

# Quarles Bolsters Virginia Supply 24/7, No Matter the Weather

**W**hen D.E. Quarles Sr. and his wife and son established Quarles Petroleum (Fredericksburg, Va.) in 1939, they likely had no idea that population growth would lead to the business the family owns today. Quarles has four primary businesses including its Quarles Energy Services unit, which operates a sizeable propane storage facility in Milford, Va. The storage was completed in the fall of 2005.

Quarles Energy owns and manages the facility, which features 12 90,000-gal. storage tanks, multiple off-loading towers, direct service via CSX rail, and extra track space for loaded cars, but NGL Supply Co. Ltd. (Calgary) handles marketing services. NGL Supply also is the exclusive supplier to the storage plant.

The facility can unload six railcars simultaneously in seven hours and 12 cars per switch. It has three bobtail loading positions, and there are two transport loading positions that are capable of loading two transports at 580 gpm. The loading facility is fully-automated and open 24/7.

“NGL Supply has been the exclusive wholesale representative for the Quarles facility over the last three winters,” said NGL Supply’s David Palmer, vice president of marketing. “Volumes have grown steadily and the customers and trucking firms have been very impressed with the 24/7 card access feature and the modern facilities that includes a driver area in the control room.”

Tom Gillespie, COO, transportation and purchasing with Quarles, told *BPN* that Quarles felt the need to support its propane customers so it went about developing the facility, which was built by Superior Energy Systems Ltd. (Columbia Station, Ohio).

“Unlike other fuel sources, propane has less infrastructure in the region and Quarles felt it needed the Milford storage for supply security,” Gillespie told *BPN*. Quarles hopes continued growth means that it will become a bigger consumer of product at the facility, he added.

“Foremost, we built the storage to provide secure supply for our customers. In previous years we had some difficulty maintaining assured supply

during tight times,” said Gillespie. “We rented back-up storage long distances from our operations, often at a high price. Having the rail facility and the storage volume provides us with a comfort level on the supply side. Additional throughput volume is helpful in covering some of the cost of our investment.”

NGL Supply’s Palmer said that over the last three seasons the company has had several opportunities to supply customers with gas from the storage facility when their supply alternatives were unavailable. Customers have even come in from North Carolina at times. Once loaded into a transport, the Milford storage’s convenient proximity to Interstate 95, the Virginia shore areas, and direct access to Route 301 into Maryland, places the terminal in an excellent location to service multiple markets.

“Rail continues to be one of the more expensive alternatives but customers are discovering that the Quarles facility makes a great addition to their supply portfolio in order to diversify their supply risk,” said Palmer.





Quarles sees its propane business having more growth potential than other fuels because new construction is seeing more homes being built to use propane than fueloil.

Although residential growth has slowed recently with the troubles in the housing sector, Gillespie told *BPN* he feels positive about the business. He added that there may be a year or two of weak or negative residential growth before the markets rebound, but the company will work through the down period and wait for the housing market to recover.

In addition to propane, Quarles Energy Service supplies homes and commercial customers with gasoline, fueloil, diesel, lubricants, and service. Quarles' other businesses include Quarles Food Stores group, which owns and operates a chain of convenience stores. The Quarles Fuel Network supplies commercial fuel users over 180 unattended fuel sites, and Quarles Dealer Group wholesales gasoline and diesel to retailers.

Quarles does not sell propane wholesale, although it may do so in the future. It has nine division offices, all in Virginia, but does serve some customers in West Virginia. In addition to the Milford storage, Quarles has 11 storage facilities—one each at seven of its nine offices and four unmanned storage facilities.

—Pete Ottman



On the facing page and above, Quarles Energy's Milford, Va., propane storage facility features 12 90,000-gal. storage tanks and can offload six railcars simultaneously. At right, D.E. Quarles Jr., circa 1940s, and D.E. Quarles Jr. (below) with his sons and grandsons.

