

Downstream

The official magazine of the Federation of Petroleum Suppliers

Winter 2008



Season's Greetings from all at FPS and Downstream

INSIDE

- 4 Driver of the Year Award
Young Employee of the Year Award
- 6 Full of beans over oil-thinning polymer
- 7 Rowilco ready with expansion cash
- 8 FPS combats media speculation over forecourt profiteering
- 9 Coping with boat duty
Your FPS Regional Representative
- 12 Tributes to Terry Furlong
- 13 Tanker news – 3 page special feature



DON'T MISS OUT on the new online **MAGAZINE** for the independent forecourt industry. Register online at www.independentforecourt.co.uk

Downstream

ISSN 1473-5539

Unless otherwise acknowledged, material published in Downstream is copyright of the publishers. It may not be used or copied without the publishers' permission.

© PUBLISHED BY

Federation of Petroleum Suppliers Ltd,
6 Royal Court, Tatton Street, Knutsford, Cheshire
WA16 6EN, tel 01565-631313, fax 01565-631314,
e-mail office@fpsonline.co.uk www.fpsonline.co.uk

NEWS AND FEATURES

call Susan Hancock or Vanessa Cook at the FPS

ADVERTISING

Shirley Price at Seabury Salmon & Associates, Ludford,
Ludlow, Shropshire SY8 1PP, tel 01584 877442,
fax 01584 875416, e-mail fpsads@seaburysalmon.com

PRODUCTION

Seabury Salmon & Associates, Ludford, Ludlow,
Shropshire SY8 1PP, tel 01584 877442, fax 01584 875416,
e-mail mail@seaburysalmon.com

PRINT

Graphics & Print, Telford TF3 3BB

News

Now we're 10!



It seems no time at all since Downstream was launched as the official magazine for the FPS, but in fact it's 10 years. Over that time we've brought you a mix of the latest FPS news plus features that puts our fuel distribution operations into the wider context of the oil industry.

Through its wide circulation and authoritative articles, Downstream has been instrumental in helping the FPS grow into an organisation which carries respect and integrity into its dealings with Government, trade bodies and others.

A big Thank You to all the advertisers who have done so much to support Downstream and, through it, FPS. Here's to the next 10 years!

EU to cut biofuels target?

The European Union's industry committee has voted to halve its biofuels target for 2020 from 10% to 5% of total road fuel in energy terms. This is even lower than the present 5.75% target for 2010.

The effects would differ greatly between markets because of the large differences in the consumption of biofuels across Europe. A reduction in the 2020 target would allow fuel retailers to scale back their plans to increase the proportion of biofuels that they blend into their petrol and diesel.

The parliamentary committee's vote follows bad press for biofuels, particularly the criticism that its production has diverted crops away from food, thereby pushing up prices. It has also been argued that forests have been destroyed to make way for biofuels crops. However, the industry committee's vote may well be overturned at the next stage of the European Parliament's protracted decision-making process. We'll keep you posted...

HYTEK'S LATEST theft prevention device is a new locking fill point assembly with cap and padlock. It will deter a thief from putting a hose into the tank to siphon fuel. The threaded fuel pipe adaptor has a cast aluminium body with a sheer-screw to prevent removal and a rising pin engages with the fill cap. For further information or a copy of the catalogue call 01279 815600.



Titan turns green and silver

Titan Environmental took a silver award for its BioMaster100 range in the OFTEC Green Initiative of the Year. Titan's BioMaster100 bundled storage and dispensing tanks are suitable for blends of up to 100% biodiesel.

£3,000 WORTH OF PC CLANGERS

North Wales police have admitted to spending nearly £3,000 of taxpayers' cash in the last year to fix cars filled with the wrong fuel, the Liverpool Post has reported. The RAC say that since 1998 it has seen a 385% increase in roadside call-outs from drivers stranded by fuel blunders in diesel cars – now running at around 130 calls daily.



FPS EXPO 2009

Record numbers expected at Harrogate

FPS EXPO 2009 is on course to attract a record number of visitors – over 2,000 – to the Harrogate International Centre over 1 and 2 April next year.

"It's early days, but on-line registrations and enquiries for tickets are already strong, and the fact that the 2009 EXPO is in Harrogate makes us confident that

the show will draw a very high attendance," said FPS Events Organiser Vanessa Cook. "Harrogate is a firm favourite as a venue with visitors and exhibitors alike."

Exhibitor numbers and space bookings are looking good, with many companies having chosen to repeat-book stands for 2009 during FPS EXPO 2008 in Dublin.

Harrogate is guaranteed a strong line-up of key suppliers to the fuel distribution industry. Exhibitors already confirmed include the major manufacturers and suppliers of tankers; delivery and tanker equipment; fuel storage tanks; security and safety equipment; software, office services and peripherals.

Value for money

"Everyone is aware of the current economic climate, but stand bookings for FPS EXPO 2009 remain strong because exhibitors know that it is a genuine industry event. They know it is a cost-effective way to meet all their key customers in one convenient location. They are very aware that the people who attend are the ones who make key buying decisions for their companies," said Vanessa.

Stand space at FPS EXPO 2009 is available from as little as £594 + VAT. "Whichever way you measure it against any other form of marketing, it is value for money – a highly efficient way of getting close to your customers. That's why people are continuing to book," she said.

A full list of exhibitors, plus details of all the FPS EXPO 2009 events, can be found at www.fpsonline.co.uk and at www.fpsshow.co.uk, or by calling the FPS on +44 (0) 1565 631313.

