also includes program implementation and learning to use futures, puts and calls.

"Dealers get an overview of hedging derivative instruments: how they work, how you pay for them, how they settle. We explain how NYMEX works and how you apply these tools with a cap program," said Hedge Solutions COO Mark Stillman.

Advanced Hedging College is designed for more experienced



professionals who want to engage in more complex option strategies. "We get into storage hedging – how to use storage to your advantage and the risks of having inventory," Stillman explained. "We also look at short positions, when clients are selling futures or options. Typically, participants are larger companies that are engaging in more sophisticated strategies."

The courses are very popular, and Hedge Solutions aims to host two sessions of the basic course every year and one session of the advanced course. The 2012 courses had not been scheduled when Oil & Energy went to press.

Classroom training like Hedging College can make a big difference in a company's bottom line, according to Stillman. "Hedging is mysterious. Even the more sophisticated clients and banks find it complicated," he explained. "Participants come away with a really good understanding of hedging – what tools are, how they work. We make an effort to help clients to understand the instruments."

Hedge Solutions offers less formal training through a monthly client conference call and a best practices roundtable that brings together non-competing dealers to learn from each other's experiences.

For more information on Hedging College and Advanced Hedging College, visit the Hedge Solutions website at www.hedgesolutions.com or call 800-709-2949.



PEERLESS

Peerless Boilers upgraded its training facilities in 2011 with a new boiler training lab and classroom in Boyertown, Pa., according to Jerry Hogan, director of training and allied technology.

Contractors can now get hands-on training on both residential and commercial systems, including Peerless' newest products. The lab can accommodate systems up to one million BTUs and has a 1,000 gallon oil storage tank. "We'll run two of our newest boilers and show how you can twin them together," said Hogan. There will also be training on venting for high-efficiency systems for all fuel types to help contractors understand sidewall venting and other options.

Contractors will be invited from all over the country to train in the lab, and Peerless will soon publish a training schedule. Visits will also include a tour of Peerless' foundry.

Peerless might also develop webinars to be broadcast live from the new training facility, according to Hogan.

In addition to the factory training, Peerless will continue its Color of Heat training program, which includes manuals and seminars. Topics include one-pipe steam heating, two-pipe steam heating, hydronic piping and radiator sizing. There are also product-specific training videos that can be ordered on CD. Contractors can learn how to install and manage condensing systems, including piping, venting and condensate removal.

To learn more about Peerless training, contractors can visit www.peerlessboilers.com and register by clicking on Account Login. Contractors can also follow Peerless on Twitter.



PRIMEDIA

PriMedia offers customer service training directly to fuel retail companies and works with industry associations to develop webinars and other industry training programs.

The customer service training program teaches CSRs and other employees how to meet customers' needs most effectively. A PriMedia trainer begins the process by meeting with the company to learn about their culture and the challenges that they face. PriMedia then develops a customized training program and delivers it onsite to CSRs, salespeople, service technicians, drivers and management personnel.

Topics covered typically include defining excellent customer service; identifying obstacles to great service; basic phone skills; listening skills; positive use of phone conversations; getting to know the customer; recognizing opportunities; when to direct an issue to a supervisor; dealing with angry customers; the dangers of saying "no"; and follow-up on customer issues.

Seminars involve classroom instruction and role-playing. PriMedia can also provide follow-up training as requested by the company.

The majority of companies don't train people on customer service," said PriMedia trainer David Heiser. "Instead they assume that they should know what to do, or they train them once and let it go. Customer

service training needs to be ongoing. Employees need reminders of the things they need to do. We can never stop and be satisfied."

Training is important for technicians and salespeople who visit customers' homes, according to Heiser. "They need to know how to park their vehicles, how to greet the customers, how to show respect throughout the process, and how to avoid doing anything wrong at the end of their visit," he said.

PriMedia has also developed a customer service training program under the auspices of the National Oilheat Research Alliance (NORA) that has been delivered through several state and regional associations.

PriMedia also developed webinars in 2011 for the National Biodiesel Board and the America Energy Coalition (AEC). The AEC webinars, which were delivered this December, help oil dealers and their employees learn to promote Oilheat and discourage conversions to utility gas. Topics covered included what the utility gas companies are saying; how much a lost home costs the company; and how to respond to customer complaints and questions. For more information visit Oilheat-advertising.com or call (800) 796-3342.

RIELLO

Riello is enhancing its contractor training



Riello has refurbished its Hingham, Mass., training facilities.

with a refurbished training facility in Hingham, Mass., according to Mark Nelson, area manager. The company is looking to expand its training offering in 2012 to supplement the monthly residential oil burner training sessions that are offered now. Training is also available on Riello's

two-stage burner through Thermo Pride. For more information on Riello training, contact Reni Diorio at 800-474-3556, extension 232.



ROTH INDUSTRIES

Roth Industries offers contractor training about radiant heating, solar energy systems and Double-Wall Safety Oil Storage Tanks. Five-hour seminars on radiant and solar are offered on a regular basis at Roth's Syracuse, N.Y. facility. The oil tank training

Continued ...



Taco is building its new Innovation & Development Center in Cranston, R.I.



A classroom in Taco's new Innovation & Development Center.

is offered at various locations, including at client sites. For more information, e-mail Jaimee Pishotti Johnson at jaimoop@roth-usa.com.



TACO

Taco will expand its training for contractors in 2012 while continuing to develop a new \$18 million training facility at its headquarters in Cranston, R.I.

John Barba, Residential Training Manager, said Taco is now building its new Innovation & Development Center. The two-story, 24,037-square foot facility will house a learning center that includes a 63-seat tiered classroom as well as two 30-seat classrooms and two 25-seat teaming spaces. The center will accommodate extensive computer training with a computer classroom and several computer labs.

Contractors will participate in hands-on learning with labs for geothermal, solar, photovoltaic, snowmelt, domestic hot water conservation and building automation. There will also be training on radiant cooling and heating, LOFlo technology, LoadMatch® technology, chilled beam systems, ventilation control, rooftop cooling towers, rooftop energy recovery systems and more.

The facility will be a living laboratory where contractors can work on the very systems that heat and cool the new rooms, including a LoadMatch® single pipe system, a LOFlo™ Injection Mixing System and iWorx® building automation controls. Taco expects to open the Innovation & Development Center in late 2012 or early 2013.

"On the commercial side, all of our commercial heating, cooling and environment systems will be used in the facility

itself, so contractors can get an up-close look at the iWorks control package, radiant heating and cooling in practice, and a chilled beam cooling system," said Barba. iWorx, by Taco Electronics Solutions, is a Web-based, scalable system for building management, monitoring and control that is designed specifically for the light commercial buildings and high-end residential markets.

"All of our residential products will also be in working displays with ample facilities for residential contractors to do control wiring and circulator wiring," Barba explained. "We'll have graphic displays for guys to see, touch and feel. It will have a science museum look."

The new facility will create new opportunities for Taco that will supplement the training that Barba and other Taco educators run through by company's FloPro team. Contractors can now take two-day classes at the Taco factory and at various locations around the country, as scheduled by Taco. One recent Taco course attracted 200 people.

Contractors can also benefit from Taco education without leaving home, thanks to monthly webinars and online training modules offered by FloPro University. The online school offers dozens of e-learning programs, including four new ones added in 2011 that cover solar and the business of contracting. More new modules are planned for 2012, including a detailed look at heat loss calculations.

"These are modules that you can use any time," Barba explained. "You can take whatever class you want at your own pace. Each class is broken up into short chunks, with five minutes of instruction followed by a quiz."

In addition to the formal teaching, contractors who join the FloPro Team can participate in Taco's Neighborhood online forum. "We have discussion groups,

forums and live chat, and there is a lot of peer-to-peer counseling where contractors can learn from one another. Professionals can go in and talk about anything that is of importance to them as contractors. It's also the first place where we promote our webinars and where we archive them."

Taco offers NATE certification for the two-day classroom training and is working to secure NATE and NORA certification for other parts of the curriculum. Contractors who want to participate can visit the Taco website (www.taco-hvac.com) and click on "Residential Professionals" to register. All live and online courses are announced on the site, and contractors can sign up once they join the FloPro Team. Taco will announce its 2012 training schedule early next year.

Taco's commitment to education also extends to the company's workforce. Taco employees and their families can participate in 45 different courses that cover work-related education as well as lifestyle topics such as general education, government and citizenship, English as a second language, word processing, financial planning, art appreciation and aerobics.



THERMO PRIDE

Thermo Pride offers training sessions around the country to help technicians learn the new Oilheat technology and propane-fired equipment. "What we try to do is get the Oilheat guys more experienced in new oil technology like ECM blowers and GeniSys controls" said Technical Advisor Tim Wolf. "We try to get guys more comfortable with the Riello two-stage burner."

"We place an emphasis on efficiency and comfort. There was a lot of forgiveness in the older equipment, and we're teaching these guys to use and trust test instruments. The new equipment must be set up right and adjusted properly."

Thermo Pride is also training Oilheat technicians in propane, as well as ducts and sizing. "We're teaching them to turn a heat loss

calculation into a duct sizing calculation.”

Thermo Pride schedules training sessions in different locations and alerts companies about sessions in their area. Training typically takes two to three days. Trainers typically run 30 to 40 sessions a year and educate about 1,000 technicians. NORA CEUs are available for many of the training units.

Thermo Pride has posted some training videos on YouTube and hopes to launch some e-training soon, Wolf said.

For information on training in their area, companies should contact their local Thermo Pride sales manager.



VISSMANN

Viessmann offers a broad range of training opportunities through its Viessmann Academy USA program. Most courses are offered as one- or two-day seminars at Viessmann's U.S. headquarters in Warwick, R.I., where Viessmann has a modern training laboratory with all of its boilers set up for training.

Students who have to travel more than two hours to reach the facility are offered hotel accommodations at Viessmann's expense. The course schedule is updated every four months on the Viessmann website. To view the current schedule visit www.viessmann-us.com and click on Academy. The company will also offer training at the annual convention of the National Association of Oil & Energy Service Professionals May 20-24, 2012, in Providence, R.I..

