

VOL 2 ISSUE 5 SourceLine



Show Announcement
PEI NACS



Please join Source at Booth #4821 at the PEI NACS Show held at the Georgia World Congress Center in Atlanta, GA on October 12-15.

Source is excited to join over 1,300 exhibitors at this year's event. Visit Source's booth at the industry's biggest event of the year!

VISIT US AT NACS BOOTH #4821



Featured Product: OPW CNG NOZZLES

OPW offers an extensive line of CNG Nozzles that are used worldwide. The various design and operational characteristics of these nozzles meet a wide range of CNG-fueling applications and requirements.



New Fuels: The State of Compressed Natural Gas (CNG)

The United States Energy Policy Act of 2005 laid out new thresholds for alternative fuel use in the U.S. with an eye on reducing the country's reliance on traditional fossil fuels, namely gasoline and diesel. One of the more popular and widely available alternative fuels is natural gas, which is mainly comprised of methane.

Throughout the past several years, 80-90% of the natural gas used within the U.S. was produced domestically and was mainly extracted from gas and oil wells. Once this gas is extracted, it is distributed easily and quickly via the vast fueling infrastructure of the U.S. The United States has over 300,000 miles of transmission pipelines located throughout the lower 48 states.

Compressed Natural Gas (CNG) is clean-burning, produced domestically and relatively low priced. Vehicles that run on CNG get the fuel economy equivalent to conventional gasoline vehicles. CNG is used in light-, medium-, and heavy-duty applications.

CNG consumption has increased steadily since 1995, which is largely due to various state and federal government incentives, increased natural gas supply, and falling natural gas prices. In 2011, the new record high of proven reserves of U.S. wet natural gas rose to 348.8 trillion cubic feet. As of 2010, the U.S. consumption of CNG was over 200 million gallons.

With the increase in availability, lack of evaporative emissions and lower cost compared to gasoline and diesel, many municipal and commercial fleets across the country are switching their fleets over to using natural gas as a fuel source. The most notable commercial fleet that uses CNG is delivery giant, United Parcel Service (UPS). The company has over 1,300 delivery trucks in a dozen markets. FedEx, AT&T and Verizon have all begun integrating natural gas into their fleet's fuel consumption.

For more information on natural gas compatible equipment, please [contact your Source representative](#). We will take an in-depth look at another alternative fuel in the next issue of *SourceLine*.

Did You Know?

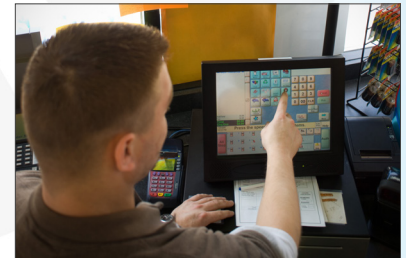
There are currently over 600 CNG stations in the United States. To find the nearest CNG location, please [click here](#).



Source is proud to announce that it is a full line distributor of Gilbarco Veeder-Root products including: Fuel Dispensers, Point-Of-Sale Systems, FlexPay Payment Systems and Forecourt Merchandising.

For over 150 years, Gilbarco Veeder-Root has been the technology leader of retail and commercial operations. Gilbarco Veeder-Root also offers a wide variety of integrated solutions from the convenience store to the forecourt.

If you have any questions on Source's new product offering, please contact Joe O'Brien at jobrien@SourceNA.com.



Pacific Oil CONFERENCE



On September 4-5 Source attended the POC trade show at the JW Marriott in Los Angeles, CA.

The POC show was a great way to highlight the recent acquisition of the business operations and selected assets of California-based Commercial Petroleum Equipment (CPE). Source is excited to expand its presence and commitment in the California area. With the addition of the Sun Valley facility, Source is able to better serve its customer base across the West Coast. While at the conference, Source enjoyed creating new relationships and meeting many new customers, while further strengthening old bonds.

Customer Appreciation EVENTS

Throughout the summer, Source has held a variety of open houses at its facilities to say "Thanks!" to its customers. For example, the Source facility in Maryland recently held an open house, the facility in Georgia had a barbeque, and Ace Tank in Seattle held a lunch event. See below for pictures from the event at Ace Tank.




Merchant Customer Exchange

Merchant Customer Exchange (MCX) was created by a group of the nation's leading merchants including 7-Eleven, Inc., Pacific Convenience & Fuel LLC, Phillips 66, Quik Trip Corporation and Shell Oil Products U.S. Together, these merchants and many more operate nearly 90,000 stores and have joined together to create a mobile wallet application for smartphones that will provide users a customer-focused, versatile and seamlessly integrated mobile-commerce platform.

Although the application does not have an official release date, many companies across the country continue to join the group in order to provide consumers with a mobile-centric payment solution that will rival Google Wallet. Many of the members already serve nearly every smartphone-enabled American on a weekly basis. The mobile wallet application will also make the payment process easier and will provide consumers with promotions and consumer offers straight to their phones, while providing retailers with consumer insights.

To find out more information about MCX, please visit www.mcx.com.

Update on RFS Article

Updating our article from the previous issue of *SourceLine*, the Environmental Protection Agency (EPA) released the final 2013 Renewable Fuel Standard (RFS) volumetric requirements. For 2013, the EPA has waived the cellulosic requirement from the statutory level of 1 billion gallons to 6 million gallons, but retained the overall advanced biofuel and renewable fuel requirements. For 2013, the total RFS volumetric requirement is 16.55 billion gallons.

According to the EPA, the likely dominant renewable fuel in the near future will be ethanol. However, it seems that the market will be unable to consume higher blends of fuel such as E85—a goal for 2014—due to constraints in infrastructure and other market-related factors. Looking forward, it seems unlikely that the market will consume blends greater than E10 and/or produce satisfactory volumes of non-ethanol biofuels to meet the standard of total renewable fuel required by the statutes for 2014.

The EPA is also extending the compliance deadline for all obligated parties to June 30, 2014 from February 28, 2014. The new June 30 deadline provides additional time for obligated parties and the EPA projects that the 2014 RFS standards should be finalized by this date.

The table below shows that about 10% of all fuel used in 2013 will be from renewable sources. The percentage standards represent the ratio of renewable fuel volume to non-renewable gasoline and diesel volume.

Final Percentage Standards for 2013

Cellulosic Biofuel	0.004%
Biomass-based Diesel	1.13%
Advanced Biofuel	1.62%
Renewable Fuel	9.74%

For more information on the RFS, and associated legislation, visit the [EPA's official website](http://www.epa.gov).