FPS 2009 Awards Dinner bookings open

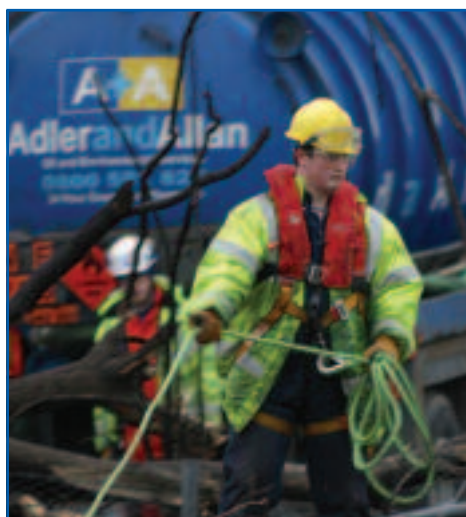
Booking forms for the FPS 2009 Awards Dinner are now available from the FPS office, +44 (0) 1565 631313, or by checking the website www.fpsonline.co.uk. The black-tie occasion is an annual highlight, with Driver of the Year and the new Young Employee of the Year awards being revealed and presented.

FPS have secured a top-flight guest speaker, David Kendall – the bank manager from York. Kendall (right) took early retirement from his job as a manager with Barclays in 1990 and has since forged an international reputation for his after-dinner performances.



Golfers will face the Pannal challenge

The FPS 2009 Golf Day takes place at historic Pannal Golf Club, one of the premier clubs in the North of England. Founded in 1906, a nine-hole course was superseded two years later by an 18 hole course designed by Sandy Herd, Open Championship winner in 1902. The course has stood the test of time, challenging players of the highest ability. Total yardage is 6622 with a SSS of 72 and a par of 72. "The golf day is extremely popular and early booking is advisable," said FPS Events Organiser, Vanessa Cook. Forms are available from the FPS, tel +44 (0) 1565 631313.



Oil and Environmental Services

0800 592827

24hr Emergency Response



AdlerandAllan

Depots Nationwide

- Oil spill response, site audits, drain, forecourt & separator services
- Tank supply, installation, cleaning, repairs, testing and removal
- Fuel deliveries, installation services, uplifts & transfers, waste disposal and tankering

www.adlerandallan.co.uk

Who can follow Tony as **FPS Driver of the Year?**



**1st Prize £1000!!
Plus two runners-up
prizes of £250!**

Now's the time to nominate the outstanding driver in your depot for the 2009 FPS Driver of the Year Award, sponsored by insurance specialists OAMPS.

Last year, Tony Norris from Newquay, Cornwall, captured the title for Tincknell Fuels in the South West with his track record of outstanding service to customers.

Who's going to succeed him? It has to be someone who combines an exemplary driving record with a great attitude to customers and a cool head under pressure. We know they're out there, the people who always go the extra mile for you, so let us know about your tanker heroes – **get your entries in!** Forms are available with this issue of Downstream, or online at fpsonline.co.uk or by phoning Joan Wheat at the FPS office, tel +44 (0) 1565 631313.

TOP TIPS TO HELP YOUR DRIVER WIN

- Get your forms in as soon as you can.
- In your responses to how has the driver 'gone the extra mile', give consideration to examples of outstanding environmental care as well as examples of good customer care.
- Brief your nominated driver on the award so that he/she can prepare for the interview.
- Allow drivers enough time for the interview: remember, they will be under some pressure from knowing someone is coming to see them. It's not really fair on the driver if you expect them to slot the interview in between deliveries.

And who will be first **Young Employee of Year?**

First prize £500... Runners-up £250 each

Running a successful fuel oil distribution business is not just about the drivers. It's the people in the office too.

FPS and Reynolds Trade Credit is launching the FPS Young Employee of the Year Award for your bright young office stars.

It's open to anyone aged 25 or under on 31 December 2008. They can work anywhere in your business (except as a tanker driver). Entry is easy –

send us their name and date of birth and tell us why and what makes them so special to your firm. Email your entry to Vanessa Cook at FPS, vc@fpsonline.co.uk by 31 January 2009.

The finalists will join the finalists of the FPS Driver of the Year at the FPS 2009 Awards Dinner in Harrogate in April and will receive overnight accommodation and VIP passes to the FPS EXPO 2009.



Sometimes great things come in small packages...



...like the new Harlequin 650BND/ENV Slimline Bunded Oil Tank. At only 65cm wide and 172cm long, the 650BND/ENV will fit into even the smallest of spaces – making it ideal for smaller installations incorporating a modern, high efficiency, condensing oil boiler.

But whilst the 650BND/ENV may be small in size, it's big on specification. As you'd expect from a Harlequin, it's supplied complete with electronic oil tank contents gauge, bund warning alarm, failsafe overfill prevention capability and a choice of top or bottom outlet. And it benefits from almost three decades experience in the design, development and manufacture of environmentally preferred, rotationally moulded fuel storage solutions.

For more information on the complete Harlequin range, visit www.oil-tanks.co.uk

Common Sense Fuel Storage Solutions... That Work
Visit Harlequin Online at www.oil-tanks.co.uk

Harlequin
WWW.OIL-TANKS.CO.UK



HARLEQUIN OIL TANKS from Clarehill Plastics Limited
21 Clarehill Road Moira County Armagh Northern Ireland BT67 0PB

Full of beans over oil-thinning polymer

A new oil-thinning polymer derived from soya beans may provide an ecological alternative to conventional methods of reducing the viscosity of heavy oil for transport and storage.

The polymer, AR-OT™, allows heavy oil to flow through pipelines up to 10 times faster without the need for heat, claim its UK distributor, TBC International. The company says it may even help extract oil from tar sand. Field tests are under way in California and Canada to produce a direct cost analysis against steam flooding and cyclic steaming.