For more information, e-mail Desoree Brennan at BrnD@viessmann.com. Viessmann's training manager is Jody Samuell.

Here is a look at some of the Viessmann Academy courses offered in 2011.

Viessmann 101: Introduction to Viessmann (two days) – Examines every product offered from Viessmann in North America and helps contractors understand what product fits what job.

Viessmann 102: Vitosol Application & Installation (one day) – Provides the basic concepts and ideas to understand and install Viessmann Solar Thermal Technology. Addresses the following questions: What applications make sense for Solar Thermal system? Is it better to use Flat Plate or Vacuum Tube collectors? How many collectors are required? How and where can I mount the collectors? How do I size the piping and pump? What other system

components are required? How do I avoid over-heating?

Viessmann 203: Vitodens 100, 200 Application & Installation (one day) – Covers the differences between non-condensing and condensing heating systems. Mixing valves, pumps, Delta T's, primary/secondary piping designs and venting are covered.

Viessmann 205: Vitogas 050 RS, Vitorond 200 VD2/VD2A Application and Installation (one day) – Addresses how Viessmann looks at higher temperature non-condensing technology and why Viessmann does things differently than some other high-mass boiler manufacturers. This seminar addresses high-mass cast iron boilers and steady state efficiency. Contractors look at control strategies for cast iron systems including return water protection and distribution for cast iron boilers.

Viessmann 206: Vitocrossal 300 Application and Installation (one day) – Covers the differences between non-condensing and condensing heating systems for commercial applications. Contractors learn options for modifying existing systems to get the best efficiency possible when you specify from new or upgrade to a Vitocrossal condensing boiler. Mixing valves, pumps, Delta T's, primary/secondary and hybrid piping designs are covered. The seminar looks at how control strategies need to be re-examined for the condensing boiler.

Viessmann 207: Residential Controls Vitotronic NR1 Series (one day) – Gives a contractor a competitive advantage by teaching how to understand and program the Viessmann NR1 series Vitotronic 100, 200, 300 residential and small commercial boiler and system controls. Learn the concepts behind outdoor reset control theory and see how it applies to comfort, efficiency and energy savings in a modern boiler plant. Learn Viessmann's heating curve strategy and gain the knowledge to program the correct parameters required for commissioning the Vitotronic boiler and system controls.

Viessmann 302: Vitosol System Service and Maintenance (one day) – Like any other mechanical equipment, solar systems require routine maintenance to keep them operating at their peak efficiency. This seminar is designed to help a contractor keep them running as they were designed to. Some of the topics covered will be: looking for red flags; service requirements; glycol management; Divicon service; and checking sensors and controls.

Viessmann 303: Vitodens 100, 200

Service and Maintenance (one day) – Covers the service and maintenance required to maintain the Vitodens boiler, allowing it to operate at peak efficiency for many years. The seminar looks at disassembly and reassembly, as well as testing and adjustments. It covers the correct cleaning methods and the tools needed to perform all of the maintenance normally required.

Viessmann 304 Vitola 200, Vitorond 100, Vito gas 50 Service and Maintenance (one day) – Covers the service and maintenance required to maintain residential high-mass boilers, allowing them to operate at peak efficiency for many years. Contractors learn disassembly and reassembly, as well as testing and adjustments. Training covers the correct cleaning methods and the tools needed to perform all of the maintenance normally required.


Viessmann 312 Residential Oil Burner Service and Maintenance (one day) – Covers the service and maintenance of oil burners used on Vitola 200 and Vitorond 100 boilers.

Viessmann 3034 Vitola 200, Vitorond 100, Vitodens 100/200 Service and Maintenance (one day) – A hands-on session for the servicing of Vitodens 100/200 gas-fired, Vitola 200 and Vitorond 100 oil-fired series of boilers. The class size is limited to ensure maximum hands-on opportunity. The seminar covers all aspects of the service call, from cleaning the heat exchanger to adjustments of the burner.

WARD CERTIFIED

Ward Certified offers customized customer service training for fuel retailers. Owner Ann Ward said she begins by meeting the client and learning about their business, and then she develops a curriculum for CSRs and managers. After the initial course of training, Ward follows up with weekly tips and follow-up webinars. She can also listen in on live calls and provide individual feedback.

She recommends that companies treat their employees the same way they want them to treat the customers. “We need to invest and give them the tools they need to succeed,” she said. “Many CSRs have never had training on how to fight for customers and make them feel special.”

For more information, visit www.wardcertified.com, call 203-449-0276 or 919-980-807, or e-mail Ward at ann@wardcertified.com. 

Learn to Defend Your Business from Utility Attacks

The gas utilities pull no punches, but you can fight back

By Paul J. Nazzaro, Advanced Fuel Solutions Inc., National Biodiesel Board

WARNING: YOUR BUSINESS IS UNDER ATTACK.

This should be a label on every service technician's combustion test kit, or on the headset of every customer service representative. These employees should have a constant reminder of the assault we are under. It's clearly defined in the recent radio advertising campaign that National Grid is running in Massachusetts.

Customer service and service department employees are our Oilheat ambassadors. They are on the front lines speaking to customers every day to resolve problems. However, some of the more difficult issues to address today are the emotional concerns and questions consumers have due to the recent barrage of media advertising by gas utilities such as National Grid.

TRAIN EMPLOYEES TO DEFEND THE BUSINESS

These groups of employees, who interact with your customers, will require training to properly defend your business against one of the most aggressive anti-Oilheat campaigns, which includes claims like this:

The price of natural gas is cheaper than Oilheat and is cleaner. A typical home that converts to natural gas heating will emit up to 40 percent less CO₂ and up to 99.9 percent less sulfur dioxide – two major contributors to climate change and acid rain. Converting also reduces emissions that deplete the ozone and contribute to respiratory illnesses like asthma.

One home converting to natural gas will take up to 183,000 pounds of carbon dioxide from the environment. That's like eliminating six cars off the street for a year.

This campaign plays fast and loose with the facts, but that doesn't change the challenges our industry faces. Pushing these claims aside doesn't change the fact that American companies are expected to become greener every year by reducing greenhouse gases. In general, our customers gravitate towards "green."

Bioheat® is the only product that has emerged as a next-generation answer to these challenges. I congratulate the many dealers who have stepped forward, registered their organizations on www.bioheatonline.com and begun delivering the future of Oilheat.

I suspect the reluctance of others may be the result of concerns about:

- Learning something new
- Transitioning the business
- Communicating the benefits to customers
- Training employees to deliver messages
- Investing time to achieve all of the above

STUDY THE PLAYBOOK

A solution to your concerns is available immediately. Through the National Biodiesel Board, my team has developed the Bioheat Playbook. This complete guide comes with complimentary training by experts in the fields of both Oilheat and Bioheat – in many cases, in-person training.

The Bioheat Playbook is a detailed reference manual available to help educate your employees on the facts. It contains indexed sections specifically designed for different ambassadors: service technicians, salespeople and customer service. Knowledge and training on how to deliver the message to a customer who approaches them with questions is critical.

The Playbook also includes a marketing section to assist in developing a Bioheat marketing campaign. This section will help you organize your efforts and ensure that your communica-

tion program contains all the necessary marketing channels. Many of the marketing activities identified in the Bioheat Playbook are free or low-cost to implement, such as:

- Establishing social media programs
- Keeping website information current
- Speaking at local Rotary Clubs and groups
- Using bill/delivery ticket stuffers
- Much more

CONSUMERS WANT GREEN ENERGY

I have recently written about public opinion research that describes the current perception of Oilheat, from Oilheat consumers themselves. Among other things, they want a more environmentally friendly fuel, provided it doesn't cost significantly more.

They would have trust in the product and be more receptive if it was recommended by their local fuel dealer, rather than by other sources. Why? Because their local fuel dealer delivers them peace of mind, as does Bioheat. It can all be accomplished with Bioheat and training for your employees.

With the current tidal wave of anti-oil propaganda being transmitted on the radio, we need a response – not only by pointing out negatives associated with the competition, but also by focusing on our own positives.

The Bioheat Playbook will help your organization succeed as our industry transitions from the fuel of the past to the fuel of the future. Now more than ever, all employees who engage customers need training on how best to respond to customer questions about natural gas, greenhouse gases, fuel safety, etc.

Training is available on how to communicate Bioheat as a clean, safe and reliable energy source for your customer's home or business. Add that Bioheat is delivered and serviced by you, their local dealer, and not a faceless utility, and the message is compelling.

We've provided the playbook to help you embrace the first innovation to hit this industry since moving from coal to oil. The next move is yours.

To take advantage of these training opportunities, register at bioheatonline.com or call me. A Bioheat training team is available to come to you through March 2012 to help you begin this educational process for your ambassadors. ☐



Build Strong Ties in the Public Safety Community

By Ed Burke, Dennis K. Burke Inc.

VISITING WITH FRIENDS IN THE BUSINESS, we get a few moments to catch up and talk a bit about changes in the industry. Conversation often turns to new regulations, staff training, and how it all fits into our company safety management programs. Faced with safety issues and evolving regulations far beyond typical transportation fleets, we all understand the role that a good safety program plays in our industry.

Day to day, we rely on the experience and training of our drivers. As business owners, our primary concern is to get our guy in the cab home safely each night. Our goal is to give them the best training that we can so that they can do their job safely and effectively. We realize that our safety programs are essential in helping us to comply with new regulations, meet CDL requirements, minimize occupational hazards and injuries, while reducing company costs and downtime.

ENGAGING WITH PUBLIC SAFETY

Over the years, we've had many interesting speakers come in and talk at our safety meetings. Emergency management directors, fire marshals, state police, and Coast Guard all make great guests, and are more than willing to share their views and concerns about our industry.

Here's a story about our safety team that I'd like to share. In the past, we've been



Burke safety director Matt Manoli explains that if hit in a traffic accident, the trailer's valves are designed to shear-off and still hold the fuel.

asked to participate in many emergency management drills and events. It's a great opportunity to work with these folks, a great experience for the staff, and it raises our safety program up a notch, too. We often heard that it would be great if our company could offer classes for firefighters to stay current with fuel equipment, so we tried it. We began providing the free training to any fire department that requested it. We typically offer multiple presentations to accommodate the shifts and schedules of the firemen.

