



The newsletter of the Petroleum Equipment Institute



February 28, 2008 | Vol. 58, No. 04

[respond](#) | [preferences](#) | [login](#) | [unsubscribe](#)

Dear PEI Member:

PEI members, petroleum marketers and convenience store operators traveled to Las Vegas last week to attend the annual Western Petroleum Marketers Convention and Convenience Store Exposition. Since this is the first opportunity for the industry to gather and discuss plans for the coming year, many PEI members use the event as a barometer to gauge their business prospects. This is what we heard from those in attendance.

The first two months for distributors r an about the same as 2007, which nobody seems to be complaining much about, considering the outstanding numbers produced in 2007. There are a few companies off to a better start, an equal number down a tad, but most seem flat. Upgrading and re-imaging work are expected to account for a greater proportion of the construction work, while service (provided you can find and keep the technicians) is still relatively strong.

Activity in three states is noteworthy. Phase II EVR work has picked up a little in California, but most customers seem content to hold out as long as they can, hoping against hope that the deadlines will be extended. Tank installation work in Florida is going great guns as tank owners push to meet the state's 2009 tank upgrade deadline. Experienced installation contractors are in short supply there. Michigan is still in the throes of its one-state recession.

Manufacturers are cautiously optimistic about this year after showing January/February sales at 2007 levels. A few companies had sales contests at the end of 2007 which hurt them going into 2008. We talked to two manufacturers in Las Vegas that just recently reduced projected volume for 2008. It's too early to say if that is the beginning of a trend. Car wash manufacturers, as a general rule, are down.

In this Issue

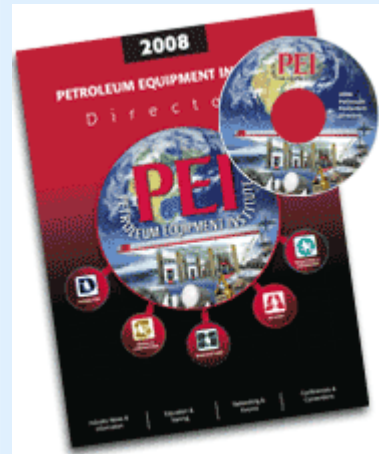
 [Business Conditions](#)

[Alternative Fuel Notes](#)

[RP200 to be Revised](#)



The [2008 Petroleum Equipment Directory](#) is in transit to all PEI members.



Respond to this Newsletter

by e-mail to the editor, Robert Renkes at rrenkes@pei.org

or join the discussion in the

The petroleum marketers and convenience store operators are a little anxious about 2008 with oil hitting new highs, the housing bubble bursting and consumer confidence waning. Some have developed a cautious wait-and-see attitude, which has some projects on hold. Bankers are still loaning money to creditworthy customers however, so most marketers are still bullish for 2008.

The big question in most everyone's mind is what will happen if the United States enters a recession. We will explore that in the next newsletter.

Petroleum Equipment Forum

to unsubscribe or change preferences [see below](#).

ALTERNATIVE FUEL NOTES

There are currently 136 conventional ethanol plants in operation in the US with the capacity to produce 8 billion gallons of ethanol per year. Some 62 additional ethanol refineries are under construction or in the planning stages.--Bob Dinneen, president of the Ethanol Industry Trade Association, quoted in the *Oil Daily*, February 11, 2008.

"Affordable plug-in cars that won't need gas in just two years? That's the aim. Autos with batteries you can recharge nightly are likely in 2010 as manufacturers push to meet new mileage standards. The plug-ins will really be hybrids that average 80-100 miles per gallon. But the new cars won't need gas for most daily commutes and chores. An overnight home charge will keep cars running for up to 40 miles. First cars off the line: Chevy Volt and Saturn Vue Green Line. GM wants to quickly ramp up production to 100,000 plug-ins annually, and by 2015, expect that to grow to a half million. Toyota also set 2010 as a rollout date for a plug-in Lexus. Others are likely to follow suit."--*The Kiplinger Letter*, January 25, 2008.

VeraSun Energy and Kroger Co. said February 26 that they would open 20 "VE85" branded fuel locations at existing Kroger convenience stores in the Dallas and Houston metro areas.

