



# Midwest / Mountain Alternative Fuel Initiative



Presented by  
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This presentation does not contain any proprietary or confidential information.

- Purpose Of Project
- Project Milestones
- Barriers To Project Execution
- Plans
- Results
- Site Tour
- Key Graphs

## Our Initiative Is Designed To....

- Enhance The United States E85 Infrastructure
- Increase Awareness Of The Product And Its Origins
- Educate Consumers On Both The Direct And The Indirect Benefits Of Alternative Fuels
- Increase Demand For Alternative Fuels

# 2006 Milestones



## 2006 Project Kickoff

3 Locations

<u>Location</u>	<u>Class</u>	<u>Method</u>
Lamoni, IA	Interstate	Ground Up
Sioux Falls, SD	Urban	Ground Up
Adrian, MN	Interstate	Ground Up



# 2007 Milestones



## 2007 New Construction 5 Locations

<u>Location</u>	<u>Class</u>	<u>Method</u>
Sioux Falls, SD	Urban	Ground Up
Sioux Falls, SD	Urban	Ground Up
Sherburn, MN	Interstate	Ground Up
Mason City, IA	Urban	Ground Up
Wellington, CO	Interstate	Ground Up



# 2007 Milestones

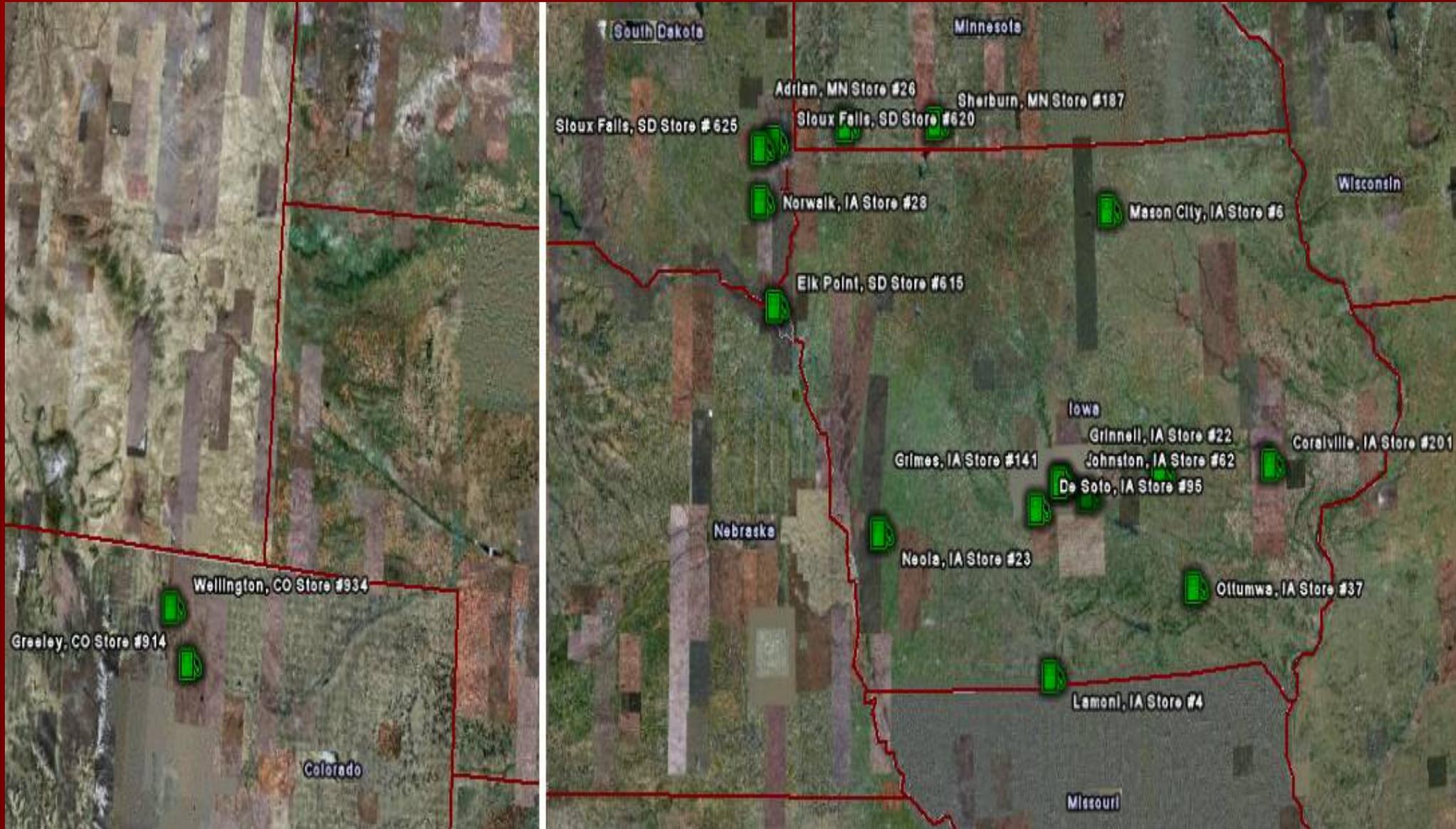


## 2007 Retrofits 9 Locations

<u>Location</u>	<u>Class</u>	<u>Method</u>
Coralville, IA	Interstate	Retrofit
Grinnell, IA	Interstate	Retrofit
Johnston, IA	Urban	Retrofit
De Soto, IA	Interstate	Retrofit
Neola, IA	Interstate	Retrofit
Pleasant Hill, IA	Interstate	Retrofit
Ottumwa, IA	Interstate	Retrofit
Norwalk, IA	Interstate	Retrofit
Grimes, IA	Interstate	Retrofit



# Current Locations



# Physical Barriers



## ■ Construction

Weather and labor availability always provide limitations as far as when and where building can occur

## ■ Capital

Our capital spend plan has a finite amount set per year for projects such as E85 Retros and New Builds

