The Fuel Monitor

The Fuel Web
"The Future of Delivery"

The Fuel Web, Inc.

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Special points of interest:

- "Focusing on these areas will also lead to finding other places to improve efficiency using modern tools and services".
- "Making a good decision about when to make a customer delivery starts with knowing with some confidence; how much propane is in the tank now, how fast it will be used and how scheduling one delivery will impact all other deliveries that must be made".
- "A greater quantity of data (such as that provided by some tank monitors) would allow the establishment of statistical relationships based on actual local historical data".

Inside this issue:

6 Important steps to improving fuel delivery operating efficiency.

An excerpt from the TFW white paper presented at the 2006 World LP Gas Conference in Chicago, Il.

Title: "Applying the Latest Technology and Business Methods to Improve Delivery Operations at LP Gas Marketers".

From our initial research, The Fuel Web uncovered key areas of opportunity to improve delivery operations for the Propane Marketer. It is the conclusion of The Fuel Web that the six most important steps to improving fuel delivery operating efficiency are:

1) Reducing the tank level at which deliveries are made.
2) Eliminate non-delivery stops.
3) Eliminate run-outs.
4) Manage delivery resources to match customer demand as closely as possible.
5) Constantly be looking to streamline operations using technology.
6) Manage data and processes.

There are additional ways to improve efficiency at Propane Marketer operations by automating, streamlining and re-thinking processes, but the above are the key areas of focus for The Fuel Web because they bring the most dramatic effect. Focusing on these areas will also lead to finding other places to improve efficiency using modern tools and services.

Reducing the tank level at which deliveries are made: The ability to run deliveries successfully using a substantially lower fill level requires a high confidence in the forecasting and scheduling system to make sure run-outs never occur. Also measured as the increase in the number of gallons delivered per mile driven.

Eliminate non-delivery stops: A more advanced forecasting and scheduling system based on more and better data and real time updates should eliminate non-delivery stops just as it would allow reducing the target fill level.

Eliminate run-outs: Implementing a system that integrates tank monitors and advanced forecasting and scheduling systems allows the Propane Marketer to virtually eliminate run-outs to customers and the associated cost and potential liability.

Managing delivery resources to match demand as closely as possible: Making a good decision about when to make a customer delivery starts with knowing with some confidence; how much propane is in the tank now, how fast it will be used and how scheduling one delivery will impact all other deliveries that must be made.

Constantly be looking to streamline operations using technology: Regular review of operations processes that can be automated by technology will allow the Propane Marketer to reduce organizational overhead and replace processes that are subject to error and slow to complete.

Manage data and processes: A greater quantity and more accurate data (such as that provided by some tank monitors) would allow the establishment of statistical relationships based on actual local historical data. This would make possible many more ways to classify a customers usage, automate its determination and greatly improve the data accuracy for making efficient delivery scheduling decisions.

In conclusion, a huge opportunity exists for the Propane Marketer to significantly reduce operating cost with a business platform that can reliably forecast usage, schedule and route trucks to make deliveries at the lowest fuel level in the tank, while minimizing the impact of nature (seasonal transitions and dramatic weather changes that effect fuel usage). This will require a change in business focus and a substantial cultural change at the Propane Marketer operations. The only business platform available that provides the data validation processes necessary to execute these six steps effectively is ***e-Fuel* Delivery Management** business platform offered by The Fuel Web.

For a complete copy of this ground breaking white paper, visit: www.thefuelweb.com/documents and select "Recent White Papers" to register for a copy.

The propane industries use of the traditional Degree Day method to determine a customers K-Factor (the number of Degree Days it takes for a customer to burn one gallon of fuel) was developed in the 1950's by the petrochemical industry and was considered by Blue Star Gas an outdated process taking into account today's advances in technology and available business processes. For Blue Star Gas to meet its aggressive growth goals and continue to increase profitability and revenue, these inefficient processes needed to be replaced.

To get the complete version of this Case Study please visit: www.thefuelweb.com/documents.htm.

Case Study: Blue Star Gas Retail Operations (condensed version)

Customer Success Story

Company:
Blue Star Gas is a family business owned and operated by the Stewart family for 70 years. The company operates retail offices in 9 locations through Northern California and Western Oregon. The company also owns and operates (2) rail terminals, a wholesale propane trucking and supply company.

Location:
Santa Rosa, California

Industry:
Propane Distribution

Problem:
Blue Star Gas existing fuel delivery processes were outdated resulting in fuel delivery inefficiencies that negatively impacted retail branch profitability, revenue and growth

Solution:
Blue Star Gas choose to fully deploy The Fuel Web's e-Fuel Delivery Management business platform for routed customers at (9) retail operations, anticipating 7 key benefits:

- Decrease out of gas calls.
- Decrease non-delivery stops.
- Increase fuel delivered with each stop.
- Reduce the number of annual deliveries made.
- Decrease after hours deliveries.
- Reduction in data validation errors during the delivery transaction process.
- Reduction in data validation errors in shift processing.

Problem

Blue Star Gas is one of the most technology experienced and progressive propane marketers in the United States, delivering liquid propane gas to residential, recreational, commercial and agricultural customers throughout Northern California and Western Oregon.