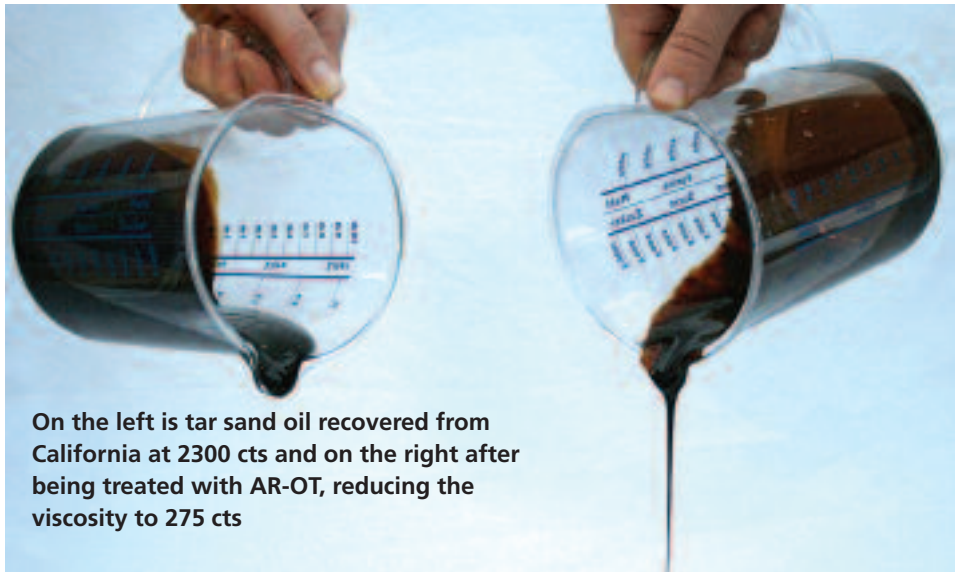
AR-OT™ is claimed to be non toxic, biodegradable and doesn't alter the molecular structure of the oil. It is easily recoverable at rates of between 80-95% and it remains in suspension until extracted at a final destination, so removing the need for several stages of viscosity reduction.

Originally designed as an anti-corrosive agent for pipelines, AR-OT's oil thinning properties were discovered during field trials. Manufacturer BioSpan has since reduced AR-OT's viscosity reducing properties and claims 'outstanding' results in taking oil from over 10,000 cts to under 300 cts.

Mark Rogers, Commercial Director of TBC International, said: "AR-OT™ is proving to be very popular as an oil-thinner for transportation and storage purposes. The prospect of using AR-OT™ to facilitate extraction in deep wells as an alternative to using steam is naturally creating a great deal of additional interest. Our initial target is to reduce the extraction costs of these tar sands from \$20 per barrel using steam, to below \$13 per barrel." He claimed AR-OT™ has three key environment-friendly properties:

- it does not damage, pollute, or deplete the water table;
- it cuts energy consumed in recovery and transportation; and
- it is both non-toxic and biodegradable.

AR-OT™ is available from TBC International on 0141 354 7608.



On the left is tar sand oil recovered from California at 2300 cts and on the right after being treated with AR-OT, reducing the viscosity to 275 cts

Samuel Cooke sticks with Chevron

Samuel Cooke & Co has signed a new long-term supply agreement with Chevron.

Under the agreement, Samuel Cooke will supply Texaco-branded fuels and oils to industrial, agricultural, domestic and other commercial customers including Texaco-branded retail sites. The firm is also a successful marketer of the Texaco Fast Fuel card.

Since Chevron decided in 2005 to concentrate on being a fuel wholesaler, it has expanded the number of independently-owned retailers and distributors trading under its Texaco brand.

Brian Worrall, Chevron Sales Manager for Europe said: "For us,



Frank Carroll Chairman of Samuel Cooke with Brian Worrall Chevron Sales Manager Europe

the fuels and oils business is one based upon long-term partnerships and it means a great deal to us to be able to continue to supply Samuel Cooke & Co and build on the relationship that we have had for many years."

Frank Carroll, Chairman of Samuel Cooke & Co Ltd said: "Signing a new deal with Chevron was an easy decision because we get great value from the Texaco brand in both retail and commercial markets. We

also benefit from Chevron with initiatives such as the depot audits and market intelligence through the Oil Market Journal. More fundamentally, it is their dedication to supplying our contracted volumes which is key in a market where supply restrictions are all too common."

Samuel Cooke & Co was established in 1845 and operates from three locations in Barnsley, Padiham, near Burnley, and Mersey Oils, Ellesmere Port.

Jingle bells in Bicester

Jingle bells and jingling tins add up to some serious cash for local charities around Bicester, with Nolan Fuel Oils helping out.

Mark Nolan is too old for Round Table, but can't retire from it – he keeps getting called back to help on various fund-raising ventures, and this year's pre-Christmas charity effort was no exception.

While he towed the sleigh around the town, his sons Ryan and Luke did turns at being Santa, along with several other Tablers.

The sleigh made its 2008 debut at the Bicester Christmas lights switch-on, and Tablers raised £400. Despite the recession, Mark reckoned that their efforts this year would net between £4-5000 for local charities, anything from hospices to children's causes.

"One of the best cases was when we helped an old disabled lady whose husband had died," said Mark. The woman



needed a walk-in bath and no-one else would pay for the installation. One of the Tablers sourced a bath for very little money and others were able to fit it to ensure that the woman went on to live a civilised existence.

"I've been in Round Table since 1990, I get called back and it's for some very good causes," said Mark, who uses the company depot to clean up the sleigh after a year in storage, and check it over to ensure it's roadworthy.

Above: Mark's son Ryan in the sleigh at Nolan Fuel Oils

£600k readies Rowilco for growth

FPS member Rowilco, the Liverpool-based distributor, is expanding with a £600k investment from Alliance Fund Managers (AFM) through the Merseyside Special Investment Fund (MSIF) Venture Fund.

Rowilco Fuels Limited was formed by managing director Neil Williams in 2007. It has grown to a turnover of over £30m and is a significant player in the North West's fuel distribution industry. The new funding will be used to provide Rowilco with development capital to support the further expansion of the business.

The company supplies a complete range of fuel oils to industrial, commercial, agricultural, retail and haulage customers nationwide. Clients include Bellway and Liverpool John Lennon Airport.

AFM's investment team was led by investment director Mark Borzomato and assisted by investment manager Jon Wormald.

Rowilco Managing Director Neil Williams said: "The investment from AFM will hopefully allow us to open credit lines with a wider range of suppliers which in turn will enable us to



From left, Mark Borzomato and Jon Wormald (AFM) with Neil Williams (Rowilco)

offer highly competitive prices. Improved prices together with our high level of service means the investment will bring good news to our existing customers and also allow us to explore new business opportunities. AFM's investment team has been very supportive and we are delighted to have them on board as an investor."