## ■ Site Constraints

Not all sites can accommodate an E85 Retrofit due to lot constraints

## ■ Product Availability

Ethanol needs to be in proximity to the terminal for economic feasibility

## ■ Equipment

Lack of an Underwriting Laboratories listing and premature wear on aftermarket secondary parts continue to provide challenges

## ■ Infancy Of Demand

E85 is just moving through the early adoption marketing stage in a number of states

## ■ Market Saturation

There is only room for so many retailers in many markets as the demand can only be divided so many times

## ■ Myths, Misconceptions, Misinformation

Rumors, "Expert Opinion", Fueling Mistakes

## ■ Education

A Flex-Fuel owner is still not a guaranteed E85 consumer

## ■ Public Sector Installations (Private Points of Fuel)

Stable customers such as universities and various levels of government would enhance customer basis, benefiting both them and the individual consumer

# Coming Soon



- 4 New Locations Under Construction Today
- 10 Additional New Builds Planned During 2008
- 4+ Retrofits At Existing Kum & Go Sites In 2008



## Currently...

- 18 Locations To Date
  - With 9 locations existing prior to the award
- The Project Locations Have Dispensed 404,872 E85 Gallons
- Number One E85 Retailer In Iowa
- Kum & Go Has E85 Available In 5 States And Will Be Adding Two More This Year
- Ranked In The Top 10 Nationally For Location Count

## Looking Forward...

- 40 + Total E85 Retail Locations
- Displacing 1,000,000+ Gallons In 2008
- Displacing 2,000,000+ Gallons In 2009

# Project Results



Our efforts in Renewable Fuels were picked up by 55+ publications in 2007 alone, including a Japanese News Station covering America's movement in Bio-Fuels.