After an in depth analysis of its business operations, Blue Star Gas uncovered inefficient processes involving their retail location. One of the most costly of the inefficient processes involved the accurate forecasting of a customers usage of propane. In particular, their ability to accurately determine a customers usage during seasonal transitions (Fall to Winter / Winter to Spring) and after new customer tank installations. Using their existing Degree Day process, it was nearly impossible to determine a customer's usage of propane under these scenarios and therefore caused costly inefficiencies in the delivery management of propane at all Blue Star Gas retail operations.

Solution

Blue Star Gas determined that an entirely new business platform was the only way to accomplish their goals (see 7 key benefits). They decided that the services provided by The Fuel Web (TFW), was the best solution. The initial decision was made to fully deploy TFW ***e-Fuel*** Delivery Management to all of the Blue Star Gas routed customers in their (9) retail locations. The process involved the planning and implementation of:

1. *Integration* of TFW ***e-Fuel*** Delivery Management system with the Blue Star Gas accounting database systems for data exchange. This includes data from the ***e-Fuel* Mobile** delivery vehicle computer system, the TFW tank monitoring system and the ***e-Fuel*** Web application that includes the customer usage forecasting and scheduling engine.
2. *Training* of Blue Star Gas staff on:
   - The ***e-Fuel*** tank monitors field installation process.
   - The use of ***e-Fuel*** Web-based Delivery Management system to manage the tank monitor installation process, manage customer account data, utilize the TFW Customer Service Notes application to manage customer issues and efficiently forecast and schedule fuel deliveries.
   - The use of ***e-Fuel* Mobile**: The in-vehicle automation of the Delivery Management process utilizing the delivery vehicle metering, PDA's, GPS and Cellular networks natively integrated with the ***e-Fuel*** Delivery Management system.
3. *Installation* by branch personnel of The Fuel Web tank monitors on 7,000 of Blue Star Gas routed customers. (**see page 3 for results**).

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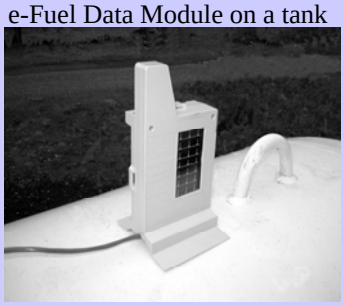
e-Fuel Data Module on a tank



e-Fuel Gateway in a home

e-Fuel Mobile Bobtail setup

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http://www.thefuelweb.com/

Continued from Page 2— Case Study: Blue Star Gas Retail Operations

The Result:

After its 1st year of operation with the ***e-Fuel*** Delivery Management system fully deployed as planned, Blue Star Gas quantified the following performance results for its routed customers:

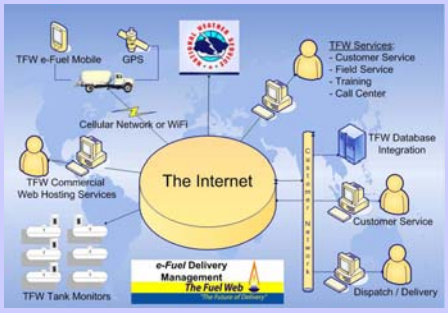
Decrease in out-of-gas calls:	95%
Decrease in non-delivery stops:	60%
Decrease in annual deliveries:	30%
Increase in fuel drop per stop:	25%

Additional Benefits Realized:

In addition to the benefits quantified above, Blue Star Gas was able to avoid the purchase of (2) new bobtails scheduled for delivery in 2007 and move (2) front line bobtails to seasonal vehicles due their improvement in business process efficiency. Overtime hours were reduced at a number of retail locations by 70% during the winter peak period from the year before.

The ***e– Fuel* Mobile** application used by Blue Star Gas delivery drivers is designed to run on most "Off-the-Shelf" PDA's and allowed Blue Star Gas to outfit their entire fleet of (24) bobtail vehicles for a capital investment of approximately $700 per vehicle utilizing the existing Liquid Controls LCRII™electronic meters.

Blue Star Gas markets the tank monitors under the name "e-lert™ tank monitoring systems" as part of their overall marketing campaign of product differentiation in their service area. This campaign has included the installation of tank monitors at will call customers to proactively manage delivery planning and convert these customers to keep full. The campaign has also resulted in 150 new customers requesting Blue Star Gas as their fuel supplier specifically because the "e-lert™ tank monitoring systems" added value above the competition.



TFW Background:

Between 1999 and 2002 a business analysis was conducted by The Fuel Web, Inc. to determine if a significant operational cost savings were available to LP Gas marketers by automating the management of the LP Gas deliveries with modern business tools and methods. The research involved conducting a business process analysis over a two year period in partnership with two LP Gas Marketers located in the western United States. The objective was to see where the impact of using new technologies and business processes would provide a significant improvement in operating efficiencies, improved customer service and streamlined back office processes. The results of the study concluded that a properly implemented integration of the Internet, tank monitoring, advanced forecasting, modern scheduling and routing methods as well as mobile computer systems could provide a very significant positive impact on the bottom line and a significant streamlining of overall operations. Based on this, a new business platform has been developed by the Fuel Web, Inc. named ***e-Fuel*** and is being used successfully by many propane marketers in North America.

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