Mark Borzomato said: "We were impressed with the phenomenal growth this company has achieved in such a short period of time. Neil has around 15 years' experience in the industry and this, coupled with his drive and determination, has been the basis

of Rowilco's success to date. The company has developed a good supplier network and built up a solid customer base which looks set to increase considerably. We believe it has excellent growth potential."

Rowilco employs eight staff, expected to rise to 15 during the next year. Turnover next year is predicted to exceed £60m.

Legal advisors were Craig Scott and Matt Noon of Halliwells for AFM and Rob Dobson of Naphthems for Rowilco. Corporate finance advice was provided by Andy McCall of Langtons.

Timely FPS move combats threat of media 'b

As crude oil prices fell going into the Autumn and people perceived that retail prices had stayed high, FPS has fought a major campaign to contain media speculation of profiteering by forecourts in Britain.

FPS Media Representative Rod Prowse submitted a lengthy explanation of the situation to BBC Watchdog and supplied similar to many other news outlets.

"Without it, there was a real danger of a media campaign against members with forecourts charging higher pump prices for the reasons we all know about. It proved an effective answer to less-well-informed media people who were preparing a 'bad news' story," said FPS Chief Executive Susan Hancock.

Rod told a researcher for Watchdog that, as with any competitive market, pump prices are set at locally competitive price levels and that

retailers have to achieve an acceptable level of profitability. In most instances, forecourts had to supplement depressed retail fuel margins with other earnings streams – shops and car washes for instance. The UK has among the lowest fuel margins in the EU, largely because of the supermarkets, who now take about 37% of the market.

He stressed that volume affects price, so supermarkets can price fuel lower than smaller, rural outlets. And if a low-throughput forecourt buys product at a high price, it is saddled with selling at a high retail price until it has shifted all that consignment. Logistics – distance from terminal to point of sale – are a second vital factor. The combination influences pump prices nationwide .

Rod supplied Watchdog with a further feature explaining price levels. This is it:

It is clearly of critical importance that the

recent reduction in international crude oil prices are fully reflected on prices paid by end users of the refined products. It is equally important to understand the mechanics that drive this process, ie how changes in a \$ denominated commodity translate into changes in £ or pence denominated prices of the end products.

There are two sources of change in this process: The \$ price movement in the crude oil price and the £:\$ exchange rate.

Taking the above and looking at the recent significant movements in values shows the following:

- The price of dated Brent peaked on the close of business on Friday 11 July 2008 at \$143.50 per barrel. The midpoint close £:\$ exchange rate as reported by the FT for that date was £1 = \$1.9886. The resulting sterling

Petroleum Distributors Intelligence Unit (PDIU)

One of the leading business information providers specialising in Credit Risk Management solutions.

GRAYDON

Graydon, in partnership with Reynolds Trade Credit provide an intelligence unit specifically for the petroleum sector. This is a network specifically designed to protect members against the risk of bad debts and slow payments.

- Unsatisfied payments (e.g. RD & RDPR cheques and direct debits)
- Collection/Legal actions commenced against a debtor
- "Gone aways" and other critical events

This is real-time information and once collected the information is distributed amongst all PDIU members*. PDIU members also benefit from free insolvency advice from PricewaterhouseCoopers (PwC).

The message for credit and financial managers in the fuel distribution sector is very clear. You now have the weapons to start fighting back!

Interested to find out more?

Contact:
 Michaela Hilton
 Tel: 020 8515 1410
 petroleum@graydon.co.uk

* All members report anonymously. Operated within the constraints of the Consumer Credit Act (1974), Data Protection Act (1988) and the Competition Act (1988)

Ulster consumer group giv

Northern Ireland's Consumer Council is being taken to task by the oil distribution industry after the consumer watchdog gave a misleading picture of heating oil prices through using unfair comparison figures.

Ian Moore, Director of Oil Market Journal, fired off a formal complaint to Eleanor Gill, the Council's Chief Executive following its press release inaccuracies which she compounded during an interview on BBC Radio Ulster. Moore's letter focussed on a five-point rundown addressing issues raised by the Council's press release and Gill's radio broadcast.

It reads:

FACT ONE: No home in Northern Ireland is heated by crude oil. Homes are normally heated by a refined product called 28 Second Kerosene which is known as "home heating oil" and referred to as "jet fuel" on international markets.

FACT TWO: Heating oil prices in North West Europe are based on the Rotterdam cargo price for Jet Fuel, not on the Brent Crude price in London.

FACT THREE: The price of Rotterdam Jet Fuel in sterling rose by 46.77 per cent from the average of February 2007 (when crude was last at \$57) until last week (when crude settled at \$57 for two days).

FACT FOUR: If you adjust the price for 900 litres of home heating oil by the change in the Rotterdam spot market price in sterling, i.e. £275 x 46.77 per cent, this implies that 900 litres of home heating oil should be selling at £403, *ceteris paribus*.

FACT FIVE: The ULSD price for running oil tankers has increased by 14 pence per litre since February 2007. Oil distributors have also been negatively impacted by increases in rates, electricity, wages and most other costs.

Bad news' campaign on forecourt fuel prices

price of Brent therefore equated to £72.16 per barrel, or 45.39 pence per litre.

- The price of dated Brent at close of business on Friday 17 October 2008 was \$66.14 per barrel. The midpoint close £:\$ exchange rate as reported by the FT for that date was £1 = \$1.7255. The resulting sterling price of Brent therefore equated to £38.33 per barrel, or 24.11 pence per litre.
- So while there has been just over a \$77 per barrel (54%) fall in the price of dated Brent, the impact of this on the associated change in £/pence denominated prices of the refined products, such as diesel and petrol, has been diluted by the 13% weakening of £ against the \$ over the same period since mid July. Consequently the sterling equivalent reduction in the value of oil has been 21.28pence per litre (47%). If there

had been no weakening of £ against the \$ during the period, this reduction would have been equivalent to 24.47 pence per litre.

In reality, pump prices are driven primarily by the 'wholesale' prices of the products as traded daily in the main north west Europe trading centre in Rotterdam, Antwerp and Amsterdam.