The screenshot shows a YouTube video player interface. At the top left is the YouTube logo with the tagline "Broadcast Yourself™". Navigation tabs for "Home", "Videos", "Channels", and "Community" are visible. A search bar and an "Upload" button are also present. The video title is "Kum & Go E85 Promotion". The video player shows a red SUV parked in front of a Kum & Go gas station. Below the video player are social sharing options: "Share", "Favorite", "Add to Playlists", and "Flag". At the bottom, there is a "Rate" section with five stars.

printer friendly format email page

Issue Date: CSP Daily News, February 11, 2008

**Kum & Go Honored for E85 Efforts**  
Cobb Oil recognized for biodiesel

**DES MOINES, Iowa** -- Iowa Secretary of Agriculture Bill Northey has announced that Kum & Go of West Des Moines and Cobb Oil Co. of Brighton are the first two winners of Secretary's Ethanol & Biodiesel Marketing Awards.



- 15+ Planned Grand Openings
- The Second Annual E85 Day
- Onsite Customer Education Events
- Large Scale Events Such As The IRL Iowa Corn 250
- Fair, Festival And Special Event Presence
- Continuing Strong Relationships With...
  - American Lung Association, General Motors, Gubernatorial Offices, Various Agricultural Boards and Research Facilities

# Partners



## Clean Air Choice Team



# Project Progress Tour



## ■ Lamoni, IA

- Operating for 17 Months
- First Full Month 2,258
- Best Month 3,709
- Prior Year Growth 148%



## ■ Sioux Falls, SD

- Operating for 17 Months
- First Full Month 589
- Best Month 1,198
- Prior Year Growth 44%



# Project Progress Tour



## ■ Adrian, MN

- Operating for 15 Months
- First Full Month 310
- Best Month 1,936
- Prior Year Growth 353%



## ■ Grinnell, IA

- Operating for 9 Months
- First Full Month 2,678
- Best Month 4,889
- 3 Month Average 3,951



# Project Progress Tour



## ■ Sioux Falls, SD (2)

- Operating for 9 Months
- First Full Month 930
- Best Month 1,942
- 3 Month Avg 1,645



## ■ Coralville, IA

- Operating for 8 Months
- First Full Month 10,377
- Best Month 12,671
- 3 Month Avg 11,295



# Project Progress Tour



## ■ Johnston, IA

- Operating for 8 Months
- First Full Month 8,893
- Best Month 10,599
- 3 Month Avg 9,289



## ■ DeSoto, IA

- Operating for 8 Months
- First Full Month 4,647
- Best Month 4,968\*
- 3 Month Avg 4,437



# Project Progress Tour



## ■ Pleasant Hill, IA

- Operating for 7 Months
- First Full Month 8,536
- Best Month 8,536\*
- 3 Month Avg 7,837



## ■ Neola, IA

- Operating for 7 Months
- First Full Month 2,399
- Best Month 3,051\*
- 3 Month Avg 2,654



