

March 2006

Synergy

SYSTEMS
and
PERFORMANCE
IMPROVEMENT
Department

Systems & Performance Improvement

New Improvement project at MMT

In November 2005, Magnolia Marine Transport (MMT) Company teamed with the Systems and Performance Improvement Department to begin working on a project to reduce diesel fuel consumption on barges heating asphalt. Barges moving asphalt must be heated to keep the asphalt in a liquid state in order to be pumped out upon delivery. Each of the heated barges has two 7,500 gallon tanks supplying diesel to the barge's generator



and oil heater. The oil heater circulates heated oil through coils in the barge to maintain the cargo to a desired temperature. MMT spent around \$18 million in 2005 on diesel fuel, of which approximately \$8 million was spent on fuel for barge generators and heaters.

This project is designed to be completed in five phases: Define, Measure, Analyze, Improve, and Control. In the Define phase, the project scope, response variable, and project goals are defined.

Within the Measure phase, the team establishes the baseline against which any improvements can be compared. In the Analyze phase, different tools, statistical and conventional, are used to aid in identifying root causes of the problem. During the Improvement phase, solutions for the targeted root cause are developed, implemented, and evaluated for effectiveness. The final phase is the Control phase. This phase is designed to make sure that the problem stays fixed, and that new methods can be further improved over time.

Our project is currently in the Measure phase. In the Define phase, the scope was focused on diesel fuel consumption for the double-hulled asphalt barges in MMT's fleet. The response variable was determined to



be the actual diesel usage and the overall goal is to reduce diesel consumption of these barges by 5%. Using available historical data on barge heater run times, we can establish a baseline against which we can measure our improvement efforts. We are very excited about this project and look forward to showing significant bottom line improvements and cost savings. When the project is complete, we'll report our results.

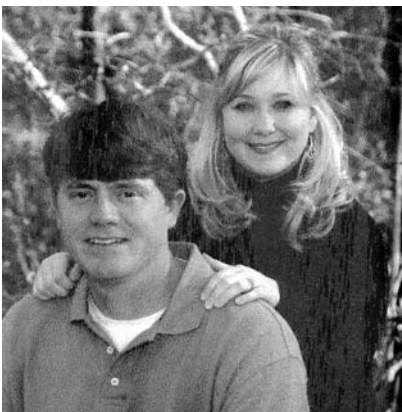
M/V Jennie Dehmer



We value your opinion!
Please communicate openly how...

- our people and programs are serving you
- and how our services can be improved!

Method of Feedback		Hours of Access	Responsible Person
1 E-mail:	Synergy.Focus@ergon.com	24 x 7 x 365	Kathryn Steen
2 Surveys:			
Publications, Marketing	http://www.ergon.com/surveys	24 x 7 x 365	Kathryn Steen
Customer Satisfaction	http://ergonweb/SPID/Feedback	24 x 7 x 365	Kathryn Steen
3 Site visits:			
	▪ Mirror Lake Plaza:	M - F 8am - 5pm	
	2829 Lakeland Drive	601-933-3021	
	Jackson, MS 39215		
	(Building A, 3rd Floor - Lakeside)		
	▪ Vicksburg Office:	M - F 8am - 5pm	
	2611 Haining Road	601-629-9595	
	Vicksburg MS 39181		
	(Adjacent to Magnolia Marine Co.)		
4 Staff Contact:	E-mail address:	Office:	Mobile:
Tom Isonhood	tom.isonhood@ergon.com	601-933-3127	601-209-1478
Kathryn Steen	kathryn.steen@ergon.com	601-933-3203	601-831-1073
David Wigginton	david.wigginton@ergon.com	601-933-3239	601-622-3343
Lori West	lori.west@ergon.com	601-619-2348	601-831-1071
Charlie Bennett	charlie.bennett@ergon.com	601-619-2350	601-831-3330
Ashley Bryant	ashley.bryant@ergon.com	601-619-2353	601-831-1069



Please join us in extending best wishes to Ashley Bryant upon her marriage to Michael Coomes on March 11, 2006. As you know, Ashley is the Systems Coordinator for our Systems & Performance Improvement team and manages the Document Control program for Ergon. She and Michael will continue to reside in Vicksburg, Mississippi. Congratulations, Ashley!



Systems & Performance Improvement Department
 P.O. Box 1639
 Jackson, MS 39215-1639

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