The relevant values of these on 17 October and 11 July were:

	11-07-08		17-10-08		Change	
	\$ per MT	PPL	\$ per MT	PPL	\$ per MT	PPL
Diesel	1359.75	108.15	718.25	85.54	641.50	22.61
Petrol	1216.25	96.51	592.50	76.27	623.75	20.24

The above PPL price includes the current excise duty of 50.36 PPL

The above mirror the pattern shown in crude oil (ie significant falls in the \$ values of the products (47% for diesel and 51% for petrol). When translated into sterling values, the benefits in % terms have been partially offset by the

weakening of the £ against the \$ (with the pence diesel value down only 39% and that of petrol by 44%). This benefit in % terms becomes severely diluted once the duty value is included, to 21% for both product grades.

This also demonstrates (a) that the reduction of pump prices since the peak July values has more than reflected movements in the international traded prices of the two refined products and (b) the need to exercise care in making % comparisons of price movements, where the prices incorporate what is still the predominant and fixed element of excise duty.

Downstream online at www.fpsonline.co.uk

en facts of fuel oil life

By way of reference, the UK Retail Price Index rose by about 7.4% from February 2007 to September 2008, while the Consumer Price Index rose 6.4% in that time.

If you take these factors into consideration, £416, which Ms Gill stated was the average price in November 2008, is actually a fair price for consumers in Northern Ireland, especially in a general environment of rising prices.

Moore, who enclosed a graph of Rotterdam spot prices - the true comparative figures - went on to say: "Unfortunately, your unpublished analysis of home heating oil prices was fundamentally flawed. Not only did you base it on the wrong product but also, more staggeringly, your research failed to take the elementary step of converting the crude price to Sterling for a correct comparison. Ian Moore has since met with Arlene Foster, the DETI

Minister at Stormont, to discuss the Consumer Council's press release and the media comments made by its Chief Executive, Eleanor Gill.

As Downstream went to print, the press release containing the misleading comparisons, was still available on the Consumer Council site, several weeks after it was first issued.

Susan Hancock, Chief Executive of the FPS, supported Moore's stand and told Downstream: "Misinformation like this can only feed resentment among consumers towards heating oil distributors who are all-but powerless to influence the Rotterdam spot price. It's disappointing that the Consumer Council used comparisons which demonstrated a lack of understanding of the true situation."

Specialist Credit Insurance Brokers

Bad debts are an unfortunate fact of life in fuel distribution. **Credit insurance offers a cost-effective solution** and, as acknowledged market leaders in providing credit insurance to the oil industry, we are pleased to make our services available to FPS members.

For a free-of-charge, non-obligatory consultation please contact **PAUL MARTIN** on **0161 905 5514** or e-mail on pmartin@reynoldsinsure.com

www.reynoldsinsure.com



Authorised and regulated by the Financial Services Authority

Reynolds 
TRADE CREDIT

Coping with boat duty

Despite a co-ordinated lobbying campaign by FPS, the Royal Yachting Club, British Marine Federation and others, private pleasure craft now have to pay full duty on their fuel. How are distributors handling the ending of the tax concession? This is what they told Downstream.

We have one of the biggest marina bunkering services in the Poole area. We've written out to 800 customers who use the service to inform them of the change in duty and have done a follow-up to those who have not responded. We're aiming to have their declarations on file so that they don't need to complete a new one each time they want to buy. We have no idea what the split is between domestic use and propulsion as we've never had to make the distinction before. There could be a benefit for us in compiling those statistics, actually.

One good thing is that the regulation has come into effect during the quiet time.

Most pleasure craft operate in the June to September period, so we do have a settling in time. We are next door to Sunseekers and are constantly fuelling some



very expensive boats. Someone who can afford a £5m boat isn't going to worry about the cost of duty, but for the ordinary man with a small outboard motor boat, it's a hell of an increase.

– **BOB TAYLOR, CPL PETROLEUM**

"It's one regulation too many, so we've taken the view that we'll walk away from this side of the business. There's just too much bureaucracy. It's unfortunate for people who have pleasure craft – I have one myself – but we haven't abandoned them completely. We still do small sales from the yard and that's doing very nicely.

– **KEVIN BENNETTS, CONSOLS OILS**

It's such a grey area and we just haven't had the time to read through everything in detail. It's all added hassle. We sell to five marinas – three of them regularly – and Downstream Winter 2008-09

the orders are usually between 4,500 and 6,000 litres, which we sell at 17.5%. It's then up to the marina how they sell it on. It's just one more niggling thing to deal with.

– **TYSON BARKER, B D FUELS**

We had a couple of boat customers, but it's not worth doing now because of the extra paperwork. It was usually cut-price stuff anyway, so it was an easy decision to make.

– **MIKE SCOTT, CALDO OILS**

I really can't see this being a problem for the industry, not when you look at the values involved – and anyone getting excited about it should be focusing on something else. I can see it's a problem for boat-owners, but not for us. We've taken a few of the boatyards we supply through the process of becoming an RDCO and the responsibility then lies with them. I really can't believe that people are delivering

directly into boats that are on water when they do it! Boat-owners can come to us with containers and there's no requirement for the documentation

if the amount is below a certain limit.

– **RORY CLARKE, RIX PETROLEUM**

It doesn't affect the distributors so much, but the poor yacht clubs will be affected because they have to make the declarations and a lot of them are not even RDCO registered. They've suddenly been hit by these new requirements. They could have lost a big income stream as the smaller boat-owners may just come direct to us with drums and carry it on themselves.

– **ROGER PEART, F PEART & CO**

We're now directing people to buy from the marina instead of direct from us. We just couldn't cope with the legislation. We are losing some business out of it, but not too much.

– **DAVID BOOTH, NOEL BOOTH & SONS**

Ready for the

DAVID HATHERELL is FPS Regional Representative for the South West and will take over from David Hodge of Ribble Fuels as FPS President next year.

Thomas Silvey Managing Director David Hatherell could now be fighting the corner for Oxfordshire's farmers instead of being on the verge of taking over the FPS Presidency from Ribble Fuel Oils' David Hodge.

