



Rogers, Kelso Team Up for LubriCorp **By George Gill**

Distributors Rogers Petroleum Inc. and Kelso Oil Co. plan to join forces starting Dec. 1 to create one of the largest lubricant distributors in the southeastern United States, as the market continues a trend towards consolidation.

“Our industry has consolidated at the supplier level obviously, and now we’re seeing pretty substantial consolidation at the distributor level,” LubriCorp CEO Mike Foltz told Lube Report. “We felt that this would give us a better platform for growth as we look to acquire or find other suitable companies that we may be able to fold into this one.”

Foltz, who is also chief operating officer for Knoxville, Tenn.-based Kelso, said the two companies have complimentary strengths. “They were very strong in the industrial segment of the market, and we were very strong in the passenger car, consumer side of the market,” Foltz said. “We both had pretty good competencies in the heavy duty side of the market.”

The merged companies will focus 100 percent on lubes, Foltz emphasized. Kingston, Tenn.-based Rogers Petroleum will continue to operate separately from LubriCorp, distributing wholesale conventional fuel and biofuels, and operating convenience stores under the Zoomerz brand.

Lubricant brands Kelso handles include Shell, Pennzoil, Quaker State and Castrol. Rogers Petroleum distributes ExxonMobil, Shell, Citgo, Jax / Behnke and private label Performaxx products.

From its main locations in Knoxville and the Tri-Cities, Kelso services all of eastern Tennessee and sections of North Carolina, Virginia, West Virginia, Kentucky, Georgia and Alabama. Rogers Southeastern Lubricants, which is its lubricants operating company’s name, serves customers in Tennessee, Kentucky, Virginia, North Carolina, Georgia, Florida, Alabama, South Carolina and Texas.

According to the Oct. 8 merger announcement, the Gettelfinger family – which founded Kelso in 1948 as a home heating oil company – recently purchased a 110,000 square foot Lays’ warehouse facility in Karns that will serve as LubriCorp’s corporate headquarters. Kelso constructed a bulk farm there at the eight-acre site, which Foltz said has about five acres left for possible future expansion.

Rogers and Kelso facilities in the Tri-Cities area will merge into one LubriCorp operation. Rogers’ Kingston facility will transfer into the Karns, Tenn. location. LubriCorp will serve Chattanooga and North Georgia out of the Rogers plant in Cleveland, Tenn. “We’re also looking at adding a new warehouse in Johnson City,” Foltz added.

The companies together have 65 employees, according to Foltz, who said they are working out how many employees they will have after the merger is completed. “We have been focused on getting the deal consummated, so we’re just now in the process of working through those issues,” he explained.

Rogers became distributor of Exxon petroleum products for the Morristown/Hamblen County area in 1980 when Don and Penney Rogers acquired the business from Exxon U.S.A.

Rogers Lubricants grew in the 1980s and 1990s through acquisitions and additional supplier agreements. In 1998, Rogers purchased Southeastern Lubricants in Kingston, Tenn., retaining the name for its lubricants operating company. Acquisitions in 2004 and 2008 added distribution points in Johnson City and Cleveland, Tenn.