Lately, our office has been getting more and more calls from local fire chiefs and emergency directors, requesting that our safety team come in to talk at their firehouses.

Every month or two, our team visits with one of the local fire departments to share their experience and safety expertise. Taking the classroom outdoors, they bring along a fuel trailer truck for the firemen to get a hands-on tour of current trailer technology. For many of these firefighters, it's their first opportunity to check out these vehicles in a non-emergency situation. We try to share our experiences through veteran drivers who address some of the hazards that they might encounter, while making deliveries or just traveling through the city.

You couldn't ask for a better audience. The firefighters are intensely interested in learning about the equipment and ask dozens of great questions. The firemen practice turning off key valves and learn about the truck's construction and capabilities. There are great discussions regarding placarding, responding to hazards, and learning about a trailer's emergency shut-off mechanisms. They talk about rollovers, the quickest way to contain flammables inside the tank, or controlling them if released.

Emphasizing that it is a hands-on demonstration, our safety director then points to the top of the trailer and urges the firemen to climb up and look inside the tank compartments, ask questions, and try to get familiar with the vehicle's emergency safety features.

We all want to be active in the communities where we work, and safety sharing is a unique way to do it. Keep in mind, what firemen are interested in learning is what your drivers do each day – handle fuel products safely. They want to learn about your trucks, the valves, and how current safety mechanisms work. You talk about the products you carry, and what the driver should do in an accident or emergency. They ask questions about situations that most veteran drivers have dealt with over the years.

So, if your safety team is up to the challenge, consider inviting your local emergency management manager to attend one of your safety meetings to discuss what your team can offer. Sharing your safety program with local fire departments is a win-win. ☐



Veteran Burke driver John McNicholas chats with Melrose, Mass. firefighters.



On top of a trailer, firemen look down inside the tank to see how it is divided into separate compartments.

NYC Dealers Prepare for Major Changes

EDITOR'S NOTE: Twenty-six months ago at an industry summit in Baltimore, leaders of the Oilheat industry resolved to deliver cleaner, greener fuel to customers across the country within a few years. Since making that momentous decision, state and regional Oilheat associations have lobbied in many states for fuel mandates that would replace traditional heating oil with a blend of ultra-low sulfur Oilheat and renewable biofuel.

The first jurisdiction to legislate a full transition to an ultra-low/biofuel blend is New York City, where a combination of new state and city laws will take effect in 2012. By state law, effective July 1, 2012 ultra-low sulfur Oilheat (15 ppm sulfur) will replace traditional heating oil. By City law effective October 1, 2012, all Oilheat will contain at least 2% biodiesel. Some Northeast states are expected to adopt similar fuel standards in the years ahead, but for now New York State and New York City are spearheading the fuel transition alone.

Oil & Energy asked John Maniscalco, CEO of the New York Oil Heating Association (NYOHA), for an update on the pending transition to cleaner, greener fuels. NYOHA represents New York City Oilheat dealers, and Maniscalco offers an inside look at the preparations for this major milestone in Oilheat.

There is a lot of new legislation affecting New York City Oilheat dealers and the fuel they deliver. How challenging will 2012 be for your member companies?

I believe 2012 will be more of "change for the better" as opposed to being all that challenging. True, there are two new components that will transition New York City's home heating oil to the cleanest in the nation; specifically the introduction of 15ppm ultra-low sulfur heating oil (ULSHO) as opposed to the City's existing 2,000ppm high sulfur heating oil, and the inclusion of 2% biodiesel, warmly referred to as Bioheat®.



John Maniscalco, CEO of the New York Oil Heating Association

What sort of response are you getting from New York City dealers to the impending changes? Are there any common concerns? Is there excitement?

Generally speaking, NYOHA's oil dealer network embraces the idea of selling a cleaner and greener fuel in order to counter the never-ending "we're cleaner" diatribe of the City's two gas utilities. Depending on the aggressive nature of the company involved, some companies are already offering Bioheat® as a value-added product.

Are there any common concerns among the dealer network?

As anticipated, it's all about the pricing of the new product and the availability of ratable barrels. There's also a concern about cross-border deliveries from the abutting state or local counties that do not have the same fuel mandates. If there's a substantial price disparity it's conceivable that some unprincipled companies may offer City buildings their less expensive, non-conforming product. But alas, the City will have enforcement measures in place and civil penalties ranging from \$1,000 to \$10,000, and the penalties will apply to the end-user who knowingly accepts a non-conforming product as well as the delivery company delivering the non-conforming product.

What are the greatest challenges in transitioning to 2% biofuel?

Short of a minimal fuel cleansing action I see no real problem with the transition to Bioheat® for the retailer because the changeover in product design to the end-user is seamless.

On the other hand, the terminal operator is challenged with making the conscious decision to either dedicate a tank for the storage of B100 and install injector blending equipment, or arrange to purchase their supply pre-blended in accordance with New

York Harbor specifications. The true burden, unfortunately, falls within a terminal's existing infrastructure and their perception of an acceptable way in which to accept and offer Bioheat® to their retail customer base.

What are the greatest challenges in transitioning to ultra-low sulfur heating oil?

When it comes to any industry transition, especially those that are mandated by legislation, as far as I'm concerned it's all about the bill's language! NYOHA worked diligently and in concert with the ULSHO bill's lead sponsor, New York State Senator Bill Perkins, as well as the Empire State Petroleum Association and the Oil Heat Institute of Long Island in relation to the language contained in the legislation.

Regarding challenges, there is the ongoing question of sufficient product supply and at what price. Do I think there will be an initial (and overcompensating) up-tick in price as the implementation date approaches? Probably, but I'm certain that will be short lived predicated upon an aggressive market taking advantage of a changing situation. And let's remember my thoughts about "the bill's language." The implementation date for ULSHO was originally introduced as January 1, 2012 but was negotiated to July 1, 2012, months after the end of the 2011-2012 heating season, and

months before the start of the 2012-2013 heating season. This was orchestrated to give the terminals ample time to “ramp up” and accept the new product. The end result was the legislation being signed into law in September 2010, allowing the industry 23 months to alter and fine tune. Sans a few suppliers that have indicated refinery retrofit complications, I’m certain the industry will step up and meet the demand. New York Harbor is a focal point for heating oil going to other ports and destinations as well, and to be perfectly honest, there’s far too much business taking place in the harbor for suppliers to simply walk away. It’s business as usual, so if one supplier says they can’t meet the demand others will step in and say they can meet the demand. We need to be patient and allow the all-American competitive spirit of doing business to dictate the end result. I’m of the opinion that ULSHO will be available in the New York Harbor way before the implementation date. Getting back to “...the bill’s language” once again, there’s “circuit breaker” language contained in the bill that would address high prices due to the lack of adequate supply.

Do you have any concerns about the availability of biodiesel?

Not really, mainly because of the number of biodiesel producers that have surfaced since the City’s mandate to utilize a 2% biodiesel blend was announced, and the way in which New York City Councilman Jim Gennaro’s Bioheat® bill was written. To be specific, Councilman Gennaro, who is Chairman of the Council’s Environmental Conservation Committee, was engaging and astute enough to invite NYOHA “into the tent.” Throughout the entire three-year process, Councilman Gennaro constantly asked if the industry had any questions, comments or concerns . . . making legislative proponents out of perceived industry opponents!

First off, feedstocks play an all-crucial role in the availability of biodiesel which is the component used to make Bioheat®. “The bill’s language” originally specified that 50% of the feedstock must be from “... waste oils, fats or greases...” I was sensitive to the Councilman’s reasoning, meaning let’s keep those waste products out of the City’s sewer system by having them become waste products with a value to be sold in lieu of the restaurant having to pay a waste product removing company to cart them away. During negotiations we made the argument that it’s imperative that the feedstock issue be all-inclusive instead of seemingly exclusive, so “the bill’s language”

allows the use of soy bean oil, oil from annual cover crops, algal oil, biogenic waste oils, fats or greases, or non-food grade corn oil (because of the ‘food for fuel’ issue).

Secondly, I’m all about competition because competition breeds price creativity. The vast number of biodiesel producers/suppliers that have surfaced is astonishing, and I welcome them all to New York City with open arms.

How do you expect the consumer price of biodiesel to be affected?

My crystal ball is a little foggy in relation to prospective pricing issues, but I’ll take a stab at the question. Upstream Bioheat® pricing has RINs, blender tax credits, etc. to contend with, and the outcome of those financial incentives being available for the long term will have a distinct cause and effect on the price.

Fortunately for the end-using Bioheat® consumer in New York State, the state has in place a Clean Heating Fuel Tax Credit which allows for a one cent per percent of biodiesel blend personal income tax credit. For example, if Mr. or Mrs. Oilheat Consumer is being delivered a 2% Bioheat® blend, he or she is afforded two cents per gallon personal income tax credit at the end of the year. If their Oilheat company is supplying a 5% Bioheat® blend they’re entitled to a five cents per gallon personal income tax credit, all the way up to B20 or a twenty cents per gallon personal income tax credit. Another piece of encouraging legislative news to share is the fact that in spite of New York State’s budget, (which has quite the deficit!), and although the above-mentioned Clean Heating Fuel Tax Credit expires on December 31, 2011, a tax credit extending bill was introduced mid-year and was signed into law by Governor Andrew Cuomo on November 1, 2011. The tax credit’s new expiration date is December 31, 2016. This action, to a degree, should help temper down any foreseeable price increase for the purchase of Bioheat®.



What are you doing to promote Bioheat to New York City customers?

I am a sitting member of New York City’s Clean Heat Task Force in which we actively meet and discuss ways in which to

improve the City’s surrounding environment. The City’s administration is a true believer in ULSHO blended with biodiesel, which they refer to as Clean #2 Oil. In fact, Clean #2 Oil is now recognized as being fuel neutral with utility gas in regard to air emission standards, even though we’re not quite equal to utility gas until we’re delivering B12 or a 12% blend. But the City has accepted and appreciates the great strides that the City’s heating oil industry has made to date.