Magellan Midstream Partners and Buckeye Partners said February 19 that they have begun a joint assessment of whether to build an ethanol pipeline that would run from the Midwest to Northeastern United States. The proposed pipeline, with a preliminary cost estimate of over \$3 billion, would extend about 1,700 miles and take several years to build. Upon completion, the pipeline would have the capacity to supply more than 10 million gallons of ethanol per day, gathering ethanol from production facilities in Iowa, Illinois, Minnesota and South Dakota to serve terminals in major markets such as Pittsburgh, Philadelphia and New York, the companies said.

PEI'S ABOVEGROUND STORAGE TANK INSTALLATION STANDARD TO BE REVISED

The PEI Aboveground Tank Installation Committee is in the process of revising PEI's Recommended Practices for Installation of Aboveground Storage Systems for Motor Vehicle Fueling (PEI/RP200-03). The entire industry—PEI members, regulators, oil company owners and engineers, and petroleum marketing trade associations—is given an opportunity to comment on and suggest changes to the document. The recommended practice covers all phases of proper AST installation: site planning; foundations, support and anchorage; dikes; vaults and special enclosures; tanks; pumps and valves;

fills, gauges and vents; pipe and fittings; corrosion protection; electrical installation; environmental protection; and testing and inspection.

RP200 is applicable only to stationary, shop-fabricated tanks used at commercial and retail service stations and marinas. The document is referenced in the latest edition of NFPA 30A and is required reading for the International Code Council's (ICC) aboveground storage tank certification program.

PEI will follow the same procedure in revising RP200-03 that has been used with previous updates of the recommended practices PEI publishes. If you have suggestions or recommendations for revisions to RP200-03, you can submit them online or download a form to mail or fax at www.pei.org/RP200. Instructions for completing the form are also available on this web site.

All comments must be received at PEI by Wednesday, April 30, 2008, to be considered by the committee. If you have any questions or need further information, contact Bob Young (byoung@pei.org) or call 918-494-9696.

BRIEFLY NOTED

Ameron International/Fiberglass Composite Pipe Group, Houston, Texas, has named John W. Kennedy Company Petroleum & Industrial Equipment as its 2007 Distributor of the Year and Eastern States Associates, Palmer, Massachusetts, as its 2007 Representative of the Year.

Northwest Pump & Equipment has moved its branch operation in Anchorage to a new facility at 1041 East 70th Avenue, Anchorage, Alaska 99518. Telephone: (907) 277-7867. Fax: (907) 522-9696.

BP West Coast Products LLC will sell 155 retail sites in Arizona, California, Oregon and Washington as part of its plan to divest its company-owned and -operated retail sites.

Bob Bartlett, president of the Wisconsin Petroleum Marketers and Convenience Store Association, has announced his plans to resign his position and join the staff at Alliant Energy Corporation.

ASSOCIATIONS ELECT NEW OFFICERS AND DIRECTORS

The Steel Tank Institute and Steel Plate Fabricators Association elected new officers and members to its board of directors at its annual winter meeting held earlier this month in Arizona. Six are PEI members: Sonny Underwood, Mid-South Steel Products, Inc. (chairman of the board); Chuck Travelstead, Brown-Minneapolis Tank (president); Terry Cooper, Acterra Group (vice president); Ron Houston, J.L. Houston Co. (treasurer); Ron Ecleberry, Modern Welding Co. (board member); and Tim Woofter, Stanwade Metal Products (board member).

Bob Renkes, PEI's executive vice president, has been elected chairman of the Association Executives Council of the National Association of Wholesaler-Distributors (NAW). Renkes also serves as a member of the NAW Board of Directors.

MEMBERSHIP APPLICATIONS

Virginia distributor. OneSource Petroleum Supply, 66 Rutherford Lane, Stuarts Draft, Virginia 24477, has applied for distributor division membership.

Alexander P. Campbell is a partner in the firm, which was established in 1992. OneSource is a full-line distributor of petroleum, lubrication and fluid handling equipment representing 3M, AlcoLite, BravoInc, Catlow, ClayBailey, CntmtSoltn, Diversified, EBW, FairfldInd, Franklin, HoseMaster, Lincoln, LSI, ModernWeld, PetroFiber, Pneumrcatr, PwrInteg, Riverside and SuprCanopy. Sponsored for PEI membership by David Bass, ShannonAsc, Southern Pines, NC.

Fluid measurement and control systems manufacturer. Liquid Automation Systems, LLC, 916 Belcher Drive, Pelham, Alabama 35124, has applied for manufacturer division membership. Jef Gaskill is president of the firm, which was established in 2002. The company provides systems and components to track, monitor and control all fluid storage and movements, which are sold through distributors. Sponsored for PEI membership by Kenneth Hessevick, LqdCntrols, Lake Bluff, IL.

