

## CASE STUDY

# Transloading Solves Remote Fuel Delivery Challenges

## Overview

A regional fuel supplier/distributor who focused mainly on the Pacific Northwest region secured a new contract to supply and deliver diesel products to a remote area of Nevada.

## Challenge

The customer's nearest supply point by truck was **6 hours away**, creating a 12-hour round trip haul. Additionally, wintertime truck transit in this remote area had high rate of service failures due to interstate closures through the snow blocked mountain passes. Service failures and facility runouts had significant dollar impacts, and the customer was contractually obligated to compensate their customer for production losses.

## Solution

KAG Logistics was able to design **a transloading solution** with a newly established rail site utilizing existing relationships, provide transloading equipment and services, and manage final mile deliveries. The timeline to construct and launch the solution and move the initial shipment was **less than 30 days** from contract execution.



## Results

- 1 Reliable Supply Delivery:** Eliminated weather-related service failures, enabling on-time fuel supply to the remote site year-round.
- 2 Financial Risk Eliminated:** Mitigated contractual penalties for production losses due to fuel run-outs.
- 3 Economic Efficiency:** Bulk rail delivery reduced over-the-road miles, transportation costs, and safety exposure.
- 4 Reduced Carbon Impact:** Rail-based logistics significantly lessened the environmental footprint compared to long-haul trucking
- 5 Fuel Arbitrage Opportunity:** The customer gained the ability to source fuel from markets across North America, including Canada, capturing rail fuel arbitrage advantages.
- 6 Rapid Implementation:** Full solution designed, built, and operational in under 30 days from contract execution.



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