Speaking from a direct consumer-relations standpoint, for many months I have been working with Paul Nazzaro of Advanced Fuel Solutions and Michael Devine of the Earth Energy Alliance. I can best describe those two gentlemen as being “Bioheat® personified!” They act as my liaison to the National Biodiesel Board (NBB). The NBB, fortunately for me through the untiring efforts of Mr. Nazzaro, initiated New York City’s recent Bioheat® advertising campaign entitled “Join the Evolution.” The campaign, which has been placed through the CBS Radio Group, encompasses a multitude of media, including 10-second Top-of-the-Hour “Powered by...” radio spots on six affiliated CBS radio stations; NYC Transit Bus King and Tailgate Displays; NYC Transit Subway Car Cards; Long Island Railroad Car Cards, and Railroad Station Platform Posters. The exposure of Bioheat® has been undisputedly magnified as witnessed by the enormous number of unique hits catalogued on www.bioheatonline.com. I would be remiss if I did not take a moment to personally thank Messrs. Nazzaro and Devine, and the Nebraska Soybean Board and United Soybean Board, who have provided funding for the NBB campaign.

What is the message you are conveying to consumers about the advantages of Bioheat?

First off, through a focus group study held on August 16, 2011 in Manhattan I learned if you want a particular target audience to read your messaging, then speak to them! Henceforth, the campaign’s outdoor media lead-in line reads “NY OILHEAT USERS,” which can easily be adapted for use by any state’s campaign by simply changing the state’s abbreviation. It’s almost as if you’re saying “Now that I have your attention, read on.” And as they read on the ads talk about how Bioheat® (1) is a renewable, (2) is cleaner for the air, (3) creates American jobs, (4) requires ‘no change’ in your existing equipment, and (5), has a cost similar to that of traditional heating oil. The advertisements

Continued ...

end by pointing the Oilheat user to www.bioheatonline.com.

The 10-second Top-of-the-Hour spots read as follows: "Powered by Bioheat, the evolution of Oilheat. Renewable home heat that requires no modifications to your heating system. Join the evolution at bioheatonline.com."



What sort of marketing potential do you see for ultra low sulfur Oilheat?

I am not as energized about the marketing potential of ULSHO as much as I am about Bioheat®. Although I truly believe the bang for your emissions buck is in sulfur reductions, the consumer-oriented marketing potential, in my opinion, remains with Bioheat®.

The term "Bio," combined with the idea of less dependence on foreign oil and partnering with America's soybean farmers reverberates a more wholesome "made in the USA" marketing approach.

The City's Oilheat dealers already have the bragging rights to match utility gas from an "as clean" perspective, but unfortunately, the disparity in price surfaces and it circles back to the economics.

There are some indications that biodiesel could cause problems with pump seals. Is this a concern at NYOHA?

The American Society of Testing and Materials (ASTM), Underwriters Laboratories (UL) and the U.S. Environmental Protection Agency, as well as Oilheat equipment manufacturers, have all verified that B5 blends meet ASTM standards and are acceptable in all current installed equipment without modification. To my knowledge there are no technical issues in the way of implementing the B2 effort in New York City.

Since the industry would like to deliver acceptable blends greater than B5, the National Oilheat Research Alliance and the National Biodiesel Board have established the Bioheat® Technical Steering Committee. As we speak, this committee is in process of conducting work to determine what level of biodiesel is acceptable with the hose/gasket materials found in existing heating oil systems. It seems logical that eventually this level will be B20 or 20%, as is the case

with on/off road diesel engines. Be mindful that several companies are currently using B20 in existing home heating oil systems without incident. The testing to confirm that a B20 level is acceptable is currently underway, and should be completed within the next 12 to 18 months. I, for one, believe the sooner we can get to B12 and achieve "air emission equality" with the utility gas industry, the better it will be for the heating oil industry and all its related parties. When I look back, the only difference between today's heating oil and the heating oil I was delivering back in 1971 ... is the color! So I'm a firm believer, within reason, that the oil industry's time has come to clean up its act.

What are the city's new regulations regarding No. 4 oil?

Any lobbyist understands that getting legislation introduced and passed has a lot to do with the art of compromise. In NYC it takes two to tango, meaning a bill needs to be introduced by a Member of the New York City Council and after its successful passage, it requires a signature by the Mayor's Office. In plain speak, Councilman Gennaro's interest was in Bioheat® and the Mayor's Office appeared to be sulfur reductions. On October 1, 2012, in addition to the introduction of Bioheat® the sulfur content of #4 oil will be reduced to 1,500 ppm. So in addition to the City's transition to "Clean #2 Oil," as it's often referred to by City officials, the City will also be transitioning to "Low Sulfur #4."

What are the other important issues facing New York City dealers in the near future?

Without a doubt it's the price of oil and the associated threat of conversions to utility gas eroding their existing customer base... and it's all about the economics. It's very difficult to defend a \$4.00 gallon of heating oil against a \$2.00 per gallon utility gas equivalent. When the energy market settles and the price disparity dissipates, most in the business agree that once a customer has converted to an alternate fuel the likelihood of getting them back is next to nil, especially if the oil storage tank has been removed. And as the industry reduces in size, sadly enough, all companies can do is "poach each other's accounts," which is obviously not very constructive but that's always been the nature of the business. Another issue of grave concern is the ability for a company to fund its account receivables and still be able pay its suppliers!

Nevertheless, we are and have always been a resilient industry that has

surmounted any issue placed before it. So onward we go because we must!

How has the loss of NORA funding affected your operations?

Ever since NORA's formal authorization effort was announced in 1995, and as NORA's sitting treasurer since its inception in February 2001, I have been, continue to be and will always remain an uncompromising supporter of NORA. Yes, the funds generated and distributed through the associations to help the industry are important, but just as important is the "esprit de corps" that NORA has afforded the 23 diverse states that comprise it. We all share in and learn from each other's pain, and then we discuss and arrive at a reasonable solution. It's all about placing those 23 (plus regional associations) Oilheat focused minds in the same room or on the same e-mail string, and in my opinion that's a unique NORA-born accomplishment.

NORA dollars to NYOHA have always been held in a separate corporation entitled the New York Oil Heating Research Alliance, far removed and firewalled from NYOHA's member company-funded operating accounts. NORA funds have never been an integral part of NYOHA's operating budget, so on the surface one could say, "No, NYOHA is not affected." But the underlying answer is NYOHA is definitely affected. Operating without NORA funding amplifies all that NORA has done for the industry by the vacuum that its non-existence has created. Education and training is at a standstill; Research, development and demonstration has been reduced to winding down existing projects, and given the price of energy, what a time for the industry to be without consumer education! NORA's reauthorization has always been a long and winding road and we've been down that road before so just be patient. As we've done twice in the not too distant past, we'll get it done in concert as an alliance of 23 states. If not in 2012 then we'll get it done the year after ... but we'll get it done.

In the interim the American Energy Coalition (AEC) is up and running and ready to meet the competing fuel challenge head on. AEC's latest initiative, which takes place in December, promotes four "Fighting the Gas Utility" webinars developed by PriMedia that will educate customer service representatives on how to handle aggressive questions about utility gas marketing. But AEC can't keep doing this without ... you guessed it ... funding! So if you want to help fund the cause, contact AEC's executive director, Tom Tubman, by e-mail at Info@AmericanEnergyCoalition.com. ☐

Three Testing Topics Every Employer Should Bring Up With Their Employees

By Matt Wrobel, Foley Services

EMPLOYEE EDUCATION IS A KEY PART OF

running a successful DOT drug and alcohol testing program. Here are three important topics that every employer should make sure that their employees are well educated about: The MRO, direct observations, and refusal-to-submit.

Employers that have to manage a DOT drug and alcohol testing program have plenty of issues to deal with. From pre-employment testing for new hires, to managing random notifications to dealing with paperwork, running a program can take up a great deal of time. That is true even if you have never had any positives or problem collections. Things can get really chaotic when you factor in employees who misbehave during the collection process or who have otherwise problematic collections.

As an employer, one of your key tools for creating a smooth and trouble-free collections process is to make sure your employees are educated about these three key pieces of the drug and alcohol testing process.

THE MRO

The Medical Review Officer is a vital figure in the process. A licensed physician who has additionally been certified for the role, the MRO acts as an impartial arbiter during the collections process.

When an employee has an initial positive during a drug test, it is the MRO that makes the final call whether the test will be a confirmed positive. Employees should know that if they are contacted by the MRO that they should be sure to both return phone calls and be cooperative.

Particularly with the Opiate and Amphetamine family of drugs, there are many legitimate reasons why the employee might have metabolites in their urine (both are common in prescription medications). It is to the MRO that employees on these medications must

plead their case. If employees do not return phone calls or requests for information in a timely fashion, they may find themselves with a positive test result.



DIRECT OBSERVATIONS

About two years ago, the DOT grew increasingly concerned about donors cheating drug tests. This was a particular problem for people who were undergoing a return-to-duty or follow-up test. As such, they overhauled the direct observation program to make it more of a deterrent.

Under the revised rules, any donor who is undertaking a return-to-duty or follow up test will perform the test under direct observation. The process has become more invasive: the donor must raise his or her clothing above the waist, lower clothing and underpants, and turn around to permit the observer to determine if he or she has any type of prosthetic or other device that could be used to interfere with the collection process.

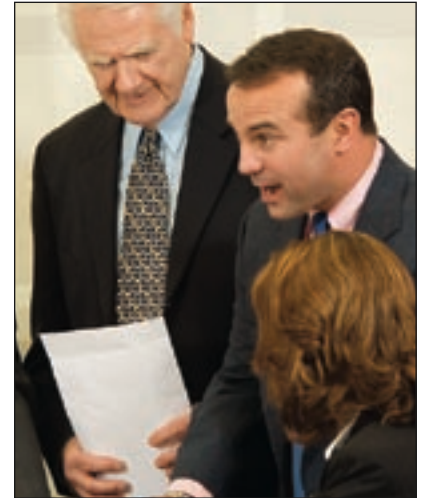
Obviously, this process was designed to make it difficult to cheat. It also, however, acts to make people think twice about violating the prohibitions. The more your employees know about this process, the more effective it will be. Make sure your employees know that they will have to undergo this process before they can return to safety-sensitive duty (for you or for anyone else).