Silvey's David, the FPS Regional Representative for the South West, was working for the National Farmers' Union and about to apply for the senior NFU post in Oxfordshire when his family suggested that there was a potentially interesting career in oil distribution open to him.

But it was a close call. David harbours a deep affection for farming. His natural father was a farmer and he carries a degree in agriculture from Seale Hayne College, Devon. But when his father fell tragic victim to a fatal accident and his mother later re-married, the link with fuel distribution was forged. His mother had married Michael Silvey, the MD of Thomas Silvey Ltd.

David joined the family firm in 1994 as operations manager, looking after transport and logistics. "When I joined, I said I'd give it a couple of years and see what happened. That was in May 1994 and I've been here over 14 years. There's plenty to keep me interested," he said. "And I feel I'm still as close to farming as I would have been with the NFU. A lot of our oil customers are farms and agricultural businesses."

David became a director in 1998 and is today MD of Thomas Silvey, which covers a huge swathe of South Wales and the West Country. It employs around 50 people and has bases in Cardiff and Milford Haven, Plymouth, Avonmouth and Badminton, plus some storage at Bridgwater to backload from. The fleet of 16 tankers is all rigids, mostly four and six wheelers from ERF, DAF and Scania. Most have come from Tascas, the most

FPS hot seat

recent tankers equipped with Mechtronic components.

Outside of the business, there is the FPS presidency coming up.

“When I take something on I like to give it adequate time,” he said. He delayed taking the post last year because he was chairman of Flare, the network of family oil distribution firms. He also has to make time as a father of three for family obligations, and he plays an active part in village life, including being a governor of the local school.

But as from next April, the FPS presidency is on the agenda. Attending FPS Council meetings has given him insight into the effective role the



organisation plays in representing independent fuel distributors. Particularly dear to his heart has been the issue of supply in the South West, where FPS has been instrumental in improving government understanding of how a number of factors have

combined to create a real problem with the nation’s fuel supply infrastructure.

“There is a lot we can potentially take on. I’m looking forward to the year with a mixture of trepidation and optimism,” he said.

Thomas Silvey – family firm with a long, proud history

Thomas Silvey is a family firm with a long-standing history of fuel distribution.

Thomas Silvey, great-grandfather of Michael Silvey (stepfather of current MD, David Hatherell and past president of the FPS) started the firm as a coal brokerage in 1870.



Thomas recognised that while all coal was black, what came from one colliery could have quite different qualities to what came from another. Because

South West end users like Frys (chocolate), Wills (tobacco), United Alkali and Georges’ Brewery had different requirements of the fuel they bought, Bristol-based Thomas quickly won respect for finding the coal best suited to his customer’s purpose.

The coal was dispatched by rail, and later by ship to Bristol Channel-based customers. It was several years before Thomas Silvey became involved in the traditional bag round delivery trade.



Thomas’s son Gilbert took over

Downstream Winter 2008-09

the business in 1900 and his grandson, Thomas or TL, joined as a director in 1940. He served in the RAF from 1943-46 and the business was kept ticking over thanks to the ladies of the family and some old timers. Post-war, TL and his brother Bryan became joint MDs and the company went into oil for the first time by signing as a Petrofina distributor in 1954. The first delivery ‘tankers’ were coal trucks that had seen better days and which were converted by literally strapping a tank on the chassis. So much for the safety regs of the day!

TL set an early example for David Hatherell in being active in an industry body – he became president of the Coal Merchants Federation Great Britain in 1963.

TL’s son, Michael, joined the family firm in 1966 and the company continued to flourish. By the 1980s, Silvey’s coal sales had declined to a fraction of their previous levels, so that part of the business was sold to CPL, which still operates from the Silvey yard at Badminton. Silvey’s, meanwhile concentrated on building a retail business selling petrol to rural filling stations under the Flare brand and growing heating oil sales.

In the late 1980s, Thomas Silvey’s coal-carrying barges which had latterly been converted for sand dredging in the Bristol Channel, were also sold off.



The company has since focussed on its oil products growing the bulk sales and developing a fuelcard and bunkering business.

Tributes to the late Terry Furlong

The Autumn issue of Downstream broke the sad news of the death of Terry Furlong (right), who developed the FPS Depot Certification Scheme. He also worked with FPS members on other health and safety schemes. Since the last issue, we have received a number of tributes to Terry.



Scheme kept Terry in contact with his industry friends

From Michael Ong, FPS Technical Co-ordinator:

I first met Terry when both our respective companies were purchased by Shell UK. Terry worked for Burgess Fuels with depots at Kingsbury, Doe Hill, Uttoxeter and Worcester. Now only two of those depots are left – how the oil industry has changed!

Terry had the position of Operations and Transport Manager; as in most companies there was somewhat of a blurring of the role. We would meet on a regular basis with a number of other colleagues who carried out similar functions for the other Shell distributors.

Terry had a passion for motor bikes, which he would discuss in great detail with all and sundry, especially the transport manager for Jack Dean Fuels, the Shell Distributor for the West Country, who had a similar passion.

Terry played an active part in developing the systems, processes and procedures that guided the various individual companies that eventually became the national distributor Shell Direct. As the industry changed and amalgamations of the various companies took place, Terry found himself a casualty of one such change. He decided to put his talents and knowledge of the oil business to good use by creating and operating the

FPS Depot Audit Scheme. This Scheme made best practice in the oil distribution industry available to distributors both large and small. With this, his knowledge was not lost and he kept in contact with many of his friends and colleagues, old and new.

It was in this role that he maintained contact, usually at the FPS EXPO, with the original Shell Distributor transport managers. Indeed, I had the pleasure of meeting Terry for one last time earlier this year, when we discussed the depot audit and its evolving face. As a result of this meeting, Terry, who had retired, updated the audit sheet for 2008, in his words to keep his hand in.

Knowledgeable and down-to-earth

From Ian Macmillan, Swan Petroleum:

I first came across Terry Furlong about 10 years ago when he carried out an audit on one of our depots on behalf of Shell.