# Project Progress Tour



## ■ Mason City, IA

- Operating for 3 Months
- First Full Month 10,354



## ■ Ottumwa, IA

- Operating for 3 Months
- First Full Month 3,265



## ■ Sherburn, MN

- Operating for 2 Months
- First Full Month 1,440



# Project Progress Tour



## ■ Wellington, CO

- Operating for 2 Months
- First Full Month 3,208



## ■ Grimes, IA

- Operating for 2 Months
- First Full Month 3,217



## ■ Norwalk, IA

- Operating for 1 Month
- First Partial Month 3,741



# Project Progress Tour



## Just Opened

Greeley, CO



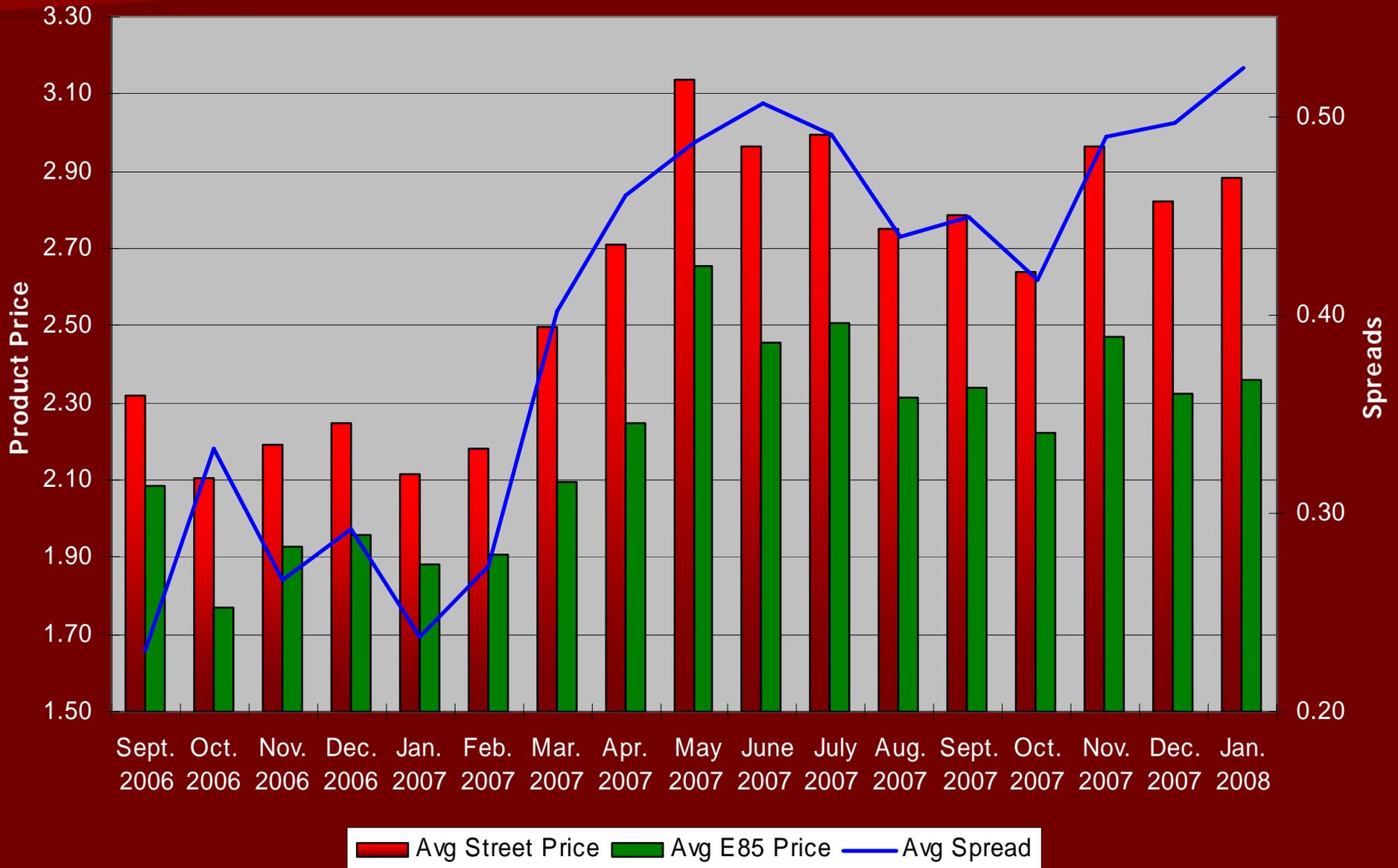
Elk Point, SD



# Product Prices vs. Spreads



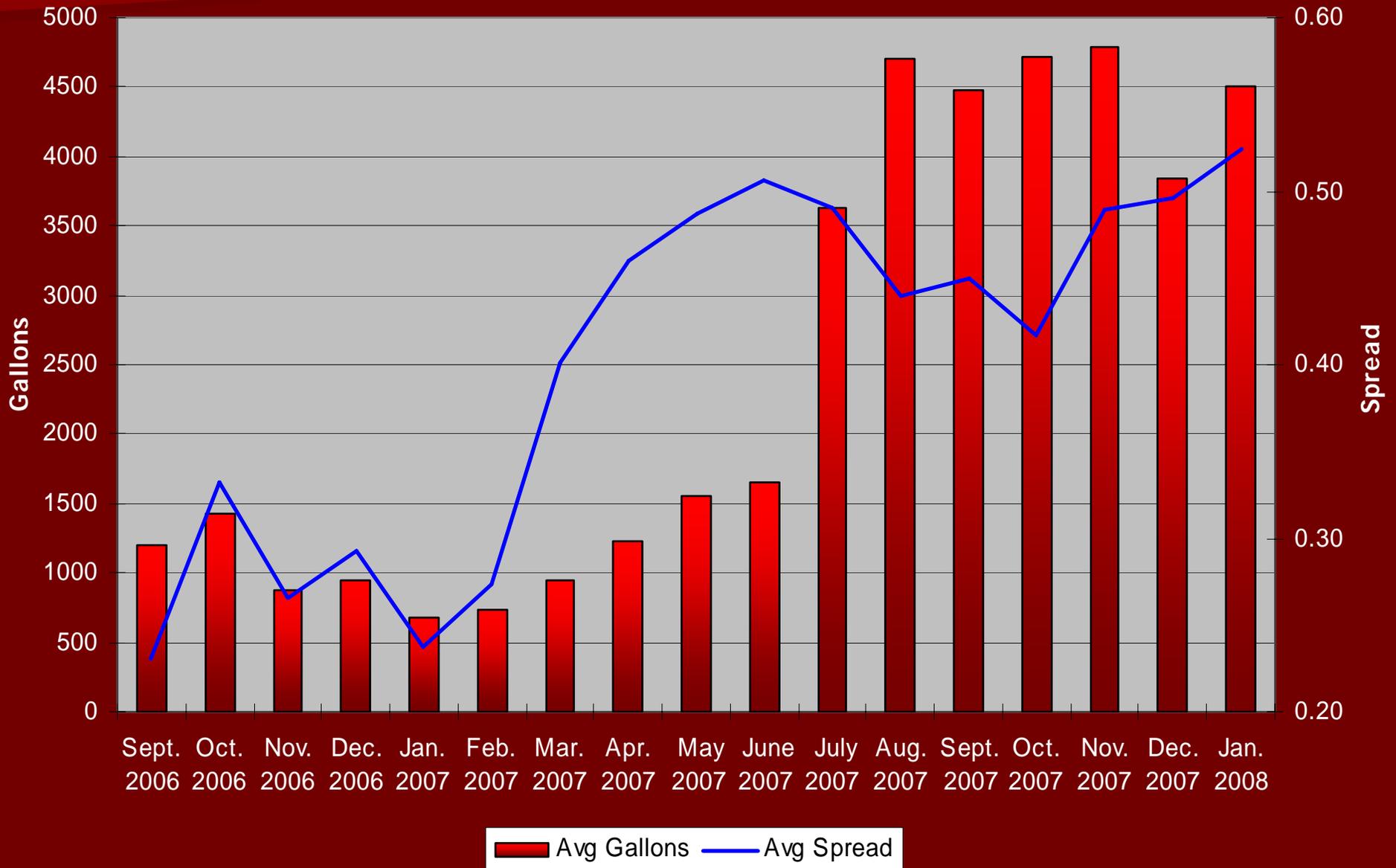
## Product Price and Spread



# Average Gallons vs. Spreads



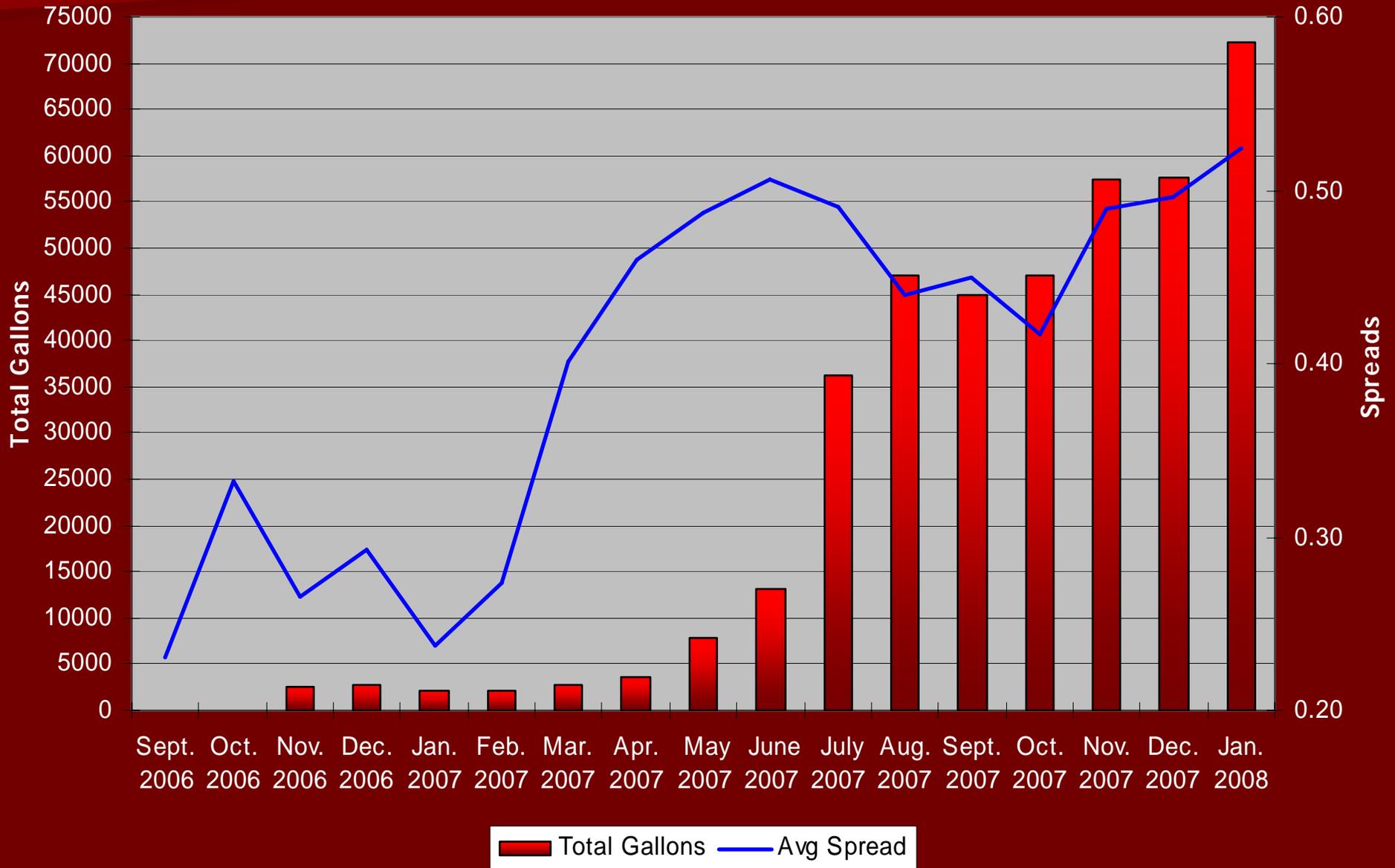
## E85 Gallons and Product Spreads



# Total Gallons vs. Spreads



## Total Gallons



# E85 Basics



**Miles Per  
Year**

<b>15000</b>	<b>E85</b>	<b>Standard</b>	<b>Standard (10% Ethanol)</b>	<b>Hybrid</b>	<b>Hybrid (10% Ethanol)</b>
<b>Gas %</b>	<b>15%</b>	<b>100%</b>	<b>90%</b>	<b>100%</b>	<b>90%</b>
<b>MPG</b>	<b>23</b>	<b>28</b>	<b>27</b>	<b>36</b>	<b>35</b>
<b>Gallons</b>	<b>652</b>	<b>536</b>	<b>556</b>	<b>417</b>	<b>429</b>
<b>Used</b>	<b>98</b>	<b>536</b>	<b>500</b>	<b>417</b>	<b>386</b>
<b>Displaced</b>	<b>554</b>	<b>0</b>	<b>56</b>	<b>0</b>	<b>43</b>

At 15,000 miles per year E85 vehicles are only using 98 crude based gallons of gasoline even with the 20-25% reduction in fuel economy.

# Project Contact Information



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