REFUSAL-TO-SUBMIT

The third topic you should make sure all of your employees are well versed in is the refusal-to-submit criteria. A refusal-to-submit, which, as the name would suggest, is when a donor acts in a way to prevent the drug and alcohol testing process from being completed, carries the same weight and consequences as confirmed positive test result.

Below are the situations that constitute a refusal-to-submit. You should review these situations with your employees so that everyone is aware of what exactly constitutes a refusal and that the consequences are the same as a positive test.

- Failure to appear for any test within a reasonable time.
- Failure to remain at the collection/testing site until the process is completed.



- Failure to attempt to provide a breath specimen.
- Failure to provide a urine specimen for any required drug test under DOT regulation.
- Failure to undergo a medical evaluation as directed by the MRO, or as directed by the DAPM/DER as part of the "shy bladder" or insufficient breath procedures.
- Failure to provide a sufficient breath specimen or sufficient amount of urine when a physician has determined that there is no medical explanation for the failure
- Failure to take a second test that either the employer or collector has directed.
- Failure to sign the certification at Step 2 of the Alcohol Testing Form
- Failure to notify employer that covered employee was in a Post-Accident situation requiring testing or not being immediately available for Post-Accident testing without a valid reason.
- Failure to cooperate with any part of the collection/testing process.
- Admitting to the collector or MRO that the donor adulterated or substituted the specimen.
- In the case of a directly observed or monitored collection for a drug test, failure of the donor to allow the observation or monitoring of the provision of his/her specimen
- In the case of a directly observed or monitored collection for a drug test, failure to follow the observer's instructions.
- In the case of a directly observed or monitored collection for a drug test, possessing or wearing a prosthetic or other device that could be used to interfere with the collection process. ☒

SELKIRK TERMINAL COPEs WITH WATER CONTAMINATION

The Enterprise TE Products Pipeline terminal at Selkirk, N.Y. suspended operations last month to deal with a water contamination issue. The terminal closed on November 8 after water fouled some of the propane supplies, then closed again after more water problems were reported. Propane, when mixed with water, can freeze and be unusable for heating or cooking.

"The first indication of any problems showed up approximately 24 to 48 hours after the initial wet loadings when we were notified by a couple of shippers who were experiencing product issues," Enterprise spokesman Rick Rainey told OPIS. "Given the limited and sporadic number of initial inquiries, we worked under the presumption that the events were isolated and based our monitoring plans accordingly. As additional reports of loads containing water came in, it became clear that the problem was more widespread than originally thought and we began taking more aggressive steps to isolate the suspect product and making arrangements with customers to replace the unusable product."



NEW YORK RESIDENTS SPEAK OUT ABOUT PROPANE STORAGE PLAN

A plan to build a \$40 million propane storage facility in Reading, N.Y., drew both support and opposition during a recent New York State Department of Environmental Conservation hearing in Watkins Glen, N.Y. More than 100 local residents turned out for the hearing, which focused on Inergy Midstream LLC's proposal to develop storage for up to 88 million gallons of LPG in underground salt caverns near Seneca Lake, N.Y.

Schuyler County officials, while not taking a stand on the project, estimate building the project could pump at least one million dollars into the local economy and create up to 10 factory jobs.

Joe Porco, vice president of Porco Energy, in Marlboro, N.Y., spoke in favor of the plan. "It's like anything else, if it's done right and done professionally and

administered professionally, it will be safe," he said.

The project also received the endorsement of Roland Penta, of Geneva, N.Y., owner of Phelps Sun Gas. "I've lived here my entire life and have been in the propane industry my entire life," he said. "Propane is non-polluting. Propane does not mix with water, so if it ever reaches the lake it won't pollute the water. It'll disperse into the atmosphere."

Phil Squair, senior vice president of the National Propane Gas Association, also spoke in favor of the project, noting that New York is the 11th-largest propane-consuming state in the country, with a quarter of a million customers. "As recently as the winter of 2008 and 2009, we saw propane supply disruptions to states in the Northeast," Squair said. "Local propane marketers in the area were forced to truck propane supplies in from the Midwest and from the Gulf Coast," he said. "The outcome of this was temporary outages for some dealers and a rise in prices from their customers."

"If we're going to increase the number of families that use propane instead of fuel oil, which is happening now, we need to be able to store enough supplies locally so that these new customers can be served," Squair said.

The opposition also spoke out. Attorney Rachel Treichler, of Hammondport, N.Y., said, "I don't think that we need any more gas storage next to Seneca Lake. I think we should be reconsidering what's here already and maybe close what we already do have down and put it in a safer location."

Bob Fitzsimmons, of Hector, N.Y., said, "The Finger Lakes is the crown jewel of the State of New York. We're a region for tourism and geographic beauty. Our community already takes enough of the risk for propane storage in the Northeast. We don't need any more."

BUS CONTRACTORS ADDS 25 PROPANE VEHICLES

School bus contractor Atlantic Express and Collins Bus Corp. recently announced the purchase of 25 new Type A, propane-powered vehicles for the Los Angeles Unified School District.

Serving 100 school districts nationwide, Atlantic Express is the fourth largest private school bus operator in North America, and Collins is the majority market shareholder in the small school bus manufacturing market.

"Atlantic Express is an important customer for us and they operate our buses at multiple locations across the country,"

said Kent Tyler, president of Collins. "They should be applauded for their efforts in converting to clean fuel technologies."

The school buses purchased for LAUSD are built on a GM chassis with liquid propane injection systems provided by CleanFUEL USA, the same platform that Collins has used since first introducing its propane NEXBUS two years ago. The bus went into full production in July 2010.

Collins said propane lowers fuel costs for school districts and contractors while reducing greenhouse emissions more than either gas or diesel. Other advantages include extended oil life and longer engine life from lower carbon production.



PGANE ISSUES REMINDER ON RMPs

The Propane Gas Association of New England (PGANE) reminds propane retailers that they need to have Risk Management Plans (RMPs) for any facility that derives more than 50 percent of its revenue from wholesale. PGANE issued the reminder after learning that the U.S. Environmental Protection Agency was seeking a list of all Massachusetts propane wholesale facilities from the state Fire Marshal.

MAINE PROPANE FACILITY FACES OPPOSITION

DCP Midstream is considering building a propane distribution terminal and storage tank in Searsport, Maine, but local opposition is considerable. The Maine Department of Environmental Protection has approved the project, but the Colorado-based company has yet to submit a formal application to the Searsport Planning Board. A recent public hearing on the project drew hundreds of local residents.

DCP Midstream says that basing the facility at the existing port at Mack Point would greatly increase the amount of propane going to Maine and other markets in the Northeast. But area residents charge the project will spoil the surrounding coastline and greatly increase truck traffic on Route 1.

The Reeducation of the Retail Energy Dealer

Adapt to challenging times with more training and better preparation

By Adam Kovacs, Hedge Solutions

THIS ARTICLE IS A FOLLOW-UP TO OUR October 2011 article about the heating oil dealer employing a diversified strategy. In order to successfully deal with any sort of a business environment, the fuel oil dealer needs to have the foresight and ability to reallocate capital to the areas of the portfolio that present the most value and potential for successful growth, given certain parameters.

For example, in this market, investing in sales associates when overall industry gallons are decreasing due to structural changes in consumer consumption habits, is not an advisable tactic. Clustered within this segment is industry cannibalization, where dealers are reducing margins and cutting variable overhead as quickly as possible in the hope of avoiding account losses and even acquiring competitors' clients.

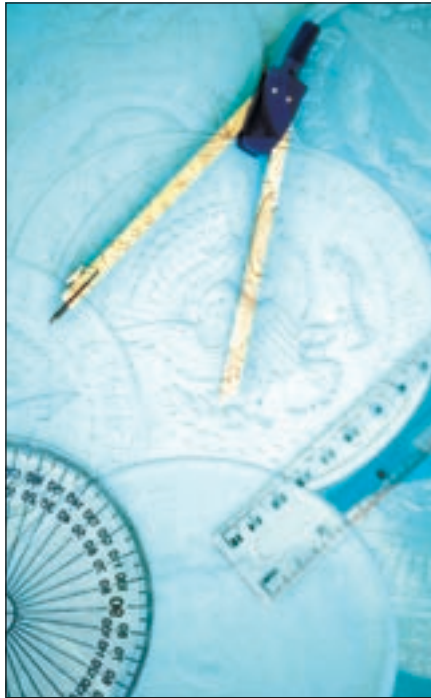
OPPORTUNITY IN HARD TIMES

Without getting into the details, let us make some assumptions about the economy. First and foremost the environment is going to be tough, no matter what, for quite a few years. There is no easy fix to the worldwide debt crisis, and long periods of deleveraging inevitably bring about slow, low levels of growth if any at all.

What is being lost in this sea of dark clouds is that these downturns are a normal part of business cycles and do not mean that opportunities do not exist. The question is: How can the energy dealer leverage this information about the consumer and their change in spending habits to not only keep the doors open but also maintain margins at acceptable levels?

By now everyone has read the countless articles with the unlimited solutions, and discussed how tough the current economic environment is and how badly the downturn has affected their businesses. During times of normal economic growth and expansion, consumers would conserve energy, minimizing costs by way of technological advancements and investments, essentially choosing to deploy their capital in the present rather than at a later date.

However, what is being witnessed today is quite the opposite as consumers have elected in light of the economic conditions, tighter budgets, and fear of losing their jobs to become net savers and therefore resort to adaptive responses by reducing their consumption without employing any



investment capital. So where can the dealer potentially unlock some hidden value-added solutions that will add to their bottom line?

1. EDUCATE THE SERVICE DEPARTMENT. When consumers are more reluctant to employ investment capital in the present, they are less likely to go out and buy big ticket items that will increase energy efficiency or replace existing systems. Consumers are more likely to take something to the repair shop or call up a service provider, patch it up, and move on. This is the cue to consider the following: more training and certifications for service department technicians not only in home heating oil applications, but alternative energy sources, such as electricity and natural gas as well allows your business to service a wider segment of the population, opening up the possibility for more revenue.

