

Monarch Beverage Commits To CNG Kenworth T440s

Payback of Just Over Two Years Has Executives Smiling

INDIANAPOLIS, Ind. – As Fred Dufour looks out at Monarch Beverage’s fueling station, he knows that in only a couple of years, this will nearly be all gone.

“The need for diesel, that is,” Dufour said. “Every year, our fleet of trucks consumes nearly 1 million gallons of diesel, but in 2015, we’ll be using less than 100,000 gallons. To us, that’s a great thing because we’ll be doing our part in reducing our dependence on foreign oil, while reducing greenhouse gases by 1,500 tons per year.”



Monarch Beverage T440 CNG

With Monarch Beverage’s decision to convert its fuel source to compressed natural gas (CNG) for 85 percent of its fleet, the company expects to save 60 percent in its overall fuel costs each year.

“And, that translates to a two to three million dollar savings in fuel per year,” said Dufour, who serves as senior vice president for Monarch Beverage – Indiana’s largest beer and wine distributor. Monarch delivers 15.5 million cases of beer each year and another 1 million cases of wine. The company employs 650 people.

According to Dufour, the numbers pencil out for CNG. “Two years ago we purchased two Kenworth T440s with the Cummins Westport ISL G engine, and a pre-production Kenworth T660 with the new 12-liter Cummins ISX12 G engine,” he said. “No grant money was used, we paid the straight premium. We ran the trucks hard, on long-haul and regional routes, amassing more than 100,000 miles on each. Our fuel economy was 5.7 mpg (diesel gallon equivalent) compared to 6.2 with

our diesel fleet. Since the CNG cost was just 30 percent that of diesel, the money we saved on fuel was substantial. We figured the payback for the up-cost on CNG equipment to be 2.3 years.”

With that overwhelming data, Dufour moved forward with additional Kenworth T440s with CNG. “We have been running 27 of the T440s since June of 2012 and they’re doing great,” he said. “And, other than having spark ignition and spark plugs to deal with, and a different kind of engine oil, there really is no difference in maintenance practices. From a fuel tank standpoint, they just need to be monitored and maintained, but our technicians have been trained and certified for that duty.”

As for a maintenance advantage, Dufour said there is also less to worry about with CNG. “There are positive trade-offs. With CNG we don’t have to worry about DEF and particulate filters since CNG is so clean burning.”

When it comes to on-road performance, Dufour said he and his drivers have been very pleased. “The 325-horsepower, 8.9-liter ISL G engines handle our loads very well, which are under 65,000 pounds GVW. Our drivers have been very excited about the Kenworth T440s – they’re great trucks to drive. The new 400-horsepower, 12-liter ISX12 G engines on order for new Kenworth T800s will power our over-the-road fleet where we load out at 79,000 GVW.”



Monarch Beverage T660 CNG

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And Monarch Beverage is not done yet. “We’ve made a long-term commitment toward CNG,” said Dufour. “We have placed additional orders for Kenworth T440s, and by 2015, 90 of our 105 trucks will be CNG-powered. The diesel-powered trucks we don’t replace with CNG run too few miles to warrant a CNG engine.”

To support the CNG transformation, the company is building its own CNG fueling station with two islands in the Indianapolis area. Scheduled to open March 15, the ‘fast fill’ station will deliver more than 11 gallons a minute, as compared to 12- to 15 gallons a minute for diesel.

“Some people think fueling with CNG is an issue, but it’s really not,” said Dufour. “There is some training involved since CNG is a different fuel, but we really have no concern. We’ve had no problem fueling with the temporary station we have set up on our grounds. With the price of fuel and the cost of our \$2.3 million fuel station amortized over three years, our net cost per gallon is \$1.50. After that period, we’re just paying for the cost of fuel.”

Dufour said the company began considering all fuel savings measures three years ago. “We were reading reports that indicated that fuel prices could go up to the \$5 to \$7 mark by 2015 to 2018. So, we wanted to be ahead of the curve to see how we could curb fuel consumption, so we attended trade shows and green events. Originally, we were looking at aerodynamic devices and tires, but soon began looking at fuel. We visited Manhattan Beer Distributors – they were an early adopter of CNG and did conversion kits. CNG was working great for them and it gave us the confidence to move forward.”

The company then contacted Kenworth of Indianapolis and started looking at CNG trucks. “They really have CNG dialed in,” said Dufour. “I think about 90 percent of the CNG trucks running in Indiana are Kenworths and that’s because of the quality of the product and because of the dealer’s support and knowledge. They worked with us on training and have been absolutely a great partner.”

With diesel prices always in constant motion, Dufour said the certainty of CNG allows Monarch Beverage to plan accordingly. “With our fuel stations we’re able to lock in diesel prices for a one-year period. But, with CNG, we can lock in for three years,” he said. “That gives us great budget certainty. What’s more, the vast quantity of domestic natural gas is incredible. I have much more confidence in the price of natural gas staying low than I do diesel.”

Kenworth Truck Company is the manufacturer of The World’s Best[®] heavy and medium duty trucks. Kenworth’s Internet home page is at www.kenworth.com. Kenworth is a PACCAR company.