Australia tank manufacturer. Transtank Pty. Ltd., 27 South Pine Road, Brendale, Queensland, Australia 4500, has applied for manufacturer division membership. Colin Quinn is the general manager for Canada, which was established in 2001. The company manufactures portable, double-walled storage tanks and fuel equipment, which are sold through distributors.

Sponsored for PEI membership by Steve Murray, TotlConSys, Fort Wayne, IN. Massachusetts installation and service firm. Lemelin Environmental Services, Inc., 70 North Chicopee Street, Chicopee, Massachusetts 01020, has applied for service and construction division membership. Julie Dean is the bookkeeper for the company, which was established in 2004. The firm installs and repairs fuel systems, installs underground tanks and tank gauges, and removes USTs. Sponsored for PEI membership by Frank McGoogan, FuelMaster, Tallahassee, FL.

New York equipment financing firm. Bison Commercial Leasing, 6800 Jericho Turnpike, Suite 102W, Syosset, New York 11791, has applied for affiliate division membership. Donald Sutherland is vice president of the firm, which was established in 1992. Bison Commercial Leasing provides financing for equipment purchases. Sponsored for PEI membership by David F. De Costa, ArmorCon, Fairfield, NJ.

Ohio petroleum construction company. Giles Construction, Ltd., 1690 Woodlands Drive, Suite 241, Maumee, Ohio 43537, has applied for service and construction division membership in PEI. Denise M. Giles is CEO/president of the firm, which was established in 2002. The company specializes in petroleum construction. Sponsored for PEI membership by Lorne Trainor, BlackEqp, Toledo, OH.

North Carolina installation and service company. Coulson Petroleum Services, P. O. Box 68, North Little Rock, Arkansas 72115, has applied for membership in the service and construction division. Stan D. Fox is the service department manager for the firm, which was established in 2006. The company installs and services gasoline handling equipment. Sponsored for PEI membership by Lyndell Thomas, HootenEqp, Springdale, AR.

Virginia service and construction firm. Rappahannock Petroleum LLC, 225 Ritter Road, Winchester, Virginia 22602, has applied for service and construction division membership. Starsky A. Dodson is supervisor of operations for the firm, which was established in 1982. Sponsored for PEI membership by Fred Monroe, Monroe, Arlington, TX.

Virginia aluminum composite material manufacturer. Alpollic Materials/Mitsubishi Chemical FP America, Inc., 401 Volvo Parkway,

Chesapeake, Virginia 23320, has applied for affiliate division membership. Mike Caldwell is specialty national sales manager for the firm, which was established in 1986. The company manufactures materials for canopies, convenience store fascia, carwash interiors and interior walls. Nominated for PEI membership by Ronnie Jones, LaneSupply, Arlington, TX.

ADMITTED TO PEI MEMBERSHIP

- Estes Petroleum Equipment Company, Inc., dba Performance Fueling Specialists, Knoxville, TN (dis)
- Tanques Especializados de Chihuahua S.A. de C.V., El Paso, TX (mfr)
- Dispensarios Supramax, Zapopan, Jalisco, Mexico (aff)
- Hose Assembly and Supply Ltd., Kingston, Jamaica, West Indies (S&C)
- Gryphon, Inc., Buffalo Grove, IL (aff)
- Jeremy Templin, Kroger Company, Denver, CO (O&E)
- Bruce Richardson, Cleveland Clinic, Cleveland, OH (O&E)

Robert N. Renkes

Manage Your Subscription

This newsletter is a member benefit of the Petroleum Equipment Institute. To unsubscribe [click here](#) or manage all your newsletter subscriptions online at www.pei.org/membersonly.

Do not reply to this message.
This newsletter is sent from an unattended mailbox.
To respond to this newsletter use these [options](#).

PEI® and the PEI mark are registered trademarks of the [Petroleum Equipment Institute](#).
Copyright © 2008 All rights reserved.



©2008
Petroleum Equipment Institute
P. O. Box 2380
Tulsa, OK 74101-2380

The TulsaLetter (ISSN 0193-9467) is published two or three times each month by the Petroleum Equipment Institute. Robert N. Renkes, Executive Vice President, Editor. Opinions expressed are the opinions of the Editor. Basic circulation confined to PEI members.