2. EDUCATE THE CSR. The results are in. Consumers are stressed out more than ever, and some are barely getting by. Then they see their latest energy bill, and your company gets the call where they empty out all of their built-up stress on your unfortunate customer service rep.

Make sure your CSRs are well-versed on how to deal with these situations. Having

a reference sheet of answers to potential questions and problems will enable them to satisfy the customer while reducing time spent on the phone, making your operations more efficient.

Does your company offer a market-price budget program? Do your customers know that you offer one? Now may be a good time to introduce them to the idea. However, remember that the program is only as good as your CSR's ability to explain it. Weekly meetings to review these issues and educate employees on program offerings, discounts, etc. are great proactive measures that not only will add to the bottom line but ease tension in the office.

3. EDUCATE YOURSELF. While the advent and acceleration of information technology has eliminated global financial borders (or allowed for easier movement of capital) and thus increasingly marginalized the unskilled labor force, this does not mean that several opportunities do not exist for you, the skilled business owner.

Continuing education is a big part of the puzzle for every successful business owner that wants to expand – or at least continue to be successful. You can take classes on the latest information technology or use YouTube, where many universities and professors now post their daily lecture material online. You can find entire channels dedicated to Internet marketing, programming, lectures on economics and finance, and even Excel business application.

There is no excuse in this environment for a business owner to not attend (whether in person or otherwise) a seminar on hedging, information technology, or energy-related business once a month. Sending employees to association and industry events for educational purposes is also advisable. Remember, as you and all your employees grow smarter and more efficient, so goes the business's overall profitability.

Here at Hedge Solutions, we not only help our clients reclaim their margins through unique and forward-looking solutions, but we also strive to educate the dealer and their staff through Hedging College and Advanced Hedging College. These seminars are energy-industry-specific and discuss fundamental and technical aspects of the business while taking an educational approach to risk management. ☐

M&G DURAVENT NAMES NEW EXECES

M&G DuraVent has recently made some key management changes to its organizational structure. **Victor Lambert** has accepted the new position of senior vice president, Enterprise Resource Planning (ERP). His background is perfect for his new position, including roles with DuraVent's finance department, acquisitions and most recently, as general manager of DuraVent's Vacaville, Calif., manufacturing plant.



Ritch Blackstead has joined M&G DuraVent as new plant manager for the Vacaville plant. He has 15 years of experience in the hearth industry, serving most recently as the plant manager for Selkirk, in Idaho.

M&G DuraVent has maintained and grown its market share despite a weak economy and a lagging housing industry.



Todd Lampey has led the sales efforts to achieve this success, and has been promoted to Vice President of Distribution Sales. Lampey will focus sales efforts on hearth, HVAC distribution and plumbing distribution, in addition to retail markets.

To focus sales management in the growing OEM and Commercial markets,



M&G DuraVent has hired **Tim Rothgeb** as Vice President of Commercial and OEM Sales. Rothgeb has worked in the HVAC/Hearth industry his entire career, beginning in the engineering department of Lennox International, later serving as their international marketing manager. Since 1999 he has served in varying sales and marketing roles at Selkirk, and will also manage marketing efforts within M&G DuraVent.

M&G DuraVent is a member of the M&G Group, one of 13 companies in the privately held consortium. M&G companies develop, manufacture and market flue and ventilation systems. For more information concerning M&G DuraVent, contact marketing@duravent.com.

SOURCE NA UPDATES WEBSITE

Source™ North America Corp., an Addison, Ill.-based fueling equipment distributor, has launched its new website located at www.sourcena.com. The new site reinforces Source's recently launched brand image and marketing campaign. It is designed

to provide visitors with a customer-friendly, ease-of-use experience and a wealth of valuable information about Source™ solutions for dispensing; POS and fuel management; piping and containment systems; storage tanks and equipment; canopy lighting; and submersible pumps. For more information on Source™, please call (800) 572-5578, or visit www.sourcena.com.

Products**TACO INTRODUCES IPHONE APP**

Residential and commercial HVAC professionals on job sites and on the road can now quickly and easily find the Taco centrifugal pump to meet their specific system requirements with a new, free iPhone app. The Taco HVAC Pumps app is available free from the Apple iTunes store. It can also be found within the store by searching for "TacoHvac."

With the Taco HVAC Pumps app, users can view the performance characteristics of each pump based on specified flow and head conditions, and can e-mail the results from within the application. The app also gives mobile access to the entire document library on the Taco website, www.taco-hvac.com. The app connects users to product catalogs, instruction sheets, and wiring diagrams. It can also locate the nearest sales representative or call Taco tech support.

The Taco HVAC Pumps app is just the first in a planned family of apps for mobile specifying. Please visit the iTunes store to download the free app. For more information, visit taco-hvac.com.

BOSCH HEAT PUMP WINS ENERGY STAR® AWARD

Bosch Thermotechnology North America, a leading manufacturer of water source and geothermal heat pumps, solar thermal systems, tankless water heaters and condensing boilers, has announced that its TA Series Geothermal Heat Pump has been awarded ENERGY STAR® Most Efficient Designation for 2011 – the only complete geothermal line in the industry to meet such criteria.

Utilizing the natural energy found beneath the Earth's surface, geothermal technology is a super-efficient and environmentally responsible method for heating and cooling homes and businesses. The Environmental Protection Agency (EPA) states that geothermal heat pump systems are 45 percent more efficient than standard options. The Bosch TA series, by comparison, will provide almost 60 percent savings over geothermal systems that meet the federal minimum efficiency standards.

ENERGY STAR® Most Efficient designation is only given to a select set of super-efficient products that exceed standard ENERGY STAR® levels by a wide margin. Products receiving this designation also prevent greenhouse gas emissions by meeting the EPA's rigorous energy efficiency performance levels.

Built to provide precise heating and cooling with less energy consumption, the Bosch TA Series offers flexible installation applications including vertical, horizontal, counter flow and split system configurations from two to six tons. For more information, visit bosch-climate.us.

CALEFFI'S DATA LOGGER GATHERS AND STORES DATA

The Caleffi DL3 data logger enables the acquisition and storage of large amounts of data (such as energy metering and recorded values of the solar system) over a long period of time when connected to up to six iSolar™ controllers. Additionally, the DL3 has three inputs for Pt1000 temperature sensors and one 4-20 mA Current Loop analog input.

BACnet/IP functionality for BACnet-conform transmission and reception of data is built-in. A configuring IP address and password protection allows for access from any PC with a LAN connection for system monitoring of energy metering or for reviewing system performance, without additional software. Download data through the Web interface, an SD memory card or a USB cable for further data processing in spreadsheet programs.

Caleffi began serving the ever-expanding hydronic and solar thermal heating market in North America since 2003 with innovative products that help customers live comfortably and economically while softening their impact on the environment. For more information, visit caleffisolar.us.

RESEARCH OFFERS HOPE FOR OIL SANDS INDUSTRY

Recent research into liquid salts could help the oil sands industry produce petroleum products more efficiently.

Paul Painter, a professor of polymer science at Pennsylvania State University, is conducting research to determine whether the ionic liquids can make extraction of oil from sands more efficient. Painter had been using ionic liquids to try to get nanoparticles to mix with polymers, but he realized that they could also be used to help separate different materials — in this case, oil from sand. An ionic liquid is a salt that is liquid at temperatures below the boiling point of water.

Painter has since demonstrated in the laboratory that ionic liquids have the potential for greatly reducing the amount of water used in the oil sands industry. If he can scale up the process, and if it is adopted, it could go a long way to making the oil sands industry more environmentally sound.

The U.S. is hoping to import more Canadian oil made from oil sands via the Keystone XL Pipeline. Environmentalists have opposed the pipeline, claiming that oil from the oil sands is inefficient to produce and refine.

HOMEBUILDERS PUSH FOR LOWER ENERGY USE

More than 400 construction firms, including several of the largest American homebuilders, plan to follow new efficiency standards that will require new homes to use about 30 percent less energy than a typical house, the U.S. Environmental Protection Agency has announced.

Starting in 2012, homes that get the Energy Star label will need to follow the new “Version 3” standards, which focus on properly installed insulation, high-performance windows, efficient air conditioning, Energy Star-certified lighting and low-energy appliances. They will use an estimated 15



percent less energy than homes built under the International Energy Conservation Code that was issued in 2009.

The companies that have committed to use the voluntary standards for a majority of their housing divisions include Reston, Va.-based NVR Inc., Los Angeles-based KB Home, Atlanta-based Beazer Homes and Scottsdale, Ariz.-based Meritage Homes Corp. — four of the 10 largest U.S. builders, according to the 2010 rankings by Builder magazine.

The standards for homes, which are jointly overseen by EPA and the Energy Department, have allowed 1.2 million new houses to save an estimated \$350 million on their utility bills. Once they are fully implemented next year, the new standards will have “raised the bar” for efficiency, EPA said in a statement.

The new standards replace the Version 2 standards that were put in place in 2006. About 25 percent of all single-family homes built last year earned Energy Star labels under the previous standards, up from 21 percent the previous year.

GAS PRODUCERS SEEK MILITARY-STYLE PR

Some gas industry executives are recommending a military-style public relations campaign to soothe concerns about hydraulic fracturing, according to a recent report on FuelFix.com.

During a recent oil and gas conference in Houston, presenters from Anadarko and Range Resources advised attendees to adopt military-style tactics for addressing the public about hydraulic fracturing and other industry practices. One presenter from Range Resources told conference attendees that the company has hired psychological operations experts whose background in the military “has applied very helpfully” in soothing local concerns about hydraulic fracturing in Pennsylvania.

Separately, Matt Carmichael, Anadarko’s external affairs manager — and a former Marine — recommended conference attendees borrow lessons from the Army and Marine Corps’ counterinsurgency manual, “because we are dealing with an insurgency.”

Anadarko spokesman John Christiansen said the company recognizes “that building trust in our communities is essential” and that the comment reflected an interest in being more transparent with the public: “The comment was suggesting the industry’s need to embrace a broader move toward more active community engagement and transparency, as we believe it is very

important to build fact-based knowledge to maintain public trust amidst special interests that often use misinformation to create fear.”