Terry had worked for Burgess Fuels in Stafford prior to their being taken over by Fuel Distributor Holdings (FDH), a forerunner of Shell Direct. I had heard of him from his Burgess days, but never met him. I recall his handshake, a mountainous grip from a huge hand. I got on with Terry straight away, as most people did, he was very easy of address.

A more knowledgeable but down-to-earth man you could not meet. Terry had an underlying determination to get to the nub of a situation but the experience and pragmatism

to understand its level of importance. What he didn't know about depot operation and fuel distribution wasn't worth knowing but he did not flaunt his superior knowledge, merely encouraged others to do things properly.

When the FPS was looking for an auditor to set up their Depot Audit Scheme, to me he was the obvious candidate and it gave me great personal pleasure to put his name forward. I was delighted when he accepted. However, when he subsequently audited my depot in Oswestry, he was ruthless with his questioning; so no favours there then!

I am certain that over the years, with his sound advice and comprehensive knowledge, he has saved many a distributor from prosecution and many people from injury or worse.

The industry will miss Terry; he was a good bloke.

The acceptable face of bureaucracy – and practical with it

From Kevin Bennetts, Consols Oils:

I first met Terry Furlong when the FPS introduced its excellent Depot Certification Scheme. It was actually devised and implemented by Terry.

Terry was one of those people to whom you immediately warm. He came to us to conduct a task which had the potential to be brain-numbing. He carried out an audit of our activities which fortunately

generally met with his approval. He then sat down with us and suggested practical, sensible options to improve our overall performance.

Terry was a rare being, effectively representing the acceptable face of bureaucracy by clearly demonstrating why his suggestions would benefit us in a practical manner. As an ex-Shell man of the old school, he knew our industry inside out, both in theory and practice,

which stood him in good stead as he visited firms large and small.

From that first meeting with Terry, it was evident that he did not enjoy the best of health. His enjoyment of a fag was probably his undoing. However, his good humour and patience were legendary and we are all grateful for the input he has had on our trade. It was a privilege to have known him.

HAARTZ RENTAL FLEET CONTINUES TO GROW

Haartz Tanker Rental's latest batch of five new GRW Engineering petrol-tankers have been officially handed over by GRW's Mark Dodd to Ian Walkden of Haartz Tankers.



The tankers are now out on contract rental and Haartz is already finalising orders for further new stock early in 2009.

"Our initial view was that the GRW product and back-up was right for Haartz and right for the UK market," added Ian. "This has been borne out by our experience and we will continue to buy GRW Tankers."

This year, Haartz introduced two new services for customers – aviation tanker and petreg tractor rental. The aviation tankers support extra volume demand, especially in the summer, and the petreg tankers come with safe load passes that

mean customers can put them straight into service within a couple of hours.

Ian went on to say that Haartz Tankers believes the fuel transport sector will hold up relatively well, even if the winter is mild.

"And if the winter is severe," he said, "then there will be extra heating oil deliveries and more bulk oil

movements for electricity generation to compensate for the reduced capacity of coal and nuclear electrical generation highlighted by the National Grid."

Strong prospects for Central



Next year looks to be shaping up nicely for Central Welding of Toomebridge, Co. Antrim. Sales Manager Mark Skelton says they already have "good, strong enquiries" for 2009. The company will also be developing its site with new purpose-built premises.

Central recently sold two 13,000-litre mild steel tankers to Maxol. Each has four compartments with full bottom loading and product return equipment supplied by Alpeco. They also have the new Alpeco TE550 electronic metering system.



**SETTING NEW STANDARDS
IN ENGINEERING EXCELLENCE**

- World Class Manufacturer
- Petroleum, Chemical & LPG
- Semi-trailer, Rigid and ISO

ROAD TANKER SPECIALISTS

GRW Engineering UK Ltd. c/o Innovate Office, Lake View Drive,
Sherwood Park, Nottinghamshire, NG15 0DT

Phone/Fax: +44 (0)1773 776623 • Mobile: +44 (0)7791 183553
E-mail: info@grwengineering.co.uk

www.grwengineering.co.uk



**haartz
tanker rental**

01829 261517

www.haartztankerrental.co.uk

Haartz Tanker Sales & Rental

- Fuel Tankers of all sizes
- Short or long term hire or sale
- Modern LEZ compliant fleet

**New tankers
available NOW!**



Ten year anniversary for Irlam Commercials

Ten years ago, with Irlam Commercials already a success, Paul and Anne Neale (pictured right) decided the time was right to expand.

Irlam Truck & Tanker Spares Ltd was formed to complement the existing company by stocking a wide range of road tanker parts, including hose fittings and couplings, driver protection equipment and spillage products.

One of Irlam's unique offerings is the supply of composite hose made to the customer's specifications and ready within the day. The company also operates a van service covering most of the North West, Staffordshire and Yorkshire, and uses a reliable carrier that

means parts can be sent to any address in the country and Northern Ireland, and arrive usually on a next day basis.

"We would like to thank all our customers past and present for their continued support over the past 10 years and, hopefully, into the future," said Alexandra Neale, who is Workshop Manager for Irlam Commercials and Sales Manager for the spares division.

The family business, which employs 12, specialises in the service, maintenance and refurbishment of road tankers and equipment. They are repair agents for Alpeco, Alfons Haar, Mechtronic, Magyar, SAF and Collins Youldon.



Irlam is authorised to carry out CDG, VTT ADR and PSSR, as well as periodic inspections, and has an on-site welding specialist, and electrical and mechanical engineers. "We have a lot of repeat business from many customers and have established a very good relationship from this," says Alex. "We have also been recently approved to carry out Safe Load Pass inspections by the EI."

TASCA VENTURES INTO SEMI-TRAILERS

Wakefield-based Tasca Tankers have become UK sole agents for semi-trailers from Indox, the major European road tanker manufacturer.

Tasca will be importing distributing and providing after-sales service for the company's petroleum spirit semi-trailers.

