

Due to the current Middle East crisis, African crude is not readily available.

How is residual fuel oil transported, stored, and delivered? Residual fuel oil, regardless of how made, being a heavy substance, in order to be transported, stored and delivered, must be handled under heat, approximately 120 degrees–150 degrees F., at all times to permit mobility.

Residual fuel oil used on the East Coast is delivered by large ocean going tankers to deep water terminals located at various points on the East Coast. These tankers are specially designed to carry the residual fuel oil under heat and the average tanker load is about 10,000,000 gallons.

The deep water terminal must be equipped to receive these large ocean going tankers by having docking facilities of sufficient size to receive an 800-foot long tanker which draws approximately 40 feet of water. The terminal must have heated pipelines leading from the dock to the heated storage tanks and should be capable of receiving residual fuel oil at the rate of 200,000 gallons or more per hour.

Generally, in order to transport the residual fuel inland from the deep water terminal facilities, residual fuel is then barged or trucked to an inland terminal. These barges, which are likewise specially designed to carry residual fuel oil under heat, carry 500,000 to 1,000,000 gallons in a barge load.

The inland terminal, like the deep water terminal, must have heated pipes to discharge the product from the barge into storage tanks which likewise must be equipped with heating facilities to maintain the product at a constant temperature. The inland terminal, like the deep water terminal, must have heated pipes to discharge the product from the barge into storage tanks which likewise must be equipped with heating facilities to maintain the product at a constant temperature. The inland terminal must also be of sufficient size to store several days' supply and is ordinarily located centrally to a metropolitan area to ensure delivery to consumers at all times, particularly during adverse weather conditions in the winter months when the consumption is at the highest point, and to fully utilize transportation equipment and labor.

Delivery to the consumer is made in specially designed heavy duty tractor trailer units capable of carrying 4,000 to 6,000 gallons per load to a customer, compared to 1500–2500 gallon trucks used for delivery of No. 2 heating oil to private residences.

In order for the consumer to handle the residual fuel oil, he must have large storage tanks and specially designed and engineered boilers and burning equipment with complicated controls.

The contract heating year is generally considered to be July 1 to June 30, although some annual consumer purchase contracts are entered into as early as April and May 1 of each year.

The consumer purchase contracts for fuel oils are generally on an annual basis. Supply contracts between the distributor or marketer and the refinery are generally long term contracts usually negotiated to coincide with the heating year, and designate the type of products and quantities to be delivered by the refinery during the heating year, with heavy deliveries contemplated in the winter months.