In recent years, industry leaders have openly acknowledged their shortcomings in explaining drilling techniques and safety methods to the public, particularly in Pennsylvania and other areas where energy companies are using hydraulic fracturing to extract natural gas from dense shale rock formations.



NJ UTILITY WILL CREDIT CUSTOMERS \$71.2M

New Jersey Natural Gas recently notified the New Jersey Board of Public Utilities that it will implement a bill credit totaling \$71.2 million for residential and small commercial sales customers. The credit will be in effect for natural gas usage between December 1, 2011 and January 31, 2012, and is expected to save the average customer approximately 37 percent over the two-month period.

The bill credit will save customers approximately 44 cents per therm and will be based on each customer’s usage during the time it is in effect. A typical residential customer will receive credits in their December and January bills totaling approximately \$160, or 37 percent. At current prices, the average customer using 363 therms over the two months would see their bills decrease from \$433 to \$273.



Connecticut

STATE PLANS TO AUDIT PRICING PROGRAMS

The Department of Consumer Protection (DCP) recently sent an audit letter to all registered heating oil and propane dealers (HODs) asking them to document if they offer prepay, fixed, capped, and other guaranteed price contracts for heating oil and propane during the 2011-2012 heating season. All HOD holders were required to return a notarized copy of the audit statement stating if they offer guaranteed price contracts. DCP will conduct random follow-up audits of HODs during the heating season to confirm compliance with law. For information, contact Joe Gilberto at DCP at 860-713-6174.

Maine

STEPHEN KING PLEDGES \$70,000 FOR FUEL AID

The most famous resident of Bangor, Maine, author Stephen King, is challenging Maine residents to help their own stay warm this winter with up to \$70,000 in matching funds that could yield up to \$140,000 in fuel assistance, according to the Bangor Daily News.

King, who owns Bangor radio stations WZON 620 AM, WKIT 100.3 FM and The Pulse 103.1 FM, announced that the Stephen and Tabitha King Foundation would work with the radio stations to try to raise as much as \$140,000 to be used for fuel assistance for low-income Mainers in the stations' broadcast area. "We'll match up to \$70,000 of the amount raised," King said in a telephone interview. "This economy is terrible and Tabitha and I both worry so much about Bangor because it truly is a working-class town and we are always looking for ways to help, and right now this is a great need."

The U.S. Department of Health and Human Services has notified MaineHousing to expect \$23 million in LIHEAP funds this winter, down from \$55.6 million last year. King said that as the need of the people increases, the help from the government decreases. "And on top of it the price of fuel continues to rise. The cost goes up, the need goes up and the assistance goes down. That's the bottom line. That's what is happening," he said.

As part of the stations' "Help Keep ME Warm This Winter," Pat LaMarche, host of The Pulse "Morning Show," planned to live in the cold for several days later this month, said station manager Bobby Russell.



GOVERNOR EYES EFFICIENCY FUNDS TO COVER LIHEAP SHORTFALL

If Maine doesn't receive its full allotment of federal heating assistance funds, Gov. Paul LePage has said he would ask the Legislature to take funds from Efficiency Maine to bridge the gap, according to the Bangor Daily News. LePage recently told an audience at Colby College that he would seek to dip into Efficiency Maine, a quasi-state agency that is funded through electricity bill surcharges and federal money. The group's mission is to promote energy efficiency and offer incentives to home and business owners.

Over the next two years, Efficiency Maine is funded at \$53.5 million. LePage said the cuts to LIHEAP could pose an immediate need whereas Efficiency Maine's programs are largely long term, but he hoped that an alternative would not be necessary. The U.S. Department of Health and Human Services recently notified MaineHousing, which distributes the state's LIHEAP funds, that it should expect to receive \$23 million to fulfill its program obligations, down from \$55.6 million last year. According to MaineHousing, last year, approximately 64,000 households received LIHEAP assistance. Slightly more than half of the households included seniors or disabled persons. The average benefit was \$804.

Rep. Jon Hinck of Portland, the lead Democrat of the Legislature's Energy, Utilities and Technology Committee, said he doesn't think the Legislature should consider shifting Efficiency Maine funds and criticized the governor for suggesting it, according to the Daily News. "I think he's hostile to energy efficiency efforts for whatever reason," Hinck said. "It doesn't sound as good to him as a nuclear power plant or expanding natural gas. But efficiency creates savings that are cheaper than any other form of assistance. Why doesn't he talk about that?"

A recent report by the Northeast Energy Efficiency Partnerships evaluated states on energy efficiency performance and found Maine to be struggling, in part because Maine legislators have failed to fully fund Efficiency Maine.

Massachusetts

STATE MIGHT ENACT LOW-SULFUR REGULATIONS

The Massachusetts Oilheat Council (MOC) reports that the state Department of Environmental Protection (DEP) is pursuing new regulations that would

require the use reduced-sulfur heating fuel in the years ahead. The regulations would require 500 ppm sulfur heating oil in 2014, switching to 15 ppm by 2018. Officials have told MOC that a draft proposal of the regulation is finishing internal DEP review, which will be followed by review/sign-off by the governor's office, and then move to public hearings.

New Jersey

FMA WILL PARTICIPATE IN DRY CLEANER'S LAWSUIT

The Fuel Merchants Association of New Jersey will participate as a friend of the court in a legal action that could have far-reaching implications for the industry. The state Department of Environmental Protection (DEP) is seeking to hold defendants strictly liable under the Spill Act for offsite damages whether or not the NJDEP can establish a causal connection between the defendant's discharge and the damages. FMA Executive Vice President Eric DeGesero explained, "The underlying case involves a dry cleaning business, but you only need to substitute 'heating oil bulk plant' or 'gasoline service station' for 'dry cleaner' and the case might be the same.

Steve Picco, counsel to both FMA and the Chemistry Council of New Jersey, will file a joint brief to collectively represent every level of responsible party in the state and present a compelling public policy argument to the Supreme Court. "Our intent is to limit the NJDEP's ability to simply decree a business is responsible for an offsite discharge without establishing a causal connection between the defendant and offsite damages," DeGesero said.

ENERGYEXPERTSNJ CAMPAIGN CONTINUES WITH NEW BILL STUFFER

Fuel Merchants Association Communications Chair Sally Pierson, of Dixon Bros., has announced that the committee is finishing work on another issue of the EnergyIdeas bill stuffer in conjunction with PriMedia, Inc. "The committee met recently and decided to continue to fund the EnergyExpertsNJ campaign through the end of the year," Pierson said. "Our goal is to improve the Internet search feature for our website and be able to direct searches to FMA members, their Energy Experts. We also decided to publish a fall issue of EnergyIdeas with the focus on the benefits of upgrading."



Continued ...

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Pennsylvania PPMCSA WORKS TO SAVE EAST COAST REFINERIES



The Pennsylvania Petroleum Marketers and Convenience Store Association (PPMCSA) is reaching out to government leaders for help in preventing the loss of refining capacity along the Delaware River. At issue is the threatened closure of two Sunoco refineries (Philadelphia and Marcus Hook) and one Conoco-Phillips refinery (Trainer), whose owners have said they will close down if they cannot find buyers in the months ahead.

Meanwhile, a coalition of regional Congressmen and Senators has asked the U.S. Energy Information Administration (EIA) to study the effects that the refinery closures could have on petroleum supplies. "As evidenced in the significant market disruptions in the wake of Hurricanes Katrina and Rita in 2005, the location of our refining facilities and distribution networks is significant," the legislators wrote. "A large amount of production shifted to the East Coast while Gulf Coast facilities recovered from the storms. Today, demand for refined products continues to rise as the economy recovers and developing nations increase their consumption. This will only increase pressure on the industry to manage supply and meet demand, as domestic refining capacity shifts and contracts.

"We are writing you today to request that the Energy Information Administration conduct a thorough analysis of the potential

State News

impacts of these three Mid-Atlantic refinery closures. A broad range of

American families and businesses could be negatively impacted by further reduction of U.S. refining capacity. ... We wish to understand how the closure of these three facilities might affect the supply of refined products. Specifically, we wish to discern the possible effects on: supply; distribution; dependence on imports; prices; and market volatility for refined products, including regional disparities therein," they wrote.

Vermont

VERMONT REVISES PROPANE LAW

The state's Legislative Committee on Administrative Rules (LCAR) recently approved a major revision to CF-111, Vermont's 25-year-old propane law. VFDA members Michael Griffin of Suburban Propane and Kevin Bayley of Heritage Propane attended a hearing on the law along with Vermont Fuel Dealers Association Executive Director Matt Cota.

The approval ends a five-month process by the Vermont Attorney General's Office to incorporate CF-111 with the propane regulations in Act 47, also known as the Vermont Energy Act of 2011. The rule revision is also intended to provide further clarity to both dealers and consumers. The rule will go into effect on January 1, 2012. VFDA is assembling a guidance document that will soon be available to members.

JURY SETTLES DISPUTE OVER FUEL BUSINESS

A jury in Montpelier, Vt., recently awarded \$2.5 million to the owners of a Vermont fuel company in their lawsuit against the company's former owner. Lindsay and Jim Kurrle were the winners in the lawsuit, which pertained to Kurrle Fuels, of Montpelier. The jury ruled that Robert Foti, who sold the business to the Kurrles in 2004, violated a non-compete agreement and reneged on part of the deal. Foti helped set up Packard Fuels, which competes directly with Kurrles, according to the lawsuit.

MERGED UTILITY WILL KEEP NAME

The new company created by the merger of Green Mountain Power and Central Vermont Public Service will be called "Green Mountain Power" and will adopt CVPS's three sub-brands and a new logo that connects the traditions of both companies. Pending the sale of CVPS to Gaz Métro, a leading Quebec energy company and GMP's parent, CVPS and GMP are expected to merge in 2012.

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Customer Credit

Durbin Amendment Could Yield Benefits

EDITOR'S NOTE: AVATAS Payment Solutions has provided the following question-and-answer article to help retailers understand how the Durbin Amendment affects debit card payments and fees.



on October 1, 2011 and the processing statements for that month should show the savings. Sometimes the individual transactions are not broken down but the total fees for debit Interchange should be lower they were the month before (depending on volume of transactions.)