"We have always been intent on introducing semi-trailers into the product range at some time, and whilst procuring other goods from Indox, we were made fully aware of the availability of their existing designs and the quality of build," said Tasca's Sales Manager Graham Hardcastle. "With our excellent reputation and our first-class premises, facilities and workforce, we were the



A Tasca 42,000-litre, six-compartment aluminium, tri-axle semi-trailer tanker

ideal choice to help them promote their product within the UK."

Graham reports that business during 2008 was very good and that the order book for 2009 is encouraging. The company's new waste tanker section has also become well established.

"However, due to the current economic climate, there is now a noticeable downturn in business, with many companies either putting on hold new vehicles or considering remount or conversion work as an alternative," says Graham. "Our aim for 2009 is to ensure that Tasca Tankers Limited maintains its standing within the industry."

Chassis u-turn boosts RTN business

Customers who held back on new tankers because of a supply shortage have been sending a steady stream of orders to Road Tankers Northern, Barnsley.

"Because distributors were told that chassis were in short supply until 2009, a lot of companies put back their orders," explains RTN's Brian Edwards. "The chassis situation has done a complete u-turn and we are seeing customers ordering vehicles. We have a healthy order book well into the new year."

Brian says the indications are for "reasonable demand" in 2009, not least because the sterling/euro currency exchange rate is encouraging EU customers to buy both new and used tankers.

"The used tanker business is very buoyant, as you would expect at the this time of year," adds Brian. "RTN's policy of purchasing two- to three-year-old specially selected chassis cabs with new or refurbished equipment offers the distributor a cost-effective alternative."



RTN have recently supplied Oakleys Fuel Oils of Telford with this Isuzu tanker – a 7.5-tonne, 5,000-litre, two-compartment aluminium ADR tank. It boasts an Alpeco T550 meter system and is the ideal mini tanker for deliveries in space-restricted locations.

HEIL COMMITS TO THE FUTURE

Heil Trailer International are replacing more than 30 tanks operated by Hoyer UK for a major customer. The updated ADR5000 tanks are now being liveried at A&R.



Earlier this year, Heil set up a partnership with the A&R Group, transferring their after-sales, service and warranty operation, including all Heil's skilled employees, to A&R Vehicle Services Ltd. "This has proven to be, in a short time, a very successful action," says Heil's General Manager Nigel Chesterman. "The move has strengthened the Heil tanker after-sales care service, providing the very best in customer support for all new Heil equipment and for well over 2,000 Heil tank semi-trailer trailers in operation throughout the UK."

A&R, one of the UK's largest fleet management and vehicle support specialists, is based in Wednesbury, West Midlands with more than 100 people on a purpose-built, six-acre site.

Trevor Rushworth, Chairman of A&R, said: "We are all very pleased with how much has been achieved in a short time. We confidently look forward to implementing our longer term plans to expand the tanker operation with new dedicated tank workshop bays."

As the only global supplier of tank semi-trailers, Heil Trailer International confidently expects to work through the current economic problems being experienced in the US and Europe and looks forward to the opportunities for future development towards the end the decade," said Nigel.

Shell in new world fuel efficiency record

Shell is claiming a part in a new world record in truck fuel efficiency. The record was set at the Nardo test track, Italy, where a new 40-tonne Mercedes Actros 3 consumed 19.44 litres of diesel per 100km over 12,728.94km, using a new Shell diesel formula and the fuel-saving lubricant Shell Rimula R6 LME. The figures have made it to the Guinness Book of Records.

Shell claims that low viscosity fully synthetic lubricants like Rimula, combined with the company's driveline lubricants, can cut fuel consumption by up to 5% in commercial vehicles when compared with conventional grades. The company says its own tests have shown that Shell Diesel with a fuel economy formula can give fuel savings of up to 3% and help reduce exhaust emissions and smoke. Testing of Rimula at the University of Graz resulted in fuel savings of 1.1%.

Among a list of driving tips to help companies economise on fuel, Shell recommend keeping tyres at the correct pressure, saying that for every 0.7 bar that tyres are under-inflated, fuel consumption rises 1%. It also says that every 2% cut in aerodynamic drag can improve fuel economy by 1%.

SUCKLING JOBS SAFE

The jobs of around 150 people have been secured thanks to the renewal of Suckling Transport's contract with Shell.

"Obviously we are very pleased to renew our contract with Shell," said Managing Director Peter Lerner. "Suckling Transport has worked for Shell in all but three of the last 20 years, which gives us a unique understanding of their requirements. We share a focus on safety and performance to the highest standard. We employ around 150 people on this contract and I am particularly pleased for them."



JW Suckling Transport Limited has retained the contract for Scotland, south Wales, south-west and southern England. The new contract starts on 1 July next year. Hoyer UK Limited has retained contracts for northern England, the Midlands and south-east England.

Artegy provides a Speedy solution

Tool and equipment company Speedy Hire plc has added two new tankers from Artegy to its fleet. A further three are to follow. Speedy Hire, which rents out access equipment, materials handling, cranes, pumps and site equipment, ordered five 26-tonne fuel tankers, taking advantage of Artegy's contract hire service.

The service, specifically designed to meet the needs of the ADR market, reflects a trend towards contract hire as the preferred method of funding and managing commercial vehicles. Artegy says there are significant operational and financial advantages over outright purchasing, including 24-hour regional breakdown and technical support, bespoke handovers and equipment demonstrations by trained engineers,

and smooth management of costs. Artegy, based in Manchester, now manages more than 10,000 vehicles for customers across the UK and France. The company is a wholly owned subsidiary of BNP Paribas, one of Europe's largest banking groups.

Below, Robert Gibson, Depot Manager at Speedy, takes delivery of two Scania tankers from Artegy's Andy Wainwright.



ANTI MOVE

VEHICLE SECURITY SYSTEM

PROTECT YOUR VALUABLE ASSET !



NEW FROM



- *Stops unauthorized movement of truck.*
- *Arms automatically when driver exits cab.*
- *Incorporates anti-roll away feature.*
- *Vehicle release via key fob or PIN.*
- *Easily retrofitted to existing vehicles.*