



The company has more than 50 trailer trucks in service.

Heating Oil Sales Fuel Growth at Dennis K. Burke

DENNIS K. BURKE INC., A LONGTIME PROVIDER of specialty fuels and petroleum products, is using its strong ties to many petroleum marketers in the Northeast to raise its profile in the Oilheat industry.

The Chelsea, Mass. company has been around since 1961, when brothers Dennis and Ed Burke went into business with a filling station and a truck cleaning business that specialized in power-washing the inside of refrigerated meat trucks.

They grew the company over four decades mostly by dealing in niche products such as marine fuel and motor oil. The brothers succeeded largely by understanding their customers' needs and catering to them.

Quick Response Sells

At the forefront of those needs was timely response. Dennis K. Burke sometimes fueled the same meat trucks that it cleaned, and if one of those trucks ran out of fuel, the refrigeration would stop and the cargo would be at risk. Fast response was critical, and that emphasis on timeliness became embedded in company philosophy.

Heating oil was not on the Burke product list until February of 2003, when the East Coast was paralyzed by a blizzard. Because Burke was focused primarily on warm weather markets like construction, marinas and golf courses, it was one of the only companies that had surplus tank truck capacity in February, and it started making emergency deliveries to Oilheat retailers.

President Ted Burke said the company already had connections to a lot of Oilheat companies because they were buyers of Burke motor oils and other fleet products.

“With economies of scale kicking in, maybe a year from now bio will have an economic advantage, and then there will be no stopping it.”

—Ed Burke

It is commonplace for Oilheat dealers to use multiple wholesale suppliers, and Dennis K. Burke urged many of its new Oilheat customers to maintain accounts and use Burke as a supplier.

As a transporter, Dennis K. Burke can offer a combination of wholesale sales and delivery that is attractive to some Oilheat marketers who have bulk facilities, according to Ted Burke. “I believe we’re the only

supplier in the Northeast that manages terminal positions to compete in price and has a fleet of 50 trucks to deliver the fuel,” he told *Oil & Energy*.

The move into Oilheat has led to a tripling of Burke’s fuel sales from about 45 million gallons in 2001 to about 145 million in 2006, according to Ted Burke. Burke has terminal positions in Portland, Maine, Portsmouth, N.H., Revere, Mass., Braintree, Mass., Providence, R.I., New Haven, Conn., Newark, N.J., and Albany, N.Y.

Providing Information

In addition to timely delivery, the company also serves customers with information, using the company Web site (www.burkeoil.com)

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Dennis K. Burke has been in business in Chelsea, Mass., since 1961.

as its distribution point. The site offers visitors eight or 10 downloadable presentations. Current offerings include: historical data on diesel prices to help fleet operators figure out when to buy; a video clip of Ed Burke explaining changes in off-road diesel fuels; a slideshow on changes in off-road fuels; and a video clip demonstrating how restaurant grease can be turned into diesel fuel.

During the mandated transition to reduced sulfur distillates that began in 2006, Burke has positioned itself as a purveyor of information and compliance materials. The company has published a one-page flyer that outlines all the changes in fuel specifications and indicates when each change takes effect at each tier of the supply chain.



Packaging and selling lube oil and other products is a mainstay of the company's business.

The new mandates require marketers to update their dispenser labels under threat of heavy fines from the U.S. Environmental Protection Agency (EPA). Burke has responded to that mandate by mailing updated dispenser labels to its customers unsolicited and at no charge.

The company enhances its customer service with regular in-house training that keeps the service staff up to date so that they can provide answers on the spot to customers who call with questions.

New Man in Charge

Dennis K. Burke opened a new chapter in its history in November 2006, when Ted Burke took over as president. The son of Ed Burke, he worked for the family business as a teenager before going to college and working for five years as an Oracle financial systems consultant for Arthur Andersen and KPMG. "I always wanted to return here, but I wanted to work on my own first. I wanted to make as many of my mistakes as I could on someone else's nickel," he said.

His appreciation of technological solutions is evident in a project he has initiated to install remote monitoring on customer tanks. After evaluating numerous systems over the course of several years, Burke selected a technology partner (whom he declined to identify) who delivered a proprietary Web-based solution that wirelessly connects electronic monitors on customers' tanks to an Internet tracking system. Both the customer and the dispatchers at Dennis K. Burke can now check tank levels on a computer screen. At Burke, the system is used to identify priority deliveries by analyzing tank levels and usage rates. When the system identifies a tank as a top priority, it alerts the dispatcher, using an automatic telephone page if necessary.

The monitors are in place at about 300 customer sites, and Burke has a full time employee dedicated to installing and maintaining the systems. "I want to get it everywhere," he said. The customers love it when it's cold out and they don't have to go out to check inventory."

Dennis Burke has retired from the business, but Ed Burke remains active as chairman of the board, and he is deeply involved in biofuels and other environmental concerns.

Bullish on Bio

The elder Burke is very optimistic about the future of Bioheat®, which is a blend of biodiesel and heating oil. Biodiesel adoption is much farther along in the transportation sector than it is in the home heating sector, and that has everything to do with mandates, according to Ed Burke. Many government entities have adopted requirements for biodiesel usage in fleets, while the home heating market is largely free of biofuel mandates.

One thing that has kept Oilheat marketers from adopting Bioheat® is fear of supplying customers with non-conforming fuel, as the warranties on most oil-fired boilers and furnaces specify the use of No. 2 oil. The American Society of Testing and Materials (ASTM) is expected to rule late this year on a proposal from Bioheat® advocates to redefine No. 2 oil to include up to 5 percent biodiesel (B5). If ASTM approves the measure, Ed Burke expects a significant surge in Bioheat® sales.

"Right now the price is high because demand exceeds supply, but a lot of refineries and plants are being built," said Ed Burke. "With economies of scale kicking in, maybe a year from now bio will have an economic advantage, and then there will be no stopping it."

He is especially enthused about the prospects for cellulosic ethanol, which will be made from agricultural waste. "Imagine a world where corn stalks, leaves and waste wood are becoming fuel," he said. "That leads

to brave new world and a huge economic gain for the U.S."

Dennis K. Burke was the first dealer in Massachusetts to offer B20 at a filling station. It has also installed an E85 ethanol pump at



its Chelsea station, but is still waiting for the permits it needs to sell the corn-based gasoline alternative.

AltWheels 2007

Through his involvement with alternative fuels, Ed Burke has become an ardent advocate, and he is particularly enthusiastic about the annual AltWheels Alternative Transportation and Energy Festival that is staged in and around Boston. Dennis K. Burke is a founding member and lead sponsor of the event, which is focused on alternatively fueled vehicles. AltWheels 2007 will be held Sept. 28-29 at Boston City Hall Plaza. Exhibits will include electric, solar, flex-fuel and hybrid vehicles, as well as the latest in human-powered transportation. (For more information, visit www.altwheels.org.)

The company also exhibits at numerous environmental fairs and exhibits, where the focus is mostly on transportation, although interest in Bioheat® seems to be growing, according to Ed Burke. ☞

Lube oils are a cornerstone product at Dennis K. Burke.