Q: Will all our readers receive benefits from the Durbin Amendment?

A: Yes and no. If their merchant accounts are set up on the correct pricing program they will automatically see the benefit. If they are set up on some older pricing methods, there is a chance they are not seeing the full benefits and should check with their processor or with us and we would be happy to guide them in the right direction.

Q: We have read in some places about "hiding" the benefits of Durbin. What does this mean?

A: Again, if merchants, and in this case fuel dealers, are set up on the correct pricing program, there is no way to hide the benefits. All dealers that are receiving Utility pricing should be set up on what is known as Interchange Plus pricing and all savings will be passed on instantly. If some readers are non-Utility merchants they should still see benefits.

Q: When will readers see the benefits of Durbin?

A: They should already be seeing the benefits today. Durbin went into effect

Q: Do all debit cards qualify for the Durbin Amendment?

A: No. Only debit cards issued by financial institutions larger than \$10 billion (regulated) automatically qualify for the Durbin Amendment, if your processing account is set up correctly. Debit cards issued by financial institutions smaller than \$10 billion (unregulated) will qualify for the appropriate interchange category but do not benefit from the Durbin Amendment.

Q: What if a processing salesperson says they can get all my debit cards to qualify for Durbin?

A: The short answer is they aren't educated in the processing rules. There is no way for any one processor to change the regulation. All processors are required to implement Durbin under the exact same guidelines.

Q: What should readers do if they have any questions about the Durbin Amendment or any other questions about credit card processing?

A: We are always just a phone call away. We have worked exclusively with heating fuels retailers for the past nine years and enjoy supporting your industry. You can reach us at 866-849-8800 or info@avataspayments.com. ☐

SURVEY REFLECTS OPTIMISM IN HVACR

In a survey of more than 1,000 International Air-Conditioning, Heating, Refrigerating Exposition (AHR Expo) exhibitors, HVACR manufacturers expressed optimism about the economic outlook for 2012, according to a story in ACHR News. Nearly three-fourths (72 percent) of the total respondents expect a better year (59 percent) or a much better year (13 percent) in 2012 compared to 2011. Twenty-four percent replied that sales would be the same, while only 4 percent are expecting a worse year

The total of 72 percent of respondents expecting a better year in 2012 is up six percent from last year's survey that found 66 percent of respondents expecting 2011 to be better than 2010. All categories of predictions for 2012 were up from 2011 forecasts, including those for a much better year (13 percent vs. 9 percent) and a better year (59 percent vs. 57 percent). Likewise, only 4 percent predicted a worse year in 2012 compared to 7 percent in 2011.

Another positive survey finding is that 82 percent of respondents expect sales to increase in 2012, with 29 percent anti-



patting increases of more than 10 percent. An additional 36 percent said sales would increase 5-10 percent, while 17 percent expect sales to increase less than 5 percent. Eighteen percent expect sales to stay the same.

This overall optimistic 2012 outlook may be due in part to the fact that 76 percent of the respondents believe there is pent-up demand for new products.

Calendar

For the industry's most comprehensive full year calendar, visit: www.nefi.com/calendar

February

- 5-8 National Biodiesel Conference & Expo**, Gaylord Palms Resort & Convention Center, Orlando, Fla.
Website: www.biodieselconference.com. Phone: (303) 798-3664
- 16-19 Michigan Petroleum Association / Michigan Association of Convenience Stores, Winter Seminar**, Walt Disney World, Orlando, Fla.
Website: www.mpamacs.org. Phone: 517-622-3530
- 21-23 Western Petroleum Marketers Association National Convention & Convenience Store Expo**, Mirage Convention Center, Las Vegas, NV
Website: www.wpma.com/national-convention. Phone: 801-263-9762
- 29 Southeast Petro-Food Marketing Exposition, Myrtle Beach Convention Center**, Myrtle Beach, S.C.
Website: www.sepetro.org. Phone: 919-782-4411
- March**
- 1 Southeast Petro-Food Marketing Exposition, Myrtle Beach Convention Center**, Myrtle Beach, S.C.
Website: www.sepetro.org. Phone: 919-782-4411
- 13-15 Midwest Petroleum And Convenience Tradeshow**, Indiana Convention Center, Indianapolis, Indiana
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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	11/25/11	11/18/11	Year Ago	District	11/25/11	11/18/11	Year Ago
East Coast (PADD I)	22.2	21.2	24.0	East Coast (PADD I)	3.3	3.0	4.7
NEW ENGLAND	2.0	1.6	2.5	NEW ENGLAND	0.1	0.1	0.2
MID-ATLANTIC	10.2	10.5	10.4	MID-ATLANTIC	2.4	1.9	3.1
SOUTH TO FLA.	10.0	9.2	11.1	SOUTH TO FLA.	0.9	1.0	1.4
Midwest (PADD II)	23.5	21.8	23.6	Midwest (PADD II)	1.4	1.4	1.3
Gulf Coast (PADD III)	32.4	32.7	35.1	Gulf Coast (PADD III)	3.1	2.9	3.4
Rocky Mtn. (PADD IV)	2.6	2.4	2.7	Rocky Mtn. (PADD IV)	0.3	0.2	0.2
West Coast (PADD V)	10.4	9.8	10.2	West Coast (PADD V)	0.9	0.9	1.2
U.S. Total	91.1	87.9	95.6	U.S. Total	9.0	8.5	10.7
Greater than 500 ppm (0.05%) Sulfur				TOTAL DISTILLATE STOCKS			
	Week Ending				Week Ending		
District	11/25/11	11/18/11	Year Ago	District	11/25/11	11/18/11	Year Ago
East Coast (PADD I)	31.1	30.0	41.7	East Coast (PADD I)	56.7	54.2	70.04
NEW ENGLAND	9.5	9.3	10.4	NEW ENGLAND	11.5	11.0	13.1
MID-ATLANTIC	20.4	19.5	29.2	MID-ATLANTIC	33.0	31.9	42.7
SOUTH TO FLA.	1.3	1.1	2.1	SOUTH TO FLA.	12.2	11.4	14.6
Midwest (PADD II)	0.9	0.9	1.2	Midwest (PADD II)	25.7	24.1	26.0
Gulf Coast (PADD III)	5.3	4.7	7.1	Gulf Coast (PADD III)	40.8	40.3	45.6
Rocky Mtn. (PADD IV)	0.1	0.1	0.2	Rocky Mtn. (PADD IV)	2.9	2.7	3.0
West Coast (PADD V)	1.1	1.0	1.6	West Coast (PADD V)	12.4	11.6	13.0
U.S. Total	38.4	36.6	51.8	U.S. Total	138.5	133.0	158.1

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, 2011, through Oct. 22, 2011, has been 1 percent warmer than last year and 1 percent cooler than normal.

Location	Current	Normal	% Change
	7/1/11 thru 11/26/11	7/1/11 thru 11/26/11	Current vs. Normal
Boston	687	946	-27%
Chicago	955	1164	-18%
Hartford	909	1133	-20%
New York	585	728	-24%
Philadelphia	621	766	-19%
Pittsburgh	932	1091	-15%
Portland	1078	1444	-25%
Providence	803	1025	-22%
Raleigh	505	569	-11%
Richmond	525	645	-19%
Washington	562	627	-10%

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	11/25/11	10/18/11	Change
Ashland Inc.	ASH	48.20	48.45	-0.5%
BP-Amoco	BP	43.86	41.11	6.7%
ChevronTexaco	CVX	92.29	104.15	-11.4%
Conoco Phillips	COP	66.14	70.00	-5.6%
ExxonMobil	XOM	73.90	79.51	-7.0%
Global Partners	GLP	20.67	15.18	36.2%
Hess Corp.	HES	54.33	58.21	-6.7%
LUKOIL	LUKOY	51.60	55.80	-7.5%
Marathon Oil	MRO	24.66	24.84	-0.7%
National Grid Plc	NGG	48.71	50.94	-4.4%
Occidental	OXY	86.69	84.98	2.0%
Royal Dutch Shell Plc	RDSA	64.77	69.66	-7.0%
Star Gas	SGU	4.94	4.92	0.4%
Sun	SUN	36.26	35.71	1.5%
Tesoro Petroleum	TSO	22.37	26.28	-14.9%
Total	TOT	46.77	51.76	-9.6%
Valero Energy	VLO	20.23	23.39	-13.5%

SAVINGS LAG FROM EFFICIENCY UPGRADES

A recent national survey finds that many Americans aren't making their homes more energy-efficient, despite hundreds of millions of dollars spent by utilities and government programs.

The survey, the seventh annual Energy Pulse™ survey conducted by Shelton Group, found those who said their utility bills had dropped had completed an average of four home improvements, such as adding insulation or installing a high efficiency water heater. Those who said their bills had increased by 10 to 30 percent, on the other hand, reported an average of only 2.3 improvements.

"People have to do more – at least four energy efficiency improvements – to make a real impact on their utility bills," said Suzanne Shelton, president of Shelton Group. "Unfortunately, Americans aren't reaching that magic number, even though the government and utilities have spent hundreds of millions of dollars to get them to act."

The survey, which polled 1,502 Americans, found only 42 percent of Americans have installed high-efficiency windows; 39 percent have installed extra insulation; 37 percent have installed a higher-efficiency heating or cooling system; and 24 percent have installed a higher efficiency water heater.

Meanwhile, only 15 percent of respondents said they had gotten a home energy audit. "Home energy audits continue to be the colonoscopy of energy efficiency," Shelton said. "Everyone should get one, but too few actually go through with it."

"The top energy-saving driver for the vast majority of Americans continues to be about dollars and cents," Shelton said. "It's a green decision to save energy – but for consumers, it's the green in their wallets that matters most."

The survey also found that lower-income Americans would rather bear the pain of higher utility bills than make their homes more energy efficient, because they can't afford the improvements needed to lower their bills.

"It seems counter-intuitive that lower-income Americans would be willing to let their energy bills skyrocket before making energy-efficient improvements," Shelton said. "But that is the sad reality. They can't afford to lower their utility bills."



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